

Jonathan M. Genish (State Bar No. 259031)
Karen Gold (State Bar No. 258360)
kgold@blackstonepc.com
Sara Pezeshkpour (State Bar No. 260240)
spezeshkpour@blackstonepc.com
Marissa Mayhood (State Bar No. 334376)
mmayhood@blackstonepc.com
BLACKSTONE LAW, APC
8383 Wilshire Boulevard, Suite 745
Beverly Hills, California 90211
Tel: (310) 622-4278 / Fax: (855) 786-6356

*Attorneys for Plaintiff TRAVIS SANFORD, individually,
and on behalf of other similarly situated employees and
aggrieved employees pursuant to the California Private
Attorneys General Act*

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SANTA CRUZ**

TRAVIS SANFORD, individually, and on behalf
of other similarly situated employees and
aggrieved employees pursuant to the California
Private Attorneys General Act,

Plaintiff,

vs.

SANTA CRUZ SEASIDE COMPANY, a
California corporation; and DOES 1 through 25,
inclusive,

Defendants.

Case No. 23CV01762

Honorable Syda K. Cogliati
Department 5

**DECLARATION OF JONATHAN M.
GENISH IN SUPPORT OF PLAINTIFF'S
MOTION FOR FINAL APPROVAL OF
CLASS ACTION AND PAGA
SETTLEMENT, ATTORNEYS' FEES AND
COSTS, ENHANCEMENT PAYMENT,
AND SETTLEMENT ADMINISTRATION
COSTS**

Date: January 30, 2025
Time: 8:30 a.m.
Dept.: 5

Complaint Filed: July 25, 2023
FAC Filed: August 5, 2024
Trial Date: Not Set

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 0
- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 0
- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8

2

3
4
5
6

7

8
9
0

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8

9
20
21
22
23
24
25
26
27
28

1 Angeles Times, Deadline, The Hollywood Reporter, Business Insider, Law360, and others. Super
2 Lawyers has regularly honored me as a Southern California Rising Star since 2012.

3 5. In February 2018, I started the law firm of Blackstone Law, APC, representing
4 plaintiffs in individual and representative employment litigation. The firm has grown exponentially
5 over the past six-plus years, now maintaining twenty highly pedigreed attorneys working on almost
6 exclusively labor and employment class actions, California Labor Code Private Attorney General Act
7 of 2004 (“PAGA”) cases, and individual matters, with roughly 15% of the firm focused on other
8 complex general litigation matters.

9 6. I have considerable experience in handling class and representative action lawsuits
10 throughout my career and have been approved as counsel in a number of cases, including, most
11 recently:

- 12 • *Anthony DiRico v. Seek Capital, LLC*, Los Angeles County Superior Court, Case No.
13 BC698076, a wage and hour class action brought on behalf of a class of hourly-paid
14 employees working in the State of California.
- 15 • *Consumer Protection Group, LLC v. A. D. Sutton & Sons, Inc.*, Los Angeles County
16 Superior Court, Case No. 19STCV29979, a private attorney general action for penalties
17 pursuant to Health and Safety Code section 25249.7.
- 18 • *Consumer Protection Group, LLC v. Shaxon Industries, Inc., et al.*, Los Angeles County
19 Superior Court, Case No. 19STCV30306, a private attorney general action for penalties
20 pursuant to Health and Safety Code section 25249.7.
- 21 • *Consumer Protection Group, LLC v. Home Depot U.S.A., Inc.*, Los Angeles County
22 Superior Court, Case No. 19STCV30445, a private attorney general action for penalties
23 pursuant to Health and Safety Code section 25249.7.
- 24 • *Eric Savoy v. Collector’s Universe, Inc., et al.*, Central District Court of California, Case
25 No.: 8:20-cv-00632-DOC-ADS (recently remanded to Orange County Superior Court,
26 Case No. 30-2020-01130892-CU-RI-CXC), a consumer fraud class action.

27 7. Blackstone Law, APC has been counsel of record on several class action and PAGA
28 actions that have since been resolved, the most recent of which are as follows:

- 1 • *David Williams v. Rancho Nicasio, LLC*, Marin County Superior Court, Case No.
2 CIV2203067, approved as class counsel in final settlement of wage and hour class and
3 PAGA action.
- 4 • *Bobby Birdi v. Lucid USA, Inc.*, Alameda County Superior Court, Case No.
5 21CV003541, approved as class counsel in final settlement of wage and hour class and
6 PAGA action.
- 7 • *Alexis Cardoza v. BHFC Operating LLC*, Los Angeles County Superior Court, Case No.
8 21STCV34040, approved as counsel in settlement of representative wage and hour action
9 pursuant to PAGA.
- 10 • *Theresa Bendorf, et al. v. Sea World LLC, et al.*, San Diego County Superior Court, Case
11 No. 37-2021-00034922-CU-OE-CTL, preliminarily approved as class counsel, in
12 association with other counsel, in settlement of wage and hour class and PAGA action.
- 13 • *Victor De La Cruz v. Northwest Pipe Company*, San Bernardino County Superior Court,
14 Case No. CIVSB2211140, preliminarily approved as class counsel in settlement of wage
15 and hour class and PAGA action.
- 16 • *Maria Ayala, et al. v. SDH Services West, LLC*, Kern County Superior Court, Case No.
17 BCV-21-101933, approved as class counsel in final settlement of wage and hour class
18 action.
- 19 • *Alfredo Sanchez v. Greenworld, Inc.*, Riverside County Superior Court, Case No.
20 CVRI2105756, approved as class counsel in final settlement of wage and hour class and
21 PAGA action.
- 22 • *Michael Bravo v. Michels Pacific Energy, Inc.*, Santa Clara County Superior Court, Case
23 No. 22CV403427, preliminarily approved as class counsel in settlement of wage and
24 hour class and PAGA action.
- 25 • *Oscar Bryant v. Midwest Construction Services, Inc. dba Trillium*, San Bernardino
26 County Superior Court, Case No. CIVSB2121529, approved as class counsel in final
27 settlement of wage and hour class action.
- 28 • *Matthew Savattieri v. AMI Expeditionary Healthcare, LLC, et al.*, Los Angeles County

1 Superior Court, Case No. 21STCV33372, approved as class counsel in final settlement
2 of wage and hour class and PAGA action.

- 3 • *Lexy Barajas, et al. v. H. W. Hunter, Inc.*, Los Angeles County Superior Court, Case No.
4 22STCV01892, approved as counsel in settlement of representative wage and hour action
5 pursuant to PAGA.
- 6 • *Alejandro Valdez v. C.H.I. Automart, Inc.*, Los Angeles County Superior Court, Case No.
7 21STCV40168, approved as class counsel in final settlement of wage and hour class and
8 PAGA action.
- 9 • *Sheizan Bawa v. Meathead Movers, Inc.*, Orange County Superior Court, Case No. 30-
10 2021-01211895-CU-OE-CXC, approved as counsel in settlement of representative wage
11 and hour action pursuant to PAGA.
- 12 • *Tanisha Lopez, et al. v. Restorix Health, Inc.*, Los Angeles County Superior Court, Case
13 No. 21STCV33067, approved as class counsel, in association with other counsel, in final
14 settlement of wage and hour class and PAGA action.
- 15 • *Perla Soto, et al. v. Nippon Express U.S.A., Inc.*, Los Angeles County Superior Court,
16 Case No. 21STCV24902, approved as class counsel in final settlement of wage and hour
17 class and PAGA action.
- 18 • *Angel Garcia, et al. v. J&B Investments, Inc., et al.*, San Bernardino County Superior
19 Court, Case No. CIVSB2208601, approved as class counsel, in association with other
20 counsel, in final settlement of wage and hour class and PAGA action.
- 21 • *Sindy Aviles, et al. v. Freeway Insurance Services America, LLC*, Los Angeles County
22 Superior Court, Case No. 21STCV34864, approved as counsel, in association with other
23 counsel, in settlement of representative wage and hour action pursuant to PAGA.
- 24 • *Alexander Gnaedig, et al. v. Favorite Healthcare Staffing, Inc.*, Los Angeles County
25 Superior Court, Case No. 21STCV20904, approved as class counsel, in association with
26 other counsel, in final settlement of wage and hour class and PAGA action.
- 27 • *Richard Evans v. My Paint Stop, LLC, et al.*, Contra Costa County Superior Court, Case
28 No. MSC21-01812, approved as class counsel in final settlement of wage and hour class

and PAGA action.

- *Jose Luis Parada George v. Main Electric Supply Company, LLC, et al.*, Orange County Superior Court, Case No. 30-2021-01220136-CU-OE-CXC, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.
- *Samia Salazar Yunis v. Sharif Jewelers*, Sacramento County Superior Court, Case No. 34-2020-00290080, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Daniel Analco v. Felix Chevrolet, LP, et al.*, Los Angeles County Superior Court, Case No. 21STCV36654, approved as class counsel in final settlement of wage and hour class and PAGA action.
- *Sasha Aiono v. Benefit Cosmetics*, Los Angeles County Superior Court, Case No. 21STCV33719, approved as counsel in settlement of representative wage and hour action pursuant to PAGA.

8. I am currently the managing partner overseeing roughly 500 labor and employment cases, approximately 80% of which include a wage and hour component. The majority of those cases are wage-and-hour putative class actions or representative PAGA actions seeking relief on behalf of thousands of California employees.

Procedural History of the Action

9. On July 25, 2023, Plaintiff filed a Class Action Complaint for Damages in the action entitled *Travis Sanford v. Santa Cruz Seaside Company*, Santa Cruz County Superior Court, Case No. 23CV01762 (“Action”), thereby commencing a putative class action against Defendant Santa Cruz Seaside Company (“Defendant”).

10. On May 13, 2024, Plaintiff and Defendant (together, the “Parties”) participated in a formal mediation conducted by Louis Marlin, Esq. (“Mediator”), a neutral and well-respected mediator with extensive experience in complex wage and hour matters. Following a full day of mediation, the mediator issued a mediator’s proposal and gave the parties three days to consider its terms. After much consideration, both parties ultimately accepted the proposal.

11. On July 15, 2024, Plaintiff provided written notice to the California Labor and

1 Workforce Development Agency (“LWDA”) and to Defendant, pursuant to California Labor Code
2 Section 2699.3, of the specific provision of the California Labor Code alleged to have been violated
3 by Defendant (“PAGA Letter”).

4 12. On August 5, 2024, Plaintiff filed a First Amended Class Action Complaint for
5 Damages and Enforcement Action Under the Private Attorneys General Act, California Labor Code
6 §§ 2698 Et Seq. (“Operative Complaint”) in the Action, which added a cause of action under
7 PAGA. The Operative Complaint alleges nine (9) causes of action for violations of the California
8 Labor Code for failure to pay overtime wages, failure to pay minimum wages, failure to provide
9 compliant meal periods and premium payments in lieu thereof, failure to provide compliant rest
10 periods and premiums payments in lieu thereof, failure to provide accurate wage statements, failure to
11 timely pay wages upon termination, and failure to reimburse necessary business expenses, for
12 violations of California Business & Professions Code Section 17200, *et seq.* based on the
13 aforementioned California Labor Code violations, and for civil penalties under PAGA based on the
14 aforementioned California Labor Code violations.

15 13. On August 16, 2024, the Parties executed the Joint Stipulation of Class Action and
16 PAGA Settlement (“Settlement” or “Settlement Agreement”). Attached hereto as **Exhibit 1** is a true
17 and correct copy of the fully executed Settlement Agreement.

18 14. On August 19, 2024, Plaintiff filed a Motion for Preliminary Approval of Class Action
19 and PAGA Settlement (“Motion for Preliminary Approval”) and supporting documents. A true and
20 correct copy of the Motion for Preliminary Approval is attached hereto as **Exhibit 2**.

21 15. On September 12, 2024, the Court entered an Order Granting Preliminary Approval of
22 Class Action and PAGA Settlement (“Preliminary Approval Order”), thereby preliminary approving
23 the terms of the Settlement Agreement, the Notice of Class Action Settlement (“Class Notice”), and
24 the proposed administration procedures and associated deadlines. A true and correct copy of the
25 Preliminary Approval Order is attached hereto as **Exhibit 3**.

26 **Summary of the Terms of the Settlement Agreement**

27 16. By way of the Preliminary Approval Order, the Court certified the following Class for
28 settlement purposes only: “all current and former hourly-paid and/or non-exempt employees

(including adults and minors under the age of 18) who worked for Defendant in the State of California at any time during the Class Period” (“Class” or “Class Members”). The “Class Period” is defined as the period from July 25, 2019, through August 11, 2024. The “Settlement Class Members” consist of all Class Members who did not submit a timely and valid Request for Exclusion. The “PAGA Employees” consist of “all current and former hourly-paid and/or non-exempt employees (including adults and minors under the age of 18) who worked for Defendant in the State of California at any time during the PAGA Period.” The “PAGA Period” is defined as the period from July 15, 2023, through August 11, 2024.

17. Based on the data provided by Defendant following preliminary approval and for purposes of administration of the Class Notice, I am informed that there are 6,029 Class Members who worked 191,020 weeks during which each Settlement Class Member worked for Defendant for at least one day during the Class Period (“Workweeks”) and 2,689 PAGA Employees who worked for Defendant for at least one day during the PAGA Period (“PAGA Workweeks”).

18. The Parties have agreed to settle the Class and PAGA claims at issue in the Action for a non-reversionary Gross Settlement Amount of Five Million Nine Hundred Thousand Dollars and Zero Cents (\$5,900,000.00), which is exclusive of employer-side payroll taxes. The Gross Settlement Amount includes: (1) Class Counsel’s fees in the amount of one-third (1/3) of the Gross Settlement Amount, equaling One Million Nine Hundred Sixty-Six Thousand Six Hundred and Sixty-Six Dollars and Sixty-Seven Cents (\$1,966,666.67); (2) Class Counsel’s actual litigation costs and expenses, in the amount of Twenty-One Thousand Six Hundred Fifty-Three Dollars and Ninety-Six Cents (\$21,653.96); (3) Settlement Administration Costs in the amount Thirty-Five Thousand Dollars and Zero Cents (\$35,000.00); (4) Enhancement Payment in the amount of Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00); and (5) PAGA Amount in the amount of Three Hundred Thousand Dollars and Zero Cents (\$300,000.00). After the above Court-approved amounts are deducted from the Gross Settlement Amount, the Settlement Class Members will share in a Net Settlement Amount of approximately Three Million Five Hundred Sixty-Nine Thousand and One Hundred and Seventy-Nine Dollars and Thirty-Seven Cents (\$3,569,179.37).

19. The Settlement does not require Settlement Class Members to submit claims as a

prerequisite to receiving their *pro rata* share of the Net Settlement Amount (“Individual Settlement Share”) nor does it require PAGA Employees to submit claims as a prerequisite to receiving their *pro rata* share of twenty-five percent (25%) of the PAGA Amount (“Individual PAGA Payment”). Individual Settlement Shares are calculated by the Settlement Administrator by dividing the Net Settlement Amount by the Workweeks of all Class Members to yield the “Estimated Workweek Value” and multiplying the result by each Class Member’s individual Workweeks worked during the Class Period. Individual PAGA Payments are calculated by the Settlement Administrator by dividing the amount of the PAGA Employees’ 25% share of PAGA Amount (\$25,000.00) by the total number of PAGA Workweeks worked by all PAGA Employees during the PAGA Period and multiplying the result by each PAGA Employee’s individual PAGA Workweeks worked during the PAGA Period.

20. I am aware from my review of the information provided by the Settlement Administrator that the estimated average gross Individual Settlement Share is \$592.07, the estimated highest gross Individual Settlement Share is \$4,893.58, and the estimated lowest gross Individual Settlement Share is \$18.68, the estimated average Individual PAGA Payment is \$27.89, the estimated highest Individual PAGA Payment is \$73.94, and the estimated lowest Individual PAGA Payment is \$1.30.

21. Each Individual Settlement Share will be allocated as twenty percent (20%) wages, eighty percent (80%) penalties, interest, and non-wage damages. The portion allocated to wages (“Wage Portion”) will be reported on an IRS Form W-2 and the portions allocated to interest and penalties (together, “Non-Wage Portion”) will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator. The Settlement Administrator will withhold the employee’s share of taxes and withholdings with respect to the Wage Portion of the Individual Settlement Shares, and issue checks to Settlement Class Members for their net payment of their Individual Settlement Share. The Employer Taxes will be paid separately and in addition to the Gross Settlement Amount. Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties and will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator.

22. Each Individual Settlement Payment and Individual PAGA Payment check will be valid and negotiable for one hundred and eighty (180) calendar days from the date the checks are

1 issued, and thereafter, shall be canceled. Any funds associated with such canceled checks will be
2 distributed by the Settlement Administrator to the State of California's Unclaimed Property Division
3 in the name of the Settlement Class Member and/or PAGA Employee at issue.

4 **Notice to the LWDA**

5 23. On August 19, 2024, Class Counsel submitted a copy of the Settlement Agreement to
6 the LWDA through its online submission portal in compliance with California Labor Code §
7 2699(1)(2). The LWDA has not objected or otherwise responded to the submission.

8 **The Settlement Is Fair and Reasonable**

9 ***Discovery and Informed Arms-Length Negotiations***

10 24. The Parties' settlement negotiations were at all times made at arm's-length and were
11 adversarial. The Settlement was reached following a full day of mediation with a highly respected
12 mediator with substantial experience mediating wage and hour cases, and Plaintiff engaged in
13 additional negotiations in order to finalize the long-form agreement presently before the Court.

14 25. The Parties engaged in extensive informal discovery prior to reaching a settlement at
15 the mediation. Prior to mediation, Defendant produced putative class members' time and pay data, as
16 well as Defendant's employee handbook, relevant wage and hour policies, and information to
17 determine the total number of putative class members, the number of current versus former employees,
18 the total workweeks worked by the putative class members, and the average rate of pay for the putative
19 class members.

20 26. This allowed Plaintiff's counsel to conduct an informed assessment and analysis of the
21 strengths and weaknesses of the claims and the potential class-wide damages.

22 27. Based on the information exchanged, the Parties extensively briefed issues regarding
23 class certification and liability and provided their analyses to the mediator who helped the Parties
24 debate the strengths and weakness of their respective positions. At all times, Plaintiff was willing and
25 prepared to litigate this matter through class certification and trial if the Parties had been unable to
26 reach a favorable resolution. Additionally, settlement negotiations were conducted by highly capable
27 and experienced counsel. Class Counsel are respected members of the California State Bar with strong
28 records of vigorous and effective advocacy and are experienced in handling complex wage and hour

1 class action litigation. Accordingly, Class Counsel had sufficient information and experience to act
2 intelligently in negotiating the Settlement.

3 28. Although the investigation and information discovered supports Plaintiff's contentions,
4 Defendant raised potential defenses and other circumstances that impacted the risk of proceeding on
5 a class-wide basis. Consideration of these risks factored into the decision to enter the Settlement.

6 29. My colleagues and I were aware of Defendant's defenses and arguments and have also
7 taken into account the uncertainty and risk of the outcome of further litigation, and the difficulties and
8 delays inherent in such litigation, including those involved in class and/or representative adjudication.
9 Plaintiff further recognizes the burdens of proof necessary to establish liability for the claims asserted
10 in the Action, Defendant's defenses, and the difficulties in establishing entitlement to monetary
11 recovery. Plaintiff has also considered the Parties' settlement discussions, as well as the evaluations
12 of the mediator, who is experienced and well-regarded in complex labor and employment matters.

13 30. Defendant denied and continues to deny any liability and wrongdoing of any kind
14 associated with the claims alleged in the Action, and further denies that class certification is
15 appropriate for any purpose other than the Settlement. Defendant believes that it would ultimately
16 prevail in the Action. Defendant proffered defenses to both certification and to the merits of Plaintiff's
17 claims. Defendant contended that Plaintiff's claims are not suitable for class certification because
18 individual issues would predominate should this case go to trial. As with all class actions, these
19 complex cases raise difficult management and proof issues and, accordingly, there is a significant risk
20 that the Court may deny class certification.

21 31. My office also recognized that, even if Plaintiff prevailed at class certification, proving
22 the amount of wages due to each Class Member would be an expensive, time-consuming, and
23 extremely uncertain proposition. In order to prove liability and damages, my office would need to
24 request and analyze hundreds of pages of documents, obtain the Class Members' contact information,
25 contact them, and obtain declarations. Plaintiff also faced the very real risk that Defendant would
26 engage in settlements with current and former employees using the "Pickup Stix" procedure.
27 Obtaining the cooperation of current employees would also be difficult, given the likely reluctance to
28 aid prosecution of a lawsuit against a current employer. On the other hand, Defendant would likely

1 be able to obtain the cooperation of its employees. Moreover, even if Plaintiff prevailed at class
2 certification and trial, possible appeals would substantially delay any recovery by the Class.

3 32. Therefore, I submit that the Settlement is fair, reasonable, and adequate. The
4 Settlement is in the best interest of the Class Members, the PAGA Employees, and the State of
5 California, and is within the accepted range of recoveries for this type of litigation given the inherent
6 risk of litigation, the risk of obtaining and maintaining class certification, and the costs of further
7 litigation.

8 *Attorneys' Fees and Costs*

9 33. Class Counsel seeks one-third (1/3) of the Gross Settlement Amount, equaling One
10 Million Nine Hundred Sixty-Six Thousand Six Hundred and Sixty-Six Dollars and Sixty-Seven Cents
11 (\$1,966,666.67) for fees for the time spent litigating this matter and reimbursement of actual costs and
12 expenses totaling Twenty-One Thousand Six Hundred Fifty-Three Dollars and Ninety-Six Cents
13 (\$21,653.96) incurred in the prosecution of the Action. Attached hereto as **Exhibit 4** is a true and
14 correct list of the litigation costs and expenses incurred by my firm. I am informed and believe that
15 the requested fees and costs are fair compensation for undertaking complex, risky, expensive, and
16 time-consuming litigation on a contingent fee basis, especially in light of the substantial benefits
17 achieved by Class Counsel for the Class Members. Class Counsel's requested fee award is summarily
18 addressed as follows but is more fully discussed in Plaintiff's Motion for Final Approval of Class
19 Action and PAGA Settlement, Attorneys' Fees and Costs, Enhancement Payment, and Settlement
20 Administration Costs ("Motion for Final Approval") and the Declaration of Karen I. Gold filed
21 concurrently herewith.

22 34. The effectiveness of Blackstone Law, APC's prosecution of this matter has translated
23 into tangible monetary benefits for the Settlement Class Members as follows: (1) Settlement Class
24 Members will obtain monetary recovery quickly, as opposed to waiting years for the same, or
25 potentially an even worse, result; (2) a guaranteed result that compares favorably with other similar
26 class action settlements of this type, given the strengths and weaknesses of the Action; and (3)
27 significant savings in Class Counsel's costs that would have only increased significantly had the
28 Action progressed through trial and/or appeals.

1 35. Class Counsel has litigated this matter for almost two years and was prepared to
2 continue litigating this matter through class certification and trial. Plaintiff's Motion for Final
3 Approval and the Declaration of Karen I. Gold elaborates on the nature of the legal services provided,
4 the time incurred in performing those services, and Class Counsel's hourly rates. The requested award
5 of fees and costs was included and set forth clearly in the Class Notice provided to the Class Members.

