

JCL LAW FIRM, APC

Jean-Claude Lapuyade (State Bar #248676)
Sydney Castillo Johnson (State Bar #343881)
Monnett De La Torre (State Bar #272884)
5440 Morehouse Drive, Suite 3500
San Diego, CA 92121
Telephone: (619)599-8292
Facsimile: (619) 599-8291
jlapuyade@jcl-lawfirm.com
scastillo@jcl-lawfirm.com
mdelatorre@jcl-lawfirm.com

ZAKAY LAW GROUP, APLC

Shani O. Zakay (State Bar #277924)
Jackland K. Hom (State Bar #327243)
Julieann Alvarado (State Bar #334727)
5440 Morehouse Drive, Suite 3500
San Diego, CA 92121
Telephone: (619)255-9047
Facsimile: (858) 404-9203
shani@zakaylaw.com
jackland@zakaylaw.com
julieann@zakaylaw.com

Attorneys for Plaintiff

SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF RIVERSIDE

JOHN KNEISLY, an individual, on behalf of
himself and on behalf of all persons similarly
situated,

Plaintiff,

v.

S R MACHINING, INC., a California
Corporation; S R MACHINING-
PROPERTIES, LLC, a California Limited
Liability Company; and DOES 1-50, Inclusive;

Defendants.

Case No. CVRI2201491

**DECLARATION OF JEAN-CLAUDE
LAPUYADE IN SUPPORT OF PLAINTIFF'S
MOTION FOR PRELIMINARY APPROVAL
OF CLASS ACTION AND PAGA
SETTLEMENT**

Date: May 25, 2023

Time: 8:30 a.m.

Judge: Hon. Harold W. Hopp

Dept.: 10

Reservation #: 561354723159

1 I, Jean-Claude Lapuyade, Esq., declare as follows:

2 1. I am over eighteen years of age and if called as a witness, I could and would competently
3 testify to the following facts from my own personal knowledge. I am an attorney-at-law and the owner
4 of the law firm of JCL LAW FIRM, APC (hereinafter "Class Counsel"). I am co-counsel of record for
5 Plaintiff JOHN KNEISLY (hereafter "Plaintiff") in this wage and hour class action filed against S R
6 MACHINING, INC., a California Corporation, and S R MACHINING-PROPERTIES, LLC, a
7 California Limited Liability Company (hereinafter "Defendants").

8 2. This declaration is being submitted in support of Plaintiff's motion for Preliminary
9 Approval of Class Action Settlement.

10 **I. EXHIBITS**

11 3. Attached hereto as **Exhibit "1"** is a true and correct copy of the fully executed Stipulation
12 of Settlement of Class and PAGA Action Claims and Release of Claims ("Agreement" or "Settlement
13 Agreement"). Attached as **Exhibit "A"** to the Agreement is a true and correct copy of the proposed
14 Class Notice. Attached as **Exhibit "B"** to the Agreement is a true and correct copy of the proposed
15 Request for Exclusion Form. Attached as **Exhibit "C"** to the Agreement is a true and correct copy of
16 the proposed Objection Form.

17 4. Attached hereto as **Exhibit "2"** is a true and correct copy of the proof of filing with the
18 Labor and Workforce Development Agency notice of this settlement with the Stipulation of Settlement
19 of Class and PAGA Action Claims and Release of Claims evidencing Class Counsel's compliance with
20 California Labor Code Section 2699(1)(2).

21 5. Attached hereto as **Exhibit "3"** is a true and correct copy of the bid for settlement
22 administration submitted by Atticus Administration, LLC, in the amount of \$8,500. Class Counsel
23 requested bids from three (3) settlement administration companies and received the lowest bid from
24 Atticus Administration, LLC.

25 **II. INTRODUCTION**

26 6. An objective evaluation of the Settlement confirms that the relief negotiated on behalf of
27 the Class is fair, reasonable, and adequate. The Settlement was negotiated by the Parties at arm's length.

1 The Settlement confers substantial benefits to the Settlement Class. The relief offered by the Settlement
2 is particularly impressive when viewed against the difficulties encountered by plaintiffs pursuing wage
3 and hour cases (*see infra*). Indeed, by settling now rather than proceeding to trial, Class Members will
4 not have to wait (possibly years) for relief, nor will they have to bear the risk of class certification being
5 denied or of Defendants prevailing at trial. The entire Net Settlement Amount will be paid to all
6 Settlement Class Members who do not opt out of the Settlement resulting in an average Individual
7 Settlement Payment of **\$2,504.07** (Net Settlement Amount divided by Class Members).

8 7. As discussed below, the proposed Settlement satisfies all criteria for preliminary
9 settlement approval and falls within the range of reasonableness. The average Individual Settlement
10 Payment to the Settlement Class meets awards in similar wage and hour class actions. Moreover, the
11 proposed Settlement Class is appropriate for provisional certification. Accordingly, Plaintiff
12 respectfully requests the Court grant preliminary approval of the Settlement.

13 **III. FACTS AND PROCEDURE**

14 **A. Overview of the Litigation**

15 8. Defendants manufacture and produce CNC machining of plastics, alloys and metals for
16 the aerospace, industrial, commercial, medical and automotive industries/sectors in Riverside, where
17 Plaintiff worked. Plaintiff worked for Defendants in California from May 15, 2008, to May 14, 2020.
18 At all times during his employment, Plaintiff was denied legally compliant meal and rest periods, and
19 minimum wages and overtime compensation. Throughout his employment, Plaintiff was subject to
20 Defendants' written policies and procedures contained in, among other documents, the "SR Machining,
21 Inc. Employee Handbook."

22 9. Generally, Plaintiff claims that Defendants failed to provide compliant meal and rest
23 periods, failed to pay for all time worked, and failed to pay all wages upon separation. Defendants deny
24 liability for each of Plaintiff's claims. Further, Defendants assert that they fully complied with all
25 applicable employment laws and raised several other significant defenses to Plaintiff's claims, including
26 but not limited to, asserting that they maintained facially compliant meal and rest period policies, paid
27 their employees for all hours worked, and timely paid all wages due upon separation of employment.

10. On April 14, 2022, Plaintiff filed a class action complaint in the Riverside County Superior Court, Case No. CVRI2201491 (“Action”). The Action alleged seven causes of action against Defendants for: (1) Unfair Competition in violation of Bus. and Prof. Code §§ 17200; (2) Failure to Pay Minimum Wages in Violation of California Labor Code §§ 1194, 1197, and 1197.1.; (3) Failure to Pay Overtime Wages in Violation of California Labor Code §§ 510; (4) Failure to Provide Required Meal Periods in Violation of California Labor Code §§ 226.7 and 512; (5) Failure to Provide Required Rest Periods in Violation of California Labor Code §§ 226.7 and 512; (6) Failure to Provide Wages When Due in Violation of California Labor Code §§ 201, 202, and 203; and (7) Failure to Reimburse Employees for Required Expenses in Violation of California Labor Code § 2802.

11. On January 24, 2023, Plaintiff served Defendants and the Labor and Workforce Development Agency (“LWDA”) with a Notice of Violations (“PAGA Notice”). Plaintiff’s PAGA Notice set forth the facts and theories supporting Defendants’ alleged violations of various provisions of the California Labor Code and applicable Industrial Welfare Commissions (“IWC”) Wage Order and of his intent to pursue claims under California Labor Code Private Attorneys General Act, Cal. Lab. Code Sections 2698 *et seq* (“PAGA”).

12. On January 27, 2023, Plaintiff filed a First Amended Complaint adding an eighth cause of action for Violation of the Private Attorneys General Action [Labor Code §§ 2698, *et. seq.*].

13. After Plaintiff commenced written discovery, the Parties agreed to mediate this action. To prepare for mediation, the Parties agreed to informally exchange additional documents and data points subject to the mediation privilege, including but not limited to, the Class Members' time data and certain payroll data points. As discussed *infra*, Plaintiff's counsel retained the forensic consultants at Berger Consulting Group ("BCG") to analyze Defendants' time and payroll data.

14. On October 10, 2022, the Parties participated in a full day mediation with retired jurist and mediator, Hon. Steven Denton (Ret.) The mediation concluded with a settlement after both sides agreed to a Mediator's proposal which was subsequently memorialized in the form of a Memorandum of Understanding. Thereafter, the Parties drafted and negotiated a long-form settlement agreement, which is the subject of the instant motion.

1 **B. Class Counsel Thoroughly Investigated the Factual and Legal Issues**

2 15. Months before filing the Action, Class Counsel began its pre-filing investigation into
3 Plaintiff's complaints. Class Counsel's investigation started with several lengthy interviews with
4 Plaintiff. As part of the interview process, the Plaintiff produced documents related to his employment,
5 including wage statements, portions of Defendants' handbooks, compensation policies and time and
6 payroll records. At the conclusion of the interviews, Class Counsel determined that Plaintiff's
7 complaints justified further inquiry.

8 16. Class Counsel subsequently requested Plaintiff's employee files from Defendants. In
9 response, Defendants produced several documents, including but not limited, copies of Plaintiff's hiring
10 documents and payroll and time records. Class Counsel reviewed and analyzed the documents and
11 determined the documents appeared to substantiate Plaintiff's claims that Defendants failed to, among
12 other things, provide compliant meal and rest periods, failed to pay all wages due to rounding, and failed
13 to pay for all hours worked.

14 17. To prepare for mediation, Defendants produced time and payroll records for the Class
15 Members, aggregate workweek and pay period data for the Class Members, aggregate meal premiums
16 paid to the Class Members, average hourly rate for the Class Members, and copies of applicable
17 handbooks, policies, and agreements. In total, Class Counsel reviewed more than 1,100 pages of
18 documents and more than 100,000 unique cells of time and payroll data.

19 18. BCG analyzed Defendants' time and payroll data to assist in the development of various
20 damage models. Among other things, BCG determined the approximate amount of unpaid wages,
21 amount of unpaid overtime wages, number of workweeks, pay periods, average length of shifts and
22 average number of hours worked per week. BCG also estimated the number of missed, late, or truncated
23 meal and rest periods, the amount of unpaid wages, the amount of unpaid overtime, the amount of
24 unpaid sick pay, the amount of off-the-clock work, and the amount of missed meal and rest period
25 premiums paid during the Class Period.

26 19. Overall, Class Counsel thoroughly investigated the claims at issue, including: (1)
27 determining Plaintiff's suitability as a putative class representative through interviews, background
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1 investigations, and analysis of his employment files; (2) evaluating all of Plaintiff's potential claims;
2 (3) researching similar wage and hour class actions as to the claims brought, the nature of the positions,
3 and the type of employer; (4) analyzing the Settlement Class's time and payroll records; (5) analyzing
4 Defendants' labor policies and practices; (6) researching settlements in similar cases as well as
5 outstanding issues which could affect settlement approval; (7) evaluating Plaintiff's claims and
6 estimating Defendants' liability for purposes of settlement; (8) drafting the mediation brief; and (9)
7 participating in the mediation. This investigation allowed Class Counsel to fully assess the nature and
8 magnitude of the claims being settled, as well as the impediments to recovery, such as to make an
9 independent assessment of the reasonableness of the terms to which the Parties have agreed.

10 **C. The Parties Settled at Mediation**

11 20. On October 10, 2022, the Parties conducted a full day of mediation with Hon. Steven
12 Denton (Ret.). Judge Denton helped manage the Parties' expectations and provided a useful, neutral
13 analysis of the issues and risks to both sides. The Parties made substantial progress with Judge Denton's
14 assistance. Namely, the Parties exchanged information regarding their respective claims and defenses,
15 including their respective evaluation of the damages. The mediation concluded with a settlement, after
16 both sides agreed to a Mediator's proposal. The complete and final terms of the Parties' settlement are
17 now set forth in the Agreement. Class Counsel submits that the Settlement constitutes a fair, adequate,
18 and reasonable compromise of the claims at issue.

19 21. Class Counsel only agreed to enter the Settlement following this thorough investigation
20 and evaluation of Plaintiff's claims. Based on their investigation of the facts, applicable law, and
21 marketplace for similar settlements, and considering the risk of significant delay and uncertainty
22 associated with litigation, and the various defenses asserted by Defendants, Class Counsel firmly
23 believe this Agreement to be in the best interests of the Class Members. Because the Settlement's terms
24 are fair, reasonable, and adequate, the Court should preliminarily approve the Settlement.

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26 ///

27 ///

1 **IV. ARGUMENT**

2 **A. The Court Should Preliminarily Approve the Settlement**

3 22. The Gross Settlement Amount of \$220,000.00 is fair and reasonable considering the
4 nature and magnitude of the claims being settled and the various potential impediments to recovery.
5 Prior to mediation, Class Counsel retained Berger to develop economic damage models measuring
6 Defendants' liability exposure while accounting for the uncertainties of continued litigation. The
7 various models were informed by Class Counsel's investigation, including the analysis of a significant
8 sample of time and payroll data. Class Counsel projected Defendants' liability exposure for *class claims*
9 (excluding PAGA Payment) ranged between \$651,062.25 ("Realistic Damages") and \$1,193,275
10 ("Maximum Damages") if successful at trial. This range reflects the uncertainty regarding several of
11 the claims. Thus, the Gross Settlement Amount represents a recovery of between 33.79% ("Realistic
12 Damages") and 18.44% ("Maximum Damages") of Defendants' class-wide exposure – well within the
13 recognized range of reasonableness. The following summarizes Defendants' liability exposure.

14 23. Plaintiff's primary claim in this Action alleges that Defendants failed to provide
15 compliant meal periods. Specifically, Plaintiff alleges that as a result of their rigorous work schedules,
16 Plaintiff, Class Members, and PAGA Class Members were not able to take timely and duty-free meal
17 periods. Consequently, Plaintiff alleges that he is owed meal period premiums for meal period
18 violations that occurred during the Class Period. An analysis of the Class Members' time and payroll
19 date revealed a 64.2% meal period violation rate.

