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Attorney for Plaintiff

MARIA CELIA HERNANDEZ CAMPOVERDE,

individually and on behalf of the putative class and aggrieved employees

SUPERIOR COURT OF CALIFORNIA

COUNTY OF SANTA BARBARA

MARIA CELIA HERNANDEZ
CAMPOVERDE, an individual,

Plaintiff,

v.

MONTECITO BANK & TRUST, and DOES 1-
50, Inclusive,

Defendants.

CASE NO.: 24CV03118

*Assigned for all purposes to the Honorable
Colleen K. Sterne, Dept. 5*

**DECLARATION OF DANNY YADIDSION
IN SUPPORT OF MOTION FOR ORDER
(1) PRELIMINARY APPROVING THE
CLASS ACTION SETTLEMENT; (2)
APPROVING NOTICE OF CLASS
ACTION SETTLEMENT; AND (3)
SETTING HEARING FOR FINAL
APPROVAL**

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1. I am an attorney at law, duly licensed and admitted to practice before all courts of the State of California. I am a shareholder of the law firm Labor Law PC and counsel of record for Plaintiff Maria Campoverde ("Plaintiff" or "Class Representative"), individually and on behalf of similarly situated employees of Defendants Montecito Bank & Trust and related entities ("Defendants"). I and my firm are referred to herein as Class Counsel. I have personal knowledge of the facts stated herein, and if called as a witness, I could and would competently testify.

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1 Parties' settlement. In a separate action, on July 14, 2020, the Court granted class certification and
2 approved my request to represent a class of exempt employees whom Plaintiff alleges were
3 misclassified. (*Archer v. Jack Nadel Inc.*, Los Angeles County Superior Court, Case No.
4 18STCV07761). In addition, I have been appointed as class counsel for purposes of settlement in
5 other class actions including *Troy Richard Whitmark, et al. v. Altman Specialty Plants, Inc.* (San
6 Diego County Superior Court, Case No. 37-2018-00055889-CU-OE-NC), *Antonio Llamas v. Mapfre*
7 *Insurance & Subsidiaries, et al.* (Alameda County Superior Court, Case No. RG 18931346), *Joyce*
8 *Patton, et al. v. All-City Management Services, Inc.* (Los Angeles County Superior Court, Case No.
9 BC723958), *Rafael Becerra, Jr. v. Superior Home Design, Inc.* (Los Angeles County Superior Court,
10 Case No. 19STCV17368), and *Marie Barraza, et al. v. MOGA Transport, Inc.* (Kern County
11 Superior Court, Case No. BCV-20-103017).

12 4. Throughout my legal career, I have exclusively practiced employment law with a
13 specific focus on litigating wage and hour class actions. Prior to becoming a partner of Labor Law
14 PC, I exclusively practiced employment law for over nine years at defense firms. From
15 approximately December 2011 to September 2018, I exclusively practiced employment law and
16 defended numerous class actions at Jackson Lewis PC in Los Angeles. From June 2009 to December
17 2011, I exclusively practiced employment law and defended numerous class actions at Lewis
18 Brisbois Bisgaard & Smith LLP in Los Angeles. I graduated from UCLA School of Law in May
19 2008. During law school, I also learned about litigating wage and hour class actions while I worked
20 at an employment litigation boutique firm (Gleason & Favarote LLP). I have been responsible for
21 numerous wage and hour class actions throughout the State of California, in both state and federal
22 courts. Throughout my legal career, I have been responsible for all facets of class actions from the
23 initial investigation of the allegations through successful resolution. By way of example, shortly
24 prior to leaving Jackson Lewis PC, I successfully prevailed on a motion for class certification on
25 behalf of my clients in a case heavily litigated for over 7.5 years and successfully moved to dismiss
26 a complaint in federal court based on the federal enclave doctrine. (*See Compton v. American*
27 *Management Services*, Los Angeles County Superior Court, Case No. BC 448343; *Issac Tafoya v.*
28 *AECOM, Inc. et al.*, Case No. 2:18-cv-04113-GW-PLA (C.D. Cal. June 15, 2018.)

1 5. My extensive experience in litigating employment wage and hour matters has been
2 integral in identifying legal issues, evaluating the strengths and weaknesses of a case, and generally
3 negotiating fair and reasonable class action settlements. Practice in the narrow field of wage and
4 hour litigation requires skill and knowledge concerning the constantly evolving substantive law (at
5 the state and federal level), as well as the procedural law of class action litigation. In this action, I
6 am fully equipped to use the skills and knowledge I have developed through prosecuting and
7 defending wage and hour class actions to fairly and adequately represent the interests of the Class.
8 Therefore, on the account of my resources, experience, and knowledge, I am well qualified to act as
9 class counsel and represent the Plaintiff and the putative class members in this action.

10 6. For purposes of this motion, the proposed Class consists of: “All current and former
11 hourly-paid, non-exempt employees who worked for Defendant Montecito Bank & Trust in the State
12 of California at any time from June 4, 2020 through February 17, 2025 (the 'Class Period'),” as defined
13 in the Parties’ Joint Stipulation of Class Action and PAGA Settlement and Release.

14 7. I do not believe that I have any conflicts of interest with the Class or the Class
15 Representative. I am not related to the Class Representative. Other than the Class Representative, I
16 am unaware of any other member of the class, and I do not believe I have any conflict with any class
17 members. I have not previously represented Defendants in any matter. I am also not aware of any
18 potential conflict between me, Defendants, Defendants’ counsel, or anyone else. I attest that the
19 Parties reached a settlement after extensive, arm’s length settlement negotiations.

20 8. I attest that I have the requisite adequacy to act as Class Counsel and have an absence
21 of conflict. I respectfully submit that I and Labor Law PC are well suited to act as Class Counsel in
22 this action, and we have and will continue to vigorously represent the interests of the Class.

23 **PROCEDURAL HISTORY**

24 9. On June 4, 2024, Plaintiff filed a Class Action Complaint in the Superior Court of
25 California, County of Santa Barbara, Case No. 24CV03118, asserting causes of action under the
26 California Labor Code and Business & Professions Code for various wage and hour violations on
27 behalf of herself and similarly situated non-exempt employees.
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1 10. On November 8, 2024, Plaintiff filed a First Amended Complaint adding a cause of
2 action under the PAGA, seeking civil penalties for essentially the same underlying California wage
3 and hour claims.

4 11. On November 19, 2024, the Parties participated in a full-day mediation before
5 experienced wage and hour mediator Steven Serratore. The mediation resulted in a settlement in
6 principle of the class and PAGA claims, memorialized through a Mediator's Proposal, which all
7 Parties accepted.

8 12. On December 16, 2024, the Court held a Case Management Conference and issued a
9 Minute Order. The matter was continued for further proceedings pending submission of the settlement
10 for court approval.

11 13. On March 6, 2025, the Parties executed the Joint Stipulation of Class Action and
12 PAGA Settlement and Release.

13 14. On March 26, 2025, the Parties filed a Case Management Statement reporting that the
14 matter had settled at mediation on November 19, 2024, and that Plaintiff anticipated filing a Motion
15 for Preliminary Approval of the class and PAGA settlement shortly.

16 **INVESTIGATION AND DISCOVERY**

17 15. Prior to filing this action, my office conducted an extensive investigation into
18 Plaintiff's claims and Defendant's wage-and-hour policies and practices. This investigation included
19 reviewing Plaintiff's employment history and job duties, and conducting a detailed interview with
20 Plaintiff concerning the nature of the violations and Defendant's policies and procedures.

21 16. On or about February 26, 2024, Plaintiff submitted a detailed notice to the California
22 Labor and Workforce Development Agency (LWDA) pursuant to Labor Code section 2699.3,
23 outlining the alleged wage-and-hour violations on behalf of herself and aggrieved employees,
24 including failure to pay all wages owed, failure to provide compliant meal and rest periods, failure to
25 reimburse necessary business expenses, and derivative violations related to inaccurate wage
26 statements and waiting time penalties.

27 17. During the settlement process, and as part of informal discovery, Defendant provided
28 Plaintiff with putative class data including time and payroll records and other relevant employment

information for class members. This allowed Class Counsel to analyze exposure across the class period, evaluate the claims asserted, and calculate potential damages.

18. The discovery and investigation performed enabled Class Counsel to adequately assess the strengths and weaknesses of Plaintiff's claims, evaluate the class-wide impact, and negotiate a settlement that is fair, adequate, and reasonable in light of the risks of continued litigation. Based on our evaluation, the Settlement represents a good recovery for Class Members, especially considering the risks, uncertainties, and delay associated with continued litigation.

MEDIATION

19. On November 19, 2024, the Parties participated in a full-day, arm's-length mediation conducted by Steven Serratore, a well-respected and experienced mediator in complex wage-and-hour class actions. The mediation was informed by the Parties' pre-mediation exchange of relevant data and analysis, and the Parties engaged in meaningful and informed settlement discussions throughout the day.

20. With the assistance of Mr. Serratore, the Parties ultimately accepted a Mediator's Proposal that resolved the claims on a class-wide and representative basis. The material terms of the resolution were later memorialized in the Joint Stipulation of Class Action and PAGA Settlement and Release, fully executed on March 6, 2025, and subject to Court approval. A true and correct copy of the fully executed Joint Stipulation of Class Action and PAGA Settlement and Release is attached hereto as Exhibit 1.

SUMMARY OF SETTLEMENT

21. The Parties have entered into a Joint Stipulation of Class Action and PAGA Settlement and Release incorporated herein as Exhibit 1. Defendant has agreed to pay a non-reversionary Gross Settlement Amount of \$625,000.00. The Settlement resolves all claims asserted in the operative complaints on behalf of the settlement class.

22. Settlement Class, defined as all current and former hourly-paid, non-exempt employees who worked for Defendant Montecito Bank & Trust in California at any time from June 4, 2020 through February 17, 2025 (the “Class Period”).

1 23. Defendant shall provide the Gross Settlement Amount to the Settlement Administrator
2 to fund the Settlement to be paid after the Court grants final approval of the Class Action. The
3 Settlement Administrator shall complete the distribution of the Gross Settlement Amount to the
4 Settlement Class Members, the Named Plaintiff, Class Counsel, and the Settlement Administrator.

5 24. The amount remaining in the Gross Settlement Amount after the following deductions
6 have been made (called the “Net Settlement Amount”) shall be available for distribution to Class
7 Members who do not opt out on a pro rata basis, based on the number of Compensable Workweeks
8 they worked during the Class Period.

9 25. The \$625,000 Gross Settlement Amount is inclusive of:

- 10 • Individual Settlement Payments to Participating Class Members,
- 11 • A PAGA Payment of \$25,000 (of which \$18,750 will be paid to the California Labor and
12 Workforce Development Agency and \$6,250 allocated to PAGA-eligible employees),
- 13 • A proposed Class Representative Service Award of up to \$12,500 to Plaintiff Maria Celia
14 Hernandez Campoverde,
- 15 • Class Counsel's attorneys' fees in an amount not to exceed \$208,333.31 (33.33% of the
16 Gross Settlement),
- 17 • Litigation costs not to exceed \$25,000, and
- 18 • Settlement Administration Costs estimated not to exceed \$5,500.

19 26. Settlement payments to Participating Class Members will be distributed pro rata based
20 on the number of Compensable Workweeks worked during the Class Period. No portion of the
21 settlement will revert to Defendant.

22 27. The Settlement is non-reversionary and provides substantial monetary relief to Class
23 Members while eliminating the risks, burdens, and expense of further litigation. Based on a thorough
24 review of the claims, potential damages, and defenses, and after arm’s-length negotiations facilitated
25 by an experienced neutral mediator, Class Counsel believes the Settlement is fair, reasonable, and in
26 the best interests of the Class.

27 28. The Parties agree that the Settlement Payments will be allocated as follows: ten
28 percent (10%) to wages, for which an IRS Form W-2s shall be issued, ninety percent (90%) shall be

1 allocated to alleged interest and civil penalties, for which IRS Forms 1099-MISC will be issued. The
2 PAGA Payments to PAGA Members will be designated entirely as payments for alleged civil
3 penalties and other non-wage amounts. The portions of the payments allocated to interest and
4 penalties will be paid without tax withholdings and reported accordingly on IRS Form 1099-MISC.
5 The portion allocated to wages will be subject to applicable payroll tax withholdings. The PAGA
6 Payments to PAGA-Eligible Employees will be entirely allocated as civil penalties, paid without tax
7 withholdings, and reported on IRS Forms 1099-MISC as well. Each Participating Class Member and
8 PAGA Member is solely responsible for any taxes owed on their respective settlement payments and
9 is encouraged to consult with a tax advisor regarding the tax consequences of any amount received.

10 29. Individual Settlement Payments shall be mailed by regular First Class U.S. Mail to
11 Participating Class Members' last known mailing addresses no later than fifteen (15) calendar days
12 after Defendant funds the Settlement, which shall occur within thirty (30) calendar days after the
13 Effective Date.

14 30. Any checks issued to Participating Class Members shall remain valid and negotiable
15 for one hundred eighty (180) days from the date of mailing and shall state so on the face of the check.
16 If a check remains uncashed after 180 days, it will be void, and a stop-payment will be issued. The
17 Settlement Administrator shall then pay the remaining funds to Legal Aid at Work, the cy pres
18 recipient approved in the Settlement Agreement, unless the Court orders otherwise.

19 31. The Parties have agreed to a Class Representative Service Payment to Plaintiff of up
20 to Twelve Thousand Five Hundred Dollars (\$12,500.00). This payment is in addition to Plaintiff's
21 Individual Settlement Payment. If the Court reduces or denies the Service Payment, Plaintiff shall not
22 have the right to revoke the Settlement, which will remain binding.

23 32. The Settlement Agreement provides that Class Counsel may seek reimbursement of
24 litigation costs up to \$25,000.00, subject to Court approval. The actual costs incurred to date relate to
25 filing fees, mediation expenses, and expert consultation. The total amount of costs incurred, and
26 supporting documentation, will be submitted with Class Counsel's motion for approval of attorneys'
27 fees and costs.
28

1 33. Plaintiff and Defendant have agreed that the Settlement Administrator shall be Apex
2 Class Action LLC, a third-party administrator appointed to handle all aspects of class notice,
3 exclusion and objection tracking, and distribution of settlement payments.

4 34. The settlement amount was a compromise figure, factoring in the inherent risks
5 related to certification, liability, and damages. Accordingly, considering all of the circumstances of
6 the action and the defenses raised by Defendant against liability and damages, Class Counsel believes
7 that the settlement is fair and reasonable.

8 35. Within thirty (30) days after filing of the Preliminary Approval Order, or within the
9 time ordered by the court, Defendants shall provide to the SA a list of Class Members and PAGA
10 Members that identifies for each Class Member/PAGA Member, his/her Social Security number,
11 last-known address, and the workweek numbers and other Class Member data confirm qualifying
12 Workweeks Worked and PAGA Workweeks Worked or will forward the start and end date(s) of
13 employment for the SA to calculate the Workweeks Worked and PAGA Workweeks Worked.
14 Defendants agree to consult with the SA as required to provide the list in a format reasonably
15 acceptable for the duties of the SA. The SA will keep the list confidential, use it only for the purposes
16 described herein, take adequate safeguards to protect confidential or private information and return
17 or certify the destruction of the information or continued safeguarding of the information upon
18 completion of the Settlement Administration process. The Class Notice will include information on
19 how Class Members may opt-out of or object to the Settlement and a procedure by which a Class
20 Member may challenge the number of Workweeks Worked identified on his/her Class Notice. The
21 Named Plaintiff will seek approval of language in the Class Notice in the motion for preliminary
22 approval and will seek permission for the Parties in conjunction with the SA to be able to correct
23 immaterial errors on these forms or other mailed materials without approval from the Court, provided
24 the changes do not alter the preliminary approval by the Court. Once the Court approves the Class
25 Notice, the SA will send it to each Class Member and PAGA Members by First-Class U.S. Mail.

26 **THE STRENGTH OF PLAINTIFF'S CASE**
27 **IN LIGHT OF THE SETTLEMENT AMOUNT**
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1 36. Because the class consists of numerous employees, it was unlikely that the potential
2 monetary claims of individual Class Members would have proved viable without the class-action
3 mechanism. The Joint Stipulation should, thus, be approved in light of two California appellate
4 decisions: *Clark v. American Residential Services, LLC* (2009) 175 Cal.App.4th 785 and *Kullar v.*
5 *Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116.

6 37. California courts have unequivocally stated that the “most important factor [in
7 determining whether a settlement is fair and reasonable] is the strength of the case for Plaintiff on
8 the merits, balanced against the amount offered in settlement.” *Clark v. American Residential*
9 *Services, LLC* (2009) 175 Cal.App.4th 785, 799 (citing *Kullar*). Here, Plaintiff alleges that Defendant
10 underpaid their employees, failed to provide required rest periods, failed to reimburse for work-
11 related expenses, failed to maintain required records, and failed to furnish accurate, itemized wage
12 statements, all in violation of California law. Additionally, Plaintiff alleges that, as a consequence
13 of those violations, Defendant also failed to pay overtime wages and minimum wages, failed to
14 timely pay wages, and failed to pay all wages due to discharged and quitting employees. Plaintiff
15 alleges related violations of California’s Business and Professions Code and PAGA Representative
16 Action or Labor Code §§ 2698-2699.5. The merits of Plaintiff’s claims is addressed below.

17 **Claim Alleging a Failure to Provide Required Meal Periods**

18 38. Plaintiff alleges that Defendant failed to provide Plaintiff and class members with
19 meal periods, as required under Cal. Lab. Code §§ 226.7, 512, and IWC Wage Order 9-2001.
20 Pursuant to California law, “No employer shall employ any person for a work period of more than
21 five (5) hours without a meal period of not less than 30 minutes.” Cal. Lab. Code §512(a); IWC
22 Wage Order 9-2001 §11(A). Furthermore, for the 30-minute meal period, the employee must be free
23 of all duties. *Id.* If the employee is not relieved of all duty during the meal period, then the meal
24 period shall be considered an “on-duty” meal period and counted as time worked. *Id.* Additionally,
25 “[i]f an employer fails to provide an employee a meal period in accordance with the applicable
26 provisions of this order, the employer shall pay the employee one (1) hour of pay at the employee’s
27 regular rate of compensation for each workday that the meal period is not provided.” IWC Wage
28 Order 9-2001, §11(D).