6 ***Enhancement Payment***

7 36. As part of the Settlement Agreement, Plaintiff is requesting a reasonable Enhancement
8 Payment in the amount of Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) to
9 Plaintiff. The requested Enhancement Payment is eminently reasonable given the time and effort
10 Plaintiff spent on this matter, and the benefit to the other Class Members as a result of Plaintiff's
11 actions. Enhancement awards in wage and hour cases typically range from \$5,000.00 to \$20,000.00,
12 although some awards are higher. The Declaration of Plaintiff Travis Sanford submitted herewith
13 details his work and efforts in bringing and litigating this matter through resolution and supports the
14 requested Enhancement Payment. The requested Enhancement Payment was also disclosed in the
15 Class Notice provided to the Class Members.

16 ***Settlement Administration Costs***

17 37. In Plaintiff's Motion for Preliminary Approval, Plaintiff requested, and the Court
18 approved, Settlement Administration Costs not to exceed is Thirty-Five Thousand Dollars and Zero
19 Cents (\$35,000.00). ILYM Group, Inc., the approved Settlement Administrator, provided my firm
20 with its quote stating that its cost to administer the Settlement is Thirty-Five Thousand Dollars and
21 Zero Cents (\$35,000.00).

22 ***Allocation to the LDWA***

23 38. As part of the Settlement, Defendant has agreed to pay is Three Hundred Thousand
24 Dollars and Zero Cents (\$300,000.00) to settle the claims of the PAGA Employees brought pursuant
25 to PAGA, of which the payment of is Two Hundred Twenty-Five Thousand Dollars and Zero Cents
26 (\$225,000.00) (75% of the PAGA Amount) will be paid to the LDWA for education and enforcement
27 purposes.

28 39. It is extremely common in approved wage and hour class action cases that settle that

only a small portion of the total settlement is paid to PAGA penalties “in order to maximize payments to class members.” (*Magadia v. Wal-Mart Assocs.* (N.D. Cal. May 31, 2019, No. 17-CV-00062-LHK) 2019 U.S. Dist. LEXIS 91732, *90-91, citing as examples *Ceja-Corona v. CVS Pharm., Inc.* (E.D. Cal. Jan. 14, 2015) 2015 U.S. Dist. LEXIS 5118, 2015 WL 222500, at *2-3 [preliminarily approving \$10,000 in PAGA penalties out of a total settlement amount of \$900,000]; *Thio v. Genji, LLC* (N.D. Cal. 2014) 14 F. Supp. 3d 1324, 1330 [preliminarily approving \$10,000 in PAGA penalties out of a total settlement amount of \$1,250,000]; *Franco v. Ruiz Food Prods.* (E.D. Cal. Nov. 27, 2012) 2012 U.S. Dist. LEXIS 169057, 2012 WL 5941801, at *14 [granting final approval of \$10,000 in PAGA penalties out of a total settlement amount of \$2,500,000]; *Garcia v. Gordon Trucking, Inc.* (E.D. Cal. Oct. 31, 2012) 2012 U.S. Dist. LEXIS 160052, 2012 WL 5364575, at *3 [granting final approval of \$10,000 in PAGA penalties out of a total settlement amount of \$3,700,000]; *Chu v. Wells Fargo Invs., LLC* (N.D. Cal. Feb. 16, 2011) 2011 U.S. Dist. LEXIS 15821, 2011 WL 672645, at *1 [granting final approval of \$10,000 in PAGA penalties out of a total settlement amount of \$6,900,000].) Like here, in these approved settlements, the parties generally maximized statutory penalties and minimized PAGA penalties to focus on claims to the class members, the persons who actually suffered the California Labor Code violations.

Notice to the Class

40. The Class Notice approved by the Court met the requirements for proper notice of settlement to a class: it identified the Parties and described the Action, the Class, the Gross Settlement Amount, the proposed method for distribution of the Gross Settlement Amount, the amounts proposed to be paid as the Enhancement Payment to Plaintiff, the Settlement Administration Costs to the Settlement Administrator, and the Attorneys’ Fees and Costs to Class Counsel. The Class Notice described the proposed Settlement with enough specificity to allow each Class Member to make an informed choice whether to accept and participate in it. It also explained how and when Class Members may object to or opt out of the Class Settlement. Finally, the Class Notice provided the date and time of the hearing on final approval of the Settlement and informed Class Members how to obtain additional information about the Settlement.

1 I declare under penalty of perjury under the laws of the State of California that the foregoing
2 is true and correct. Executed on January 7, 2025, at Beverly Hills, California.

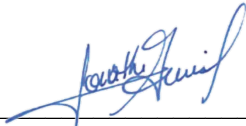
3
4 
5 _____
6 Jonathan M. Genish
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

EXHIBIT 1

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

2 This Joint Stipulation of Class Action and PAGA Settlement (“Settlement,” “Agreement,” or
3 “Settlement Agreement”) is made and entered into by and between Plaintiff Travis Sanford (“Plaintiff”
4 or “Class Representative”), individually, and on behalf of all others similarly situated and on behalf
5 of the State of California with respect to aggrieved employees, and Defendant Santa Cruz Seaside
6 Company (“Defendant”) (together, Plaintiff and Defendant are referred to as “Parties” and individually
7 as “Party”).

8 This Settlement Agreement shall be binding on Plaintiff, Settlement Class Members (as
9 defined herein), the State of California as to the employment of PAGA Employees (as defined herein),
10 and Defendant, subject to the terms and conditions hereof and the approval of the Court.

11 **RECITALS**

12 1. On July 25, 2023, Plaintiff filed a Class Action Complaint for Damages against
13 Defendant in the action entitled *Travis Sanford v. Santa Cruz Seaside Company*, Santa Cruz County
14 Superior Court Case No. 23CV01762 (“Action”). On July 15, 2024, Plaintiff provided written notice
15 to the California Labor and Workforce Development Agency (“LWDA”) and to Defendant pursuant
16 to California Labor Code Section 2699.3, of the specific provisions of the California Labor Code
17 alleged to have been violated by Defendant (“PAGA Letter”). On August 5, 2024, Plaintiff filed a
18 First Amended Class Action Complaint for Damages and Enforcement Action Under the Private
19 Attorneys General Act, California Labor Code §§ 2698 Et Seq. (“Operative Complaint”) to add a cause
20 of action under the Private Attorneys General Act of 2004 pursuant to California Labor Code Section
21 2698 *et seq.* (“PAGA”). The Operative Complaint alleges nine (9) causes of action for violations of
22 the California Labor Code for failure to pay overtime wages, failure to pay minimum wages, failure
23 to provide compliant meal periods and premium payments in lieu thereof, failure to provide compliant
24 rest periods and premiums payments in lieu thereof, failure to provide accurate wage statements,
25 failure to timely pay wages upon termination, and failure to reimburse necessary business expenses,
26 for violations of California Business & Professions Code Section 17200, et seq. based on the
27 aforementioned California Labor Code violations, and for civil penalties under PAGA based on the
28 aforementioned California Labor Code violations.

2. Defendant denies all materials allegations set forth in the Action and has asserted numerous affirmative defenses. Notwithstanding, in the interest of avoiding further litigation, Defendant desires to fully and finally settle the Action, Released Class Claims (as defined herein), and Released PAGA Claims (as defined herein).

3. Class Counsel diligently investigated the class and PAGA claims against Defendant, including any and all applicable defenses and the applicable law. The investigation included, *inter alia*, the exchange of information, data, and documents, and review of corporate policies and practices. The Parties have engaged in sufficient informal discovery and investigation to assess the relative merits of the claims and contentions of the Parties.

4. On May 13, 2024, the Parties participated in mediation with Louis Marlin, Esq. (the “Mediator”), a respected mediator of complex wage and hour actions, and with the assistance of the Mediator’s evaluations, the Parties reached the settlement that is memorialized herein. The Parties’ settlement discussions were conducted at arms’ length, and the Settlement is the result of an informed and detailed analysis of Defendant’s potential liability and exposure in relation to the costs and risks associated with continued litigation. Based on Class Counsel’s investigation and evaluation, Class Counsel believes that the settlement with Defendant for the consideration and on the terms set forth in this Settlement Agreement is fair, reasonable, and adequate and is in the best interest of the Class Members, State of California, and PAGA Employees in light of all known facts and circumstances, including the risk of significant delay and uncertainty associated with litigation and various defenses asserted by Defendant.

5. The Parties expressly acknowledge that this Settlement Agreement is entered into solely for the purpose of compromising significantly disputed claims and that nothing herein is an admission of liability or wrongdoing by Defendant. If for any reason this Settlement Agreement is not approved, it will be of no force or effect, and the Parties shall be returned to their original respective positions.

///

///

///

DEFINITIONS

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

a. “Attorneys’ Fees and Costs” means attorneys’ fees approved by the Court for Class Counsel’s litigation and resolution of the Action and all actual costs and expenses incurred and to be incurred by Class Counsel in connection with the Action, as set forth in Paragraph 9.

b. “Class” or “Class Member(s)” means all current and former hourly-paid and/or non-exempt employees (including adults and minors under the age of 18) who worked for Defendant in the State of California at any time during the Class Period.

c. “Class Counsel” means Jonathan M. Genish, Karen I. Gold, Ashley H. Cruz, and Marissa A. Mayhood of Blackstone Law, APC, who will seek to be appointed counsel for the Class.

d. “Class List” means a complete list of all Class Members that Defendant will diligently and in good faith compile from its records and provide to the Settlement Administrator. The Class List will be formatted in a readable Microsoft Office Excel spreadsheet containing the following information for each Class Member: (1) full name; (2) last known mailing address; (3) Social Security number; (4) dates worked for Defendant during the Class Period; and (5) such other information as is necessary for the Settlement Administrator to calculate Workweeks and PAGA Workweeks (if applicable).

e. “Class Notice” means the Notice of Class Action Settlement, substantially in the form attached hereto as “**Exhibit A**.”

f. “Class Period” means the period from July 25, 2019 through August 11, 2024.

g. “Class Settlement” means the settlement and resolution of all Released Class Claims.

h. “Court” means the Superior Court of the State of California for the County of Santa Cruz.

i. “Defendant’s Counsel” means Andrew J. Davis, Charles D. King, and Rosha K. Jones of Folger Levin LLP.

j. “Effective Date” means the date when all of the following events have occurred:
(1) the Settlement Agreement has been executed by all Parties, Class Counsel, and Defendant’s Counsel; (2) the Court has given preliminary approval to the Settlement; (3) the Class Notice has been mailed to the Class Members, providing them with an opportunity to object to the terms of the Class Settlement or opt out of the Class Settlement; (4) the Court has had a Final Approval Hearing and entered a Final Approval Order and Judgment; (5) sixty-five calendar days have passed since the Court entered a Final Approval Order and Judgment; and (6) in the event there are written objections to the Class Settlement filed prior to the Final Approval Hearing which are not later withdrawn or denied, the later of the following events: five business days after the period for filing any appeal, writ, or other appellate proceeding opposing the Court’s Final Approval Order and Judgment has elapsed without any appeal, writ, or other appellate proceeding having been filed, or, if any appeal, writ, or other appellate proceeding opposing the Court’s Final Approval Order and Judgment has been filed, five business days after any appeal, writ, or other appellate proceedings opposing the Court’s Final Approval Order and Judgment has finally and conclusively dismissed with no right to pursue further remedies or relief.

k. “Employer Taxes” means the employer’s share of taxes and contributions in connection with the wages portion of Individual Settlement Shares, which shall be paid by Defendant in addition to the Gross Settlement Amount.

l. “Enhancement Payment” means the amount to be paid to Plaintiff, in recognition of his effort and work in prosecuting the Action on behalf of Class Members and PAGA Employees, and general release of claims, as set forth in Paragraph 10.

m. “Final Approval” means the determination by the Court that the Settlement is fair, reasonable, and adequate, and entry of the Final Approval Order and Judgment based thereon.

n. “Final Approval Hearing” means the hearing at which the Court will consider and determine whether the Settlement should be granted Final Approval.

o. “Final Approval Order and Judgment” means the order granting final approval of the Settlement and entering judgment thereon, in a form and content mutually agreed to by the Parties, and subject to approval by the Court.

p. “Gross Settlement Amount” means the amount of Five Million Nine Hundred Thousand Dollars and Zero Cents (\$5,900,000.00) to be paid by Defendant in full satisfaction of the Action, Released Class Claims, and Released PAGA Claims, which includes all Attorneys’ Fees and Costs, Enhancement Payment, PAGA Amount, Settlement Administration Costs, and Net Settlement Amount to be paid to the Settlement Class Members. Defendant shall pay the Employer Taxes separately and in addition to the Gross Settlement Amount. The Gross Settlement Amount is non-reversionary; no portion of the Gross Settlement Payment will return to Defendant. The Gross Settlement Amount is subject to increase, as provided in Paragraph 13.

q. “Individual PAGA Payment” means the *pro rata* share of the PAGA Employee Amount that a PAGA Employee may be eligible to receive under the PAGA Settlement, to be calculated in accordance with Paragraph 15.

r. “Individual Settlement Payment” means the net payment of each Settlement Class Member’s Individual Settlement Share, after reduction for the employee’s share of taxes and withholdings with respect to the wages portion of the Individual Settlement Share, as provided in Paragraph 16.

s. “Individual Settlement Share” means the *pro rata* share of the Net Settlement Amount that a Class Member may be eligible to receive under the Class Settlement, to be calculated in accordance with Paragraph 14.

t. “LWDA Payment” means the amount of Two Hundred Twenty-Five Thousand Dollars and Zero Cents (\$225,000.00), i.e., 75% of the PAGA Amount, that the Parties have agreed to pay to the LWDA under the PAGA Settlement, as set forth in Paragraph 11.

u. “Net Settlement Amount” means the portion of the Gross Settlement Amount that is available for distribution to Settlement Class Members, which is the Gross Settlement Amount less the Court-approved Attorneys’ Fees and Costs, Enhancement Payment, PAGA Amount, and Settlement Administration Costs.

v. “Notice of Objection” means a written objection to the Class Settlement by a Settlement Class Member (and/or the parent or guardian of a Settlement Class Member who is under the age of 18), which must: (a) contain the case name and number of the Action; (b) contain the

1 Settlement Class Member's full name, signature, address, telephone number, and the last four (4) digits
2 of the Settlement Class Member's Social Security number; (c) contain a written statement of all
3 grounds for the objection accompanied by any legal support for such objection; (d) contain copies of
4 any papers, briefs, or other documents upon which the objection is based; and (e) be returned by mail
5 to the Settlement Administrator at the specified address, postmarked on or before the Response
6 Deadline.

7 w. "PAGA Amount" means the allocation of Three Hundred Thousand Dollars and
8 Zero Cents (\$300,000.00) from the Gross Settlement Amount for the PAGA Settlement. Seventy-five
9 percent (75%) of the PAGA Amount, or \$225,000.00, will be paid to the LWDA (i.e., the LWDA
10 Payment) and the remaining twenty-five percent (25%), or \$75,000.00, will be distributed to the
11 PAGA Employees (i.e., the PAGA Employee Amount).

12 x. "PAGA Employee(s)" means all current and former hourly-paid and/or non-
13 exempt employees (including adults and minors under the age of 18) who worked for Defendant in
14 the State of California at any time during the PAGA Period.

15 y. "PAGA Employee Amount" means the amount of Seventy-Five Thousand
16 Dollars and Zero Cents (\$75,000.00), i.e., 25% of the PAGA Amount, to be distributed to PAGA
17 Employees on a *pro rata* basis based on their PAGA Workweeks.

18 z. "PAGA Period" means the period from July 15, 2023 through August 11, 2024.

19 aa. "PAGA Settlement" means the settlement and resolution of all Released PAGA
20 Claims.

21 bb. "PAGA Workweeks" means the number of weeks each PAGA Employee
22 worked for Defendant as an hourly-paid and/or non-exempt employee in California during the PAGA
23 Period. PAGA Workweeks will be calculated by the Settlement Administrator by identifying the
24 number of weeks in which each PAGA Employee worked at least one day during the PAGA Period.

25 cc. "Preliminary Approval" means the date on which the Court enters the
26 Preliminary Approval Order.

27 dd. "Preliminary Approval Order" means the order granting preliminary approval
28 of the Settlement, in a form and content mutually agreed to by the Parties, and subject to approval by

1 the Court.

2 ee. “Released Class Claims” means any and all claims, debts, liabilities, demands,
3 obligations, guarantees, costs, expenses, attorneys’ fees, damages, or causes of action which were
4 alleged or which could have been alleged based on the factual allegations in the Operative Complaint,
5 arising during the Class Period, under any federal, state, or local law, and shall specifically include
6 claims for Defendant’s alleged failure to pay overtime and minimum wages, provide compliant meal
7 and rest periods and associated premium payments, provide accurate wage statements, timely pay
8 wages upon termination, and reimburse necessary business-related expenses in violation of California
9 Labor Code Sections 201, 202, 203, 226(a), 226.7, 510, 512, 1194, 1197, 1197.1, 1198, 2800, and
10 2802, and the applicable Industrial Welfare Commission Wage Order and California Business and
11 Professions Code sections 17200, *et seq.*

12 ff. “Released PAGA Claims” means any and all claims arising from any of the
13 factual allegations in the PAGA Letter, arising during the PAGA Period, for civil penalties under the
14 Private Attorneys General Act of 2004, California Labor Code Sections 2698 *et seq.*, including all
15 claims for attorneys’ fees and costs related thereto, for Defendant’s alleged failure to pay overtime
16 and minimum wages, provide compliant meal and rest periods and associated premium payments,
17 timely pay wages during employment and upon termination, provide complaint wage statements,
18 maintain complete and accurate payroll records, and reimburse necessary business-related expenses
19 in violation of California Labor Code Sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d),
20 1194, 1197, 1197.1, 1198, 2800, and 2802, and the applicable Industrial Welfare Commission Wage
21 Order.

22 gg. “Released Parties” means Defendant and its current and former officers,
23 directors, members, insurers, shareholders, subsidiaries, affiliates, predecessors, successors, and
24 assigns.

25 hh. “Request for Exclusion” means a letter submitted by a Class Member (and/or
26 the parent or guardian of a Class Member who is under the age of 18) indicating a request to be
27 excluded from the Class Settlement, which must: (a) contain the case name and number of the Action;
28 (b) contain the Class Member’s full name, signature, address, telephone number, and last four (4)

1 digits of the Class Member's Social Security number; (c) clearly state that the Class Member does not
2 wish to be included in the Class Settlement; and (d) be returned by mail to the Settlement
3 Administrator at the specified address, postmarked on or before the Response Deadline.

4 ii. "Response Deadline" means the deadline by which Class Members must submit
5 a Request for Exclusion, Notice of Objection, and/or Workweeks Dispute, which shall be the date that
6 is forty-five (45) calendar days from the initial mailing of the Class Notice by the Settlement
7 Administrator to Class Members, unless the 45th day falls on a Sunday or Federal holiday, in which
8 case the Response Deadline will be extended to the next day on which the United States Postal service
9 is open. The Response Deadline may also be extended by express agreement between Class Counsel
10 and Defendant's Counsel. Under no circumstances, however, will the Settlement Administrator have
11 the authority to extend the Response Deadline. In the event that a Class Notice is re-mailed to a Class
12 Member, the Response Deadline for that Class Member shall be extended fifteen (15) calendar days
13 from the original Response Deadline.

14 jj. "Settlement Administrator" means ILYM Group, Inc., or any other third-party
15 class action settlement administrator agreed to by the Parties and approved by the Court for purposes
16 of administering the Settlement. The Parties and their counsel each represent that they do not have
17 any financial interest in the Settlement Administrator or otherwise have a relationship with the
18 Settlement Administrator that could create a conflict of interest.

19 kk. "Settlement Administration Costs" means the costs payable from the Gross
20 Settlement Amount to the Settlement Administrator for administering the Settlement, as set forth in
21 Paragraph 12.

22 ll. "Settlement Class" or "Settlement Class Member(s)" means all Class Members
23 who do not submit a timely and valid Request for Exclusion.

24 mm. "Workweeks" means the number of weeks each Class Member worked for
25 Defendant as an hourly-paid and/or non-exempt employee in California during the Class Period.
26 Workweeks will be calculated by the Settlement Administrator by identifying the number of weeks in
27 which each Class Member worked at least one day during the Class Period.

28 nn. "Workweeks Dispute" means a letter submitted by a Class Member disputing

1 the number of Workweeks and/or PAGA Workweeks to which they have been credited, which must:
2 (a) contain the case name and number of the Action; (b) contain the Class Member's full name,
3 signature, address, telephone number, and the last four (4) digits of the Class Member's Social Security
4 number; (c) clearly state that the Class Member disputes the number of Workweeks and/or PAGA
5 Workweeks credited to the Class Member and what the Class Member contends is the correct number;
6 and (d) be returned by mail to the Settlement Administrator at the specified address, postmarked on or
7 before the Response Deadline.

8 **CLASS CERTIFICATION**

9 7. For the purposes of this Settlement only, the Parties stipulate to the certification of the
10 Class.

11 8. The Parties agree that certification for the purpose of settlement is not an admission
12 that certification is proper under Section 382 of the California Code of Civil Procedure. Should, for
13 whatever reason, the Court not grant Final Approval, the Parties' stipulation to class certification as
14 part of the Settlement shall become null and void ab initio and shall have no bearing on, and shall not
15 be admissible in connection with, the issue of whether or not certification would be inappropriate in a
16 non-settlement context.

17 **TERMS OF THE AGREEMENT**

18 NOW, THEREFORE, in consideration of the mutual covenants, promises, and agreements set
19 forth herein, the Parties agree, subject to the Court's approval, as follows:

20 9. **Attorneys' Fees and Costs.** Defendant agrees not to oppose or impede any application
21 or motion by Class Counsel for attorneys' fees in the amount up to one-third (1/3) of the Gross
22 Settlement Amount (i.e., \$1,966,666.67 if the Gross Settlement Amount is \$5,900,000.00) and
23 reimbursement of actual costs and expenses associated with Class Counsel's litigation and settlement
24 of the Action, in an amount not to exceed Twenty-Three Thousand Dollars and Zero Cents
25 (\$23,000.00) both of which will be paid from the Gross Settlement Amount. These amounts will cover
26 any and all work performed and any and all costs incurred by Class Counsel in connection with the
27 litigation of the Action, including without limitation all work performed and costs incurred to date,
28 and all work to be performed and all costs to be incurred in connection with obtaining the Court's

1 approval of this Settlement Agreement, including any objections raised and any appeals necessitated
2 by those objections. Class Counsel shall be solely and legally responsible for correctly characterizing
3 this compensation for tax purposes and for paying any taxes on the amounts received. The Settlement
4 Administrator shall issue an IRS Form 1099 to Class Counsel for the Attorneys' Fees and Costs. Any
5 portion of the requested Attorneys' Fees and Costs that is not awarded by the Court to Class Counsel
6 shall be reallocated to the Net Settlement Amount for the benefit of the Settlement Class Members.

7 10. Enhancement Payment. Defendant agrees not to oppose or impede any application or
8 motion by Plaintiff for an Enhancement Payment in the amount up to Seven Thousand Five Hundred
9 Dollars and Zero Cents (\$7,500.00). The Enhancement Payment, which will be paid from the Gross
10 Settlement Amount, subject to Court approval, will be in addition to his Individual Settlement Payment
11 as a Settlement Class Member and Individual PAGA Payment as a PAGA Employee. Plaintiff shall
12 be solely and legally responsible for correctly characterizing this compensation for tax purposes and
13 for paying any taxes on the amounts received. The Settlement Administrator shall issue an IRS Form
14 1099 to Plaintiff for the Enhancement Payment. Any portion of the requested Enhancement Payment
15 that is not awarded by the Court to Plaintiff shall be reallocated to the Net Settlement Amount for the
16 benefit of the Settlement Class Members.