20 24. Conversely, Defendants argued, among other things, that they provided all their
21 employees, i.e., Class Members and PAGA Class Members, with the opportunity to take compliant
22 meal periods. Defendants also argued that they maintained facially compliant meal period policies and
23 began paying missed meal period premiums in 2022. Thus, Defendant argued that any missed meal
24 periods were voluntarily and did not trigger liability for premium payments.

25 25. Consequently, Plaintiff applied a 50% discount to the Realistic Damages model to
26 account for Defendants' facially compliant policies and payment of meal period premiums. Plaintiff
27

1 estimated that the damages for this claim ranged from approximately \$179,375.50 dollars to
2 approximately \$358,751 dollars.

3 26. Plaintiff also alleged that Defendants failed to provide compliant rest periods.
4 Specifically, Plaintiff alleged that because of their rigorous work schedules, Plaintiff and Class
5 Members were not able to take timely and duty-free rest periods. Like the meal period violations, BCG
6 assumed an identical 64.2% violation rate for rest periods based on Plaintiff's testimony and
7 investigation. However, unlike the meal period premium payments, there was no evidence Defendants
8 ever paid a premium for missed rest periods.

9 27. Again, Defendants denied liability and asserted that they maintained legally compliant
10 rest period policies and practices throughout the Class Period. Moreover, Plaintiff recognizes the
11 evidentiary burdens establishing this claim. Establishing Plaintiff's rest period claim would rely, almost
12 entirely, on Class Member testimony, making it a riskier claim at class certification and liability stages.
13 Certification likely would have required depositions of Class Members who provided declarations, and
14 Defendants surely would have obtained opposing declarations stating either rest breaks were taken, or
15 rest breaks were voluntarily waived. *See, e.g., Ordonez v. Radio Shack, Inc.* (C.D. Cal. Jan. 17, 2013)
16 2013 WL 210223, at *11 ("Because of the competing testimony before the Court, plaintiff's evidence
17 that Defendants may have an illegal, written rest break policy is insufficient for this Court to find that
18 common issues predominate."); *Villa v. United Site Servs. of California, Inc.* (N.D. Cal. Nov. 13, 2012)
19 2012 WL 5503550, at *8 ("Indeed, Plaintiff's own evidence confirms that the written policy does not
20 generate uniform practices."). Accordingly, Plaintiff's Realistic Damage model applied a 50% discount
21 to the rest break claim. Plaintiff estimated the range of potential outcomes for this claim was between
22 approximately \$214,136.00 dollars to approximately \$428,272 dollars.

23 28. Additionally, Plaintiff's alleged that Defendant failed to pay their employees for all hours
24 worked. Specifically, Plaintiff asserted that Defendants failed to pay employees for time spent
25 responding to COVID-19 questionnaires. Defendants vigorously denied liability for this claim.
26 Defendants argued that all Class Members were properly paid minimum and overtime compensation
27 for all hours worked and that Class Members were instructed not to work off-the-clock. Plaintiff applied

1 a 25% discount to the Realistic Damages model and estimated Defendants' exposure for this claim
2 ranged from \$110,373 dollars to approximately \$147,165 dollars.

3 29. Plaintiff also alleged that Defendant failed to pay vacation wages. Throughout the Class
4 Period, Defendant had in place a "use-it-or-lose-it" type vacation period policy that required forfeiture
5 of vested, but unused vacation time accrued at the end of each calendar year. The California Supreme
6 Court in *Suastez v. Plastic Dress-Up Co.*, concluded that "[t]he right to a paid vacation, when offered
7 in an employer's policy or contract of employment, ***constitutes deferred wages for services rendered.***
8 ***. . . Once vested, the right is protected from forfeiture by section 227.3***" (*Suastez v. Plastic Dress-Up*
9 *Co.* (1982) 21 Cal.3d 774, 784) (emphasis added.) Accordingly, section 227.3 and *Suastez* prohibit *any*
10 forfeiture of a private employee's vested vacation time. Defendants' payroll records showed that
11 employees forfeited earned vacation wages at the end of each calendar year. In light of the unlawful
12 written policy and the forfeiture of wages evidenced by Defendants' payroll records, Plaintiff did not
13 apply a discount to this claim. Plaintiff estimated that Defendants' exposure ranged from approximately
14 \$25,816 dollars, assuming one unused vacation day per employee, per calendar year, to approximately
15 \$51,632, assuming two unused vacation days.

16 30. Plaintiff alleges that Defendant failed to reimburse its employees for mandatory business
17 expenses. Specifically, Plaintiff and Class Members were required to use their own personal cellular
18 phones as a result of and in furtherance of their job duties reimbursed for the cost associated with the
19 use of their personal cellular phones. Cal. Labor Code § 2802, provides that "[a]n employer shall
20 indemnify his or her employee for all necessary expenditures or losses incurred by the employee in
21 direct consequence of the discharge of his or her duties, or of his or her obedience to the directions of
22 the employer..."

23 31. Again, Defendants denied any liability for this claim. Defendants argued that its written
24 policies provide for reimbursement to employees for necessary business expenses incurred in the
25 discharge of the employees' duties or at Defendants' direction. This claim was heavily discounted by
26 75% based on Defendants' defenses. Plaintiff estimated Defendants' exposure for this claim ranged
27 from \$5,151.25, to approximately \$20,605.

1 32. Plaintiff alleged that because of Defendants' unlawful rounding policy, it failed to pay
2 Plaintiff and the Settlement Class Members all wages due for purposes of straight pay, overtime pay,
3 and double-time pay. Defendants denied liability and asserted that their employees were paid for all
4 time worked. Defendants argued that employees use an electronic timekeeping system to record their
5 hours of work, and were paid according to their own reported time. Furthermore, Defendants argued
6 that, even if successful, this claim resulted in minimal actual damage to the Class Members—and
7 Plaintiff's expert confirmed this to be true. Thus, Plaintiff's applied a 75% discount to the Realistic
8 Damages model for this claim and estimated Defendants' exposure for this claim ranged from
9 approximately \$3,031.25 dollars to approximately \$12,125 dollars.

10 33. Additionally, Plaintiff's alleged that Defendant failed to pay their employees for all hours
11 worked. Specifically, Plaintiff asserted that Defendants failed to pay employees for time spent
12 responding to COVID-19 questionnaires. Defendants vigorously denied liability for this claim.
13 Defendants argued that all Class Members were properly paid minimum and overtime compensation
14 for all hours worked and that Class Members were instructed not to work off-the-clock. Plaintiff applied
15 a 25% discount to the Realistic Damages model and estimated Defendants' exposure for this claim
16 ranged from \$110,373 dollars to approximately \$147,165 dollars.

17 34. Plaintiff also alleged that Defendants failed to furnish its employees with accurate
18 itemized wage statements. Specifically, Plaintiff alleges that as a result of Defendants' failure to provide
19 meal and rest periods as required by the California Labor Code, Plaintiff and other Class Members are
20 entitled to derivative wage statement penalties. (*Naranjo v. Spectrum Security Services, Inc.* (2023) 88
21 Cal.App.5th 927 (concluding that meal premiums are "wages" entitling employees to derivative wage
22 statement penalties). Further, Defendants argued that even if it failed to furnish accurate wage
23 statements, Plaintiffs could not establish the injury requirement on a class-wide basis. As a result,
24 Plaintiff discounted this claim 50% to account for this risk. Plaintiff estimated that Defendants'
25 exposure on this claim ranged between \$34,925 dollars and \$69,850 dollars.

26 35. Plaintiff also alleged that the Defendants' labor code violations resulted in derivative
27 liability for waiting time penalties. Although these *penalties* represented one of Defendants' largest
28

dollar amount of exposure, this is Plaintiff's most uncertain claim. Specifically, Defendants argued that Plaintiff could not prove the "willful" prong needed to obtain waiting time penalties under Labor Code section 203. Notwithstanding the uncertain nature of the claims, Class Counsel's Realistic Damages model discounted this claim by 50% and estimated Defendants' exposure for these claims ranged between \$52,422.50 dollars and \$104,845 dollars.

36. Class Counsel's damage models also estimated Defendants' exposure for PAGA Payment. At the time of mediation, Plaintiff estimated Defendants' PAGA exposure ranged between \$35,600.00 dollars and \$144,300.00 dollars if successful at trial.

37. Here, the Parties negotiated a good faith PAGA Payment in the amount of \$10,000 which is 4.5% of the Gross Settlement Amount. This amount falls well within the range of approved PAGA Payment. Seventy-Five percent (75%) of the PAGA Payment (\$7,500.00) will be paid to the LWDA ("LWDA PAGA Payment") with the remaining twenty-five percent (25%) of the PAGA Payment (\$2,500.00) will be distributed to the PAGA Class Members, which is within the range of PAGA Payment approved by courts and should be approved.

B. Litigation Risks

38. With respect to the most immediate challenge, i.e., class certification, the risks attendant to the certification of similar wage and hour claims are demonstrated by *Magadia v. Wal-Mart Associates, Inc.* (9th Cir. 2021) 999 F.3d 668. There, the Ninth Circuit, vacated, reversed, and remanded a \$110 million judgement against an employer for, *inter alia*, inaccurately paying overtime, and directed the trial court to enter judgement in favor of the employer. *See also O'Conner v. Uber Technologies, Inc.* (9th Cir. 2018) 904 F.3d 1087 (decertification of wage and hour misclassification action); *see also Duran v. U.S. Bank National Association* (2014) 59 Cal.4th 1, 31 (reversing a trial verdict in favor plaintiffs in a wage and hour class action)); *Tien v. Tenet Healthcare Corp.* (2012) 209 Cal.App.4th 1077, 1088 ("[T]he reason, if any, that employees might not take their breaks were predominantly individualized questions of fact not susceptible to class treatment."); *a.S.A. Cab Ltd.* (2009) 176 Cal.App.4th 1333, 1341 (affirming denial of certification because employees' declarations attesting to having taken meal and rest breaks demonstrated that individualized inquiries were required to show

1 harm); *Campbell v. Best Buy Stores, L.P.*, (C.D. Cal. 2013) 2013 WL 5302217 at *11-13 (following
2 *Brinker* and denying certification of proposed off-the-clock and rest and meal break classes due to lack
3 of uniform policy); *Brown v. Fed Express Corp.* (C.D. Cal. 2008) 249 F.R.D. 580, 587-88 (denying
4 certification of driver meal and rest period claims based on the predominance of individual issues).
5 Collectively, the examples cited above illustrate the uncertain nature of class litigation. Consequently,
6 the uncertainty of obtaining certification through a contested motion is a significant risk factor favoring
7 settlement.

8 39. Finally, continuing to litigate this action would require continued and extensive resources
9 coupled with significant Court time to proceed through trial and post-trial motions; which can often
10 take years. Furthermore, wage and hour litigation is complex and expensive, as it often necessitates
11 extensive expert testimony, particularly with regards to damages. But even if Plaintiff is successful at
12 trial, Plaintiff is acutely aware that a judgment does not end the litigation. Plaintiff fully expects that
13 Defendants would appeal any favorable judgment. As demonstrated by *Magadia, supra*, 999 F.3d 668,
14 the risk of an appeal and subsequent reversal is real.

15 40. In this matter, Class Counsel negotiated a Gross Settlement Amount of \$220,000.00 that
16 is roughly between approximately 18.44%-33.79% of Defendants' *class-wide* liability exposure for
17 damages and statutory penalties, and approximately 15.03% of Defendants' maximum class wide
18 liability exposure for damages and penalties, including PAGA Penalties. Given the amount of the
19 settlement here, as compared to potential value of the claims, offset by the various inherent risks to
20 continued litigation, the settlement is fair and reasonable.

21 **B. Proposed Notice Informs the Class About the Case and Settlement**

22 41. The Parties jointly drafted the Class Notice which fairly and neutrally informs the Class
23 Members of their rights and remedies. The Settlement Administrator will first verify addresses, then
24 mail the proposed Class Notice to all Class Members. The Notice will include information regarding
25 the nature of the lawsuit, a summary of the substance of the Settlement's terms, the class definition, the
26 procedure, and time period within which to requests for exclusions or objections to the Settlement, the
27 date for the final approval hearing, the formula used to calculate settlement payments, and the terms
28

1 and scope of the Released Claims. Agreement at § I(R). The Parties negotiated this method to ensure
2 delivering the most reasonable method of notice to the Class Members while ensuring cost effective
3 administration of the Settlement.

4 42. Accordingly, both the method of disseminating the Class Notice and content of the Class
5 Notice satisfy due process. (*See* C.R.C. 3.776(e)-(f); *State of Cal. v. Levi Strauss* (1986) 41 Cal.3d
6 460,485 (the class notice must “fairly apprise the class members of the terms of the proposed
7 compromise and of the options open to dissenting class members”).

8 **C. The Court Should Preliminarily Approve the Enhancement Award**

9 43. The Settlement provides for a Class Representative Service Award of \$10,000 for
10 Plaintiff. The service award is fair and reasonable compensation for the Plaintiff’s efforts bringing the
11 action, assisting Class Counsel with the litigation and settlement, regularly conferring with Class
12 Counsel on the status of his case and the strategies for prosecuting the claims, and reviewing the
13 proposed Settlement to ensure that its terms are fair and provide adequate relief for the Settlement Class.

14 44. Class Counsel on behalf of Plaintiff will file a formal motion for the negotiated Class
15 Representative Service Award once preliminary approval of the Settlement is granted. Plaintiff
16 respectfully submits that the above showing is sufficient for preliminary approval of the negotiated
17 Class Representative Service Award.

18 **D. The Court Should Preliminary Approve the Negotiated Class Counsel Award**

19 45. Class Counsel took this matter on a contingency fee basis and invested significant time
20 and expense successfully prosecuting Plaintiff’s claims. As discussed *supra*, the estimated average
21 Individual Settlement Payment illustrates the demonstrably positive outcome for the Settlement Class
22 Members. Considering the positive outcome for the Class Members, and in light of the supporting
23 authority, the proposed Class Counsel Award is fair and reasonable.

