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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES**

DANEL LAMAR, individually, and on behalf of all
others similarly situated,

Plaintiff,

vs.

CARGILL INCORPORATED; and DOES 1
through 10, inclusive,

Defendants

Case No.: 24STCV16202

CLASS AND REPRESENTATIVE ACTION

**DECLARATION OF KANE MOON IN
SUPPORT OF PLAINTIFFS' MOTION FOR
PRELIMINARY APPROVAL OF JOINT
STIPULATION OF CLASS AND
REPRESENTATIVE ACTION
SETTLEMENT**

*[Filed with Plaintiff's Notice of Motion and
Memorandum of Points and Authorities, the
Declaration of Plaintiff, the Declaration of James
R. Hawkins, the Declaration of Plaintiff Lamar, the
Declaration of Plaintiff Aaron, the Declaration of
Sean Hartranft, and [Proposed] Preliminary
Approval Order]*

PRELIMINARY APPROVAL HEARING:

Date: October 1, 2026

Time: 10:00 a.m.

Dept.: 11

Judge: David S. Cunningham III

Action Filed: June 27, 2024

Trial Date: Not set

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Attorneys for Plaintiff Keenan Aaron

I, KANE MOON, declare as follows:

CASE BACKGROUND AND PROCEDURAL HISTORY

4. Plaintiffs' claim for unpaid minimum and overtime wages stem from allegations that Defendant failed to compensate Plaintiffs and others for off-the-clock work, failed to incorporate all remuneration into employees' regular rate of pay for purposes of paying overtime and sick pay, and that Defendant rounded employees' time to their detriment. Plaintiffs' meal and rest period claims are based on allegations that due to the nature of their work, Class Members' breaks were often short, late, interrupted,

1 and sometimes missed altogether, and that Defendant did not pay all premium wages for non-compliant
2 breaks. Plaintiffs further bring a claim for unreimbursed necessary business expenses based on allegations
3 that Class Members were required to use their personal cellphones to receive work instructions from their
4 supervisors and purchase their own boots without reimbursement from Defendant. Plaintiffs also bring
5 claims for damages based on allegations that Defendant failed to provide proper disclosures and obtain proper
6 consent for the background checks and consumer reports obtained from Plaintiff and other Class Members
7 in violation of the FCRA, ICRAA, and CCRAA. Finally, Plaintiffs also bring derivative claims for waiting
8 time penalties, wage statement violations, unfair business practices, and civil penalties under PAGA.

9 5. Because of the foregoing alleged violations of various provisions of the Labor Code, and
10 pursuant to PAGA, on February 14, 2024, Plaintiff Aaron gave written notice to the California Labor and
11 Workforce Development Agency (the “LWDA”) of the alleged Labor Code violations, with certified mail
12 service on Defendant, and paid the required filing fee. A true and correct copy of Plaintiff Aaron’s PAGA
13 Notice is attached hereto as **Exhibit 2**.

14 6. Plaintiff Aaron filed a class action on April 23, 2024. In compliance with Labor Code section
15 2699(s)(1), Plaintiff Aaron subsequently submitted to the LWDA a file-stamped copy of the complaint
16 containing the Court-assigned case number. To date, the LWDA has not indicated its intent to investigate the
17 alleged violations or intervene in this Action

18 7. Pursuant to PAGA, on June 22, 2024, Plaintiff Lamar gave written notice to the LWDA of the
19 alleged Labor Code violations, with certified mail service on Defendant, and paid the required filing fee. A
20 true and correct copy of Plaintiff Lamar’s PAGA Notice is attached hereto as **Exhibit 3**.

21 8. Plaintiff Lamar filed a class action on June 27, 2024 (the “*Lamar* Action”). In compliance with
22 Labor Code section 2699(s)(1), Plaintiff Lamar subsequently submitted to the LWDA a file-stamped copy
23 of the complaint containing the Court-assigned case number. To date, the LWDA has not indicated its
24 intent to investigate the alleged violations or intervene in this Action.

25 9. On February 6, 2026, Plaintiffs filed a Second Amended Complaint (the “Operative
26 Complaint”) in the *Lamar* Action to add Plaintiff Aaron as an additional Class Representative and amend the
27 complaint to include the claims covered in the Released Claims: 1) Failure to Pay Minimum Wages [Cal.
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1 Lab. Code §§ 204, 1194, 1194.2, and 1197]; 2) Failure to Pay Overtime Compensation [Cal. Lab. Code §§
2 1194 and 1198]; 3) Failure to Provide Meal Periods [Cal. Lab. Code §§ 226.7, 512]; 4) Failure to Authorize
3 and Permit Rest Breaks [Cal. Lab. Code §§ 226.7]; 5) Failure to Indemnify Necessary Business Expenses
4 [Cal. Lab. Code § 2802]; 6) Failure to Timely Pay Final Wages at Termination [Cal. Lab. Code §§ 201-203];
5 7) Failure to Provide Accurate Itemized Wage Statements [Cal. Lab. Code § 226]; 8) Unfair Business
6 Practices [Cal. Bus. & Prof. Code §§ 17200, et seq.]; 9) Violation of the FCRA to Make Proper Disclosures
7 [15 U.S.C. § 1681b(b)(2)(A)(i)]; 10) Violation of the FCRA for Failure to Obtain Proper Authorization
8 [15 U.S.C. § 1681b(b)(2)(A)(ii)]; 11) Failure to Make Proper Disclosure [California Civil Code § 1786
9 et seq., ICRA]; 12) Failure to Make Proper Disclosure [California Civil Code § 1785.1 et seq., ICRA];
10 13) Failure to Pay Sick Pay [Cal. Lab. Code §§ 246]; and 14) Civil Penalties Under PAGA [Cal. Lab. Code
11 § 2699, et seq.].

12 10. Defendant ardently opposes the merits of this case and denies Plaintiffs’ factual allegations.
13 Defendant asserts it complied with all its compensation obligations, including compensating Class Members
14 for any and all off-the-clock work and overtime work, and therefore, Plaintiffs and other Class Members
15 were paid all wages owed. Defendant argues it did not fail to incorporate any non-discretionary bonuses,
16 shift differentials, or commissions into the regular rate of pay for purposes of paying overtime or sick pay,
17 and that all bonuses were discretionary. Defendant argues its time-rounding practice is neutral on its face and
18 in compliance with California law. Defendant maintains compliance with all its meal and rest period
19 obligations. Defendant asserts it complied with all its reimbursement obligations, and that Plaintiff and other
20 employees were compensated for any and all business expenses necessarily incurred. To the extent
21 employees received wage statements that were allegedly inaccurate, Defendant asserts employees suffered
22 no actual damage or harm as a result. (*See, e.g., Angeles v. U.S. Airways, Inc.* (N.D. Cal. Feb. 19, 2013, No.
23 C 12–05860 CRB) 2013 WL 622032, at *10 [“A plaintiff must adequately plead an injury arising from an
24 employer’s failure to provide full and accurate wage statements, and the omission of the required information
25 alone is not sufficient.”].) With respect to Plaintiffs’ claim for waiting time penalties, Defendant alleges its
26 good-faith belief that it paid all wages precludes the imposition of waiting time penalties since Plaintiffs
27 cannot prove Defendant’s alleged failure to pay all final wages at the time of separation was “willful.” (*See,*
28

1 *e.g., Pedroza v. PetSmart, Inc.* (C.D. Cal. June 14, 2012, No. ED CV 11–298 GHK (DTBx)) 2012 WL
2 9506073, *5.) Defendant also argues that it made proper disclosures and obtained proper consent under the
3 FCRA, ICRA, and the CCRAA, and to the extent that Defendant violated the FCRA, ICRA, and CCRAA,
4 which Defendant denies, such violation was not intentional. For these reasons, among others, Defendant
5 denies all of Plaintiffs’ claims and allegations, and further claims it did not engage in any unfair business
6 practices and denies liability under PAGA. Defendant also maintains the claims are improper for class
7 treatment, in part, due to the individualized and testimony-intensive nature of the wage claims that could bar
8 class certification or significantly reduce Defendant’s overall liability.

9 DISCOVERY AND INVESTIGATION

10 11. The Parties agreed to mediate this action with Mark Rudy, Esq., an experienced class and PAGA
11 action mediator. In preparation for mediation, the Parties agreed to a protocol for an informal production of
12 documents and information before mediation. Prior to mediation, Plaintiffs obtained from Defendant,
13 through informal discovery, documents and data that were necessary and helpful to evaluate the claims
14 asserted in this action. Defendant produced a statistically sound sample of time and pay records for
15 approximately 26% of the putative Class, Plaintiffs’ personnel file and time and pay records, and Defendant’s
16 written employment policies in effect during the Class Period. Defendant also provided information
17 regarding the estimated number of current and formerly employed Class Members, Aggrieved Employees,
18 Workweeks, and PAGA Pay Periods.