17 11. PAGA Amount. Subject to approval by the Court, the Parties agree that the amount of
18 Three Hundred Thousand Dollars and Zero Cents (\$300,000.00) shall be allocated from the Gross
19 Settlement Amount toward penalties under the Private Attorneys General Act, California Labor Code
20 Section 2698, *et seq.* (i.e., the PAGA Amount), of which seventy-five percent (75%), or \$225,000.00,
21 will be paid to the LWDA (i.e., the LWDA Payment) and twenty-five percent (25%), or \$75,000.00,
22 will be distributed to PAGA Employees (i.e., the PAGA Employee Amount) on a *pro rata* basis, based
23 on the total number of PAGA Workweeks worked by each PAGA Employee during the PAGA Period
24 (i.e., the Individual PAGA Payments).

25 12. Settlement Administration Costs. The Settlement Administrator will be paid for the
26 reasonable costs of administration of the Settlement and distribution of payments under the Settlement,
27 which is currently not to exceed Thirty-Five Thousand Dollars and Zero Cents (\$35,000.00). These
28 costs, which will be paid from the Gross Settlement Amount, subject to Court approval, will include,

1 *inter alia*, translating the Class Notice to Spanish, printing, distributing, and tracking Class Notices
2 and other documents for the Settlement, calculating and distributing payments due under the
3 Settlement, issuing of 1099 and W-2 IRS Forms and all required tax reporting, filings, withholdings,
4 and remittances, providing necessary reports and declarations, and other duties and responsibilities set
5 forth herein to process the Settlement, and as requested by the Parties. To the extent the actual
6 Settlement Administrator's costs are greater than the estimated amount stated herein, such excess
7 amount will be deducted from the Gross Settlement Amount, subject to approval by the Court. Any
8 portion of the estimated, designated, and/or awarded Settlement Administration Costs which are not
9 in fact required to fulfill payment to the Settlement Administrator to undertake the required settlement
10 administration duties shall be reallocated to the Net Settlement Amount for the benefit of the
11 Settlement Class Members.

12 13. Escalator Clause. Based on information provided by Defendant, it is estimated that the
13 Class Members worked a total of 178,211 workweeks during the period from July 25, 2019 through
14 May 13, 2024. If it is determined by the Settlement Administrator that the total number of Workweeks
15 worked by the Class Members during the Class Period actually exceeds 178,211 by more than 10%
16 (i.e., by more than 196,032 Workweeks), then the Gross Settlement Amount will be increased on a
17 *pro rata* basis equal to the percentage increase in the number of Workweeks worked by the Class
18 Members above 10%. For example, if the number of Workweeks increases by 11% to 197,814
19 Workweeks, then the Gross Settlement Amount will increase by 1%. Alternatively, if it is determined
20 by the Settlement Administrator that the total number of Workweeks worked by the Class Members
21 during the Class Period actually exceeds 178,211 by more than 10% (i.e., by more than 196,032
22 Workweeks), then Defendant may elect to shorten the Class Period and PAGA Period to the date that
23 196,032 Workweeks is reached but not exceeded.

24 14. Individual Settlement Share Calculations. Individual Settlement Shares will be
25 calculated and apportioned from the Net Settlement Amount based on the Class Members' number of
26 Workweeks, as follows:

27 a. After Preliminary Approval, the Settlement Administrator will divide the Net
28 Settlement Amount by the Workweeks of all Class Members to yield the "Estimated Workweek

Value,” and multiply each Class Member’s individual Workweeks by the Estimated Workweek Value to yield each Class Member’s estimated Individual Settlement Share that each Class Member may be entitled to receive under the Class Settlement.

b. After Final Approval, the Settlement Administrator will divide the final Net Settlement Amount by the Workweeks of all Settlement Class Members to yield the “Final Workweek Value,” and multiply each Settlement Class Member’s individual Workweeks by the Final Workweek Value to each Settlement Class Member’s final Individual Settlement Share.

15. Individual PAGA Payment Calculations. Individual PAGA Payments will be calculated and apportioned from the PAGA Employee Amount based on the PAGA Employees’ number of PAGA Workweeks, as follows: The Settlement Administrator will divide the PAGA Employee Amount, i.e., 25% of the PAGA Amount, by the PAGA Workweeks of all PAGA Employees to yield the “PAGA Workweek Value,” and multiply each PAGA Employee’s individual PAGA Workweeks by the PAGA Workweek Value to yield each PAGA Employee’s Individual PAGA Payment.

16. Tax Treatment of Individual Settlement Shares and Individual PAGA Payments. Each Individual Settlement Share will be allocated as follows: twenty percent (20%) wages and eighty percent (80%) penalties, interest, and non-wage damages. The portion allocated to wages will be reported on an IRS Form W-2 and the portions allocated to penalties, interest, and non-wage damages will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator. The Settlement Administrator will withhold the employee’s share of taxes and withholdings with respect to the wages portion of the Individual Settlement Shares, and issue checks to Settlement Class Members for their Individual Settlement Payments (i.e., payment of their Individual Settlement Share net of these taxes and withholdings). The Employer Taxes will be paid separately and in addition to the Gross Settlement Amount. Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties and will be reported on an IRS Form 1099 (if applicable) by the Settlement Administrator.

17. Administration of Taxes by the Settlement Administrator. The Settlement Administrator will be responsible for issuing to Plaintiff, Settlement Class Members, PAGA Employees, and Class Counsel any tax forms (i.e., IRS Forms W-2, IRS Forms 1099, etc.) as may be

1 required by law for all amounts paid pursuant to this Settlement Agreement. The Settlement
2 Administrator will also be responsible for calculating the Employer Taxes and forwarding all payroll
3 taxes and other legally required withholdings to the appropriate government authorities.

4 18. Tax Liability. Plaintiff, Class Counsel, Defendant, and Defendant's Counsel do not
5 intend anything contained in this Settlement Agreement to constitute advice regarding taxes or
6 taxability, nor shall anything in this Settlement Agreement be relied on as such. Plaintiff, Settlement
7 Class Members, and PAGA Employees are not relying on any statement, representation, or calculation
8 by Defendant, the Settlement Administrator, or Class Counsel in this regard. Plaintiff, Settlement
9 Class Members, and PAGA Employees understand and agree that Plaintiff, Settlement Class
10 Members, and PAGA Employees will be solely responsible for the payment of any taxes and penalties
11 assessed on the payments described in this Settlement Agreement. Plaintiff, Settlement Class
12 Members, and PAGA Employees should consult with their tax advisors concerning the tax
13 consequences of any payment they receive under the Settlement.

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

1 DISCLOSURE BY ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY TO AVOID ANY
2 TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO
3 ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT
4 PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISOR'S TAX
5 STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING)
6 UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR
7 TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION
8 CONTEMPLATED BY THIS SETTLEMENT AGREEMENT.

9 20. Settlement Awards Do Not Trigger Additional Benefits. All payments made under the
10 Settlement shall be deemed to be paid to the payee solely in the year in which such payments actually
11 are issued to the payee. It is expressly understood and agreed that payments made under this
12 Settlement shall not in any way entitle Plaintiff, Settlement Class Members, or any PAGA Employee
13 to additional compensation or benefits under any new or additional compensation or benefits, or any
14 bonus, contest, or other compensation or benefit plan or agreement in place during the Class Period,
15 nor will it entitle Plaintiff, Settlement Class Members, or any PAGA Employee to any increased
16 retirement, 401K benefits or matching benefits, or deferred compensation benefits (notwithstanding
17 any contrary language or agreement in any benefit or compensation plan document that might have
18 been in effect during the Class Period).

19 21. Duties of the Parties with Respect to Obtaining Preliminary Approval of the Settlement.
20 Upon execution of this Settlement Agreement, Plaintiff will obtain a hearing date from the Court for
21 Plaintiff's motion for preliminary approval of the Settlement, which Plaintiff and Class Counsel will
22 be responsible for drafting, and submit this Settlement Agreement to the Court in support of said
23 motion. Class Counsel will provide Defendant's Counsel a draft of the preliminary approval motion
24 before filing it with the Court. Defendant agrees not to oppose the motion for preliminary approval
25 of the Settlement consistent with this Settlement Agreement. By way of said motion, Plaintiff will
26 apply for the entry of the Preliminary Approval Order seeking the following:

- 27 a. Conditionally certifying the Class for settlement purposes only;
- 28 b. Granting Preliminary Approval of the Settlement;

- 1 c. Preliminarily appointing Plaintiff as the representative of the Class;
- 2 d. Preliminarily appointing Class Counsel as counsel for the Class;
- 3 e. Approving as to form and content, the mutually-agreed upon and proposed
- 4 Class Notice and directing its mailing by First Class U.S. Mail;
- 5 f. Approving the manner and method for Class Members to request exclusion
- 6 from or object to the Class Settlement as contained herein and within the Class Notice;
- 7 g. Scheduling a Final Approval Hearing at which the Court will determine whether
- 8 Final Approval of the Settlement should be granted.

9 22. Notice of Settlement to the LWDA. Pursuant to California Labor Code § 2699(1)(2),

10 Class Counsel shall notify the LWDA of the Settlement upon filing the motion for preliminary

11 approval of the Settlement.

12 23. Delivery of Class List. Within twenty-one (21) calendar days of Preliminary Approval,

13 Defendant will provide the Class List to the Settlement Administrator.

14 24. Notice by First-Class U.S. Mail.

15 a. Within seven (7) calendar days after receiving the Class List from Defendant,

16 the Settlement Administrator will perform a search based on the National Change of Address Database

17 or any other similar services available, such as provided by Experian, for information to update and

18 correct for any known or identifiable address changes, and will mail a Class Notice in English and

19 Spanish (in the form attached as **Exhibit A** to this Settlement Agreement) to all Class Members via

20 First-Class U.S. Mail, using the most current, known mailing addresses identified by the Settlement

21 Administrator. The envelope containing the Class Notice will be addressed to “[Name of Class

22 Member] and/or their Parent/Guardian.”

23 b. Any Class Notice returned to the Settlement Administrator as undeliverable on

24 or before the Response Deadline will be sent promptly via First-Class U.S. Mail to the forwarding

25 address affixed thereto and the Settlement Administrator will indicate the date of such re-mailing on

26 the Class Notice. If no forwarding address is provided, the Settlement Administrator will promptly

27 attempt to determine the correct address using a skip-trace or other search, using the name, address,

28 and/or Social Security number of the Class Member, and perform a single re-mailing within five (5)

1 calendar days.

2 c. Compliance with the procedures described herein above shall constitute due and
3 sufficient notice to Class Members (and/or the parent or guardian of any Class Member under the age
4 of 18) of the Settlement and shall satisfy the requirements of due process. Nothing else shall be
5 required of or done by the Parties, Class Counsel, or Defendant's Counsel to provide notice of the
6 Settlement.

7 25. Disputes Regarding Workweeks and/or PAGA Workweeks. Class Members (and/or
8 the parent or guardian of any Class Member under the age of 18) will have an opportunity to dispute
9 the number of Workweeks and/or PAGA Workweeks to which the Class Member has been credited,
10 as reflected in their respective Class Notices, by submitting a timely and valid Workweeks Dispute to
11 the Settlement Administrator, by mail, postmarked on or before the Response Deadline. The date of
12 the postmark on the return mailing envelope will be the exclusive means to determine whether a
13 Workweeks Dispute has been timely submitted. Absent evidence rebutting the accuracy of
14 Defendant's records and data as they pertain to the number of Workweeks and/or PAGA Workweeks
15 to be credited to a disputing Class Member, Defendant's records will be presumed to be correct and
16 determinative of the dispute. However, if a Class Member produces information and/or documents to
17 the contrary, the Settlement Administrator will evaluate the materials submitted by the Class Member
18 and the Settlement Administrator will resolve and determine the number of eligible Workweeks and/or
19 PAGA Workweeks that the disputing Class Member should be credited with under the Settlement.
20 The Settlement Administrator's decision on such disputes will be final and non-appealable.

21 26. Requesting Exclusion from the Class Settlement. Any Class Member (and/or the
22 parent or guardian of a Class Member under the age of 18) wishing to be excluded from the Class
23 Settlement must submit a timely and valid Request for Exclusion to the Settlement Administrator, by
24 mail, postmarked on or before the Response Deadline. The date of the postmark on the return mailing
25 envelope will be the exclusive means to determine whether a Request for Exclusion has been timely
26 submitted. The Settlement Administrator will certify jointly to Class Counsel and Defendant's
27 Counsel the number of timely and valid Requests for Exclusion that are submitted, and also identify
28 the individuals who have submitted a timely and valid Request for Exclusion in a declaration that is

1 to be filed with the Court in advance of the Final Approval Hearing. At no time will any of the Parties
2 or their counsel seek to solicit or otherwise encourage Class Members to request exclusion from the
3 Class Settlement. Any Class Member (and/or the parent or guardian of a Class Member under the age
4 of 18) who submits a Request for Exclusion is prohibited from making any objection to the Class
5 Settlement. Any Class Member (and/or the parent or guardian of a Class Member under the age of
6 18) who submits a timely and valid Request for Exclusion will not be bound by the Class Settlement
7 and will not be issued an Individual Settlement Payment. Any Class Member (and/or the parent or
8 guardian of a Class Member under the age of 18) who does not affirmatively request exclusion from
9 the Class Settlement by submitting a timely and valid Request for Exclusion will be bound by all of
10 the terms of the Class Settlement, including and not limited to those pertaining to the Released Class
11 Claims, as well as any judgment that may be entered by the Court if it grants Final Approval to the
12 Settlement. Notwithstanding the above, all PAGA Employees will be bound to the PAGA Settlement
13 and will be issued their Individual PAGA Payment, irrespective of whether they submit a Request for
14 Exclusion.

15 27. Objecting to the Class Settlement. To object to the Class Settlement, a Settlement
16 Class Member (and/or the parent or guardian of a Settlement Class Member under the age of 18) must
17 submit a timely and complete Notice of Objection to the Settlement Administrator, by mail,
18 postmarked on or before the Response Deadline. The date of the postmark on the return mailing
19 envelope will be the exclusive means to determine whether a Notice of Objection has been timely
20 submitted. The Settlement Administrator will certify jointly to Class Counsel and Defendant's
21 Counsel the number of Notices of Objection that are submitted (specifying which ones were timely
22 and complete and which were not), and also attach them to a declaration that is to be filed with the
23 Court in advance of the Final Approval Hearing. At no time will any of the Parties or their counsel
24 seek to solicit or otherwise encourage Settlement Class Members to object to the Class Settlement or
25 appeal from the Final Approval Order and Judgment. A Settlement Class Member (and/or the parent
26 or guardian of a Settlement Class Member under the age of 18), individually or through counsel, may
27 also present their objection orally at the Final Approval Hearing, regardless of whether they have
28 submitted a Notice of Objection.

1 28. Reports by the Settlement Administrator. The Settlement Administrator shall provide
2 weekly reports to counsel for the Parties providing: (a) the number of undeliverable and re-mailed
3 Class Notices; (ii) the number of Class Members who have submitted Workweeks Disputes; (iii) the
4 number of Class Members who have submitted Requests for Exclusion; and (iv) the number of
5 Settlement Class Members who have submitted Notices of Objection. Additionally, the Settlement
6 Administrator will provide to counsel for the Parties any updated reports regarding the administration
7 of the Settlement Agreement as needed or requested, and immediately notify the Parties when it
8 receives a request from an individual or any other entity regarding inclusion in the Class and/or
9 Settlement or regarding a Workweeks Dispute.

10 29. Defendant's Right to Rescind. If more than ten percent (10%) of the Class Members
11 submit timely and valid Requests for Exclusion, Defendant may elect to rescind the Settlement
12 Agreement. Defendant must exercise this right of rescission in writing that is provided to Class
13 Counsel within fourteen (14) calendar days of the Settlement Administrator notifying the Parties of
14 the number of Class Members who have submitted timely and valid Requests for Exclusion following
15 the Response Deadline. If Defendant exercises this option, Defendant shall pay any costs of settlement
16 administration owed to the Settlement Administrator incurred up to that date.

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

20 31. Duties of the Parties with Respect to Obtaining Final Approval of the Settlement. After
21 the Response Deadline, a Final Approval Hearing will be conducted to determine whether Final
22 Approval of the Settlement should be granted, along with the amounts properly payable for: (a)
23 Individual Settlement Shares; (b) Individual PAGA Payments; (c) LWDA Payment; (d) Attorneys'
24 Fees and Costs; (e) Enhancement Payment; and (f) Settlement Administration Costs. The Final
25 Approval Hearing will not be held earlier than thirty (30) calendar days after the Response Deadline.
26 Plaintiff and Class Counsel will be responsible for drafting the motion seeking Final Approval of the
27 Settlement. Class Counsel will provide Defendant's Counsel a draft of the final approval motion
28 before filing it with the Court. By way of said motion, Plaintiff will apply for the entry of the Final

1 Approval Order and Judgment, which will provide for, in substantial part, the following:

- 2 a. Approval of the Settlement as fair, reasonable, and adequate, and directing
3 consummation of its terms and provisions;
- 4 b. Certification of the Settlement Class;
- 5 c. Approval of the application for Attorneys' Fees and Costs to Class Counsel;
- 6 d. Approval of the application for Enhancement Payment to Plaintiff;
- 7 e. Directing Defendant to fund all amounts due under the Settlement Agreement
8 and ordered by the Court; and
- 9 f. Entering judgment in the Action, while maintaining continuing jurisdiction, in
10 conformity with California Rules of Court 3.769 and the Settlement Agreement.

11 32. Funding of the Gross Settlement Amount. No later than five (5) business days after
12 the Effective Date, Defendant will deposit the Gross Settlement Amount into a Qualified Settlement
13 Fund ("QSF") within the meaning of Treasury Regulation Section 1.468B-1, *et seq.*, to be established
14 by the Settlement Administrator. Defendant shall provide all information necessary for the Settlement
15 Administrator to calculate necessary payroll taxes including its official name, 8-digit state
16 unemployment insurance tax ID number, and other information reasonably requested by the
17 Settlement Administrator, no later than five (5) business days after the Effective Date.

18 33. Distribution of the Gross Settlement Amount. Within five (5) business days of the
19 funding of the Gross Settlement Amount, the Settlement Administrator will issue the Individual
20 Settlement Payments to Settlement Class Members, Individual PAGA Payments to PAGA Employees,
21 LWDA Payment to the LWDA, Enhancement Payment to Plaintiff, Attorneys' Fees and Costs to Class
22 Counsel, and Settlement Administration Costs to itself. The Settlement Administrator shall also set
23 aside the Employer Taxes and all employee-side payroll taxes, contributions, and withholding, and
24 timely forward these to the appropriate government authorities.

25 34. Settlement Checks. The Settlement Administrator will be responsible for undertaking
26 appropriate deductions, required tax reporting, and issuing the Individual Settlement Payments by way
27 of check to the Settlement Class Members and the Individual PAGA Payments by way of check to the
28 PAGA Employees in accordance with this Settlement Agreement. When issuing payments, the
Settlement Administrator may combine the Individual Settlement Payment and Individual PAGA

1 Payment into one check if the intended recipient for both payments is one individual. Settlement Class
2 Members and PAGA Employees are not required to submit a claim to be issued an Individual
3 Settlement Payment and/or Individual PAGA Payment. Each Individual Settlement Payment and
4 Individual PAGA Payment check will be valid and negotiable for one hundred and eighty (180)
5 calendar days from the date the checks are issued, and thereafter, shall be canceled. Any funds
6 associated with such canceled checks shall be distributed by the Settlement Administrator to the State
7 of California's Unclaimed Property Division in the name of the Settlement Class Member and/or
8 PAGA Employee. The Parties agree that this disposition results in no "unpaid residue" under
9 California Civil Procedure Code § 384, as the entire Net Settlement Amount will be paid out to
10 Settlement Class Members, whether or not they cash their settlement checks. Therefore, Defendant
11 will not be required to pay any interest on such amounts. The Settlement Administrator shall undertake
12 amended and/or supplemental tax filings and reporting required under applicable local, state, and
13 federal tax laws that are necessitated due to the cancelation of any Individual Settlement Payment
14 and/or Individual PAGA Payment checks. Settlement Class Members whose Individual Settlement
15 Payment checks are canceled shall, nevertheless, be bound by the Class Settlement, and PAGA
16 Employees whose Individual PAGA Payment checks are cancelled shall, nevertheless, be bound by
17 the PAGA Settlement.

18 35. Class Settlement Release. Upon the full funding of the Gross Settlement Amount,
19 Plaintiff and all Settlement Class Members will be deemed to have fully, finally, and forever released,
20 settled, compromised, relinquished, and discharged the Released Parties of all Released Class Claims.

21 36. PAGA Settlement Release. Upon the full funding of the Gross Settlement Amount,
22 Plaintiff, the State of California with respect to all PAGA Employees, and all PAGA Employees will
23 be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and
24 discharged the Released Parties of all Released PAGA Claims.

25 37. Plaintiff's General Release. Upon the full funding of the Gross Settlement Amount,
26 Plaintiff, individually and on his own behalf, will be deemed to have fully, finally, and forever
27 released, settled, compromised, relinquished, and discharged the Released Parties from any and all
28 claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees, damages,

1 or causes of action of any kind or nature whatsoever, known or unknown, suspected or unsuspected,
2 asserted or unasserted, which Plaintiff, at any time of execution of this Settlement Agreement, had or
3 claimed to have or may have, including but not limited to any and all claims arising out of, relating to,
4 or resulting from his employment and/or separation of employment with the Released Parties,
5 including any claims arising under any federal, state, or local law, statute, ordinance, rule, or regulation
6 or Executive Order relating to employment, including, but in no way limited to, any claim under Title
7 VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 1981; the Americans with Disabilities
8 Act; the Family and Medical Leave Act; the Employee Retirement Income Security Act; the California
9 Family Rights Act; the California Fair Employment and Housing Act; all claims for wages or penalties
10 under the Fair Labor Standards Act; all claims for wages or penalties under the California Labor Code;
11 Business and Professions Code sections 17200 *et seq.*; all laws relating to violation of public policy,
12 retaliation, or interference with legal rights; any and all other employment or discrimination laws;
13 whistleblower claims; any tort, fraud, or constitutional claims; and any breach of contract claims or
14 claims of promissory estoppel. It is agreed that this is a general release and is to be broadly construed
15 as a release of all claims, provided that, notwithstanding the foregoing, this Paragraph expressly does
16 not include a release of any claims that cannot be released hereunder by law. Plaintiff understands
17 and expressly agrees that this Settlement Agreement extends to claims that he has against Defendant,
18 of whatever nature and kind, known or unknown, suspected or unsuspected, vested or contingent, past,
19 present, or future, arising from or attributable to an incident or event, occurring in whole or in part, on
20 or before the execution of this Settlement Agreement. Any and all rights granted under any state or
21 federal law or regulation limiting the effect of this Settlement Agreement, including the provisions of
22 Section 1542 of the California Civil Code, ARE HEREBY EXPRESSLY WAIVED. Section 1542 of
23 the California Civil Code reads as follows:

24 **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR**
25 **OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER**
26 **FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM**
27 **OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH**
28 **THE DEBTOR OR RELEASED PARTY.**

1 38. Final Approval Order and Judgment. The Parties shall provide the Settlement
2 Administrator with a copy of the Final Approval Order and Judgment once it is entered by the Court,
3 and the Settlement Administrator shall post the Final Approval Order and Judgment on its website for
4 sixty (60) calendar days. No individualized notice of the Final Approval Order and Judgment to the
5 Class will be required.