24 46. Plaintiff will file a formal motion for the negotiated Class Counsel Award once
25 preliminary approval of the Settlement is granted. Plaintiff respectfully submits that the above showing
26 is sufficient for preliminary approval of the negotiated attorneys’ fees.

27 **E. The Court Should Provisionally Certify the Settlement Class**

47. For Settlement, Plaintiff contends, and Defendants do not dispute, that provisional certification of the Class is appropriate.

48. Because all Class Members are Defendants' current and former employees, the class is readily ascertainable from Defendants' regular business records, i.e., payroll records.

49. The statutes relating to each of Plaintiff's claims apply with equal force and effect to the entire Settlement Class. Factually, Defendants' policies and practices apply class-wide and Defendants' liability can be determined by facts common to all members of the class. The wage and hour issues are both numerous and substantial, and a class action is the most advantageous method of dealing with the claims of the Settlement Class.

50. Plaintiff's wage and hour claims are typical of the proposed Settlement Class because they arise from the same factual basis and are based on the same legal theories applicable to the other Class Members. Likewise, Plaintiff's interests are entirely coextensive with the interests of the Settlement Class. Plaintiff alleges that she was injured by the same company-wide practices to which the proposed Class Members were subject to and seek the same relief. Plaintiff has already demonstrated his ability to advocate for the interests of the Class Member by initiating this litigation, undertaking extensive class discovery, and evaluating the proposed settlement to assure that it is fair.

51. A class action is superior to a multitude of individual lawsuits. Given the size and amount of each individual claim, the Class Members likely have little incentive to litigate their claims on an individual basis because the out-of-pocket expense and personal commitment necessary to litigate each claim outweighs any potential recovery. In sum, class treatment is superior to individual, case-by-case adjudication.

F. Class Counsel’s Experience

52. Additionally, Plaintiff is represented by competent Class Counsel who have extensive experience in litigating wage and hour class action cases. Class Counsel successfully briefed, argued, certified, and gained state court settlement approval of the same class-wide causes of action that are at issue in this case. Class Counsel's wage and hour class action experience establishes that they are well qualified to represent the interests of this Class.

1 53. Plaintiff, the Settlement Class Members and the Aggrieved Employees are represented
2 by competent and experienced counsel to pursue their claims. I established the JCL Law Firm, APC
3 (“Firm”), in 2010. The Firm is a boutique plaintiff firm representing aggrieved employees and
4 consumers throughout California in wage and hour class actions, PAGA Actions and complex multi-
5 party product liability matters. The Firm currently consists of myself, Jean-Claude Lapuyade, Esq.
6 (Partner/Owner), Sydney Castillo-Johnson, Esq. (Associate Attorney), Monnett De La Torre, Esq.
7 (Associate Attorney), Tesla Stone (Paralegal), Maria Watters (Paralegal), and Jennifer Hemming
8 (Administrative Assistant), Sara Christensen (Legal Assistant), and Madelyn Uchiyama (Legal
9 Assistant).

10 54. I am qualified to represent the Plaintiff, the State of California and the Aggrieved
11 Employees. I have extensive experience with wage and hour class and representative actions litigation
12 like this matter, and employment matters in general. Additionally, I have extensive complex mass tort
13 litigation experience and complex construction product liability experience. I can, will and have
14 adequately represented the interests of the Plaintiff, the State of California and the Aggrieved
15 Employees throughout this action.

16 55. I have represented consumers and employees in California class actions, and complex
17 multi-party product liability actions exclusively for more than 13 years. I have been in practice as a
18 plaintiffs’ civil litigation attorney since April 2007.

19 56. I have significant class counsel and collective action counsel experience. I served as class
20 and/or collective (PAGA) counsel in the following matters:

21 a. *Nunes v. Home Depot U.S.A., Inc.* San Joaquin Superior Court Case No. Case
22 No. STK-CV-UOE-2020-0011011 (October 20, 2021 – Hon. Roger Ross appointed the
23 Jean-Claude Lapuyade, Esq. as Class Counsel and approved a \$1.5 million dollar wage
24 and hour class and PAGA action settlement for, among things, unpaid off-the-clock
25 work.

26 b. *Munoz v. AMTCR, Inc.*, San Bernardino Superior Court Case No.
27 CIVDS2001914 (August 24, 2021 – Hon. David Cohn approved a \$1.85 million dollar
28

1 wage and hour class and PAGA action for, among other things, inaccurate itemized wage
2 statements, and appointed the JCL Law Firm, APC as Class Counsel.)

3 c. *Rodriguez v. RSI Home Products, Inc.*, San Bernardino Superior Court Case No.
4 CIVDS2023354 (July 30, 2021 – Hon. David Cohn approved a \$1.45 million class and
5 PAGA settlement for, *inter alia*, failure to comply with piece-rate laws, and appointed
6 the JCL Law Firm, APC as Class Counsel)

7 d. *Jer Vang v. Bridge Property Management*, Alameda County Superior Court,
8 Case No RG19047434 (January 8, 2021 – Hon. Winifred Smith approved a class and
9 PAGA settlement for, *inter alia*, unpaid off the clock work. The JCL Law Firm, APC
10 acted as class counsel for the settlement class and as representative PAGA counsel the
11 State of California and the Aggrieved Employees.)

12 e. *Johnson v. Volt Management Corp., Inc. et al.*, Los Angeles County Superior
13 Court, Case No. 19STCV16466 (December 11, 2020 – Hon. Amy Hogue approved a
14 PAGA Settlement negotiated on behalf of the State of California and the aggrieved
15 employees by the JCL Law Firm, APC.)

16 f. *Salazar v. Frontier Auto Sales Inc., dba Frontier Toyota*, Los Angeles Superior
17 Court, Case No. 19STCV20382 (November 24, 2020 – Hon. John P. Doyle appointed
18 the JCL Law Firm, APC as class counsel and approved a class and PAGA settlement
19 for, *inter alia*, missed meal and rest periods.)

20 g. *Villalobos v. Alterra Group, LLC et al.*, Los Angeles County Superior Court,
21 Case No. 19STCV19448 (November 11, 2020 – Hon. Richard Fruin approved a PAGA
22 Settlement for, *inter alia*, unreimbursed business expenses. The JCL Law Firm, APC
23 acted as counsel for the plaintiff, the State of California and the Aggrieved Employees.)

24 h. *Stevens et al., v. Bank of England*, San Diego County Superior Court Case No.
25 37-2019-00018662-CU-OE-CTL (October 16, 2020 – Hon. John Meyer appointed JCL
26 Law Firm as Class Counsel and granted final approval of wage and hour class action for,
27 *inter alia*, off-the-clock work.)

- i. *Frazier v. ASA Carlton, Inc.*, San Diego Superior Court Case No. 37-2019-00036147 (October 9, 2020 Hon. Kenneth Medel appointed the JCL Law Firm as Class Counsel and granted final approval of wage and hour class action for off-the-clock work.)
- j. *Krake et al., v. Central Valley Diner, Inc.*, Placer County Superior Court Case No. SCV0041645 (September 4, 2020 – Hon. Michael Jones appointed JCL Law Firm as class counsel and granted final approval of wage and hour class action for meal period violations.)
- k. *Conner v. Ascendant Marketing, LLC et al.*, San Diego Superior Court Case No. 37-2019-00026864-CU-OE-CTL (July 24, 2020 Hon. Joel Wohlfeil granted approval of PAGA Settlement for, among other things, off-the-clock work. JCL Law Firm, APC acted as lead counsel.)
- l. *Guerrero v. Estancia Operations, LLC.*, San Diego Superior Court Case No. 37-2019-00028963 (August 25, 2020 – Hon. Katherine Bacal approved PAGA Settlement for, *inter alia*, missed meal and rest periods. JCL LAW Firm, APC, acted as lead counsel.)
- m. *Moreno v. Dash Lube, et al.*, United States District Court, Southern District of California, Case No. 18cv1922 DMS (AHG) (December 13, 2019 – Granted class certification of Labor Code Section 226 claim and appointed JCL Law Firm, APC, as Class Counsel.)
- n. *Perkins et al., v. Tahiti Enterprises, Inc., et al.*, Orange County Superior Court Case No. 30-2016-00863095 (October 22, 2019 – Hon. Peter Wilson appointed JCL Law Firm, APC, as Class Counsel and granted final approval for an unlawful housing class action settlement arising out of Civil Code Section 1940.1.)
- o. *Hill v. Stemak Holdings, Ltd.*, San Diego Superior Court Case No., 37-2018-00000747 (January 28, 2020 – Hon. Kenneth Medel appointed JCL Law Firm, APC as

1 class counsel and granted final approval of wage and hour class action for unpaid
2 overtime.)

3 p. *Shachno et al., v. KT Hotels, LLC, et al.* San Diego Superior Court Case No Case
4 No. 37-2018-00043601 (May 31, 2019 – Hon. Gregory Pollack appointed JCL Law
5 Firm, APC, as Class Counsel and granted preliminary approval for the wage and hour
6 class action settlement involving nearly 900 current and former employees. Final
7 approval scheduled for October 4, 2019)

8 q. *Almanza v. The Express Group, Inc.*, San Bernardino Superior Court Case No.
9 CIVDS1722542 (April 19, 2019 – Hon. David Cohn appointed the JCL Law Firm, APC,
10 as Class Counsel and granted final approval for a wage and hour class action settlement
11 for *inter alia*, missed meal and rest periods and independent contractor
12 misclassification.)

13 r. *Moschetto v. Pillow Global, Inc. San Diego Superior Court*, Case No. 37-2017-
14 00024031-CU-OE-CTL (April 5, 2019 – Hon. John S. Meyer appointed JCL LAW Firm,
15 APC, as Class Counsel and granted final approval for a wage and hour wage class action
16 settlement involving misclassified house cleaners.)

17 s. *Burke v. Friendship Hotel, LLC*, San Diego County Superior Court Case No. 37-
18 2017-00022517-CU-OE-CTL (March 10, 2019 – final approval granted on for an
19 unlawful housing class action arising under Civil Code Section 1940.2)

20 t. *Terrado et al., v. Accredited Debt Relief, LLC*, San Diego County Superior Court
21 Case No. 37-2018-00014181-CU-OE-CTL (February 8, 2019 – Hon. Gregory W.
22 Pollock appointed JCL Law Firm, APC as Class Counsel and granted final approval for
23 a wage and hour class action settlement for meal and rest period violations);

24 u. *Macaspac v. San Antonio Regional Hospital*, San Bernardino Superior Court
25 Case No. CIVDS1512625, (July 27, 2018 – Hon. Thomas S. Garza appointed JCL Law
26 Firm, APC, as Class Counsel and granted final approval for a wage and hour class action
27 settlement involving claims for on duty meal and rest periods.);

v. *Summerlin et al. v. Maplebear, Inc. dba Instacart*, Los Angeles Superior Court Case No. BC603030 (2018 - certified and settled wage and hour class action.)

w. *Ortega v. Prime Healthcare*, San Diego Superior Court Case No. 37-2014-00011240-CU-OE-CTL (2018 – Approved PAGA only settlement for on duty meal and rest periods)

x. *Engstrom v. Bender-Rosenthal, Inc.* San Diego Superior Court Case No. 37-2016-00012373-CU-OE-CTL (2017 - Certified and settled class action for employee misclassification);

y. *Crawford v. Outlook Amusements, Inc.*, Los Angeles Superior Court Case No. BC617160 (2017 - Certified and settled wage and hour class action.);

z. *Hernandez v. Sunglass Hut Trading, LLC*, San Bernardino Superior Court Case No. CIVDS1505181 (2016 - Certified and settled wage and hour class action);

aa. *Burns v. Shalom, LLC*, San Diego Superior Court, Case No., 37-2013-00058356-CU-BT-CTL (2015 - certified and settled class action for unlawful housing practices arising out of Civil Code Section 1940.1);

57. Since 2010, my firm has successfully resolved more than sixty (65) cases and recovered in excess of \$75 million on behalf of the Firm's clients.

58. Since 2010, I have successfully tried two (2) cases to conclusion, each resulting in a favorable verdict for the firm's clients.

59. Finally, I have published appellate experience in *William Blanchette et al., v. The Superior Court of Imperial County, (GHA Enterprises)*, 8 Cal.App.5th 521.

60. Consequently, I was named to the prestigious Thomson Reuters, Super Lawyers, Rising Star in 2015, 2016, 2017 and, again, in 2018. According to Thomson Reuters, the Super Lawyers, Rising Star list recognizes the top 2.5% of eligible attorneys. (see https://www.superlawyers.com/about/selection_process.html.)

61. I am not aware of any class, representative, or other collective action in any other court in this or any other jurisdiction that asserts claims similar to those asserted in this action on behalf of a

1 class or group of individuals some or all of whom would also be members of the class defined in this
2 action. I made reasonable inquiry of other members of my law firm and associated law firms to
3 determine whether those attorneys are aware of any such similar actions, which they are not.

4 I declare under the penalty of perjury under the laws of the State of California that the foregoing
5 is true and correct. Executed this 2nd day of May 2023, at San Diego, California.

6
7 **JCL LAW FIRM, APC**

8 By: 
9 Jean-Claude Lapuyade
10 Attorneys for Plaintiff
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EXHIBIT 1

ZAKAY LAW GROUP, APLC

Shani O. Zakay (State Bar #277924)
Jackland K. Hom (State Bar #327243)
Julieann Alvarado (State Bar #334727)
5440 Morehouse Drive, Suite 3600
San Diego, CA 92121
Telephone: (619)255-9047
Facsimile: (858) 404-9203
shani@zakaylaw.com
jackland@zakaylaw.com
julieann@zakaylaw.com

JCL LAW FIRM, APC

Jean-Claude Lapuyade (State Bar #248676)
Sydney Castillo-Johnson (State Bar #343881)
Monnett De La Torre (State Bar #272884)
5440 Morehouse Drive, Suite 3600
San Diego, CA 92121
Telephone: (619) 599-8292
Facsimile: (619) 599-8291
jlapuyade@jcl-lawfirm.com
scastillo@jcl-lawfirm.com
mdelatorre@jcl-lawfirm.com

SUPERIOR COURT OF CALIFORNIA

COUNTY OF RIVERSIDE

JOHN KNEISLY, an individual, on behalf of
himself and on behalf of all persons similarly
situated,

Plaintiff,

v.