1 39. After evaluating the information provided to Class Counsel by Defendant, including
2 reviewing and analyzing time records provided for the putative Class Members, the information
3 provided by Defendant disclosed numerous potential violations.

4 40. Defendant denies Plaintiff's allegations and contends that it complied with all meal
5 period laws. If Defendant's contentions are proven true and prevail in trial, the likely outcome of
6 this claim would be no recovery for class members.

7 41. Class Counsel calculated that Defendant's maximum total exposure on the failure to
8 provide required meal periods claim was approximately \$633,041. This estimate assumes a 20%
9 violation rate for each and every shift worked by Class Members throughout the Class Period. In
10 assessing damages, Class Counsel considered litigation risks and applied appropriate discounts.
11 Defendant denied Plaintiff's allegations and calculations.

12 **Claim Alleging a Failure to Provide Required Rest Periods**

13 42. Plaintiff alleged that Defendant failed to provide employees with legally required rest
14 periods in violation of California Labor Code §§ 226.7 and 512, and IWC Wage Order No. 9-2001 §
15 12(A). California law requires employers to provide employees with a ten-minute paid rest period for
16 every four hours worked or major fraction thereof. If an employer fails to provide a required rest
17 period, the employee is entitled to one additional hour of compensation at the regular rate of pay for
18 each workday the rest period was not provided.

19 43. Plaintiff alleges that Defendant did not provide Class Members with all legally
20 required rest periods. Defendant's alleged violation of the rest period law would trigger consequent
21 liability under Cal. Lab. Code Section 226.7 because Defendant failed to pay Plaintiff and Class
22 Members who were not provided with a statutorily required rest period one additional hour of
23 compensation at each employee's regular rate of pay for each workday that a rest period was not
24 provided.

25 44. Defendant denied Plaintiff's allegations. Defendant's position is that it complied with
26 rest period law and its policies include provisions in compliance with California law. If Defendant's
27 contentions are proven true and prevail in trial, the likely outcome of this claim would be no recovery
28 for class members.

1 45. Class Counsel calculated that Defendant's maximum total exposure on the failure to
2 provide required rest periods claim was approximately \$660,165.00. This estimate assumes a 20%
3 violation rate for each and every shift worked by Class Members during the Class Period. In assessing
4 damages, Class Counsel applied appropriate discounts based on the risks of prevailing on the merits.
5 Defendant denied Plaintiff's allegations and disputed the damages calculations.

6 **Claims Alleging Failure to Pay Overtime and Minimum Wages**

7 46. Plaintiff alleged that Defendant failed to pay Plaintiff and other class members'
8 minimum wages and overtime premium wages for all hours worked as a result of a variety of
9 Defendant's company policies and practices, including its policy and practice of rounding hours
10 worked and its policy and practice of auto-deducting "meal period" time from Plaintiff and other
11 class members' daily hours worked regardless of whether a legally compliant meal period was
12 provided. Accordingly, due to Defendant's policies and practices, Plaintiff and other class members
13 were underpaid for some hours, not paid any wages whatsoever for other hours, and not paid
14 minimum wages for all hours worked or overtime wages premium wages for all overtime hours
15 worked.

16 47. Defendant denies Plaintiff's allegations and contends that it complied with all
17 applicable minimum wage laws and regulations and all applicable overtime laws. If Defendant's
18 contentions are proven true and prevail in trial, the likely outcome of this claim would be no recovery
19 for the class members.

20 48. Class Counsel retained a damages expert to look through the documentation that was
21 available to Class Counsel from the formal and informal discovery that occurred in this case. Based
22 on an analysis of the documents that were provided, Class Counsel estimated Defendant's maximum
23 total exposure for failure to pay overtime premium wages at approximately \$221,031.

24 49. Based on an analysis of the documents that were provided, Class Counsel estimated
25 Defendant's maximum total exposure for failure to pay minimum wages at approximately \$302,178
26 and liquidated damages at \$202,094. As such, Plaintiff estimated Defendant's total exposure for
27 unpaid minimum wages, unpaid overtime, liquidated damages at approximately \$725,303.
28

1 50. In light of the foregoing analysis, however, Class Counsel took into consideration,
2 when assessing damages under these causes of action, the chances of prevailing on the merits and
3 applied appropriate discounts. Defendant denied Plaintiff's allegations and calculations.

4 **Claim Alleging Failure to Pay Timely Wages During Employment**

5 51. Pursuant to California Labor Code Section 204, for all labor performed between the
6 1st and 15th days of any calendar month, Defendant is required to pay its employees between the
7 16th and 26th day of the month during which labor was performed. California Labor Code Section
8 204 also provides that for all labor performed between the 16th and 26th days of any calendar month,
9 Defendant is required to pay their employees between the 1st and 15th day of the following calendar
10 month. In addition, California Labor Code Section 204 provides that all wages earned for labor in
11 excess of the normal work period shall be paid no later than the payday of the next regular payroll
12 period.

13 52. Plaintiff alleged that, during the relevant period, Defendant knowingly and willfully
14 failed to pay Plaintiff and class members all wages that they earned when due, as required by
15 California Labor Code Section 204. Accordingly, pursuant to California Labor Code Section 210,
16 failure to pay wages of each employee as provided in California Labor Code Section 204 triggers
17 penalties of: (1) one hundred dollars (\$100.00) for each failure to pay each employee for each initial
18 violation; and (2) two hundred dollars (\$200.00) for each failure to pay each employee, plus twenty-
19 five percent (25%) of the amount unlawfully withheld, for each subsequent violation.

20 53. Furthermore, during the relevant period, Defendants have systematically and
21 knowingly failed to timely pay agreed-to or contract wages to Plaintiff and members of the putative
22 class in violation of California Labor Code sections 200-244.

23 54. Pursuant to California Labor Code section 204, employers are required to pay wages
24 at regular intervals, including hourly, salary, commission, and piece-rate wages, as agreed upon in
25 employment contracts or agreements. Despite the existence of clear and enforceable agreements
26 specifying wages, bonuses, commissions, and other compensation, Defendants have routinely
27 delayed payment beyond the agreed-upon terms. This deliberate and unlawful conduct has resulted
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1 in financial hardship and harm to Plaintiff and the putative class, constituting violations of both
2 contractual obligations and statutory requirements under California law.

3 55. Defendant denies Plaintiff's allegations and contends that it complied with all laws
4 regulating the timely payment of wages for employees. If Defendant's contentions are proven true
5 and prevail in trial, the likely outcome of this claim would be no recovery for the class members.

6 **Claim Alleging Failure to Pay All Wages Due to Discharged and Quitting Employees**

7 56. Labor Code Section 203 provides that if an employer willfully fails to pay an employee
8 all wages due at termination or within 72 hours of resignation, then that employee's wages shall
9 continue as a penalty until paid for a period of up to thirty (30) days from the date they were due.
10 Because class members stopped working for Defendant but again were not paid their full
11 compensation for the reasons discussed above, class members did not receive all wages due upon
12 termination of employment.

13 57. Defendant argued that, under Labor Code Section 203, employers are only obligated
14 to pay waiting time penalties if they "willfully" fail to pay wages due and owing at the time of
15 termination or resignation. As Title 8, California Code of Regulations, Section 13520 states:

16
17 A willful failure to pay wages within the meaning of Labor Code Section 203 occurs when
18 an employer intentionally fails to pay wages to an employee when those wages are due.
19 However, a good faith dispute that any wages are due will preclude imposition of waiting
20 time penalties under Section 203.

21 A "good faith dispute" that any wages are due occurs when an employer presents a defense,
22 based in law or fact, which, if successful, would preclude any recovery on the part of the
23 employee. The fact that a defense is ultimately unsuccessful will not preclude a finding that
24 a good faith dispute did exist. Defenses presented which, under all the circumstances, are
25 unsupported by any evidence, are unreasonable, or are presented in bad faith, will preclude
26 a finding of a "good faith dispute."

27 58. Moreover, during the relevant period, Defendants have systematically and knowingly
28 failed to pay agreed-to or contract wages to Plaintiff and members of the putative class upon
discharge or resignation, in violation of California Labor Code sections 200-244. Pursuant to
California Labor Code sections 201 and 202, employers are required to promptly pay all wages due

1 to discharged or resigning employees at the time of termination or resignation, including wages,
2 bonuses, commissions, and accrued vacation or other benefits as specified in employment contracts
3 or agreements. Despite the existence of enforceable agreements delineating these compensation
4 terms, Defendants have consistently failed to fulfill their legal obligations, resulting in financial
5 hardship and harm to Plaintiff and the putative class.

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7 59. Defendant maintains that because it had viable defenses in both law and fact, waiting
8 time penalties cannot be awarded and, in any case, such penalties are subject to a three (3)-year
9 limitations period under Labor Code Section 203(b). If Defendant's contentions are proven true
10 and prevail in trial, the likely outcome of this claim would be either no recovery for the class
11 members, or a significantly reduced recovery.

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13 60. Class Counsel retained a damages expert to look through the documentation that was
14 available to Class Counsel from the formal and informal discovery that occurred in this case. Based
15 on an analysis of the documents that were provided, Class Counsel estimated Defendant's
16 maximum total exposure for waiting time penalties at \$279,559 based on an estimated 40 Class
17 Members who separated from their employment with Defendant between June 4, 2021 through the
18 date of mediation. In light of the foregoing analysis, however, Class Counsel took into
19 consideration, when assessing damages under this cause of action, the chances of prevailing on the
20 derivative causes of action, as well as the additional hurdles of prevailing under this cause of action,
21 and applied the appropriate discounts. In particular, Plaintiff would have to prove that Defendant's
22 actions were "willful" under the meaning of Labor Code Section 203 to recover this substantial
23 penalty. Defendant denied Plaintiff's allegations and calculations.

24
25 **Claim Alleging Failure to Maintain Required Records**

26 61. Under California law, specifically California Labor Code Sections 226, 1174 and
27 IWC Wage Orders, employers are required to maintain records for all employees, including, but
28 not limited to, the following records: total daily hours worked by each employee, applicable rates

1 of pay, all deductions, meal periods, time records showing when each employee begins and ends
2 each work period, and accurate itemized statements.

3 62. Plaintiff allege that Defendant intentionally and willfully failed to maintain these
4 required records.

5 63. Defendant denies Plaintiff's allegations and contends that it maintained all required
6 records in accordance with California law. If Defendant's contentions are proven true and prevail
7 in trial, the likely outcome of this claim would be no recovery for the class members.
8

9 **Claim Alleging Failure to Furnish Accurate Itemized Wage Statements**

10 64. Plaintiff also alleged a cause of action under Labor Code Section 226(a). That section
11 states that an employer must provide an accurate itemized wage statement twice a month or each
12 time wages are paid, whichever is more frequent. Pursuant to Section 226(a), a compliant wage
13 statement must include nine (9) specifically enumerated pieces of information. Failure of an
14 employer to provide complete information as required by any one or more of these items will
15 trigger liability for the employer. Cal. Lab. Code § 226(e)(2)(B).
16

17 65. An employers' failure to comply with the specific requirements of Section 226(a)
18 entitles employees to recover the greater of all actual damages or fifty dollars (\$50.00) for the initial
19 pay period in which a violation occurs and one hundred dollars (\$100.00) for each violation in a
20 subsequent pay period, not exceeding an aggregate penalty of four thousand dollars (\$4,000.00).
21 Cal. Lab. Code § 226(e).
22

23 66. Defendant contends that Labor Code Section 226(e) penalties are not automatic.
24 Rather, the employee must show (1) that he or she "suffered injury" from the employer's failure to
25 provide compliant wage statements, *see Elliot v. Spherion Pacific Work, LLC* (2008) 572 F.Supp.2d
26 1169, 1181 (applying California law) (holding employee was not entitled to penalties because no
27 injury was shown), and (2) Defendant's noncompliance was "knowing and intentional." Finally,
28

1 because the damages for this cause of action are penalties, the statute of limitations only runs from
2 one (1) year prior to the filing of the original complaint. *See* Cal. Code Civ. Proc. § 340.

3 67. Plaintiff argued that the paystubs were facially defective because they failed to
4 provide timely, accurate, and itemized wage statements in writing showing each employee's gross
5 wages earned, total hours worked, all deductions made, net wages earned, the name and address of
6 the employing legal entity and all applicable hourly rates in effect during each pay period and the
7 corresponding number of hours worked at each hourly rate.

8
9 68. If Defendant's contentions are proven true and Defendant prevails at trial, the likely
10 outcome of this claim would be no recovery for the class members.

11 69. Class Counsel estimated Defendant's maximum exposure for failure to furnish
12 accurate itemized wage statements under Labor Code § 226(e) at approximately \$290,100.00. This
13 estimate is based on an assumed 2,983 pay periods worked by approximately 164 Class Members
14 during the relevant penalty period, with an average violation value of \$100.00 per pay period. Class
15 Counsel relied on payroll records and wage statements produced during informal discovery and
16 applied this statutory penalty formula. Defendant denied Plaintiff's allegations and disputed the
17 calculation methodology.
18

19 **Claim Alleging Failure to Reimburse Business Expense**

20 70. Plaintiff also alleged a cause of action under California Labor Code Section 2802,
21 which requires an employer to indemnify its employees for all necessary expenditures or losses
22 incurred in direct consequence of the discharge of their duties. Specifically, Labor Code § 2802(a)
23 states that an employer must reimburse an employee for "all necessary expenditures or losses
24 incurred by the employee in direct consequence of the discharge of his or her duties."
25

26 71. The statute is designed to prevent employers from shifting business expenses onto
27 employees. Employers are required to reimburse employees for any reasonable and necessary
28 expenses, including expenses related to the use of personal devices for work purposes. *See Cochran*

1 v. *Schwan's Home Serv., Inc.* (2014) 228 Cal.App.4th 1137, 1144 (holding that employers must
2 reimburse employees for work-related use of personal cell phones, even if the employee did not
3 incur an extra charge).

4 72. Plaintiff contended that Defendant failed to reimburse necessary business expenses in
5 violation of Labor Code § 2802, by requiring employees to use their personal cell phones for work-
6 related purposes without compensation. Specifically, Plaintiff alleged that she was regularly
7 required to use her personal phone for work communications, including contacting co-workers and
8 managers, without reimbursement. This failure to reimburse for necessary business expenses was
9 alleged to be part of a broader, systemic practice affecting similarly situated employees throughout
10 California.
11

12 73. Defendant argued that Plaintiff's claims under Labor Code § 2802 is barred, in whole
13 or in part, because at all relevant times, Defendant reimbursed Plaintiff for the reasonable costs of
14 expenses incurred in the discharge of Plaintiff's duties and/or did not otherwise require Plaintiff to
15 bear such costs.
16

17 74. If Defendant's contentions are proven true and Defendant prevails at trial, the likely
18 outcome of this claim would be no recovery for the Class Members.

19 75. Class Counsel estimates that Defendant's maximum total exposure for failure to
20 reimburse business expenses is approximately \$140,512 assuming \$10 per pay period incurred by
21 each Class Member as unreimbursed expenses.
22

23 **Claim Alleging Unfair Business Practices**

24 76. Plaintiff pleaded this cause of action in order to augment his other causes of action
25 and aid in their prosecution. Business and Professions Code Section 17208 extends the statute of
26 limitations on Plaintiff's wage claims, which qualify as unfair business practices, to four (4) years
27 rather than the three (3) years provided by statute.
28

77. Defendants have engaged in unfair and unlawful business practices by systematically and knowingly failing to pay agreed-to or contract wages to Plaintiff and members of the putative class, in violation of California Labor Code sections 200-244 and Bus & Prof. Code §17200, et seq.

78. Pursuant to California Labor Code sections 204, 218.5, and others, employers are required to pay all wages due to employees as agreed upon in employment contracts or agreements, including wages, bonuses, commissions, and other compensation. Despite the existence of clear and enforceable agreements delineating these compensation terms, Defendants have consistently disregarded their legal obligations, causing financial hardship and harm to Plaintiff and the putative class members. This conduct not only constitutes breaches of contractual obligations but also violates the unfair competition provisions under California Business and Professions Code section 17200.

Alleged PAGA Penalties

79. The Labor Code Private Attorneys General Act (“PAGA”), codified at Labor Code Section 2699 *et seq.*, allows Plaintiff to obtain civil penalties on behalf of themselves and other class members for Defendant’s violation of any provision of the Labor Code enumerated by Labor Code Section 2699.5. Where civil penalties are provided for in the statute, those civil penalties are recoverable; where no civil penalties are recoverable, Labor Code Section 2699(f) establishes civil penalties of one hundred dollars (\$100.00) for each aggrieved employee per pay period for the initial violation and two hundred dollars (\$200.00) for each aggrieved employee per pay period for each subsequent violation. Cal. Lab. Code § 2699(f)(2). Pursuant to Labor Code Section 2699(i), seventy-five (75) percent of the penalties recovered must be allocated to the Labor and Workforce Development Agency (“LWDA”), with the remaining twenty-five (25) percent allocated to the affected employees. The limitations period for all PAGA penalties is one (1) year prior to the filing

1 of the operative complaint. Defendant's alleged violations of, *inter alia*, Labor Code Sections 203,
2 226(a), 226.7, 510 and 1194 all give rise to potential PAGA penalties under Section 2699.

3 80. Defendants have violated California Labor Code sections 200-244 by systematically
4 and knowingly failing to pay agreed-to or contract wages to Plaintiff and members of the putative
5 class. Pursuant to California Labor Code sections 2698-2699.5, also known as the Private Attorneys
6 General Act (PAGA), employees may bring representative actions on behalf of themselves and
7 other aggrieved employees for violations of the Labor Code, including failure to pay wages as
8 agreed upon in employment contracts or agreements. Despite the existence of enforceable
9 agreements delineating wages, bonuses, commissions, and other compensation terms, Defendants
10 have consistently disregarded their legal obligations, causing financial harm to Plaintiff and the
11 putative class members.
12

13 81. PAGA penalties are not mandatory, but permissive. Labor Code Section 2699(e)(2)
14 states that "a court may award a lesser amount than the maximum civil penalty amount specified
15 by this part if, based on the facts and circumstances of the particular case, to do otherwise would
16 result in an award that is unjust, arbitrary and oppressive, or confiscatory." *See also Thurman v.*
17 *Bayshore* (2012) 203 Cal. App. 4th 1112 (substantially reducing PAGA penalties by 30% under
18 this provision).
19

20 82. PAGA penalties are also derivative of Plaintiff's substantive claims, and accordingly,
21 Plaintiff's PAGA claims are subject to the same defenses as the underlying claims on which they
22 are based. Finally, following the analysis set forth in *Amaral v. Cintas Corp.* (2008) 163 Cal. App.
23 4th 1157, it could be argued that PAGA penalties only may be awarded at the rates obtainable for
24 initial violations under the applicable statutes, because Defendant was not notified of the alleged
25 violations. *Id.* at 1208- 1209.
26
27
28

83. Class Counsel estimates that 202 PAGA Class Members worked 2,983 pay periods during the PAGA Period. Assuming a \$100 penalty for each pay period, and one violation per pay period, Defendant's maximum exposure for PAGA penalties would be \$821,822.

