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KENNETH ANTHONY BUCHANAN, JR

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SOLANO

KENNETH ANTHONY BUCHANAN, JR.,
individually, and on behalf of all others similarly
situated,

Plaintiff,

vs.

VERTUS PROPERTIES, INC., a California
corporation; and DOES 1 through 10, inclusive,

Defendants.

Case No.: CU24-03325

*[Assigned for all purposes to the Hon. Wendy Getty,
Dept. 8]*

CLASS ACTION

**DECLARATION OF H. SCOTT LEVIANT
IN SUPPORT OF PLAINTIFF'S MOTION
FOR PRELIMINARY APPROVAL OF
CLASS AND REPRESENTATIVE ACTION
SETTLEMENT**

Date: October 8, 2025
Time: 8:30 a.m.
Courtroom: Dept. 8
Judge: Hon. Wendy Getty

Action Filed: May 1, 2024
Trial Date: Not Set

DECLARATION OF H. SCOTT LEVIANT

I, H. Scott Leviant, declare as follows:

1. I am admitted, in good standing, to practice as an attorney in the State of California, the United States Supreme Court, the Eighth Circuit Court of Appeals, the Ninth Circuit Court of Appeals, and the United States District Courts for the Central, Eastern, Northern and Southern Districts of California. I have never been subject to discipline by the State Bar of California. I am a fully qualified, adult resident of the State of California, and, if called as a witness herein, I would testify truthfully to the matters set forth herein. All of the matters set forth herein are within my personal knowledge, except those matters that are stated to be upon information and belief. As to such matters, I believe them to be true.

2. I am employed as a Senior Counsel at the law firm of Moon Law Group, PC (formerly Moon & Yang, APC). My business address is 725 S. Figueroa St., Suite 3100, Los Angeles, California 90017 and my business telephone number is (213) 232-3128. I am counsel for Plaintiff KENNETH ANTHONY BUCHANAN, JR. ("Plaintiff"), and I am proposed counsel for the Settlement Class.

3. This Declaration is submitted in support of Plaintiff's Notice of Motion and Motion for Preliminary Approval of Class and Representative Action Settlement.

BACKGROUND

4. Defendant is a property management company that engages in the management, marketing, leasing, rehabilitation, remodeling, and revitalization of multi-family properties in the greater Sacramento area. On May 1, 2024, this action was commenced with the filing of a Complaint alleging causes of action against Defendant for failure to pay minimum wages, failure to pay overtime compensation, failure to provide meal periods, failure to authorize and provide rest breaks, failure to timely pay final wages at termination, failure to indemnify for necessary business expenses, failure to provide accurate itemized wage statements, and unfair business practices.

5. Plaintiff sent a letter to the Labor and Workforce Development Agency ("LWDA"), pursuant to California Labor Code § 2699.3, providing notice of his intent to seek civil penalties under the Private Attorneys General Act, California Labor Code § 2698, *et seq.* The LWDA did not indicate that it intended to investigate the alleged violations referenced in the letter, and the 65-day time period permitted

1 for the LWDA to provide such a notification expired. (*Id.*) On October 8, 2024, Plaintiff filed a First
2 Amended Complaint alleging an additional cause of action against Defendant for civil penalties under the
3 Private Attorneys General Act (“PAGA”). (*Id.*) The First Amended Complaint is the operative complaint
4 in the Action (the “Operative Complaint”).

5 6. The Parties conducted informal discovery and investigation of the facts and law. Such
6 investigation included, *inter alia*, the exchange of extensive data and discoverable information in
7 preparation for the mediation session. The Parties have analyzed time clock, pay and other data pertaining
8 to Plaintiff and the Class during the settlement period, including but not limited to the numbers of former
9 and current members of the Class, average workweeks and pay periods, and the average rate of hourly pay.
10 Data was drawn from the entire Class. In addition, Defendant also provided other data pertaining to
11 Plaintiff and the Class during the relevant Class Period, including but not limited documents reflecting
12 wage and hour policies and practices during the Class Period.

13 7. After reviewing documents regarding Defendant’s wage and hour policies and practices
14 and other information obtained during the exchange of discovery, Class Counsel were able to evaluate the
15 probability of class certification, success on the merits, and the reasonably obtainable maximum monetary
16 exposure for all claims. Class Counsel reviewed these records and prepared a damage analysis prior to
17 mediation. Class Counsel also investigated the applicable law regarding the claims and defenses asserted
18 in the litigation.

19 8. On April 29, 2025, the Parties participated in a full day mediation presided over by the
20 Hon. Carl West (Ret.), which led to this Agreement to settle the Action. The Parties discussed at length
21 the burdens and risks of continuing with the litigation. At the mediation, the Parties agreed to settle the
22 Action and thereafter prepared and signed a settlement agreement (the “Agreement”).

23 9. Plaintiff and Class Counsel are aware of the burdens of proof necessary to establish liability
24 for the claims asserted in the Action, both generally and in response to Defendant’s defenses thereto.
25 Plaintiff and Class Counsel have also taken into account Defendant’s agreement to enter into a Settlement
26 that confers substantial relief upon the Class.

27 10. Based on the foregoing, Plaintiff and Class Counsel have determined that the Settlement
28 to be implemented by the Agreement is a fair, adequate, and reasonable settlement and is in the best

interests of the Class. Solely for the purpose of settling this case, the Parties agree that the requirements for establishing class action certification with respect to this class have been met and are met. If this Settlement is not approved by the Court for any reason, Defendant reserves its right to contest class certification. This Settlement, if approved, will result in the termination of the litigation through the entry of the Judgment and the release of all Released Claims for all Class Members who have not elected to exclude themselves from the Class.

SUMMARY OF THE SETTLEMENT TERMS

11. Key provisions of the proposed settlement include the following:

- (a) Defendant agrees not to oppose certification for purposes of settlement. (Agreement, ¶ 12.1.)
- (b) Class: All persons who worked for Defendant as hourly, non-exempt employees in the State of California during the Class Period (the period from May 1, 2020, to the date of preliminary approval of the Action). (Agreement, ¶¶ 1.1(at 1:17-18), 1.5, 1.8, 1.30.)¹
- (c) Settlement Amount: Defendant will pay a maximum of **\$605,000.00**, referred to as the Gross Settlement Amount (or GSA herein), resulting in an estimated average **gross** benefit per Class Member of about **\$2,381.89**. (Agreement, ¶¶ 1.17, 8; Leviant Decl., ¶ 17.)
- (d) Escalator Clause: If the number of actual Workweeks at the close of the Class Period is more than ten percent higher than the estimated Workweeks, Defendant may (a) increase the Gross Settlement Amount in the exact proportionate amount as to any additional work weeks above ten percent or (b) end the Class Period on the date that the total Workweeks equals 33,354. This election must be made prior to the Preliminary Approval Hearing. (Agreement, ¶ 8.)

¹ After the Agreement was finalized and signed, a numbering error in the Paragraphs of Section 1 of the Agreement was discovered. After Paragraph 1.4, the numbering restarts at 1.1, which results in two of each Paragraph number from 1.1 to 1.4. For clarity, page and line numbers will be specified when citing to the Paragraphs with duplicate numbers.

- (e) Funding of Gross Settlement Amount: Defendant shall fund the GSA, and also fund the amounts necessary to fully pay Defendant's share of payroll taxes in two installment payments. The first installment shall be due no later than April 29, 2026, or 60 calendar days after the Effective Date, whichever is later, and (2) the second installment shall be due no later than six (6) months following the first installment funding date. (Agreement, ¶ 4.1.)
- (f) Class Size: An estimated **254** individuals worked about **32,263** workweeks through the Class Period. (Agreement, ¶ 8.)
- (g) PAGA Group Size: An estimated **180** aggrieved employees who worked about **6,582** pay periods through the PAGA Period. (Agreement, ¶ 8.)
- (h) PAGA Period: April 28, 2023 to the date of preliminary approval of the Settlement. (Agreement, ¶ 1.26.)
- (i) Kullar/Munoz Analysis: Plaintiff addresses the claims analysis in the Motion, at Part V.B.3, and below, at Paragraph 18.
- (j) No Reversion: The Settlement is a ***non-reversionary*** settlement. (Agreement, ¶ 3.1.)
- (k) Certification: Plaintiff addresses certification requisites in the Motion, at Part V.A., and below, at Paragraphs 34-40;
- (l) No Claim Form: No claim form is required. (Agreement, ¶ 3.1.)
- (m) Class Release: All Participating Class Members release all claims that were alleged or reasonably could have been alleged based on the facts and legal theories contained in the Operative Complaint in the Action. (Agreement, ¶ 5.2.)
- (n) PAGA Release: The State of California, and anyone purporting to act on its behalf, including Plaintiff, release the Released Parties from all claims for civil penalties under PAGA, based on the facts and Labor Code sections that were alleged or reasonably could have been alleged in Plaintiff's PAGA Notice of violations and the Operative Complaint. (Agreement, ¶ 5.3.)
- (o) Net Settlement Amount: The Gross Settlement Amount, less the following

1 payments in the amounts approved by the Court: Individual PAGA Payments to
2 Aggrieved Employees, the LWDA PAGA Payment, Class Representative Service
3 Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses
4 Payment, and the Administration Expenses Payment. The remainder is to be paid
5 to Participating Class Members as Individual Class Payments. (Agreement, ¶
6 1.23.) The Net Settlement Amount is estimated to be at least **\$330,833.33**,
7 resulting in an average **net** payment per Class Member of at least **\$1,302.49**, before
8 any tax withholdings. (Leviant Decl., ¶ 17.)

9 (p) Tax Allocation: 15 percent of each Participating Class Member's Individual Class
10 Payment will be allocated to settlement of wage claims and reported on an IRS W-
11 2 Form. 85 percent of each Participating Class Member's Individual Class
12 Payment will be allocated to settlement of claims for interest and penalties and
13 reported on IRS 1099 Forms. (Agreement, ¶ 3.2.4.1.) The PAGA Settlement
14 payments to Aggrieved Employees will be allocated as 100% penalties.
15 (Agreement, ¶ 3.2.5.2.)

16 (q) Employer's Portion of Payroll Taxes Paid Separately: Defendant's portion of
17 payroll taxes (e.g., FICA, FUTA, etc.) owed on any settlement payments to Class
18 Members that constitute wages will be paid separate and apart from the GSA.
19 (Agreement, ¶ 3.1.)

20 (r) Settlement Administrator: The notice portion of the Settlement will be
21 administered by a third-party Administrator, Phoenix Settlement Administrators
22 ("Phoenix"), with the costs of administration not to exceed \$10,000.00, except for
23 a showing of good cause as approved by the Court. (Agreement, ¶ 3.2.3.)
24 Phoenix's estimate for settlement administration services, in the amount of
25 **\$8,250.00**, was selected as the most reasonable bid for all required services, with
26 all due regard for the administrator's reputation and known quality of work from a
27 competitive bidding process. (Declaration of Jodey Lawrence, ["Lawrence
28 Decl."], ¶ 16.)

- (s) Class Data for Administration: The Settlement Administrator will receive the Class Data not later than fifteen (15) calendar days after the Court grants Preliminary Approval, use the National Change of Address (“NCOA”) database to update the Class Data, and then use skip tracing on returned Notices. (Agreement, ¶¶ 1.6; 4.2; 7.5.3.)
- (t) Notice: The Notice will issue within fourteen (14) calendar days of receipt of the Class Data. (Agreement, ¶ 7.5.2.) The Notice describes how to dispute workweeks, submit an objection in writing, in person, or through an attorney, or request exclusion. (Agreement, ¶¶ 7.5 – 7.8.)
- (u) Notice Language: Notice will issue in English *and* Spanish, as needed. (Agreement, ¶¶ 1.7.)
- (v) Objections: Objections can be timely submitted to the Administrator by fax, email, or mail. Alternatively, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present objections at the Final Approval Hearing. (Agreement, ¶ 7.8.2.)
- (w) Exclusion Requests: Signed, written requests for exclusion can be timely submitted to the Administrator by fax, email, or mail. (Agreement, ¶ 7.6.1.)
- (x) PAGA Allocation: From the GSA, **\$30,000.00** will be allocated to settle claims brought pursuant to the California Private Attorneys General Act, Labor Code § 2699 *et seq.* (“PAGA”), allocated as seventy-five percent (75%), or at least **\$22,500.00**, to the California Labor & Workforce Development Agency, and twenty-five percent (25%), or at least **\$7,500.00** to Aggrieved Employees. (Agreement, ¶¶ 1.29; 3.2.5.)
- (y) Notice to LWDA: Notice was provided prior to the filing of this Motion. Evidence is attached to the Leviant Declaration as Exhibit 2.
- (z) Enhancement/Service Award to Plaintiffs: Defendant will not oppose application for a Class Representative Service Payment up to **\$7,500.00**, paid from the GSA. (Agreement, ¶ 3.2.1.)

- (aa) Fees and Costs: Defendant will not oppose Class Counsel’s application for fees of not more than one-third of the GSA, which is currently estimated to be **\$201,666.67** subject to the escalator clause, and actual costs in an amount not to exceed **\$25,000.00**, to be paid out of the GSA. (Agreement, ¶ 3.2.2.)
- (bb) Check Void Period: Settlement checks will be valid for 180 days. (Agreement, ¶ 4.2.1.)
- (cc) Uncashed Checks: For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit those funds to the California Controller’s Unclaimed Property Fund in the name of the Class Member, leaving no “unpaid residue” subject to the requirements of California Code of Civil Procedure § 384(b). (Agreement, ¶ 4.2.3.)
- (dd) Judgment Notice: Judgment will be posted on the Administrator’s website after entry. (Agreement, ¶ 7.9.1.)
- (ee) Confidentiality Provisions: The Agreement permits Class Counsel to discuss the Settlement with Class Members. (Agreement ¶ 12.2.)