19 12. In preparation for mediation, Class Counsel reviewed and analyzed all the information
20 Defendant provided, including the sample records and documents regarding Defendant’s wage-and-hour
21 policies. Class Counsel retained a statistics expert to analyze the sample records and prepare a damage
22 analysis prior to the mediation. The sample time and pay records analyzed contained 38,899 actual shifts
23 worked (representing roughly 12% of total shifts worked in the Class Period), which allowed Plaintiffs’
24 expert to prepare an analysis with a reasonable degree of certainty. In conjunction with their extensive factual
25 investigation, Class Counsel also investigated the applicable law regarding the claims and defenses asserted
26 in the litigation. Accordingly, Class Counsel was able to evaluate the probability of class certification, success
27 on the merits, and Defendant’s maximum and realistic monetary exposure for all claims. Thus, Plaintiffs’
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1 and their Counsel's familiarity with the facts of the case and the legal issues raised by the pleadings allowed
2 them to act intelligently in negotiating the Settlement.

3 SETTLEMENT NEGOTIATIONS AND NOTICE TO THE LWDA

4 13. On November 25, 2025, the Parties participated in a full day of private mediation with Mark
5 Rudy, Esq. The negotiations were at arm's length and, although conducted in a professional manner, were
6 adversarial. The Parties went into the mediation willing to explore the potential for a settlement of the dispute,
7 but each side was also prepared to litigate their position through trial and appeal if a settlement had not been
8 reached. After a full discussion regarding the strengths and weaknesses of Plaintiffs' claims and Defendant's
9 defenses and with the assistance of the mediator, the Parties reached a resolution, the material terms of which
10 are set out in the Settlement.

11 14. In compliance with Labor Code section 2699(s)(2), notice of settlement and a copy of the
12 proposed Settlement has been submitted to the LWDA along with a copy of Plaintiffs' preliminary approval
13 motion and the hearing date. A true and correct copy of the LWDA's email confirming receipt thereof is
14 attached hereto as Exhibit 4. To date, the LWDA has not indicated any objection to the Settlement.

15 KEY TERMS OF SETTLEMENT

16 15. GSA and Funding: The Gross Settlement Amount ("GSA") is \$2,500,000.00, subject to
17 potential increase under an Escalator Clause, and is non-reversionary. (Settlement, ¶ 3.0.) Defendant will
18 separately pay its employer-side payroll taxes owed on the Wage Portion of Individual Class Payments. (*Id.*)
19 Defendant will fully fund the GSA by transmitting the funds to the Administrator within thirty (30) calendar
20 days of entry of the Effective Date. (*Id.* at ¶ 4.0.)

21 16. Escalator Clause: The Settlement provides an escalator clause under which should the number
22 of Class Period Workweeks exceed the estimated count of 74,953 by more than 10%, then Defendant has
23 the option to (a) increase the GSA by 1% for every 1% of the total workweeks exceeding the 10% threshold,
24 or (b) the Class Period and PAGA Period, respectively, shall end on the date the cumulative number of
25 workweeks reaches 82,449. (*Id.* at ¶ 7.) Defendant agrees to inform Plaintiffs and Class Counsel which option
26 it is exercising prior to the Preliminary Approval filing deadline. (*Id.*)

1 17. Class Representative Service Payments: The Settlement includes of not more than \$10,000.00
2 each payable from the GSA, subject to the Court’s approval, to Plaintiffs as the Class Representatives, in
3 addition to the Individual Class Payment and Individual PAGA Payment they are entitled to receive as a
4 Participating Class Members and Aggrieved Employees. (*Id.* at ¶¶ 1.8, 3.1.1.) This payment is for their
5 services in support of the Action and General Release. (*Id.* at ¶ 1.8.) If the Court approves of an amount that
6 is less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount.
7 (*Id.* at ¶ 3.1.1.)

8 18. Class Counsel Fees and Expenses Payments: The Settlement permits a fee application not to
9 exceed one-third of the GSA (currently estimated to be \$833,333.33) for reasonable attorneys’ fees. (*Id.* at ¶
10 3.1.2.) Pursuant to a Joint Prosecution and Fee-Sharing Agreement between Moon Law Group, PC (“MLG”)
11 and James Hawkins APLC (“JH”), and as consented to in a signed writing by Plaintiffs, 40% of the attorneys’
12 fees will be provided to MLG and 60% will be provided to JH. The Settlement also provides reimbursement
13 for actual litigation costs not to exceed \$75,000.00, payable to Class Counsel from the GSA. (*Id.* at ¶ 3.1.2.)
14 In the event the amounts finally approved are less, the difference will revert to Participating Class Members.
15 (*Id.*) To date, my firm has incurred \$36,498.41 in actual litigation costs, and a true and correct copy of a
16 report showing current costs is attached hereto as **Exhibit 5**.

17 19. Administration Expenses Payment: The Settlement provides an Administration Expenses
18 Payment to the Administrator, payable from the GSA, in an amount not to exceed \$10,750.00, except for a
19 showing of good cause and as approved by the Court. (*Id.* at ¶ 3.1.3.) In the event the amount of actual
20 administration costs is less and/or the amount approved by the Court is less than requested, the Administrator
21 will allocate the remainder to the Net Settlement Amount. (*Id.*) The Parties jointly selected APEX Class
22 Action Administration (“APEX”) as the neutral entity to administer this Settlement. (*Id.* at ¶ 1.1.) A true and
23 correct copy of APEX’s bid of \$10,750.00 is attached hereto as **Exhibit 6**.

24 20. Aggrieved Employees; PAGA Settlement Class; PAGA Period: “Aggrieved Employees” or
25 “PAGA Settlement Class” means all individuals who are or were employed by Defendant as non-exempt
26 employees in California during the PAGA Period. (*Id.* at ¶ 1.3.) For purposes of Settlement, the “PAGA
27 Period” means the period from February 14, 2023, through (i) February 25, 2026; or (ii) the date on which
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Defendant notifies Plaintiffs that it elects to end the PAGA Period, which shall be no sooner than February 25, 2026. (*Id.* at ¶ 1.26.)

21. PAGA Penalties; Individual PAGA Payments: The Settlement allocates \$100,000.00 from the GSA for settlement of the Released PAGA Claims, which will be distributed 75% (\$75,000.00) to the LWDA and 25% (\$25,000.00) to Aggrieved Employees pursuant to PAGA law governing Plaintiffs' claims.¹ (*Id.* at ¶¶ 1.18, 1.29.) Each Aggrieved Employee will be entitled to a pro rata share of the 25% share of the PAGA Penalties directly proportional to their number of PAGA Pay Periods. (*Id.* at ¶ 3.1.4.1.) This results in an average Individual PAGA Payment of roughly **\$63.45** for each of the estimated 394 Aggrieved Employees (\$25,000.00 / 394), and a PAGA Pay Period value of roughly **\$0.79** for each of the 31,779 estimated Pay Periods in the PAGA Period (\$25,000.00 / 31,779).

22. Net Settlement Amount: After deducting the Class Representative Service Payments, the Class Counsel Fees and Expenses Payments, the PAGA Penalties allocation, and the Administration Expenses Payment from the GSA, in the amounts specifically approved by the Court, any difference in the amounts requested and the amounts awarded will be allocated to the Net Settlement Amount for distribution to Participating Class Members. (*Id.* at ¶ 1.21.) Accordingly, the Net Settlement Amount will be *no less than* **\$1,460,916.67** for an estimated Class of **624 individuals**.²

23. Class Members/Period: The Class or Settlement Class means all individuals who are or were employed by Defendant as non-exempt employees in California during the Class Period. (*Id.* at ¶ 1.4.) For purposes of Settlement, the "Class Period" means the period from April 23, 2020, through (i) February 25,

¹ On July 1, 2024, new legislation was enacted to amend PAGA in several respects, including as to the recovery split for civil penalties. (Stats. 2024, ch. 44 (Assem. Bill No. 2288), § 1, eff. Jul. 1, 2024.) As amended, PAGA now provides for a 65%-LWDA/45%-aggrieved employee split. (Lab. Code § 2699(m).) However, PAGA reform only applies to PAGA actions initiated on or after June 19, 2024. (*Id.* at § 2699(v)(1).) Plaintiff Aaron initiated his action prior to June 19, 2024, as such the PAGA Penalties are distributed with 75% to the LWDA and 25% to Aggrieved Employees.

² The Net Settlement Amount was calculated by deducting the following from the \$2,500,000.00 GSA: \$20,000.00 for the Class Representative Service Payments, up to \$10,750.00 for the Administration Expenses Payment, \$100,000.00 for the PAGA Penalties to the LWDA and Aggrieved Employees, \$833,333.33 for the Class Counsel Fees Payment, and up to \$75,000.00 for the Class Counsel Expenses Payment. (Settlement, ¶¶ 3.0–3.1.4.)

2026; or (ii) the date on which Defendant notifies Plaintiffs that it elects to end the Class Period, which shall no sooner than February 25, 2026. (*Id.* at ¶ 1.6.)

24. Individual Class Payments: Each Participating Class Member who does not opt-out will be entitled to a pro rata share of the Net Settlement Amount that is calculated to the number of Workweeks worked during the Class Period. (*Id.* at ¶ 1.17.) The estimated **\$1,460,916.67** Net Settlement Amount results in an average Individual Class Payment of roughly **\$2,341.21** for each of the estimated 624 Class Members ($\$1,460,916.67 / 624$),³ and a Workweek value of roughly **\$19.49** for each of the 74,953 estimated Workweeks in the Class Period ($\$1,460,916.67 / 74,953$).