S R MACHINING, INC., a California
Corporation; S R MACHINING-
PROPERTIES, LLC, a California Limited
Liability Company; and DOES 1-50, Inclusive,

Defendants.

Case No. CVRI2201491

[Action Filed 04/14/2022]

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

1 This Stipulation of Settlement of Class and PAGA Action Claims and Release of Claims is
2 entered into by and between plaintiff JOHN KNEISLY (hereinafter “Plaintiff”), an individual, on
3 behalf of the Settlement Class, and in his representative capacity on behalf of the State of California
4 and the PAGA Class, and defendants S R MACHINING, INC., a California Corporation, and S R
5 MACHINING-PROPERTIES, LLC, a California Limited Liability Company (hereinafter
6 “Defendants”):

7 **I. DEFINITIONS**

- 8 A. “Action” shall mean the putative class action lawsuit designated *John Kneisly, et. al*
9 *v. SR Machining, Inc.*, Riverside County Superior Court, Case No. CVRI2201491,
10 filed April 14, 2022.
- 11 B. “Agreement” or “Settlement Agreement” means this Stipulation of Settlement of
12 Class and PAGA Action Claims and Release of Claims.
- 13 C. “Class Counsel” shall mean Jean-Claude Lapuyade, Esq. of JCL Law Firm, APC and
14 Shani Zakay of Zakay Law Group, APLC.
- 15 D. “Class Counsel Award” means the award of fees and expenses that the Court
16 authorizes to be paid to Class Counsel for the services they have rendered to Plaintiff
17 and the Class in the Action, consisting of attorneys’ fees currently not to exceed one-
18 third of the Gross Settlement Amount currently estimated to be \$73,333.33 out of
19 \$220,000.00 plus costs and expenses in the amount of \$15,000. Class Counsel’s
20 award for attorneys’ fees will be divided equally between Class Counsel (50% to
21 JCL Law Firm, APC and 50% to Zakay Law Group, APLC).
- 22 E. “Class Data” means information regarding Class Members that Defendants will in
23 good faith compile from its records and provide to the Settlement Administrator. It
24 shall be formatted as a Microsoft Excel spreadsheet and shall include: each Class
25 Member’s full name; last known address; Social Security Number; start dates and end
26 dates of employment.

- 1 F. "Class Members" or the "Class" means all non-exempt employees who are or
2 previously were directly employed by Defendants and performed work in California
3 during the period of April 14, 2018 to October 10, 2022 (the "Class Period").
- 4 G. "Class Period" means the period between April 14, 2018, to October 10, 2022.
- 5 H. "Class Representative Service Award" means the amount that the Court authorizes to
6 be paid to the Class Representative, in addition to his Individual Settlement Payment
7 and his pro-rata share of the PAGA Payment, in recognition of his efforts and risks in
8 assisting with the prosecution of the Action.
- 9 I. "Class Representative" shall mean plaintiff JOHN KNEISLY.
- 10 J. "Court" means the Superior Court for the State of California, County of Riverside
11 currently presiding over the Action.
- 12 K. "Defendants" shall mean S R Machining, Inc., and S R Machining-Properties LLC.
- 13 L. "Effective Date" means the earliest date, following entry by the Court of an order
14 and judgment finally approving this Settlement, upon which one of the following have
15 occurred: (i) if no objection is filed to the settlement and no objector appears at the
16 hearing on final approval, the date of the Court's entry of the order granting final
17 approval, (ii) if an objection is filed to the settlement and/or an objector appears at the
18 hearing on final approval, then the earlier of the following: (a) the expiration of all
19 potential appeal periods without a filing of a notice of appeal of the final approval
20 order or judgment; (b) final affirmance of the final approval order and judgment by
21 an appellate court as a result of any appeal(s), or (c) final dismissal or denial of all
22 such appeals (including any petition for review, rehearing, certiorari, etc.) such that
23 the final approval order and judgment is no longer subject to further judicial review.
- 24 M. "Funding Date" shall mean sixty-five (65) calendar days after the Effective Date and
25 is the date Defendants transfer the Gross Settlement Amount into the QSF in accord
26 with the terms of this Agreement.

- 1 N. “Gross Settlement Amount” means Two Hundred Twenty Thousand Dollars and Zero
2 Cents (\$220,000.00) that Defendants must pay into the QSF in connection with this
3 Settlement, inclusive of the sum of the Individual Settlement Payments, the Class
4 Representative Service Award, the Class Counsel Award, PAGA Payment and the
5 Claims Administration Expenses and *exclusive* of the employer’s share of payroll tax,
6 if any, triggered by any payment under this Settlement.
- 7 O. “Individual Settlement Payment” means the amount payable from the Net Settlement
8 Amount to each Settlement Class Member and excludes any amounts distributed to
9 PAGA Class Members pursuant to PAGA.
- 10 P. “LWDA Payment” shall mean the seventy-five percent (75%) of the PAGA Payment
11 (\$7,500) allocated to the California Labor and Workforce Development Agency.
- 12 Q. “Net Settlement Amount” or “NSA” means the Gross Settlement Amount, less Class
13 Counsel Award, Class Representative Service Award, PAGA Payment, and Claims
14 Administration Expenses.
- 15 R. “Notice Packet” means the Class Notice to be provided to the Class Members by the
16 Settlement Administrator in the form set forth as Exhibit A to this Agreement (other
17 than formatting changes to facilitate printing by the Settlement Administrator).
- 18 S. “PAGA” means the California Labor Code Private Attorneys General Act of 2004,
19 Labor Code § 2698 *et seq.*
- 20 T. “PAGA Class” or “PAGA Class Member” shall mean all non-exempt employees who
21 are or previously were directly employed by Defendants and performed work in
22 California during the period of October 10, 2021 to October 10, 2022 (the “PAGA
23 Period”).
- 24 U. “PAGA Class Members Payment” shall mean the twenty-five (25%) of the PAGA
25 Payment allocated and distributed to the PAGA Class Members.
- 26
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- 1 V. "PAGA Payment Ratio" means the respective pay periods during the PAGA Period
2 for each PAGA Class Member divided by the sum total of the pay periods for all
3 PAGA Class Members during the PAGA Period.
- 4 W. "PAGA Pay Periods," for purposes of calculating the distribution of the PAGA Class
5 Member Payment, as defined herein, means the number of pay periods of employment
6 during the PAGA Period that each PAGA Class Member worked in California.
- 7 X. "PAGA Period" means the period between October 10, 2021 to October 10, 2022.
- 8 Y. "PAGA Payment" shall mean Ten Thousand Dollars (\$10,000) to be allocated from
9 the Gross Settlement Amount in settlement of the Released PAGA Claims.
- 10 Z. "Parties" means Plaintiff and Defendants, collectively, and "Party" shall mean either
11 Plaintiff or Defendants, individually.
- 12 AA. "Payment Ratio" means the respective Workweeks for each Class Member divided
13 by the sum total Workweeks for all Class Members.
- 14 BB. "Plaintiff" shall mean JOHN KNEISLY.
- 15 CC. "QSF" means the Qualified Settlement Fund established, designated and maintained
16 by the Settlement Administrator to fund the Gross Settlement Amount.
- 17 DD. "Released Class Claims" means all class claims which are alleged in the operative
18 complaint, or could have been alleged based upon the facts in the operative complaint,
19 which occurred during the Class Period, and expressly excluding all other claims,
20 including claims for vested benefits, wrongful termination, unemployment insurance,
21 disability, social security, workers' compensation, and class claims outside of the
22 Class Period.
- 23 EE. "Released PAGA Claims" means all PAGA claims which are alleged in the operative
24 complaint and Plaintiff's PAGA notice to the LWDA which occurred during the
25 PAGA Period, and expressly excluding all other claims, including claims for vested
26 benefits, wrongful termination, unemployment insurance, disability, social security,
27 workers' compensation, and PAGA claims outside of the PAGA Period.

- 1 FF. "Released Party" shall mean Defendants.
- 2 GG. "Response Deadline" means the date forty-five (45) days after the Settlement
- 3 Administrator mails Notice Packets to Class Members and the last date on which
- 4 Class Members may submit requests for exclusion or objections to the Settlement.
- 5 HH. "Settlement" means the disposition of the Action pursuant to this Agreement.
- 6 II. "Settlement Administrator" means Atticus Administration, LLC, 1250 Northland
- 7 Drive NE Suite 240, Mendota Heights MN 55120. The Settlement Administrator
- 8 establishes, designates and maintains, as a QSF under Internal Revenue Code section
- 9 468B and Treasury Regulation section 1.468B-1, into which the amount of the Gross
- 10 Settlement Amount is deposited for the purpose of resolving the claims of Settlement
- 11 Class Members. The Settlement Administrator shall maintain the funds until
- 12 distribution in an account(s) segregated from the assets of Defendants and any person
- 13 related to Defendants. *All accrued interest shall be paid and distributed to the*
- 14 *Settlement Class Members as part of their respective Individual Settlement*
- 15 *Payment.*
- 16 JJ. "Settlement Class Members" or "Settlement Class" means all Class Members who
- 17 have not submitted a timely and valid request for exclusion as provided in this
- 18 Agreement.
- 19 KK. "Workweeks", for purposes of calculating the distribution of the Net Settlement
- 20 Amount, means the number of weeks of employment during the Class Period that
- 21 each Class Member was employed by Defendants in California, excluding weeks
- 22 during which the Class Member did not perform any work for Defendants.

23 **II. RECITALS**

- 24 A. On April 14, 2022, Plaintiff filed the Class Action lawsuit for:
- 25 1. Unfair Competition in Violation of Bus. and Prof. Code sections 17200 *et seq*;
- 26 2. Failure to pay minimum wages in violation of California Labor Code sections
- 27 1194, 1197 and 1197.1;

1 3. Failure to pay overtime wages in violation of California Labor Code sections
2 510 *et seq*;

3 4. Failure to provide required meal periods in violation of California Labor Code
4 sections 226.7 and 512 and the applicable IWC wage order;

5 5. Failure to provide required rest periods in violation of California Labor Code
6 sections 226.7 and 512 and the applicable IWC wage order;

7 6. Failure to provide wages when due in violation of California Labor Code
8 sections 201, 202 and 203; and

9 7. Failure to reimburse Plaintiff for required expenses in violation of California
10 Labor Code section 2802.

11 B. The Class Representative believes he has meritorious claims based on alleged
12 violations of the California Labor Code, and the Industrial Wage Commission Orders,
13 and that class certification is appropriate because the prerequisites for class
14 certification can be satisfied in the Action, and this action is manageable as a PAGA
15 representative action.

16 C. Defendants deny any liability or wrongdoing of any kind associated with the claims
17 alleged in the Action, dispute any wages, damages and penalties claimed by the Class
18 Representative are owed, and further contend that, for any purpose other than
19 settlement, the Action is not appropriate for class or representative action treatment.
20 Defendants contend, among other things, that at all times they complied with the
21 California Labor Code and the Industrial Wage Commission Orders.

22 D. The Class Representative is represented by Class Counsel. Class Counsel conducted
23 an investigation into the facts relevant to the Action, including conducting an
24 independent investigation as to the allegations, reviewing documents and information
25 exchanged through informal discovery, and reviewing documents and information
26 provided by Defendants pursuant to informal requests for information to prepare for
27 mediation. Defendants produced for the purpose of settlement negotiations certain
28

1 employment data concerning the Settlement Class, which Class Counsel reviewed
2 and analyzed. Based on their own independent investigation and evaluation, Class
3 Counsel are of the opinion that the Settlement with Defendants is fair, reasonable and
4 adequate, and is in the best interest of the Settlement Class in light of all known facts
5 and circumstances, including the risks of significant delay, defenses asserted by
6 Defendants, uncertainties regarding class certification, and numerous potential
7 appellate issues. Although they deny any liability, Defendants are agreeing to this
8 Settlement solely to avoid the inconveniences and cost of further litigation. The
9 Parties and their counsel have agreed to settle the claims on the terms set forth in this
10 Agreement.

11 E. On October 10, 2022, the Parties participated in mediation presided over by Hon.
12 Steven R. Denton (Ret)., a respected jurist and experienced mediator of wage and
13 hour class actions. The mediation concluded in settlement after both sides agreed to
14 a Mediator's proposal which was subsequently memorialized in the form of a
15 Memorandum of Understanding ("MOU").

16 F. On January 24, 2023, Plaintiff filed a Notice of Violations with the Labor and
17 Workforce Development Agency (LWDA) and served the same on Defendants.

18 G. On January 27, 2023, Plaintiff filed the First Amended Complaint, the operative
19 complaint, adding an eighth cause of action for violations of the PAGA.

20 H. This Agreement replaces and supersedes the MOU and any other agreements,
21 understandings, or representations between the Parties. This Agreement represents a
22 compromise and settlement of highly disputed claims. Nothing in this Agreement is
23 intended or will be construed as an admission by Defendants that the claims in the
24 Action of Plaintiff or the Class Members have merit or that Defendants bear any
25 liability to Plaintiff or the Class on those claims or any other claims, or as an
26 admission by Plaintiff that Defendants' defenses in the Action have merit.

1 I. The Parties believe that the Settlement is fair, reasonable and adequate. The
2 Settlement was arrived at through arm's-length negotiations, taking into account all
3 relevant factors. The Parties recognize the uncertainty, risk, expense and delay
4 attendant to continuing the Action through trial and any appeal. Accordingly, the
5 Parties desire to fully, finally, and forever settle, compromise and discharge all
6 disputes and claims arising from or relating to the Action.

7 J. The Parties agree to certification of the Class for purposes of this Settlement only. If
8 for any reason the settlement does not become effective, Defendants reserve the right
9 to contest certification of any class for any reason and reserves all available defenses
10 to the claims in the Action.