6 39. Continued Jurisdiction. After entry of the judgment pursuant to the Settlement, the
7 Court will have continuing jurisdiction pursuant to Rule 3.769 of the California Rules of Court and
8 Section 664.6 of the California Code of Civil Procedure, for purposes of addressing: (a) the
9 interpretation and enforcement of the terms of the Settlement, (b) settlement administration matters,
10 and (c) such post-judgment matters as may be appropriate under court rules or as set forth in this
11 Settlement Agreement.

12 40. Effects of Termination or Rescission of Settlement. Termination or rescission of the
13 Settlement Agreement shall have the following effects:

14 a. The Settlement Agreement shall be void and shall have no force or effect, and
15 no Party shall be bound by any of its terms;

16 b. In the event the Settlement Agreement is terminated, Defendant shall have no
17 obligation to make any payments to any Party, Class Member, or attorney, except that the terminating
18 Party shall pay the Settlement Administrator for services rendered up to the date the Settlement
19 Administrator is notified that the Settlement has been terminated;

20 c. The Preliminary Approval Order, Final Approval Order and Judgment,
21 including any order certifying the Class, shall be vacated;

22 d. The Settlement Agreement and all negotiations, statements, and proceedings
23 relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be
24 restored to their respective positions in the Action prior to the execution of the Settlement Agreement;

25 e. Neither this Settlement Agreement, nor any ancillary documents, actions,
26 statements, or filings in furtherance of the Settlement (including all matters associated with the
27 mediation) shall be admissible or offered into evidence in the Action or any other action for any
28 purpose whatsoever; and

1 f. Any documents generated to bring the Settlement into effect, will be null and
2 void, and any order or judgment entered by the Court in furtherance of this Settlement Agreement will
3 likewise be treated as void from the beginning.

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

8 42. Exhibits Incorporated by Reference. The terms of this Settlement include the terms set
9 forth in any attached exhibits, which are incorporated by this reference as though fully set forth herein.
10 Any exhibits to this Settlement Agreement are an integral part of the Settlement.

11 43. Entire Agreement. This Settlement Agreement and any attached exhibits constitute the
12 entirety of the Parties' agreement relating to the settlement and transaction completed thereby, and all
13 prior or contemporaneous agreements, understandings, representations, and statements, whether oral
14 or written and whether by a Party or such Party's legal counsel, are merged herein. No other prior or
15 contemporaneous written or oral agreements may be deemed binding on the Parties. The Parties
16 expressly recognize California Civil Code § 1625 and California Code of Civil Procedure § 1856(a),
17 which provide that a written agreement is to be construed according to its terms and may not be varied
18 or contradicted by extrinsic evidence, and the Parties agree that no such extrinsic oral or written
19 representations or terms will modify, vary, or contradict the terms of this Settlement Agreement.

20 44. Interim Stay of Proceedings. The Parties agree to hold in abeyance all proceedings in
21 the Action (including with respect to California Code of Civil Procedure § 583.310), except such
22 proceedings necessary to implement and complete this Settlement Agreement, pending the Final
23 Approval Hearing to be conducted by the Court.

24 45. Amendment or Modification. Prior to the filing of the motion for preliminary approval
25 of the Settlement, the Parties may not amend or modify any provision of this Settlement Agreement
26 except by written agreement signed by counsel for all Parties. After the filing of the motion for
27 preliminary approval of the Settlement, the Parties may not amend or modify any provision of this
28 Settlement Agreement except by written agreement signed by counsel for all the Parties and subject
to Court approval. A waiver or amendment of any provision of this Settlement Agreement will not
constitute a waiver of any other provision.

1 46. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and
2 represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement
3 Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant
4 to this Settlement Agreement to effectuate its terms and to execute any other documents required to
5 effectuate the terms of this Settlement Agreement. The Parties warrant that they understand and have
6 full authority to enter into this Settlement Agreement, and further intend that this Settlement
7 Agreement will be fully enforceable and binding on all Parties, and agree that it will be admissible
8 and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation
9 confidentiality provisions that otherwise might apply under state or federal law.

10 47. Signatories. It is agreed that because the members of the Class are so numerous, it is
11 impossible or impractical to have each Settlement Class Member or PAGA Employee execute this
12 Settlement Agreement. The Class Notice will advise all Class Members of the binding nature of the
13 Class Settlement as to the Settlement Class Members and the binding nature of the PAGA Settlement
14 as to the PAGA Employees, and the releases provided for by this Settlement Agreement shall have
15 the same force and effect as if this Settlement Agreement were executed by each Settlement Class
16 Member and PAGA Employee.

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

19 49. California Law Governs. All terms of this Settlement Agreement and attached exhibits
20 hereto will be governed by and interpreted according to the laws of the State of California.

21 50. Execution and Counterparts. This Settlement Agreement is subject only to the
22 execution of all Parties. However, this Settlement Agreement may be executed in one or more
23 counterparts. All executed counterparts and each of them, including facsimile, electronic, and scanned
24 copies of the signature page, will be deemed to be one and the same instrument.

25 51. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this
26 Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at
27 this Settlement after arm's length negotiations and in the context of adversarial litigation, taking into
28 account all relevant factors, present and potential. The Parties further acknowledge that they are each
represented by competent counsel and that they have had an opportunity to consult with their counsel

1 regarding the fairness and reasonableness of this Settlement Agreement. In addition, if necessary to
2 obtain approval of the Settlement, the Mediator may execute a declaration supporting the Settlement
3 and the reasonableness of the Settlement and the Court may, in its discretion, contact the Mediator to
4 discuss the Settlement and whether or not the Settlement is objectively fair and reasonable.

5 52. Invalidity of Any Provision. Before declaring any provision of this Settlement
6 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent
7 possible consistent with applicable precedents so as to define all provisions of this Settlement
8 Agreement valid and enforceable.

9 53. Plaintiff's Cooperation. Plaintiff agrees to sign this Settlement Agreement and, by
10 signing this Settlement Agreement, is hereby bound by the terms herein and agrees to fully cooperate
11 to implement the Settlement.

12 54. Non-Admission of Liability. The Parties enter into this Settlement Agreement to
13 resolve the dispute that has arisen between them and to avoid the burden, expense, and risk of
14 continued litigation. In entering into this Settlement Agreement, Defendant does not admit, and
15 specifically denies, it has violated any federal, state, or local law; violated any regulations or guidelines
16 promulgated pursuant to any statute or any other applicable laws, regulations, or legal requirements;
17 breached any contract; violated or breached any duty; engaged in any misrepresentation or deception;
18 or engaged in any other unlawful conduct with respect to its employees. Neither this Settlement
19 Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, shall be
20 construed as an admission or concession by Defendant of any such violations or failures to comply
21 with any applicable law. Except as necessary in a proceeding to enforce the terms of this Settlement
22 Agreement, this Settlement Agreement and its terms and provisions shall not be offered or received
23 as evidence in any action or proceeding to establish any liability or admission on the part of Defendant
24 or to establish the existence of any condition constituting a violation of, or a non-compliance with,
25 federal, state, local or other applicable law.

26 55. Captions. The captions and paragraph numbers in this Settlement Agreement are
27 inserted for the reader's convenience, and in no way define, limit, construe, or describe the scope or
28 intent of the provisions of this Settlement Agreement.

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

57. Representation By Counsel. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and that this Settlement Agreement has been executed with the consent and advice of counsel, and reviewed in full.

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

59. Notices. All notices, demands, and other communications to be provided concerning the Settlement Agreement shall be in writing and deemed to have been duly given as of the third business day after mailing by First Class U.S. Mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff and Class Counsel:

Jonathan M. Genish

jgenish@blackstonepc.com

Karen I. Gold

kgold@blackstonepc.com

Ashley H. Cruz

acruz@blackstonepc.com

Marissa A. Mayhood

mmayhood@blackstonepc.com

BLACKSTONE LAW, APC

8383 Wilshire Boulevard, Suite 745

Beverly Hills, California 90211

Tel: (310) 622-4278 / Fax: (855) 786-6356

To Defendant:

Andrew J. Davis

ddavis@folgerlevin.com

Charles D. King

cking@folgerlevin.com

Rosha K. Jones

rjones@folgerlevin.com

FOLGER LEVIN LLP
33 New Montgomery, 19th Floor
San Francisco, California 94105
Tel: (415) 625 1066 / Fax: (415) 625-1091

60. Cooperation and Execution of Necessary Documents. All Parties and their counsel will cooperate with each other in good faith and use their best efforts to implement the Settlement, including and not limited to, executing all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement Agreement, the Parties may seek the assistance of the Mediator and then the Court to resolve such disagreement.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class Action and PAGA Settlement between Plaintiff and Defendant:

IT IS SO AGREED.

PLAINTIFF TRAVIS SANFORD

Dated: 08/16/2024



Travis Sanford

**DEFENDANT SANTA CRUZ SEASIDE
COMPANY**

Dated: _____

Full Name: _____

Title: _____
On behalf of Defendant Santa Cruz Seaside
Company

APPROVED AS TO FORM ONLY:

BLACKSTONE LAW, APC

Dated: 8/16/2024



Jonathan M. Genish
Attorneys for Plaintiff Travis Sanford

FOLGER LEVIN LLP
33 New Montgomery, 19th Floor
San Francisco, California 94105
Tel: (415) 625 1066 / Fax: (415) 625-1091

60. Cooperation and Execution of Necessary Documents. All Parties and their counsel will cooperate with each other in good faith and use their best efforts to implement the Settlement, including and not limited to, executing all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement Agreement, the Parties may seek the assistance of the Mediator and then the Court to resolve such disagreement.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class Action and PAGA Settlement between Plaintiff and Defendant:

IT IS SO AGREED.

PLAINTIFF TRAVIS SANFORD

Dated: _____

Travis Sanford

**DEFENDANT SANTA CRUZ SEASIDE
COMPANY**

Dated: 8/16/2024

Full Name: Karl S. Rize

Title: President + CEO
On behalf of Defendant Santa Cruz Seaside
Company

APPROVED AS TO FORM ONLY:

BLACKSTONE LAW, APC

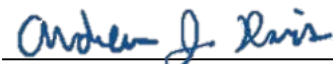
Dated: _____

Jonathan M. Genish
Attorneys for Plaintiff Travis Sanford

and Proposed Class Counsel

FOLGER LEVIN LLP

Dated: August 16, 2024



Andrew J. Davis
Charles D. King
Rosha K. Jones
*Attorneys for Defendant Santa Cruz Seaside
Company*

4873-5356-6163, v. 3

Ex. A

NOTICE OF CLASS ACTION SETTLEMENT

Travis Sanford v. Santa Cruz Seaside Company **Superior Court of California for the County of Santa Cruz, Case No. 23CV01762**

PLEASE READ THIS CLASS NOTICE CAREFULLY.

You have received this Class Notice because Defendant's records indicate that you may be eligible to take part in the class action settlement reached in the above-referenced case.

You do not need to take any action to receive a settlement payment.

This Class Notice is designed to advise you (and/or your parent or guardian) of your rights and options with respect to the settlement, and how you can request to be excluded from the Class Settlement, object to the Class Settlement, and/or dispute the number of Workweeks and/or PAGA Workweeks that you are credited with, if you so choose.

YOU (AND/OR YOUR PARENT OR GUARDIAN IF YOU ARE UNDER THE AGE OF 18) ARE NOTIFIED THAT: A class and representative action settlement has been reached between Plaintiff Travis Sanford ("Plaintiff") and Defendant Santa Cruz Seaside Company ("Defendant") (Plaintiff and Defendant are collectively referred to as the "Parties") in the case entitled *Travis Sanford v. Santa Cruz Seaside Company*, Santa Cruz County Superior Court, Case No. 23CV01762 ("Action"), which may affect your legal rights. On [date of Preliminary Approval], the Court granted preliminary approval of the settlement and scheduled a hearing on [hearing date] at [hearing time] ("Final Approval Hearing") to determine whether or not the Court should grant final approval of the settlement.

I. IMPORTANT DEFINITIONS

"Class" or "Class Member(s)" means all current and former hourly-paid and/or non-exempt employees (including adults and minors under the age of 18) who worked for Defendant in the State of California at any time during the Class Period.

"Class Period" means the period from July 25, 2019 through August 11, 2024.

"Class Settlement" means the settlement and resolution of all Released Class Claims.

"PAGA Employees" means all current and former hourly-paid and/or non-exempt employees (including adults and minors under the age of 18) who worked for Defendant in the State of California at any time during the PAGA Period.

"PAGA Period" means the period from July 15, 2023 through August 11, 2024.

"PAGA Settlement" means the settlement and resolution of all Released PAGA Claims.

II. BACKGROUND OF THE ACTION

On July 25, 2023, Plaintiff commenced a putative class action lawsuit against Defendant by filing a Class Action Complaint for Damages. On July 15, 2024, Plaintiff provided written notice to the California Labor and Workforce Development Agency ("LWDA") and Defendant of the specific provisions of the California Labor Code that Plaintiff contends were violated ("PAGA Letter"). On August 5, 2024, Plaintiff filed a First Amended Class Action Complaint for Damages and Enforcement Action Under the Private Attorneys General Act, California Labor Code §§ 2698 Et Seq. ("Operative Complaint"), adding a cause of action under the Private Attorneys General Act of 2004 pursuant to California Labor Code Section 2698, *et seq.* ("PAGA").

Plaintiff contends that Defendant failed to properly pay minimum and overtime wages, provide compliant meal and rest breaks and associated premiums, timely pay wages upon termination of employment and associated waiting-time penalties, provide accurate wage statements, and reimburse business expenses, and thereby engaged in unfair business practices in violation of the California Business and Professions Code section 17200, *et seq.*, and conduct that gives rise to penalties under PAGA. Plaintiff seeks, among other things, recovery of unpaid wages and meal and rest period premiums, unreimbursed business expenses, restitution, penalties, interest, and attorneys' fees and costs.

Defendant strongly denies all of Plaintiff's claims, asserts that Plaintiff is not entitled to recover any damages or penalties, and contends that Defendant has complied with all employment laws.

The Parties participated in mediation with a respected class action mediator, and as a result, the Parties reached a settlement. The Parties have since entered into a Joint Stipulation of Class Action and PAGA Settlement ("Settlement" or "Settlement Agreement").

On [Date of Preliminary Approval], the Court entered an order preliminarily approving the Settlement. The Court has appointed ILYM Group, Inc. as the administrator of the Settlement ("Settlement Administrator"), Plaintiff Travis Sanford as representative of the Class ("Class Representative"), and the following Plaintiff's attorneys as counsel for the Class ("Class Counsel"):

Jonathan M. Genish
Karen I. Gold
Ashley H. Cruz
Marissa A. Mayhood
Blackstone Law, APC
8383 Wilshire Boulevard, Suite 745
Beverly Hills, California 90211
Tel: (310) 622-4278 / Fax: (855) 786-6356

If you are a Class Member, no action is necessary to receive an Individual Settlement Payment. However, Class Members (and/or the parent or guardian of a Class Member who is under the age of 18) have the opportunity to request exclusion from the Class Settlement (in which case you will not receive an Individual Settlement Payment), object to the Class Settlement, and/or dispute the Workweeks and/or PAGA Workweeks credited to you, if you so choose, as explained more fully in Sections III and IV below. If you are a PAGA Employee, you do not need to take any action to receive an Individual PAGA Payment; you will not have the opportunity to object or seek exclusion from the PAGA Settlement and all PAGA Employees will be bound to the PAGA Settlement if the Court grants final approval of the Settlement.

The Settlement represents a compromise and settlement of highly disputed claims. Nothing in the Settlement is intended or will be construed as an admission by Defendant that the claims in the Action have merit or that Defendant has any liability to Plaintiff, Class Members, or PAGA Employees. Plaintiff and Defendant, and their respective counsel, have concluded and agree that, in light of the risks and uncertainties to each side of continued litigation, the Settlement is fair, reasonable, and adequate, and is in the best interests of the Class Members, the State of California, and PAGA Employees.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Settlement Formula

The total gross settlement amount is Five Million Nine Hundred Thousand Dollars and Zero Cents (\$5,900,000.00) (the "Gross Settlement Amount"). The portion of the Gross Settlement Amount that is available for payment to Class Members is referred to as the "Net Settlement Amount." The Net Settlement Amount will be the Gross Settlement Amount less the following payments which are subject to approval by the Court: (1) attorneys' fees, in an amount not to exceed one-third (1/3) of the Gross Settlement Amount (i.e., \$1,966,666.67 if the Gross Settlement Amount is \$5,900,000.00), and reimbursement of litigation costs and expenses, in an amount not to exceed Twenty-Three Thousand Dollars and Zero Cents (\$23,000.00) to Class Counsel; (2) Enhancement Payment in an amount not to exceed Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) to Plaintiff for his services in the Action; (3) the amount of Three Hundred Thousand Dollars and Zero Cents (\$300,000.00) allocated toward civil penalties under the Private Attorneys General Act ("PAGA Amount"), of which the LWDA will be paid 75% (\$225,000.00) ("LWDA Payment") and the remaining 25% (\$75,000.00) will be distributed to PAGA Employees ("PAGA Employee Amount"); and (4) Settlement Administration Costs in an amount not to exceed Thirty-Five Thousand Dollars and Zero Cents (\$35,000.00) to the Settlement Administrator.

Class Members are eligible to receive payment under the Class Settlement of their *pro rata* share of the Net Settlement Amount ("Individual Settlement Share") based on the number of weeks each Class Member worked for Defendant as an hourly-paid and/or non-exempt employee in California during the Class Period ("Workweeks"). The Settlement Administrator has divided the Net Settlement Amount by the Workweeks of all Class Members to yield the "Estimated

Workweek Value,” and multiplied each Class Member’s individual Workweeks by the Estimated Workweek Value to yield an estimated Individual Settlement Share that each Class Member may be entitled to receive under the Class Settlement (which is listed in Section III.C below). Class Members will be issued their final Individual Settlement Payment unless the Class Member (and/or the parent or guardian of a Class Member who is under the age of 18) submits a timely and valid Request for Exclusion. Class Members who do not submit a timely and valid Request for Exclusion are referred to as “Settlement Class Members”.

Each Individual Settlement Share will be allocated as twenty percent (20%) as wages, which will be reported on an IRS Form W-2, and eighty percent (80%) as penalties, interest, and non-wage damages, which will be reported on an IRS Form 1099 (if applicable). Each Individual Settlement Share will be subject to reduction for the employee’s share of payroll taxes and withholdings with respect to the wages portion of the Individual Settlement Shares resulting in a net payment to the Settlement Class Member (“Individual Settlement Payment”). The employer’s share of taxes and contributions in connection with the wages portion of Individual Settlement Shares (“Employer Taxes”) will be paid by Defendant separately and in addition to the Gross Settlement Amount.

PAGA Employees are eligible to receive payment under the PAGA Settlement of their *pro rata* share of the PAGA Employee Amount (“Individual PAGA Payment”) based on the number of weeks each PAGA Employee worked for Defendant as an hourly-paid and/or non-exempt employee in California during the PAGA Period (“PAGA Workweeks”). The Settlement Administrator had divided the PAGA Employee Amount, i.e., 25% of the PAGA Amount, by the PAGA Workweeks of all PAGA Employees to yield the “PAGA Workweek Value,” and multiplied each PAGA Employee’s individual PAGA Workweeks by the PAGA Workweek Value to yield each PAGA Employee’s Individual PAGA Payment.

Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties, will not be subject to taxes or withholdings, and will be reported on IRS Form 1099 (if applicable).

If the Court grants final approval of the Settlement, Individual Settlement Payments will be mailed to Settlement Class Members and Individual PAGA Payments will be mailed to PAGA Employees at the address that is on file with the Settlement Administrator. **If the address to which this Class Notice was mailed is not correct, or if you move after you receive this Class Notice, you must provide your correct mailing address to the Settlement Administrator as soon as possible to ensure you receive any payment that you may be entitled to under the Settlement.**

B. Your Workweeks and PAGA Workweeks (if applicable) Based on Defendant’s Records

According to Defendant’s records:

- **From July 25, 2019 through August 11, 2024 (i.e., the Class Period), you are credited as having worked [REDACTED] Workweeks.**
- **From July 15, 2023 through August 11, 2024 (i.e., the PAGA Period), you are credited as having worked [REDACTED] PAGA Workweeks.**

If you wish to dispute the Workweeks and/or PAGA Workweeks credited to you, you (and/or your parent or guardian if you are under the age of 18) must submit your dispute in writing to the Settlement Administrator (“Workweeks Dispute”). The Workweeks Dispute must: (a) contain the case name and number of the Action (*Sanford v. Santa Cruz Seaside Company*, Case No. 23CV01762); (b) contain the Class Member’s full name, signature, address, telephone number, and the Class Member’s last four (4) digits of your Social Security number; (c) clearly state that the Class Member disputes the number of Workweeks and/or PAGA Workweeks credited to the Class Member and what the Class Member contends is the correct number; and (d) be returned by mail to the Settlement Administrator at the specified address listed in Section IV.B below, postmarked **on or before [Response Deadline]**.

C. Your Estimated Individual Settlement Share and Individual PAGA Payment (if applicable)

As explained above, your estimated Individual Settlement Share and Individual PAGA Payment (if applicable) is based on the number of Workweeks and PAGA Workweeks (if applicable) credited to you.

**Under the terms of the Settlement, your Individual Settlement Share is estimated to be \$ [REDACTED].
The Individual Settlement Share is subject to reduction for the employee’s share of taxes and**

withholdings with respect to the wages portion of the Individual Settlement Share and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

Under the terms of the Settlement, your Individual PAGA Payment is estimated to be \$ [REDACTED] and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

The settlement approval process may take multiple months. Your Individual Settlement Share and Individual PAGA Payment (if applicable) reflected in this Class Notice is only an estimate. Your actual Individual Settlement Payment and Individual PAGA Payment (if applicable) may be higher or lower.

D. Release of Claims

Upon the full funding of the Gross Settlement Amount, Plaintiff and all Settlement Class Members will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released Class Claims.

Upon the full funding of the Gross Settlement Amount, Plaintiff, the State of California with respect to all PAGA Employees, and all PAGA Employees will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released PAGA Claims.

“Released Class Claims” means any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys’ fees, damages, or causes of action which were alleged or which could have been alleged based on the factual allegations in the Operative Complaint, arising during the Class Period, under any federal, state, or local law, and shall specifically include claims for Defendant’s alleged failure to pay overtime and minimum wages, provide compliant meal and rest periods and associated premium payments, provide accurate wage statements, timely pay wages upon termination, and reimburse necessary business-related expenses in violation of California Labor Code Sections 201, 202, 203, 226(a), 226.7, 510, 512, 1194, 1197, 1197.1, 1198, 2800, and 2802, and the applicable Industrial Welfare Commission Wage Order and California Business and Professions Code sections 17200, *et seq.*

“Released PAGA Claims” means any and all claims arising from any of the factual allegations in the PAGA Letter, arising during the PAGA Period, for civil penalties under the Private Attorneys General Act of 2004, California Labor Code Sections 2698 *et seq.*, including all claims for attorneys’ fees and costs related thereto, for Defendant’s alleged failure to pay overtime and minimum wages, provide compliant meal and rest periods and associated premium payments, timely pay wages during employment and upon termination, provide complaint wage statements, maintain complete and accurate payroll records, and reimburse necessary business-related expenses in violation of California Labor Code Sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and the applicable Industrial Welfare Commission Wage Order.

“Released Parties” means Defendant and its current and former officers, directors, members, insurers, shareholders, subsidiaries, affiliates, predecessors, successors, and assigns.