25. Tax Allocations: Individual Class Payments will be allocated as 20% as wages and 80% as penalties and interest for tax purposes. (*Id.* at ¶ 3.1.3.2.) Individual PAGA Payments will be allocated as 100% penalties for tax purposes. (*Id.* at ¶ 3.1.4.2.)

26. Disbursement and Uncashed Funds: Disbursement will occur within 14 days of completed funding. (*Id.* at ¶ 4.1.) Class Members will not need to submit any claim form as a condition of receiving individual settlement payments. (*Id.* at ¶ 3.0.) Any funds remaining uncashed after 180 days from issuance will be transmitted to the California State Controller’s Unclaimed Property office in the name of each individual who failed to timely cash their check. (*Id.* at ¶¶ 4.1.1, 4.1.3.)

27. Release by Participating Class Members: The “Released Class Claims” means all Participating Class Members fully and finally release and discharge the Released Parties from all claims arising out of or related to the allegations set forth in the Operative Complaint that arose during the Class Period, including, but not limited to, claims that Defendant: (1) failed to pay minimum and regular rate wages (Cal. Lab. Code §§ 204, 1194, 1194.2, and 1197); (2) failed to pay overtime compensation (Cal. Lab. Code §§ 1194 and 1198); (3) failed to provide meal periods (Lab. Code §§ 226.7 and 512); (4) failed to provide rest periods (Lab. Code §, 226.7); (5) failed to indemnify necessary business expenses (Lab. Code § 2802); (6) failed to timely pay all final wages (Lab. Code §§ 201 202 and 203); (7) failed to provide accurate itemized wage

³ At this time, the actual amounts to Class Members and/or Aggrieved Employees are unknown and will be calculated by the Administrator following preliminary approval and receipt and processing of the Class Data. (Settlement, ¶ 6.4.2.) The high and low range of payments will be provided to the Court in a motion for final approval.

statements (Lab. Code §§ 226(a)); (8) engaged in Unfair Competition (Bus. & Prof. Code §§ 17200 et seq.); (9) failed to make proper disclosures under the Fair Credit Reporting Act (15 U.S.C. § 1681b(b)(2)(A)(i)); (10) failed to obtain proper authorization under the Fair Credit Reporting Act (15 U.S.C. § 1681b(b)(2)(A)(ii)); (11) failed to make proper disclosures under the Investigative Consumer Reporting Agencies Act (Civ. Code, § 1786 et seq.); and (12) failed to make proper disclosures under the California Consumer Credit Reporting Agencies Act (Civ. Code, § 1785.1 et seq.). (*Id.* at ¶ 5.1.) The Released Class Claims exclude claims not permitted by law and are limited to claims arising during the Class Period. (*Id.* at ¶ 5.1.1.)

28. PAGA Released Claims: The “Released PAGA Claims” means that Plaintiffs and the LWDA fully and finally release and discharge the Released Parties from all claims for civil penalties pursuant to PAGA (Labor Code §§ 2698-2699.6) arising out of or related to the allegations set forth in the Operative Complaint and/or PAGA notices to the California Labor and Workforce Development Agency sent by both Plaintiffs that arose during the PAGA Period.. (*Id.* at ¶ 5.2.) The Released PAGA Claims are limited to claims arising during the PAGA Period and do not release any Aggrieved Employees’ claims for wages or statutory penalties. In light of the binding nature of a PAGA judgment on non-party employees under *Arias v. Sup. Ct. (Angelo Dairy)* (2009) 46 Cal.4th 969 and *Cardenas v. McLane Foodservice, Inc.* (2011) 796 F.Supp.2d 1246, individuals otherwise meeting the definition of an Aggrieved Employee who are eligible to receive an Individual PAGA Payment shall be deemed to have released the Released PAGA Claims, regardless of whether their check for the Individual PAGA Payment is cashed or not, and regardless of whether he or she is a Non-Participating Class Member. (*Id.* at ¶ 5.2.1.)

29. Plaintiffs’ Section 1542 Release: Plaintiffs fully and finally releases and discharges the Released Parties from any and all charges, complaints, claims, and liabilities of any kind or nature whatsoever, known or unknown, suspected or unsuspected (“claim(s)”) which Plaintiffs, at any time heretofore, had or claimed to have or which Plaintiffs may have or shall in the future claim to have, including, without limitation, any and all claims related or in any manner incidental to Plaintiffs’ employment. (*Id.* at ¶ 5.1.) For purposes of Plaintiffs’ Release, Plaintiffs expressly waive and relinquish the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code. (*Id.* at ¶ 5.0.2.)

1 30. Effective date of claims releases: The release of all claims will be effective on the date
2 Defendant fully funds the entire GSA and all employer payroll taxes owed on the Wage Portions of the
3 Individual Class Payments, Plaintiffs, Participating Class Members, and Aggrieved Employees will release
4 the claims against all Released Parties. (*Id.* ¶¶ at 5–5.2.)

5 31. Released Parties: “Released Parties” means Defendant and all its subsidiaries, affiliates,
6 shareholders, members, agents, predecessors, successors, and assigns. (*Id.* at ¶ 1.35.)

7 32. Class Notice; Disputes, Requests for Exclusion, Objections: The Class Notice will be mailed in
8 English and Spanish via first-class U.S. mail to the current address of each Class Member. (*Id.* at ¶ 6.3.) The
9 proposed Class Notice sets forth, in plain terms, a statement of case, the terms of the Settlement, the
10 approximate amounts of attorneys’ fees, costs, PAGA Penalties, and service award being sought, an
11 explanation of how the individual payments are calculated, the Final Approval Hearing information, the
12 procedure for disputing the number of Workweeks and/or Pay Periods credited to each Class Members,
13 and how Class Members may, should they choose, opt-out or otherwise object to the Settlement. (*Id.* at ¶¶
14 6.3, 6.12, Ex. A.)

15 33. No Related Actions: To the best of my knowledge, there is no other pending litigation involving
16 similar claims against Defendant that may be impacted by approval of the Settlement at issue, nor has
17 Defendant pointed to any.

18 THE PROPOSED SETTLEMENT IS FAIR, REASONABLE, AND ADEQUATE

19 34. Class Counsel have conducted a thorough investigation into the facts of this case. As previously
20 noted, the Settlement at issue was reached through arms’-length negotiations, private mediation, and the
21 assistance of a statistics expert. Based on Defendant’s informal class-wide discovery production, on Class
22 Counsel independent investigation and evaluation, and on their extensive experience in wage-and-hour
23 litigation, Class Counsel are of the opinion that the proposed Settlement is fair, reasonable, and adequate.
24 Furthermore, considering all known facts and circumstances, the risk of significant delay, trial risk, appellate
25 risk, and the defenses Defendant may assert both to certification and on the merits, the Settlement is in the
26 best interest of the Class and LWDA.

35. Based on Class Counsel’s review of the time, payroll, and additional data provided by Defendant, on Plaintiffs’ expert’s analysis of the sample records provided by Defendant, and on information from Plaintiff, Class Counsel evaluated the estimated maximum and risk-adjusted exposure that Defendant faced. Based on a review of Defendant’s records, it is estimated that there are approximately 624 Class Members who collectively worked 74,953 Workweeks during the Class Period. (*Id.* at ¶ 7.0.) Additionally, there are an estimated 394 Aggrieved Employees who collectively worked 31,779 PAGA Pay Periods during the PAGA Period, 285 former employees falling within the three-year statute of limitations (“SOL”) period for waiting time penalties, and it was estimated that Class Members’ average hourly rate was \$28.48, and that the average regular hourly rate was \$29.73.

Accordingly, we calculated Defendant’s potential exposure as follows:

Claim	Relevant Time Period	Rate	Number of Violations	Realistic Recovery
Unpaid Wages (Rounding)	74,953 Workweeks	\$28.48 average hourly rate	6,709 net unpaid hours	Maximum: \$191,072.32 Realistic: \$47,768.08*
Unpaid Wages (Regular Rate)	74,953 Workweeks	\$29.73 average regular rate	Based on Expert Analysis of Records	Maximum: \$466,425.00 Realistic: \$116,606.25*
Unpaid Wages (Off-the-Clock)	74,953 Workweeks	\$28.48 average hourly rate	37,477 net unpaid hours (assuming 30 minutes per Workweek) (94.8% overtime)	Maximum: \$1,562,608.01 Realistic: \$156,260.80**
Unpaid Wages (Invalid AWS)	74,953 Workweeks	\$28.48 average hourly rate	186,304 net unpaid hours	Maximum: \$2,854,176.00 Realistic: \$713,544.00*
Meal Period Violations	74,953 Workweeks	\$28.48 average hourly rate	217,282 unique meal break violations	Maximum: \$6,188,191.36 Realistic: \$1,547,047.84*
Rest Period Violations	74,953 Workweeks	\$28.48 average hourly rate	325,600 rest break violations (assuming 100%	Maximum: \$9,273,088.00