11 Based on these Recitals that are a part of this Agreement, the Parties agree as follows:

12 **III. TERMS OF AGREEMENT**

13 A. Settlement Consideration and Settlement Payments by Defendants.

- 14 1. Settlement Consideration. In full and complete settlement of the Action, and
15 in exchange for the releases set forth below, Defendants will pay the sum of
16 the Individual Settlement Payment, the Class Representative Service Award,
17 the Class Counsel Award, PAGA Payment, and the Claims Administration
18 Expenses, as specified in this Agreement, equal to the Gross Settlement
19 Amount of Two Hundred Twenty Thousand Dollars and Zero Cents
20 (\$220,000.00). The Parties agree that this is a non-reversionary Settlement and
21 that no portion of the Gross Settlement Amount shall revert to Defendants.
22 Other than the Defendants' share of employer payroll taxes and as provided
23 for in Section III(A)(2) below, if any, Defendants shall not be required to pay
24 more than the Gross Settlement Amount, except as provided for hereinbelow.
- 25 2. Class Size. At the time of mediation, Defendants estimated that the Settlement
26 Class was comprised of 41 Class Members who collectively worked
27 approximately 4,914 Workweeks ("Projected Workweeks") during the Class
28

1 Period and 22 PAGA Class Members who worked a total of 1045 Pay Periods
2 during the PAGA Period. In regard hereto, Defendants will provide a
3 declaration under penalty of perjury before the deadline for filing the motion
4 for preliminary approval of the settlement, confirming the number of
5 applicable Class Members and workweeks they worked during the applicable
6 Class Period. If the actual number of Workweeks exceeds the Projected
7 Workweeks by more than 10% of the estimate stated herein, the Gross
8 Settlement Amount will increase proportionally for the number of Workweeks
9 over 110% (over 5,405).

10 3. Settlement Payment. Defendants and the Released Parties, and each of them,
11 are jointly and severally liable for payment of the Gross Settlement Amount.
12 Defendants shall pay the Gross Settlement Amount to the Settlement
13 Administrator on the Funding Date.

14 4. Defendants' Share of Payroll Taxes. Defendants' share of employer side
15 payroll taxes is in addition to the Gross Settlement Amount and shall be paid
16 together with the Gross Settlement Amount.

17 B. Release by Settlement Class Members. As of the Funding Date, in exchange for the
18 consideration set forth in this Agreement, Plaintiff and the Settlement Class Members
19 release the Released Parties from the Released Class Claims for the Class Period.

20 C. Release by the PAGA Class. As of the Funding Date, in exchange for the consideration
21 set forth in this Agreement, the Plaintiff, the LWDA and the State of California release
22 the Released Parties from the Released PAGA Claims for the PAGA Period. As a
23 result of this release, the PAGA Class shall be precluded from bringing claims against
24 Released Parties for the Released PAGA Claims.

25 D. Conditions Precedent: This Settlement will become final and effective only upon the
26 occurrence of all of the following events:

27 1. The Court enters an order granting preliminary approval of the Settlement;

2. The Court enters an order granting final approval of the Settlement and a Final Judgment;
3. If an objector appears at the final approval hearing, the time for appeal of the Final Judgment and Order Granting Final Approval of Class Action Settlement expires; or, if an appeal is timely filed, there is a final resolution of any appeal from the Judgment and Order Granting Final Approval of Class Action Settlement; and
4. Defendants fully fund the Gross Settlement Amount.

E. Nullification of Settlement Agreement. In the event that this Settlement Agreement is not preliminarily or finally approved by the Court, fails to become effective, or is reversed, withdrawn or modified by the Court, or in any way prevents or prohibits Defendants from obtaining a complete resolution of the Released Class Claims, or if Defendants fail to fully fund the Gross Settlement Amount:

1. This Settlement Agreement shall be void *ab initio* and of no force or effect, and shall not be admissible in any judicial, administrative or arbitral proceeding for any purpose or with respect to any issue, substantive or procedural;
2. The conditional class certification (obtained for any purpose) shall be void *ab initio* and of no force or effect, and shall not be admissible in any judicial, administrative or arbitral proceeding for any purpose or with respect to any issue, substantive or procedural; and
3. None of the Parties to this Settlement will be deemed to have waived any claims, objections, defenses or arguments in the Action, including with respect to the issue of class certification.
4. If Defendants fail to fully fund the Gross Settlement Amount, Defendants shall bear the sole responsibility for any cost to issue or reissue any curative

notice to the Settlement Class Members and all Claims Administration Expenses incurred to the date of nullification.

- F. Certification of the Settlement Class. The Parties stipulate to conditional class certification of the Class for the Class Period for purposes of settlement only. In the event that this Settlement is not approved by the Court, fails to become effective, or is reversed, withdrawn or modified by the Court, or in any way prevents or prohibits Defendants from obtaining a complete resolution of the Released Class Claims, the conditional class certification (obtained for any purpose) shall be void *ab initio* and of no force or effect, and shall not be admissible in any judicial, administrative or arbitral proceeding for any purpose or with respect to any issue, substantive or procedural.
- G. Tax Liability. The Parties make no representations as to the tax treatment or legal effect of the payments called for, and Class Members and/or PAGA Class are not relying on any statement or representation by the Parties in this regard. Class Members and/or PAGA Class Members understand and agree that they will be responsible for the payment of any taxes and penalties assessed on the Individual Settlement Payments and/or PAGA Class Members' individual shares of the PAGA Payment described and will be solely responsible for any penalties or other obligations resulting from their personal tax reporting of Individual Settlement Payments and/or PAGA Class Members' individual shares of the PAGA Payment.
- H. Circular 230 Disclaimer. Each Party to this Agreement (for purposes of this section, the "acknowledging party" and each Party to this Agreement other than the acknowledging party, an "other party") acknowledges and agrees that: (1) no provision of this Agreement, and no written communication or disclosure between or among the Parties or their attorneys and other advisers, is or was intended to be, nor shall any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of United States Treasury Department circular 230 (31 CFR part 10, as amended); (2) the acknowledging party (a) has relied exclusively upon his,

her or its own, independent legal and tax counsel for advice (including tax advice) in connection with this Agreement, (b) has not entered into this Agreement based upon the recommendation of any other Party or any attorney or advisor to any other Party, and (c) is not entitled to rely upon any communication or disclosure by any attorney or adviser to any other party to avoid any tax penalty that may be imposed on the acknowledging party, and (3) no attorney or adviser to any other Party has imposed any limitation that protects the confidentiality of any such attorney's or adviser's tax strategies (regardless of whether such limitation is legally binding) upon disclosure by the acknowledging party of the tax treatment or tax structure of any transaction, including any transaction contemplated by this Agreement.

I. Preliminary Approval Motion. Plaintiff shall draft and file with the Court a Motion for Order Granting Preliminary Approval and supporting papers within a reasonable period of time after complete execution of this agreement and will provide Defendants with a draft of the Motion at least 3 business days prior to the filing of the Motion to give Defendants an opportunity to propose changes or additions to the Motion.

J. Settlement Administrator. The Settlement Administrator shall be responsible for: establishing and administering the QSF; calculating, processing and mailing payments to the Class Representative, Class Counsel, LWDA and Class Members; printing and mailing the Notice Packets to the Class Members as directed by the Court; receiving and reporting the objections and requests for exclusion; calculating, deducting and remitting all legally required taxes from Individual Settlement Payments and distributing tax forms for the Wage Portion and Non-Wage Portion of the Individual Settlement Payments and/or PAGA Class Members' individual shares of the PAGA Payment; processing and mailing tax payments to the appropriate state and federal taxing authorities; providing declaration(s) as necessary in support of preliminary and/or final approval of this Settlement; and other tasks as the Parties mutually agree or the Court orders the Settlement Administrator to perform. The Settlement

1 Administrator shall keep the Parties timely apprised of the performance of all
2 Settlement Administrator responsibilities by among other things, sending a weekly
3 status report to the Parties' counsel stating the date of the mailing, the of number of
4 Elections Not to Participate in Settlement it receives (including the numbers of valid
5 and deficient), and number of objections received.

6 K. Notice Procedure.

7 1. Class Data. No later than ten (10) business days after the Preliminary
8 Approval Date, Defendants shall provide the Settlement Administrator with
9 the Class Data for purposes of preparing and mailing Notice Packets to the
10 Class Members.

11 2. Notice Packets.

12 a) The Notice Packet shall contain the Notice of Class Action Settlement
13 in a form substantially similar to the form attached as **Exhibit A** and a
14 Request for Exclusion form attached hereto as **Exhibit B**. The Notice
15 of Class Action Settlement shall inform Class Members and PAGA
16 Class Members that they need not do anything in order to receive an
17 Individual Settlement Payment and/or PAGA Class Members'
18 individual shares of the PAGA Payment and to keep the Settlement
19 Administrator apprised of their current mailing address, to which the
20 Individual Settlement Payments and/or PAGA Class Members'
21 individual shares of the PAGA Payment will be mailed following the
22 Funding Date. The Notice of Class Action Settlement shall set forth
23 the release to be given by all members of the Class who do not request
24 to be excluded from the Settlement Class and/or PAGA Class
25 Members' in exchange for an Individual Settlement Payment and/or
26 PAGA Class Members' individual shares of the PAGA Payment, the
27 number of Workweeks worked by each Class Member during the

1 Class Period and PAGA Period, if any, and the estimated amount of
2 their Individual Settlement Payment if they do not request to be
3 excluded from the Settlement and each PAGA Class Member's share
4 of the PAGA Payment, if any. The Settlement Administrator shall use
5 the Class Data to determine Class Members' Workweeks and PAGA
6 Pay Periods. The Notice will also advise the PAGA Class that they
7 will release the Released PAGA Claims and will receive their share of
8 the PAGA Payment regardless of whether they request to be excluded
9 from the Settlement.

10 b) The Notice Packet's mailing envelope shall include the following
11 language: "IMPORTANT LEGAL DOCUMENT- YOU MAY BE
12 ENTITLED TO PARTICIPATE IN A CLASS ACTION
13 SETTLEMENT; A PROMPT REPLY TO CORRECT YOUR
14 ADDRESS IS REQUIRED AS EXPLAINED IN THE ENCLOSED
15 NOTICE."

16 3. Notice by First Class U.S. Mail and Email. Upon receipt of the Class Data,
17 the Settlement Administrator will perform a search based on the National
18 Change of Address Database to update and correct any known or identifiable
19 address changes. No later than fourteen (14) calendar days after receiving the
20 Class Data from Defendants, the Settlement Administrator shall mail and
21 email copies of the Notice Packet to all Class Members via regular First-Class
22 U.S. Mail and electronic mail. The Settlement Administrator shall exercise
23 its best judgment to determine the current mailing address for each Class
24 Member. The address identified by the Settlement Administrator as the
25 current mailing address shall be presumed to be the best mailing address for
26 each Class Member.

4. Undeliverable Notices. Any Notice Packets returned to the Settlement Administrator as non-delivered on or before the Response Deadline shall be re-mailed to any forwarding address provided. The Settlement Administrator will re-mail Notices within seven (7) days of receiving a returned Notice. If no forwarding address is provided, the Settlement Administrator shall promptly attempt to determine a correct address by lawful use of skip-tracing, or other search using the name, address and/or Social Security number of the Class Member involved, and shall then perform a re-mailing, if another mailing address is identified by the Settlement Administrator. In addition, if any Notice Packets, which are addressed to Class Members who are currently employed by Defendants, are returned to the Settlement Administrator as non-delivered and no forwarding address is provided, the Settlement Administrator shall notify Defendants. Defendants will request that the currently employed Class Member provide a corrected address, and transmit to the Administrator any corrected address provided by the Class Member. Class Members who received a re-mailed Notice Packet shall have their Response Deadline extended fifteen (15) days from the original Response Deadline.

5. Disputes Regarding Individual Settlement Payments. Class Members will have the opportunity, should they disagree with Defendants' records regarding the start and end dates of employment to provide documentation and/or an explanation to show contrary dates. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. The Settlement Administrator shall determine the eligibility for, and the amounts of, any Individual Settlement Payments under the terms of this Agreement. The Settlement Administrator's determination of the eligibility for and amount of any Individual Settlement Payment shall

1 be binding upon the Class Member and the Parties, except as provided herein
2 below in Paragraph 6.

3 6. Disputes Regarding Administration of Settlement. Any disputes not resolved
4 by the Settlement Administrator concerning the administration of the
5 Settlement will be resolved by the Court under the laws of the State of
6 California. Before any such involvement of the Court, counsel for the Parties
7 will confer in good faith to resolve the disputes without the necessity of
8 involving the Court.

9 7. Exclusions. The Notice of Class Action Settlement contained in the Notice
10 Packet shall state that Class Members who wish to exclude themselves from
11 the Settlement must submit a signed copy of the Request for Exclusion form
12 that will be mailed together with the Notice Packet to all Class Members. The
13 Request for Exclusion will not be valid if it is not timely submitted, if it is not
14 signed by the Class Member, or if it does not contain the name and address
15 and last four digits of the Social Security number of the Class Member. The
16 date of the postmark on the mailing envelope or fax stamp on the Request for
17 Exclusion shall be the exclusive means used to determine whether the request
18 for exclusion was timely submitted. Any Class Member who submits a timely
19 Request for Exclusion shall be excluded from the Settlement Class will not be
20 entitled to an Individual Settlement Payment and will not be otherwise bound
21 by the terms of the Settlement or have any right to object, appeal or comment
22 thereon. However, any Class Member that submits a timely Request for
23 Exclusion that is also a member of the PAGA Class will still receive his/her
24 pro rata share of the PAGA Payment, as specified below, and in consideration,
25 will be bound by the Release by the PAGA Class as set forth herein.
26 Settlement Class Members who fail to submit a valid and timely Request for
27 Exclusion on or before the Response Deadline shall be bound by all terms of
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1 the Settlement and any final judgment entered in this Action if the Settlement
2 is approved by the Court. No later than fifteen (15) calendar days after the
3 Response Deadline, the Settlement Administrator shall provide counsel for
4 the Parties with a final list of the Class Members who have timely submitted
5 timely Requests for Exclusion. At no time shall any of the Parties or their
6 counsel seek to solicit or otherwise encourage members of the Class to submit
7 Requests for Exclusion from the Settlement.