E. Attorneys’ Fees and Costs to Class Counsel

Class Counsel will seek attorneys’ fees in an amount not to exceed one-third (1/3) of the Gross Settlement Amount (i.e., \$1,966,666.67 if the Gross Settlement Amount is \$5,900,000.00) and reimbursement of litigation costs and expenses in an amount not to exceed Twenty-Three Thousand Dollars and Zero Cents (\$23,000.00) (collectively, “Attorneys’ Fees and Costs”), subject to approval by the Court. The Attorneys’ Fees and Costs granted by the Court will be paid from the Gross Settlement Amount. Class Counsel has been prosecuting the Action on behalf of Plaintiff, Class Members, and PAGA Employees on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses.

F. Enhancement Payment to Plaintiff

Plaintiff will seek the amount of Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) (“Enhancement Payment”), in recognition of his services in connection with the Action. The Enhancement Payment will be paid from the Gross Settlement Amount, subject to approval by the Court, and if awarded, it will be paid to Plaintiff in addition to his Individual Settlement Payment and Individual PAGA Payment that he is entitled to under the Settlement.

G. Settlement Administration Costs to Settlement Administrator

Payment to the Settlement Administrator is estimated not to exceed Thirty-Five Thousand Dollars and Zero Cents (\$35,000.00) (“Settlement Administration Costs”) for the costs of the notice and settlement administration process, including and not limited to, the expense of notifying the Class Members of the Settlement, processing Requests for Exclusion, Notices of Objection, and Workweeks Disputes, calculating Individual Settlement Shares, Individual Settlement Payments, and Individual PAGA Payments, and distributing payments and tax forms under the Settlement, and shall be paid from the Gross Settlement Amount, subject to approval by the Court.

IV. WHAT ARE YOUR RIGHTS AND OPTIONS AS A CLASS MEMBER?

A. Participate in the Settlement

If you want to participate in the Class Settlement and receive money from the Class Settlement, you do not have to do anything. You will automatically be included in the Class Settlement and issued your Individual Settlement Payment unless you (and/or your parent or guardian if you are under the age of 18) decide to exclude yourself from the Class Settlement.

Unless you (and/or your parent or guardian if you are under the age of 18) elect to exclude yourself from the Class Settlement and if the Court grants final approval of the Settlement, you will be bound by the terms of the Class Settlement and any judgment that may be entered by the Court based thereon, and you will release the Released Class Claims against the Released Parties as described in Section III.D above.

If you are a PAGA Employee and the Court grants final approval of the Settlement, you will automatically be included in the PAGA Settlement and issued your Individual PAGA Payment. This means you will be bound by the terms of the PAGA Settlement and any judgment that may be entered by the Court based thereon, and you will release the Released PAGA Claims against the Released Parties as described in Section III.D above.

As a Class Member and PAGA Employee (if applicable), you will not be separately responsible for the payment of attorney’s fees or litigation costs and expenses, unless you retain your own counsel, in which event you will be responsible for your own attorney’s fees and expenses.

B. Request Exclusion from the Class Settlement

Class Members (and/or the parent or guardian of any Class Member under the age of 18) may request to be excluded from the Class Settlement by submitting a letter (“Request for Exclusion”) to the Settlement Administrator, at the following address:

[Settlement Administrator]
[Mailing Address]

A Request for Exclusion must: (a) contain the case name and number of the Action (*Sanford v. Santa Cruz Seaside Company*, Case No. 23CV01762); (b) contain the Class Member’s full name, signature, address, telephone number, and last four (4) digits of the Class Member’s Social Security number; (c) clearly states that the Class Member does not wish to be included in the Class Settlement; and (d) be returned by mail to the Settlement Administrator at the specified address above, postmarked **on or before [Response Deadline]**.

If the Court grants final approval of the Settlement, any Class Member on whose behalf a timely and valid Request for Exclusion has been submitted will not be issued an Individual Settlement Payment, will not be bound by the Class Settlement (and the release of Released Class Claims described in Section III.D above), and will not have any right to object to, appeal, or comment on the Class Settlement. Class Members on whose behalf no timely and valid Request for Exclusion is submitted will be deemed Settlement Class Members and will be bound by all terms of the Class Settlement, including those pertaining

to the release of claims described in Section III.D above, as well as any judgment that may be entered by the Court based thereon. PAGA Employees will be bound to the PAGA Settlement (and the release of Released PAGA Claims described in Section III.D above) and will still be issued an Individual PAGA Payment, irrespective of whether they submit a Request for Exclusion.

C. Object to the Class Settlement

A Class Member (and/or the parent or guardian of a Class Member under the age of 18) can object to the Class Settlement as long as the Class Member has not submitted a Request for Exclusion by submitting a written objection (“Notice of Objection”) to the Settlement Administrator.

The Notice of Objection must: (a) contain the case name and number of the Action (*Sanford v. Santa Cruz Seaside Company*, Case No. 23CV01762); (b) contain the Settlement Class Member’s full name, signature, address, telephone number, and the Settlement Class Member’s last four (4) digits of thier Social Security number; (c) contain a written statement of all grounds for the objection accompanied by any legal support for such objection; (d) contain copies of any papers, briefs, or other documents upon which the objection is based; and (e) be returned by mail to the Settlement Administrator at the specified address listed in Section IV.B above, postmarked **on or before [Response Deadline]**.

You may also appear at the Final Approval Hearing and present your objection orally, regardless of whether you have submitted a Notice of Objection.

V. FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing in Department 5 of the Santa Cruz County Superior Court, located at 701 Ocean Street, Santa Cruz, California, 95060, on **[date]**, at **[time]**, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court also will be asked to approve and grant the Attorneys’ Fees and Costs to Class Counsel, Enhancement Payment to Plaintiff, and Settlement Administration Costs to the Settlement Administrator.

The Final Approval Hearing may be continued without further notice to the Class Members and PAGA Employees. It is not necessary for you to appear at the Final Approval Hearing, although you may appear if you wish to.

You can appear remotely at <https://santacruzcourt-org.zoomgov.com/j/1615592790> or Dial: 1 (669) 216-1590 and provide the Meeting ID: 161 559 2790.

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement Agreement, you should review the detailed Settlement Agreement and other papers, which are on file with the Court.

You may view the Settlement Agreement and other documents filed in the Action for free by visiting the civil clerk’s office located at Santa Cruz Courthouse, 701 Ocean Street, Santa Cruz, California, 95060, during business hours, or online by visiting the following website: <https://portal.santacruzcourt.org/portal>, clicking “Smart Search” and typing in the Court Case Number “23CV01762.”

PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT.

IF YOU HAVE ANY QUESTIONS, YOU MAY CALL THE SETTLEMENT ADMINISTRATOR AT THE FOLLOWING TOLL-FREE NUMBER: [INSERT], OR YOU MAY ALSO CONTACT CLASS COUNSEL.

EXHIBIT 2

Jonathan M. Genish (State Bar No. 259031)
jgenish@blackstonepc.com
Karen I. Gold (SBN 258360)
kgold@blackstonepc.com
Ashley Cruz (SBN 306235)
acruz@blackstonepc.com
Marissa A. Mayhood (SBN 334376)
mmayhood@blackstonepc.com
BLACKSTONE LAW, APC
8383 Wilshire Boulevard, Suite 745
Beverly Hills, California 90211
Tel: (310) 622-4278 / Fax: (855) 786-6356

*Attorneys for Plaintiff TRAVIS SANFORD, individually,
and on behalf of other similarly situated employees and
aggrieved employees pursuant to the California Private
Attorneys General Act*

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SANTA CRUZ**

TRAVIS SANFORD, individually, and on behalf
of other similarly situated employees and
aggrieved employees pursuant to the California
Private Attorneys General Act

Plaintiff,

vs.

SANTA CRUZ SEASIDE COMPANY, a
California corporation; and DOES 1 through 25,
inclusive,

Defendants.

Case No.: 23CV01762

*Assigned for all purposes to the Honorable
Syda K. Cogliati, Dept. 5*

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

Date: September 12, 2024
Time: 8:30 a.m.
Dept.: 5

Complaint Filed: July 25, 2023
FAC Filed: August 5, 2024
Trial Date: Not Set

1 **TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:**

2 **PLEASE TAKE NOTICE THAT** on **September 12, 2024** at **8:30 a.m.** in **Department 5** of
3 the above-captioned Court located at 701 Ocean Street, Santa Cruz, California 95060 pursuant to
4 California Code of Civil Procedure section 382 and Rule 3.769 of the California Rules of Court, Plaintiff
5 Travis Sanford (“Plaintiff”) will and hereby does move the Court for an Order granting preliminary
6 approval of the proposed class action and PAGA settlement between Plaintiff and Defendant Santa Cruz
7 Seaside Company (“Defendant”).

8 Plaintiff requests that the Court enter an Order:

9 1. Preliminarily approving the Joint Stipulation of Class Action and PAGA Settlement
10 (“Settlement” or “Settlement Agreement”) attached as Exhibit 2 to the Declaration of Karen I. Gold in
11 Support of Plaintiff’s Motion for Preliminary Approval of Class Action and PAGA Settlement (“Gold
12 Decl.”);

13 2. Certifying the Class for Settlement purposes;

14 3. Appointing Plaintiff Travis Sanford as the Class Representative for Settlement purposes;

15 4. Appointing Jonathan M. Genish, Karen I. Gold, Ashley H. Cruz, and Marissa A. Mayhood
16 of Blackstone Law, APC as Class Counsel for Settlement purposes;

17 5. Approving the proposed Notice of Class Action Settlement (“Class Notice”), attached as
18 Exhibit A to the Settlement Agreement, to be mailed to the Class;

19 6. Approving the opt-out and objection procedures provided in the Settlement Agreement
20 and set forth in the Class Notice;

21 7. Directing Defendant to furnish, for each Class Member, their full name, last known
22 mailing address, Social Security number, dates worked during the Class Period, and such other
23 information as is necessary for the Settlement Administrator to calculate Workweeks and PAGA
24 Workweeks (if applicable) to the Settlement Administrator within twenty-one (21) calendar days after
25 entry of the order granting preliminary approval of the Settlement;

26 8. Approving the proposed deadlines for the settlement administration process; and

27 9. Setting a Final Approval Hearing.

28 ///

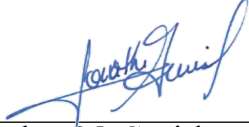
1 Pursuant to California Labor Code section 2699(1)(2) and concurrently with the filing of this
2 Motion, a copy of the Settlement was submitted to the California Labor and Workforce Development
3 Agency (“LWDA”) via online submission through the LWDA’s website. Gold Decl., ¶ 49.

4 This Motion is based upon this Notice, the attached Memorandum of Points and Authorities, the
5 Declaration of Karen I. Gold, the Declaration of Plaintiff Travis Sanford, the pleadings and other records
6 on file with the Court in this matter, and any other further evidence or argument that the Court may
7 properly receive at or before the hearing.

8 Respectfully submitted,

9 Dated: August 19, 2024

BLACKSTONE LAW, APC

10
11 By: 

12 Jonathan M. Genish
13 Karen I. Gold
14 Ashley H. Cruz
15 Marissa A. Mayhood

16 *Attorneys for* Plaintiff TRAVIS SANFORD,
17 individually, and on behalf of other similarly
18 situated employees and aggrieved employees
19 pursuant to the California Private Attorneys
20 General Act
21
22
23
24
25
26
27
28

TABLE OF CONTENTS

I.	INTRODUCTION.....	1
II.	FACTUAL AND PROCEDURAL BACKGROUND	2
III.	THE SETTLEMENT TERMS	3
A.	Class Definition	3
B.	Amount of Settlement.....	3
C.	Allocation and Funding of the Gross Settlement Amount	3
D.	Released Claims	6
IV.	STANDARD OF REVIEW FOR PRELIMINARY APPROVAL	7
V.	THE SETTLEMENT IS PRESUMED FAIR.....	8
A.	The Settlement Was Reached as a Result of Arm’s-Length Bargaining	8
B.	Sufficient Investigation and Discovery by Experienced Class Counsel	8
C.	The Settlement is Fair and Reasonable in Light of the Parties’ Respective Legal Positions and Recovery Risks.....	9
1.	Class Counsel’s Analysis of the Maximum Available Liability and Damages.....	9
2.	Class Counsel’s Risk-Based Analysis and Risk-Based Adjustments	10
VI.	CERTIFICATION FOR SETTLEMENT PURPOSES IS WARRANTED	14
A.	An Ascertainable Class Exists Which is So Numerous That Joinder of All Members is Impracticable.....	14
B.	The Class Shares a Well-Defined Community of Interest	15
C.	A Class Action is Superior to a Multiplicity of Litigation.....	16
VII.	THE REQUESTED ENHANCEMENT PAYMENT IS REASONABLE	16
VIII.	THE REQUESTED ATTORNEYS’ FEES AND COSTS ARE REASONABLE	17
IX.	THE CLASS NOTICE AND THE OPT-OUT AND OBJECTION PROCESS MEETS DUE PROCESS REQUIREMENTS.....	18
X.	SCHEDULE FOR COMPLETION OF ITEMS PRIOR TO FINAL APPROVAL HEARING	20
XI.	CONCLUSION	21

TABLE OF AUTHORITIES

Cases

<i>Armstrong v. Board of School Directors of City of Milwaukee</i> , 616 F.2d 305 (7th Cir. 1980).....	7
<i>B.W.I. Custom Kitchen v. Owens-Illinois, Inc.</i> , 191 Cal.App.3d 1341 (1987)	15
<i>Bradley v. Networkers Int’l, LLC</i> , 211 Cal.App.4th 1129 (2012)	10
<i>Brinker Restaurant Corp. v. Superior Court</i> , 53 Cal.4th 1051 (2012)	10
<i>Choate v. Celite Corp.</i> , 215 Cal App. 4th 1460, 1468 (2013)	12
<i>Clark v. Am. Residential Servs. LLC</i> , 175 Cal. App. 4th 785 (2009)	8
<i>Clothesrigger, Inc. v. GTE Corp.</i> , 191 Cal.App.3d 605 (1987)	15
<i>Daar v. Yellow Cab Co.</i> , 67 Cal. 2d 695 (1967).....	14, 15
<i>Duran v. U.S. Bank Nat. Assn.</i> , 59 Cal.4th 1 (2014).....	10
<i>Elliot v. Spherion Pac. Work, LLC</i> , 572 F.Supp.2d 1169, 1181-82 (C.D. Cal. 2008).....	13
<i>Gaudin v. Saxon Mortgage Servs., Inc.</i> , 2015 WL 7454183 (N.D. Cal. Nov. 23, 2015)	17
<i>Hebbard v. Colgrove</i> , 28 Cal.App.3d 1017, 1030 (1972).....	14
<i>In re Cellphone Fee Termination Cases</i> , 186 Cal.App.4th 1380 (2010).....	18
<i>In re Online DVD Rental</i> , 779 F.3d 934 (9th Cir. 2014)	17
<i>Jaimez v. DAIOHS USA, Inc.</i> , 181 Cal.App.4th 1286 (2010).....	12
<i>Kullar v. Foot Locker Retail, Inc.</i> 168 Cal.App.4th 116 (2008).....	9
<i>Lealao v. Beneficial Cal, Inc.</i> , 82 Cal.App.4th 19 (2000)	17
<i>Linder v. Thrifty Oil Co.</i> , 23 Cal.4th 429 (2000)	16
<i>McGee v. Bank of America</i> , 60 Cal.App.3d 442 (1976)	16
<i>Miller v. Woods</i> , 148 Cal.App.3d 862 (1983).....	14
<i>Munoz v. BCI Coca-Cola Bottling Co.</i> , 186 Cal.App.4th 399 (2010)	16
<i>Naranjo v. Specturm Security Services, Inc.</i> , 40 Cal.App.5th 444 (2019).....	12
<i>Officers for Justice v. Civil Service Commission of City and County of San Francisco</i> , 688 F.2d 615 (1982).....	8
<i>Price v. Starbucks Corp.</i> , 192 Cal.App.4th 1136 (2011).....	12
<i>Rose v. City of Hayward</i> , 126 Cal.App.3d 926, 934 (1981)	14
<i>Seastrom v. Neways, Inc.</i> , 149 Cal.App. 4th 1496 (2007)	15

1	<i>See In re Microsoft I-V Cases</i> , 135 Cal.App.4th 706 (2006).....	7
2	<i>Wershba v. Apple Computer, Inc.</i> , 91 Cal.App.4th 224 (2001).....	7, 8, 9
3	<i>Wesson v. Staples the Office Superstore, LLC</i> , 68 Cal.App.5th 746 (2021).....	13
4	Statutes	
5	California Labor Code §§ 2698 <i>Et Seq</i>	2, 6
6	California Labor Code Section 2699.3	2
7	California Labor Code Sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802.....	6, 7
8	Code of Civil Procedure Section 382.....	14
9	Labor Code section 203	12
10	Other Authorities	
11	<i>Findings of the Study of California Class Action Litigation</i> , 2000-2006, available at http:// www.courts.ca.gov/ documents/class-action-lit-study.pdf	10
13	Rules	
14	Cal. Rules of Court, Rule 3.769(c)	7
15	Cal. Rules of Court, Rule3.769(g)	8

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. INTRODUCTION**

3 Plaintiff Travis Sanford (“Plaintiff”) seeks preliminary approval of the Joint Stipulation of Class
4 Action and PAGA Settlement (“Settlement” or “Settlement Agreement”) entered into between Plaintiff
5 and Defendant Santa Cruz Seaside Company (“Defendant”) (together, with Plaintiff, the “Parties”).
6 Declaration of Karem I. Gold in Support of Plaintiff’s Motion for Preliminary Approval of Class Action
7 and PAGA Settlement (“Gold Decl.”), Ex. 2. The Settlement terms are outlined as follows:

- 8
- 9 • Class Size: Approximately 5,543 individuals (as of July 19, 2024).
 - 10 • Gross Settlement Amount: Five Million Nine Hundred Thousand Dollars and Zero Cents (\$5,900,000.00).
 - 11 • Settlement Administration Costs: Not to exceed Thirty-Five Thousand Dollars and Zero Cents (\$35,000.00), to be paid from the Gross Settlement Amount.
 - 12 • Enhancement Payment: Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) to Plaintiff Travis Sanford, to be paid from the Gross Settlement Amount.
 - 13 • PAGA Amount: Three Hundred Thousand Dollars and Zero Cents (\$300,000.00) from the Gross Settlement Amount, 75% of which will be paid to the Labor and Workforce Development Agency (“LWDA”) and the remaining 25% to be paid to the PAGA Employees.
 - 14 • Attorneys’ Fees and Costs: Attorneys’ fees of one-third (1/3) of the Gross Settlement Amount (\$1,966,666.67 if the Gross Settlement Amount is \$5,900,000.00) plus actual litigation costs and expenses not to exceed Twenty-Three Thousand Dollars and Zero Cents (\$23,000.00), to be paid from the Gross Settlement Amount.
 - 15 • Estimated Net Settlement Amount: Three Million Five Hundred Sixty-Seven Thousand Eight Hundred Thirty-Three Dollars and Thirty-Three Cents (\$3,567,833.33) to be distributed to Settlement Class Members.
- 16
17
18
19
20
21
22
23
24

25 As set forth herein, the Settlement is the product of informed discovery and arms-length
26 negotiations, and provides a fair, adequate, and reasonable recovery for the Class. Plaintiff therefore
27 respectfully requests that the Court grant preliminary approval of the Settlement, conditionally certify the
28 Class, approve the proposed Notice of Class Action Settlement (“Class Notice”), and set a hearing date

for final settlement approval, among other requested relief.

II. FACTUAL AND PROCEDURAL BACKGROUND

Defendant owns and operates a well-known amusement park and various dining establishments on the historic Santa Cruz Beach Boardwalk. Plaintiff was employed by Defendant as an hourly-paid, non-exempt seasonal Food Service Staff from approximately August 2016 to approximately November 2021. Declaration of Plaintiff Travis Sanford in Support of Motion for Preliminary Approval of Class Action and PAGA Settlement (“Sanford Decl.”), ¶ 2.

On July 25, 2023, Plaintiff filed a Class Action Complaint for Damages in the action entitled *Travis Sanford v. Santa Cruz Seaside Company*, Santa Cruz County Superior Court Case No. 23CV01762 (“Action”), thereby commencing a putative class action against Defendant. Gold Decl., ¶ 10.

On May 13, 2024, the Parties participated in a formal mediation conducted by Louis Marlin, Esq. (“Mediator”), a neutral and respected mediator with extensive experience in complex wage and hour matters. *Id.*, ¶ 11. After a full day of mediation, and with the help of the Mediator, the Parties were able to reach an agreement to resolve this dispute on a class and PAGA basis. *Ibid.*

On July 15, 2024, Plaintiff provided written notice to the LWDA and to Defendant, pursuant to California Labor Code Section 2699.3, of the specific provision of the California Labor Code alleged to have been violated by Defendant (“PAGA Letter”). *Id.*, ¶ 12 & Exh. 1.

On August 5, 2024, Plaintiff filed a First Amended Class Action Complaint for Damages and Enforcement Action Under the Private Attorneys General Act, California Labor Code §§ 2698 Et Seq. (“Operative Complaint”) in the Action, which added a cause of action under PAGA. *Id.*, ¶ 13. The Operative Complaint alleges nine (9) causes of action for violations of the California Labor Code for failure to pay overtime wages, failure to pay minimum wages, failure to provide compliant meal periods and premium payments in lieu thereof, failure to provide compliant rest periods and premiums payments in lieu thereof, failure to provide accurate wage statements, failure to timely pay wages upon termination, and failure to reimburse necessary business expenses, for violations of California Business & Professions Code Section 17200, *et seq.* based on the aforementioned California Labor Code violations, and for civil penalties under PAGA based on the aforementioned California Labor Code violations. *Ibid.*

///

On August 16, 2024, the Parties executed the Settlement Agreement. *Id.*, ¶ 14.

III. THE SETTLEMENT TERMS

A. Class Definition

For purposes of settlement only, the Parties have agreed that the Class shall be defined as “all current and former hourly-paid and/or non-exempt employees (including adults and minors under the age of 18) who worked for Defendant in the State of California at any time during the Class Period” (“Class Members” or “Class”). Gold Decl., ¶ 15; Settlement Agreement, ¶ 6(b). The Class Period is defined as the period from July 25, 2019 through August 11, 2024. Gold Decl., ¶ 15; Settlement Agreement, ¶ 6(f). Based on information provided by Defendant, as of July 19, 2024, it is estimated that there are a total of five thousand five hundred and forty-three (5,543) Class Members. Gold Decl., ¶ 15.

B. Amount of Settlement

The Parties have agreed to settle the class and PAGA claims at issue in the Operative Complaint for a non-reversionary Gross Settlement Amount of Five Million Nine Hundred Thousand Dollars and Zero Cents (\$5,900,000.00), exclusive of employer-side payroll taxes. Gold Decl., ¶ 16; Settlement Agreement, ¶ 6(p).