84. After calculating estimated exposure for PAGA penalties, Class Counsel then applied discounts in light of the countervailing arguments with regards to each cause of action, and in light of the Court's power to award a "lesser amount than the maximum civil liability." Based on the totality of that analysis, Class Counsel believes that the contemplated PAGA payment of \$20,000.00 is fair, reasonable and appropriate. Defendant denied Plaintiff's PAGA allegations and estimated penalty calculations.

Summary

85. The foregoing discussion has sought to explain how the settlement amount is adequate in light of the merits of Plaintiff's case, taking into account the legal basis for each of Plaintiff's causes of action, the evidence that Class Counsel gathered in support of those causes of action, and Defendant's legal and factual arguments that worked to derogate from the strength of Plaintiff's case.

86. Class Counsel had to apply appropriate discounts in light of the facts and law as discussed above. Defendant argued several defenses, including that Defendant was complying with all applicable laws, and therefore was not liable to Plaintiff and the class at all. This settlement, like most others, was the product of compromise. Because of these and other risks, a recovery of \$625,000.00 under the Joint Stipulation is an excellent result. The proposed settlement before the Court amounts to approximately 17.6% of Defendant's maximum estimated damage exposure for the asserted claims.

**THE RISKS, EXPENSE, AND LIKELY DURATION OF FURTHER
LITIGATION, AS WELL AS THE RISK OF MAINTAINING CLASS ACTION
STATUS THROUGH TRIAL**

1 87. The next *Clark/Kullar* recognized factor in determining whether or not a class action
2 settlement is fair and reasonable takes into consideration the “risks and expenses of attempting to
3 establish and collect on [Plaintiff’s] claims by pursuing litigation.” *Clark v. American Residential*
4 *Services, LLC* (2009) 175 Cal. App. 4th 785, 800. Specifically, courts should keep in mind the risks
5 and expenses posed by further litigation, especially in the class-action context, and the risk of non-
6 certification (and decertification), where determining the adequacy of class action settlements.

7
8 88. Further litigation of this case posed real risks for a number of reasons. First, there
9 were the risks of unfavorable rulings on the merits of the various indeterminate legal issues outlined
10 in the previous section. Almost every cause of action at issue was subject to some unique
11 indeterminacy of its own, and the derivative causes of action were thus subject to a double
12 indeterminacy, both their own and those of the causes of action on which they were based.

13
14 89. Class Counsel maintained that there were several legal and factual questions at issue
15 in the case that could best be decided on a class wide basis. Class Counsel contended that the same
16 relevant policies and practices applied to all class members and therefore common questions
17 obtained and were likely to predominate over individual inquiries. Defendant disputed these
18 contentions and insisted that the *Brinker* decision called into question the certifiability of cases
19 such as this one. Defendant also argued that its policies were compliant with the law, while Plaintiff
20 disputed that the policies were lawful, and argued the lawfulness of such policies would give rise
21 to common questions amenable to certification. Thus, the parties had set positions on the propriety
22 of certifiability and liability that did not admit of an easy resolution.

23
24 90. Finally, it is always preferable to reach a relatively early resolution of a dispute
25 because, in addition to what has already been said, such resolutions save time and money that
26 would otherwise go to litigation. Most cases settle sooner or later. If this case ended up settling
27 after further litigation, the settlement amount would have taken into account the additional costs
28 incurred, and there might have been less available for class members. This is not just an abstract

1 contention. The parties were moving into the phase of this litigation where they would have had to
2 conduct further formal discovery and investigation to establish liability for trial. Discovery disputes
3 would have been in the offing. The parties were also aware that a class action trial would be a
4 complicated and expensive proceeding, and then there was the likelihood of a long, drawn-out
5 appeals process. In contrast, the settlement provides real benefits for class members in the
6 immediate future. The benefits are not insignificant for anyone, especially given the current
7 economic climate. Consequently, the risk and expense of further litigation outweighed any benefit
8 that might have been gained otherwise.
9

10 **NOTICE TO AND REACTION OF CLASS MEMBERS TO THE PROPOSED**
11 **SETTLEMENT**

12 91. It is premature to address this factor now, at the preliminary approval stage; however,
13 some observations are in order. First, the notification procedure set forth in the Joint Stipulation
14 provides the greatest likelihood that each and every class member will receive the Class Notice
15 (the "Notice"), attached to the Joint Stipulation as **Exhibit A**. Under the Joint Stipulation, the
16 Settlement Administrator, within fourteen (14) days of receiving the Class List and Data from
17 Defendant, will mail the Notice to the Settlement Class Members, by First Class United States mail,
18 in both English and Spanish.

19 92. The Settlement Administrator shall use standard devices, including a skip trace, to
20 obtain forwarding addresses of any Settlement Class Member, if any envelopes with Notices are
21 returned. The Settlement Administrator will take reasonable steps to ensure that the Notice is sent
22 to all Settlement Class Members and for any returned notices, the Settlement Administrator will
23 re-mail a new Notice to any Class Member for whom an updated address is located. If no
24 forwarding address is provided, the Settlement Administrator shall promptly attempt to determine
25 a correct address by lawful use of skip- tracing or other searching using the name, address and/or
26 Social Security number of the Settlement Class Member involved, and shall then perform a re-
27
28

1 mailing, if another mailing address is identified by the Settlement Administrator. Most, if not all,
2 class members thus are likely to receive the Notice Packet.

3 93. The Notice itself fully apprises class members of the nature of the lawsuit, the claims
4 involved, the terms of the settlement, and their options and rights thereunder. The Notice provides
5 a specific procedure for seeking exclusion from the Class and for lodging objections to the
6 settlement. In the Notice, class members also will receive Class Counsel's contact information, so
7 that Class Members can speak to attorneys conversant with the legal and factual issues involved in
8 this case. These efforts will be taken to ensure that class members receive the Class Notice and are
9 well informed about the settlement, and to enable a favorable response rate.
10

11 94. All class members will benefit because defendants who have been sued are generally
12 more likely to comply with the law in the future. Settlement Class Members will have the
13 opportunity, should they disagree with their number of individual Qualifying Workweeks and/or
14 the date of their separation from Defendant's employment stated in their individualized Notice, to
15 provide documentation and/or an explanation to show contrary Qualifying Workweeks and/or a
16 corrected date of separation from Defendant's employment. If there is a dispute, the Settlement
17 Administrator will consult with the Parties to determine whether an adjustment is warranted, and
18 Defendant shall provide any documentation it has to support its position. The Settlement
19 Administrator shall determine the eligibility for, and the amounts of, any Individual Settlement
20 Payments and/or PAGA Payments, and the Settlement Administrator's determination as to these
21 issues shall be binding upon the Settlement Class Member and the Parties. Any disputes not
22 resolved by the Settlement Administrator concerning the administration of the Settlement will be
23 resolved by the Court under the laws of the State of California. Prior to any such involvement of
24 the Court, counsel for the Parties will confer in good faith to attempt to resolve the disputes without
25 the necessity of involving the Court.
26
27
28

1 95. Class Members who wish to exclude themselves from this Settlement must submit a
2 written Request for Exclusion to the Settlement Administrator within sixty (60) days after the date
3 the Notice was postmarked (the “Exclusion Period”). The Settlement Administrator shall use
4 standard devices, including a skip trace, to obtain forwarding addresses of any Settlement Class
5 Member, if any envelopes with Notices are returned. The Settlement Administrator will take
6 reasonable steps to ensure that the Notice is sent to all Settlement Class Members and for any
7 returned notices, the Settlement Administrator will re- mail a new Notice to any Class Member for
8 whom an updated address is located. If no forwarding address is provided, the Settlement
9 Administrator shall promptly attempt to determine a correct address by lawful use of skip-tracing,
10 or other search using the name, address and/or Social Security number of the Settlement Class
11 Member involved, and shall then perform a re-mailing, if another mailing address is identified by
12 the Settlement Administrator. In the event that another mailing address is identified, the Settlement
13 Administrator shall re-mail a new copy of the Notice within five (5) calendar days of the date a
14 Notice is returned as undeliverable. With the exception of PAGA Class Members, who will receive
15 their share of the PAGA Payment and be bound by the Joint Stipulation’s release of any and all
16 claims under the PAGA regardless of their opt-out status, any Settlement Class Member who timely
17 requests exclusion will not be entitled to any recovery under the settlement and will not be bound
18 by the terms of the settlement or have any right to object, appeal or comment thereon. Any written
19 request to opt-out must be signed by each such person opting out. All Class Members who do not
20 timely and properly notify the Claims Administrator of their desire to opt-out of the Settlement
21 shall become bound by all determinations of the Court, the Stipulation and Judgment.
22
23
24

25 96. The Notice shall state that Settlement Class Members who wish to object to the
26 Settlement must mail, fax or email their written statement of objection to the Settlement
27 Administrator (“Opt-Out Request or “Objection”) by the Exclusion Period. The date on the proof
28 of service or time stamp shall be deemed the exclusive means for determining that an Opt-Out

1 Request was served timely. The Opt-Out Request must be signed by the Settlement Class Member
2 and include full name of the Settlement Class Member; the dates of employment of the Settlement
3 Class Member; a clear and concise statement of the basis for each specific objection and any
4 accompanying legal support therefor; and whether the Settlement Class Member intends to appear
5 at the Final Approval/Settlement Fairness Hearing. The Settlement Administrator will reach out to
6 any objector who has failed to include the required information and give them a chance to provide
7 the information needed to perfect their objection. Settlement Class Members who submit a timely
8 Opt-Out Request prior to the Exclusion Period will have a right to appear at the Final
9 Approval/Settlement Fairness Hearing in order to have their objections heard by the Court. The
10 Court will hear from any Class Member who attends the Final Approval Hearing and asks to speak
11 regarding his or her objection without the need to file a written objection or notice of appearance.
12 Written objections will not be presumptively invalidated if the objections do not comply with all
13 requirements, other than timeliness. At no time shall any of the Parties or their counsel seek to
14 solicit Settlement Class Members to file or serve written objections to the Settlement or appeal
15 from the Order and Final Judgment. Settlement Class Members who submit a Request for Exclusion
16 are not entitled to object to the Settlement.

17
18
19 **CONCLUSION OF THE *CLARK/KULLAR* ANALYSIS**

20 97. The foregoing discussion has sought to determine the fairness of the class action
21 settlement in the instant case. It has done this by analyzing the settlement in light of the appellate
22 decisions in *Clark* and *Kullar*. This analysis has concluded that the settlement is fair, reasonable,
23 and adequate. Class Counsel conducted a thorough investigation of the subject wage-and-hour
24 practices and engaged in non-collusive, arm's-length negotiations in order to reach a settlement.
25 Defendant has agreed to pay fair value to settle Plaintiff's claims given the existence of legal
26 uncertainty of Plaintiff's claims, and the Defendant's initial belief that they were in complete
27 compliance with the law. From Class Counsel's substantial experience with wage-and-hour class
28

1 action lawsuits, Class Counsel believes that this case could not have settled on better terms under
2 the circumstances. Request therefore is made that the settlement be granted preliminary approval
3 so that those persons whom it was intended to benefit shall be afforded the opportunity to determine
4 its adequacy for themselves.

5
6 **REQUEST FOR ATTORNEYS' FEES**

7 98. The Settlement Agreement provides that Class Counsel may request attorneys' fees in
8 an amount not to exceed one-third (33.33%) of the Gross Settlement Amount, which totals
9 \$208,333.31. In addition, Class Counsel may request reasonable litigation costs not to exceed
10 \$25,000.00. These requests are subject to Court approval, and any amounts not approved will be
11 redistributed to the Net Settlement Fund for the benefit of the Class.

12 99. My firm and I took this case on a contingent-fee basis against a business represented
13 by a reputable defense firm. When we take contingent cases, we must pay careful attention to the
14 economics involved or one bad case can destroy years of work. Accordingly, when we take
15 contingency cases, we anticipate that we shall, if successful, receive a fee that exceeds our normal
16 hourly rate; otherwise, the risk is often too great to bear. Even when we work long hours, the
17 number of hours in a day is limited. Because of this, when we take on one particular matter, we
18 are unable to take on other matters. When Class Counsel became involved in this case, we realized
19 the time commitment that it would entail, and we were forced to turn down matters that we
20 otherwise should have been able to handle. In sum, this case claimed a significant portion of Class
21 Counsel's time and attention throughout its pendency.

22 100. The requested fee is reasonable for the services provided to class members and for
23 the benefits they are to receive. Indeed, even with a modest multiplier under the lodestar theory,
24 *see Bihun v. AT&T Information System* (1993) 13 Cal.App.4th 976, 997, Class Counsel's fees
25 would still be justified. Class Counsel will more fully brief the Court on its lodestar in the motion
26 for final approval, if necessary.
27
28

**CLASS REPRESENTATIVE SERVICE PAYMENTS TO PLAINTIFF AS THE CLASS
REPRESENTATIVES**

101. Plaintiff herein is entitled to a reasonable service payment for their effort and initiative in bringing and helping to prosecute this action. Plaintiff spent a considerable amount of time better apprising herself of her rights, deciding whether remedial action should be taken and how it should be taken, searching for attorneys, and finally contacting Class Counsel, who spent many hours with Plaintiff discussing this case and the applicable law. In the end, Plaintiff decided to vindicate not only her own rights but also those of their co-workers by filing a class action lawsuit.

102. The courage it took to stand up to Defendant in this way should not be underestimated. By suing Defendant, Plaintiff increased her risk of retaliation by prospective employers. Plaintiff's lawsuit has now cost Defendant considerable resources, and Plaintiff contends such conduct will not be lost on a prospective employer who has to choose between an applicant who has never sued a prior employer and one who has. Plaintiff contends this risk is particularly real in the information age, where employers can more easily than ever perform background checks of prospective employees, sometimes with the stroke of a key.

103. Plaintiff did not allow her fears of the potential repercussions of being a class representative deter her from acting for the benefit of Class Members. To the contrary, Plaintiff has been intimately involved in this case since its inception. She has devoted a substantial amount of time to helping Class Counsel effectively develop and prosecute this action at every stage of the litigation. Both before and after the filing of this lawsuit, Plaintiff conferred with Class Counsel on numerous occasions to discuss every aspect of this case, provided Class Counsel with information about Defendant and about the industry generally, reviewed documents, identified witnesses, consulted Class Counsel throughout the litigation repeatedly and at length, participated in the

1 mediation process, monitored the progress of the litigation with Class Counsel, and reviewed and
2 signed the Joint Stipulation.

3 104. Plaintiff has spent a significant amount of time with Class Counsel detailing her
4 knowledge of Defendants' practices and helping Class Counsel with the prosecution of this action.
5 She has diligently, adequately, and fairly represented class members, and has not placed her
6 interests above any member of the putative class. The service payment to Plaintiff is intended to
7 recognize their time and effort on behalf of the class. The amount requested is fair and appropriate
8 based on their contribution to and involvement in this action. For example, Plaintiff instigated the
9 lawsuit by bringing these violations to the attention of Class Counsel. She spent several hours
10 answering questions and providing information to Class Counsel throughout the pendency of this
11 action. Plaintiff identified witnesses, explained to Class Counsel Defendant's day-to-day business
12 practices, etc. The parties are in agreement that Plaintiff is entitled to a class representative
13 incentive award for her time and effort in this matter. This sort of payment to a class representative
14 has been a common feature of settlements negotiated by Class Counsel and has been routinely
15 approved by trial courts.

16
17
18 105. Class Counsel believes that a Class Representative Service Award in the amount of
19 \$12,500.00 for Plaintiff Maria Celia Hernandez Campoverde is fair and reasonable in light of her
20 efforts in initiating and advancing this action. This amount is well within the range of approved
21 incentive awards and significantly lower than the \$50,000.00 per representative approved in *Clark*
22 *v. American Residential Services, LLC* (2009) 175 Cal.App.4th 785, 807. While the Court has a
23 duty to ensure that class representatives are not overcompensated at the expense of the Class, modest
24 incentive awards in employment class actions—such as this one—are justified. They compensate
25 representatives not only for their time and effort, but also for the risks of coming forward against a
26 current or former employer. The Settlement Agreement provides that Plaintiff will seek a Service
27
28

1 Award not to exceed \$12,500.00, subject to Court approval, and Defendant has agreed not to oppose
2 any request up to that amount.