- 8 8. Objections. The Notice of Class Action Settlement contained in the Notice
9 Packet shall state that Class Members who wish to object to the Settlement
10 may submit to the Settlement Administrator a written statement of objection
11 (“Notice of Objection”) by the Response Deadline. The postmark date of
12 mailing shall be deemed the exclusive means for determining that a Notice of
13 Objection was served timely. The Notice of Objection, if in writing, must be
14 signed by the Settlement Class Member and state: (1) the case name and
15 number; (2) the name of the Settlement Class Member; (3) the address of the
16 Settlement Class Member; (4) the last four digits of the Settlement Class
17 Member’s Social Security number; (5) the basis for the objection; and (6) if
18 the Settlement Class Member intends to appear at the Final
19 Approval/Settlement Fairness Hearing. Class Members who fail to make
20 objections in writing in the manner specified above may still make their
21 objections orally at the Final Approval/Settlement Fairness Hearing with the
22 Court’s permission. Settlement Class Members will have a right to appear at
23 the Final Approval/Settlement Fairness Hearing to have their objections heard
24 by the Court regardless of whether they submitted a written objection. At no
25 time shall any of the Parties or their counsel seek to solicit or otherwise
26 encourage Class Members to file or serve written objections to the Settlement
27 or appeal from the Order and Final Judgment. Class Members who submit a
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1 written request for exclusion may not object to the Settlement. Class Members
2 may not object to the PAGA Payment.

3 L. Funding and Allocation of the Gross Settlement Amount. Defendants are required to
4 pay the Gross Settlement Amount on or before the Funding Date, plus any employer's
5 share of payroll taxes as mandated by law within the time specified herein.

6 1. Individual Settlement Payments. Individual Settlement Payments shall be
7 paid from the Net Settlement Amount and shall be paid pursuant to the
8 formula set forth herein. Using the Class Data, the Settlement Administrator
9 shall add up the total number of Workweeks for all Class Members. The
10 respective Workweeks for each Class Member will be divided by the total
11 Workweeks for all Class Members, resulting in the Payment Ratio for each
12 Class Member. Each Class Member's Payment Ratio will then be multiplied
13 by the Net Settlement Amount to calculate each Class Member's estimated
14 Individual Settlement Payments. Each Individual Settlement Payment will be
15 reduced by any legally mandated employee tax withholdings (e.g., employee
16 payroll taxes, etc.). Individual Settlement Payments for Class Members who
17 submit valid and timely requests for exclusion will be redistributed to
18 Settlement Class Members who do not submit valid and timely requests for
19 exclusion on a pro rata basis based on their respective Payment Ratios.

20 2. Calculation of Individual Payments to the PAGA Class. Using the Class Data,
21 the Settlement Administrator shall add up the total number of PAGA pay
22 periods for all PAGA Class Members during the PAGA Period. The
23 respective PAGA pay periods for each PAGA Class Member will be divided
24 by the total PAGA pay periods for all PAGA Class Members, resulting in the
25 "PAGA Payment Ratio" for each PAGA Class Member. Each PAGA Class
26 Member's PAGA Payment Ratio will then be multiplied by the PAGA Class
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1 Member Payment to calculate each PAGA Class Member's estimated share
2 of the PAGA Payment.

3 3. Allocation of Individual Settlement Payments. For tax purposes, Individual
4 Settlement Payments shall be allocated and treated as follows: 50% as wages
5 ("Wage Portion"); 50% as penalties and interest ("Non-Wage Portion"). The
6 Wage Portion is subject to wage withholdings and shall be reported on IRS
7 Form W-2. The Non-Wage Portion shall not be subject to wage withholdings
8 and shall be reported on IRS Form 1099.

9 4. Allocation of PAGA Class Member Payments. For tax purposes, PAGA Class
10 Member Settlement Payments shall be allocated and treated as 100% penalties
11 and shall be reported on IRS Form 1099.

12 5. No Credit Toward Benefit Plans. The Individual Settlement Payments and
13 individual shares of the PAGA Payment made to Settlement Class Members
14 and/or PAGA Class under this Settlement Agreement, as well as any other
15 payments made pursuant to this Settlement Agreement, will not be utilized to
16 calculate any additional benefits under any benefit plans to which any Class
17 Members may be eligible, including, but not limited to profit-sharing plans,
18 bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave
19 plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention
20 that this Settlement Agreement will not affect any rights, contributions, or
21 amounts to which any Class Members may be entitled under any benefit plans.

22 6. All monies received by Settlement Class Members under the Settlement which
23 are attributable to wages shall constitute income to such Settlement Class
24 Members solely in the year in which such monies actually are received by the
25 Settlement Class Members. It is the intent of the Parties that Individual
26 Settlement Payments and individual shares of the PAGA Payment provided for
27 in this Settlement agreement are the sole payments to be made by Defendants to
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1 Settlement Class Members and/or PAGA Class in connection with this
2 Settlement Agreement, with the exception of Plaintiff, and that the Settlement
3 Class Members and/or PAGA Class are not entitled to any new or additional
4 compensation or benefits as a result of having received the Individual Settlement
5 Payments and/or their shares of the PAGA Payment.

6 7. Mailing. Individual Settlement Payments and PAGA Class Member
7 Payments shall be mailed by regular First-Class U.S. Mail to Settlement Class
8 Members' and/or PAGA Class last known mailing address no later than fifteen
9 (15) calendar days after the Funding Date.

10 8. Expiration. Any checks issued to Settlement Class Members and PAGA Class
11 shall remain valid and negotiable for one hundred and eighty (180) days from
12 the date of their issuance. If a Settlement Class Member and/or PAGA Class
13 Member does not cash his or her settlement check within 90 days, the
14 Settlement Administrator will send a letter to such persons, advising that the
15 check will expire after the 180th day, and invite that Settlement Class Member
16 and/or PAGA Class Member to request reissuance in the event the check was
17 destroyed, lost or misplaced. In the event an Individual Settlement Payment
18 and/or PAGA Class Member's individual share of the PAGA Payment check
19 has not been cashed within one hundred and eighty (180) days, the check will
20 be voided and the Participating Class Member and/or PAGA Class Member
21 will remain bound by the Settlement. The funds from any such uncashed
22 checks shall be reallocated and redistributed by the Settlement Administrator
23 to those Participating Class Members and/or PAGA Class Members who
24 cashed their Individual Settlement Payment checks through a second
25 distribution using the same allocation as the first distribution. The Parties
26 agreed that under this procedure, there is no residue as the entire Gross
27 Settlement Amount will be distributed.

- 1 9. Class Representative Service Award. In addition to the Individual Settlement
2 Payment and his individual share of the PAGA Payment to be paid to Plaintiff,
3 Plaintiff will apply to the Court for an award of not more than \$10,000, as the
4 Class Representative Service Award. Defendants will not oppose a Class
5 Representative Service Award of not more than \$10,000 for Plaintiff. The
6 Settlement Administrator shall pay the Class Representative Service Award,
7 either in the amount stated herein if approved by the Court or some other
8 amount as approved by the Court, to Plaintiff from the Gross Settlement
9 Amount no later than fifteen (15) calendar days after the Funding Date. Any
10 portion of the requested Class Representative Service Award that are not
11 awarded to the Class Representative shall be part of the Net Settlement
12 Amount and shall be distributed to Settlement Class Members as provided in
13 this Agreement. The Settlement Administrator shall issue an IRS Form 1099
14 — MISC to Plaintiff for his Class Representative Service Award. Plaintiff
15 shall be solely and legally responsible to pay any and all applicable taxes on
16 his Class Representative Service Award and shall hold harmless the Released
17 Parties from any claim or liability for taxes, penalties, or interest arising as a
18 result of the Class Representative Service Award. The Class Representative
19 Service Award shall be in addition to Plaintiff's Individual Settlement
20 Payment as a Settlement Class Member. Approval of this Settlement shall not
21 be conditioned on Court approval of the requested amount of the Class
22 Representative Service Award. If the Court reduces or does not approve the
23 requested Class Representative Service Award, Plaintiff shall not have the
24 right to revoke the Settlement, and it will remain binding.
- 25 10. Class Counsel Award. Defendants understand a motion by Class Counsel for
26 attorneys' fees not to exceed one-third of the Gross Settlement Amount
27 currently estimated to be \$73,333.33 plus costs and expenses supported by
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1 declaration not to exceed Fifteen Thousand Dollars (\$15,000), from the Gross
2 Settlement Amount will be filed. Defendants agree not to oppose the request
3 for the Class Counsel Award. Any portion of the requested Class Counsel
4 Award that is not awarded to Class Counsel shall be part of the Net Settlement
5 Amount and shall be distributed to Settlement Class Members as provided in
6 this Agreement. The Settlement Administrator shall allocate and pay the
7 Class Counsel Award to Class Counsel from the Gross Settlement Amount no
8 later than fifteen (15) calendar days after the Funding Date. Class Counsel
9 shall be solely and legally responsible to pay all applicable taxes on the
10 payment made pursuant to this paragraph. The Settlement Administrator shall
11 issue an IRS Form 1099 — MISC to Class Counsel for the payments made
12 pursuant to this paragraph. In the event that the Court reduces or does not
13 approve the requested Class Counsel Award, Plaintiff and Class Counsel shall
14 not have the right to revoke the Settlement, or to appeal such order, and the
15 Settlement will remain binding.

16 11. PAGA Payment. Ten Thousand Dollars (\$10,000) shall be allocated from the
17 Gross Settlement Amount for settlement of claims for civil penalties under the
18 Private Attorneys General Act of 2004 (“PAGA Payment”). The Settlement
19 Administrator shall distribute the LWDA Payment to the California Labor and
20 Workforce Development Agency no later than twenty-five (25) calendar days
21 after the Funding Date. The PAGA Class Member Payment will be distributed
22 to the PAGA Class Members as described in this Agreement. For purposes of
23 distributing the PAGA Class Member Payments, each PAGA Class Member
24 shall receive their pro-rata share of the PAGA Class Member Payment using
25 the PAGA Payment Ratio as defined above.

26 12. Claims Administration Expenses. The Settlement Administrator shall be paid
27 for the costs of administration of the Settlement from the Gross Settlement
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Amount. The estimate of the Claims Administration Expenses is \$9,000. The Settlement Administrator shall be paid the Claims Administration Expenses no later than fifteen (15) calendar days after the Funding Date.

M. Final Approval Motion. Class Counsel and Plaintiff shall use best efforts to file with the Court a Motion for Order Granting Final Approval and Entering Judgment, within twenty-eight (28) days following the expiration of the Response Deadline, which motion shall request final approval of the Settlement and a determination of the amounts payable for the Class Representative Service Award, the Class Counsel Award, the PAGA Payment, and the Claims Administration Expenses. Plaintiff will provide Defendants with a draft of the Motion at least 3 business days prior to the filing of the Motion to give Defendants an opportunity to propose changes or additions to the Motion

1. Declaration by Settlement Administrator. No later than fifteen (15) days after the Response Deadline, the Settlement Administrator shall submit a declaration in support of Plaintiff's motion for final approval of this Settlement detailing the number of Notice Packets mailed and re-mailed to Class Members, the number of undeliverable Notice Packets, the number of timely requests for exclusion and the names of the Class Members requesting exclusion (if any), the number of objections received, the amount of the average Individual Settlement Payment, lowest, Individual Settlement Payment, and highest Individual Settlement Payment, the Claims Administration Expenses, and any other information as the Parties mutually agree or the Court orders the Settlement Administrator to provide.

2. Final Approval Order and Judgment. Class Counsel shall present an Order Granting Final Approval of Class Action Settlement to the Court for its approval, and Judgment thereon, at the time Class Counsel files the Motion for Final Approval.

- 1 N. Review of Motions for Preliminary and Final Approval. Class Counsel will provide
2 an opportunity for Counsel for Defendants to review the Motions for Preliminary and
3 Final Approval, including the Order Granting Final Approval of Class Action
4 Settlement, and Judgment before filing with the Court. The Parties and their counsel
5 will cooperate with each other and use their best efforts to affect the Court's approval
6 of the Motions for Preliminary and Final Approval of the Settlement, and entry of
7 Judgment.
- 8 O. Cooperation. The Parties and their counsel will cooperate with each other and use
9 their best efforts to implement the Settlement.
- 10 P. Interim Stay of Proceedings. The Parties agree to stay all proceedings in the Action,
11 except such proceedings necessary to implement and complete the Settlement, pending
12 the Final Approval/Settlement Fairness Hearing to be conducted by the Court
- 13 Q. Amendment or Modification. This Agreement may be amended or modified only by
14 a written instrument signed by counsel for all Parties or their successors-in-interest.
- 15 R. Entire Agreement. This Agreement and any attached Exhibit constitute the entire
16 Agreement among these Parties, and no oral or written representations, warranties or
17 inducements have been made to any Party concerning this Agreement or its Exhibit
18 other than the representations, warranties and covenants contained and memorialized
19 in this Agreement and its Exhibits.
- 20 S. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and
21 represent they are expressly authorized by the Parties whom they represent to negotiate
22 this Agreement and to take all appropriate Action required or permitted to be taken by
23 such Parties pursuant to this Agreement to effectuate its terms, and to execute any other
24 documents required to effectuate the terms of this Agreement. The persons signing
25 this Agreement on behalf of Defendants represent and warrant that he/she is authorized
26 to sign this Agreement on behalf of Defendants. Plaintiff represents and warrants that
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he is authorized to sign this Agreement and that he has not assigned any claim, or part of a claim, covered by this Settlement to a third-party.