C. Allocation and Funding of the Gross Settlement Amount

The Gross Settlement Amount is a common fund and therefore includes all requested costs, fees, and other allocations. Gold Decl., ¶ 16; Settlement Agreement, ¶ 6(p). The Gross Settlement Amount includes: (1) Class Counsel’s fees in the amount of one-third (1/3) of the Gross Settlement Amount (i.e., \$1,966,666.67 if the Gross Settlement Amount is \$5,900,000.00); (2) Class Counsel’s actual litigation costs and expenses, not to exceed Twenty-Three Thousand Dollars and Zero Cents (\$23,000.00); (3) Settlement Administration Costs, not to exceed Thirty-Five Thousand Dollars and Zero Cents (\$35,000.00); (4) Enhancement Payment in the amount of Seven Thousand Five Dollars and Zero Cents (\$7,500.00); and (5) PAGA Amount in the amount of Three Hundred Thousand Dollars and Zero Cents (\$300,000.00). Gold Decl., ¶ 16; Settlement Agreement, ¶¶ 6(p), 9, 10, 11, and 12. After the above-estimated amounts are deducted from the Gross Settlement Amount, the Net Settlement Amount that will be available for Class Members is currently estimated to be Three Million Five Hundred Sixty-Seven Thousand Eight Hundred Thirty-Three Dollars and Thirty-Three Cents (\$3,567,833.33). Gold Decl., ¶

16. Additionally, 25% of the PAGA Amount (“PAGA Employee Amount”), which is \$75,000.00 out of \$300,000.00 will be fully distributed to all current and former hourly-paid and/or non-exempt employees (including adults and minors under the age of 18) who worked for Defendant in the State of California at any time during the PAGA Period (“PAGA Employees”). Gold Decl., ¶ 16; Settlement Agreement, ¶¶ 6(w) and 11. The “PAGA Period” is defined as the period from July 15, 2023 through August 11, 2024. Gold Decl., ¶ 16; Settlement Agreement, ¶ 6(z).

Based on information from Defendant, it is estimated that the Class Members worked a total of 178,211 workweeks during the period from July 25, 2019 to May 13, 2024. Gold Decl., ¶ 17; Settlement Agreement, ¶ 13. If it is determined by the Settlement Administrator that the total number of Workweeks worked by the Class Members during the Class Period actually exceeds 178,211 by more than 10% (i.e., by more than 196,032 Workweeks), then the Gross Settlement Amount will be increased on a *pro rata* basis equal to the percentage increase in the number of Workweeks worked by the Class Members above 10%. For example, if the number of Workweeks increases by 11% to 197,814 Workweeks, then the Gross Settlement Amount will increase by 1%. Gold Decl., ¶ 17; Settlement Agreement, ¶ 13. Alternatively, if it is determined by the Settlement Administrator that the total number of Workweeks worked by the Class Members during the Class Period actually exceeds 178,211 by more than 10% (i.e., by more than 196,032 Workweeks), then Defendant may elect to shorten the Class Period and PAGA Period to the date that 196,032 Workweeks is reached but not exceeded. Gold Decl., ¶ 17; Settlement Agreement, ¶ 13.

The Net Settlement Amount will be distributed and paid to all Class Members who do not submit a timely and valid Request for Exclusion (“Settlement Class Members”) on a *pro rata* basis based on the number of weeks each Class Member worked for Defendant as an hourly-paid and/or non-exempt employee in California during the Class Period (“Workweeks”). Gold Decl., ¶18; Settlement Agreement, ¶¶ 6(ll) and 6(mm). The *pro rata* share of the Net Settlement Amount that a Class Member may be eligible to receive under the Class Settlement (“Individual Settlement Share”) will be calculated by the Settlement Administrator, in accordance with the Settlement Agreement. Gold Decl., ¶18; Settlement Agreement, ¶¶ 6(s) and 14.

///

1 The PAGA Employee Amount will be distributed and paid to all PAGA Employees on a *pro rata*
2 basis based on the number of weeks each PAGA Employee worked for Defendant as an hourly-paid
3 and/or non-exempt employee in California during the PAGA Period (“PAGA Workweeks”). Gold Decl.,
4 ¶ 19; Settlement Agreement, ¶¶ 6(bb) and 11. The *pro rata* share of the PAGA Employee Amount that
5 a PAGA Employee may be eligible to receive under the PAGA Settlement (“Individual PAGA Payment”)
6 will be calculated by the Settlement Administrator, in accordance with the Settlement Agreement. Gold
7 Decl., ¶ 19; Settlement Agreement, ¶¶ 6(q) and 15.

8 Each Individual Settlement Share will be allocated as twenty percent (20%) wages and eighty
9 percent (80%) penalties, interest, and non-wage damages. Gold Decl., ¶ 20; Settlement Agreement, ¶ 16.
10 The portion allocated to wages will be reported on an IRS Form W-2 and the portions allocated to
11 penalties, interest, and non-wage damages will be reported on an IRS Form 1099 (if applicable) by the
12 Settlement Administrator. Gold Decl., ¶ 20; Settlement Agreement, ¶ 16. The Settlement Administrator
13 will withhold the employee’s share of taxes and withholdings with respect to the wages portion of the
14 Individual Settlement Shares, and issue checks to Settlement Class Members for their net payment of
15 their Individual Settlement Share (“Individual Settlement Payment”). Gold Decl., ¶ 20; Settlement
16 Agreement, ¶¶ 6(r) and 16. The employer’s share of taxes and contributions in connection with the wages
17 portion of Individual Settlement Shares will be paid by Defendant separately and in addition to the Gross
18 Settlement Amount. Gold Decl., ¶ 20; Settlement Agreement, ¶¶ 6(p) and 16. Each Individual PAGA
19 Payment will be allocated as one hundred percent (100%) penalties and will be reported on an IRS Form
20 1099 (if applicable) by the Settlement Administrator. Gold Decl., ¶ 20; Settlement Agreement, ¶ 16.

21 The Settlement Agreement is a non-reversionary and non-claims made settlement. Gold Decl., ¶
22 21; Settlement Agreement, ¶¶ 6(p) and 34. The Net Settlement Amount will be fully distributed to
23 Settlement Class Members and the PAGA Amount will be fully distributed to the LWDA and PAGA
24 Employees, in accordance with the Settlement Agreement. Gold Decl., ¶ 21; Settlement Agreement, ¶¶
25 14 and 15. No money will revert to Defendant. Gold Decl., ¶ 21; Settlement Agreement, ¶ 6(p).

26 Each Individual Settlement Payment and Individual PAGA Payment check will be valid and
27 negotiable for one hundred and eighty (180) calendar days from the date the checks are issued, and
28 thereafter, shall be canceled. Gold Decl., ¶ 22; Settlement Agreement, ¶ 34. Any funds associated with

1 such canceled checks will be distributed by the Settlement Administrator to the State of California's
2 Unclaimed Property Division in the name of the Settlement Class Member and/or PAGA Employee.
3 Gold Decl., ¶ 22; Settlement Agreement, ¶ 34. The Parties agree that this disposition results in no "unpaid
4 residue" under California Civil Procedure Code § 384, as the entire Net Settlement Amount will be paid
5 out to Settlement Class Members, whether or not they cash their settlement checks. Gold Decl., ¶ 22;
6 Settlement Agreement, ¶ 34.

7 **D. Released Claims**

8 Upon the full funding of the Gross Settlement Amount, Plaintiff and all Settlement Class
9 Members will be deemed to have fully, finally, and forever released, settled, compromised, relinquished,
10 and discharged the Released Parties of all Released Class Claims. Settlement Agreement, ¶ 35.

11 Upon the full funding of the Gross Settlement Amount, Plaintiff, the State of California with
12 respect to all PAGA Employees, and all PAGA Employees will be deemed to have fully, finally, and
13 forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released
14 PAGA Claims. *Id.*, ¶ 36.

15 "Released Class Claims" means any and all claims, debts, liabilities, demands, obligations,
16 guarantees, costs, expenses, attorneys' fees, damages, or causes of action which were alleged or which
17 could have been alleged based on the factual allegations in the Operative Complaint, arising during the
18 Class Period, under any federal, state, or local law, and shall specifically include claims for Defendant's
19 alleged failure to pay overtime and minimum wages, provide compliant meal and rest periods and
20 associated premium payments, provide accurate wage statements, timely pay wages upon termination,
21 and reimburse necessary business-related expenses in violation of California Labor Code Sections 201,
22 202, 203, 226(a), 226.7, 510, 512, 1194, 1197, 1197.1, 1198, 2800, and 2802, and the applicable Industrial
23 Welfare Commission Wage Order and California Business and Professions Code sections 17200, *et seq.*
24 *Id.*, ¶ 6 (ee).

25 "Released PAGA Claims" means any and all claims arising from any of the factual allegations in
26 the PAGA Letter, arising during the PAGA Period, for civil penalties under the Private Attorneys General
27 Act of 2004, California Labor Code Sections 2698 *et seq.*, including all claims for attorneys' fees and
28 costs related thereto, for Defendant's alleged failure to pay overtime and minimum wages, provide

compliant meal and rest periods and associated premium payments, timely pay wages during employment and upon termination, provide complaint wage statements, maintain complete and accurate payroll records, and reimburse necessary business-related expenses in violation of California Labor Code Sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and the applicable Industrial Welfare Commission Wage Order. *Id.*, ¶ 6 (ff).

“Released Parties” means Defendant and its current and former officers, directors, members, insurers, shareholders, subsidiaries, affiliates, predecessors, successors, and assigns. *Id.*, ¶ 6 (gg).

IV. STANDARD OF REVIEW FOR PRELIMINARY APPROVAL

The settlement of a class action requires court approval. *See Dunk v. Ford Motor Co.*, 48 Cal. App. 4th 1794 (1996). “In general, questions whether a settlement was fair and reasonable, whether notice to the class was adequate, whether certification of the class was proper, and whether the attorney fee award was proper are matters addressed to the trial court’s broad discretion.” *Wershba v. Apple Computer, Inc.*, 91 Cal.App.4th 224, 234-35 (2001) (disapproved on other grounds).

The review and approval of a proposed class action settlement involves a two-step process. *See* Cal. Rules of Court, Rule 3.769(c). First, counsel submit the proposed terms of the settlement and the Court makes a preliminary assessment of whether the settlement appears to be sufficiently within the range of a fair settlement to justify providing notice of the proposed settlement to class members. After notice is provided to the class, the Court must conduct a second inquiry into whether the proposed settlement is fair, reasonable, and adequate. *Id.*

The initial evaluation of the settlement at the preliminary approval step “is not a fairness hearing.” *Armstrong v. Board of School Directors of City of Milwaukee*, 616 F.2d 305, 314 (7th Cir. 1980). Rather, the limited purpose of this initial inquiry is to determine, at a threshold level, only whether the proposed settlement is within the range of possible approval and, as a result, “whether there is any reason to notify the class members of the proposed settlement and to proceed with a fairness hearing.” A presumption of fairness exists where: (1) the settlement is reached through arm’s length bargaining; (2) investigation and discovery are sufficient to allow counsel and the court to act intelligently; (3) counsel is experienced in similar litigation; and (4) the percentage of objectors is small. *See In re Microsoft I-V Cases*, 135 Cal. App. 4th 706, 723 (2006).

1 Preliminary approval does not require a court to make a final determination that the settlement is
2 fair, reasonable, and adequate. Rather, that decision is made only at the final approval stage, after notice
3 of the settlement has been given to the class members and they have had an opportunity to object or
4 exclude themselves from the settlement. *See* Cal. Rules of Court, Rule 3.769(g). In considering a
5 potential class settlement, the court need not reach any ultimate conclusions on the issues of fact and law
6 which underlie the merits of the dispute and need not engage in a trial on the merits. *See Officers for*
7 *Justice v. Civil Service Commission*, 688 F.2d 615, 625 (9th Cir. 1982).

8 **V. THE SETTLEMENT IS PRESUMED FAIR**

9 **A. The Settlement Was Reached as a Result of Arm's-Length Bargaining**

10 California courts recognize that “a presumption of fairness exists where . . . [a] settlement is
11 reached through arm's-length bargaining.” *Wershba*, 91 Cal.App.4th at 245; *see also Clark v. Am.*
12 *Residential Servs. LLC*, 175 Cal.App.4th 785, 799 (2009). Here, the Parties' settlement negotiations
13 were at all times made at arm's-length and were adversarial. Gold Decl., ¶ 23. The Settlement was
14 reached after completing a full day of mediation with a highly respected mediator with substantial
15 experience mediating wage and hour cases. *Ibid*. At all times, Plaintiff was willing and prepared to
16 litigate this matter through class certification and trial if the Parties had been unable to reach a favorable
17 resolution. *Id.*, ¶ 46.

18 **B. Sufficient Investigation and Discovery by Experienced Class Counsel**

19 Courts typically assess the status of discovery in determining whether a class action settlement
20 agreement is fair, reasonable, and adequate. *Dunk*, 48 Cal.App.4th at 1801. Prior to mediation,
21 Defendant produced putative class members' time and pay data, as well as Defendant's employee
22 handbook, relevant wage and hour policies, and information to determine the total number of putative
23 class members, the number of current versus former employees, the total workweeks worked by the
24 putative class members, and the average rate of pay for the putative class members. Gold Decl., ¶ 24.

25 This allowed Plaintiff's counsel to conduct an informed assessment and analysis of the strengths
26 and weaknesses of the claims and the potential class-wide damages. *Id.*, ¶ 25. Based on information
27 exchanged, the Parties extensively briefed issues regarding class certification and liability and provided
28 their analyses to the Mediator who helped the Parties debate the strengths and weakness of their respective

positions. *Id.*, ¶ 26. Additionally, settlement negotiations were conducted by highly capable and experienced counsel. Gold Decl., ¶¶ 2-9 and 45. Accordingly, Class Counsel had sufficient information and experience to act intelligently in negotiating the Settlement.

C. The Settlement is Fair and Reasonable in Light of the Parties’ Respective Legal Positions and Recovery Risks

A settlement is not judged against what might have been recovered had a plaintiff prevailed at trial, nor does the settlement have to obtain 100% of the damages sought to be fair and reasonable. *Wershba*, 91 Cal.App.4th at 246, 250. In evaluating the reasonableness of a settlement, a trial court must consider “the strength of plaintiffs’ case, the risk, expense, complexity and likely duration of further litigation, the risk of maintaining class action status through trial, the amount offered in settlement, the extent of discovery completed and the stage of the proceedings, the experience and views of counsel, the presence of a governmental participant, and the reaction of the class members to the proposed settlement.” *Kullar v. Foot Locker Retail, Inc.*, 168 Cal.App.4th 116, 128 (2008).

Here, the reasonableness of the Settlement is underscored by the fact that Defendant has legal and factual grounds for defending the Action. Based upon Class Counsel’s experience litigating similar complex matters, Plaintiff reasonably expected a vigorous and lengthy defense to both class certification and the merits of the Action absent a settlement. Gold Decl., ¶¶ 28-29.

1. Class Counsel’s Analysis of the Maximum Available Liability and Damages

Class Counsel analyzed all available data and estimated Defendant’s maximum potential exposure to be approximately \$33,740,743, assuming the litigation was successful at trial on all claims at issue and every employee had a violation for each claim on every shift worked, and then reduced this exposure analysis based on the challenges facing the likelihood of obtaining class certification, prevailing at trial, and other attendant risks. *Id.*, ¶ 27. This estimate is based off an estimated maximum liability for all claims at issue and the total aggregate workweeks during the relevant time period, less interest, and based on the analysis of the data which was extrapolated out for all Class Members across the entire putative class period, which included: \$6,272,900 for meal period violations less meal period premiums paid; \$2,943,864 for rest period violations; \$3,660,478 for unpaid off-the-clock work; \$192,322 for unpaid overtime wages at the required regular rate of pay; \$17,136,029 for waiting time penalties; and

1 \$3,535,150 in wage statement penalties. Ibid. Plaintiff further estimated that Defendant faced an
2 additional exposure of \$3,348,800 in potential, non-stacked (i.e., one penalty, per employee, per pay
3 period during the PAGA statutory period) PAGA penalties. Ibid. Together with the PAGA penalties,
4 Defendant's maximum potential exposure totaled \$37,089,543 in damages. Ibid.

5 **2. Class Counsel's Risk-Based Analysis and Risk-Based Adjustments**

6 While Plaintiff believes that Defendant faced significant exposure, substantial barriers to a
7 recovery existed. Defendant contended that Plaintiff's claims are not suitable for class certification
8 because individual issues and affirmative defenses would predominate should this case go to trial. Gold
9 Decl., ¶ 30; *See Brinker Restaurant Corp. v. Superior Court*, 53 Cal.4th 1004 (2012); *Duran v. U.S. Bank*
10 *Nat. Assn.*, 59 Cal.4th 1, 35-36 (2014); *Wal-Mart Stores, Inc. v. Dukes*, 131 S.Ct. 2541, 2551 (2011).
11 While Plaintiff and Class Counsel disagree with Defendant's predictions, they also recognize that there
12 is a significant risk that the Court may deny class certification. Gold Decl., ¶ 30; *see also, Findings of*
13 *the Study of California Class Action Litigation*, 2000-2006, available at
14 <http://www.courts.ca.gov/documents/class-action-lit-study.pdf> (finding that only 21.4% of all class
15 actions were certified either as part of a settlement or as part of a contested certification motion)).

16 *i. Meal Periods*

17 Plaintiff's meal period claims assert that Defendant failed to provide lawful meal periods.
18 Plaintiff's theory of liability for meal period violations was based on allegations that Defendant's
19 practices failed to allow Class Members to take meal breaks in the manner required under California law.
20 Gold Decl., ¶ 31; *See Bradley v. Networkers Int'l, LLC*, 211 Cal.App.4th 1129, 1150 (2012) (holding that
21 "the lack of a meal/rest break policy and uniform failure to authorize such breaks are matters of common
22 proof."). Plaintiff's analysis of the time data revealed that in 55.5% of all shifts there was at least one
23 unique meal period violation. Gold Decl., ¶ 31.

24 Defendant contended that its policies and practices at all times during the Class Period were
25 lawful. *Id.*, ¶ 32. Additionally, Defendant claimed that Plaintiff's estimated meal break violations may
26 be inflated because some Class Members signed a meal period waiver during their on-boarding. Ibid.
27 Defendant further argued that the rate of purported meal period violations reflected in the data would
28 require individualized inquiry and that such inquiry would prohibit a class from being certified. Ibid.

1 Additionally, the records showed that Defendant had paid meal premiums for 7% of the recorded meal
2 break violations. Ibid.

3 *ii. Rest Periods*

4 Plaintiff argued that Defendant failed to schedule, permit, or authorize compliant rest periods.
5 Plaintiff alleged that Plaintiff and other Class Members were unable to take their rest breaks because of
6 their heavy workloads. *Id.*, ¶ 33. Plaintiff reported that if he was able to take a rest break, they were
7 frequently interrupted by supervisors, coworkers, and/or customers. Ibid. Plaintiff's damages analysis
8 on this claim was based on an alleged 20% violation rate. Ibid.

9 As with the meal period allegations, Defendant contended that it had a lawful written rest period
10 policy, provided compliant rest breaks, and relieved Class Members of all duties as required under
11 California law. *Id.*, ¶ 34. Defendant also claimed that given the lack of records demonstrating rest period
12 violations, there were legitimate concerns in certifying these claims. Ibid.

13 *iii. Off-The-Clock Work*

14 Plaintiff minimum and overtime wages claims were largely based on unrecorded, off-the-clock
15 work performed by the Class Members both before and after their shifts and during purported meal and
16 rest periods. *Id.*, ¶ 35. For example, Class Members were required to perform pre-shift Covid-19 security
17 checks at Defendant's neighboring hotel, but were not compensated for the time it took them to walk to
18 the hotel, undergo the Covid checks, and return to their stations, which took approximately 10-15 minutes
19 per day. Ibid. Defendant claimed that the individualized nature of why this work was performed and the
20 individualized nature of damages presented substantial concerns regarding the manageability of the case
21 and the risk the Court could find these issues prevented certification. Ibid. The estimated damages for
22 this claim were based on an assumption that all Class Members worked off the clock for at least one hour
23 per week. Ibid.

24 *iv. Derivative Claims*

25 As with all derivative claims, success depends on the success of the underlying claims. *Id.*, ¶ 36.
26 Here, Plaintiff's claims for inaccurate wage statements and failure to pay all wages due upon termination
27 would only succeed if the underlying claims for failure to pay wages for off-the-clock work, failure to
28 pay overtime, and failure to pay premiums for all meal and rest periods not lawfully provided were

1 successful. Ibid. Therefore, these claims were subject to the same risks of failure as discussed above.
2 Ibid. Also, even if Plaintiff prevailed on his underlying claims, he would still be required to demonstrate
3 that Defendant's violations of California Labor Code section 203 were *willful* violations. Gold Decl., ¶
4 36; *See, e.g., Choate v. Celite Corp.*, 215 Cal App. 4th 1460, 1468 (2013) (holding that "an employer's
5 reasonable, good faith belief that wages are not owed may negate a finding of willfulness"). Wage
6 statement claims have also seen varying treatment at the appellate level because such claims have an
7 element of discretion attached to them rather than a pure calculation of damages after liability is proven.
8 Gold Decl. ¶ 36; *Jaimez v. DAIOHS USA, Inc.*, 181 Cal.App.4th 1286 (2010) with *Price v. Starbucks*
9 *Corp.*, 192 Cal.App.4th 1136 (2011)). Accordingly, these derivative claims, which comprised a
10 substantial portion of Defendant's estimated liability, were therefore uncertain. Gold Decl. ¶ 36.

11 Class Counsel also recognized that, even if Plaintiff prevailed at class certification, proving the
12 amount of wages due to Class Members would be an expensive, time-consuming, and uncertain
13 proposition. *Id.*, ¶ 37. In order to prove liability and damages, Class Counsel will need to request and
14 analyze thousands of pages of documents, obtain the Class Members' contact information, contact them,
15 and obtain their declarations at great expense. Ibid. Obtaining the cooperation of current employees
16 would also be difficult, given the likely reluctance to aid prosecution of a lawsuit against a current
17 employer. Ibid. On the other hand, Defendant would likely be able to obtain the cooperation of their
18 employees. Ibid. Moreover, even if Plaintiff prevailed at class certification and trial, possible appeals
19 would substantially delay any recovery by the Class. Ibid.

20 Therefore, taking into account how each of the above risks potentially effected Plaintiff's ability
21 to obtain class certification, thereafter prove the underlying violations, and the cost and delay in
22 recovering the alleged potential damages, Class Counsel discounted Defendant's estimated liability by
23 70% to \$11,126,863. *Id.*, ¶ 38. The merits-based risk factors further reduced Defendant's estimated
24 liability by an additional 40%. Ibid. This resulted in an adjusted estimated liability of \$6,676,118. Ibid.
25 In light thereof, the settlement amount of \$5,900,000.00 is a significant settlement. Ibid.

26 Class Counsel also contemplated the risks of proceeding with the PAGA action and potential
27 liability Defendant could face from this claim as part of the global resolution. *Id.*, ¶ 39. Existing case
28 law makes PAGA claims subject to the same defenses and risks as Plaintiff's underlying wage claims.