3 **CRITERIA SATISFIED FOR CERTIFICATION OF A SETTLEMENT CLASS**

4 106. The proposed class satisfies the criteria for certification of a settlement class under
5 California law, as embodied in California Code of Civil Procedure Section 382. Defendant has
6 agreed to the certification of the class for settlement purposes only. In general, courts may take a
7 proposed settlement into account in evaluating the propriety of class certification. *See Dunk v. Ford*
8 *Motor Co.* (1996) 48 Cal. App. 4th 1794, 1807 fn. 19. Indeed, a “lesser standard” of scrutiny applies
9 in certifying classes for settlement purposes. *Id.* Therefore, the Court should take into consideration
10 the fact that the parties have settled their claims and stipulated to certification for settlement
11 purposes when assessing typicality and adequacy.
12

13 a. Numerosity. The putative class is so numerous that joinder of all members is
14 impractical. The class is defined as all current and former employees of Defendant who are
15 employed or have been employed as an hourly, non-exempt employee by Defendant in the State of
16 California during the Class Period. There are an estimated 349 persons fitting this definition. Thus,
17 there are a sufficient number of class members to warrant certifying this as a class action for
18 settlement purposes. The number of Class Members was determined by reference to the records
19 and documents produced by Defendant.
20

21 b. Ascertainability. The putative class is defined in a manner that is precise, objective,
22 and ascertainable. It consists of all current and former hourly-paid, non-exempt employees who
23 worked for Defendant Montecito Bank & Trust in California at any time from June 4, 2020 through
24 February 17, 2025, or the date of Preliminary Approval, whichever is sooner
25

26 c. Typicality. A class representative’s claims are typical when they arise from the same
27 event, practice, or course of conduct that gives rise to the claims of other putative class members,
28 and if their claims rest on the same legal theories. The class representative’s claims must be

1 “typical,” but not necessarily identical to the claims of other class members. *See B.W.I. Custom*
2 *Kitchens v. Owens-Illinois, Inc.* (1987) 191 Cal.App.3d 1341, 1347 (“[I]t has never been the law
3 in California that the class representative must have identical interests with the class members.”).
4 It is sufficient that the representative is similarly situated so that he or she will have the motive to
5 litigate on behalf of all class members. *See Classen v. Weller* (1983) 145 Cal.App.3d 27, 47. Thus,
6 it is not necessary that the class representative should have personally incurred all of the damages
7 suffered by each of the other class members. *See Wershba v. Apple Computer, Inc.* (2001) 91
8 Cal.App.4th 224, 228.

10 Plaintiff’s claims are typical of the other class members’ claims because they arose from
11 the same factual basis and are based on the same legal theories. Plaintiff was employed as an hourly,
12 non-exempt employee during the Class Period and subject to the allegedly unlawful pay practices
13 at issue in this litigation. Accordingly, Plaintiff is a member of the class. The central issues of this
14 litigation (employees were underpaid because they were not paid for all hours worked, were not
15 provided meal and rest break premiums, and related wage and hour claims) would arise if this were
16 an individual action brought by Plaintiff, the same issues apply to the other class members as well,
17 and the resolution of those common issues would determine Defendant’s liability to Plaintiff and
18 liability to the entire putative class. As noted in the operative Complaint, Plaintiff contends that
19 Defendant did not compensate employees for all hours worked, thus not paying employees all
20 minimum wages and overtime due. Plaintiff further contends that Defendant did not pay employees
21 meal and rest break premiums, and that Defendant failed to issue lawful wage statements to all
22 employees. Thus, Plaintiff’s claims are typical of the claims of the putative class. Accordingly, the
23 typicality requirement is satisfied.

26 d. Adequacy. A class representative must possess the same interest and suffer the same
27 injury as the class members. “To assure ‘adequate’ representation, the class representative’s
28 personal claim must not be inconsistent with the claims of other members of the class.” *J.P. Morgan*

1 & Co., Inc. v. Superior Ct. (*Heliotrope General, Inc.*) (2003) 113 Cal.App.4th 195, 212. Thus, the
2 adequacy requirement is satisfied when the class representative's interests are not antagonistic to
3 those of the class. *See McGhee v. Crocker-Citizens Nat. Bank* (1976) 60 Cal.App.3d 442, 451.

4 Plaintiff has no conflicts with the class, and in fact, Plaintiff's interests are aligned with
5 those of the class. Because Plaintiff's claims are identical to those that would be asserted by the
6 unnamed class members were they before the Court, Plaintiff has every interest in zealously
7 representing the unnamed class members. Plaintiff has not shrunk from this responsibility. Indeed,
8 Plaintiff has devoted a substantial amount of time and energy to litigating this action and effecting
9 a settlement. Furthermore, as detailed above, Class Counsel are experienced in wage-and-hour
10 litigation, especially class actions, and have zealously represented the interests of the class in
11 litigating this case. Accordingly, the adequacy requirement is satisfied.

12
13 e. Commonality. Common questions of law or fact in this case predominate over
14 individual questions. This action involves, *inter alia*, a determination about Defendant's failure to
15 pay all wages due to employees, the resulting failure to pay final wages when required, the failure
16 to provide accurate paystubs, failure to pay timely wages, failure to maintain records, and largely
17 derivative claims under the Business & Professions Code and the PAGA. Plaintiff contends these
18 practices affected class members in the same way. All class members were employed during the
19 Class Period. Therefore, the operative complaint delineates a common course of conduct applicable
20 to all Class Members. Therefore, based on Class Counsel's investigation, the review of the
21 discovery produced by Defendant, and their discussions with Plaintiff, Plaintiff contends the
22 evidence supports their position that the employment practices and policies of Defendant's business
23 are consistent and uniform.

24
25 f. Predominance. Individualized issues do not predominate over the issues of law and
26 fact that are common to the class as a whole. The principal issues of controversy are whether Class
27 Members were paid for all hours worked, whether Defendant failed to provide Class Members with
28

1 required meal and rest breaks, and whether Defendant failed to keep required records, provide
2 accurate wage statements, or timely pay employees during and after employment. As explained
3 above, there are common issues of law and fact given that Plaintiff and all Class Members were
4 subjected to the same policies and pay practices during the relevant time period. Plaintiff and Class
5 Members all seek unpaid wages and overtime and penalties for failure to timely pay during and
6 after employment. These issues are suitable for common adjudication because all Class Members
7 were subject to the same employment policies throughout the Class Period and Plaintiff contends
8 the practices applied uniformly to all Class Members.

10 g. Superiority. Class resolution is superior to other available methods for the fair and
11 efficient adjudication of the controversy. There is little interest or incentive for Class Members to
12 individually control the prosecution of separate actions. Although the injury resulting from
13 Defendant's policies and practices is real and significant, the cost of individually litigating each
14 such case against Defendant would easily exceed the value of any relief that could be obtained by
15 any one Class Member individually. If Class Members are forced to litigate their claims
16 individually, this would result in as many as 290 individual actions against Defendant. Here, the
17 alternative methods of resolution are individual suits for relatively small amounts. Hence, an
18 individual suit would prove uneconomical for potential Plaintiff because litigation costs would
19 dwarf a potential individual recovery.

22 h. Except for Plaintiff's Actions, Plaintiff is unaware of any other class actions by Class
23 members against Defendant asserting similar claims as here. Furthermore, Sta. Barbara County is
24 a compelling forum for this action given that Defendant's location is in Sta. Barbara County and
25 numerous Class Members work in this County.

26 i. There are no serious manageability difficulties presented by preliminarily approving
27 the case for settlement purposes. As this case will not go to trial if finally approved, all that would
28 remain is claims administration and responding to possible objectors.

PAGA Notice

Pursuant to the PAGA requirements, our office has uploaded the proposed settlement and accompanying filings to the LWDA website.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on July 15, 2025, in Santa Monica, California.

Respectfully Submitted,

DATED: July 18, 2025

LABOR LAW PC

A handwritten signature in black ink, appearing to read 'D. Yadidsion', is written over a horizontal line.

By: Danny Yadidsion
Attorney for Plaintiff
MARIA CELIA HERNANDEZ CAMPOVERDE
individually and on behalf of the Class and PAGA
Members

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EXHIBIT 1

JEFFREY A. DINKIN, State Bar No. 111422
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LINDSAY BOWDEN, State Bar No. 318685
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Telephone: 805 730 6800

Attorneys for Defendant
MONTECITO BANK & TRUST

[Additional counsel on next page]

SUPERIOR COURT OF THE STATE OF CALIFORNIA
IN AND FOR THE COUNTY OF SANTA BARBARA

MARIA CELIA HERNANDEZ
CAMPOVERDE, individually and on behalf of
the putative class,

Plaintiff,

v.

MONTECITO BANK & TRUST, a California
corporation; and DOES 1-50, inclusive,

Defendants.

CASE NO.: 24CV03118

**JOINT STIPULATION OF CLASS
ACTION AND PAGA SETTLEMENT
AND RELEASE**

Judge: Hon. Colleen K. Sterne
Dept.: 5
Complaint Filed: June 4, 2024

Danny Yadidsion
LABOR LAW PC
100 Wilshire Blvd., Suite 700
Santa Monica, CA 90401
Telephone: (310) 494-6082
Email: Danny@LaborLawPC.com
Calendar@LaborLawPC.com

Attorneys for Plaintiff Maria Celia Hernandez Campoverde, on behalf
of herself and all others similarly situated and/or similarly aggrieved
and as proxies for the State of California

1. This Joint Stipulation of Class Action and PAGA Settlement and Release (“**Agreement**” or “**Stipulation**”) is made by and between, on the one hand, Plaintiff Maria Celia Hernandez Campoverde (“**Plaintiff**”), on behalf of herself and all others similarly-situated, including all members of the Settlement Class as defined below, and on behalf of all similarly-aggrieved employees and members of the general public, as proxy for the State of California, and, on the other hand, Defendant Montecito Bank & Trust (“**Defendant**”), (collectively, “**the Parties**”), in the above-captioned matter.

DEFINITIONS

2. In addition to the terms defined above, the terms below shall have the following meanings:

A. **“Action”** means Plaintiff’s lawsuit filed in Santa Barbara County Superior Court on June 4, 2024, Case No. 24CV03118.

B. **“Class” or “Settlement Class”** means all current and former non-exempt employees employed by Defendant in California at any time from June 4, 2020 through the date of preliminary approval of the Settlement or February 17, 2025, whichever is sooner.

C. **“Class Counsel”** means Danny Yadidsion of Labor Law PC. The term “Class Counsel” shall be used synonymously herein with the term “Plaintiff’s Counsel.”

D. **“Class Counsel Fees” and “Class Counsel Costs”** means the amounts to be paid to Class Counsel for fees and expenses, respectively, as approved by the Court, to compensate Class Counsel for their legal work in connection with the Actions and their related litigation expenses incurred in connection with the Actions.

E. **“Class Data”** means information regarding Class Members that Defendant shall compile from its records, as authorized by the Court, and transmit securely to the Settlement Administrator, including each Class Member’s name, last known mailing address, Social Security number, last known telephone number, dates of employment in class positions during the Class Period, and other information necessary for the Settlement Administrator to calculate the number of Compensable Workweeks worked during the Class and PAGA Periods.

F. **“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 a PAGA-Eligible Employee).

G. **“Class Members’ Released Claims”** means the claims being released by the Participating Class Members, as described in Paragraph 20 below.

H. **“Class Notice”** means the Court-Approved Notice of Pendency of Class Action Settlement and Final Hearing, to be mailed to Class Members in the form, without material variation, attached as Exhibit 1 and incorporated by reference into this Agreement.

I. **“Class Period”** means the period from June 4, 2020 through the date of preliminary approval of the Settlement or February 17, 2025, whichever is sooner.

J. **“Class Period End Date”** means through the date of preliminary approval of the Settlement or February 17, 2025, whichever is sooner.

K. **“Class Representative”** means Maria Celia Hernandez Campoverde, the named Plaintiff in this Action, who is seeking Court approval to serve as the Class Representative for settlement purposes.

L. **“Class Representative Service Award”** means the amounts to be paid to the Class Representative for initiating the Action and providing services in support of the Action, as approved by the Court.

M. **“Compensable Workweeks”** means the number of calendar weeks that a Class Member was employed by Defendant as a non-exempt employee at any time in California during the Class Period, including the PAGA Period.

N. **“Court”** means, unless stated otherwise, the Santa Barbara County Superior Court presiding over the settlement approval process.

O. **“Defense Counsel”** means Jeffrey A. Dinkin and Jared W. Speier of Stradling Yocca Carlson & Rauth LLP.

P. **“Effective Date”** is the date on which the Settlement becomes **“Final,”** which means the latest date on which the following events have occurred: (i) the Superior Court has granted Final Approval and entered its Final Judgment approving the Settlement, without material modification, if there are no objections to the Settlement or if any and all objections have been

1 withdrawn in writing by the time of the Final Approval order; or (ii) if there are any objections,
2 the day after the deadline for filing a notice of appeal from the Final Judgment has passed without
3 a timely appeal having been filed; or (iii) if a timely appeal from the Final Judgment is filed, the
4 day after the appellate court affirms the Judgment and issues a remittitur.

5 Q. **“Final Approval”** means the Court’s order granting final approval of the
6 Settlement.

7 R. **“Final Approval Hearing”** means the Court’s hearing on the motion for Final
8 Approval of the Settlement.

9 S. **“Final Judgment”** means the Judgment entered by the Court upon granting Final
10 Approval of the Settlement.

11 T. **“Individual Class Payment”** means the Participating Class Member’s pro rata
12 share of the Net Settlement Amount calculated according to the number of Compensable
13 Workweeks worked during the Class Period, as explained below in Paragraph 16.

14 U. **“Individual PAGA Payment”** means the pro rata share of 25% of the PAGA
15 Payment, calculated according to the number of Compensable workweeks worked during the
16 PAGA Period by the eligible Class Members, whether or not they requested to be excluded from
17 the Settlement, as explained below in Paragraph 17.

18 V. **“LWDA”** means the California Labor and Workforce Development Agency.

19 W. **“LWDA PAGA Payment”** means the 75% share of the PAGA Payment paid to
20 the LWDA under Labor Code section 2699(i).

21 X. **“Maximum Settlement Amount”** means Six Hundred Twenty Five Thousand
22 Dollars and No Cents (\$625,000.00), which is the total amount Defendant shall have to pay under
23 the Settlement, except as provided in Paragraph 11 below, regarding employer payroll taxes on the
24 wage payments being made under the Settlement, and potentially as provided in Paragraph 33
25 below regarding an increase in the workweek amount. The Maximum Settlement Amount will be
26 used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment,
27 the Class Counsel Award for fees and costs, the Class Representative Service Award, and the
28 Settlement Administration Costs. This excludes the employer’s contribution of payroll taxes due

1 on the settlement payments apportioned as wages, which Defendant will pay outside of the
2 Maximum Settlement Amount.

3 Y. **“Net Settlement Amount”** means the Maximum Settlement Amount, less the
4 amounts awarded for Class Counsel Fees, Class Counsel Costs, the Class Representative Service
5 Award, the PAGA Payment, and the Settlement Administration Costs.

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

8 AA. **“Objection”** means a Class Member’s valid and timely submission of a written
9 objection to the Settlement to the Settlement Administrator within the Response Deadline,
10 provided that the Class Member did not submit a Request for Exclusion.

11 BB. **“PAGA”** means the California Private Attorneys General Act of 2004, Labor Code
12 §§ 2698. *et seq.*

13 CC. **“PAGA-Eligible Employees”** means current and former non-exempt employees
14 who were employed by Defendant in Class positions from June 4, 2023 through the date of
15 preliminary approval of the Settlement or February 17, 2025, whichever is sooner.

16 DD. **“PAGA Payment”** means the total amount of Twenty-Five Thousand Dollars
17 (\$25,000.00), in full settlement of Plaintiff’s claims in the Actions for civil penalties under PAGA,
18 subject to the Court’s approval, to be paid from the Maximum Settlement Amount. Of this amount,
19 75% (\$18,750.00) will be paid to the LWDA and 25% (\$6,250.00) will be paid to the PAGA-
20 Eligible Employees, whether or not they opt out of the Class Settlement.

21 EE. **“PAGA Period”** means the period from June 4, 2023 through the date of
22 preliminary approval of the Settlement or February 17, 2025, whichever is sooner.

23 FF. **“PAGA-Released Claims”** means the PAGA claims being released as described
24 in Paragraph 21 below.

25 GG. **“Participating Class Member”** means a Class Member who does not submit a
26 valid and timely Request for Exclusion from the Settlement.

27 HH. **“Preliminary Approval Order”** means the Court’s Order granting preliminary
28 approval of the Settlement.

II. **“Released Parties”** means Defendant and all of its former and present parents, corporate members, subsidiaries, divisions, and affiliated companies, and their respective officers, directors, employees, partners, shareholders, agents, insurers, successors, assigns, and legal representatives.

JJ. **“Request for Exclusion”** means a Class Member’s valid and timely submission of a written request to the Settlement Administrator to be excluded from the Class Settlement, signed by the Class Member.

KK. **“Response Deadline”** means 45 days after the Settlement Administrator mails the Class Notice to the Class Members, and shall be the last date on which Class Members may mail or fax (1) Requests for Exclusion from the Settlement, (2) an Objection to the Settlement, or (3) a dispute over the number of Compensable Workweeks attributed to them in the Class Notice, unless the Response Deadline is extended by up to seven days as the result of a re-mailing of the Class Notice, as explained below in Paragraph 31.

LL. **“Settlement Administrator”** or **“Administrator”** means Apex Class Action, the neutral entity that the Parties have agreed to appoint to administer the Settlement, subject to approval by the Court.

MM. **“Settlement Administration Costs”** means the Court-approved fees and reasonable costs incurred by the Settlement Administrator to administer the Settlement, to be reimbursed to the Settlement Administrator from the Maximum Settlement Amount.

RECITALS

3. **The PAGA Action.** On June 4, 2024 Plaintiff Campoverde filed a class action complaint in Santa Barbara County Superior Court , Case No. 24CV03118. On November 8, 2024, Plaintiff filed the First Amended Complaint, adding a cause of action under the Private Attorneys General Act, seeking civil penalties for essentially the same underlying California wage and hour claims as those asserted in the Federal Action (“the PAGA Action”) on behalf of herself and similarly situated non-exempt employees.

4. **Mediation.** On November 19, 2024, the Parties participated in a full-day, arms-length mediation before Steven Serratore. With the assistance of the mediator, the Parties were

1 able to come to a settlement of the claims in the Actions, subject to the Court's approval. The
2 settlement was memorialized in a Mediator's Proposal, which all parties agreed to, subject to later
3 completion of this long-form Settlement Agreement. The Parties intend that further active
4 litigation in both actions shall be stayed and suspended pending the approval of this Settlement.

5 **5. Benefits of Settlement to Plaintiffs and the Class Members.** Plaintiffs and Class
6 Counsel recognize the expense and length of continued proceedings necessary to litigate Plaintiffs'
7 disputes in these Actions through trial and through any possible appeals. Plaintiffs have also taken
8 into account the uncertainty and risks of the outcome of further litigation, and the difficulties and
9 delays inherent in such litigation, particularly given the prior denials of class certification in the
10 Federal Action. Plaintiffs and Class Counsel also are aware of the burdens of proof necessary to
11 establish liability for the claims asserted in the Lawsuits, both generally and in response to
12 Defendant's defenses thereto, and the difficulties in establishing damages, penalties, restitution
13 and other relief sought in the Actions. Plaintiffs and Class Counsel also have taken into account
14 Defendant's agreement to enter into a settlement that confers substantial benefits upon the Class
15 Members. Based on the foregoing, Plaintiffs and Class Counsel have determined that the
16 Settlement set forth in this Agreement is fair, adequate, and reasonable and is in the best interests
17 of all Class Members.