12. A true and correct copy of the CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE is attached hereto as Exhibit “1.”

THE SETTLEMENT IS FAIR, JUST AND REASONABLE

13. Plaintiff and counsel have diligently investigated the claims of the Class Members. Plaintiff and Class Counsel concluded, after taking into account the disputed factual and legal issues involved in this Action, the substantial risks attending further prosecution, including risks related to the outcome of certification and possible summary judgment efforts, and the substantial benefits to be received pursuant to the compromise and settlement of the Action as set forth in the Settlement, that settlement on the terms agreed to are in the best interest of Plaintiff and the putative Class and are fair and reasonable. Plaintiff’s counsel brought to bear a great deal of experience with class actions in negotiating the settlement of this case.

1 14. One fundamental purpose of the class action device is to promote efficiency. Resolution
2 at this time will forestall the need for additional expensive and time-consuming litigation that could very
3 well result in an outcome less satisfactory than that proposed under this settlement. But, before any other
4 consideration, we have agreed to this settlement because it is objectively reasonable. The potential for
5 resolution benefits the class members, since they do not have to wait additional years for a similar
6 recovery. The efficiency of this litigation benefits the Court, the Parties and their counsel. A class-wide
7 resolution is the most realistic method for addressing the claims raised in this matter.

8 15. We have engaged in the necessary investigation in this case that made it possible for us
9 to exercise informed judgment in those aspects of the settlement process in which we were involved. The
10 exchange of time and wage data, wage and hour policy documents, and data about the composition of
11 the Class, were sufficient to permit us counsel to adequately evaluate the settlement. We had more than
12 enough information upon which to evaluate a fair and reasonable settlement amount.

13 16. In addition to disputing the merits of Plaintiff's claims at trial, Defendant intended to
14 aggressively challenge the case at the certification stage. Defendant contends that Plaintiff could not
15 prevail on a certification motion. We believe that the case was viable through trial. However, while
16 Plaintiff asserts a belief that this is a viable case for trial, we realize that there are always very significant
17 risks associated with certification and trials, and those risks cannot be eliminated in this case. Continued
18 litigation of this lawsuit presented Plaintiff and Defendant with substantial legal risks and costs that were
19 (and continue to be) difficult to assess:

- 20 • the risk that Plaintiff would be unable to establish liability for allegedly unpaid minimum or
21 overtime wages, *see Duran v. US Bank Nat'l Ass'n*, 59 Cal. 4th 1, 39 & fn. 33 (2014)
22 ("*Duran*"), *citing Dilts v. Penske Logistics, LLC* 2014 WL 205039 (S.D. Cal. 2014)
23 (dismissing certified off-the-clock claims based on proof at trial);
- 24 • the risk that Defendant's challenged employment policies might not ultimately support class
25 certification or a class-wide liability finding, *see, Duran*, 59 Cal. 4th at 14 & fn. 28 (citing
26 Court of Appeal decisions favorable on class certification issue without expressing opinion
27 as to ultimate viability of proposition);
28

- the risk that uncertainties pertaining to the legality of Defendant’s policies and practices could preclude class-wide awards of penalties under Labor Code §§ 203 and 226(e);
- the risk that individual differences between Class Members could be construed as pertaining to liability, and not solely to damages, *see, Duran*, 59 Cal. 4th at 19;
- the risk that any civil penalties award under the PAGA could be reduced by the Court in its discretion, *see* Labor Code § 2699(e)(1);
- the risk that lengthy appellate litigation could ensue; and,
- the risk violation rate estimates could prove lower than expected.

These risks are non-exhaustive. While we remain confident that we possess credible strategies for responding to the legal and factual risks facing them, those risks cannot be disregarded. We carefully considered the risks created by all of these uncontrollable factors when evaluating the reasonableness of this proposed settlement. This proposed Settlement provides a benefit to the Class Members that is very reasonable in light of these particular risks.

17. In light of the uncertainties of protracted litigation, the settlement amount reflects a fair and reasonable recovery for the Class Members. The settlement amount is, of course, a compromise figure. By necessity it took into account risks related to liability, damages, and the defenses asserted by Defendant. Moreover, each Class Member will be given the opportunity to opt-out of the Settlement, allowing those who feel they have claims that are greater than the benefits they can receive under this Settlement to pursue their own claims. For the approximately **254** members of the Class, the average **gross** benefit is **\$2,381.89** per class member, and the estimated average **net** recovery for each Class Member would be approximately **\$1,302.49**. Given that Defendant could potentially defeat certification, this is a significant sum to have achieved in settlement. Moreover, a Class Member who worked a greater number of weeks for Defendant will receive a larger share of the Settlement than a Class Member who worked for a shorter amount of time during the class period.

18. After analyzing the claims in this matter, Plaintiff has concluded that the value of this Settlement is fair, adequate, and reasonable. The Gross Settlement Amount of **\$605,000.00** is about 97% of the **\$626,809.67** estimate of *risk-adjusted* recovery (excluding interest) at this stage in the litigation. This assessment is based on a carefully constructed model of the current fair value of the case, using

estimated risks, average wage rates, numbers of employees, and the amount of time covered by the class period, resulting in the following exposure projections:

- A reasonably estimated exposure for unpaid off-the-clock wages was calculated, with the assistance of an expert, to be approximately **\$207,432.50**, based on an estimate of five (5) minutes of off-the-clock work for all shifts for every Class Member. However, with the high-risk factor discounts for certification and liability proof, the value of that claim is estimated by Plaintiff's counsel to be approximately **\$24,891.90**, assuming certification probability of 40% and merits success at 30%. The off-the-clock time resulted from allegations that calls during "standby" time were compensable. Here, a \$24,891.90 exposure has a value of about 12% of its maximum, given a likelihood of success on both certification and the merits, which is an approximation of the chain probability of certification multiplied by merits chances: $0.4 \times 0.3 = 0.12$. This theory of recovery has a high degree of risk because it depends on Class Member estimates of the frequency and duration and is testimony dependent.
- Exposure for unpaid off-the-clock wages was determined to be of no recoverable value, since the additional compensation was in the form of discretionary holiday bonuses.
- A reasonably calculated exposure for meal break violations over the class period was calculated at **\$352,739.00**, with chances of certification and liability risks (40% and 40%, respectively), resulting in a risk-adjusted exposure of **\$56,438.24**. This exposure is based upon a 25% violation rate. Employee choice is a serious issue in the context of a meal period claim. So long as an employee has the opportunity to take a lawful meal period, an employee can choose to take it late, cut it short, or skip it. In addition, facility maintenance or management employees operated with little supervision.
- A reasonably estimated exposure for rest break violations over the class period was calculated at **\$705,478.00**, but with chances of certification and proof of liability (20% and 20%, respectively), resulting in a risk-adjusted exposure of **\$28,219.12**. This claim is based entirely on class member testimonials that rest breaks were sometimes missed due to work demands. Plaintiff estimated the exposure assuming 100% of the Class missed one rest break per pay period, while understanding that this theory carries the potential for high risk given that employees were often allowed to determine when to take rest breaks and worked in small teams at job sites. In addition, facility maintenance or management employees operated with little supervision.
- A reasonably calculated exposure for unreimbursed expenses was estimated to be **\$157,360.00**, but with chances of certification and proof of liability (50% and 50%, respectively), resulting in a risk-adjusted exposure of **\$48,273.75**. The allegation is that employees paid for tools and supplies without reimbursement, and \$20.00 was assumed as the monthly expense. It is likely, however, that this severely overstates the prevalence of this issue, and the actual exposure is likely much lower.
- The risk-adjusted penalty recovery for wage statement penalties were estimated to be approximately **\$72,787.50**, on a maximum exposure of **\$323,500.00** (with certification and merits success chances of 75% and 30%, respectively, based on all theories of unpaid wages, adjusted for the additional risk of needing to prove other elements in addition to the underlying wage claim). The value of this claim was just dealt a severe blow by the recent California Supreme Court decision of *Naranjo v. Spectrum Security Services, Inc.* (May 6, 2024), which significantly strengthened the good faith defense to Section 226 penalties.
- The risk-adjusted penalty recovery for Labor Code § 203 penalties was estimated to be approximately **\$67,807.91**, on a maximum exposure of **\$301,368.50** (with certification and

merits success chances of 75% and 30%, respectively, based on all theories of unpaid wages, adjusted for the additional risk of needing to prove other elements in addition to the underlying wage claim). The need to show a knowing and intentional violation constitutes an additional risk factor.

- Performing risk-adjusted valuations for all claims yields a total value in the range of **\$289,484.67**, excluding PAGA.²
- For the PAGA Period, the number of PAGA Pay Periods at issue is estimated to be **6,582** for the approximately **180** Aggrieved Employees. Using the most straightforward formulation of applying the “catch-all” \$100 penalty specified in Labor Code § 2699(f)(2) to each PAGA Pay Period, the total penalty exposure is approximately **\$658,200.00**. In addition, with assistance from Plaintiff’s data consultant, and after a thorough review of evidence casting serious doubt on the viability of many of the theories of penalty recover, counsel separately estimated the plausible potential PAGA exposure to be, on a penalty-by-penalty basis, to be approximately Plausible PAGA penalties exposure was calculated to be **\$3,373,250.00** (but with significant stacking of penalties that would probably be disallowed by the Court). Assuming issues with proof and cooperation of aggrieved employees, along with the Court’s power to reduce penalties, the realistic exposure was calculated to be **\$337,325.00**.

19. This result here is fully supportable as reasonable. First, it is important to recognize the wilfulness finding required for Labor Code §§ 203 and 226 is challenging to establish. Second, rest break and meal period claims have been challenging to certify for many years, even after *Brinker*. Arbitration agreements present a very high risk to all class claims. The Judicial Council’s Class Certification in California: SECOND INTERIM REPORT FROM THE STUDY OF CALIFORNIA CLASS ACTION LITIGATION - FEBRUARY 2010 (“Second Interim Report”), at page 5, states that “less than a quarter of disposed cases in the study sample were certified, either through a litigated motion for certification or as part of a classwide settlement agreement.” See, Second Interim Report, at 5 (emphasis added).³ That “*or*” is significant. The certification rates identified in the study of less than 25% includes **both** contested certifications and settlement certifications, which are the majority of certifications. In other words, one must assume in any wage and hour class action prior to certification that a contested certification motion

² It is difficult to assign specific percentages to future events, but it does provide a method for attempting to reduce the concept of “very high risk” or “high risk” to a quantifiable amount. Certification of a claim is typically a binary event. One does not obtain a 20% certification; a claim is either certified or it is not. But the current expected value is best quantified by applying a risk reduction, based on the total experience of counsel. The numbers explain with math what can also be described conceptually in words.

³ The report is available at <https://www.courts.ca.gov/documents/classaction-certification.pdf> (last viewed March 12, 2024).

1 will have a success rate of well under 25%, and probably closer to 10% as a starting point for risk
2 evaluation. The facts of each case have significant bearing on these percentages. But it cannot be disputed
3 that certification is an exceptionally difficult procedural hurdle to successfully overcome. Thus, it is not
4 unreasonable to start from the proposition that a pre-certification settlement that is 10% to 15% of the
5 maximum plausible exposure is a valid starting point for valuation. If roughly 10% of class actions are
6 certified on a contested basis, then, on average, 90% of the time a class will not be certified and the result
7 for the class is *zero* dollars. Here, the estimated certification probabilities are *above* the average rate at
8 which cases were certified in California over the study years, based upon data available through the
9 California Courts websites. Since well *under* 20% of all cases filed as proposed class actions are ultimately
10 certified by way of a *contested* motion, the recovery falls within the expected outcome under the likelihood
11 of success metric. It would also be appropriate to evaluate the result by examining only the premium
12 wages at issue (approximately \$1,265,649.50, *with no risk reduction*), excluding penalties and interest.⁴
13 This Settlement achieves the goals of the litigation.

14 20. To the best of my knowledge there are no other like claims asserted or filed by Class
15 Members. To the best of my knowledge, no Class Member has refrained from bringing an action with
16 claims similar to those raised in the Action, whether in reliance on the Action or otherwise, and who thus
17 might be prejudiced by dismissal of the Action.

18 19 THE EXPERIENCE OF CLASS COUNSEL

20 21. Moon Law Group, PC (former named Moon & Yang, APC), has been engaged in the
21 practice of employment and labor law for almost a decade and presently focuses exclusively on plaintiffs'
22 employment law. The firm and its lawyers have handled many hundreds of wage-related class actions
23

24
25 ⁴ The exclusion of interest and penalties from the fairness evaluation is proper because, first, PAGA
26 penalties are discretionary (*see* Lab. Code § 2699(e)(2) (the court in its discretion “may award a lesser
27 amount than the maximum civil penalty amount specified by this part...”), and, second, courts evaluate
28 the strength of a proposed settlement without taking potential penalties or interest into consideration. *See*
Rodriguez v. West Publishing Corp., 563 F.3d 948, 955 (9th Cir. 2000); *see also* *Miller v. CEVA Logistics*
U.S.A., Inc., 2015 WL 729638, at *7 (E.D. Cal. Feb. 19, 2015) (court utilized calculation of a defendant’s
exposure exclusive of interest and penalties to determine whether the settlement fell within the range of
possible approval).

1 between them. The firm and its lawyers have successfully settled more than 500 class action matters
2 during that time span. The firm and its lawyers have also tried both bench and jury trials (representing
3 both plaintiffs and defendants) relating to employment matters. Moon Law Group, PC, is routinely
4 appointed lead or co-lead class counsel (or counsel for representative plaintiffs in FLSA representative
5 actions) in federal and state courts in California and elsewhere, by way of motion for class certification
6 or motion for settlement approval. I personally participated in the litigation of more than 600 class actions
7 since 1999, and more than 90 percent of those cases were wage and hour matters. While I have not
8 maintained a comprehensive list, I have been appointed as lead or co-lead counsel in many hundreds of
9 class actions.