			break violations for break-eligible shifts)	Realistic: \$927,308.80**
Unreimbursed Business Expenses Violations	74,953 Workweeks	\$20.00 / Month	Based on Expert Analysis of Records	Maximum: \$379,840.00 Realistic: \$37,984.00**
FCRA (15 U.S. Code § 1681(n)(a)(1)(A))	Based on approx. 624 Class Members	\$100 to \$1,000 per Class Member	Based on approx. 624 Class Members	Maximum: \$1,248,000.00 Realistic: \$124,800.00**
ICRAA (CA Civ. Code § 1786.50(a)(1))	Based on approx. 624 Class Members	Actual damages or \$10,000.00 per Class Member, whichever is greater	Based on approx. 624 Class Members	Maximum: \$6,240,000.00 Realistic: \$624,000.00**
CCRAA (CA Civ. Code § 1785.31(a)(2)(B))	Based on approx. 624 Class Members	Actual damages for negligence; punitive damages of \$100 to \$5,000 per Class Member	Based on approx. 624 Class Members	Maximum: \$3,120,000.00 Realistic: \$156,000.00***
Labor Code § 203	Based on approx. 285 terminated employees within the 3- year SOL	\$28.48 average hourly rate / 30-day max.	Assumes 9.6 hours / day	Maximum: \$2,528,835.00 Realistic: \$126,441.75***
Labor Code § 226	Based on approx. 386 employees within the 1- year SOL	\$50 per initial pay period / \$100 per subsequent pay periods / \$4,000 employee max.	Based on 31,779 pay periods within the 1-year SOL	Maximum: \$1,544,000.00 \$77,200.00***
PAGA	Based on 31,779 pay periods within the 1-year SOL	\$100 per pay period	Based on 31,779 pay periods within the 1-year SOL	Maximum: \$3,177,900.00 Realistic: \$158,895.00***
Total				Maximum: \$38,774,135.69

	Realistic: \$4,813,856.52
* These figures are discounted based on a 25% probability of prevailing at class certification and on the merits. ** These figures are discounted based on a 10% probability of prevailing at class certification and on the merits. *** These figures are discounted based on a 5% probability of prevailing at class certification and on the merits.⁴	

36. As discussed above, Plaintiffs' unpaid wages claim is due in part to allegations that Defendant implemented an unlawful policy during the statutory period whereby Class Members were not paid based on actual hours worked but rather on rounded hours, resulting in unpaid minimum and overtime wages. A review of Defendant's pay and time records demonstrates that Defendant recorded precise time punches but applied rounding practices that reduced recorded work time, resulting in some underpayment of regular and overtime wages across a portion of time and pay records during the relevant period, and that this rounding practice affected compensation calculations for certain employees. However, Defendant argues its rounding policy is in accordance with California law and neutral on its face as some employees were overpaid due to rounding. Plaintiff's expert found that while 15.6% of pay periods were overpaid as a result of rounding, 50.8% of pay periods were underpaid. After accounting for any overpaid hours, Plaintiffs' expert calculated there were a net 6,709 unpaid hours, resulting in \$191,072.32 unpaid wages. Although I believe there is merit to this claim, I acknowledge there is risk with certifying this claim and proof on the merits. Therefore, for purposes of settlement, I applied a 75% discount to the maximum exposure figure; accordingly, I arrived at **a realistic damage estimate of \$47,768.08 for the rounding claim.**

37. As discussed above, Plaintiffs' unpaid wages claim is also due to allegations that Defendant failed to incorporate all remuneration, including bonuses, commissions, and shift differentials, into Class Members' regular rate of pay for purposes of paying overtime wages, meal break premiums, rest break

⁴ It is reasonable to apply discounts to account for risks at certification and trial, in part, because the Judicial Council of California found that only 21.4% of all class actions were certified either as part of a settlement or as part of a contested certification motion. (See Findings of the Study of California Class Action Litigation, 2000-2006, available at <http://www.courts.ca.gov/documents/class-action-lit-study.pdf>.) Further, the likelihood that Defendant could assert viable legal defenses would likely further reduce its overall exposure.

1 premium, and sick pay. Specifically, Plaintiffs' expert reviewed the sample records Defendant produced and
2 found that 64.4% of pay periods had overtime pay and additional compensation, 9.9% of pay periods had
3 meal premiums and additional compensation, 0.2% of pay periods with rest premiums and additional
4 compensation, and 3.7% of pay periods with sick pay and addition compensation, which resulted in a
5 maximum exposure of \$466,425.00. However, Defendant argues the additional payments were discretionary
6 bonuses, and therefore Defendant was not required to incorporate those payments into the regular rate. Due
7 to the lack of written policies regarding criteria for bonus payments, I acknowledge the foregoing presents
8 significant risk with certifying this claim and proof on the merits. Therefore, I applied a 75% discount to the
9 maximum exposure figure; accordingly, I arrived at **a realistic damage estimate of \$116,606.25 for the**
10 **regular rate claim.**

11 38. Plaintiffs' unpaid wages claim is based on allegations that Defendants did not compensate
12 Plaintiffs and other employees for certain time worked outside recorded hours, including time before
13 and after scheduled shifts and, at times, during meal and rest breaks. Plaintiffs allege that before each
14 shift employees had to enter access codes to enter the premises and access the timeclocks, and that
15 Defendants limited clock in to no more than two minutes before the scheduled start time. Plaintiffs
16 further allege that, because only three timeclocks were available, employees regularly waited in line
17 during this restricted clock in window and were not paid for that waiting time. Plaintiffs also allege that
18 PCMs sometimes performed post shift tasks, such as taking out trash, after clocking out. Defendants
19 dispute these allegations and maintain that employees were paid for all compensable time and that their
20 timekeeping system accurately captured hours worked. Therefore, Class Counsel estimated Class
21 Members spent an average 30 minutes off the clock per Workweek. Accordingly, Class Counsel and
22 data expert estimated Defendant failed to pay Class Members for approximately 37,477 hours, 94.8% of
23 which should have been paid at the overtime rate. From this, and in light of the average rates of the Class
24 Members, Defendant's estimated maximum potential liability is \$1,562,608.01. Defendant contends that all
25 time worked was compensated, that the security check time was *de minimis*, that Class Members were not
26 permitted to work off-the-clock, that no work was required during meal periods or rest breaks, and that this
27 claim is highly individualized and not susceptible to class-wide treatment. I acknowledge that "off-the-clock"

claims are difficult to be tried on a class wide basis because there is no apparatus that can be used to prove this claim—there are no records to be used as evidence. In light of these defenses, and for purposes of settlement, I discounted the maximum potential liability by 90%. **Plaintiffs’ realistic recovery estimate for the unpaid wages claim due to off-the-clock work is therefore \$156,260.80.**

39. Plaintiffs’ unpaid wage claim is also due to allegations that Defendant failed to pay overtime to putative Class Members based on an invalid Alternative Workweek Schedule (“AWS”). Defendant’s records show that Defendant only paid overtime after Class Members worked greater than 40 hours in a week and that Defendant failed to pay overtime to Class Members who worked greater than eight hours in a day. Based on the assumption that Defendant did not have a valid AWS, Plaintiff’s expert analyzed Defendant’s sample records and found that Defendant failed to pay a net of 186,304 unpaid overtime hours. Plaintiffs’ expert estimated Defendant’s maximum potential exposure to be \$2,854,176.00. Defendant argued that it implemented an AWS and that the AWS is valid. Class Counsel searched the AWS Elections Database and indeed found that Defendant reported a 4/10 work week. Given the relative strength of this claim while also acknowledging the possibility that Defendant could demonstrate a valid AWS, I discounted the maximum exposure figure by 75%. Accordingly, Plaintiff’s Counsel arrived at **a realistic damage estimate of \$713,544.00 for the unpaid overtime claim based on an invalid AWS.**

40. Plaintiffs’ meal period claim is based on allegations that Defendant did not provide or maintain sufficient meal period practices, such that Class Members were not always permitted or able to take meal periods and/or were sometimes subjected to late, short and/or interrupted meal periods without compensation in lieu thereof. The sample of time and corresponding payroll records for the putative Class indicated that Defendant either failed to provide a meal period or provided a short and/or untimely meal period 217,282 times throughout the Class Period, resulting in a 57% violation rate. Class Counsel and its data expert then calculated that, in light of these violations and the average hourly rate of the putative Class, that Defendant had a potential liability of \$6,188,191.36 (217,282 unique violations x \$28.48 avg. hourly rate). Defendant nonetheless contends that many meal breaks were taken and, where a violation appears, it was a result of the Class Member voluntarily choosing to forego a meal period, to take it after the end of the fifth hour, or to stop their break early to return to work. After accounting for meal waivers and meal premium payments,

1 the violation rate reduced to 35.1%. Moreover, certification and proof of this claim would require
2 declarations from Class Members and obtaining such declarations potentially would reveal that each Class
3 Member had a different experience with respect to meal periods. In light of these defenses, and for purposes
4 of settlement, Class Counsel believe it reasonable to apply a 75% discount to the potential liability. **Plaintiffs’**
5 **realistic recovery estimate for the meal period claim is therefore \$1,547,047.84.**