T. No Public Comment: The Parties and their counsel agree that they will not issue any press releases, initiate any contact with the press, respond to any press inquiry, or have any communication with the press about the fact, amount or terms of the Settlement Agreement. Class Counsel further agrees not to use the Settlement Agreement or any of its terms for any marketing or promotional purposes. Nothing herein will restrict Class Counsel from including publicly available information regarding this settlement in future judicial submissions regarding Class Counsel's qualifications and experience. Further, Class Counsel will not include, reference or use the Settlement Agreement for any marketing or promotional purposes, either before or after the Motion for Preliminary Approval is filed.

U. Binding on Successors and Assigns. This Agreement shall be binding upon, and inure to the benefit of, the successors or assigns of the Parties, as previously defined.

V. California Law Governs. All terms of this Agreement and the Exhibit and any disputes shall be governed by and interpreted according to the laws of the State of California.

W. Counterparts. This Agreement may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument provided that counsel for the Parties to this Agreement shall exchange among themselves copies or originals of the signed counterparts.

X. This Settlement Is Fair, Adequate and Reasonable. The Parties believe this Settlement is a fair, adequate and reasonable settlement of this Action and have arrived at this Settlement after extensive arms-length negotiations, taking into account all relevant factors, present and potential.

Y. Continuing Jurisdiction of the Court. The Parties agree that the Court shall retain jurisdiction over this case under CCP section 664.6 to ensure the continuing implementation of the provisions of this settlement and that the time within which to

bring this action to trial under CCP section 583.310 shall be executed from the date of the signing of this Agreement by all Parties until the entry of the final approval order and judgment or if not entered the date this Agreement shall no longer be of any force or effect.

Z. Invalidity of Any Provision. Before declaring any provision of this Agreement invalid, the Court shall first attempt to construe the provisions valid to the fullest extent possible consistent with applicable precedents so as to define all provisions of this Agreement valid and enforceable.

AA. No Unalleged Claims. Plaintiff and Class Counsel represent that they do not currently intend to pursue any claims against the Released Parties, including, but not limited to, any and all claims relating to or arising from Plaintiff's employment with Defendants, regardless of whether Class Counsel is currently aware of any facts or legal theories upon which any claims or causes of action could be brought against Released Parties, including those facts or legal theories alleged in the operative complaint in this Action. The Parties further acknowledge, understand and agree that this representation is essential to the Agreement and that this Agreement would not have been entered into were it not for this representation.

BB. Stipulation to Class Certification. The Parties agree to stipulate to class certification for purposes of this settlement only.

CC. No Admissions by the Parties. Plaintiff has claimed and continues to claim that the Released Claims have merit and give rise to liability on the part of Defendants. Defendants claim that the Released Claims have no merit and do not give rise to liability. This Agreement is a compromise of disputed claims. Nothing contained in this Agreement and no documents referred to and no action taken to carry out this Agreement may be construed or used as an admission by or against the Defendants or Plaintiff or Class Counsel as to the merits or lack thereof of the claims asserted. Other

1 than as may be specifically set forth herein, each Party shall be responsible for and
2 shall bear its/his own attorney's fees and costs.
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IT IS SO AGREED, FORM AND CONTENT, BY PLAINTIFF:

DATED: Feb 3, 2023



JOHN KNEISLY

IT IS SO AGREED, FORM AND CONTENT, BY DEFENDANTS:

DATED: Feb. 15, 2023



S R MACHINING, INC.

Lawrence T Kaford

Printed Name

President

Title

DATED: Feb 15, 2023



S R MACHINING-PROPERTIES LLC

Lawrence T Kaford

Printed Name

President

Title

1 IT IS SO AGREED AS TO FORM BY COUNSEL:

2
3 DATED: February 6, 2023

JCL LAW FIRM, A.P.C.

4 By: 

5 Jean-Claude Lapuyade

6 Attorneys for Plaintiff and the Settlement Class
7 Members

8 DATED: February 6, 2023

ZAKAY LAW GROUP, APLC

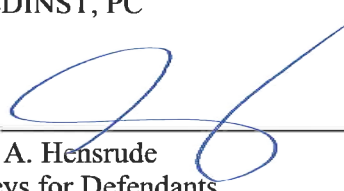
9 By: 

10 Shani Zakay

11 Attorneys for Plaintiff and the Settlement Class
12 Members

13 DATED: February 15, 2023

KLINEDINST, PC

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15 By: 

16 Gregor A. Hensrude

17 Attorneys for Defendants
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EXHIBIT A

**NOTICE OF PENDENCY OF CLASS ACTION SETTLEMENT
AND FINAL HEARING DATE**

(John Kneisly, et. al v. SR Machining, Inc., Riverside County Superior Court Case No. CVRI2201491)

**YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR DO NOT ACT. PLEASE
READ THIS NOTICE CAREFULLY.**

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
Do Nothing and Receive a Payment	To receive a cash payment from the Settlement, you do not have to do anything. Your estimated Settlement Share is: \$<<[REDACTED]>>. See the explanation below. After final approval by the Court, the payment will be mailed to you at the same address as this notice. If your address has changed, please notify the Settlement Administrator as explained below. In exchange for the settlement payment, you will release claims against the Defendant as detailed below.
Exclude Yourself	If you wish to exclude yourself from the Settlement, you must send a written request for exclusion to the Settlement Administrator as provided below. If you request exclusion, you will receive no money from the Settlement. Instructions are set forth below.
Object	You may write to the Court about why you believe the Settlement should not be approved. Directions are provided below.

1. Why did I get this Notice?

A proposed class action settlement (the “Settlement”) of this lawsuit pending in the Superior Court for the State of California, County of Riverside (the “Court”) has been reached between Plaintiff John Kneisly (“Plaintiff”) and Defendants S R Machining, Inc., a California corporation, and S R Machining-Properties LLC, a California limited liability company (“Defendants”). The Court has granted preliminary approval of the Settlement. **You may be entitled to receive money from this Settlement.**

You have received this Class Notice because you have been identified as a member of the Class, which is defined as:

all non-exempt employees who are or previously were directly employed by Defendants and performed work in California during the Class Period.

The “Class Period” is the period of time running from April 14, 2018, to October 10, 2022.

This Class Notice explains the lawsuit, the Settlement, and your legal rights. It is important that you read this Notice carefully as your rights may be affected by the Settlement.

2. What is this class action lawsuit about?

On April 14, 2022, Plaintiff filed a Complaint against Defendants in the Superior Court of the State of California, County of Riverside (the “Action”). Plaintiff asserted the following claims alleging that Defendant: (1) Violated California Business and Professions Code § 17200 *et seq.*; (2) Failed to pay minimum wages in violation of California Labor Code §§ 1194, 1197, and 1197.1; (3) Failed to pay overtime wages in violation of California Labor Code §§ 510, *et seq.*; (4) Failed to provide required meal periods in violation of California Labor Code §§ 226.7 & 512, and the applicable IWC Wage Order; (5) Failed to provide required rest periods in violation of California Labor Code §§ 226.7 & 512, and the applicable IWC Wage Order; (6) Failed to provide wages when due in violation of California Labor Code §§ 201, 202, and 203; and (7) Failed to reimburse employees for required expenses in violation of California Labor Code section 2802. On MONTH XX, 2023, Plaintiff filed a First Amended Complaint adding an eighth (8) cause of action for Violations of the Private Attorney General Act at Labor Code Section 2698, *et seq.* (“PAGA”). PAGA is a mechanism by which the State of California itself can enforce state labor laws through the employee suing under the PAGA who does so as the proxy or agent of the state’s labor law enforcement agency. The purpose of the PAGA is not to recover damages or restitution, but to create a means of “deputizing” citizens as private attorney general to enforce the Labor Code.

Defendants deny and dispute all claims asserted in the Action. Specifically, Defendants contended (and continue to contend) that the Action could not properly be maintained as a class action; that Defendants properly paid members of the class all wages and overtime that was due; that Defendants provided members of the class with all legally required meal breaks and rest breaks; that Defendants paid any members of the class all wages due them at the time of their terminations; that Defendants reimbursed members of the class for required business expenses; that Defendants did not violate California Business and Professions Code section 17200 *et seq.*; and that Defendants are not liable for any of the penalties claimed or that could be claimed in the Action.

On October 10, 2022, the Parties participated in an all-day mediation with Hon. Steven R. Denton (Ret.), a respected jurist and experienced mediator of wage and hour class and PAGA actions. The mediation concluded in a settlement after both sides agreed to a Mediator’s proposal. The Court granted preliminary approval of the Settlement on <<INSERT PRELIMINARY APPROVAL DATE>>. At that time, the Court also preliminarily approved the Plaintiff to serve as the Class Representative, and the law firms of JCL Law Firm, APC and Zakay Law Group, APLC to serve as Class Counsel.

3. What are the terms of the Settlement?

Gross Settlement Amount. Defendant has agreed to pay an “all in” amount of Two Hundred Twenty Thousand Dollars (\$220,000) (the “Gross Settlement Amount”) to fund the Settlement. The Gross Settlement Amount includes the payment of all Individual Settlement Payments to participating Class Members, Class Counsel Award, Claims Administration Expenses, PAGA Payment, and the Class Representative Service Award to the Plaintiff.

After the Judgment becomes Final, Defendants will pay the Gross Settlement Amount by depositing the money with the Settlement Administrator. “Final” means the date the Judgment is no longer subject to appeal, or if an appeal is filed, the date the appeal process is completed, and the Judgment is affirmed.

Amounts to be Paid from the Gross Settlement Amount. The Settlement provides for certain payments to be made from the Gross Settlement Amount, which will be subject to final Court approval, and which will be deducted from the Gross Settlement Amount before settlement payments are made to Class Members, as follows:

- Claims Administration Expenses. Payment to the Settlement Administrator, estimated not to exceed \$9,000.00 for expenses, including expenses of sending this Notice, processing opt-outs, and distributing settlement payments.
- Class Counsel Award. Payment to Class Counsel attorneys' not to exceed one-third of the Gross Settlement Amount (currently \$73,333.33) plus costs and expenses not to exceed \$15,000 for all costs and expenses incurred as documented in Class Counsel's billing records, both subject to Court approval. Class Counsel have been prosecuting the Action on behalf of Plaintiff and the Class on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses.
- Class Representative Service Award. Class Representative Service Award of up to Ten Thousand Dollars (\$10,000) to Plaintiff, or such lesser amount as may be approved by the Court, to compensate him for services on behalf of the Class in initiating and prosecuting the Action, and for the risks he undertook.
- PAGA Payment. A payment of \$10,000 relating to Plaintiff's claim under the Private Attorneys General Act ("PAGA"), \$7,500 of which will be paid to the State of California's Labor and Workforce Development Agency ("LWDA Payment") and the remaining \$2,500 will be distributed to the PAGA Class Members ("PAGA Class Member Payment").
- Calculation of Individual Settlement Payments. After all the above payments of the court-approved Class Counsel Award, the Class Representative Service Award, the PAGA Payment, and the Claims Administration Expenses are deducted from the Gross Settlement Amount, the remaining portion, called the "Net Settlement Amount," shall be distributed to class members who do **not** request exclusion ("Settlement Class Members"). The Individual Settlement Payment for each Settlement Class Member will be calculated by dividing the Net Settlement Amount by the total number of workweeks for all Settlement Class Members that occurred during the Class Period and multiplying the result by each individual Settlement Class Member's workweeks that occurred during the Class Period. A "workweek" is defined as a normal seven-day week of work during the Class Period in which, according to Defendant's records, a member of the class worked at least one day during any such workweek.
- Calculation of Individual Payments to PAGA Class Members. The PAGA Class Member Payment of the PAGA Payment shall be distributed to PAGA Class Members irrespective of whether they exclude themselves or opt-out. The PAGA Class Member Payment will be divided by the total number of pay periods worked by all PAGA Class Members during the PAGA Period, and then taking that number and multiplying it by the number of pay periods worked by each respective Aggrieved Employee during the PAGA Period. "PAGA Class Members" means all non-exempt employees who are or previously were directly employed by Defendants and performed work in California during the PAGA Period. The PAGA Period means the period between October 10, 2021, to October 10, 2022.

If the Settlement is approved by the Court, you will automatically be mailed a check for your Individual Settlement Payment to the same address as this Class Notice. You do not have to do anything to receive a payment. If your address has changed, you must contact the Settlement Administrator to inform them of your correct address to ensure you receive your payment.

You may find the Settlement Agreement entitled "Stipulation of Settlement of Class and PAGA Action Claims and Release of Claims" filed on **XXX**, with the Riverside County Superior Court, Dept. 10, located at 4050 Main Street, Riverside, CA 92501. You may also find the Settlement Agreement online by visiting the Riverside County Superior Court website <https://www.riverside.courts.ca.gov/>.

Tax Matters. Fifty percent (50%) of each Individual Settlement Payment is allocated to wages. Taxes are withheld from this amount, and each participating Class Member will be issued an Internal Revenue Service Form W-2 for such payment. Fifty percent (50%) of each Individual Settlement Payment is allocated to interest, penalties and

other non-wage payments, and no taxes will be withheld from this portion, and each participating Class Member will be issued an Internal Revenue Service Form 1099 for such payment. In addition, no taxes will be withheld from PAGA Class Member Payments paid to PAGA Class Members, and each PAGA Class Member will be issued an Internal Revenue Service Form 1099 for such payment. Neither Class Counsel nor Defendants' counsel intend anything contained in this Settlement to constitute advice regarding taxes or taxability. You may wish to consult a tax advisor concerning the tax consequences of the payments received under the Settlement.

Conditions of Settlement. This Settlement is conditioned upon the Court entering an order granting final approval of the Settlement and entering judgment.