10 22. Kane Moon received a B.A. in History in 1998 from UCLA. He received his J.D. from
11 Loyola Marymount Law School in 2006. He became an Active Member of the State Bar of California
12 in June 2007 and has been an Active Member in good standing continuously since then. He has been
13 selected to Super Lawyers for 2020-2024.

14 23. Mr. Moon co-founded Moon & Yang, APC, now Moon Law Group, PC, in March 2010.
15 Since that time, Mr. Moon built his practice to have an emphasis on employment and related civil
16 litigation cases. In fact, the practice is focused almost exclusively on advocating for the rights of
17 employees in wage-and-hour litigation through class and representative actions. Moon Law Group, PC
18 is presently class counsel for many dozens of other putative wage-and-hour class and representative
19 action lawsuits pending in various state and federal jurisdictions throughout California. Moon Law
20 Group, PC has also successfully settled hundreds of wage-and-hour cases; tried both bench and jury
21 trials in employment-related matters, representing both plaintiffs and defendants; and been appointed
22 lead or co-lead class counsel in numerous federal and state courts in California. The following is a list
23 of some of the firm's class action settlements that have received preliminary and final approval: *Mark*
24 *Brulee, et al. v. DAL Global Services, LLC* (C.D. Cal. Dec. 20, 2018) No. CV 17-6433 JVS(JCGx),
25 2018 WL 6616659 (class size approx. 2,650; lead counsel); *Sison v. Cha Hollywood Medical Center,*
26 *L.P.*, LASC BC6441 29 (class size approx. 2,100; co-counsel); *Jones v. Fitness Alliance, LLC*,
27 Riverside Superior Court PSC1404079 (class size approx. 1,000; lead counsel); *Gomez v. H Mart*
28 *Companies, Inc.*, LASC BC671525 (class size approx. 2,500; co-counsel); *Montoya v. Golden 1 Credit*

1 *Union*, Sacramento Superior Court 34-2018-00228252 (class size approx. 1,900; lead
2 counsel); *Campa v. Bloomingdeals, Inc.*, LASC BC700366 (class size approx. 1,500; lead counsel);
3 *Black v. Mission Healthcare Services, Inc.*, LASC 19STCV04602 (class size approx. 1,000; lead
4 counsel); *Onofre v. Caitac Garment Processing, Inc.*, LASC BC702283 (class size approx. 750; lead
5 counsel); *Martinez v. Bail Hotline Bail Bonds, Inc.*, LASC BC700131 (class size approx. 173; lead
6 counsel); *Jones v. Citiguard, Inc.*, LASC BC664890 (class size approx. 587; lead counsel); *Slaughter*
7 *v. ACA Security Stems, LP*, LASC BC699137 (class size approx. 300; lead counsel); *Taylor v.*
8 *Sherman's Delicatessen & Bakery, LLC*, LASC BC722765 (class size approx. 515; lead counsel);
9 *Vertti v. Bagcraft Papercon III, LLC*, LASC 19STCV12729 (class size approx. 260; lead counsel);
10 *Rodriguez v. Rossmoyne, Inc.*, LASC BC699137 (class size approx. 220; lead counsel); *Vargas v. AMS*
11 *Paving, Inc.*, LASC BC722767 (case size approx. 260; lead counsel); *Garcia v. Comfy U.S.A. Apparel,*
12 *Inc.*, LASC BC709630 (class size approx. 210; lead counsel); *Lagos v. ThyssenKrupp Elevator*
13 *Corporation*, LASC BC682972 (\$750,000 for 79 Class Members; lead counsel); *Aparicio v. Lineage*
14 *Logistics, LLC*, LASC BC722764 (class size approx. 155; lead counsel). Mr. Moon's experience is and
15 has been invaluable in assessing the reasonableness of settlements such as the one at issue here.

16 24. I received my undergraduate degree from Occidental College. Graduating cum laude, I
17 majored in economics and received a "minor" emphasis in mathematics. Along with my study of
18 economics and mathematics, I also had an emphasis in physics. This combination of scientific and
19 economic education has been of assistance during my litigation of complex civil actions. I received my
20 Juris Doctor degree from the University of Southern California Law Center.

21 25. My experience relevant to class action litigation includes the following:

22 (a) I have been involved in the litigation of class actions since 1997, working as a
23 law clerk on a number of class action matters. Since 1999, I have participated as
24 an attorney in the litigation of hundreds of class actions, in California Superior
25 Courts and in federal courts in California, Illinois, and Louisiana. I emphasized
26 litigation of wage and hour class actions beginning in 2005, but I have focused
27 on complex litigation of different types at all times since 1999.
28

- (b) Dating back to 1999, some of the earliest cases in which I contributed to my then-firm's efforts as co-lead/liaison counsel include:
- 1) *In re Paradise Memorial Park Litigation*, Los Angeles Superior Court Lead Case No. BC130375; and,
 - 2) *In re Lincoln Memorial Park Litigation*, Los Angeles Superior Court Lead Case No. BC133643.
- (c) I have litigated contested class certification motions multiple times, prevailing on many. Examples include the following:
- 1) In 2025, I certified multiple wage and hour claims against Sun Valley Group, in the matter of *Duran v. Sun Valley Group*.
 - 2) In 2023, I certified a rest break claim against SMS Transportation, in the matter of *Beard v. SMS Transportation*. Rest break claims are notably difficult to certify.
 - 3) In 2023, I certified a regular rate claim against Downtown Women's Center, in the matter of *Evans v. Downtown Women's Center*.
 - 4) In 2018, I certified wage and hour claims against Home Depot, in the matter of *Utne v. Home Depot*, in the United States District Court, Northern District of California. The contested certification resulted in a certified class of roughly 140,000 individuals.
 - 5) In 2019, I certified a Fair Credit Reporting Act claim related to employment background checks against Wal-Mart Stores, Inc., in the matter of *Pitre v. Wal-Mart Stores, Inc.*, in the United States District Court, Central District of California. The contested certification resulted in a certified class of over 5,000,000 individuals.
 - 6) In 2018, I fully briefed a contested class certification motion in the matter of *Harellson v. U.S. Aviation*, in the United States District Court, Northern District of California. After certification was fully briefed, the matter successfully settled.

- 1 7) In 2013, I certified an investment fraud suit, in the matter of *Larsen v.*
2 *Coldwell Banker*, in the United States District Court, Central District of
3 California.
- 4 8) In 2012, I fully briefed a contested class certification motion, in the wage
5 and hour matter of *Gillings v. Time Warner*, in the United States District
6 Court, Central District of California. In that matter, summary judgment
7 was granted against my clients and the certification motion was deemed
8 moot. I appealed to the Ninth Circuit and obtained a reversal of the
9 District Court's decision. Upon remand, the matter settled.
- 10 9) In approximately 2011, I fully briefed a contested class certification
11 motion, in the wage and hour matter of *Gomez v. Lincare, Inc.*, in the
12 Superior Court of California, County of Orange. Certification was
13 denied. The result was appealed, and a partial reversal was obtained.
- 14 10) In approximately 2008, I fully briefed a contested class certification
15 motion, in the wage and hour matter of *Ghazaryan v. Diva Limousine,*
16 *LTD.*, Superior Court of California, County of Los Angeles. Certification
17 was denied. I appealed, handling all briefing, and, in *Ghazaryan v. Diva*
18 *Limousine, LTD.*, 169 Cal.App.4th 1524 (2009), pet. for rev. denied, I
19 obtained a decision directing the trial court to certify the class.
20 *Ghazaryan* is now widely cited, including by the California Supreme
21 Court, as a comprehensive source for the standards applied to certification
22 motions in California.
- 23 11) In approximately 2006, I fully briefed a contested class certification
24 motion, in the wage and hour matter of *Laliberte v. Pacific Mercantile*
25 *Bank*, Superior Court of California, County of Orange. Certification was
26 denied. I appealed, handling all briefing. The published opinion of
27 *Laliberte v. Pacific Mercantile Bank*, 147 Cal.App.4th 1 (2007), rev.
28

denied, pet. for cert. den. resulted, and I petitioned for a Writ of Certiorari related to certification due process issues.

12) In approximately 2008, I assisted with briefing of a contested class certification motion, in the wage and hour matter, against the Automobile Club of Southern California (AAA). A class was certified and the matter tried.

(d) I have prosecuted appeals in more than 20 class action matters alone, arguing before the United States Court of Appeals for the Ninth Circuit Court and several of California's Courts of Appeal. I have taken several appeals through to Petitions for Writs of Certiorari to the United States Supreme Court. In connection with the appeals I have handled, I have participated in appeals resulting in decisions concerning or relating to class actions or wage and hour issues. Among others, those include:

- 1) *Camp v. Home Depot, U.S.A., Inc.*, 84 Cal. App. 5th 638 (October 24, 2022), *rev. granted* (February 1, 2023);
- 2) *Donohue v. AMN Services, Inc.*, (February 25, 2021) (amicus counsel)
- 3) *Gilberg v. California Check Cashing Stores, LLC*, 913 F.3d 1169 (9th Cir. Jan. 29, 2019), pet. for rehearing and pet. for *en banc* rehearing den.;
- 4) *Troester v. Starbucks Corporation*, 5 Cal. 5th 829 (2018), *as modified on denial of reh'g* (Aug. 29, 2018);
- 5) *Gillings v. Time Warner Cable LLC*, 583 Fed.Appx. 712 (9th Cir. 2014);
- 6) *Ghazaryan v. Diva Limousine, LTD.*, 169 Cal. App. 4th 1524 (2009), pet. for rev. denied;
- 7) *Laliberte v. Pacific Mercantile Bank*, 147 Cal. App. 4th 1 (2007), rev. denied, pet. for cert. denied;
- 8) *Alvarez v. May Dept. Stores Co.*, 143 Cal. App. 4th 1223 (2006), rev. denied, pet. for cert. denied;
- 9) *Johnson v. Glaxosmithkline, Inc.*, 166 Cal. App. 4th 1497 (2008), rev.

denied;

10) *Howard, et al. v. America Online, Inc.*, 208 F.3d 741 (9th Cir. 2000), pet. for cert. denied;

11) *Brown v. Ralphs Grocery Company*, 197 Cal. App. 4th 489 (2011) (amicus counsel);

12) *D. R. Horton, Inc. and Michael Cuda*, Case 12–CA–25764, 357 NLRB No. 184 (January 3, 2012) (amicus counsel). This NLRB matter is of particular note, as it is at the center of a dispute regarding the interplay between the Federal Arbitration Act (FAA) and two labor relations laws, the National Labor Relations Act (NLRA) and Norris-LaGuardia Act. Cases highlighting that issue have been accepted by the United States Supreme Court.

(e) I was the lead appellate author in a matter before the California Supreme Court that generated substantial interest in the field of wage and hour litigation. That matter, *Troester v. Starbucks Corporation*, resolved a significant issue of whether, under California law, a *de minimis* defense exists to the employer’s obligation to pay all wages for all compensable time worked by an employee.

(f) I was the lead appellate counsel in a matter before the California Court of Appeal (Sixth Appellate District) that generated substantial interest in the field of wage and hour litigation. That matter, *Camp v. Home Depot, U.S.A., Inc.*, held that prior jurisprudence erroneously concluded that, under California law, underpayment of wages as a result of rounding of time clock punches is lawful so long as the rounding was neutral on its face and as applied. *Camp* is now pending before the California Supreme Court but remains citable as authority pursuant to an Order of the California Supreme Court.

(g) In addition to my work on complex litigation matters and class actions, I have authored published articles and columns on issues related to class actions and other litigation issues, including:

- 1) H. Scott Leviant, *Unintended Consequences*, 6 U.C. Davis Bus. L.J. 18 (2006), at <http://blj.ucdavis.edu/article.asp?id=636> (May 1, 2006);
- 2) H. Scott Leviant and Lilit Ter-Astvatsatryan, *Where Troester Stops Not Even Troester Knows*, DAILY JOURNAL (Los Angeles), July 2, 2019;
- 3) H. Scott Leviant and Lilit Ter-Astvatsatryan, *Unaccounted Time: Reading the Tea Leaves of Troester*, DAILY JOURNAL (Los Angeles), September 12, 2018;
- 4) Dennis F. Moss and H. Scott Leviant, *Class Actions: One step forward after two steps back*, DAILY JOURNAL (Los Angeles), January 11, 2012;
- 5) H. Scott Leviant, *Arbitration: A Look Back, a Look Ahead*, DAILY JOURNAL (Los Angeles), December 28, 2010;
- 6) H. Scott Leviant, *Witnesses Cannot Hide*, Daily Journal (Los Angeles), April 21, 2010;
- 7) H. Scott Leviant, *Divide and Conquer: The New Paradigm of Class Action Defense?*, FORUM, January/February 2009
- 8) H. Scott Leviant, *Class Action Appellate Report*, FORUM, 2009-2010 (Ongoing series);
- 9) H. Scott Leviant & Linh Hua, *Legislature Using Purse Strings to Bind Judiciary*, Daily Journal (San Francisco), March 15, 2010;
- 10) H. Scott Leviant, *Wrongfully Recused?*, DAILY JOURNAL (Los Angeles), December 2, 2009;
- 11) H. Scott Leviant, *Cutting Class*, DAILY JOURNAL (Los Angeles), April 15, 2008;
- 12) H. Scott Leviant, *Leveling The Playing Field*, DAILY JOURNAL (Los Angeles), May 4, 2007;
- 13) H. Scott Leviant, *A Bad Meal Deal: 'Brinker' Gets the Incentive Question Wrong*, DAILY JOURNAL (Los Angeles), August 6, 2008;
- 14) H. Scott Leviant & Jason E. Barsanti, *Maximize Recovery in Unpaid Wage*

Cases, FORUM, January/February 2008;

15) H. Scott Leviant, et al., *Electronic Evidence: No Longer an Optional Element in a Comprehensive Litigation Plan*, ADVOCATE, April 2006;

16) H. Scott Leviant, *Improving Rule 12(b)(6) survival odds: Some considerations for effective RICO pleading*, CIVIL RICO REPORT, Volume 15, Number 22, April 26, 2000 (LRP Publications).