18 **6. Defendant's Reasons for Settlement.** Defendant has concluded that further
19 defense of the Actions would be protracted, expensive, and would cause unwanted disruption to
20 business operations. Substantial amounts of Defendant's time, energy, and resources have been,
21 and unless this Settlement is completed, shall continue to be, devoted to the defense of the claims
22 asserted by Plaintiff. Defendant also has taken into account the risks of further litigation in reaching
23 its decision to enter into this Settlement. Even though Defendant contends that it is not liable for
24 any of the claims alleged by Plaintiff in the Actions and denies any liability whatsoever, Defendant,
25 nonetheless, has agreed to settle in the manner and upon the terms set forth in this Stipulation and
26 to fully and finally put to rest the claims alleged in the Actions.

CLASS CERTIFICATION

7. In conjunction with the Motion for Preliminary Approval, the Parties will file a stipulation and order requesting approval for Plaintiff to file a second amended complaint in Santa Barbara County Superior Court adding a cause of action under Labor Code section 2802. That second amended complaint will be deemed filed as of the date the Court grants preliminary approval, and Defendant need not submit a responsive pleading to this amended complaint.

8. **Stipulated Settlement Class.** Solely for purposes of settling the Action, the Parties have agreed to the certification of a Settlement Class as defined herein.

9. **Certification Is for Settlement Only.** For purposes of this Settlement, the Parties stipulate and agree that the requisites for establishing class certification with respect to the Class have been met and are met. More specifically, for purposes of settlement only, the Parties stipulate and agree that the Settlement Class is ascertainable and so numerous as to make it impracticable to join all Class Members; and that there are common questions of law and fact including, but not limited to, whether Defendant failed to provide meal periods and/or to pay meal premiums in lieu thereof at the regular rate of compensation as required under Labor Code section 226.7, whether defendant failed to authorize and permit rest breaks and/or to pay rest break premiums in lieu thereof at the regular rate of compensation as required under Labor Code section 226.7; whether Defendant failed to accurately pay overtime, minimum, or regular wages, by failing to pay for off the clock work or failing to pay overtime at the correct regular rate of pay; whether Defendant failed to reimburse employees for business expenses under Labor Code section 2802; whether Defendant failed to furnish accurate, itemized wage statements to all Class Members in accordance with Labor Code section 226; whether Defendant is liable to the Class Members for derivative waiting time penalties pursuant to Labor Code section 203; and Unfair Business Practices under California Business and Professions Code section 17200, among other common issues.

10. **Certification Stipulation Nullified if Settlement Not Approved.** Should this Settlement not become final for whatever reason, the Parties shall return to the status quo ante, and the draft amended complaint alleging the class claims previously asserted (and rejected) in the Federal Action will not be filed in any court. Further, the fact that the Parties were willing to

1 stipulate provisionally to class certification as part of the Settlement shall have no bearing on, and
2 shall not be admissible in connection with, the issue of whether a class should be certified in a
3 non-settlement context in the Actions. Should this Settlement not become final, no class claims
4 shall be pled, and Defendant expressly reserves its right to oppose class certification, as it has
5 successfully done previously in this matter.

6 **MONETARY TERMS OF THE SETTLEMENT**

7 **11. Maximum Settlement Amount.** The claims of all members of the Settlement Class
8 and the PAGA-Eligible Employees, collectively, are settled for a maximum sum of Six Hundred
9 Twenty Five Thousand Dollars and No Cents (\$625,000) (“the Maximum Settlement Amount”).
10 This Maximum Settlement Amount is inclusive of the Class Counsel Fees and Class Counsel
11 Costs; the Class Representative Service Award to Plaintiff; the Settlement Administration Costs;
12 individual class member settlement payments, and the PAGA Payments to the LWDA and the
13 PAGA-Eligible Employees, all as approved by the Court. This excludes the employer’s
14 contribution of payroll taxes due on the settlement payments apportioned as wages, which
15 Defendant will pay outside of (in addition to) the Maximum Settlement Amount.

16 **12. Class Counsel Fees and Class Counsel Costs.** Class Counsel shall be entitled to
17 request attorneys’ fees in an amount not to exceed one-third (33.33%) of the Maximum Settlement
18 Amount – that is, not to exceed Two Hundred and Eight thousand, three hundred and thirty-three
19 Dollars and thirty-one cents (\$208,333.31), plus reasonable costs not to exceed Twenty-Five-
20 Thousand Dollars (\$25,000.00). Class Counsel’s request for such attorneys’ fees and costs shall
21 be subject to approval by the Court. Defendant agrees not to oppose or object to Class Counsel’s
22 requests for attorneys’ fees or reasonable costs within these limits. In the event the Court awards
23 Class Counsel less than these (or any other) requested amounts, the difference shall become part
24 of the Net Settlement Amount and shall be distributed to Participating Class Members as part of
25 their Individual Settlement Awards. Class Counsel shall be solely and legally responsible to pay
26 all applicable taxes due on the Class Counsel Award. Class Counsel shall provide the Settlement
27 Administrator with properly completed and signed copies of their IRS Form W-9(s) in order for
28 the Settlement Administrator to process the Class Counsel Award approved by the Court. The

1 Settlement Administrator shall issue an IRS Form 1099 to Class Counsel for the amount of the
2 Class Counsel Award.

3 **13. Class Representative Service Awards.** For purposes of this Settlement only, the
4 Parties agree to the designation of Plaintiff as the Class Representative. In recognition of her time
5 and effort in bringing and presenting the Action and for Plaintiff's Released Claims, Plaintiff shall
6 request a Class Representative Service Award not to exceed Twelve Thousand Five Hundred
7 Dollars (\$12,500.00). Plaintiff's request for such award shall be subject to approval by the Court.
8 Defendant agrees not to oppose or object to Plaintiff's request for a Class Representative's Service
9 Award that does not exceed this amount. The Class Representative Service Award will be in
10 addition to Plaintiff's Individual Class Payment paid pursuant to the Settlement and/or any PAGA
11 Payment paid to her pursuant to the Settlement. The Settlement Administrator shall issue an IRS
12 Form 1099 to Plaintiff for her Class Representative Service Award. Plaintiff shall be solely and
13 legally responsible to pay any and all applicable taxes due on her Class Representative Service
14 Award. Any amount requested by Plaintiff for the Class Representative Service Award and not
15 awarded by the Court shall become part of the Net Settlement Amount and shall be distributed to
16 Participating Class Members as part of their Individual Settlement Awards.

17 **14. Settlement Administration Costs.** Subject to the Court's approval, Defendant
18 shall reimburse the Settlement Administration Costs, which are currently estimated to not exceed
19 Five-Thousand Five-Hundred Thousand Dollars (\$5,500.00), to be paid from the Maximum
20 Settlement Amount. Prior to the filing of Plaintiff's Motion for Final Approval of the Settlement,
21 the Settlement Administrator shall provide the Parties with a statement detailing the Settlement
22 Administration Costs to date.

23 **15. PAGA Payments.** Defendant shall pay the total sum of Twenty-Five Thousand
24 Dollars (\$25,000.00) to resolve the claims asserted by Plaintiff, as proxy for the State of California
25 and by the State of California itself (including the LWDA), for civil penalties under PAGA.
26 Seventy-five percent (75%) of this amount (\$18,750.00) will be paid to the LWDA. The remaining
27 twenty-five percent (25%) (\$6,250.00) will be distributed to the PAGA-Eligible Employees, based
28

on their proportionate share of Compensable Pay Periods worked during the PAGA Period. These PAGA Payments will be paid out of the Maximum Settlement Amount.

16. **Individual Class Payments.** The Settlement Administrator will determine the Net Settlement Amount by deducting the Class Counsel Fees and Costs, the Class Representative's Service Award, the PAGA Payment, and the Settlement Administration Costs from the Maximum Settlement Amount. The Settlement Administrator will distribute the Individual Class Payments to the Participating Class Members from the Net Settlement Amount. The Administrator will calculate each Participating Class Member's Individual Class Payment by determining the total number of Compensable Workweeks worked by all Participating Class Members during the Class Period, dividing that number into the Net Settlement Amount to determine the per-workweek value of each Compensable Workweek, and then multiplying that sum by the number of Compensable Workweeks worked by each Participating Class Member during the Class Period.

17. **Individual PAGA Payments.** The Settlement Administrator will calculate each eligible employee's Individual PAGA Payment by dividing the 25% portion of the PAGA Payment to be distributed to those individuals, i.e. Six-Thousand Two-Hundred-Fifty Dollars (\$6,250.00), by the total number of Compensable Workweeks worked by all of the PAGA- Eligible Employees during the PAGA Period to derive the per-workweek value of the Individual PAGA Payments, and then multiplying that sum by the number of Compensable Workweeks worked by each such employee during the PAGA Period.

18. **Tax Treatment of Individual Class and PAGA Payments.** Individual Settlement Awards shall be allocated as follows: 10% as alleged unpaid wages subject to all applicable tax withholdings and 90% as alleged unpaid interest and penalties. The Settlement Administrator shall issue an IRS Form W-2 to each Participating Class Member for the portion of each Individual Settlement Award allocated as unpaid wages. These payments shall be subject to all applicable tax withholdings. The Settlement Administrator shall issue an IRS Form 1099 to each Participating Class Member for the remaining portion of each Individual Settlement Award. The Settlement Administrator shall also issue an IRS Form 1099 for the Individual PAGA Payments. The non-wage portions of the Individual Settlement Awards and the entirety of the Individual PAGA

Payments will be allocated as non-wage penalties and interest and shall not be subject to payroll tax withholdings.

19. **Employer Payroll Taxes.** The Maximum Settlement Amount shall resolve, satisfy and completely extinguish all of Defendant's liability with respect to the Class Members, except that Defendant shall be responsible for paying the employer's share of payroll taxes on the portion of the Individual Settlement Awards that constitute wages. Defendant will pay these taxes, as calculated by the Settlement Administrator, in addition to the Maximum Settlement Amount. Upon Defendant's funding of the Maximum Settlement Amount and the employer portion of payroll taxes on the portion of the Individual Settlement Awards that constitutes wages, Defendant shall have no further payment or defense obligation whatsoever with respect to any claims covered by this Settlement made or asserted by any person or entity anywhere in the world in connection with the Class Members.

RELEASES

20. **Class Members' Released Claims.** Effective on the date when Defendant fully funds the Maximum Settlement Amount and its share of employer payroll taxes owed on the wage portion of the Settlement Payments, Plaintiffs and all Participating Class Members will fully, finally and forever release, settle, compromise, relinquish, and discharge Defendant and all of the Released Parties from any and all claims, rights, demands, liabilities, and causes of action of every nature and description, arising during the Class Period, including statutory, contractual, or common law claims for wages, damages, penalties, liquidated damages, interest, attorneys' fees, litigation costs, restitution, or equitable relief – whether asserted under the California Labor Code, Business and Professions Code §§ 17200 et seq., the applicable wage orders at California Code of Regulations, Title 8, Section 11000 et seq., , or otherwise – that were or could have been alleged based on the factual allegations in Plaintiff's operative Complaints herein, including but not limited to: (a) any and all claims for failure to provide meal periods and/or to pay meal premiums in lieu thereof at the correct regular rate of compensation as required under Labor Code sections 226.7 and 512; (b) any and all claims for failure to authorize and permit rest breaks and/or to pay rest break premiums in lieu thereof at the correct regular rate of compensation as required under

1 Labor Code section 226.7; (c) any and all claims for unpaid or untimely payment of overtime,
2 minimum wages or regular wages, including but not limited to claims alleging failure to pay for
3 “off the clock” work and/or failure to pay overtime at the correct regular rate of pay, including but
4 not limited to, under Labor Code sections 510, 558, 558.1, 1194, 1194.2, 1194.3, 1197, and 1198;
5 (d) any and all claims for failure to reimburse employees for business expenses under Labor Code
6 section 2802; (e) any and all derivative claims arising from the claims listed above in
7 subparagraphs (a) through (d) for failure to furnish accurate itemized wage statements in
8 accordance with Labor Code section 226 and 226.2, and including any associated claims for
9 penalties under Labor Code sections 226(e) and 226.3 and/or any claims for failure to maintain
10 complete and accurate payroll records; (f) any and all derivative claims arising from the claims
11 listed above in subparagraphs (a) through (d) for failure to provide wages when due upon
12 separation of employment or late payment of wages under Labor Code sections 201-204; and (g)
13 any and all claims for attorneys’ fees and costs and/or interest, including but not limited to, under
14 Labor Code Sections 218.5, 218.6, 226(h).

15 21. **PAGA-Released Claims.** Effective on the date when Defendant fully funds the
16 Maximum Settlement Amount and its share of employer payroll taxes owed on the wage portion
17 of the Settlement Payments, Plaintiff as an agent and proxy of the State of California (including
18 the LWDA), acting on behalf of the PAGA-Eligible Employees, shall release Defendant and all of
19 the Released Parties from any and all claims for PAGA civil penalties arising during the PAGA
20 Period out of the California Private Attorneys General Act of 2004, Labor Code §§ 2698 *et seq.*,
21 2699 *et seq.*, and 2699.3, based on any of the underlying claims and factual allegations that were
22 alleged, or reasonably could have been alleged in Plaintiff’s operative Complaint and/or in
23 Plaintiff’s notice letter provided to the LWDA, including but not limited to claims for: (a) any and
24 all claims for failure to provide meal periods and/or to pay meal premiums in lieu thereof at the
25 correct regular rate of compensation as required under Labor Code sections 226.7 and 512; (b) any
26 and all claims for failure to authorize and permit rest breaks and/or to pay rest break premiums in
27 lieu thereof at the correct regular rate of compensation as required under Labor Code section 226.7;
28 (c) any and all claims for unpaid or untimely payment of overtime, minimum wages or regular

wages, including but not limited to claims alleging failure to pay for “off the clock” work and/or failure to pay overtime at the correct regular rate of pay, including but not limited to, under Labor Code sections 510, 558, 558.1, 1194, 1194.2, 1194.3, 1197, and 1198; (d) any and all claims for failure to reimburse employees for business expenses under Labor Code section 2802; (e) any and all derivative claims arising from the claims listed above in subparagraphs (a) through (d) for failure to furnish accurate itemized wage statements in accordance with Labor Code section 226 and 226.2, and including any associated claims for penalties under Labor Code sections 226(e) and 226.3 and/or any claims for failure to maintain complete and accurate payroll records; (f) any and all derivative claims arising from the claims listed above in subparagraphs (a) through (d) for failure to provide wages when due upon separation of employment or late payment of wages under Labor Code sections 201-204; and (g) any and all claims for attorneys’ fees and costs and/or interest, including but not limited to, under Labor Code Sections 218.5, 218.6, 226(h). **No Right to Opt Out of PAGA Settlement.** It is understood and agreed that PAGA-Eligible Employees will not have the opportunity to opt out of this PAGA Release even if they have requested to be excluded from the Class Settlement. It is the intent of the Parties that, to the fullest extent permitted by law, the PAGA-Eligible Employees will be deemed to have released all such PAGA claims arising during the PAGA Period.

22. **Plaintiff’s Additional Release.** In addition to the Class Members’ Released Claims and the PAGA-Released Claims, Plaintiff in her individual capacities, agree to release the Released Parties from any and all claims they may have, known and unknown, under federal, state and/or local law, statute, ordinance, regulation, common law, or other source of law, arising as of the date of execution of this Agreement, including but not limited to claims arising from or related to her employment with Defendant, her termination (if any), her compensation while in Defendant’s employ, and all other dealings she has had with the Released Parties. Plaintiff expressly waives and relinquishes all rights and benefits of section 1542 of the Civil Code of the State of California, and does so understanding and acknowledging the significance and consequence of specifically waiving her rights under section 1542 not to otherwise release unknown claims. Section 1542 of the Civil Code of the State of California states as follows:

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

6 Notwithstanding the provisions of section 1542, and to implement a full and complete
7 release and discharge of the Released Parties, Plaintiff expressly acknowledges that this
8 Agreement is intended to include in its effect, without limitation, all claims that Plaintiff does not
9 know or suspect to exist in her favor at the time of signing this Agreement, and that this Agreement
10 contemplates the extinguishment of any such claims.

11 **MOTION FOR PRELIMINARY APPROVAL**

12 23. **Mutual Duty of Cooperation to Seek Approval.** The Parties agree to work
13 diligently and cooperatively to have this Settlement expeditiously presented to the Court for
14 preliminary approval. Class Counsel shall prepare a draft motion for preliminary approval,
15 including a proposed Preliminary Approval Order, and will circulate the draft to Defense Counsel
16 at least five (5) business days in advance of its filing. Upon filing the motion for preliminary
17 approval, Class Counsel shall also timely submit any required notices of this Agreement to the
18 LWDA as may be required by Labor Code sections 2699(1)(2) and (3) or other provisions of
19 PAGA.

20 24. **Contents of Preliminary Approval Order.** As part of the motion for preliminary
21 approval, the Parties shall apply to the Court for the entry of an Order as follows:

- 22 a. Certifying the Settlement Class for settlement purpose only;
23 b. Approving, as to form and content, the proposed Class Notice (**Exhibit 1**
24 attached hereto);
25 c. Approving the manner and method for Class Members to object to or
26 request exclusion from the Settlement, as contained herein and within the Class Notice;
27 d. Directing the mailing of the Class Notices to Class Members, by first class
28 mail;

1 e. Preliminarily approving the Settlement, subject only to the objections of
2 Class Members and final review by the Court;

3 f. Accepting and deeming filed the amended complaint alleging the class
4 claims previously alleged in the Federal Action; and

5 g. Setting a date and time for the Final Approval Hearing.

6 25. **Resolution of Court Concerns.** If the Court does not initially grant preliminary
7 approval or conditions preliminary approval on any material change to this Agreement, Class
8 Counsel and Defense Counsel will expeditiously work together, and in good faith, to modify the
9 Agreement and/or otherwise satisfy the Court's concerns.