6 41. The rest break claim is based on the allegation that Defendant did not provide or maintain
7 sufficient rest break practices, such that Class Members were regularly required to work in excess of four
8 consecutive hours a day, or a major fraction thereof, without authorization or permission to take a ten-minute,
9 continuous and uninterrupted rest period or without compensation in lieu thereof. The precise number of rest
10 break violations could not be calculated since Defendant neither documented, nor is required to document,
11 when Class Members took their required rest breaks. Therefore, in preparation for mediation, Class Counsel
12 assumed a 100% violation rate for shifts greater than or equal to 3.5 hours in length and, based on the average
13 hourly rate of the putative Class, calculated Defendant’s potential liability to be \$9,273,088.00 (325,600
14 unique rest break violations x \$28.48 per hour). Defendant nonetheless contends rest periods do not have
15 to be recorded, that Class Members voluntarily chose to forego some rest breaks and, significant for purposes
16 of class certification, that this claim is individualized in nature and therefore would require declarations
17 indicating the majority of Class Members experienced issues as to rest breaks. In light of these defenses,
18 and for purposes of settlement, I discounted Defendant’s potential liability by 90%. **Plaintiffs’ realistic**
19 **recovery estimate for the rest break claim is therefore \$927,308.80.**

20 42. The unreimbursed business expenses claim is based on the allegation that Defendant did not
21 reimburse Class Members for the Plaintiffs and other employees their personal cell phones to receive work
22 instructions from supervisors without reimbursement and that employees were required to purchase their
23 own work boots. The precise value of all necessary business expenses Class Members incurred could not be
24 calculated. Therefore, in preparation for mediation, Class Counsel estimated Defendant owed approximately
25 \$20.00 per month in the statutory period and that Defendant’s potential liability is \$379,840.00. Defendant
26 contends it complied with all its reimbursement obligations, and further, that the reimbursement claim would
27 be difficult to certify, given the individualistic nature of this claim. In light of these defenses, and for purposes
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1 of settlement, I discounted Defendant's potential liability by 90%. **Plaintiffs' realistic recovery estimate**
2 **for the unreimbursed expenses claim is therefore \$37,984.00.**

3 43. Plaintiffs also allege that Defendant violated the FCRA, 15 U.S.C. §§ 1681(b)(b)(S)(A)(i-ii), by
4 failing to make proper disclosures to Plaintiffs and Class Members. Plaintiffs allege that the background
5 check forms should not have included extraneous information prohibited by the FCRA. Plaintiffs also allege
6 Defendant procured consumer reports relating to Plaintiffs and the Class Members without proper
7 authorization pursuant to the FCRA. Pursuant to 15 U.S.C. § 1681(n)(a)(1)(A), Plaintiffs and Class Members
8 are entitled to statutory damages of not less than \$100 and not more than \$1,000 for every violation of the
9 FCRA. Based on the 2 violations for each of the 624 Class Members and the maximum statutory damage of
10 \$1,000, Class Counsel estimated Defendant's estimated maximum exposure to be \$1,248,000.00 (2
11 violations x 624 Class Members x \$1,000). However, Defendant argues that its background check forms
12 were in compliance with the FCRA and that it properly procured consumer reports for the relevant
13 employees. Additionally, Defendant argues that to the extent there was any violation of the FCRA, which
14 Defendant disputes, such violation was not intentional and Plaintiffs and the Class suffered no actual damage
15 or harm. Moreover, Defendant argues that claim would be difficult to certify. Based on the range of statutory
16 damages provided under the FCRA and Defendant's defenses, Class Counsel believe that a 90% discount to
17 the maximum exposure is warranted. **Plaintiffs' realistic recovery estimate for FRCA claim is therefore**
18 **\$124,800.00.**

19 44. Plaintiffs also allege that Defendant violated the ICRAA, Cal Civ. Code § 1786 et seq, by failing
20 to provide adequate written disclosures to Plaintiffs and Class Members and receiving proper consent before
21 procuring background checks or causing background checks to be procured for Plaintiffs and Class Members
22 in compliance with § 1786.16(a)(2)(B) of the ICRAA. Pursuant to Cal Civ. Code § 1786.50(a)(1), Plaintiffs
23 and Class Members are entitled to the greater of actual damages or \$10,000.00 per each violation. Based on
24 the 624 Class Members, Class Counsel estimated Defendant's estimated maximum exposure to be
25 \$6,240,000.00 (624 Class Members x \$10,000). However, Defendant argues that it procured background
26 checks in compliance with the ICRAA and provided adequate written disclosures. Additionally, Defendant
27 argues that to the extent there was any violation of the ICRAA, which Defendant disputes, such violation
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1 was not intentional, and Plaintiffs and the Class suffered no actual damage or harm. Moreover, Defendant
2 argues that claim would be difficult to certify. Based on Defendant's defenses, Class Counsel believe that a
3 90% discount to the maximum exposure is warranted. **Plaintiffs' realistic recovery estimate for ICRAA**
4 **claim is therefore \$624,000.00.**

5 45. Plaintiffs also allege that Defendant violated the CCRAA, Cal Civ. Code § 1785 et seq, because
6 Defendant did not include adequate disclosures in connection with procuring consumer credit reports from
7 Plaintiffs and the Class. For example, Plaintiffs allege that the consumer credit reports did not inform
8 Plaintiffs and the Class of the specific basis under subdivision (a) of Section 1024.5 of the Labor Code for
9 use of the report. Pursuant to Cal Civ. Code §§ 1785.31(a)(1)-(2)(B), Plaintiffs and Class Members are
10 entitled to actual damages if Defendant's violation is negligence, plus punitive damages of \$100 to \$5,000 if
11 Defendant's violation is intentional. Based on the 624 Class Members, Class Counsel estimated Defendant's
12 estimated maximum exposure to be \$3,120,000 (624 Class Members x \$5,000). However, Defendant argues
13 that it provided adequate disclosures and that it complied with the CCRAA. Additionally, Defendant argues
14 that to the extent there was any violation of the CCRAA, which Defendant disputes, such violation was not
15 intentional, and Plaintiffs and the Class suffered no actual damage or harm. Moreover, Defendant argues that
16 claim would be difficult to certify. Based on Defendant's defenses, Class Counsel believe that a 95% discount
17 to the maximum exposure is warranted. **Plaintiffs' realistic recovery estimate for ICRAA claim is**
18 **therefore \$156,000.00**

19 46. With respect to Plaintiffs' derivative claims for statutory and civil penalties, Plaintiffs estimate
20 Defendant's maximum potential recovery, prior to risk-adjustment, is \$7,250,735.00, which breaks down as
21 follows: **\$2,528,835.00** for waiting time penalties for approximately 285 terminated Class Members in the
22 3-year SOL; a **\$1,544,000.00** penalty for inaccurate wage statements based on approximately 394 Class
23 Members in the 1-year SOL; and **\$3,177,900.00** for PAGA penalties based on 31,779 Pay Periods and the
24 Court assessing a \$100.00 penalty for each pay period containing a violation. However, I believe it would be
25 unrealistic to expect the Court to award the full exposure amount given the discretionary nature of awarding
26 penalties and given Defendant's defenses, including without limitation, that any failure to pay all final wages
27 at the time of separation was not willful or intentional and that to the extent Plaintiffs received wage
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1 statements that were allegedly inaccurate, Plaintiffs suffered no actual resulting damage or harm. Moreover,
2 I understand the individualized and testimony-intensive nature of the wage claims could bar class
3 certification or otherwise significantly reduce Defendant's overall liability for statutory and civil penalties.
4 Furthermore, considering the underlying wage claims are realistically estimated to be **\$4,451,319.77**,
5 awarding such a disproportional amount in penalties would also raise Due Process concerns. Weighing these
6 factors, I applied a 95% discount to each penalty (resulting in **\$126,441.75** for waiting time penalties,
7 **\$77,200.00** for inaccurate wage statement penalties, and **\$158,895.00** for PAGA penalties) and accordingly
8 arrived at **a realistic recovery estimate of \$362,536.75 for statutory and civil penalties.**

9 47. Using these estimated figures, Plaintiffs predicted **the realistic (risk-adjusted) recovery for**
10 **all claims, including penalties, is \$4,813,856.52.** This means **the \$2,500,000.00 gross settlement figure**
11 **represents roughly 51.9% of the total realistic recovery.** This is an excellent result for the Class,
12 particularly because, under the Settlement, Class Members will receive timely and guaranteed relief,
13 avoiding the risk of not being able to recover anything.

14 48. With regards to the PAGA claims, the Settlement is a fair and reasonable resolution that satisfies
15 PAGA's dual statutory purposes of deterrence and punishment, on the one hand, and providing Aggrieved
16 Employees with genuine and meaningful relief, on the other. As a result of this litigation, Defendant has
17 had to hire legal counsel, engage in informal class-wide discovery, and participate in mediation.
18 Defendant will also have to pay civil penalties to the LWDA under the Settlement, assuming final
19 settlement approval is granted. (Settlement, ¶ 3.1.5.) Not including its own attorneys' fees and costs as
20 well as the employer's share of payroll taxes, Defendant will pay no less than \$2,500,000.00 to resolve
21 this matter—of which \$100,000.00 is allocated toward the PAGA claims and will be distributed, in
22 compliance with Labor Code section 2699 as 75% (\$75,000.00) to the LWDA and 25% (\$25,000.00) to
23 Aggrieved Employees—and the release obtained under the Settlement does not preclude Aggrieved
24 Employees from pursuing any individual claims they may have against Defendant or the other Released
25 Parties. Moreover, Class Counsel are of the opinion that because the issues here are fairly contested, there is
26 a possibility of the Court not awarding the PAGA penalties even if Plaintiffs prevailed on the merits due to
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1 the largely discretionary nature of awarding PAGA penalties. In other words, were this matter to go to trial,
2 any award granted would be at the discretion of the Court and subject to a substantial reduction.