(h) In addition to publications in industry newspapers, periodicals and journals, I am the Supervising Editor, primary author and founder of the legal blog The Complex Litigator (<http://www.thecomplexlitigator.com>). The Complex Litigator reports and comments on news and topics relevant to class action and complex litigation practice, with a primary emphasis on wage and hour litigation issues. Through my blog, I have also, on occasion, published podcasts of round table discussions with preeminent members of the wage and hour practice bar on both the plaintiff and defense sides. My blog has been cited to the California Supreme Court in at least one Petition for Review. The Complex Litigator has been in existence since 2008, having outlasted many other legal blogs, and it has a unique readership that numbers in the tens of thousands.

(i) I have also lectured on issues related to class actions and complex litigation, including the following educational seminars:

1) *Strategies for Settlement of Individual and Wage & Hour Class Actions*, Bridgeport's Eighth Annual Wage & Hour Litigation Conference (December 16, 2011)

2) *The Year in Review – Staying Abreast of Current Cases*, Consumer Attorneys of San Diego Class Action Symposium (October 14, 2011)

3) *Concepcion v. AT&T and Derivative Wage & Hour Claims*, Bridgeport's Mid Year Wage & Hour Litigation Conference (June 3, 2011)

4) *Advanced Principles: UCL Remedies and Defenses*, 20th Annual Golden State Antitrust and Unfair Competition Law Institute (October 21, 2010)

- 5) *Refining Your Wage and Hour Practice*, 2010 CELA Annual Conference (October 2, 2010)
 - 6) *Word v. WordPerfect Software, Tips, Tools and Tricks*: Legal Technology for Plaintiffs Employment Lawyers (September 30, 2010)
 - 7) *California's 17200 -- Its Use and Abuse*, Federalist Society (May 19, 2010)
 - 8) *20 Tips for Successful Navigation of e-Discovery Requirements*, Los Angeles County Bar Association's Thirtieth Annual Labor and Employment Law Symposium (March 31, 2010)
 - 9) *Social Networking for Lawyers: A Roadmap to Success*, Los Angeles County Bar Association's 2nd Annual two-day 2009 Small Firm and Solo Practitioners Conference: MISSION POSSIBLE (June 25, 2009)
 - 10) *A Seminar Overview of the Current State of Employment Law*, The Westchester/LAX/Marina Del Rey Chamber of Commerce (February 23, 2006)
- (j) I served three consecutive years as an elected member of the Board of Governors of the Consumer Attorneys of California. In that capacity, I worked to preserve the right of California's consumers and employees to bring proposed class actions. For example, I provided assistance to CAOC in its successful effort to defeat AB 298, which would have substantially impaired the ability of plaintiffs to prosecute class actions in California. More recently, on behalf of CAOC, I co-authored several requests for publication of unpublished class action decisions, including one such request in *Jaimez v. Daiohs USA, Inc.*, 181 Cal. App. 4th 1286 (2010), and authored amicus briefs for CAOC in the Eighth Circuit matter entitled *Avritt v. Reliastar Life. Ins. Co.*, Case No. 09-2843, the California Supreme Court matter entitled *Californians for Disability Rights v. Mervyn's, LLC*, 39 Cal. 4th 223 (2006), and the California Court of Appeal matter entitled *Brown v. Ralphs Grocery Company*, 197 Cal. App. 4th 489 (2011).

26. My current contingent billing rate is consistent with my practice area, legal market and accepted hourly rates:

- (a) In the December 8, 2008 article “Billable Hours Aren’t the Only Game in Town Anymore,” *NATIONAL LAW JOURNAL*, the following hourly billing rates were reported by Sheppard Mullin Richter & Hampton, a leading firm in the defense of wage-and-hour class actions that I have frequently opposed when litigating wage-and-hour class actions: Partners: \$475-\$795; Associates: 1st Year - \$275, 2nd Year - \$310, 3rd Year - \$335, 4th Year - \$365, 5th Year - \$390, 6th Year - \$415, 7th Year - \$435, 8th Year - \$455.
- (b) In 2009 I was retained as appellate counsel in the appeal of a denial of class certification. For the specialized work on that appeal, I charged an hourly rate of \$650.00 per hour, a rate the hiring co-counsel accepted.
- (c) The 2024-25 Adjusted Laffey Matrix states that an attorney with 20 or more years experience can reasonably charge \$1,141 per hour. <http://www.laffeymatrix.com/see.html>.⁵ That rate is derived from the Washington, D.C. area and requires a costs of living evaluation for use in Los Angeles. Using federal statistics for average attorney salaries, attorney pay is 4.9% lower in Los Angeles, compared to Washington, D.C., indicating a 4.9% downward adjustment to the Laffey Matrix may be appropriate. <https://www.bls.gov/oes/current/oes231011.htm>.⁶ However, using federal employee pay tables, federal employee wages are equal when Los Angeles is compared to Washington, D.C., indicating no adjustment to the Laffey Matrix is appropriate. <https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/2017/general-schedule/>.⁷ And, using Schedule 9 of 5 U.S.C. § 5332, there is

⁵Last viewed October 15, 2024.

⁶Last viewed January 30, 2024.

⁷Last viewed January 30, 2024.

a 3% differential favoring Los Angeles. Thus, something in the range of a 4.4% locality reduction to a 3.0% locality increase appears appropriate here. Thus, applying an adjustment factor of 0.0%, the locality corrected Adjusted Laffey Matrix hourly rate for attorneys with 20 or more years of experience is \$1,141. The complete Adjusted Laffey Matrix is set forth below.

- (d) The full 2024-2025 Adjusted Laffey Matrix provides for the following hourly rates for paralegal/law clerks and attorneys falling into various ranges of years of experience:

Year	Adj. Factor**	Paralegal Clerk	1-3	4-7	8-10	11-19	20+
6/01/24-5/31/25	1.080182	\$258	\$473	\$581	\$839	\$948	\$1141

- (e) I have been selected to Super Lawyers from 2012-2025, achieving that professional recognition for more than a decade. I was selected for the Rising Stars edition of Super Lawyers in 2009.
- (f) Based upon my practice area, geographic market, experience, including all of the above information, reputation, and generally accepted hourly rates, my current, regular hourly billing rate is now \$975.00, which is well below the presumptively appropriate hourly rate of \$1,141 for attorneys with 20 or more years of experience.

REASONABLENESS OF THE REQUESTED FEE AWARD

27. When this case was taken on a contingent fee basis, with the firm agreeing to assume responsibility for litigation costs, the ultimate result was far from certain. In the course of this litigation, Moon Law Group, PC, paid filing fees, copy charges, Westlaw fees, and mailing, telephone and express mail charges. There was never a guarantee that Moon Law Group, PC, would recoup those expenditures. The firm took on this case, which necessarily required the firm to forego other opportunities, given finite resources to devote to cases.

28. Because of the uncertainty of the outcome in this and other wage and hour litigation

undertaken by Moon Law Group, PC, we took this case with the expectation that a risk enhancement, either in the form of a lodestar multiplier or a percentage of the fund award equivalent thereto, would be available if we prevailed. This expectation stems from the fact that many cases we undertake as putative class actions do not resolve successfully.

29. Class Counsel's experience in employment class actions was integral in evaluating the strengths and weaknesses of the case against Defendant and the reasonableness of the settlement. Practice in the narrow fields of wage and hour litigation requires skill and knowledge concerning the rapidly evolving substantive law (state and federal), as well as the procedural law of class action litigation.

30. In the past 5 years, Moon Law Group, PC, has settled hundreds of wage & hour class actions. Just as the Court in *Chavez v. Netflix, Inc.*, 162 Cal. App. 4th 43, 66, n.11 (2008) observed, it has been the experience at Moon Law Group, PC, that attorney fee awards of one-third of a common settlement fund are the rule, rather than the exception. Here, Class Counsel agrees that they will seek no more than one-third of the settlement amount in fees. This is consistent with common practice, consistent with Ninth Circuit practice, consistent with California law approving the percentage of the fund method to award fees from a common fund, *Laffitte v. Robert Half Intern. Inc.*, 1 Cal. 5th 480, 503 (2016), and not inappropriate in light of the many hours expended by attorneys and paralegals performing work for Plaintiff before and after the filing of this matter. That work includes:

- (a) Numerous interviews with the client, and review of documents provided by Plaintiff;
- (b) Legal research and investigation regarding the Defendant's practices at numerous points in the litigation;
- (c) Preparation of multiple drafts of the original class action complaint and finalization and filing of the original class action complaint;
- (d) Review of the first amended complaint, and finalization of that complaint;
- (e) Extensive "meet and confer" efforts with Defendant's counsel to obtain relevant documents and information through informal discovery;
- (f) Contacting witnesses;
- (g) Review of data and documents produced by Defendant;

- (h) Analysis of the audit results and preparation of a damages model with the aid of a statistics expert;
- (i) Research and preparation of Plaintiff's mediation brief;
- (j) Attendance at mediation;
- (k) Drafting, negotiating, and reviewing multiple drafts of the Settlement and attachments; and
- (l) Preparation of the initial motion for preliminary approval and multiple revisions thereafter.

31. I anticipate that Class Counsel will spend an additional 50 hours on this matter, appearing at the hearing of preliminary approval, answering class member calls, working with the administrator to finalize documents in mailing format, conferring with counsel over any notice issues, drafting the final approval motion and motion for fees and costs, appearing at the final approval hearing, and resolving any post-approval issues that may arise, and appearing at a final accounting hearing. Class Counsel intends to request up to \$201,666.67 in attorneys' fees, as authorized under the Agreement. Class Counsel has also incurred costs in this matter that will be detailed at the time final approval is sought. Class Counsel has agreed to a cap on recoverable costs of \$25,000.00, and if total incurred costs exceed the cap, Class Counsel will request no more than the agreed-upon cap. Costs incurred to date are currently below the cap.

THE CONTRIBUTION OF PLAINTIFF AND THE REASONABLENESS OF THE REQUESTED INCENTIVE AWARDS

32. Here, Plaintiff seeks a Class Representative Service Payment of up to **\$7,500.00** for the significant result achieved. This amount is very reasonable given the risks undertaken by Plaintiff for involvement in the Action. Taking the risk of filing a lawsuit against an employer deserves recognition, especially in light of the settlement achieved by Plaintiff. Additionally, Plaintiff was actively involved in this litigation and the settlement negotiations of this Action, expending considerable effort in advancing the interest of the Class. Plaintiff provided information to counsel; assisted with the settlement process (with included conferring with counsel during the preparation of Plaintiff's mediation brief); and, regularly

1 conferred with counsel regarding the case whenever questions arose. Plaintiff's Declaration also confirms
2 that Plaintiff was an active participant in the settlement of this case.

3
4 THE THIRD-PARTY ADMINISTRATOR QUALIFICATIONS AND STATEMENT OF NO
5 CONFLICTS OR AFFILIATION

6 33. The Parties have agreed that administration will be handled by a third-party administrator,
7 and the Parties estimated that administration would cost approximately \$10,000.00. Phoenix Settlement
8 Administrators was chosen by the Parties to conduct that work. In counsel's experience as class counsel
9 in similar wage-and-hour actions with a similar number of employees, Phoenix Settlement
10 Administrators is fully capable of administering the settlement at a competitive and reasonable cost.
11 Phoenix was selected because of its most reasonable bid for all required services, with all due regard for
12 its reputation and known quality of work, which can be performed in the amount of **\$8,250.00** for
13 administration services. In counsel's experience, based on similar wage-and-hour actions, an estimated
14 cost of **\$8,250.00** is a fair and reasonable amount for administration fees, is below the Parties' estimate
15 of \$10,000.00 in costs for administration, and should be preliminarily approved. Phoenix has provided
16 a declaration confirming its experience and its implementation of measures designed to protect Class
17 Member data and Class Settlement funds. Finally, this firm has no relationship with Phoenix, other than
18 as a client retaining a vendor of services via an arms-length transaction. We have no ownership interest
19 in Phoenix.

20
21 CLASS CERTIFICATION

22 34. The class is ascertainable by objective criteria. The class is: All persons currently or
23 formerly employed by Defendant as a non-exempt employee in California during the Class Period (the
24 "Class Period" is the period from August 1, 2019, through the date the Court grants preliminary
25 approval). "Participating Class Member" means a Class Member who does not submit a valid and timely
26 Request for Exclusion from the Class portion of the Settlement. (Settlement, ¶¶ 1.5, 1.9, 1.12, 1.34)

27 35. The class is sufficiently numerous. Based upon Defendant's records and discovery,
28 there are about 276 Class Members, all of whom may be identified by reference to Defendant's records.

1 Plaintiff's counsel believe that the data is reliable.

2 36. Plaintiff is typical of the Class. Plaintiff was employed by Defendant. Plaintiff worked
3 during the Class Period. Plaintiff's claims are typical of the claims of the Class proposed in this
4 settlement. Like other Class Members, Defendant employed Plaintiff as an hourly employee during the
5 Class Period, and Plaintiff claims that he was subject to the same policies alleged to have impacted the
6 entire class. No unique defenses applicable to Plaintiff have been identified that do not also exist as to
7 other Class Members.