10 **SETTLEMENT ADMINISTRATION**

11 26. **Selection of Settlement Administrator.** The Parties have jointly selected Apex
12 Class Action ("Apex") to serve as the Settlement Administrator and verified that, as a condition
13 of appointment, Apex agrees to perform, as a fiduciary, all duties specified in this Agreement in
14 exchange for payment of the Settlement Administration Costs. The Parties and their Counsel
15 represent that they have no interest or relationship, financial or otherwise, with the Settlement
16 Administrator other than a professional relationship arising out of prior experiences administering
17 settlements.

18 27. **Qualified Settlement Fund.** The Settlement Administrator shall establish a
19 settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under U.S.
20 Treasury Regulation section 468B-1. The Administrator shall have and use its own Employer
21 Identification Number for purposes of calculating payroll tax withholdings and providing reports
22 to state and federal tax authorities, except as otherwise required or permitted by law.

23 28. **Transmission of Class Data to Administrator.** Within forty-five (45) calendar
24 days after the Court grants preliminary approval of the Settlement, to the extent practicable,
25 Defendant will securely provide the Settlement Administrator with the Class Data, including the
26 names, last known addresses and telephone numbers, and social security numbers of the Class
27 Members. In addition, Defendant will provide the Settlement Administrator with data indicating
28 the number of workweeks worked by each Class Member during the relevant Class Period and

1 PAGA Period, as reflected in Defendant's records, or data that will otherwise enable the Settlement
2 Administrator to compute the number of applicable workweeks. The Settlement Administrator will
3 retain the Class Data and will not share it with Class Counsel except as otherwise permitted herein.

4 29. **Mailing of Class Notices.** Within fourteen (14) calendar days after receiving the
5 Class Data from Defendant, the Settlement Administrator shall mail copies of the Court-approved
6 Class Notice to all Class Members via regular First-Class U.S. Mail. The Settlement Administrator
7 shall exercise its best judgment to determine the current mailing address for each Class Member
8 as informed by the parties' input. The address identified by the Settlement Administrator as the
9 current mailing address shall be presumed to be the most current mailing address for each Class
10 Member. The Settlement Administrator shall perform a search based on the National Change of
11 Address Database maintained by the United States Postal Service to update and correct any known
12 or identifiable address changes. The Parties agree that this procedure for notice provides the best
13 notice practicable to Class Members and fully complies with due process.

14 30. **Undeliverable Class Notices.** Any Settlement Notice returned to the Settlement
15 Administrator as non-deliverable on or before the Response Deadline shall be re-mailed to the
16 forwarding address affixed thereto within five (5) calendar days of receipt of the returned Class
17 Notice by the Settlement Administrator. If no forwarding address is provided, the Administrator
18 shall attempt to determine a correct address by the use of skip-tracing, or other type of automated
19 search, using the name, address and/or Social Security number of the Class Member involved, and
20 shall then perform a re-mailing to the Class Member whose Class Notice was returned as non-
21 deliverable within five (5) calendar days of receipt of the returned Notice by the Administrator,
22 assuming another mailing address is identified by the Administrator. The deadlines for Class
23 Members to submit written Objections, Requests or Exclusion, or challenges to Compensable
24 Workweeks will be extended an additional seven (7) calendar days from the date of the re-mailing,
25 even if this results in an extension of the otherwise-applicable 45-day Response Deadline. If these
26 procedures are followed, notice to Class Members shall be deemed to have been fully satisfied,
27 and if the intended recipient of the Settlement Notice does not receive the Class Notice, the
28

intended recipient shall nevertheless remain a Class Member and shall be bound by all terms of the Settlement and the Final Order and Judgment.

31. Determination of Individual Class Payments and Individual PAGA Payments.

The Settlement Administrator shall determine the eligibility for, and the amounts of, each Individual Class Payment and Individual PAGA Payment under the terms of this Agreement based on the number of Compensable Workweeks worked by each Class Member in the applicable Class and/or PAGA Periods. The Administrator will then include the estimated number of Compensable Workweeks and the individual payment amounts in each Class Member's Class Notice.

32. Workweek Disputes. Class Members who wish to dispute the number of eligible Compensable Workweeks set forth in the Notice, or assert that they should have been included as a member of the Class, may submit a written statement to the Settlement Administrator within the Response Deadline setting forth the number of Compensable Workweeks they believe should be credited to them within the applicable Class or PAGA Period, accompanied by any supporting documentation of their claim. The Settlement Administrator, in consultation with Class Counsel and Defense Counsel, will review the pertinent payroll records, which Defendant agrees to make available to the Settlement Administrator as needed. Defendant's payroll records will be presumed to be correct unless a Class Member proves otherwise by credible evidence. The Settlement Administrator's decision as to the total number of eligible Compensable Workweeks shall be final and non-appealable, subject to the ultimate oversight and approval of the Court if necessary.

33. Objections to the Settlement. Any Participating Class Member may object to the Settlement by submitting a written objection to the Settlement Administrator within the 45-day Response Deadline, unless that deadline has been extended by a re-mailing of the Class Notice. An objection should include: (a) the objector's full name, signature, address, and telephone number; (b) a written statement of the grounds for the objection accompanied by any legal support for such objection; and (c) copies of any papers, briefs, or other documents upon which the objection is based. Objecting Class Members may appear at the Final Approval Hearing either in person, or through counsel retained at Class Member's own expense, to have their objection heard, whether or not they had submitted a prior written objection as specified in this section. The Court

1 will rule on any objections to the Settlement at the Final Approval Hearing. An objection may be
2 withdrawn at any time. The Settlement Administrator shall provide objections, if any, to Class
3 Counsel and Defense Counsel via email within three (3) calendar days of receipt, and the
4 Settlement Administrator shall attach any objections to its declaration of due diligence, which is
5 to be filed with the Court prior to the Final Approval Hearing. Any Participating Class Member
6 who files an objection remains eligible to receive monetary compensation from the Settlement. At
7 no time shall any of the Parties, Class Counsel, or Defense Counsel solicit or otherwise encourage
8 or discourage Class Members from submitting an Objection or filing an appeal from the Final
9 Order and Judgment. Class Members who submit a Request for Exclusion are ineligible to object
10 to the Settlement.

11 **34. Requests for Exclusion.** Any Class Member may request to be excluded from (“opt
12 out of”) the Settlement by submitting a signed, written request to the Settlement Administrator,
13 clearly communicating that the Class Member wishes to be excluded from the Settlement. To be
14 timely and valid, the Request for Exclusion must be mailed (postmarked) by the Response
15 Deadline, 45 days from the Settlement Administrator’s mailing of the Class Notice, unless that
16 deadline has been extended by a re-mailing of the Class Notice. The Request for Exclusion should
17 contain the Class Member’s name, address, signature, date, telephone number or email address,
18 and the name of the case. Persons who submit a timely Request for Exclusion will be referred to
19 as Non-Participating Class Members. The Settlement Administrator will accept any Request for
20 Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a
21 Class Member and the Class Member’s desire to be excluded. Non- Participating Class Members
22 will not be entitled to receive an Individual Class Payment under the Settlement, will not be bound
23 by the terms and conditions of the Class Settlement, and will not be releasing any of the Class
24 Members’ Released Claims. However, Non-Participating Class Members who are PAGA-Eligible
25 Employees will still receive Individual PAGA Payments and are precluded from bringing PAGA-
26 Released Claims that are released by Plaintiffs and the State of California, as described above. Any
27 Class Member who does not submit a timely Request for Exclusion will be deemed to be a
28 Participating Class Member and will be bound by the terms and conditions of the Settlement.

1 **35. Revocation of Settlement by Defendant.** If five percent (5%) or more of the Class
2 Members request to be excluded from the Class, Defendant shall have the sole and absolute
3 discretion to revoke the Settlement Agreement. The Settlement Administrator shall provide a list
4 of the Requests for Exclusion within seven (7) days after the Response Date. If Defendant elects
5 to revoke/rescind the Settlement Agreement, it shall provide written notice of such revocation to
6 Class Counsel within seven (7) days after receiving the final list of Requests for Exclusion from
7 the Settlement Administrator. Defendant agrees to meet and confer in good faith with Class
8 Counsel before rescinding or voiding the Settlement Agreement. Such rescission shall have the
9 same effect as a termination of this Settlement Agreement for failure to satisfy a condition of
10 settlement, and the Settlement Agreement shall become null and void and have no further force or
11 effect. No Party will encourage any class member to opt out of the Settlement. If Defendant
12 revokes the Settlement under this provision, it shall be responsible to pay the Settlement
13 Administrator's costs incurred to that point.

14 **36. Workweek Count.** Defendant previously estimated to Plaintiffs' counsel, based on
15 a review of its records, that as of November 19, 2024, there were approximately 22,400 Class
16 Member workweeks covering the period from June 4, 2020 to November 19, 2024. If the
17 Settlement Administrator determines upon receipt of Defendant's Class Data (and before mailing
18 out the Class Notices) that the Class Member workweeks worked during the Class Period exceed
19 27,5000, the – then the Class Period shall be revised to end on the date on which the Class Member
20 workweeks accrual reached 25,000.

21 **37. Weekly Status Reports.** Following the mailing of the Class Notice, the Settlement
22 Administrator will provide Class Counsel and Defense Counsel with weekly reports of, among
23 other things: the number of Class Notices mailed or re-mailed, Class Notices returned undelivered,
24 Requests for Exclusion (whether valid or invalid) received, objections received, and challenges to
25 the number of Compensable Workweeks received and/or resolved. The Administrator will
26 promptly provide counsel for the Parties with copies of any objections received. Additionally, the
27 Settlement Administrator will provide to counsel for the Parties any other updated reports
28

1 regarding the administration of the Settlement as may be needed or requested from time to time,
2 including any declarations required by the Court.

3 **38. Other Duties of the Settlement Administrator.** The Settlement Administrator
4 shall perform such other duties as may be necessary from time to time, as directed by Counsel or
5 the Court. This shall include, among other things: (1) maintaining and monitoring an email address
6 and toll-free telephone number to receive Class Member calls, faxes and emails; (2) establishing
7 and maintaining an internet website to post necessary information for Class Members regarding
8 this Agreement and the Final Approval Hearing, among other things; (3) providing Counsel for
9 the Parties with a declaration suitable for filing in Court at least 14 days before Plaintiffs are
10 required to file their motion for Final Approval of the Settlement, attesting to the Administrator's
11 compliance with all of its obligations under the Agreement and other necessary information
12 regarding the Class Notices, Requests for Exclusion and objections; and (4) providing a final report
13 and compliance declaration suitable for filing with the Court following the Administrator's
14 disbursement of all the payments required by this Agreement, in accordance with any deadlines
15 set by the Court.

16 **MOTION FOR FINAL APPROVAL**

17 **39. Final Settlement Approval Hearing and Entry of Final Order and Judgment.**
18 Following expiration of the Response Deadline, Plaintiff shall prepare and file a motion on behalf
19 of all Parties seeking final approval of the Settlement, including a request for approval of the
20 PAGA settlement under Labor Code section 2699(l)(2), a proposed Final Approval Order, and a
21 proposed Judgment. Plaintiff shall provide drafts of the motion for final approval and proposed
22 Final Order and Judgment to Defense Counsel not later than five (5) business days prior to filing
23 the motion. Plaintiff's motion for Final Approval shall be accompanied by a declaration from the
24 Settlement Administrator, as referenced above, describing the process and results of the
25 administration of the Settlement to date. Plaintiff will prepare and include with the Final Approval
26 motion a request seeking approval of Plaintiff's request for reimbursement of Class Counsel's
27 attorneys' fees and costs incurred in this matter and Plaintiff's request for a Class Representative
28 Service Award.

1 **40. Contents of Proposed Final Order and Judgment.** The proposed Final Order and
2 Judgment will include, among other things:

3 a. Final Approval of the Settlement, adjudging the terms thereof to be fair,
4 reasonable and adequate, and directing consummation of its terms and provisions;

5 b. Approval of Class Counsel's application for an award of attorneys' fees and
6 costs;

7 c. Approval of the Class Representative Service Award payments to Plaintiffs;

8 d. Approval of the Settlement Administration Costs;

9 e. Approval of the PAGA Payment;

10 f. The setting of a date when the Parties shall submit the Final Report
11 regarding the distribution of the Maximum Settlement Amount pursuant to California Code of
12 Civil Procedure section 384, and, if necessary, a date for a final accounting hearing following its
13 receipt of the Final Report;

14 g. The entering of a judgment in the Action that is intended to preclude any
15 Class Members from pursuing any individual, class or representative claims against any of the
16 Released Parties that have been released herein pursuant to the Settlement Agreement, upon
17 satisfaction of all payments and obligations hereunder, excluding the Class claims of those persons
18 who submitted valid and timely Requests for Exclusion.

19 **41. Duty to Cooperate.** If the Court does not grant Final Approval or conditions Final
20 Approval on any material change to the Settlement, the Parties will expeditiously work together in
21 good faith to address the Court's concerns, including, if necessary, by revising the Agreement to
22 obtain Final Approval. The Court's decision to award less than the amounts requested for the Class
23 Representative's Service Payment, Class Counsel Award of fees and costs, PAGA amounts, and/or
24 Settlement Administration Costs shall not constitute a material modification of the Agreement
25 within the meaning of this Paragraph.

26 **42. Jurisdiction of the Court Following Judgment.** Following entry of the Final
27 Order and Judgment, the Court shall retain jurisdiction solely with respect to the interpretation,
28 implementation, and enforcement of the terms of this Agreement and all orders and judgments

entered in connection therewith; and addressing any other settlement administration and compliance matters that may require its attention. If any party brings an action to enforce the terms of this Agreement, the prevailing party shall be entitled to its/her reasonable attorneys' fees and costs.

SETTLEMENT FUNDING AND PAYMENTS

43. **Information from Settlement Administrator Regarding Funding.** Not later than ten (10) calendar days after the Court's grant of Final Approval of the Settlement, the Settlement Administrator will provide Defense Counsel with an accounting of all anticipated payments from the QSF as specified in this Agreement and approved by the Court, including all necessary routing and payment instructions to the QSF, and including the amount due for the employer's share of payroll taxes on the wage payments to be made outside the Maximum Settlement Amount. The Settlement Administrator also will provide counsel for the Parties with at least fourteen (14) calendar days of lead time, whether before or after the funding date but before the scheduled distribution date, in which to review the Administrator's proposed payment calculations.

44. **Funding of Settlement.** Defendants shall pay to the Settlement Administrator the Maximum Settlement Amount, together with the amount that the Settlement Administrator has determined or estimated to be Defendant's share of employer taxes due on the wages being paid under the Settlement, within thirty (30) calendar days after the Effective Date. Defendant shall make the payment in any feasible manner, including, but not limited to, a wire transfer or a check.

45. **Timing of Settlement Disbursements.** Within fifteen (15) calendar days after Defendant has provided the Settlement Administrator with the Maximum Settlement Amount, the Settlement Administrator will distribute the payments to Plaintiff for her Class Representative Service Award, to Class Counsel for their awarded attorneys' fees and costs, to the LWDA, to the Participating Class Members for their Individual Class Payments, to all PAGA-Eligible Employees for their Individual PAGA Payments, and to itself for the Settlement Administration Costs.

46. **Method of Individual Payments.** The Settlement Administrator shall mail the Individual Class Payments and Individual PAGA Payments by regular First-Class U.S. Mail to each person's last known mailing address. Prior to mailing the payments, the Settlement

Administrator shall perform a search based on the National Change of Address Database maintained by the United States Postal Service to update and correct any known or identifiable address changes.

47. **Non-Reversionary Settlement; No Claim Necessary.** Participating Class Members shall not be required to submit a claim in order to receive a share of the Net Settlement Amount, and no portion of the Maximum Settlement Amount shall revert to Defendant. To the extent the Court does not approve the full requested attorneys' fees, litigation costs, Class Representative Service Award or Settlement Administration Costs, the Net Settlement Amount will increase accordingly by the difference between the requested amounts and the amounts awarded by the Court. If this Settlement is not finally approved by the Court in full, or is terminated, rescinded, canceled or fails to become effective for any reason, or if the Effective Date does not occur, then no portion of the Maximum Settlement Amount shall be paid.

48. **Disposition of Uncashed Checks.** All Individual Class Payment checks and/or Individual PAGA Payment checks issued by the Settlement Administrator must be cashed within one hundred eighty (180) days after issuance. After the expiration of the 180-day period, the Settlement Administrator will void any uncashed checks. Subject to the Court's approval, the Settlement Administrator will pay the total amount of any uncashed settlement checks to Legal Aid at Work, a non-profit organization that supports projects that will benefit Class Members, pursuant to California Code of Civil Procedure section 384. The Parties and their Counsel certify that they have no connection to or relationship with this *cy pres* recipient.

49. **Settlement Binding Even If Checks Not Cashed.** In the event a Participating Class Member or Participating PAGA Member fails to cash/deposit his or her Individual Class Payment check and/or Individual PAGA Payment check, for whatever reason, that person shall nevertheless remain bound by the Class Settlement and, if applicable, the PAGA Release.

ADDITIONAL PROVISIONS

50. **Nullification of Settlement for Other Reasons.** In the event: (i) the Court does not enter the Preliminary Approval Order; (ii) the Court does not grant Final Approval of the Settlement; (iii) the Court does not enter the Final Order and Judgment; or (iv) the Settlement does

1 not become final for any other reason, this Agreement shall be rendered null and void, and any
2 order or judgment entered by the Court in furtherance of this Agreement shall be treated as void
3 from the beginning. In such a case, this Agreement and any documents related to it shall not be
4 used by any Class Member or Class Counsel to support any claim or request for class certification
5 in the Actions, and shall not be used in any other civil or administrative action against Defendant
6 or any of the other Released Parties.

7 **51. Plaintiff's Waiver of Right to Be Excluded.** Plaintiff agrees that by signing this
8 Agreement, she will be bound by the terms herein. Plaintiff further agrees that, upon signing this
9 Agreement, she will not request to be excluded from this Settlement, and that any such request for
10 exclusion by Plaintiff will be void and of no force or effect.