3 49. Further, Class Counsel took into account the risk of not being able to proceed on a
4 representative basis due to the potential manageability issues and that even if Plaintiffs prevailed at trial,
5 penalties would likely be limited due to the largely discretionary nature of awarding PAGA penalties and
6 in light of other defenses available to Defendant. Thus, it is entirely possible that even if Plaintiffs would
7 be successful at trial, assuming they are first able to certify the claims and defeat the manageability issues
8 presented at litigation, Plaintiffs could be awarded substantially less than what was obtained through the
9 Settlement. In sum, the \$100,000.00 PAGA Penalties allocation under the Settlement constitutes genuine
10 and meaningful relief.

11 50. Here, the Settlement represents a substantial recovery when considered against the risk and
12 uncertainties involved in continued litigation, the burdens of proof necessary to certify the claims and
13 establish liability, and the probability of appeal. While Plaintiffs are confident in the merits of their claims, a
14 legitimate controversy exists as to each cause of action. Plaintiffs also recognize that proving the amount
15 owed to each Class Member would be an expensive, time-consuming, and uncertain proposition.

16 51. The Settlement obviates the significant risk that this Court may deny certification of all or some
17 of Plaintiffs' claims. Class Counsel took into account the risk of not prevailing at trial due to low or no
18 participation by Class Members. Indeed, the individualized and testimony-intensive nature of the claims
19 could bar manageability of the representative claims or otherwise significantly reduce any recovery
20 whatsoever. For example, the rest period and unreimbursed expense claims are testimony-driven claims and
21 assume a 100% violation rate, which would not likely be demonstrated at trial, as it assumes either the
22 participation of all employees (which would be difficult given the reality that many, if not all, employees
23 would be unwilling to participate due to fear of retaliation), or alternatively, the use of surveys or statistical
24 data as a surrogate (which would still require the participation of a majority of employees to establish a sound
25 representation of all non-exempts). Even assuming employees would be willing to participate, obtaining
26 declarations would potentially reveal that each individual employee had a different experience.

1 52. Furthermore, even if Plaintiffs were able to pursue their claims on a class-wide basis and obtain
2 certification of all or some of the claims, continued litigation would be expensive, involving a trial and
3 possible appeals, and would substantially delay and reduce any recovery by the Class. Although the Parties
4 have engaged in a significant amount of investigation, informal discovery, and class-wide data analysis, they
5 have not conducted extensive formal discovery. Moreover, preparation for class certification and a trial
6 would remain for the Parties as well as the prospect of appeals in the wake of a disputed class certification
7 ruling for Plaintiffs and/or any summary judgment ruling. As a result, the Parties would incur considerably
8 more attorneys' fees and costs through trial. In sum, this Settlement avoids the risks, burdens, and the
9 accompanying expense of further litigation.

10 53. The proposed \$2,500,000.00 Settlement represents a substantial recovery when compared to the
11 reasonably forecasted recovery for the Class. When considering the risks of litigation, the uncertainties
12 involved in continued litigation, the burdens of proof necessary to establish liability, and the probability of
13 appeal, it is clear the Settlement amount is within the "ballpark" of reasonableness, and that preliminary
14 settlement approval is appropriate. (*Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 133;
15 *see Munoz v. BCI Coca-Cola Bottling Co. of L.A.* (2010) 186 Cal.App.4th 399, 408–09 [holding that *Kullar*
16 does not require "an explicit statement of the maximum amount the plaintiff class could recover if it prevailed
17 on all its claims," but instead, only an "understanding of the amount that is in controversy and the realistic
18 range of outcomes of the litigation"].)

19 THE SERVICE PAYMENT TO PLAINTIFFS IS REASONABLE

20 54. Throughout this litigation, Plaintiffs, who were former employees of Defendant, have
21 cooperated immensely with my office and has taken many actions to protect the interests of the Class.
22 Plaintiffs provided valuable information regarding his hours worked, and what duties were performed during
23 those hours. Plaintiffs also provided information regarding meal periods taken and missed by Plaintiffs and
24 other Class Members. Plaintiffs participated in decisions concerning this action, assisted in preparation for
25 the mediation, and provided my office with the names and contact information of potential witnesses in this
26 action. Before we filed this case, Plaintiffs worked with my office to determine the viability of their claims.
27 Plaintiffs also provided information and documents relating to his employment by Defendant. The
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1 information and documentation provided by Plaintiffs were instrumental in establishing the wage-and-hour
2 violations alleged in this action, and the recovery provided for in the Settlement would have been impossible
3 to obtain without their participation.

4 55. At the same time, Plaintiffs faced many risks in adding themselves as the named Plaintiffs in
5 this matter. Plaintiffs faced actual risks with their future employment, as putting themselves on public record
6 in an employment lawsuit could also very well affect their likelihood for future employment. For example,
7 a search of Plaintiffs' name will reveal this action, and as a result, many employers may likely forego
8 hiring Plaintiffs in learning they sued a former employer.

9 56. In turn, Class Members can now participate in a settlement, reimbursing them for wage
10 violations they may have never known about or been willing to pursue on their own. If each Class Member
11 would have tried to pursue legal remedies on their own, that would have resulted in each having to expend a
12 significant amount of their own monetary resources and time, not to mention limited judicial resources, which
13 were obviated by Plaintiffs putting themselves on the line on behalf of the Class.

14 57. This class action would not have been possible without the aid of Plaintiffs, who put their own
15 time and effort into this litigation and placed themselves at risk for the sake of the Class. The requested
16 enhancement award to Plaintiffs for their services as the Class Representatives is a relatively small amount
17 of money considering the time and effort put into the litigation and compared to enhancements granted in
18 other class actions. The requested enhancement award is therefore reasonable to compensate Plaintiffs for
19 their active participation in this lawsuit, in addition to their general release of claims, both known and
20 unknown, and waiver of section 1542 rights.

21 MY EXPERIENCE AND QUALIFICATIONS

22 58. I received a B.A. in History in 1998 from UCLA, and my J.D. from Loyola Marymount Law
23 School in 2006. I became an Active Member of the State Bar of California in June 2007 and have been an
24 Active Member in good standing continuously since then. I have been selected to Super Lawyers each year
25 from 2019 to 2023.

1 59. I co-founded Moon & Yang, APC—now Moon Law Group, PC—in March 2010. My practice
2 is focused exclusively on advocating for the rights of employees in wage-and-hour litigation, almost entirely
3 in class and/or representative actions.

4 60. For the past decade, I have built my practice to have an emphasis on employment and related
5 civil litigation cases and have both prosecuted and defended employment-related litigation cases. I have been
6 heavily, successfully, and continuously involved in active litigation and trial work, and have conducted bench
7 and jury trials on behalf of both employees and employers in wage-and-hour cases.

8 61. My current billing rate is \$950.00 per hour, which is my usual hourly rate in wage-and-hour
9 litigations. A \$950.00 per hour rate is reasonable considering my years of experience practicing in the
10 highly specialized area of employment and labor law and my Laffey Matrix rate (The Laffey Matrix,
11 <http://www.laffeymatrix.com/see.html> [last visited March 12, 2026].) The Laffey Matrix is a “well-
12 established objective source for rates that vary by experience” used by the District of Columbia. (*In re*
13 *HPL Tech., Inc. Sec. Litig.* (N.D. Cal. 2005) 366 F. Supp 2d 912, 921.) A true and correct copy of the
14 Laffey Matrix is attached hereto as **Exhibit 7**. California Courts have adjusted the Laffey Matrix rate
15 upwards based on “locality pay differentials” and the location of counsel’s office in California to determine
16 whether counsel’s rates are reasonable. (*See, e.g., id.* [applying a 9% upward adjustment to the Laffey
17 Matrix rate based on an approximate difference of 9% between the locality pay differential of the District
18 of Columbia and San Francisco, California, where counsel’s office was located].) To determine the locality
19 pay differential, the Court in *In re HPL Technologies, Inc.* utilized the locality pay differentials within the
20 federal courts. (*Id.* at pp. 921–22.) Using the same method here and based on my firm’s location in Los
21 Angeles, California, the locality pay differential of the Los Angeles-Long Beach area is 36.47% and the
22 locality pay differential of the Washington-Baltimore-Arlington area is 33.94%, which results in a
23 difference of approximately 2.53%. (*Compare* Judiciary Salary Plan of Los Angeles-Long Beach, CA,
24 Effective January 12, 2026, *with* Judiciary Salary Plan of Washington-Baltimore-Arlington, Effective
25 January 12, 2026.) True and correct copies of the Los Angeles-Long Beach, CA and Washington-
26 Baltimore-Arlington salary plans are attached hereto as **Exhibit 8** and **Exhibit 9**, respectively. Based on
27 my 19+ years of experience out of law school, my Laffey Matrix rate with a 2.53% adjustment is \$1,044.78
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1 per hour (\$1,019 Laffey Matrix rate + (2.53% x \$1,019)). Accordingly, my current billing rate of \$950.00
2 per hour is reasonable.