8 37. Common *issues* exist. Here, Class Members have shared a common interest in
9 determining whether Defendant violated wage and hour requirements under state and related federal law,
10 including, but not limited to, the following issues: (i) whether or not Defendant paid proper wages to the
11 Class; (ii) whether or not Defendant provided meal periods to the Class; (iii) whether or not Defendant
12 provided rest periods to the Class; (iv) whether or not Defendant paid compensation timely upon
13 separation of employment to former Class Members; (v) whether or not Defendant paid compensation
14 timely throughout Class Members' employment; (vi) whether or not Defendant provided accurate
15 itemized wage statements to the Class; and, (vii) whether or not Defendant engaged in unlawful or unfair
16 business practices affecting the Class in violation of the California Business and Professions Code §§
17 17200-17208.

18 38. From our review of the documentation provided, we determined that for purposes of
19 settlement of these claims, Defendant's policies and practices are either identical, or sufficiently similar,
20 to raise the same questions of liability, and applied to all Class Members. Because Class Members would
21 have to prove the same issues of law and fact to prevail, and because their potential legal remedies are
22 identical, it would be preferable to resolve all Class Members' claims by means of the Settlement than to
23 require each Class Member to litigate his or her individual claims. Therefore, common questions
24 predominate over any questions that may be unique to individual Class Members, and class-wide
25 settlement is superior to any other method of resolution.

26 39. My Declaration, in Paragraphs above, summarizes the firm's experience that establishes
27 its adequacy to represent the Class. We have no known conflicts of interest with absent Class Members.
28 Plaintiff has demonstrated, through participation in this action, a willingness to serve as the representative

EXHIBIT 1

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Sandy Pham (SBN 352753)
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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SOLANO**

KENNETH ANTHONY BUCHANAN, JR.,
individually, and on behalf of all others similarly
situated,

Plaintiff,

vs.

VERTUS PROPERTIES, INC., a California
corporation; and DOES 1 through 10, inclusive,

Defendants.

Case No.: CU24-03325

CLASS AND REPRESENTATIVE ACTION

*[Assigned for all purposes to the Hon. Christine A.
Carringer, Dept. 12]*

**CLASS ACTION AND PAGA SETTLEMENT
AGREEMENT AND CLASS NOTICE**

Complaint filed: May 1, 2024
Trial date: Not set

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between plaintiff Kenneth Anthony Buchanan, Jr. (“Plaintiff”) and defendant Vertus Properties, Inc. (“Defendant”). The Agreement refers to Plaintiff and Defendant collectively as “Parties,” or individually as “Party.”

1. **DEFINITIONS.**

1.1. “Action” means the Plaintiff’s lawsuit alleging wage and hour violations against Defendant captioned *Buchanan v. Vertus Properties, Inc.*, initiated on May 1, 2024, and pending in the Superior Court of the State of California, County of Solano, Case No. CU24-03325.

1.2. “Administrator” means Phoenix Settlement Administrators, the neutral entity the Parties have agreed to appoint to administer the Settlement.

1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.

1.4. “Aggrieved Employee(s)” means all persons who worked for Defendant as hourly, non-exempt employees in the State of California during the PAGA Period.

1.1. “Class” means all persons who worked for Defendant as hourly, non-exempt employees in the State of California during the Class Period.

1.2. “Class Counsel” means Moon Law Group, PC, the attorneys representing Plaintiff, the Class, and the Aggrieved Employees in the Action.

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

1.4. “Class Data” means Class Member identifying information in Defendant’s possession including the Class Member’s name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.

1.5. “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-

Participating Class Member who qualifies as an Aggrieved Employee).

- 1.6. “Class Member Address Search” means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address (“NCOA”) database, skip traces, and direct contact by the Administrator with Class Members.
- 1.7. “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English with a Spanish translation, if applicable, in the form, without material variation unless otherwise agreed by the Parties, attached as Exhibit A and incorporated by reference into this Agreement. The Parties, through counsel, may agree to modifications to the Class Notice required to correct errors or effectuate changes required by the Court without the need to amend this Agreement, and the revised Class Notice shall be incorporated herein in place of the original Exhibit A.
- 1.8. “Class Period” means the period from May 1, 2020, to the date of preliminary approval of the Action.
- 1.9. “Class Representative” means the named Plaintiff in the operative complaint in the Action seeking Court approval to serve as the Class Representative.
- 1.10. “Class Representative Service Payment” means the payment to the Class Representative, Kenneth Anthony Buchanan, Jr., for initiating the Action and providing services in support of the Action.
- 1.11. “Court” means any court before which the Parties seek settlement approval of this Agreement, including the Superior Court of California, County of Solano.
- 1.12. “Defendant” means Vertus Properties, Inc., the named defendant in the Action.
- 1.13. “Defense Counsel” means Duggan McHugh Law Corporation, the attorneys representing Defendant in the Action.
- 1.14. “Effective Date” means: (a) the date the Court grants the Final Approval Order, if no objections are asserted and no individual seeks to intervene in the matter; or (b) sixty-five (65) calendar days after the date of entry of the Final Approval Order, if any

objections are asserted or any individual seeks to intervene in the matter but no appeal is filed; or (c) if a timely appeal is made, ten (10) business days after the final resolution of that appeal if the appeal is rejected or dismissed, the settlement is upheld, and the settlement approval order is no longer subject to further judicial review.

1.15. “Final Approval Order” means the Court’s order granting final approval of the Settlement.

1.16. “Final Approval Hearing” means the Court’s hearing on the motion for final approval of the Settlement.

1.17. “Gross Settlement Amount” means \$605,000.00, which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraphs 3.1 and 8 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payment, and the Administration Expenses Payment.

1.18. “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.

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

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

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

1.22. “LWDA PAGA Payment” means the 75% portion of the PAGA Penalties paid to the LWDA under Labor Code § 2699(i).

1.23. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment.

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

1.24. “Non-Participating Class Member” means any Class Member who opts out of the Class portion of the Settlement by sending the Administrator a valid and timely Request for Exclusion.

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

1.26. “PAGA Period” means the period from April 28, 2023 to the date of preliminary approval of the Action.

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

1.28. “PAGA Notice” means Plaintiff’s letter to Defendant and the LWDA, dated April 28, 2024, providing notice pursuant to Labor Code § 2699.3(a).

1.29. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount (\$30,000.00), allocated 25% to the Aggrieved Employees (\$7,500.00) and 75% to the LWDA (\$22,500.00) in settlement of PAGA claims.

1.30. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Class portion of the Settlement.

1.31. “Plaintiff” means Kenneth Anthony Buchanan, Jr., the named plaintiff in the Action.

1.32. “Preliminary Approval Hearing” means the hearing of the motion requesting preliminary approval of the Class portion of the Settlement.

1.33. “Preliminary Approval Order” means the order granting preliminary approval of the Class portion of the Settlement.

1.34. “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.

1.35. “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.

1.36. “Released Parties” means Defendant and each of its present and former owners, officers, shareholders, directors, agents, members, managers, employees, attorneys, insurers, parent companies, successors, affiliates or subsidiaries, and assigns.

- 1.37. “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement.
- 1.38. "Response Deadline" means sixty (60) calendar days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Class portion of the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. The Response Deadline for Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall be extended by fourteen (14) calendar days beyond the original Response Deadline.
- 1.39. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.
- 1.40. “Workweek” means any week during which a Class Member worked for Defendant for at least one day, during the Class Period.

2. **RECITALS.**

2.1. On May 1, 2024, Plaintiff commenced this Action by filing a Complaint alleging causes of action against Defendant for (1) Failure to Pay Minimum Wages (Cal. Lab. Code §§ 204, 1194, 1194.2, and 1197); (2) Failure to Pay Overtime Compensation (Cal. Lab. Code §§ 1194 and 1198); (3) Failure to Provide Meal Periods (Cal. Lab. Code §§ 226.7, 512); (4) Failure to Authorize and Permit Rest Breaks (Cal. Lab. Code §§ 226.7); (5) Failure to Indemnify Necessary Business Expenses (Cal. Lab. Code § 2802); (6) Failure to Timely Pay Final Wages at Termination (Cal. Lab. Code §§ 201-203); (7) Failure to Provide Accurate Itemized Wage Statements (Cal. Lab. Code § 226); and (8) Unfair Business Practices (Cal. Bus. & Prof. Code § 17200, *et. seq.*). On October 8, 2024, Plaintiff filed a First Amended Complaint alleging causes of action against Defendant for civil penalties under the Private Attorneys General Act (“PAGA”). The First Amended Complaint is the operative complaint in the Action (the “Operative Complaint”). Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in in the Operative Complaint, and denies any and all liability for the causes of

1 action alleged.

2 2.2. Pursuant to Labor Code § 2699.3(a), Plaintiff gave timely written notice to Defendant and
3 the LWDA by sending the PAGA Notice.

4 2.3. On April 29, 2025, the Parties participated in an all-day mediation presided over by Hon.
5 Carl West (Ret.), which led to this Agreement to settle the Action.

6 2.4. Prior to mediation, Plaintiff obtained, through informal discovery, time and pay periods,
7 policy documents, and data about the Class. Plaintiff's investigation was sufficient to
8 satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.*, 48 Cal.
9 App. 4th 1794, 1801 (1996) and *Kullar v. Foot Locker Retail, Inc.*, 168 Cal. App. 4th 116,
10 129-130 (2008) ("*Dunk/Kullar*").

11 2.5. The Court has not granted class certification.

12 2.6. The Parties, Class Counsel, and Defense Counsel represent that they are not aware of any
13 other pending matter or action asserting claims that will be extinguished or affected by the
14 Settlement.

15 **3. MONETARY TERMS.**

16 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendant
17 promises to pay \$605,000.00 and no more as the Gross Settlement Amount and to
18 separately pay any and all employer payroll taxes owed on the Wage Portions of the
19 Individual Class Payments. Defendant has no obligation to pay the Gross Settlement
20 Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.1 of this
21 Agreement. The Administrator will disburse the entire Gross Settlement Amount without
22 asking or requiring Participating Class Members or Aggrieved Employees to submit any
23 claim as a condition of payment. None of the Gross Settlement Amount will revert to
24 Defendant.

25 3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the
26 following payments from the Gross Settlement Amount, in the amounts specified by the
27 Court in the Final Approval:

28 3.2.1. To Plaintiff: Class Representative Service Payment to the Class Representative of

not more than \$7,500.00 (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member and Aggrieved Employee), as approved by the Court. Defendant will not oppose Plaintiff's request for a Class Representative Service Payment that does not exceed this amount. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Class Representative Service Payment will be reported using IRS Form 1099. Plaintiff assumes full responsibility and liability for any taxes owed on the Class Representative Service Payment.

3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than one-third of the Gross Settlement Amount, which is currently estimated to be \$201,666.67, subject to the escalator clause, and a Class Counsel Litigation Expenses Payment of not more than \$25,00.00. Defendant will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of

any of these Payments.

3.2.3. To the Administrator: An Administration Expenses Payment not to exceed \$10,000.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses Payment are less or the Court approves payment less than \$10,000.00, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.4. To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks.

3.2.4.1. Tax Allocation of Individual Class Payments. The fifteen percent (15%) of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The eighty-five percent (85%) of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

3.2.4.2. Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Workweeks of Non-Participating Class Members are not included in the calculation of payments to Participating Class Members and therefor have no effect on the calculation of Individual Class Payments paid from the Net Settlement Amount.

3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of

\$30,000.00 to be paid from the Gross Settlement Amount, with 75% (estimated to be at least \$22,500.00) allocated to the LWDA PAGA Payment and 25% (estimated to be at least \$7,500.00) allocated to the Individual PAGA Payments.

3.2.5.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of the PAGA Penalties (estimated to be at least \$7,500.00) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.5.2. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099-MISC Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Funding of Gross Settlement Amount. Defendant shall fund all amounts owed to Plaintiff and Class Members, which includes the Gross Settlement Amount, in two equal installment payments, and also fund the amounts necessary to fully pay Defendant's share of payroll taxes, by transmitting the funds to the Administrator as follows: (1) the first installment payment shall be due no later than April 29, 2026 or sixty (60) calendar days after the Effective Date, whichever is later, and (2) the second installment payment shall be due no later than six (6) months following the first installment funding date.

4.2. Payments from the Gross Settlement Amount. Within fourteen (14) calendar days after Defendant fully funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service

1 Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation
2 Expenses Payment and the Class Representative Service Payment shall not precede
3 disbursement of Individual Class Payments and Individual PAGA Payments.

4 4.2.1. The Administrator will issue checks for the Individual Class Payments and/or
5 Individual PAGA Payments and send them to the Class Members via First Class
6 U.S. Mail, postage prepaid. The face of each check shall prominently state the
7 date (not less than 180 calendar days after the date of mailing) when the check will
8 be voided. The Administrator will cancel all checks not cashed by the void date.
9 The Administrator will send checks for Individual Settlement Payments to all
10 Participating Class Members (including those for whom Class Notice was returned
11 undelivered). The Administrator will send checks for Individual PAGA Payments
12 to all Aggrieved Employees including Non-Participating Class Members who
13 qualify as Aggrieved Employees (including those for whom Class Notice was
14 returned undelivered). The Administrator may send Participating Class Members
15 a single check combining the Individual Class Payment and the Individual PAGA
16 Payment. Before mailing any checks, the Settlement Administrator must update
17 the recipients' mailing addresses using the NCOA database.

18 4.2.2. The Administrator must conduct a Class Member Address Search for all other
19 Class Members whose checks are returned undelivered without a United States
20 Postal Service ("USPS") forwarding address. Within seven (7) calendar days of
21 receiving a returned check the Administrator must re-mail checks to the USPS
22 forwarding address provided or to an address ascertained through the Class
23 Member Address Search. The Administrator need not take further steps to deliver
24 checks to Class Members whose re-mailed checks are returned as undelivered. The
25 Administrator shall promptly send a replacement check to any Class Member
26 whose original check was lost or misplaced, requested by the Class Member prior
27 to the void date.

28 4.2.3. For any Class Member whose Individual Class Payment check or Individual

PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure § 384(b).