11 **52. Waiver of Right to Appeal.** Provided the Judgment is consistent with the terms
12 and conditions of this Agreement, the Parties, their respective counsel, and all Participating Class
13 Members who did not object to the Settlement as provided in this Agreement waive all rights to
14 appeal from the Judgment. If an objector appeals the Judgment, the Parties' obligations to perform
15 under this Agreement will be suspended until the appeal is finally resolved and the Judgment
16 becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.
17 However, nothing in this Agreement shall preclude Plaintiff from appealing from a court order
18 denying or failing to grant in full her requests for attorneys' fees, costs, or service award. Any
19 order reducing the Class Counsel Award or the Class Representative Service Award will not be
20 grounds on Plaintiff's part to nullify or void this Settlement.

21 **53. No Credit Towards Defendant's Benefit Plans.** Neither the terms of this
22 Settlement nor any of the amounts paid to Plaintiff or any Class Member shall have any effect on
23 the eligibility or calculation of any employee benefits under Defendant's benefit plans. Any
24 Individual Class Payments or Individual PAGA Payments paid under the Settlement do not
25 represent any modification of any recipient's previously-credited hours of service or other
26 eligibility criteria, and will not be utilized to calculate any additional benefits, vesting or credit
27 under any bonus or compensation plan, collective bargaining agreement, employee pension benefit
28 plan, employee welfare benefit plan, or any other program or policy sponsored by Defendant or

any Sutter Health affiliates. It is the intent of the Parties that the Individual Class Payments and Individual PAGA Payments provided for in this Agreement are the sole payments to be made by Defendant to Class Members and others in connection with this Settlement, and that the Class Members are not entitled to any new or additional compensation or benefits as a result of having received the Individual Class Payments and/or Individual PAGA Payments.

54. **No Admission of Liability, Class Certification or Representative Manageability for Other Purposes.** Defendant denies all claims alleged in the Action and denies all wrongdoing whatsoever by Defendant. Defendant further denies that any of its employees has been “aggrieved” by a violation of the Labor Code. Neither this Agreement, nor any of its terms and conditions, nor any of the negotiations connected with it, is a concession or admission, and none shall be used against Defendant as an admission or indication with respect to any claim of any fault, concession, or omission by Defendant or that class certification is proper under the standard applied to contested certification motions. The Parties agree that certification of the proposed class and representative treatment under PAGA is for purposes of this Settlement only. This Agreement will not be admissible in this or any other proceeding as evidence that either a class action should be certified, that Plaintiff’s PAGA claims are manageable for trial, or that Defendant is liable to Plaintiff or any Class Member, other than according to the terms of this Agreement.

55. **Publicity and Confidentiality.** The Parties and their counsel will treat the terms of this Settlement as strictly confidential prior to the filing of the preliminary approval motion. Both before and after the filing of the preliminary approval motion, the Parties and their counsel will not issue any press releases or initiate any contact with the media about this case and/or the fact, amount, or terms of the Settlement. If, after the filing of the preliminary approval motion, counsel for either Party receives an inquiry about the Settlement from the media, counsel may respond but must limit such response to the terms of the Settlement as those terms are set forth in the public record. After the filing of the preliminary approval motion, Class Counsel shall be permitted to discuss the terms of the Settlement with any Settlement Class members who inquire about the terms.

56. **Tax Liability.** The Parties and their counsel make no representations as to the tax treatment or legal effect of the payments specified herein, and Class Members are not relying on any statement or representation by the Parties, Class Counsel or Defense Counsel in this regard. Participating Class Members, PAGA-Eligible Employees, Class Counsel, and Plaintiff shall be solely and legally responsible for the payment of all applicable taxes and penalties assessed on the payments specified herein other than the employer's share of the payroll taxes due on the payments designated as wages.

57. **Circular 230 Disclaimer.** The Parties acknowledge and agree that (i) no provision of this Agreement, and no written communication or disclosure between or among the Parties, Class Counsel or Defense Counsel and other advisors, is or was intended to be, nor shall any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended); (ii) the acknowledging party (a) has relied exclusively upon his, her, or its own, independent legal and tax counsel for advice (including tax advice) in connection with this Agreement, (b) has not entered into this Agreement based upon the recommendation of any other party or any attorney or advisor to any other party, and (c) is not entitled to rely upon any communication or disclosure by any attorney or advisor to any other party to avoid any taxpenalty that may be imposed on the acknowledging party; and (iii) no attorney or advisor to any other party has imposed any limitation that protects the confidentiality of any such attorney's or advisor's tax strategies (regardless of whether such limitation is legally binding) upon disclosure by the acknowledging party of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Settlement.

58. **Authorization to Enter into Agreement.** Class Counsel and Defense Counsel warrant and represent that they are expressly authorized by the Parties whom they represent to negotiate this Agreement and to take all appropriate actions required or permitted to be taken by the Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents required to effectuate its terms. The person signing this Stipulation of Settlement on behalf of Defendant represents and warrants that he/she is authorized to sign this Agreement on behalf of

1 Defendant. Plaintiff represents and warrants that she is authorized to sign this Agreement on behalf
2 of herself and the Class, and as proxies for the State of California, and that they have not assigned
3 any claim or part of a claim covered by this Agreement to a third party.

4 **59. Cooperation to Effectuate Settlement.** The Parties, Class Counsel and Defense
5 Counsel shall cooperate with each other and use their best efforts to effect the implementation of
6 this Settlement. In the event the Parties are unable to reach agreement on the form or content of
7 any document needed to implement the Settlement, or on any supplemental provisions that may
8 become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of
9 the Court to resolve such disagreement.

10 **60. Invalidity of Any Provision.** In the event the Court declares any material provision
11 of this Agreement invalid, the Agreement will be void and its terms will be of no force and effect,
12 except as otherwise agreed by the Parties in writing, subject to the Court's approval. Before the
13 Court concludes that any term or provision of this Agreement is invalid, the Parties will request
14 that the Court first attempt to construe the terms or provisions valid to the fullest extent possible
15 consistent with applicable precedents so as to define all provisions of this Agreement as valid and
16 enforceable. The Parties further agree to meet and confer in an attempt to resolve any issues or
17 concerns the Court may have as to the validity of any provision in an effort to effectuate the
18 essential terms of this Settlement, and to discuss any possible amendments to this Agreement or
19 its Exhibit 1 needed to obtain the Court's approval of the Settlement.

20 **61. Binding Nature of Notice of Class Action Settlement.** It is agreed that, because
21 the Class Members are so numerous, it is impossible or impractical to have each Class Member
22 execute the Agreement. The Class Notice shall advise all Class Members of the binding nature of
23 the Settlement, and the release of the Class Members' Released Claims as described above shall
24 have the same force and effect as if this Agreement were executed by each Participating Class
25 Member.

26 **62. Entire Agreement.** This Agreement and its attached Exhibit 1 constitute the entire
27 agreement between the Parties, and no oral or written representations, warranties, or inducements
28 have been made to Plaintiff or Defendant concerning this Agreement or Exhibit 1 other than the

1 representations, warranties, and covenants contained and memorialized in this Agreement and
2 Exhibit 1. No other prior or contemporaneous written or oral agreements may be deemed binding
3 on the Parties.

4 63. **Cooperation in Drafting.** The Parties have cooperated in the drafting and
5 preparation of this Agreement. This Agreement will not be construed against any Party on the basis
6 that the Party was the drafter or participated in the drafting.

7 64. **Amendment or Modification.** This Agreement may be amended or modified only
8 by a written instrument signed by counsel for all Parties or their successors-in-interest and
9 approved by the Court.

10 65. **Governing Law.** All terms of this Agreement and its exhibit shall be governed by
11 and interpreted according to the laws of the State of California, without regard to conflict of law
12 principles.

13 66. **Binding on Successors and Assigns.** This Agreement shall be binding upon, and
14 inure to the benefit of, the successors and assigns of the Parties.

15 67. **Headings.** The descriptive heading of any section or paragraph of this Agreement
16 is inserted for convenience of reference only and does not constitute a part of this Agreement.

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

1 IN WITNESS WHEREOF, the Parties hereto have knowingly and voluntarily executed
2 this Joint Stipulation of Class Action and PAGA Settlement and Release on the dates set forth
3 below:

4
5
6 DATED: 01 / 16 / 2025



Maria Celia Hernandez Campoverde,
Plaintiff

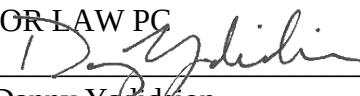
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9 DATED: 1/31/2025 | 8:46 PM PST

Signed by:


Montecito Bank & Trust, Defendant
By: Janet Garufis
Its: Chairman & CEO

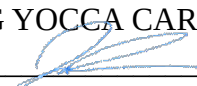
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13 APPROVED AS TO FORM AND CONTENT:

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15 DATED: 1/16/25

LABOR LAW PC
By: 

Danny Yaddison
Counsel for Plaintiffs, the Class and the
Aggrieved Employees

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20 DATED: 3/06/25

STRADLING YOCCA CARLSON & RAUTH LLP
By: 

Jeffrey A. Dinkin
Jared W. Speier
Lindsay Bowden
Counsel for Defendant Montecito Bank
& Trust

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EXHIBIT A

NOTICE OF CLASS ACTION SETTLEMENT

MARIA CELIA HERNANDEZ CAMPOVERDE,) Case No.: 24CV03118
individually and on behalf of the putative class,)

Plaintiff,

VS.

MONTECITO BANK & TRUST, a California corporation; and DOES 1-50, Inclusive,

Defendants.

) Case No.: 24CV03118

) CLASS ACTION

) Assigned for All Purposes To:

) Hon. Colleen K. Sterne

) Dept.: 5

) NOTICE OF CLASS ACTION
) SETTLEMENT

THIS IS AN IMPORTANT COURT APPROVED NOTICE. READ CAREFULLY.

If You Worked For Montecito Bank & Trust as an hourly or non-exempt employee in the State of California at any time between June 4, 2020 through February 17, 2025.

You May Be Entitled to Participate in a Class Action Settlement.

The Santa Barbara County Superior Court approved this notice. This is not an advertisement.

You are not being sued. Your legal rights are affected, whether you act or not.

PLEASE READ THIS NOTICE.

- Maria Celia Hernandez Campoverde (“Plaintiff”) sued the Company Defendants on behalf of herself and others similarly situated (the “Class Members”) for the following claims: (1) failure to pay wages for all hours worked; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to provide rest periods; (5) failure to furnish timely and accurate wage statements; (6) failure to pay all compensation due upon discharge; (7) unfair, unlawful, or fraudulent business practices (Bus & Prof. Code §17200, et seq.); and (8) PAGA Representative Action (Labor Code §§ 2698-2699.5); and (8) Failure to Provide Reasonable Business Expenses (Labor Code § 2802).
- The Court has preliminarily approved the Joint Stipulation of Class Action and PAGA Settlement and Release (the “Agreement”) between Plaintiff and Defendants, which will affect all current and former hourly and non-exempt employees, who worked for the Company Defendants in the State of California at any time between June 4, 2020 through February 17, 2025.
- If the Court grants final approval of the Settlement, you could receive money from the settlement.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT

DO NOTHING	Stay in this Lawsuit. Receive a payment. Release certain claims. By doing nothing, you will collect a settlement award as detailed below. However, you give up certain rights to sue Defendants separately for the legal claims raised in this Lawsuit, which are being released as part of the settlement.
OBJECT TO THE SETTLEMENT	Stay in this Lawsuit. May give up certain rights. If you object to the Settlement, you will remain a member of the Class, and if the Court disagrees with your objections and approves the Settlement, you will be bound by the terms of the Settlement in the same way as Class Members who do not object.
ASK TO BE EXCLUDED	Get out of this Lawsuit. Receive only an Individual PAGA Payment. Release only certain claims related to PAGA. If you ask to be excluded from the Settlement, you will only receive an individual PAGA Payment and not receive any other payments from the Settlement award. You will give up certain rights to sue the Company Defendant under PAGA for claims incurred during the PAGA Period. However, you keep any rights to individually sue Defendants separately for the legal claims raised or that could have been raised in this Lawsuit.

- Regardless of the option you choose, you will not be retaliated against for exercising any of your rights, detailed above.
- Your options are explained in this notice. To object to the Settlement or ask to be excluded, you must act before _____ [Response Deadline- sixty (60) days after sent to Class Members via First Class U.S. mail].
- If you have any questions, please read on or contact Class Counsel or the Settlement Administrator, using the contact information listed below.

BASIC INFORMATION

1. Why did I get this notice?

You are not being sued. Plaintiff sued Defendant in a class and representative action on behalf of employees like you. The Company Defendant's records show that you worked for the Company Defendant in California as an hourly employee at some point between June 4, 2020 through February 17, 2025. This notice explains that the Court has given preliminary approval to a settlement in a conditionally certified class and representative action lawsuit that may affect you.

The Court has determined that there is sufficient evidence to suggest that the proposed settlement might be fair, adequate, and reasonable. Any final determination of those issues will be made at the final fairness hearing. You have legal rights and options that you may exercise as part of this Settlement.

This Notice explains the Action, the settlement, your legal rights, what benefits are available, who is eligible for them, and how to get them.

2. What is this lawsuit about?

The Lawsuit is about Plaintiff's allegations that Defendants failed to provide Plaintiff and other hourly, non-exempt employees with legally compliant overtime wages, all wages due to discharged and quitting employees, and minimum wage. Plaintiff further alleges that Defendants also failed to timely pay wages, failed to maintain required records and furnish accurate, itemized wage statements in violation of applicable California and Federal laws, including the California's Labor Code, California's Unfair Competition Laws, and PAGA.

No court or fact finder has made any determinations as to Plaintiff's allegations or Defendants' defenses to those allegations.

Throughout the litigation, Defendants have denied — and continue to deny — the factual and legal allegations in the case and has maintained that it has valid defenses to the claims. Plaintiff and Defendants concluded that any further litigation will be protracted and expensive for all parties. Plaintiff and Defendants have already spent time, energy, and resources litigating this case, and, unless the settlement is agreed to, will have to continue to devote time, energy and resources to the litigation of the claims asserted in this Action. Plaintiff and Defendants have voluntarily agreed to the terms of a negotiated settlement to avoid the burden and expense of continued litigation. By agreeing to settle, Defendants are not admitting liability on any of the factual allegations or claims in the Lawsuit or that the Lawsuit can or should proceed as a class action or PAGA action.

3. What is a class action and who is involved?

In a class and representative action lawsuit such as this, a person called the "Class Representative" (in this case Maria Celia Hernandez Campoverde) sues on behalf of

other people whom he or she believes have similar claims. The people together are a "Class" or "Class Members." The Class Representative is also called the Plaintiff. The company sued (in this case, Montecito Bank & Trust) are called the Company Defendants. In class action litigation, one Court resolves the issues for everyone in the Class in one lawsuit, except for those people who choose to exclude themselves from the Class.

4. Why is this Lawsuit a class action?

As part of the Settlement, Plaintiff and Defendants agreed to conditionally certify the Class with respect to all of the claims Plaintiff alleged against Defendants as a class and representative action, for settlement purposes only and to ask the Court to approve the Settlement. The Court has not ruled on the merits of these claims, and the decision to conditionally certify the agreed-upon Class for settlement purposes should not be viewed as a prediction or agreement that Plaintiff or the Class would ultimately prevail on the merits of the action.

5. What are the terms of the proposed Settlement?

The major terms of the Settlement are as follows:

1. Defendants have agreed to pay \$625,000.00 to settle the claims made in this Lawsuit.
2. Plaintiff Campoverde has agreed to release all of her claims in the Lawsuit against Defendants.
3. Plaintiff seeks the following deductions from the \$625,000.00 Gross Settlement Amount:
 - a. Up to 33.33% of the Gross Settlement Amount (i.e., \$208,333.31) for Class Counsel's attorneys' fees.
 - b. Up to \$25,000.00 for reimbursement of Class Counsel's litigation costs.
 - c. A Service Award of up to \$12,500.00 to Plaintiff, for filing the Lawsuit, performing work in connection with the Lawsuit, a general release of claims, and undertaking the risks of filing the Lawsuit.
 - d. Up to \$5,5000.00 to cover the costs of the Settlement Administrator.
 - e. Up to \$25,000.00 for PAGA Payment. From this amount, 75% of the PAGA Payment (i.e., \$18,750.00) will be paid to California's Labor and Workforce Development Agency (the "LWDA"). The remaining 25% of the PAGA Payment (i.e., \$6,250.00), will be allocated to the PAGA Settlement Fund, and will be distributed to all members of the Class, including those who submit Requests for Exclusion, in proportion to their Individual PAGA Payment Amounts.

If the Court approves each of the requested deductions from the Gross Settlement Amount, the Parties estimate there will be \$348,666.69 remaining. The remaining funds will be referred to as the "Net Settlement Amount." The Individual Payment Amount for each Class Member will be

calculated by the Settlement Administrator using the Class Information provided by the Company Defendant, as follows. Individual Settlement Payments shall be each Participating Claimant's *pro rata* portion of the Class Settlement Fund (for Participating Class Members), based on his or her number of Workweeks Worked. Workweeks Worked means the number of weeks in which any amount of work was performed by a Participating Claimant during the Class Period, based on the Company Defendant's records. The Settlement Administrator will divide the Net Settlement Amount by the total Workweeks worked by all Participating Class Members to arrive at the *pro rata* share per Workweek. Each Participating Class Member's individual Workweeks Worked will then be multiplied by that pro rata share per Workweek to determine his or her estimated Individual Payment Amount.

Your estimated Individual Payment Amount is listed in Section 8 of this Notice. Each Class Member's Individual Settlement Payment will represent wages and penalties allocated using the following formula: 10% allocated to wages for which IRS Forms W-2 will be issued, 90% allocated to interest for which IRS Forms 1099-MISC will be issued. Participating Class Members should consult their tax advisors concerning the tax consequences of the payments they receive under the Settlement.

Additionally, the Individual PAGA Payment Amount, payable to each Class Member, including those who submit a Request for Exclusion, will be calculated by the Settlement Administrator using the Class Information provided by the Company Defendant as follows. Individual PAGA Payment Amounts shall be each Class Member's *pro rata* portion of the PAGA Settlement Fund, based on his or her number of PAGA Workweeks Worked. PAGA Workweeks Worked means the number of weeks worked by each Class Member during the PAGA Period (defined as the period from June 4, 2023 through February 17, 2025 or through February 17, 2025 and used as a value to calculate Individual PAGA Payment Amounts. The Settlement Administrator will divide each Class Member's PAGA Workweeks Worked by the total PAGA Workweeks Worked for all Class Members, resulting in a PAGA Workweek Ratio for each Class Member. Each Class Member's PAGA Workweek Ratio will then be multiplied by the PAGA Settlement Fund to determine his or her Individual PAGA Payment Amount.