3 62. I am experienced in prosecuting and defending employment matters, particularly class actions
4 and PAGA representative actions. My firm has focused a substantial percentage of its practice on wage, hour,
5 and working conditions violations. In addition to the present case, I am also class counsel for other wage-
6 and-hour class action lawsuits pending in various California counties, including in state and federal courts.
7 The following is a list of some of our recent class action settlements that have received preliminary and final
8 approval: *Aparicio v. Lineage Logistics, LLC* (LASC No. BC722764) (class size approx. 155; lead counsel);
9 *Black v. Mission Healthcare Servs., Inc.* (LASC No. 19STCV04602) (class size approx. 1,000; lead counsel);
10 *Campa v. Bloomingdeals, Inc.* (LASC No. BC700366) (class size approx. 1,500; lead counsel); *Garcia v.*
11 *Comfy U.S.A. Apparel, Inc.* (LASC No. BC709630) (class size approx. 210; lead counsel); *Gomez v. H Mart*
12 *Cos., Inc.* (LASC No. BC671525) (class size approx. 2,500; co-counsel); *Jones v. Citiguard, Inc.* (LASC
13 No. BC664890) (class size approx. 587; lead counsel); *Jones v. Fitness Alliance, LLC* (Riverside No.
14 PSC1404079) (class size approx. 1,000; lead counsel); *Lagos v. ThyssenKrupp Elevator Corp.* (LASC No.
15 BC682972) (\$750,000 for 79 class members; lead counsel); *Mark Brulee et al. v. DAL Global Servs., LLC*
16 (C.D. Cal. Dec. 20, 2018, No. CV 17-6433 JVS(JCGx)) 2018 WL 6616659, at *10 (class size approx. 2,650;
17 lead counsel) (in approving my hourly rate in that case, the Court found: “Class Counsel’s declarations show
18 that the attorneys are experienced and successful litigators. Other courts have approved the attorneys’ current
19 rates for the Moon & Yang, APC attorneys”); *Martinez v. Bail Hotline Bail Bonds, Inc.* (LASC No.
20 BC700131) (class size approx. 173; lead counsel); *Montoya v. Golden 1 Credit Union* (Sacramento No. 34-
21 2018-00228252) (class size approx. 1,900; lead counsel); *Onofre v. Caitac Garment Processing, Inc.* (LASC
22 No. BC702283) (class size approx. 750; lead counsel); *Rodriguez v. Rossmoyne, Inc.* (LASC No. BC699137)
23 (class size approx. 220; lead counsel); *Sison v. Cha Hollywood Med. Ctr., L.P.* (LASC No. BC6441 29)
24 (class size approx. 2,100; co-counsel); *Slaughter v. ACA Sec. Stems, LP* (LASC No. BC699137) (class size
25 approx. 300; lead counsel); *Taylor v. Sherman’s Delicatessen & Bakery, LLC* (LASC No. BC722765) (class
26 size approx. 515; lead counsel); *Vargas v. AMS Paving, Inc.* (LASC No. BC722767) (case size approx. 260;
27 lead counsel); *Vertti v. Bagcraft Papercon III, LLC* (LASC No. 19STCV12729) (class size approx. 260; lead
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counsel); and *Wallick v. Campbell Soup Supply Co., LLC* (San Joaquin No. STK-CV-UOE-2021-0000865) (class size 435; lead counsel).

S. PHILIP SONG'S EXPERIENCE AND QUALIFICATIONS

63. S. Philip Song is a Senior Attorney at my office. He received his undergraduate degree in 2006 from the University of Houston, graduating cum laude with a Communications B.A. and minor in Accounting. Mr. Song earned his Juris Doctor degree in 2011 from the University of Houston Law Center. Mr. Song has been admitted to practice law since 2013 (Texas). Mr. Song is presently admitted to practice in all state courts of California (admitted in 2019), and before all federal district courts in California. The focus of Mr. Song's practice is currently on class actions, wage-and-hour law, and employment law. Mr. Song has worked on numerous class action cases and representative actions that have been granted final approval, including *Paez et al. v. C&R Restaurant Group, LP*, Kern County Superior Court, Case No. BCV-18-103181-SDS; *Baker v. Central Coast Home Health, Inc.*, San Luis Obispo County Superior Court, Case No. 17CV-0219; *Martinez v. Community Playgrounds, Inc.*, Solano County Superior Court, Case No. FCS53879; *Duval v. Pacific States Petroleum, Inc.*, Sacramento County Superior Court, Case No. 34-2018-00231934; *Flores v. Wilmar Oils & Fats (Stockton), LLC*, San Joaquin County Superior Court, Case No. STK-CV-UOE-2018-0012758; *Garcia v. Continental Intermodal Group LP dba CIG Logistics*, Kern County Superior Court, Case No. BCV-19-102776; *Tourchette adv. Finelite, Inc.*, Alameda County Superior Court, Case No. RG19022885; *Touch v. Presidio Components, Inc.*, Kern County Superior Court, Case No. BCV-20-101005; *Johnston v. Environmental Logistics, Inc.*, Kern County Superior Court, Case No. BCV-18-100865-DRL; *Lewis v. Environmental Waste Minimization, Inc.*, Kern County Superior Court, Case No. BCV-19-102248-SDS; *Priess v. Fiore Management LLC dba Canndescent*, Kern County Superior Court, Case No. BCV-20-100930; *Alcantar v. Bay Equity LLC*, Marin County Superior Court, Case No. CIV1903376; *Spier v. Gibbs International, Inc.*, Kern County Superior Court, Case No. BCV-19-101774-DRL; *Borghi v. Goldco Direct LLC dba Goldco Precious Metals*, Ventura County Superior Court, Case No. 56-2019-00533053-CU-OE-VTA; *Williams v. Aetna, Inc., et al.*, Alameda County Superior Court, Case No. RG19004083; *Singh v. Ryzen*, Alameda County Superior Court, Case No. RG19039158; *Hoshaw v. Sutherland Healthcare*, Los Angeles County Superior Court, Case No. 19STCV33165; *Hart v. Zazzle, Inc.*,

1 San Mateo County Superior, Court Case No. 20-CIV-01321; *Stacy v. Branded Group, Inc.* Kern County
2 Superior Court, Case No. BCV-21- 100443-BCB; *Angeles v. iKrusher, Inc.*, Los Angeles County Superior
3 Court, Case No. MSC20-01312, *Zuniga v. Central Valley Concrete, Inc.*, Merced County Superior Court,
4 Case No. 20CV-00490; *Gomez v. IHI Power Services Corp.*, Merced County Superior Court, Case No.
5 20CV-02657; *Martinez v. N.A.F.T.A Distributors*, San Bernardino County Superior Court, Case No.
6 CIVDS1938970; *Bandril v. Plastikon Industries*, Alameda County Superior Court, Case No. RG19038227;
7 *Williams v. National Construction Rentals, Inc.*, Alameda County Superior Court, Case No. RG20075904;
8 *Pho v. Kruger Foods, Inc.*, San Joaquin County Superior Court, Case No. STK-CV-UOE-2020-0002099;
9 *Collins v. Mobile Medical Examination Services, LLC dba MEDXM*, Orange County Superior Court, Case
10 No. 30-2020-01130693-CU-OE-CXC; *McNeil v. Kik International, LLC, et al.*, San Bernardino County
11 Superior Court, Case No. CIVDS1915438 (Consolidated with Case No. CIVDS2023661); *Weber v. Sunrise*
12 *Medical (US) LLC*, Merced County Superior Court, Case No. 20CV-01461 (Consolidated with Case No.
13 20CV-01707); *Flores v. Rivermaid Trading Company*, San Joaquin County Superior Court, Case No. STK-
14 CV-UOE-2020-0008623; *Guzman v. Bentley Mills, Inc.*, Los Angeles County Superior Court, Case No.
15 20PSCV00789; and *Ferrara v. South Coast Winery, Inc.*, Riverside County Superior Court, Case No.
16 CVRI2101920 (Consolidated with Case Nos. CVRI2102449 and MCC2001498). Mr. Song is currently
17 handling multiple class action and PAGA matters. Mr. Song's current billing rate is \$775.00 per hour, which
18 is his usual hourly rate in wage and hour litigations. Based on Mr. Song's 15+ years of experience out of law
19 school, his Laffey Matrix rate with a 2.53% adjustment is is \$1,044.78 per hour (\$1,019 Laffey Matrix rate
20 + (2.53% x \$1,019)). (See Ex. 7.) As compared to the Laffey Matrix rate and when considering his
21 experience, Mr. Song's billing rate of \$775.00 per hour is reasonable.