4.2.4. The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. RELEASES OF CLAIMS.

Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff, Class Members, and Class Counsel will release claims against all Released Parties as follows:

5.1. Plaintiff's Release.

5.1.1. Scope of Plaintiff's Release. Plaintiff and his respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint and (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in Plaintiff's PAGA Notice. ("Plaintiff's Release.") Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

5.1.2. Plaintiff's Waiver of Rights Under California Civil Code § 1542. For purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of Section 1542 of the California Civil Code, which reads:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that if known by him or her would have materially affected his or her settlement with the debtor or Released Party.

5.2. Release by Participating Class Members: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint. Excluded from this portion of the release are claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the PAGA Notice. Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

5.3. PAGA Release: The State of California, and anyone purporting to act on its behalf, including Plaintiff, release the Released Parties from all claims for civil penalties under PAGA, based on the facts and Labor Code sections that were alleged or reasonably could have been alleged in Plaintiff's PAGA Notice of violations and the Operative Complaint.

6. MOTION FOR PRELIMINARY APPROVAL.

Plaintiff shall file a motion for preliminary approval ("Motion for Preliminary Approval") subject to the review by Defendant, as follows:

6.1. Defendant's Declaration in Support of Preliminary Approval. Within thirty (30) calendar days of the full execution of this Agreement, Defendant will prepare and deliver to Class Counsel a signed declaration from Defendant and/or Defense Counsel disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator, *if any such*

1 *actual or potential conflicts exist.* Similarly, if any other pending matter or action asserting
2 claims will be extinguished or adversely affected by the Settlement, Defendant shall
3 prepare and deliver to Class Counsel a signed declaration from Defendant and/or Defense
4 Counsel identifying any other pending matter or action asserting claims that will be
5 extinguished or adversely affected by the Settlement. Alternatively, if such other actions
6 are filed between the execution of this Agreement and the filing of the Motion for
7 Preliminary Approval and become known to Defendant and/or Defense Counsel, Defense
8 Counsel will advise Class Counsel. If there are no actual or potential conflicts of interest
9 with the Administrator to disclose, or any pending matters to disclose, no declaration from
10 Defendant and/or Defense Counsel is required.

11 6.2. Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel
12 documents necessary for obtaining a Preliminary Approval Order, including: (i) a draft of
13 the notice, and memorandum in support, of the Motion for Preliminary Approval that
14 includes an analysis of the Settlement under governing case law and a request for approval
15 of the PAGA Settlement under Labor Code § 2699(f)(2)); (ii) a draft Preliminary Approval
16 Order; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator
17 attaching its “not to exceed” bid for administering the Settlement and attesting to its
18 willingness to serve; competency; operative procedures for protecting the security of Class
19 Data; amounts of insurance coverage for any data breach, defalcation of funds or other
20 misfeasance; all facts relevant to any actual or potential conflicts of interest with Class
21 Members; and the nature and extent of any financial relationship with Plaintiff, Class
22 Counsel, Defendant, or Defense Counsel; (v) a signed declaration from Plaintiff
23 confirming willingness and competency to serve and disclosing all facts relevant to any
24 actual or potential conflicts of interest with Class Members or the Administrator; and, (vi)
25 a signed declaration from each Class Counsel firm attesting to its competency to represent
26 the Class Members; its timely transmission to the LWDA of all necessary PAGA
27 documents; and, all facts relevant to any actual or potential conflict of interest with Class
28 Members or the Administrator. Class Counsel shall aver that they are not aware of any

1 other pending matter or action asserting claims that will be extinguished or adversely
2 affected by the Settlement or disclose the existence of any such pending matters.
3 Alternatively, if such other actions are filed between the execution of this Agreement and
4 the filing of the Motion for Preliminary Approval and become known to Class Counsel,
5 Class Counsel will advise Defense Counsel.

6 6.3. Responsibilities of Counsel. Class Counsel are responsible for expeditiously finalizing and
7 filing the Motion for Preliminary Approval no later than forty-five (45) calendar days after
8 the full execution of this Agreement (extended in the event that any court processes delay
9 the ability to file the Motion); obtaining a prompt hearing date for the Motion for
10 Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for
11 Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary
12 Approval Order to the Administrator.

13 6.4. Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for
14 Preliminary Approval and/or the supporting declarations and documents, Class Counsel
15 and Defense Counsel will expeditiously work together on behalf of the Parties by meeting
16 in person or by telephone, and in good faith, to resolve the disagreement. If the Court does
17 not enter a Preliminary Approval Order or conditions a Preliminary Approval Order on any
18 material change to this Agreement, Class Counsel and Defense Counsel will expeditiously
19 work together on behalf of the Parties by meeting in person or by telephone, and in good
20 faith, to modify the Agreement and otherwise satisfy the Court's concerns.

21 **7. SETTLEMENT ADMINISTRATION.**

22 7.1. Selection of Administrator. The Parties have jointly selected Phoenix Settlement
23 Administrators ("Phoenix") to serve as the Administrator and verified that, as a condition
24 of appointment, Phoenix agrees to be bound by this Agreement and to perform, as a
25 fiduciary, all duties specified in this Agreement in exchange for payment of Administration
26 Expenses. The Parties and their Counsel represent that they have no interest or relationship,
27 financial or otherwise, with the Administrator other than a professional relationship arising
28 out of prior experiences administering settlements.

1 7.2. Employer Identification Number. The Administrator shall have and use its own Employer
2 Identification Number for purposes of calculating payroll tax withholdings and providing
3 reports to state and federal tax authorities.

4 7.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets
5 the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation
6 § 468B-1.

7 7.4. Class Data. Not later than fifteen (15) calendar days after the Court enters a Preliminary
8 Approval Order, Defendant will deliver the Class Data to the Administrator, in the form of
9 a Microsoft Excel spreadsheet. To protect Class Members’ privacy rights, the
10 Administrator must maintain the Class Data in confidence, use the Class Data only for
11 purposes of this Settlement and for no other purpose, and restrict access to the Class Data
12 to Administrator employees who need access to the Class Data to effect and perform under
13 this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if
14 it discovers that the Class Data omitted class member identifying information and to
15 provide corrected or updated Class Data as soon as reasonably feasible. Without any
16 extension of the deadline by which Defendant must send the Class Data to the
17 Administrator, the Parties and their counsel will expeditiously use best efforts, in good
18 faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class
19 Data.

20 7.5. Notice to Class Members.

21 7.5.1. No later than three (3) business days after receipt of the Class Data, the
22 Administrator shall notify Class Counsel that the list has been received and state
23 the number of Class Members, Aggrieved Employees, Workweeks, and Pay
24 Periods in the Class Data.

25 7.5.2. Using best efforts to perform as soon as possible, and in no event later than fourteen
26 (14) calendar days after receiving the Class Data, the Administrator will send to all
27 Class Members identified in the Class Data, via first-class USPS mail, the Class
28 Notice with Spanish translation, if applicable, substantially in the form attached to

1 this Agreement as **Exhibit A**. The first page of the Class Notice shall prominently
2 estimate the dollar amounts of each Individual Class Payment and/or Individual
3 PAGA Payment payable to the Class Member and/or Aggrieved Employee, and the
4 number of Workweeks and PAGA Pay Periods (if applicable) used to calculate
5 these amounts. Before mailing Class Notices, the Administrator shall update Class
6 Member addresses using the NCOA database.

7 7.5.3. Not later than three (3) business days after the Administrator's receipt of any Class
8 Notice returned by the USPS as undelivered, the Administrator shall re-mail the
9 Class Notice using any forwarding address provided by the USPS. If the USPS
10 does not provide a forwarding address, the Administrator shall conduct a Class
11 Member Address Search, and re-mail the Class Notice to the most current address
12 obtained. The Administrator has no obligation to make further attempts to locate
13 or send Class Notice to Class Members whose Class Notice is returned by the
14 USPS a second time.

15 7.5.4. The deadlines for Class Members' written objections, challenges to Workweeks
16 and/or pay periods, and Requests for Exclusion will be extended an additional
17 fourteen (14) calendar days beyond the sixty (60) calendar days otherwise provided
18 in the Class Notice for all Class Members whose notices are re-mailed. The
19 Administrator will inform the Class Member of the extended deadline with the re-
20 mailed Class Notice.

21 7.5.5. If the Administrator, Defendant or Class Counsel is contacted by or otherwise
22 discovers any persons who believe they should have been included in the Class
23 Data and should have received Class Notice, the Parties will expeditiously meet
24 and confer in person or by telephone, and in good faith, in an effort to agree on
25 whether to include them as Class Members. If the Parties agree, such persons will
26 be Class Members entitled to the same rights as other Class Members, and the
27 Administrator will send, via email or overnight delivery, a Class Notice requiring
28 them to exercise options under this Agreement not later than fourteen (14) calendar

1 days after receipt of Class Notice, or the deadline dates in the Class Notice, which
2 ever are later.

3 7.6. Requests for Exclusion (Opt-Outs).

4 7.6.1. Class Members who wish to exclude themselves (opt-out of) the Class portion of
5 the Settlement must send the Administrator, by fax, email, or mail, a signed written
6 Request for Exclusion not later than sixty (60) calendar days after the
7 Administrator mails the Class Notice (plus an additional fourteen (14) calendar
8 days for Class Members whose Class Notice is re-mailed). A Request for
9 Exclusion is a letter from a Class Member or his/her representative that reasonably
10 communicates the Class Member's election to be excluded from the Class portion
11 of the Settlement and includes the Class Member's name, address and email
12 address or telephone number. To be valid, a Request for Exclusion must be timely
13 faxed, emailed, or postmarked by the Response Deadline.

14 7.6.2. The Administrator may not reject a Request for Exclusion as invalid because it fails
15 to contain all the information specified in the Class Notice. The Administrator shall
16 accept any Request for Exclusion as valid if the Administrator can reasonably
17 ascertain the identity of the person as a Class Member and the Class Member's
18 desire to be excluded. The Administrator's determination shall be final and not
19 appealable or otherwise susceptible to challenge. If the Administrator has reason
20 to question the authenticity of a Request for Exclusion, the Administrator may
21 demand additional proof of the Class Member's identity. The Administrator's
22 determination of authenticity shall be final as to the Parties, but a Class Member
23 whose Request for Exclusion is rejected by the Administrator may present a
24 challenge to that determination to the Court.

25 7.6.3. Every Class Member who does not submit a timely and valid Request for
26 Exclusion is deemed to be a Participating Class Member under this Agreement,
27 entitled to all benefits and bound by all terms and conditions of the Settlement,
28 including the Participating Class Members' Release under Paragraph 5.2 of this

Agreement, regardless whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

7.6.4. Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees will still receive an Individual PAGA Payment and will be subject to a claim preclusion defense if they attempt to assert any of the Released PAGA Claims.

7.7. Challenges to Calculation of Workweeks. Each Class Member shall have sixty (60) calendar days after the Administrator mails the Class Notice (plus an additional fourteen (14) calendar days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must instruct the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or PAGA Pay Periods shall be final as to the Parties (although Defendant shall retain the right to correct erroneous Class Data if subsequently discovered), but a Class Member whose Workweek and/or Pay Period challenge is rejected by the Administrator may present the same evidence supporting the Workweek and/or Pay Period challenge to the Court for review. The Administrator shall promptly provide copies of any challenges to calculation of Workweeks and/or PAGA Pay Periods to Defense Counsel and Class Counsel, along with the Administrator's determinations regarding any challenges.

7.8. Objections to Settlement.

1 7.8.1. Only Participating Class Members may object to the class action components of
2 the Settlement and/or this Agreement, including contesting the fairness of the
3 Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class
4 Counsel Litigation Expenses Payment and/or Class Representative Service
5 Payment.

6 7.8.2. Participating Class Members may send written objections to the Administrator, by
7 fax, email, or mail. In the alternative, Participating Class Members may appear in
8 Court (or hire an attorney to appear in Court) to present verbal objections at the
9 Final Approval Hearing. A Participating Class Member who elects to send a
10 written objection to the Administrator must do so not later than sixty (60) calendar
11 days after the Administrator's mailing of the Class Notice (plus an additional
12 fourteen (14) calendar days for Class Members whose Class Notice was re-mailed).

13 7.8.3. Non-Participating Class Members have no right to object to any of the class action
14 components of the Settlement.

15 7.9. Administrator Duties. The Administrator has a duty to perform or observe all tasks to be
16 performed or observed by the Administrator contained in this Agreement or otherwise.

17 7.9.1. Website, Email Address and Toll-Free Number. The Administrator will establish
18 and maintain and use an internet website to post information of interest to Class
19 Members including the date, time and location for the Final Approval Hearing and
20 copies of the Settlement Agreement, Motion for Preliminary Approval, the
21 Preliminary Approval Order, the Class Notice, the motion for final approval, the
22 Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses
23 Payment and Class Representative Service Payment, the Final Approval Order and
24 the Judgment. The Administrator will also maintain and monitor an email address
25 and a toll-free telephone number to receive Class Member calls, faxes and emails.

26 7.9.2. Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will
27 promptly review on a rolling basis Requests for Exclusion to ascertain their
28 validity. Not later than five (5) calendar days after the expiration of the deadline

1 for submitting Requests for Exclusion, the Administrator shall email a list to Class
2 Counsel and Defense Counsel containing (a) the names and other identifying
3 information of Class Members who have timely submitted valid Requests for
4 Exclusion (“Exclusion List”); (b) the names and other identifying information of
5 Class Members who have submitted invalid Requests for Exclusion; (c) copies of
6 all Requests for Exclusion from Settlement submitted (whether valid or invalid).