Your estimated Individual PAGA Payment Amount is listed in Section 9 of this Notice. Each Class Member's Individual PAGA Payment Amount will represent non-wage penalties and will be reported, if required, on an IRS Form 1099 provided to each Class Member. Class Members should consult their tax advisors concerning the tax consequences of any payments they receive under the Settlement.

WHO IS IN THE CLASS?

6. Am I part of this Class?

The "Class" includes: all current and former hourly-paid or non-exempt employees who worked for the Company Defendant in the State of California at any time between June 4, 2020 through February 17, 2025 (the "Class Period").

7. I'm still not sure if I am included.

If you still are not sure whether you are included in the Class, you can get free help by contacting Apex Class Action LLC, the “Settlement Administrator”, at the designated phone number for this matter, at (800) 355-0700 or by calling or writing the lawyers representing the Class in this case (“Class Counsel”) at the phone number or address listed in Section 21.

YOUR RIGHTS AND OPTIONS

You have to decide whether to stay in the Class, or ask to be excluded from the Settlement. These options are further explained below, including any dates by which you need to take any actions.

8. **What is my approximate Individual Payment Amount?**

According to payroll records maintained by the Company Defendant, the total number of weeks you worked in California for the Company Defendant as an hourly/non-exempt employee, during the Class Period is [REDACTED] workweeks.

Based on information provided above, anticipated court-approved deductions, and preliminary per-workweek value, it is estimated your share of the Settlement will be \$ [REDACTED], less applicable taxes and withholdings.

You do not need to do anything further to receive your Individual Settlement Payment, other than to ensure that the Settlement Administrator has an accurate mailing address for you. It is important that you contact and inform the Settlement Administrator listed in Section 18, below, of any changes to your mailing address for timely payment.

Settlement Payment checks returned as undeliverable, unclaimed, and/or uncashed 180 days after issuance and delivery to Class Members shall be delivered to either Legal Aid at Work as a *cy pres* beneficiary.

9. **What is my approximate Individual PAGA Payment?**

According to payroll records maintained by the Company Defendant, the total number of weeks you worked in California for the Company Defendant as an hourly/non-exempt employee, during the PAGA Period is [REDACTED] workweeks.

Based on the information provided above, anticipated court-approved deductions, and preliminary calculations of PAGA Workweeks Worked, it is estimated your Individual PAGA Payment will be \$ [REDACTED], less applicable taxes and withholdings.

You do not need to do anything further to receive your Individual PAGA Payment, other than ensure that the Settlement Administrator has an accurate mailing address for you. It is important that you contact and inform the Settlement Administrator listed in Section 21, below, of any changes to your mailing address for timely payment.

Disputing Your Payment Amount

If you believe your Workweeks Worked and/or estimated Individual Payment Amount shown above is not correct, you may provide documentation and/or an explanation showing contrary information directly to the Settlement Administrator by the Response Deadline. Your dispute must: (1) contain the case name and number of the Lawsuit; (2) contain your full name, address, telephone number, and last four digits of your Social Security number; (3) contain a clear statement explaining that you wish to dispute the number of Workweeks Worked calculated for you and also state the number of Workweeks Worked that you contend is correct; and (4) attach documentation demonstrating that you were not credited with the correct number of Workweeks Worked. The Settlement Administrator will attempt to resolve any dispute based upon the Company Defendant's records and any information you provide. Any disputes not otherwise resolved by the Settlement Administrator will be resolved by the Court. Any such dispute must be mailed to the Settlement Administrator no later than [**DATE – forty-five (45) days after sent to Class Members via First Class U.S. mail**].

10. What rights am I releasing if I participate in the Settlement?

If the Court grants final approval of the Settlement and you do not opt out of the Settlement, you will be deemed to have released Defendants from all claims, rights, demands, liabilities, and causes of action that were alleged or reasonably could have been alleged based on the facts in Plaintiff's letter to the LWDA or the operative complaint (the "Operative Complaint") and the PAGA administrative remedy exhaustion letter ("PAGA Notice"), ("Released Claims"). These Released Class Claims, "Released Class Claims" include but are not limited to: (a) Failure to provide meal periods or pay premium payments for periods (see Labor Code §§ 226.7, 510, 512, 1194, 1197; IWC Wage Orders); (b) Failure to authorize and permit or pay premium payments for rest periods (see Labor Code §§ 226.7, 512; IWC Wage Order No. 1-2001, § 12); (c) any and all claims involving any alleged failure to pay minimum wage, contract wages, overtime, or other amounts of wages for failing to "compensate Plaintiff and Settlement Class Members for all wages earned and all hours worked" (see Cal Labor Code §§ 510, 1194, 1197, 1198; IWC Wage Orders); (d) failure to timely pay wages during employment (see Labor Code § 204); (e) failure to pay wages due to discharged and quitting employees (see Labor Code §§ 201-203); (f) failure to maintain required records (see Labor Code §§ 226, 1174; IWC Wage Order No. 1- 2001, § 7); (g) Failure to provide accurate, itemized wage statements (see Labor Code § 226(a)); (h) Failure to reimburse business expenses (see Labor Code § 2800-2802); and (j) unfair business practices (see Bus. and Prof. Code

§ 17200, et seq.). “Released Claims” includes all types of relief available for the above-referenced claims, including, without limitation, any claims for damages, restitution, losses, civil and statutory penalties, fines, liens, attorneys’ fees, costs, expenses, debts, interest, injunctive relief, declaratory relief, or liquidated damages. The Final Judgment shall expressly provide that it covers and based on the doctrines of res judicata and/or collateral estoppel bars as a matter of law each and every Class Member from asserting any Settled Claims in the future, except for Class Members who have timely opted out of the Settlement.

11. What rights am I releasing regardless of whether I participate in the Settlement?

In addition to those rights discussed in Section 10, if the Court grants final approval of the Settlement, you will be deemed to have released Defendants from all PAGA Released Claims. “Released PAGA Claims” during the PAGA Period. The Released PAGA Claims include but are not limited to PAGA penalties that were alleged, or reasonably could have been alleged in the operative Complaint and the PAGA Notice based on the facts, allegations, assertions and claims in the operative Complaint and PAGA Notice, including, (a) Failure to provide or pay premium payments for meal periods (see Labor Code §§ 226.7, 510, 512, 1194, 1197; IWC Wage Order No. 1-2001, § 11); (b) Failure to authorize and permit or pay premium payments for rest periods (see Labor Code §§ 226.7, 512; IWC Wage Order No. 1-2001, § 12); (c) any and all claims involving any alleged failure to pay minimum wage, contract wages, overtime, or other amounts of wages for failing to compensate Named Plaintiff and PAGA Members for all wages earned and all hours worked (see Cal Labor Code §§ 510, 1194, 1197, 1198; IWC Wage Order No. 1-2001, §§ 3-4); (d) failure to timely pay wages during employment (see Labor Code § 204); (e) failure to pay wages due to discharged and quitting employees (see Labor Code §§ 201-203); (f) failure to maintain required records (see Labor Code §§ 226, 1174; IWC Wage Order No. 1-2001, § 7); (g) Failure to provide accurate, itemized wage statements (see Labor Code § 226(a)); and (h) Failure to reimburse business expenses (see Labor Code § 2800-2802). “Released PAGA Claims” includes all types of relief available for the above-referenced claims, including, without limitation, any claims for civil penalties, attorneys’ fees, costs, and declaratory relief. The Final Judgment shall expressly provide that it covers and based on the doctrines of res judicata and/or collateral estoppel bars Plaintiff, LWDA, the State of California, and any other representative, proxy, or agent thereof, including but not limited to any and all PAGA Members from prosecuting “Released PAGA Claims” that arose during the PAGA Period.

The release of the PAGA Released Claims shall apply whether or not you participate in the Settlement. Under this release, the right of the LWDA to investigate the PAGA

Released Claims is not released, but the PAGA Released Claims does include a release of claims for penalties by a Class Member under the PAGA.

12. How do I object to the Settlement?

If you would like to object to the Settlement, you must **not** submit a request for exclusion (i.e., you must not opt out), otherwise your exclusion will be processed and you will be ineligible to object. To object, you must mail or fax a written statement of objection (the “Notice of Objection”) to the Settlement Administrator at the address in Section 18 below. Any Notice of Objection must contain the following: (1) the case name and number of the Action; (2) the name, address, telephone number, and last four digits of the Social Security number of the person objecting to the Settlement; (3) a clear statement indicating that the individual seeks to object to the Settlement; (4) the specific legal and/or factual reason(s) in support of the objection; (5) a statement of whether the objector intends to appear at the Final Fairness Hearing and whether he or she is represented by counsel; and (6) the individual’s signature. You must mail or fax any Notice of Objection to the Settlement Administrator, and it must be sent/postmarked no later than [DATE - sixty (60) days after sent to Class Members via First Class U.S. mail]. You may appear in person at the Final Fairness and Approval Hearing to present any oral objections, even if you do not submit a timely Notice of Objection.

13. Why would I ask to be excluded?

You have the right to exclude yourself from the Class (and the Settlement). If you exclude yourself from the Class — sometimes called "opting-out" of the Class — you will not get any portion of your Individual Payment Amount. However, you may then be able to sue or continue to sue Defendants for your own claims, if permitted by law. If you exclude yourself, you will still receive your Individual PAGA Payment Amount and will be legally bound by the Court's disposition of this Lawsuit with respect to the PAGA Released Claims (as discussed in Section 11, above).

14. How do I ask to be excluded from the Class?

If you are a member of the Class described above and would like to exclude yourself from the Class (“opt-out”), you, or your authorized representative, need to submit a written statement requesting exclusion from the Class (the “Request for Exclusion”) to the Settlement Administrator at the address in Section 18 below. The Request for Exclusion must contain the following: (1) the case name and number of the Lawsuit; (2) the name, address, telephone number, and last four digits of the Social Security number of the person requesting the exclusion; (3) a clear statement indicating that the Class Member seeks to exclude himself or herself from the Settlement; and (4) the Class Member’s signature. Your request for exclusion statement should state as follows: “I have received the Notice of Class, Collective, and Representative Action Settlement in

the case *Maria Celia Hernandez Campoverde v. Montecito Bank & Trust,, et al.* and I desire to be excluded from the Settlement.” The statement must be signed by you or your authorized representative and must be faxed or postmarked on or before [DATE - sixty (60) days after sent to Class Members via First Class U.S. mail]. The date of the postmark on the mailing envelope shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. If you submit a Request for Exclusion that is not postmarked or faxed by [DATE - sixty (60) days after sent to Class Members via First Class U.S. mail], your Request for Exclusion will be rejected, and you will be included in the Class.

Any Class Member who requests to be excluded from the Class will not be entitled to any portion of his or her Individual Payment Amount and, aside from releasing the PAGA Released Claims and receiving his or her Individual PAGA Payment Amount, will not be bound by the Settlement or have any right to object, appeal, or comment thereon. Class Members who fail to submit a valid and timely request for exclusion on or before [DATE - sixty (60) days after sent to Class Members via First Class U.S. mail] will be bound by all terms of the Settlement and any final disposition entered in this Class Action if the Settlement is approved by the Court. If more than ten percent (10%) of the Class Members opt out of the Settlement, Defendants will have, in its sole discretion, the option to terminate the Settlement.

Do not submit both a Request For Exclusion and an Objection. If you submit both, the request for exclusion will be valid, and you will be excluded from the Class.

THE LAWYERS REPRESENTING YOU

15. Do I have a lawyer in this case?

The Court decided that Labor Law PC are qualified to represent you and all Class Members. The law firm is called "Class Counsel" in the context of this case. The law firm's attorneys are experienced in handling similar cases against other employers. However, you may hire your own attorney at your own expense if you choose to do so.

16. How will the lawyers be paid?

As part of the Settlement with Defendants, Class Counsel has requested 33.33% of the Gross Settlement Amount (currently equal to \$208,333.31) in attorneys' fees, plus costs not to exceed \$25,000.00, to be paid from the Gross Settlement Amount to compensate Class Counsel for their work on this matter. You will not have to pay Class Counsel's fees and costs from your Individual Settlement Payment.

17. How will the Plaintiff be paid?

As part of the Settlement with Defendants, Class Counsel has requested a Service Award payment of up to \$12,500.00 to be paid to Plaintiff, for her efforts in this matter during initial investigation, discovery, mediation and the like, while serving as the Class Representative and taking on the burden and risks of litigation.

18. Who is handling the Settlement Administration process?

Apex Class Action LLC
18 Technology Dr. Ste. 164
Irvine, CA 92618
Phone: (800) 355-0700

19. When is the Final Fairness and Approval Hearing and do I have to attend?

The Final Fairness and Approval Hearing has been set for [DATE], at [TIME] a.m. in Department 5 of Santa Barbara County Superior Court, located at Hall of Justice 1100 Anacapa Street, CA 93101. Once the Court grants Preliminary Approval, the hearing date and time will be provided in the Final Notice sent to Class Members. You do not need to attend the hearing to be a part of the Settlement. However, if you wish to object to the Settlement, you may appear at the hearing. Please note that the hearing may be continued without further notice to the Class.

20. When will I get money after the hearing?

The Court will hold a hearing on [DATE to be determined], to decide whether to approve the Settlement. If the Court approves the Settlement, there may be appeals if anyone objects. It is always uncertain when these objections and appeals can be resolved and resolving them can take time. To check on the progress of the Settlement, contact the Settlement Administrator or Class Counsel at the phone number or address listed in Section 21.

If the Court approves the Settlement and if you do not validly opt out, your Individual Settlement Payment (set forth in Section 8 above) and your Individual PAGA Payment (set forth in Section 9 above) will be distributed after Defendant funds the Settlement. Specifically, within thirty (30) calendar days after the Effective Date (the date the Court's Final Judgment becomes final and no longer subject to appeal), Defendant will deposit the full \$625,000 Gross Settlement Amount with the Settlement Administrator. The Settlement Administrator will then issue payments to Class Members within fifteen (15) calendar days after funding.

Please note: If any objections or appeals are filed, the Effective Date will be delayed until those are resolved, and this will also delay distribution.

GETTING MORE INFORMATION

21. Are more details available?

This Notice only summarizes the Lawsuit, the Settlement, and related matters. For more information, the pleadings and other records in this Lawsuit, including copies of the Operative Complaint and Settlement Agreement, may be examined at any time during regular business hours at the office of the Clerk of the Superior Court of the State of California for Santa Barbara County Superior Court, located at Hall of Justice, 1100 Anacapa Street, CA 93101.

To access the Santa Barbara Court docket in California, visit the Santa Barbara County Superior Court website at <https://www.santabarbara.courts.ca.gov/> and navigate to the "Case Information" section. Click the box for Usage Agreement "Civil, Probate & Small Claims Case inquiries". You may then use the case access tool by entering the case number, which is 24CV03118. After initiating the search, review the case details and docket entries provided. If you need further assistance or encounter issues, contact the Santa Barbara County Superior Court Civil Division at 805-882-4520 or visit the court in person at the above- mentioned address.

Any questions regarding this Class Notice or the Lawsuit may be directed to the Settlement Administrator at the below address and telephone number. Alternatively, you may contact your own attorney, at your own expense, to advise you, or you may contact Class Counsel at the address, telephone number or email address set forth below. If your address changes or is different from the address on the envelope enclosing this Notice, please promptly notify the Settlement Administrator.

Settlement Administrator:
Apex Class Action LLC
18 Technology Dr. Ste. 164
Irvine, CA 92618
Info@apexclassaction.com
Phone: 1-800-355-0700

Class Counsel:
Danny Yaddis
LABOR LAW PC

100 Wilshire Blvd., Suite 700
Santa Monica, California 90401
Telephone: (310) 494-6082
Danny@LaborLawPC.com

PLEASE DO NOT CALL OR WRITE TO THE JUDGE OR TO THE COURT OR
CLERK OF THE COURT, OR TO ANY OF DEFENDANTS' MANAGERS,
SUPERVISORS, OR DEFENDANTS' ATTORNEYS WITH QUESTIONS.

MARIA CELIA HERNANDEZ CAMPOVERDE
v MONTECITO BANK & TRUST., et al.

I am over the age of 18 and not a party to the within action; my business address is 100 Wilshire Blvd, Suite 700, Santa Monica, CA 90401. My email address is Arc.Salopagio@LaborLawPC.com.

**DECLARATION OF DANNY YADIDSON IN SUPPORT OF MOTION FOR ORDER
(1) PRELIMINARY APPROVING THE CLASS ACTION SETTLEMENT; (2)
APPROVING NOTICE OF CLASS ACTION SETTLEMENT; AND SETTING
HEARING FOR FINAL APPROVAL**

Jared W. Speier,
Jeffrey A. Dinkin
Lindsay Bowden
Jessica Dzamba
Stradling Yocca Carlson & Rauth LLP
800 Anacapa Street, Suite A
Santa Barbara , CA 93101
jspeier@stradlinglaw.com,
jdinkin@stradlinglaw.com,
cbaker@stradlinglaw.com,
lbowden@stradlinglaw.com,
jdzamba@stradlinglaw.com.

- () (BY MAIL) I am readily familiar with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with U.S. postal service on that same day with postage thereon fully prepaid at Los Angeles, California in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.
- () (BY FEDERAL EXPRESS) I caused said envelope(s) to be sent by Federal Express [Priority Overnight] to the offices of the addressee(s).

1 (XX) ((BY ELECTRONIC MAIL) Per local rules, I delivered such documents by electronic
2 mail. My email address is Arc.Salopagio@laborlawpc.com.

3 () ((BY OVERNIGHT MAIL) I caused said envelope(s) to be sent by overnight mail to the
4 offices of the addressee(s).

5
6 //
7 //
8 //

8 Executed on July 18, 2025

9 I declare under penalty of perjury under the laws of the State of California that the above is true
10 and correct.

11 Arc Deniele Salopagio

12 Print Name

/s/ Arc Deniele Salopagio

13 Signature
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