22 MORGAN W.'S EXPERIENCE AND QUALIFICATIONS

23 64. Morgan W. Simpson is an Associate Attorney at my office. He graduated from the
24 University of South Carolina – Columbia in 2016 with a Bachelor of Arts in Journalism, *magna*
25 *cum laude*. Mr. Simpson attended the University of Southern California Gould School of Law
26 and graduated in 2020. Mr. Simpson was admitted to the California State Bar as an attorney in June
27 2021. Mr. Simpson began practicing Plaintiff-side wage and hour class and representative actions
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1 in July 2024 when he joined Moon Law Group, PC. Mr. Simpson has served as a handling attorney
2 on the following matters that successfully settled and are in the process of obtaining or have
3 obtained preliminary or final approval: *Ocampo v. DNA Motor, Inc.*, Los Angeles County Superior
4 Court Case No. 23STCV31444; *Luna v. Realstone, Inc.*, Los Angeles County Superior Court Case
5 No. 24STCV16233; *Gutierrez v. Allegion Access Technologies, LLC*, San Bernardino County Case
6 No. CIVSB2406590; *Gutierrez v. Patton Sales Corp.*, Los Angeles County Case No.
7 24STCV16019; *Stamm v. Pacific Clay Products, Inc.*, et al., Los Angeles County Case No.
8 24STCV04369; *Velo v. Chicken Choice, Inc.*, Santa Clara County Case No. 24CV441906;
9 *Calderon v. B-Per Electronic, Inc.*, Orange County Case No. 30-2024-01409795-CU-OE-CXC.
10 Mr. Simpson's hourly rate is \$600.00 per hour, which is his usual hourly rate in wage and hour
11 litigations. Based on Mr. Simpson's nearly years of experience out of law school, his Laffey Matrix
12 rate with a 2.53% adjustment is \$640.63 per hour (\$625 Laffey Matrix rate + (2.53% x \$625)). (See
13 Ex. 6.) As compared to the Laffey Matrix rate and when considering his experience, Mr. Simpson's
14 billing rate of \$600.00 per hour is reasonable.

15 CLASS COUNSEL'S EXPERIENCE AND QUALIFICATIONS

16 65. As demonstrated by the foregoing, my office is qualified to handle this litigation because we
17 are experienced in litigating Labor Code and Wage Order violations in individual, class, and representative
18 actions. The attorneys at my office have been appointed as lead or co-lead counsel in numerous wage-and-
19 hour class and/or PAGA actions in state and federal courts by way of motion for settlement approval.
20 Including myself, Moon Law Group, PC is comprised of approximately 35 attorneys, all of whom are
21 actively and continuously practicing employment litigation, representing almost entirely employee-
22 plaintiffs, in both individual and class and/or PAGA actions, in this Superior Court and other Superior Courts
23 throughout the State, in the Courts of Appeal, and in various federal courts. The attorneys at my firm have a
24 high level of skill and knowledge in wage-and-hour class actions, PAGA representative actions, and labor
25 and employment law generally, the substantive (state and federal) and procedural law of which is
26 frequently evolving.

1 66. Moon Law Group, PC has been engaged in the practice of employment and labor law for over
2 a decade, and presently focuses exclusively on plaintiffs' employment law. The firm and its lawyers have
3 tried both bench and jury trials (representing both plaintiffs and defendants) relating to employment matters.
4 As noted above, Moon Law Group, PC has been appointed lead or co-lead class counsel in federal and state
5 courts in California. Also, the firm and its lawyers have successfully settled hundreds of cases during that
6 time, including wage-and-hour class and/or PAGA actions.

7 67. The foregoing experience of myself and other attorneys of Moon Law Group, PC is helpful in
8 assessing the reasonableness of settlements, such as the one at issue here, and from this experience we
9 concluded that this litigation could not have been settled on better terms than provided under the Settlement.

10 68. I respectfully submit that the attorneys of Moon Law Group, PC, myself included, are well
11 suited to act as Class Counsel in this action, and we have, and will continue to, vigorously represent the
12 interests of the Class. To my knowledge, we do not have any conflicts of interest with Plaintiffs, other Class
13 Members, or the proposed Administrator, and we are not related to Plaintiffs. We respectfully request to be
14 appointed as Class Counsel, for settlement purposes.

15 THE REQUEST FOR ATTORNEYS' FEES AND COSTS IS REASONABLE

16 69. The Settlement provides for attorneys' fees payable to Class Counsel in an amount up to one-
17 third of the Gross Settlement Amount (i.e., no less than \$833,333.33, subject to potential increase under the
18 escalator clause) and litigation costs up to \$75,000.00. (Settlement, ¶ 3.1.2.) The proposed award of
19 attorneys' fees can be justified under either the lodestar method or the percentage/common-fund recovery
20 method. however, we base the proposed fees award on the percentage method, as many of the entries in the
21 time records will have to be redacted to preserve attorney-client and attorney work product privileges.

22 70. I am informed and believe that the fees and costs provision in the Settlement is reasonable. The
23 fee percentage requested is less than that charged by my office for most employment cases. Moreover, my
24 office invested significant time and resources into the case, with payment deferred to the end of the case, and
25 then, of course, contingent on the outcome.

26 71. It is further estimated that my office will need to expend at least another 50 to 100 hours to
27 monitor the administration process leading up to the final approval, prepare for final approval, and oversee
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1 distribution to the Class following final approval. My office also bears the risk of taking whatever actions
2 are necessary should Defendant fail to pay.

3 72. The risk to my office has been very significant, particularly if we would not be successful in
4 pursuing this class action. In such instance, we would have been left with no compensation for all the time
5 taken in litigating this case due to the contingency fee arrangement. Indeed, I have taken on a number of class
6 action cases that have resulted in thousands of attorney hours being expended and ultimately having the
7 defendant company going bankrupt during litigation. The contingent risk in these types of cases is very real
8 and occurs regularly. Furthermore, we were precluded from focusing on, or taking on, other cases which
9 could have resulted in a larger, and less risky, monetary gain.

10 73. Because most individuals cannot afford to pay for representation in litigation on an hourly basis,
11 Moon Law Group, PC represents virtually all its employment law clients on a contingency fee basis,
12 including Plaintiffs in this matter. Pursuant to this arrangement, we are not compensated for our time unless
13 we prevail at trial or successfully settle our clients' cases. Because Moon Law Group, PC is taking the risk
14 that we will not be reimbursed for our time unless our client settles or wins their case, we cannot afford to
15 represent an individual employee on a contingency basis if, at the end of our representation, all we are to
16 receive is our regular hourly rate for services. It is essential that we recover more than our regular hourly rate
17 when we win if we are to remain in practice so as to be able to continue representing other individuals in
18 civil rights employment disputes.

19 74. As of the drafting of this motion, my office has incurred \$36,498.41 in expenses litigating this
20 action, and we anticipate accruing additional costs up to final approval. These expenses were reasonably
21 necessary to the litigation and were actually incurred by my office. Moreover, because total litigation costs
22 are below the maximum amount allowed under the Settlement, the difference will revert to Participating
23 Class Members. (*Id.* at ¶ 3.1.2.) Therefore, our costs should be reimbursed in full.

24 75. My office invested significant time and resources into the case, with payment deferred to the
25 end of the case, and then, of course, contingent on the outcome. My office's efforts have included, and will
26 include following preliminary and final approval, without limitation, the following:

27 (a) Numerous interviews with Plaintiff Lamar and review of documents provided by him;
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- (b) Legal research and investigation regarding Defendant's business and employment practices at numerous points in the litigation;
- (c) Preparation and submission of Plaintiff Lamar's PAGA notice;
- (d) Preparation, finalization, and filing of multiple drafts of the original class action complaint and subsequent first amended complaint;
- (e) Extensive "meet and confer" correspondence and discussions with Defense Counsel regarding mediation and to obtain relevant documents and information through informal discovery;
- (f) Research and preparation of Plaintiffs' mediation brief;
- (g) Analysis of the discovery production and preparation of a damages model with the aid of a statistics expert;
- (h) Attendance and active participation at a full day of mediation;
- (i) Drafting, negotiating, and reviewing multiple drafts of the Settlement and Class Notice;
- (j) Preparation of the motion for preliminary approval and the accompanying filings;
- (k) Anticipated preparation for and attendance at the preliminary approval hearing;
- (l) Anticipated conferring with Defense Counsel and the Administrator regarding the Class Notice mailing, Class responses, and preliminary and final calculations;
- (m) Anticipated preparation, finalization, filing, and service of a motion for final approval and accompanying filings;
- (n) Anticipated preparation for and anticipated attendance at the final approval hearing, and then monitoring of the distribution of funds following final approval; and
- (o) Anticipated responding to Class Member inquiries and communicating with Plaintiffs regarding the case.

76. Through the efforts of my office and Plaintiffs in this case, a fair and reasonable joint resolution has been reached that includes a gross, non-reversionary payment by Defendant of *no less than* \$2,500,000.00 to compensate Class Members for the alleged unlawful wage-and-hour practices. I am

1 informed and believe that, without the efforts of my office or Plaintiffs, the Labor Code and Wage Order
2 violations alleged in the Operative Complaint would have gone completely unremedied.

3 I declare under penalty of perjury under the laws of the State of California and the United States that
4 the foregoing is true and correct. Executed on March 13, 2026, at Los Angeles, California.

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Kane Moon
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