7 7.9.3. Weekly Reports. The Administrator must, on a weekly basis, provide written
8 reports to Class Counsel and Defense Counsel that, among other things, tally the
9 number of: Class Notices mailed or re-mailed, Class Notices returned undelivered,
10 Requests for Exclusion (whether valid or invalid) received, objections received,
11 and challenges to Workweeks and/or PAGA Pay Periods received and/or resolved
12 (“Weekly Report”). The Weekly Reports must include provide the Administrator’s
13 assessment of the validity of Requests for Exclusion and attach copies of all
14 Requests for Exclusion and objections received. In addition to the Weekly Reports,
15 the Administrator shall report to the Parties when it has completed the initial
16 distribution of the Individual Class Payments and Individual PAGA Payments to
17 all individuals with valid addresses.

18 7.9.4. Workweek and/or Pay Period Challenges. The Administrator has the authority to
19 address and make decisions consistent with the terms of this Agreement on all
20 Class Member challenges over the calculation of Workweeks and/or PAGA Pay
21 Periods. The Administrator’s determination of each Class Member’s allocation of
22 Workweeks and/or PAGA Pay Periods shall be final as to the Parties (although
23 Defendant shall retain the right to correct erroneous Class Data if subsequently
24 discovered), but a Class Member whose Workweek and/or Pay Period challenge is
25 rejected by the Administrator may present the same evidence supporting the
26 Workweek and/or Pay Period challenge to the Court for review.

27 7.9.5. Administrator’s Declaration. Not later than fourteen (14) calendar days before the
28 date by which Plaintiff is required to file the Motion for Final Approval of the

Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

7.9.6. Final Report by Settlement Administrator. Within ten (10) calendar days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least fifteen (15) calendar days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

8. CLASS SIZE ESTIMATES and ESCALATOR CLAUSE

Based on its records, Defendant estimates that, as of the date of this Settlement Agreement, (1) there are 254 Class Members and 32,263 Workweeks during the Class Period and (2) there were 180 Aggrieved Employees and 6,582 Pay Periods during the PAGA Period. If the number of actual Workweeks at the close of the Class Period is more than ten percent (10%) higher than the estimated Workweeks (i.e., exceeds 33,354 Workweeks), Defendant may, at its election, opt to (a) increase the Gross Settlement Amount in the exact proportionate amount as to any additional work weeks ten percent (10%) or (b) end the Class Period on the date that the total Workweeks equals 33,354 Workweeks. This election must be made **prior** to the issuance of the Preliminary Approval Hearing, so that the Court is informed of the correct Class Period and the Class Notice is distributed to the correct individuals.

1 **9. DEFENDANT’S RIGHT TO WITHDRAW.**

2 If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 20% of the total of
3 all Class Members, Defendant may, but is not obligated to, withdraw from the Settlement. The Parties
4 agree that, if Defendant withdraws, the Settlement shall be void ab initio, have no force or effect
5 whatsoever, and that neither Party will have any further obligation to perform under this Agreement;
6 provided, however, Defendant will remain responsible for paying all Settlement administration expenses
7 incurred to that point. Defendant must notify Class Counsel and the Court of its election to withdraw not
8 later than seven (7) calendar days after the Administrator sends the final Exclusion List to Defense
9 Counsel; late elections will have no effect.

10 **10. MOTION FOR FINAL APPROVAL.**

11 Plaintiff will timely file in Court a motion for final approval of the Settlement that includes a request for
12 approval of the PAGA settlement under Labor Code § 2699(l), a Proposed final approval order and a
13 proposed Judgment (collectively “Motion for Final Approval”).

14 10.1. Response to Objections. Each Party retains the right to respond to any objection raised by
15 a Participating Class Member, including the right to file responsive documents in Court no
16 later than five (5) court days prior to the Final Approval Hearing, or as otherwise ordered
17 or accepted by the Court.

18 10.2. Duty to Cooperate. If the Court does not issue a Final Approval Order or conditions the
19 Final Approval Order on any material change to the Settlement (including, but not limited
20 to, the scope of release to be granted by Class Members), the Parties will expeditiously
21 work together in good faith to address the Court’s concerns by revising the Agreement as
22 necessary to obtain Final Approval. The Court’s decision to award less than the amounts
23 requested for the Class Representative Service Payment, Class Counsel Fees Payment,
24 Class Counsel Litigation Expenses Payment and/or Administration Expenses Payment
25 shall not constitute a material modification to the Agreement within the meaning of this
26 paragraph.

27 10.3. Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the
28 Court will retain jurisdiction over the Parties, Action, and the Settlement solely for

purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

10.4. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment reflected set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final.

10.5. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain a Final Approval Order and entry of Judgment, sharing, on a 50-50 basis, any additional administration expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

11. AMENDED JUDGMENT.

If any amended judgment is required under California Code of Civil Procedure § 384, the Parties will work together in good faith to jointly submit and a proposed amended judgment.

1 **12. ADDITIONAL PROVISIONS.**

2 12.1. No Admission of Liability, Class Certification or Representative Manageability for Other
3 Purposes. This Agreement represents a compromise and settlement of highly disputed
4 claims. Nothing in this Agreement is intended or should be construed as an admission by
5 Defendant that any of the allegations in the Operative Complaint have merit or that
6 Defendant has any liability for any claims asserted; nor should it be intended or construed
7 as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties
8 agree that class certification and representative treatment is for purposes of this Settlement
9 only. If, for any reason, the Court does not issue a Preliminary Approval Order, Final
10 Approval Order, or enter Judgment, Defendant reserves the right to contest certification of
11 any class for any reasons, and Defendant reserves all available defenses to the claims in
12 the Action, and Plaintiff reserves the right to move for class certification on any grounds
13 available and to contest Defendant's defenses. The Settlement, this Agreement and Parties'
14 willingness to settle the Action will have no bearing on, and will not be admissible in
15 connection with, any litigation (except for proceedings to enforce or effectuate the
16 Settlement and this Agreement).

17 12.2. Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendant and
18 Defense Counsel separately agree that, until the Motion for Preliminary Approval of
19 Settlement is filed, they and each of them will not disclose, disseminate and/or publicize,
20 or cause or permit another person to disclose, disseminate or publicize, any of the terms of
21 the Agreement directly or indirectly, specifically or generally, to any person, corporation,
22 association, government agency, or other entity except: (1) to the Parties' attorneys,
23 accountants, or spouses, all of whom will be instructed to keep this Agreement
24 confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to
25 appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in
26 response to an inquiry or subpoena issued by a state or federal government agency. Each
27 Party agrees to immediately notify each other Party of any judicial or agency order, inquiry,
28 or subpoena seeking such information. Plaintiff, Class Counsel, Defendant and Defense

Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, with any third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that “the matter was resolved,” or words to that effect. This paragraph does not restrict Class Counsel’s communications with Class Members in accordance with Class Counsel’s ethical obligations owed to Class Members.

12.3. No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel’s ability to communicate with Class Members in accordance with Class Counsel’s ethical obligations owed to Class Members.

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

12.5. Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

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

12.7. No Prior Assignments. The Parties separately represent and warrant that they have not

1 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or
2 encumber to any person or entity any portion of any liability, claim, demand, action, cause
3 of action, or right released and discharged by the Party in this Settlement.

4 12.8. No Tax Advice. Neither Plaintiff, Class Counsel, Defendant nor Defense Counsel are
5 providing any advice regarding taxes or taxability, nor shall anything in this Settlement be
6 relied upon as such within the meaning of United States Treasury Department Circular 230
7 (31 CFR Part 10, as amended) or otherwise.

8 12.9. Modification of Agreement. This Agreement, and all parts of it, may be amended,
9 modified, changed, or waived only by an express written instrument signed by all Parties
10 or their representatives, and approved by the Court.

11 12.10. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the
12 benefit of, the successors of each of the Parties.

13 12.11. Applicable Law. All terms and conditions of this Agreement and its exhibits will be
14 governed by and interpreted according to the internal laws of the state of California,
15 without regard to conflict of law principles.

16 12.12. Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of
17 this Agreement. This Agreement will not be construed against any Party on the basis that
18 the Party was the drafter or participated in the drafting.

19 12.13. Confidentiality. To the extent permitted by law, all agreements made, and orders entered
20 during Action and in this Agreement relating to the confidentiality of information shall
21 survive the execution of this Agreement.

22 12.14. Use and Return of Class Data. Information provided to Class Counsel pursuant to
23 Evidence Code § 1152 or comparable laws, and all copies and summaries of the Class Data
24 provided to Class Counsel by Defendant in connection with the mediation, other settlement
25 negotiations, or in connection with the Settlement, may be used only with respect to this
26 Settlement, and no other purpose, and may not be used in any way that violates any existing
27 contractual agreement, statute, or rule of court. Not later than ninety (90) calendar days
28 after the date when the Court discharges the Administrator's obligation to provide a

1 declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy, all
2 paper and electronic versions of Class Data received from Defendant unless, prior to the
3 Court's discharge of the Administrator's obligation, Defendant makes a written request to
4 Class Counsel for the return, rather than the destruction, of Class Data in proper form.

5 12.15. Headings. The descriptive heading of any section or paragraph of this Agreement is
6 inserted for convenience of reference only and does not constitute a part of this Agreement.

7 12.16. Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be
8 to calendar days. In the event any date or deadline set forth in this Agreement falls on a
9 weekend or federal legal holiday, such date or deadline shall be on the first business day
10 thereafter.

11 12.17. Notice. All notices, demands or other communications between the Parties in connection
12 with this Agreement will be in writing and deemed to have been duly given as of the third
13 business day after mailing by United States mail, or the day sent by email or messenger,
14 addressed as follows:

15 To Plaintiff:

16 Kane Moon, Esq.
17 H. Scott Leviant, Esq.
18 Sandy Pham, Esq.
19 **MOON LAW GROUP, PC**
20 725 South Figueroa St., 31st Floor
21 Los Angeles, California 90017
22 Telephone: (213) 232-3128
23 Facsimile: (213) 232-3125
24 E-mail: kmoon@moonlawgroup.com
25 E-mail: hsleviant@moonlawgroup.com
26 E-mail: spham@moonlawgroup.com

27 To Defendant:

28 Laura C. McHugh, Esq.
Katie A. Collins, Esq.
DUGGAN MCHUGH LAW CORPORATION
641 Fulton Ave., Suite 100
Sacramento, CA 95825
Telephone: (916) 550-5309
Facsimile: (916) 404-5900
Email: Laura@dugganmchugh.com
Email: Katie@dugganmchugh.com

12.18. Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

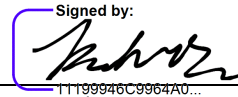
12.19. Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. In addition, upon the signing of this Agreement, the Parties agree pursuant to Code of Civil Procedure § 583.330, to extend the date to bring a case to trial under Code of Civil Procedure § 583.310 for the entire period of this settlement process.

Plaintiff & Class Representative:

KENNETH ANTHONY BUCHANAN, JR.

Dated: 6/13/2025

By:

Signed by:


Kenneth Anthony Buchanan, Jr.

Defendant:

VERTUS PROPERTIES, INC.

Vertus Properties, Inc.

Dated: 06 / 18 / 2025

By:

Print Name



Signature

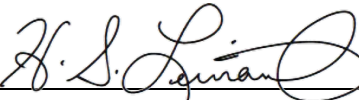
C.O.O.

Title

Plaintiff's Counsel:

MOON LAW GROUP, PC

Dated: June 16, 2025

By: 

Kane Moon, Esq.
H. Scott Leviant, Esq.
Sandy Pham, Esq.

Attorneys for Plaintiff, Kenneth Anthony Buchanan, Jr.

Defendant's Counsel:

DUGGAN MCHUGH LAW CORPORATION

Dated: June 16, 2025

By: 

Laura C. McHugh, Esq.
Katie A. Collins, Esq.

Attorneys for Defendant, Vertus Properties, Inc.

EXHIBIT A

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

Buchanan v. Vertus Properties, Inc., Solano County Superior Court Case No. CU24-03325

*The Superior Court for the State of California authorized this Notice. Read it carefully!
It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.*

You may be eligible to receive money from an employee class action lawsuit (“Action”) against defendant Vertus Properties, Inc. (“Defendant”)¹ for alleged wage and hour violations. The Action was filed by a former employee of Defendant, Kenneth Anthony Buchanan, Jr. (“Plaintiff”), and seeks payment of (1) back wages and other relief for a class of hourly non-exempt employees (“Class Members”) who worked for Defendant during the Class Period (May 1, 2020, to [REDACTED]); and, (2) penalties under the California Labor Code Private Attorneys General Act (“PAGA”) for all hourly non-exempt employees who worked for Defendant during the PAGA Period (April 28, 2023, to [REDACTED]) (the “Aggrieved Employees”).

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

YOUR ESTIMATED SETTLEMENT PAYMENT

Individual Class Payment:	Based on Defendant’s records, and the Parties’ current assumptions, your Individual Class Payment is estimated to be \$ [REDACTED] (less tax withholdings)
Individual PAGA Payment:	Based on Defendant’s records, and the Parties’ current assumptions, your individual share of the Individual PAGA Payment is estimated to be \$ [REDACTED]

The actual amount you may receive might be slightly different and will depend on a number of factors, including the amount of various payments approved by the Court. (If no amount is stated for your Individual PAGA Payment, then according to Defendant’s records you are not eligible for such a payment under the Settlement because you didn’t work during the covered PAGA Period.)

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

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or do not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff’s attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires Defendant to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendant. The final approval hearing is scheduled to be held on [REDACTED], 2025, at [REDACTED], in **Department 12** of the **Solano Superior Court**, located at **580 Texas Street, Fairfield, California 94533**.

If you worked for Defendant during the Class Period, you have options under the Settlement. Those options are discussed in the chart on Page 2. Defendant will not retaliate against you for any actions you take with respect to the proposed Settlement.