1 Gold Decl., ¶ 39; see, *Elliot v. Spherion Pac. Work, LLC*, 572 F.Supp.2d 1169, 1181-82 (C.D. Cal. 2008)
2 (“Plaintiff’s claim under [PAGA] is wholly dependent upon her other claims. Because all of Plaintiff’s
3 other claims fail as a matter of law, so does her PAGA claim”). Class Counsel anticipated that even if
4 successful on the merits at trial, the imposition of cumulative civil penalties based on the alleged wage
5 and hour violations could be considered unjust, arbitrary and oppressive, or confiscatory, and that
6 Defendant would argue that it made a good faith attempt to comply with its legal obligations warranting
7 a reduction in penalties. *Id.*, ¶ 39. Class Counsel also anticipated Defendant would argue that it made a
8 good faith attempt to comply with its legal obligations and that the violations per pay period were low,
9 warranting an additional reduction in civil penalties. *Ibid.* Finally, Class Counsel was also mindful of
10 the fact that PAGA is fundamentally not intended to be compensatory in nature, but is instead intended
11 to facilitate enforcement of California’s labor laws by financing state activities and educating and
12 deterring non-compliance. *Ibid.*

13 Therefore, after considering this multitude of factors, Plaintiff and Class Counsel concluded that
14 it was in the best interest of the State of California and the PAGA Employees to enter into the Settlement,
15 and to allocate Three Hundred Thousand Dollars and Zero Cents (\$300,000.00) of the Gross Settlement
16 Amount towards the PAGA claim, which represents approximately 5.08% of the Gross Settlement
17 Amount. *Id.*, ¶40. This percentage of the settlement is well within the range of wage and hour settlements
18 regularly approved in both state and federal court for cases that include both a class and PAGA action.
19 *Ibid.* Typically, such hybrid cases allocate only 1% of the gross settlement value to resolve PAGA claims,
20 and, indeed, settlements allocations as little as 0.22% of the gross settlement amount have been approved
21 as reasonable by courts. *Ibid.* Moreover, the overall relief obtained by the Settlement is significant, not
22 only from a monetary perspective, but also because it fulfills the public policy objectives of PAGA—to
23 promote enforcement of California’s labor laws, provide funds to the state, and deter future non-
24 compliance by the employer. *Ibid.*

25 The Settlement is in the best interest of the Class Members, the PAGA Employees, and the State
26 of California and is within the accepted range of recoveries for this type of litigation given the inherent
27 risk of litigation, the risk of obtaining and maintaining class certification, and the costs of further
28 litigation. *Id.*, ¶ 41.

1 **VI. CERTIFICATION FOR SETTLEMENT PURPOSES IS WARRANTED**

2 Code of Civil Procedure Section 382 provides that three basic requirements must be met in order
3 to sustain any class action: (1) there must be an ascertainable class; (2) there must be a well-defined
4 community of interest in the question of law or fact affecting the parties to be represented; and (3)
5 certification will provide substantial benefits to litigants and the courts, i.e., proceeding as a class action
6 is superior to other methods. *See Dunk*, 48 Cal.App.4th at 1806. Plaintiff contends that the Action, which
7 is based upon Defendant’s wage and hour policies and practices, satisfies the class certification
8 requirements under California Code of Civil Procedure section 382. Defendant denies Plaintiff’s
9 allegations, but for purposes of the Settlement only, Defendant has stipulated to certification of the Class.

10 **A. An Ascertainable Class Exists Which is So Numerous That Joinder of All Members is**
11 **Impracticable**

12 Whether an ascertainable class exists turns on three factors: (1) the class definition, (2) the size of
13 the class, and (3) the means of identifying the class members. *See Miller v. Woods*, 148 Cal.App.3d 862,
14 873 (1983). In this case, all three considerations strongly favor class certification. Here, the Class is
15 defined as “all current and former hourly-paid and/or non-exempt employees (including adults and
16 minors the age of 18) who worked for Defendant in the State of California at any time during the Class
17 Period.” Gold Decl., ¶ 15; Settlement Agreement, ¶ 6(b). This provides a clear and definite scope for
18 the proposed class.

19 Next, the Class is sufficiently numerous. There is no magic number that satisfies the numerosity
20 requirement. Courts have certified classes with as few as ten or twenty-eight class members. *Rose v.*
21 *City of Hayward*, 126 Cal.App.3d 926, 934 (1981); *Bowles v. Superior Court*, 44 Cal. 2d 574 (1995);
22 *Hebbard v. Colgrove*, 28 Cal.App.3d 1017, 1030 (1972). Here, the estimated Class size of five thousand
23 five hundred and forty-three (5,543) individuals (as of July 19, 2024) meets the numerosity requirement.
24 Gold Decl., ¶ 15.

25 Finally, the question of whether class members are easily identifiable turns on whether a plaintiff
26 can establish “the existence of an ascertainable class.” *Daar v. Yellow Cab Co.*, 67 Cal.2d 695 at 706
27 (1967). The existence of an ascertainable class in this case can be established through Defendant’s payroll
28 records, and the Class definition is sufficiently specific to enable the Parties, Class Members, and the

1 Court to determine the parameters of the Class. *See Clothesrigger, Inc. v. GTE Corp.*, 191 Cal.App.3d
2 605, 617 (1987).

3 **B. The Class Shares a Well-Defined Community of Interest**

4 The community of interest requirement embodies three factors: (1) predominant questions of law
5 and fact; (2) class representatives with claims or defenses typical of the class; and (3) class representatives
6 who can adequately represent the class. *Dunk*, 48 Cal.App.4th at 1806. Here, all three requirements are
7 easily satisfied.

8 The commonality criterion requires the existence of common question of law or fact and is
9 generally established with the issues of predominance and typicality. *See Daar*, 67 Cal.2d 695, 706.
10 What is required is that a common question of fact or law exists which predominates over issues unique
11 to individual plaintiffs. The existence of individual issues or facts—generally present in any case arising
12 from employment—is not a bar to class certification as long as they do not render class litigation
13 unmanageable or predominate over the common issues. *See B.W.I. Custom Kitchen v. Owens-Illinois,*
14 *Inc.*, 191 Cal.App.3d 1341, 1354 (1987).

15 Here, Plaintiff's claims present common issues of law and fact that predominate and warrant class
16 certification. Plaintiff alleges that Defendant denied compliant meal and rest periods to employees,
17 required employees to perform work off-the-clock, and failed to fully compensate employees for all time
18 actually worked. These policies and practices meant that Defendant allegedly failed to pay minimum and
19 overtime wages, and other related claims. Plaintiff alleges that Defendant's policies and practices were
20 uniform as to all Class Members. Thus, class treatment is appropriate.

21 To satisfy the typicality requirement, California law does not require that plaintiffs' claims be
22 identical to the other class members. Rather, the test of typicality for a class representative is whether
23 other members have the same or similar injury, whether the action is based on conduct which is not
24 unique to the named plaintiff, and whether other class members have been injured by the same course of
25 conduct. *See Seastrom v. Neways, Inc.*, 149 Cal.App.4th 1496, 1502 (2007). The typicality requirement
26 for a class representative refers to the nature of the claim or defense of the representative, and not to the
27 specific facts from which it arose or the relief sought. *See ibid.*

28 ///

1 Here, Plaintiff alleges that his claims are similar to that of the other Class Members and that
2 Plaintiff's claims arise out of the same alleged course of conduct giving rise to the claims of the other
3 Class Members. Because Plaintiff's claims are based upon the same alleged conduct and business
4 practices as those of Class Members, the typicality requirement has been satisfied.

5 Finally, the question of adequacy of representation "depends on whether the plaintiff's attorney
6 qualifies to conduct the proposed litigation in the plaintiff's interest or not antagonistic to the interests of
7 the class." *McGee v. Bank of America*, 60 Cal.App.3d 442, 450 (1976). Here, these considerations are
8 satisfied. Class Counsel is well-regarded and is qualified and experienced in employment-related, class-
9 action litigation. Gold Decl., ¶¶ 2-9 and 45. Plaintiff will vigorously, adequately, and fairly represent
10 the interests of the Class. Plaintiff has, at all times, throughout the course of the litigation considered the
11 interests of the Class and understood that he must take steps to adequately represent the Class and their
12 interests. Sanford Decl., ¶ 10. Because Plaintiff's claims are typical of other Class Members and are not
13 based on unique circumstances, there is no antagonism between the interests of Plaintiff and the Class.

14 **C. A Class Action is Superior to a Multiplicity of Litigation**

15 Under the circumstances, proceeding as a class action is a superior means of resolving this dispute,
16 as the Class Members and the Court will derive substantial benefits. Class certification would serve as
17 the only means to deter and redress the alleged violations. *See Linder v. Thrifty Oil Co.*, 23 Cal.4th 429,
18 434 (2000) (relevant considerations include the probability that each class member will come forward to
19 prove his or her separate claim and whether the class approach would actually serve to deter and redress
20 the alleged wrongdoing). Further, individual actions arising out of the same operative facts would unduly
21 burden the courts and could result in inconsistent results. Therefore, class action proceedings are superior
22 to individual litigation.

23 **VII. THE REQUESTED ENHANCEMENT PAYMENT IS REASONABLE**

24 Plaintiffs in class action lawsuits are eligible for reasonable incentive payments as compensation
25 "for the expense or risk they have incurred in conferring a benefit on other members of the class." *Munoz*
26 *v. BCI Coca-Cola Bottling Co.*, 186 Cal.App.4th 399, 412 (2010). Courts routinely grant approval of
27 class action settlement agreements containing enhancements for the class representative, which are
28 necessary to provide incentive to represent the class and are appropriate given the benefit the class

representatives help to bring about for the class. See *In re Online DVD Rental*, 779 F.3d 934, 947-948 (9th Cir. 2014) (approving incentive award 417 times larger than individual payments where incentive award made up a mere .17% of the settlement); *Gaudin v. Saxon Mortgage Servs., Inc.*, 2015 WL 7454183, at *10 (N.D. Cal. Nov. 23, 2015) (finding service award of \$15,000 to be “fair and reasonable”).

Plaintiff initiated this litigation on behalf of his former co-workers who will now be entitled to receive payment from the Settlement. Plaintiff invested substantial time and effort into litigation, including his own research, reviewing documents, and extensive discussions with Class Counsel. Sanford Decl., ¶¶ 3-5. Further, the requested amount for Plaintiff is also reasonable given the average award and the benefit gained by other Class Members. For these reasons, Plaintiff requests that an Enhancement Payment of Seven Thousand Five Dollars and Zero Cents (\$7,500.00) to Plaintiff be preliminarily approved by the Court. Gold Decl., ¶ 42; Sanford Decl., ¶ 12.

VIII. THE REQUESTED ATTORNEYS’ FEES AND COSTS ARE REASONABLE

Trial courts have “wide latitude” in assessing the value of attorneys’ fees and their decisions will “not be disturbed on appeal absent a manifest abuse of discretion.” *Lealao v. Beneficial Cal, Inc.*, 82 Cal.App.4th 19, 41 (2000). California law provides that attorney fee awards should be equivalent to fees paid in the legal marketplace to compensate for the result achieved and risk incurred. *Id.* at 47. In cases where class members present claims against a common fund and the defendant agrees to a percentage of the fund as part of the settlement, use of the percentage method is appropriate. *Id.* at 32.

Here, the requested attorneys’ fees of one-third (1/3) the Gross Settlement Amount (i.e., \$1,966,666.67 if the Gross Settlement Amount is \$5,900,000.00) is disclosed to Class Members in the proposed Class Notice. Settlement Agreement, Ex. A. The requested fee was freely negotiated, is common in the legal marketplace, and is not opposed by Defendant. The Motion for Final Approval will elaborate on the nature of the legal services provided and will also support Class Counsel’s request for the reimbursement of litigation costs and expenses not to exceed Twenty-Three Thousand Dollars and Zero Cents (\$23,000.00). Gold Decl., ¶¶ 43. The Attorneys’ Fees and Costs that are not ultimately approved by the Court shall instead be included in the Net Settlement Amount to be distributed to Settlement Class Members. Settlement Agreement, ¶ 9.

///

1 **IX. THE CLASS NOTICE AND THE OPT-OUT AND OBJECTION PROCESS**
2 **MEETS DUE PROCESS REQUIREMENTS**

3 The Parties have jointly drafted the Class Notice, which will be mailed to the Class Members.
4 Settlement Agreement, Ex. A. The Class Notice will include information regarding the nature of the
5 Action, a summary of the terms of the Settlement, the Class definition, information on how to object to
6 and/or opt-out of the Class Settlement and to dispute Class Member Workweeks and/or PAGA
7 Workweeks, and the date of the Final Approval Hearing. *Id.* The Class Notice will list each Class
8 Member's total Workweeks and their estimated Individual Settlement Share and each PAGA Employee's
9 total PAGA Workweeks and their estimated Individual PAGA Payment. *Id.*

10 Within twenty-one (21) calendar days after entry of the preliminary approval order, Defendant
11 will provide a list in a formatted readable Microsoft Office Excel spreadsheet to the Settlement
12 Administrator containing the following information for each Class Member: (1) full name; (2) last known
13 mailing address; (3) Social Security number; (4) dates worked for Defendant during the Class Period;
14 and (5) such other information as is necessary for the Settlement Administrator to calculate Workweeks
15 and PAGA Workweeks (if applicable) (collectively referred to as the "Class List"). *Id.*, ¶¶ 6(d) & 23.
16 Within seven (7) calendar days after receiving the Class List, the Settlement Administrator will perform
17 a search based on the National Change of Address Database or any other similar services available, such
18 as provided by Experian, for information to update and correct for any known or identifiable address
19 changes, and will mail a Class Notice in English and Spanish (in the form attached as Exhibit A to this
20 Settlement Agreement) to all Class Members via First-Class U.S. Mail, using the most current, known
21 mailing addresses identified by the Settlement Administrator. *Id.*, ¶ 24(a). The envelope containing the
22 Class Notice will be addressed to "[Name of Class Member] and/or their Parent/Guardian." *Ibid.* The
23 Parties have agreed to use ILYM Group, Inc. as the Settlement Administrator. Gold Decl., ¶47;
24 Settlement Agreement, ¶ 6(jj).

25 In determining whether to approve a settlement of a class action, a trial court has virtually
26 complete discretion as to the manner of giving notice to class members, and review on appeal is governed
27 by the abuse of discretion standard. *See In re Cellphone Fee Termination Cases*, 186 Cal.App.4th 1380
28 (2010). Here, Class Counsel is not aware of an alternative method of providing notice to the Class which

1 would result in a higher likelihood of actual notice. Gold Decl., ¶ 48. The original source of the mailing
2 addresses is from Class Members, who provided the information to Defendant. *Id.*

3 Class Members (and/or the parent or guardian of a Class Member who is under the age of 18) will
4 have forty-five (45) calendar days after the initial mailing of the Class Notice by the Settlement
5 Administrator to submit a Request for Exclusion, Notice of Objection, and/or Workweeks Dispute
6 (“Response Deadline”). Settlement Agreement, ¶ 6(ii).

7 Any Class Notice returned to the Settlement Administrator as undeliverable on or before the
8 Response Deadline will be sent promptly via First-Class U.S. Mail to the forwarding address affixed
9 thereto and the Settlement Administrator will indicate the date of such re-mailing on the Class Notice.
10 *Id.*, ¶ 24(b). If no forwarding address is provided, the Settlement Administrator will promptly attempt to
11 determine a correct address using a skip-trace or other search, using the name, address, and/or Social
12 Security number of the Class Member, and perform a single re-mailing within five (5) calendar days. *Id.*
13 In the event that a Class Notice is re-mailed to a Class Member, the Response Deadline for that Class
14 Member shall be extended fifteen (15) calendar days from the original Response Deadline. *Id.*, ¶ 6(ii).

15 Class Members (and/or the parent or guardian of any Class Member under the age of 18) will
16 have an opportunity to dispute the number of Workweeks and/or PAGA Workweeks to which the Class
17 Member has been credited, as reflected in their respective Class Notices, by submitting a timely and valid
18 letter (“Workweeks Dispute”) to the Settlement Administrator, by mail, on or before the Response
19 Deadline. *Id.*, ¶¶ 6(nn) and 25. A Workweeks Dispute must: (a) contain the case name and number of
20 the Action; (b) contain the Class Member’s full name, signature, address, telephone number, and the last
21 four (4) digits of the Class Member’s Social Security number; (c) clearly state that the Class Member
22 disputes the number of Workweeks and/or PAGA Workweeks credited to the Class Member and what
23 the Class Member contends is the correct number; and (d) be returned by mail to the Settlement
24 Administrator at the specified address, postmarked on or before the Response Deadline. *Id.*, ¶ 6(nn).

25 Any Class Member (and/or the parent or guardian of a Class Member under the age of 18) wishing
26 to be excluded from the Class Settlement must submit a timely and valid letter (“Request for Exclusion”)
27 to the Settlement Administrator, by mail, on or before the Response Deadline. *Id.*, ¶¶ 6(hh) & 26. A
28 Request for Exclusion must: (a) contain the case name and number of the Action; (b) contain the Class

Member's full name, signature, address, telephone number, and last four (4) digits of the Class Member's Social Security number; (c) clearly state that the Class Member does not wish to be included in the Class Settlement; and (d) be returned by mail to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline. *Id.*, ¶ 6(hh). Notwithstanding the above, all PAGA Employees will be bound to the PAGA Settlement will be issued their Individual PAGA Payment, irrespective of whether they submit a Request for Exclusion. *Id.*, ¶ 26.

To object to the Class Settlement, a Settlement Class Member (and/or the parent or guardian of a Settlement Class Member under the age of 18) must submit a timely and complete written objection ("Notice of Objection") to the Settlement Administrator, by mail, on or before the Response Deadline. *Id.*, ¶¶ 6(v) & 27. A Notice of Objection must: (a) contain the case name and number of the Action; (b) contain the Settlement Class Member's full name, signature, address, telephone number, and the last four (4) digits of the Settlement Class Member's Social Security number; (c) contain a written statement of all grounds for the objection accompanied by any legal support for such objection; (d) contain copies of any papers, briefs, or other documents upon which the objection is based; and (e) be returned by mail to the Settlement Administrator at the specified address, postmarked on or before the Response Deadline. *Id.*, ¶ 6(v). A Settlement Class Member (and/or the parent or guardian of a Settlement Class Member under the age of 18), individually or through counsel, may also present their objection orally at the Final Approval Hearing, regardless of whether they have submitted a Notice of Objection. *Id.*, ¶ 27.

X. SCHEDULE FOR COMPLETION OF ITEMS PRIOR TO FINAL APPROVAL HEARING

If the Court enters the Order Granting Preliminary Approval of Class Action and PAGA Settlement on September 12, 2024, which is the date of the hearing on Plaintiff's Motion for Preliminary Approval of Class Action and PAGA Settlement, then the following schedule would be in place for all items that must be completed before the final approval hearing:

Event	Estimated Completion Date Per Settlement Agreement
Defendant to Provide Class List to Settlement Administrator	October 3, 2024 -Within 21 calendar days of Preliminary Approval. Gold Decl., Ex. 2, ¶ 23.

Settlement Administrator to Mail Class Notice	October 10, 2024- Within 7 calendar days of Settlement Administrator Receiving the Class List. Gold Decl., Ex. 2, ¶ 24(a).
Response Deadline	November 25, 2024- 45 calendar days of the Class Notice Mailing. Gold Decl., Ex. 2, ¶ 6(ii).
Response Deadline, if Class Notice is Rемаiled	December 10, 2024- 15 calendar days of the Original Response Deadline. Gold Decl., Ex. 2, ¶ 6(ii).
Final Approval Hearing	No Earlier Than January 9, 2025- No earlier than 30 calendar days after the Response Deadline. Gold Decl., Ex. 2, ¶ 31.

Therefore, Plaintiff believes that a final approval hearing date should be set for January 9, 2025 or a date thereafter that is convenient for the Parties.

XI. CONCLUSION

For all of the foregoing reasons, Plaintiff respectfully requests that this Court grant Plaintiff's Motion for Preliminary Approval of Class Action and PAGA Settlement and the relief requested herein.

Respectfully submitted,

Dated: August 19, 2024

BLACKSTONE LAW, APC

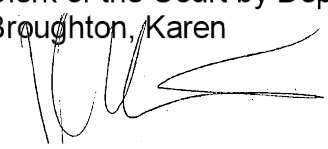
By:


 Jonathan M. Genish
 Karen I. Gold
 Ashley H. Cruz
 Marissa A. Mayhood
Attorneys for Plaintiff TRAVIS SANFORD, individually,
 and on behalf of other similarly situated employees and
 aggrieved employees pursuant to the California Private
 Attorneys General Act

EXHIBIT 3

ELECTRONICALLY RECEIVED
9/16/2024 4:22 PM

Electronically Filed
Superior Court of California
County of Santa Cruz
September 17, 2024
Clerk of the Court by Deputy,
Broughton, Karen



Jonathan M. Genish (State Bar No. 259031)
jgenish@blackstonepc.com
Karen I. Gold (SBN 258360)
kgold@blackstonepc.com
Ashley Cruz (SBN 306235)
acruz@blackstonepc.com
Marissa A. Mayhood (SBN 334376)
mmayhood@blackstonepc.com
BLACKSTONE LAW, APC
8383 Wilshire Boulevard, Suite 745
Beverly Hills, California 90211
Tel: (310) 622-4278 / Fax: (855) 786-6356

Attorneys for Plaintiff TRAVIS SANFORD, individually,
and on behalf of other similarly situated employees and
aggrieved employees pursuant to the California Private
Attorneys General Act

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SANTA CRUZ**

TRAVIS SANFORD, individually, and on
behalf of other similarly situated employees
and aggrieved employees pursuant to the
California Private Attorneys General Act,

Plaintiff,

vs.

SANTA CRUZ SEASIDE COMPANY, a
California corporation; and DOES 1 through
25, inclusive,

Defendants.

Case No.: 23CV01762

*Assigned for all purposes to the Honorable
Syda K. Cogliati, Dept. 5*

**~~PROPOSED~~ ORDER GRANTING
PRELIMINARY APPROVAL OF CLASS
ACTION AND PAGA SETTLEMENT**

Date: September 12, 2024
Time: 8:30 a.m.
Dept.: 5

Complaint Filed: July 25, 2023
FAC Filed: August 5, 2024
Trial Date: Not Set

1 **~~[PROPOSED]~~ ORDER**

2 On September 12, 2024, at 8:30 a.m. in Department 5 of the above-captioned Court located at
3 701 Ocean Street, Santa Cruz, California 95060, Plaintiff Travis Sanford's ("Plaintiff") Motion for
4 Preliminary Approval of Class Action and PAGA Settlement came on for hearing before the
5 Honorable Syda K. Cogliati. Blackstone Law, APC appeared on behalf of Plaintiff and Folger Levin
6 LLP appeared on behalf of Defendant Santa Cruz Seaside Company ("Defendant").

7 The Court, having carefully considered the papers, argument of counsel, and all matters
8 presented to the Court, and good cause appearing, hereby **GRANTS** Plaintiff's Motion for Preliminary
9 Approval of Class Action and PAGA Settlement.

10 **IT IS HEREBY ORDERED THAT:**

11 1. The Court finds that the settlement falls within a range of reasonableness and is
12 presumptively valid; appears to be a product of serious, informed and non-collusive negotiations;
13 and has no obvious deficiencies. The court grants preliminary approval of the settlement;
14 conditionally certifies the class; approves the class notice as to form and content; and adopts the
15 Proposed Order Granting Motion for Preliminary Approval of Class Action and PAGA
16 Settlement submitted by class counsel.

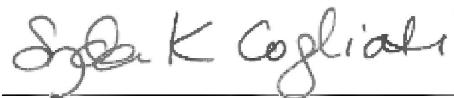
17 2. Counsel should appear to set a fairness hearing on the question of whether the proposed
18 class action settlement, class counsel's fees and expenses, the class representative's enhancement
19 award, and the administrator's fees and costs should be finally approved as fair, reasonable and
20 adequate as to the members of the settlement class. The court notes the proposed order filed does
21 not contain the referenced Exhibit 1, which is the class notice. The court reviewed the class
22 notice which is attached to the settlement agreement as Exhibit A. Counsel should confirm this is
23 Class Notice which will be Exhibit 1 to the proposed order and submit the same to the court for
24 review.