¹ All key terms herein are further defined in the Parties’ CLASS ACTION AND PAGA SETTLEMENT AGREEMENT.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Defendant that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. Defendant must pay Individual PAGA Payments to all Aggrieved Employees (defined below).
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by	All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement except with respect to the PAGA Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section 7 of this Notice.
You Can Participate in the Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on . You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by	The amount of your Individual Class Payment and Individual PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period, and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number of Class Period Workweeks and number of PAGA Pay Periods you worked according to Defendant's records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by . See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former employee of Defendant. The Action accuses Defendant of violating California labor laws by failing to pay overtime wages, minimum and straight time wages, wages due upon termination and failing to provide meal periods, rest breaks and accurate itemized wage statements. Based on the same claims, Plaintiff asserted a claim that Defendant violated the California unfair competition law. Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (beginning at Labor Code section 2698) ("PAGA Claims"). Plaintiff is represented by attorneys in the Action: Moon Law Group, PC ("Class Counsel.")

Defendant denies all liability arising from the Action and is confident it has strong legal and factual defenses to Plaintiff's claims. Defendant contends that, at all relevant times, Defendant properly compensated all employees and fully complied with all applicable laws. Defendant also denies that the Action is appropriate to maintain as a class or representative action.

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

So far, the Court has made no determination whether Defendant or Plaintiff are correct on the merits. In the meantime, Plaintiff and Defendant hired an experienced, neutral mediator, Hon. Carl West (Ret.), to resolve the Action by negotiating and to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement ("Agreement") and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and Defendant have negotiated a proposed Settlement that is subject to the Court's Final Approval. Both sides agree the proposed Settlement is

a compromise of disputed claims. By agreeing to settle, Defendant does not admit any violations or concede the merit of any claims.

Plaintiff and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Defendant has agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

A. Defendant will pay \$605,000.00 as the Gross Settlement Amount (GSA). Defendant has agreed to deposit the GSA into an account controlled by the Administrator of the Settlement. Following Court approval, the Administrator will use the GSA to pay the Individual Settlement Payments, Individual PAGA Payments, the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, the Administration Expenses Payment, and penalties to be paid to the California Labor and Workforce Development Agency (“LWDA”). Assuming the Court grants Final Approval, Defendant will fund the GSA after the Judgment entered by the Court becomes final (the “Effective Date”). The Judgment will be final the day that the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed. Funding will occur in two payments, with the first installment payment due no later than April 29, 2026 or 60 calendar days after the Effective Date, whichever is later, and the second installment payment due no later than six months following the first installment funding date.

B. Court Approved Deductions from GSA. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the GSA, the amounts of which will be decided by the Court at the Final Approval Hearing:

- i. Up to \$201,666.67 (one-third of the GSA) to Class Counsel for attorneys’ fees and up to \$25,000.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
- ii. Up to \$7,500.00 to the Class Representative for the Class Representative Service Payment for filing the Action, working with Class Counsel and representing the Class.
- iii. Up to \$10,000.00 to the Administrator for services administering the Settlement.
- iv. \$30,000.00 for PAGA Penalties, allocated 75% (\$22,500.00) to the LWDA and 25% (\$7,500.00) to Individual PAGA Payments to the Aggrieved Employees based on their PAGA Pay Periods.

Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.

C. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the GSA (the “Net Settlement”) by making Individual Settlement Payments to Participating Class Members based on their Workweeks worked.

D. Taxes Owed on Payments to Class Members. Plaintiff and Defendant are asking the Court to approve an allocation of 15% of each Individual Class Payment to taxable wages (“Wage Portion”) and 85% to interest and penalties (“Non-Wage Portion”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendant will separately pay employer payroll taxes it owes on the Wage portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report any Individual PAGA Payments and the Non-Wage Portions of the Individual Class Settlement Payments on IRS 1099 Forms.

Although Plaintiff and Defendant have agreed to these allocations, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any Payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

E. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Settlement Payments and Individual PAGA Settlement Payments will show the date when the check expires (the void date). If you don’t cash it by the void date, your check will be automatically cancelled, and the monies will be sent to the California Controller’s Unclaimed Property Fund in the name of the Class Member failing to cash the check.

F. Requests for Exclusion from the Class Settlement (Opt-Out Request). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than [REDACTED], that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the [REDACTED] Response Deadline. The Request for Exclusion should be a signed letter from

a Class Member or his or her authorized representative setting forth a Class Member's name, address and email address or telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments but will preserve their rights to personally pursue wage and hour claims against Defendant.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class (Non-Participating Class Members) remain eligible for an Individual PAGA Payment.

G. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiff and Defendant have agreed that, in either case, the Settlement will be void: Defendant will not pay any money and Class Members will not release any claims against Defendant.

H. Administrator. The Court has appointed a neutral company, Phoenix Class Action Administration Solutions (the "Administrator") to send this Notice, calculate and make payments, and process Class Members' Request for Exclusion. The Administrator will also evaluate Class Member challenges over Workweeks and/or Pay Periods, mail and re-mail settlement checks and tax forms, and perform other tasks to administer the Settlement. The Administrator's contact information is in Section 9 below.

I. Participating Class Members' Release. Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of another lawsuit against Defendant or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

The Participating Class Members will be bound by the following release:

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint. Excluded from this portion of the release are claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the PAGA Notice. Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

J. The PAGA Release. Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff, on his own behalf and on behalf of the State of California, will be barred from asserting PAGA Claims against the Released Parties, including Defendant. Because this Court-approved Settlement of PAGA claims will bind the State of California, other individuals cannot later sue, continue to sue, or participate in any other PAGA claim against Defendant or its related entities based on the PAGA claims alleged in the Action and resolved by this Settlement.

The release of PAGA claims is follows:

Plaintiff, on his own behalf and on behalf of the State of California, is deemed to release, on behalf of himself and his respective past and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for civil penalties under PAGA, based on the facts and Labor Code sections that were alleged or reasonably could have been alleged in Plaintiff's PAGA notice of violations and/or amended PAGA notices of violations.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

A. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.

B. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$7,500.00 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Pay Periods worked by each individual Aggrieved Employee.

C. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Defendant's records, are stated in the

first page of this Notice. You have until [REDACTED] to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Defendant's calculation of Workweeks and/or Pay Periods based on Defendant's records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek and/or Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Class Members) and Defendant's Counsel. If you submit a challenge that is rejected by the Administrator, you may present the same evidence supporting the Workweek and/or Pay Period challenge to the Court for review.

5. HOW WILL I GET PAID?

A. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., Class Members who don't opt-out) and all Class Members who also qualify as Aggrieved Employees. The single check will combine the Individual Class Settlement Payment and the Individual PAGA Payment.

B. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single individual share of the PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member who is eligible as an Aggrieved Employee).

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

Submit a written and signed Request for Exclusion with your name, address and email address or telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your Request for Exclusion and identify the Action in a way that is clear. You must make the request yourself or through an authorized representative. The Administrator must be sent your request to be excluded by [REDACTED], or it will be invalid. Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement, and they can do so in writing, in person at Court, or through an attorney. A Participating Class Member who disagrees with any aspect of the Settlement, the motion for final approval and for awards of fees, litigation expenses and service award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. The deadline for sending written objections to the Administrator is [REDACTED]. If you choose to submit a written objection, be sure to tell the Administrator in your written objection what you object to, why you object, and any facts that support your objection. If you submit a written objection, make sure you identify the Action (by including the case name and case number) and print your name, address and email address or telephone number and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally hire a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on [REDACTED] at [REDACTED] in Department 12 of the Solano Superior Court, located at 580 Texas Street, Fairfield, California 94533. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the GSA will be paid to Class Counsel, Plaintiff, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend).

It's possible the Court will reschedule the Final Approval Hearing. You should contact Class Counsel to verify the date and time of the Final Approval Hearing if you are planning to attend the hearing or have your own lawyer attend.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendant and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to the Administrator's website at [REDACTED]. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Solano Superior Court website's public access case search page at: <https://portal.solano.courts.ca.gov/>.

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

Class Counsel:

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Email: Katie@dugganmchugh.com

Settlement Administrator:

Name of Company: Phoenix Settlement Administrators
Email Address:
Mailing Address:
Telephone:
Fax Number:

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check.

11. WHAT IF I CHANGE MY ADDRESS?

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

12. WHAT IS A PAGA PENALTY?

The Net Settlement is money paid to settle claims for Participating Class Members. But the PAGA claim is different. PAGA penalties were originally penalties that only the State of California could collect through an enforcement action brought by the State against an employer. In 2004, the State enacted PAGA, a law that allows employees to try to recover those penalties for the State. Under the version of PAGA in effect for this Settlement, the State agrees to share 25% of its penalties with the affected employees (here, the Aggrieved Employees). The PAGA settlement proposed as part of this Settlement is a settlement of the State's PAGA claim.

1 for the Class. Plaintiff has no known conflicts of interest with absent Class Members and has agreed to
2 place Class interests above Plaintiff's own. Plaintiff's actions also demonstrate adequacy.

3 40. By consolidating all of these potential individual actions into one proceeding, this Court's
4 use of the class action device enables it to manage this litigation in a manner that serves the economics
5 of time, effort and expense for the litigants and the judicial system. Absent class treatment, similarly-
6 situated employees with small but potentially meritorious claims for damages would, as a practical
7 matter, have no means of redress because of the time, effort and expense required to prosecute individual
8 actions. Moreover, in the context of settlement, superiority concerns are almost non-existent, since case
9 management is controlled and a methodology for trial need not be identified.

11 EXHIBITS

12 41. As noted above, a true and correct copy of the CLASS ACTION AND PAGA
13 SETTLEMENT AGREEMENT AND CLASS NOTICE is attached hereto as **Exhibit "1."** The
14 Settlement includes Exhibit A (the "Notice").

15 42. Attached hereto as **Exhibit "2"** is a true and correct copy of confirmation of the submission
16 of the settlement to the Department of Industrial Relations, through its online submission portal.

18 PAGA SETTLEMENT NOTIFICATION TO DIR

19 43. Counsel for Plaintiff provided notice of the requested approval of the PAGA settlement
20 through the online submission portal.

21 I declare under penalty of perjury, under the laws of the State of California, that the foregoing is
22 true and correct. Executed August 28, 2025, at Los Angeles, California.

23 

24 H. Scott Leviant, "Declarant"

EXHIBIT 2

IMPORTANT NOTICE OF REDACTION RESPONSIBILITY: All filers must redact: Social Security or taxpayer identification numbers; personal addresses, personal telephone numbers, personal email addresses, dates of birth; names of minor children; & financial account numbers. This requirement applies to all documents, including attachments.



State of California

Labor and Workforce Development Agency /
Department of Industrial Relations

Private Attorneys General Act (PAGA) – Filing

Proposed Settlement of PAGA case

PAGA Number (LWDA-CM-) : *

1025059-24

Please enter only the numbers after "LWDA-CM-" in the following format, "XXXXXXXXXX-XX".

[Search for PAGA Case number](#)

The timing of the deposit of settlement checks is governed by the provisions of the State Administrative Manual. This ministerial, administrative act of depositing a settlement check mandated by state procedures should not be construed as nor does it constitute an unconditional, voluntary and/or absolute acceptance of settlement proceeds or approval of the terms of any settlement agreement or judgment related to that check.

Your Information (Person Who is Filing)

Your First Name *

Sandy

Your Last Name *

Pham

Your Email Address *

spham@moonlawgroup.cc

Your Street Name, Number and Suite/Apt *

725 S. Figueroa St., 31st F

Your Mobile Phone Number

Your City *

Los Angeles

Your Work Phone Number

Your State *

California



Your Zip/Postal Code *

90017

Court and Hearing Information

Court *

Solano County Superior Court



Court Case Number *

CU24-03325

Hearing Date *

10/08/2025

Hearing Time *

08:30 AM

HH:MM

Hearing Location *

580 Texas Street, Fairfield

Number of aggrieved employees *

180

Net Amount to Aggrieved Employees *

\$7,500.00

Gross settlement amount *

\$605,000.00

Gross penalty *

\$30,000.00

Penalties to LWDA *

\$22,500.00

Date of proposed settlement *

06/18/2025

Other PAGA Notices

[Search for PAGA Case number](#)

☒ I have searched LWDA's database for other PAGA claims filed against the employer(s) named in my NEW PAGA Claim Notice.

☐ There are no other PAGA claims which may be affected by this proposed settlement.

☐ The proposed settlement may affect other PAGA claims.

- ☐ A Notice of Related Cases has been filed in all related actions.
- ☐ Plaintiff has provided copies of proposed settlement and moving papers to plaintiffs with claims that are affected by this proposed settlement agreement.
- ☐ Plaintiff has submitted to LWDA the court complaint(s) on which this settlement is based.

Proposed Settlement and Other Documents

Proposed Settlement (must be .pdf) *

VERTUS -- 20...EXH A (FE).pdf

Other Attachment (if any, must be .pdf)

VERTUS -- 20... Approval.pdf

Other Attachment (if any, must be .pdf)

VERTUS -- 20...O re MPA.pdf

[Remove](#)

Other Attachment (if any, must be .pdf)

VERTUS -- 20...an re MPA.pdf

[Remove](#)

Other Attachment (if any, must be .pdf)

VERTUS -- 20...in re MPA.pdf

[Remove](#)

Other Attachment (if any, must be .pdf)

VERTUS -- 20...A w EXHS.pdf

[Remove](#)

[Add Another Attachment](#)

LWDA requests that settling parties provide copies of supporting documents, including memorandum of points and authorities and declaration of counsel filed with the court, to assist LWDA in evaluating proposed settlement agreements.

IMPORTANT NOTICE OF REDACTION RESPONSIBILITY: All filers must redact: Social Security or taxpayer identification numbers; personal addresses, personal telephone numbers, personal email addresses, dates of birth; names of minor children; & financial account numbers. This requirement applies to all documents, including attachments.

☒ **I understand that, if I file, I must comply with the redaction rules consistent with this notice.**

Should you have questions regarding this online form, please contact PAGAInfo@dir.ca.gov

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