25 3. Attached hereto as **Exhibit 1**. The Class Notice shall be provided to Class Members
26 in the manner set forth in the Settlement Agreement. The Court finds that the Class Notice appears to
27 fully and accurately inform the Class Members of all material elements of the Settlement, of Class
28 Members' right to be excluded from the Class Settlement by submitting a Request for Exclusion, of
Class Members' right to dispute the Workweeks and/or PAGA Workweeks credited to each of them

1 by submitting a Workweeks Dispute, and of each Settlement Class Member's right and opportunity to
2 object to the Class Settlement by submitting a Notice of Objection to the Settlement Administrator.
3 The Court further finds that the Class Notice will be addressed to the name of each Class Member
4 "and/or their Parent/Guardian" and that the Class Notice advises that a parent or guardian may, on
5 behalf of a Class Member under the age of 18, request exclusion from the Class Settlement, dispute
6 the Class Member's Workweeks and/or PAGA Workweeks, and/or object to Class Settlement. The
7 Court further finds that distribution of the Class Notice substantially in the manner and form set forth
8 in the Settlement Agreement and this Order, and that all other dates set forth in the Settlement
9 Agreement and this Order, meet the requirements of due process and shall constitute due and sufficient
10 notice to all persons entitled thereto. The Court further orders the Settlement Administrator to mail
11 the Class Notice by First-Class U.S. Mail in English and Spanish to all Class Members within seven
12 (7) calendar days of receipt of the Class List, pursuant to the terms set forth in the Settlement
13 Agreement.

14
15 **IT IS SO ORDERED.**

16
17 Dated: September 17, 2024



The Honorable Syda K. Cogliati
Judge of the Superior Court

EXHIBIT 1

NOTICE OF CLASS ACTION SETTLEMENT

Travis Sanford v. Santa Cruz Seaside Company **Superior Court of California for the County of Santa Cruz, Case No. 23CV01762**

PLEASE READ THIS CLASS NOTICE CAREFULLY.

You have received this Class Notice because Defendant's records indicate that you may be eligible to take part in the class action settlement reached in the above-referenced case.

You do not need to take any action to receive a settlement payment.

This Class Notice is designed to advise you (and/or your parent or guardian) of your rights and options with respect to the settlement, and how you can request to be excluded from the Class Settlement, object to the Class Settlement, and/or dispute the number of Workweeks and/or PAGA Workweeks that you are credited with, if you so choose.

YOU (AND/OR YOUR PARENT OR GUARDIAN IF YOU ARE UNDER THE AGE OF 18) ARE NOTIFIED THAT: A class and representative action settlement has been reached between Plaintiff Travis Sanford ("Plaintiff") and Defendant Santa Cruz Seaside Company ("Defendant") (Plaintiff and Defendant are collectively referred to as the "Parties") in the case entitled *Travis Sanford v. Santa Cruz Seaside Company*, Santa Cruz County Superior Court, Case No. 23CV01762 ("Action"), which may affect your legal rights. On [date of Preliminary Approval], the Court granted preliminary approval of the settlement and scheduled a hearing on [hearing date] at [hearing time] ("Final Approval Hearing") to determine whether or not the Court should grant final approval of the settlement.

I. IMPORTANT DEFINITIONS

"Class" or "Class Member(s)" means all current and former hourly-paid and/or non-exempt employees (including adults and minors under the age of 18) who worked for Defendant in the State of California at any time during the Class Period.

"Class Period" means the period from July 25, 2019 through August 11, 2024.

"Class Settlement" means the settlement and resolution of all Released Class Claims.

"PAGA Employees" means all current and former hourly-paid and/or non-exempt employees (including adults and minors under the age of 18) who worked for Defendant in the State of California at any time during the PAGA Period.

"PAGA Period" means the period from July 15, 2023 through August 11, 2024.

"PAGA Settlement" means the settlement and resolution of all Released PAGA Claims.

II. BACKGROUND OF THE ACTION

On July 25, 2023, Plaintiff commenced a putative class action lawsuit against Defendant by filing a Class Action Complaint for Damages. On July 15, 2024, Plaintiff provided written notice to the California Labor and Workforce Development Agency ("LWDA") and Defendant of the specific provisions of the California Labor Code that Plaintiff contends were violated ("PAGA Letter"). On August 5, 2024, Plaintiff filed a First Amended Class Action Complaint for Damages and Enforcement Action Under the Private Attorneys General Act, California Labor Code §§ 2698 Et Seq. ("Operative Complaint"), adding a cause of action under the Private Attorneys General Act of 2004 pursuant to California Labor Code Section 2698, *et seq.* ("PAGA").

Plaintiff contends that Defendant failed to properly pay minimum and overtime wages, provide compliant meal and rest breaks and associated premiums, timely pay wages upon termination of employment and associated waiting-time penalties, provide accurate wage statements, and reimburse business expenses, and thereby engaged in unfair business practices in violation of the California Business and Professions Code section 17200, *et seq.*, and conduct that gives rise to penalties under PAGA. Plaintiff seeks, among other things, recovery of unpaid wages and meal and rest period premiums, unreimbursed business expenses, restitution, penalties, interest, and attorneys' fees and costs.

Defendant strongly denies all of Plaintiff's claims, asserts that Plaintiff is not entitled to recover any damages or penalties, and contends that Defendant has complied with all employment laws.

The Parties participated in mediation with a respected class action mediator, and as a result, the Parties reached a settlement. The Parties have since entered into a Joint Stipulation of Class Action and PAGA Settlement ("Settlement" or "Settlement Agreement").

On [Date of Preliminary Approval], the Court entered an order preliminarily approving the Settlement. The Court has appointed ILYM Group, Inc. as the administrator of the Settlement ("Settlement Administrator"), Plaintiff Travis Sanford as representative of the Class ("Class Representative"), and the following Plaintiff's attorneys as counsel for the Class ("Class Counsel"):

Jonathan M. Genish
Karen I. Gold
Ashley H. Cruz
Marissa A. Mayhood
Blackstone Law, APC
8383 Wilshire Boulevard, Suite 745
Beverly Hills, California 90211
Tel: (310) 622-4278 / Fax: (855) 786-6356

If you are a Class Member, no action is necessary to receive an Individual Settlement Payment. However, Class Members (and/or the parent or guardian of a Class Member who is under the age of 18) have the opportunity to request exclusion from the Class Settlement (in which case you will not receive an Individual Settlement Payment), object to the Class Settlement, and/or dispute the Workweeks and/or PAGA Workweeks credited to you, if you so choose, as explained more fully in Sections III and IV below. If you are a PAGA Employee, you do not need to take any action to receive an Individual PAGA Payment; you will not have the opportunity to object or seek exclusion from the PAGA Settlement and all PAGA Employees will be bound to the PAGA Settlement if the Court grants final approval of the Settlement.

The Settlement represents a compromise and settlement of highly disputed claims. Nothing in the Settlement is intended or will be construed as an admission by Defendant that the claims in the Action have merit or that Defendant has any liability to Plaintiff, Class Members, or PAGA Employees. Plaintiff and Defendant, and their respective counsel, have concluded and agree that, in light of the risks and uncertainties to each side of continued litigation, the Settlement is fair, reasonable, and adequate, and is in the best interests of the Class Members, the State of California, and PAGA Employees.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Settlement Formula

The total gross settlement amount is Five Million Nine Hundred Thousand Dollars and Zero Cents (\$5,900,000.00) (the "Gross Settlement Amount"). The portion of the Gross Settlement Amount that is available for payment to Class Members is referred to as the "Net Settlement Amount." The Net Settlement Amount will be the Gross Settlement Amount less the following payments which are subject to approval by the Court: (1) attorneys' fees, in an amount not to exceed one-third (1/3) of the Gross Settlement Amount (i.e., \$1,966,666.67 if the Gross Settlement Amount is \$5,900,000.00), and reimbursement of litigation costs and expenses, in an amount not to exceed Twenty-Three Thousand Dollars and Zero Cents (\$23,000.00) to Class Counsel; (2) Enhancement Payment in an amount not to exceed Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) to Plaintiff for his services in the Action; (3) the amount of Three Hundred Thousand Dollars and Zero Cents (\$300,000.00) allocated toward civil penalties under the Private Attorneys General Act ("PAGA Amount"), of which the LWDA will be paid 75% (\$225,000.00) ("LWDA Payment") and the remaining 25% (\$75,000.00) will be distributed to PAGA Employees ("PAGA Employee Amount"); and (4) Settlement Administration Costs in an amount not to exceed Thirty-Five Thousand Dollars and Zero Cents (\$35,000.00) to the Settlement Administrator.

Class Members are eligible to receive payment under the Class Settlement of their *pro rata* share of the Net Settlement Amount ("Individual Settlement Share") based on the number of weeks each Class Member worked for Defendant as an hourly-paid and/or non-exempt employee in California during the Class Period ("Workweeks"). The Settlement Administrator has divided the Net Settlement Amount by the Workweeks of all Class Members to yield the "Estimated

Workweek Value,” and multiplied each Class Member’s individual Workweeks by the Estimated Workweek Value to yield an estimated Individual Settlement Share that each Class Member may be entitled to receive under the Class Settlement (which is listed in Section III.C below). Class Members will be issued their final Individual Settlement Payment unless the Class Member (and/or the parent or guardian of a Class Member who is under the age of 18) submits a timely and valid Request for Exclusion. Class Members who do not submit a timely and valid Request for Exclusion are referred to as “Settlement Class Members”.

Each Individual Settlement Share will be allocated as twenty percent (20%) as wages, which will be reported on an IRS Form W-2, and eighty percent (80%) as penalties, interest, and non-wage damages, which will be reported on an IRS Form 1099 (if applicable). Each Individual Settlement Share will be subject to reduction for the employee’s share of payroll taxes and withholdings with respect to the wages portion of the Individual Settlement Shares resulting in a net payment to the Settlement Class Member (“Individual Settlement Payment”). The employer’s share of taxes and contributions in connection with the wages portion of Individual Settlement Shares (“Employer Taxes”) will be paid by Defendant separately and in addition to the Gross Settlement Amount.

PAGA Employees are eligible to receive payment under the PAGA Settlement of their *pro rata* share of the PAGA Employee Amount (“Individual PAGA Payment”) based on the number of weeks each PAGA Employee worked for Defendant as an hourly-paid and/or non-exempt employee in California during the PAGA Period (“PAGA Workweeks”). The Settlement Administrator had divided the PAGA Employee Amount, i.e., 25% of the PAGA Amount, by the PAGA Workweeks of all PAGA Employees to yield the “PAGA Workweek Value,” and multiplied each PAGA Employee’s individual PAGA Workweeks by the PAGA Workweek Value to yield each PAGA Employee’s Individual PAGA Payment.

Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties, will not be subject to taxes or withholdings, and will be reported on IRS Form 1099 (if applicable).

If the Court grants final approval of the Settlement, Individual Settlement Payments will be mailed to Settlement Class Members and Individual PAGA Payments will be mailed to PAGA Employees at the address that is on file with the Settlement Administrator. **If the address to which this Class Notice was mailed is not correct, or if you move after you receive this Class Notice, you must provide your correct mailing address to the Settlement Administrator as soon as possible to ensure you receive any payment that you may be entitled to under the Settlement.**

B. Your Workweeks and PAGA Workweeks (if applicable) Based on Defendant’s Records

According to Defendant’s records:

- **From July 25, 2019 through August 11, 2024 (i.e., the Class Period), you are credited as having worked [REDACTED] Workweeks.**
- **From July 15, 2023 through August 11, 2024 (i.e., the PAGA Period), you are credited as having worked [REDACTED] PAGA Workweeks.**

If you wish to dispute the Workweeks and/or PAGA Workweeks credited to you, you (and/or your parent or guardian if you are under the age of 18) must submit your dispute in writing to the Settlement Administrator (“Workweeks Dispute”). The Workweeks Dispute must: (a) contain the case name and number of the Action (*Sanford v. Santa Cruz Seaside Company*, Case No. 23CV01762); (b) contain the Class Member’s full name, signature, address, telephone number, and the Class Member’s last four (4) digits of your Social Security number; (c) clearly state that the Class Member disputes the number of Workweeks and/or PAGA Workweeks credited to the Class Member and what the Class Member contends is the correct number; and (d) be returned by mail to the Settlement Administrator at the specified address listed in Section IV.B below, postmarked **on or before [Response Deadline]**.

C. Your Estimated Individual Settlement Share and Individual PAGA Payment (if applicable)

As explained above, your estimated Individual Settlement Share and Individual PAGA Payment (if applicable) is based on the number of Workweeks and PAGA Workweeks (if applicable) credited to you.

**Under the terms of the Settlement, your Individual Settlement Share is estimated to be \$ [REDACTED].
The Individual Settlement Share is subject to reduction for the employee’s share of taxes and**

withholdings with respect to the wages portion of the Individual Settlement Share and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

Under the terms of the Settlement, your Individual PAGA Payment is estimated to be \$ [REDACTED] and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.

The settlement approval process may take multiple months. Your Individual Settlement Share and Individual PAGA Payment (if applicable) reflected in this Class Notice is only an estimate. Your actual Individual Settlement Payment and Individual PAGA Payment (if applicable) may be higher or lower.

D. Release of Claims

Upon the full funding of the Gross Settlement Amount, Plaintiff and all Settlement Class Members will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released Class Claims.

Upon the full funding of the Gross Settlement Amount, Plaintiff, the State of California with respect to all PAGA Employees, and all PAGA Employees will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released PAGA Claims.

“Released Class Claims” means any and all claims, debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys’ fees, damages, or causes of action which were alleged or which could have been alleged based on the factual allegations in the Operative Complaint, arising during the Class Period, under any federal, state, or local law, and shall specifically include claims for Defendant’s alleged failure to pay overtime and minimum wages, provide compliant meal and rest periods and associated premium payments, provide accurate wage statements, timely pay wages upon termination, and reimburse necessary business-related expenses in violation of California Labor Code Sections 201, 202, 203, 226(a), 226.7, 510, 512, 1194, 1197, 1197.1, 1198, 2800, and 2802, and the applicable Industrial Welfare Commission Wage Order and California Business and Professions Code sections 17200, *et seq.*

“Released PAGA Claims” means any and all claims arising from any of the factual allegations in the PAGA Letter, arising during the PAGA Period, for civil penalties under the Private Attorneys General Act of 2004, California Labor Code Sections 2698 *et seq.*, including all claims for attorneys’ fees and costs related thereto, for Defendant’s alleged failure to pay overtime and minimum wages, provide compliant meal and rest periods and associated premium payments, timely pay wages during employment and upon termination, provide complaint wage statements, maintain complete and accurate payroll records, and reimburse necessary business-related expenses in violation of California Labor Code Sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and the applicable Industrial Welfare Commission Wage Order.

“Released Parties” means Defendant and its current and former officers, directors, members, insurers, shareholders, subsidiaries, affiliates, predecessors, successors, and assigns.

E. Attorneys’ Fees and Costs to Class Counsel

Class Counsel will seek attorneys’ fees in an amount not to exceed one-third (1/3) of the Gross Settlement Amount (i.e., \$1,966,666.67 if the Gross Settlement Amount is \$5,900,000.00) and reimbursement of litigation costs and expenses in an amount not to exceed Twenty-Three Thousand Dollars and Zero Cents (\$23,000.00) (collectively, “Attorneys’ Fees and Costs”), subject to approval by the Court. The Attorneys’ Fees and Costs granted by the Court will be paid from the Gross Settlement Amount. Class Counsel has been prosecuting the Action on behalf of Plaintiff, Class Members, and PAGA Employees on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses.

F. Enhancement Payment to Plaintiff

Plaintiff will seek the amount of Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) (“Enhancement Payment”), in recognition of his services in connection with the Action. The Enhancement Payment will be paid from the Gross Settlement Amount, subject to approval by the Court, and if awarded, it will be paid to Plaintiff in addition to his Individual Settlement Payment and Individual PAGA Payment that he is entitled to under the Settlement.

G. Settlement Administration Costs to Settlement Administrator

Payment to the Settlement Administrator is estimated not to exceed Thirty-Five Thousand Dollars and Zero Cents (\$35,000.00) (“Settlement Administration Costs”) for the costs of the notice and settlement administration process, including and not limited to, the expense of notifying the Class Members of the Settlement, processing Requests for Exclusion, Notices of Objection, and Workweeks Disputes, calculating Individual Settlement Shares, Individual Settlement Payments, and Individual PAGA Payments, and distributing payments and tax forms under the Settlement, and shall be paid from the Gross Settlement Amount, subject to approval by the Court.

IV. WHAT ARE YOUR RIGHTS AND OPTIONS AS A CLASS MEMBER?

A. Participate in the Settlement

If you want to participate in the Class Settlement and receive money from the Class Settlement, you do not have to do anything. You will automatically be included in the Class Settlement and issued your Individual Settlement Payment unless you (and/or your parent or guardian if you are under the age of 18) decide to exclude yourself from the Class Settlement.

Unless you (and/or your parent or guardian if you are under the age of 18) elect to exclude yourself from the Class Settlement and if the Court grants final approval of the Settlement, you will be bound by the terms of the Class Settlement and any judgment that may be entered by the Court based thereon, and you will release the Released Class Claims against the Released Parties as described in Section III.D above.

If you are a PAGA Employee and the Court grants final approval of the Settlement, you will automatically be included in the PAGA Settlement and issued your Individual PAGA Payment. This means you will be bound by the terms of the PAGA Settlement and any judgment that may be entered by the Court based thereon, and you will release the Released PAGA Claims against the Released Parties as described in Section III.D above.

As a Class Member and PAGA Employee (if applicable), you will not be separately responsible for the payment of attorney’s fees or litigation costs and expenses, unless you retain your own counsel, in which event you will be responsible for your own attorney’s fees and expenses.

B. Request Exclusion from the Class Settlement

Class Members (and/or the parent or guardian of any Class Member under the age of 18) may request to be excluded from the Class Settlement by submitting a letter (“Request for Exclusion”) to the Settlement Administrator, at the following address:

[Settlement Administrator]
[Mailing Address]

A Request for Exclusion must: (a) contain the case name and number of the Action (*Sanford v. Santa Cruz Seaside Company*, Case No. 23CV01762); (b) contain the Class Member’s full name, signature, address, telephone number, and last four (4) digits of the Class Member’s Social Security number; (c) clearly states that the Class Member does not wish to be included in the Class Settlement; and (d) be returned by mail to the Settlement Administrator at the specified address above, postmarked **on or before** [Response Deadline].

If the Court grants final approval of the Settlement, any Class Member on whose behalf a timely and valid Request for Exclusion has been submitted will not be issued an Individual Settlement Payment, will not be bound by the Class Settlement (and the release of Released Class Claims described in Section III.D above), and will not have any right to object to, appeal, or comment on the Class Settlement. Class Members on whose behalf no timely and valid Request for Exclusion is submitted will be deemed Settlement Class Members and will be bound by all terms of the Class Settlement, including those pertaining

to the release of claims described in Section III.D above, as well as any judgment that may be entered by the Court based thereon. PAGA Employees will be bound to the PAGA Settlement (and the release of Released PAGA Claims described in Section III.D above) and will still be issued an Individual PAGA Payment, irrespective of whether they submit a Request for Exclusion.

C. Object to the Class Settlement

A Class Member (and/or the parent or guardian of a Class Member under the age of 18) can object to the Class Settlement as long as the Class Member has not submitted a Request for Exclusion by submitting a written objection (“Notice of Objection”) to the Settlement Administrator.

The Notice of Objection must: (a) contain the case name and number of the Action (*Sanford v. Santa Cruz Seaside Company*, Case No. 23CV01762); (b) contain the Settlement Class Member’s full name, signature, address, telephone number, and the Settlement Class Member’s last four (4) digits of thier Social Security number; (c) contain a written statement of all grounds for the objection accompanied by any legal support for such objection; (d) contain copies of any papers, briefs, or other documents upon which the objection is based; and (e) be returned by mail to the Settlement Administrator at the specified address listed in Section IV.B above, postmarked **on or before [Response Deadline]**.

You may also appear at the Final Approval Hearing and present your objection orally, regardless of whether you have submitted a Notice of Objection.

V. FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing in Department 5 of the Santa Cruz County Superior Court, located at 701 Ocean Street, Santa Cruz, California, 95060, on **[date]**, at **[time]**, to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court also will be asked to approve and grant the Attorneys’ Fees and Costs to Class Counsel, Enhancement Payment to Plaintiff, and Settlement Administration Costs to the Settlement Administrator.

The Final Approval Hearing may be continued without further notice to the Class Members and PAGA Employees. It is not necessary for you to appear at the Final Approval Hearing, although you may appear if you wish to.

You can appear remotely at <https://santacruzcourt-org.zoomgov.com/j/1615592790> or Dial: 1 (669) 216-1590 and provide the Meeting ID: 161 559 2790.

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement Agreement, you should review the detailed Settlement Agreement and other papers, which are on file with the Court.

You may view the Settlement Agreement and other documents filed in the Action for free by visiting the civil clerk’s office located at Santa Cruz Courthouse, 701 Ocean Street, Santa Cruz, California, 95060, during business hours, or online by visiting the following website: <https://portal.santacruzcourt.org/portal>, clicking “Smart Search” and typing in the Court Case Number “23CV01762.”

PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT.

IF YOU HAVE ANY QUESTIONS, YOU MAY CALL THE SETTLEMENT ADMINISTRATOR AT THE FOLLOWING TOLL-FREE NUMBER: [INSERT], OR YOU MAY ALSO CONTACT CLASS COUNSEL.

EXHIBIT 4

Date	Type of Expense	Description of Expense	Amount
3/8/2023	Mailing	Mailing Cost: Caleb Baskin, Agent for Service of Process	\$8.10
3/8/2023	Mailing	Mailing Cost: Santa Cruz Seaside Company	\$8.10
7/31/2023	Filing	First legal: Class Action Complaint, CCCS, and Summons Filing	\$491.90
8/29/2023	Service	Steno: Substituted Service	\$217.95
8/31/2023	Filing	First Legal: Complex Fee	\$1,079.50
11/10/2023	Filing	Steno: Joint Case management Statement	\$59.95
11/30/2023	Filing	First Legal: Case Management Statement	\$83.10
2/12/2024	Mailing	Mailing Cost: Louis Marlin Mediation	\$5.04
2/12/2024	Mediation	Check to Louis marlin Mediation	\$9,000.00
3/22/2024	Filing	Steno: Joint Stip to Continue CMC	\$59.95
3/26/2024	Filing	Steno: Application and Stipulation for Order to Continue	\$86.95
6/3/2024	Mediation	Payment to Berger Consulting Group	\$9,560.00
6/13/2024	Filing	Notice of Settlement	\$59.95
6/13/2024	Filing	Steno: Notice of Conditional	\$59.95
7/15/2024	Mailing	Mailing Cost: Santa Cruz Seaside Company, Agent	\$8.69
7/15/2024	Mailing	Mailing Cost: Santa Cruz Seaside Company	\$8.69
7/23/2024	Mailing	Mailing Cost: Folger Levin, LLP	\$5.54
8/4/2024	Filing	Steno: Stipulation and Order	\$86.95
8/4/2024	Filing	Joint Stipulation; POS	\$86.95
8/6/2024	Filing	Steno: First Amended Class Action Complaint	\$59.95
8/23/2024	Filing	Steno: Notice of Motion; Proposed Order; Declaration (2); POS	\$180.95
9/13/2024	Filing	Steno: Notice of Remote Appearance (x2)	\$59.95
9/13/2024	Filing	Steno: Order; POS	\$59.95
9/19/2024	Filing	Steno: Proposed Order; POS	\$59.95
1/7/2025	Filing	Steno: Motion for Final Approval	\$180.95
1/7/2025	Filing	LWDA: Submission	\$75.00
Total:			\$21,653.96