4. What Do I Release Under the Settlement?

Released Claims. Upon entry of final judgment and funding in full of the Gross Settlement Amount by Defendants, Plaintiff and the Settlement Class Members shall release all Released Class Claims that occurred during the Class Period as to the Released Parties. Released Class Claims means all class claims which are alleged in the operative complaint, or could have been alleged based upon the facts in the operative complaint, which occurred during the Class Period, and expressly excluding all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, and class claims outside of the Class Period. The Released PAGA Claims shall be released as follows: Upon entry of final judgment and upon funding in full of the Gross Settlement Amount by Defendants, all PAGA Class Members shall release all Released PAGA Claims, irrespective of whether they opted-out of the Class Settlement, and will be bound by this PAGA Release (the "PAGA Release"). "Released PAGA Claims" means all PAGA claims which are alleged in the operative complaint and Plaintiff's PAGA notice to the LWDA which occurred during the PAGA Period, and expressly excluding all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, and PAGA claims outside of the PAGA Period.

This means that, if you do not timely and formally exclude yourself from the Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendants about the legal issues resolved by this Settlement. It also means that all of the Court's orders in this Action will apply to you and legally bind you.

5. How much will my payment be?

Defendants' records reflect that you have <<____>> Workweeks worked during the Class Period (April 14, 2018, to October 10, 2022).

Based on this information, your estimated Individual Settlement Payment is <<____>>.

Defendants' records reflect that you have <<____>> pay periods worked during the PAGA Period (October 10, 2021 to October 10, 2022).

Based on this information, your estimated PAGA Class Member Payment is <<____>>.

If you wish to challenge the information set forth above, then you must submit a written, signed dispute challenging the information along with supporting documents, to the Settlement Administrator at the address provided in this Notice no later than _____ [forty-five (45) days after the Notice or re-mailed Notice].

6. How can I get a payment?

To get money from the Settlement, you do not have to do anything. A check for your settlement payment will be mailed automatically to the same address as this Notice. If your address is incorrect or has changed, you must notify the Settlement Administrator. The Settlement Administrator is: Atticus Administration at 1-844-728-8428.

The Court will hold a hearing on _____ to decide whether to finally approve the Settlement. If the Court approves the Settlement and there are no objections or appeals, payments will be mailed within a few months after this hearing. If there are objections or appeals, resolving them can take time, perhaps more than a year. Please be patient. After entry of the Judgment, the Settlement Administrator will provide notice of the final judgment to the Class Members by posting a copy of the Judgment on the administrator's website at www.atticusadmin.com

7. What if I don't want to be a part of the Settlement?

If you do not wish to participate in the Settlement, you may exclude yourself from the Settlement or "opt out." **If you opt out, you will receive NO money from the Settlement, and you will not be bound by its terms, except as provided as follows.** Irrespective of whether you exclude yourself from the Settlement or "opt out," you will be bound by the PAGA Release, you will be deemed to have released the Released PAGA Claims, and you will receive a share of the PAGA Class Member Payment.

To opt out, you must submit to the Settlement Administrator, by First Class Mail, a written, signed and dated request for exclusion postmarked no later than _____. The address for the Settlement Administrator is 1250 Northland Drive, Suite 240, Mendota Heights, MN 55120. The request for exclusion must state in substance: "I wish to opt out of the settlement of the class action lawsuit entitled *John Kneisly, et. al v. SR Machining, Inc., Riverside County Superior Court, Case No. CVRI2201491*. I understand that by requesting to be excluded from the Settlement, I will receive no money from the Settlement described in this Notice." The request for exclusion must contain your name, address, signature and the last four digits of your Social Security Number for verification purposes. The request for exclusion must be signed by you. No other person may opt out for a member of the Class.

Written requests for exclusion that are postmarked after _____, or are incomplete or unsigned will be rejected, and those Class Members will remain bound by the Settlement and the release described above.

8. How do I tell the Court that I would like to challenge the Settlement?

Any Class Member who has not opted out and believes that the Settlement should not be finally approved by the Court for any reason, may object to the proposed Settlement. Objections may be in writing and state the Class Member's name, current address, telephone number, and describe why you believe the Settlement is unfair and whether you intend to appear at the final approval hearing. All written objections or other correspondence must also state the name and number of the case, which is *John Kneisly, et. al v. SR Machining, Inc., Riverside County Superior Court, Case No. CVRI2201491*. You may also object without submitting a written objection by appearing at the final approval hearing scheduled as described in Section 9 below.

To object to the Settlement, you cannot opt out. If the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Class Members who do not object. Any Class Member who does not object in the manner provided in this Class Notice shall have waived any objection to the Settlement, whether by appeal or otherwise.

Written objections must be delivered or mailed to the Settlement Administrator no later than _____. The address for the Settlement Administrator is Atticus Administration, LLC, 1250 Northland Drive, Suite 240, Mendota Heights, MN 55120.

The addresses for the Parties' counsel are as follows:

Class Counsel:
Jean-Claude Lapuyade, Esq.

Class Counsel:
Shani O. Zakay, Esq.

Counsel for Defendant:
Gregor A. Hensrude, Esq.

JCL Law Firm, APC
5440 Morehouse Drive, Suite 3600
San Diego, CA 92121
Tel.: (619) 599-8292
Fax: (619) 599-2891
E-Mail: jlapuyade@jcl-lawfirm.com

Zakay Law Group, APLC
5440 Morehouse Drive, Suite 3600
San Diego, CA 92121 Tel: (619) 599-
8292
Fax: (619) 599-8291
Email: shani@zakaylaw.com
Website: www.zakaylaw.com

Klinedinst, PC
801 K Street, Suite 2100
Sacramento, CA 95814
Tel.: (916) 282-0100
Fax: (916) 444-7544
E-Mail: sjohnson@klinedinstlaw.com

9. When and where will the Court decide whether to approve the Settlement?

The Court will hold a Final Approval Hearing at **00:00 AM/PM on** _____, at the Riverside County Superior Court, Dept. 10, located at 4050 Main Street, Riverside CA 92501 before Judge Harold Hopp. The Court has determined only that there is sufficient evidence to suggest that the proposed settlement might be fair, reasonable, and adequate. At the Final Approval Hearing, the Court will determine whether the Settlement is fair, reasonable, and adequate. The purpose of this hearing is for the Court to determine whether to grant final approval to the Settlement. If there are objections, the Court will consider them. The Court will listen to people who have made a timely written request to speak at the hearing or who appear at the hearing to object. This hearing may be rescheduled by the Court without further notice to you. **You are not required to attend** the Final Approval Hearing, although any Class Member is welcome to attend the hearing.

10. How do I get more information about the Settlement?

You may call the Settlement Administrator at 1-844-728-8428 or write to *John Kneisly, et. al v. SR Machining, Inc., Riverside County Superior Court, Case No. CVRI2201491*, Settlement Administrator, c/o _____.

This notice summarizes the proposed Settlement. More details are in the Settlement Agreement. You may receive a copy of the Stipulation of Settlement of Class and PAGA Action Claims and Release of Claims ("Settlement Agreement") filed on **MONTH XX**, 2023, the Final Judgment or other Settlement documents by writing to JCL Law Firm, APC, 5440 Morehouse Drive, Suite 3600, San Diego, CA 92121.

PLEASE DO NOT CALL THE COURT ABOUT THIS NOTICE.

IMPORTANT:

- You must inform the Settlement Administrator of any change of address to ensure receipt of your Individual Settlement Payment.
- Settlement checks will be null and void 180 days after issuance if not deposited or cashed. In such event, the Settlement Administrator shall pay all funds from such uncashed checks will be redistributed to those Class Members who did cash their Settlement checks. If your check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement.

EXHIBIT B

Superior Court of California, County of Riverside
John Kneisly, et. al v. SR Machining, Inc
Riverside County Superior Court Case No. CVRI2201491

REQUEST FOR EXCLUSION

Instructions: Please complete this Form ONLY IF YOU **DO NOT** WANT TO PARTICIPATE IN THE SETTLEMENT that is described in the Notice Pendency of Class Action Settlement and Final Hearing Date that accompanies this Form. If you choose to complete this Form, the deadline for mailing it to the Settlement Administrator is **** INSERT DATE****.

I. PERSONAL INFORMATION

Name (first, middle and last): _____

Home Street Address: _____

City, State, Zip Code: _____

Telephone Number: (____) _____

Last 4 Digits of Social Security Number: _____

II. REQUEST FOR EXCLUSION

By signing and returning this Form, I certify that I wish to opt out of the settlement of the class action lawsuit entitled *John Kneisly, et. al v. SR Machining, Inc.*, Case No. CVRI2201491, filed in the Superior Court of California, County of Riverside. I understand that by requesting to be excluded from the Settlement, I will receive no money from the Settlement described in the Notice Pendency of Class Action Settlement and Final Hearing Date that accompanies this Form.

Any Class Member that submits a timely Request for Exclusion that is also a member of the PAGA Class will still receive his/her pro rata share of the PAGA Payment.

III. MAILING INSTRUCTIONS

If you choose to return this Form, you must return it to the Settlement Administrator postmarked on or before ****INSERT DATE**** AT THE ADDRESS LISTED BELOW:

Atticus Administration, LLC
1250 Northland Drive, Suite 240
Mendota Heights, MN 55120

IV. PLEASE SIGN BELOW

I declare that the foregoing is true and correct.

Dated: _____

(Signature)

(Print Name)

EXHIBIT C

Settlement Administrator
ILYM Group, Inc.
P.O. Box 2031
Tustin, CA 92781

Must Be Postmarked
No Later Than
XXX, 2023

OBJECTION FORM

SUPERIOR COURT OF THE STATE OF CALIFORNIA – COUNTY OF RIVERSIDE
John Kneisly v. SR Machining, Inc., Case No. CVRI2201491

Indicate Name/Address Changes, if any: _____

<<Name>> _____

<<Address>> _____

<<City>>, <<State>> <<Zip Code>> _____

YOU DO NOT NEED TO COMPLETE THIS FORM TO PARTICIPATE IN THE SETTLEMENT. THIS FORM IS TO BE USED ONLY IF YOU WANT TO PARTICIPATE IN THE SETTLEMENT, BUT YOU OBJECT TO THE TERMS OF THE SETTLEMENT. IF YOU OBJECT TO THE SETTLEMENT, YOU MUST SIGN AND COMPLETE THIS FORM ACCURATELY AND IN ITS ENTIRETY AND YOU MUST MAIL IT BY FIRST CLASS U.S. MAIL TO THE SETTLEMENT ADMINISTRATOR SO THAT IT IS POSTMARKED ON OR BEFORE **XXX, 2023. THE ADDRESS FOR THE SETTLEMENT ADMINISTRATOR IS NOTED AT THE TOP OF THIS FORM. IF YOU DO NOT OBJECT TO THE SETTLEMENT, DO NOT SUBMIT THIS FORM.**

The Court will consider your objection at the Final Approval Hearing if you submit a timely and valid written statement of objection. All of the information on this form is required. If you do not provide all of the information below, your objection will be deemed null and void.

I, _____, (name of Class Member) hereby object to the Settlement in this case for the following reasons:

Dated: _____

Signature: _____

Print or Type Name: _____

Telephone Number: _____

EXHIBIT 2

EXHIBIT 3

ILYM | GROUP, Inc.

SETTLEMENT ADMINISTRATION EXPERTS

Case Name: Kneisly v. SR Machining

Thursday, December 22, 2022

Requesting Law Firm:

JCL Law Firm, A.P.C.

Attorney Contact:

Sydney Castillo-Johnson

E-Mail Address:

scastillo@jcl-lawfirm.com

ILYM Group Contact:

Sean Hartranft

E-Mail Address:

Sean@ilymgroup.com

Contact Number:

949.690.2564

ESTIMATE FOR ADMINISTRATION SOLUTIONS

ASSUMPTIONS

Estimated Class Size	41
Estimated Percentage of Undeliverable Mail	10%
ILYM Group Static Website	Yes
Certified Spanish Translation	Yes

Activity

Rate Type

Unit Cost

Volume

Amount

CASE STARTUP

Initial Setup - <i>Import and Formatting of Data*</i>	Hourly	\$150.00	1	\$150.00
Programming of Class Database	Hourly	\$175.00	1	\$175.00

**ILYM assumes that data will be in a standard format. Client will be notified immediately if not in standard format to correct data or ILYM can convert to standard format @ \$150.00 per hour.*

Subtotal \$325.00

PROJECT MANAGEMENT

Project Manager (Case notification and maintenance)	Hourly	\$120.00	6	\$720.00
Staff Hours for Processing Returned Mail	Hourly	\$70.00	0	\$0.00
Staff Hours for Processing Opt-Outs, Disputes & Objections	Hourly	\$70.00	1	\$70.00
Report Processing	Hourly	\$70.00	3	\$210.00
NCOA	Flat Fee	\$20.00	1	\$20.00
Toll-Free Call Center Support	Flat Fee	\$45.00	1	\$45.00
Certified Spanish Translation	Flat Fee	\$1,250.00	1	\$1,250.00
ILYM Group Static Website, Includes Hosting	Flat Fee	\$750.00	1	\$750.00
Weekly Reports	Flat Fee	\$750.00	1	Waived

Subtotal \$3,065.00

ILYM | GROUP, Inc.

SETTLEMENT ADMINISTRATION EXPERTS

Activity	Rate Type	Unit Cost	Volume	Amount
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NOTIFICATION/MAILING				
Fulfillment of Notice, English & Spanish	Per Piece	\$2.50	41	\$102.50
USPS First Class Postage	Per Piece	\$0.81	41	\$33.21
Re-Mails (Skip Trace/Undeliverable/Requests)	Per Piece	\$3.00	8	\$24.60
Storage, Photocopies, Deliveries	Flat Fee	\$300.00	1	\$300.00

Subtotal \$460.31

DISTRIBUTION (Includes EIN, Bank Acct * /QSF Setup)				
Distribution Setup & Management	Hourly	\$150.00	3	\$450.00
Account Reconciliation & Distribution Reporting	Hourly	\$125.00	3	\$375.00
Check Stub & Release - (including W-2/1099)	Per Check	\$2.00	41	\$82.00
Check Mailing Postage	Per Piece	\$0.60	41	\$24.60
Re-Mails (Skip Trace/Undeliverable/Requests)	Per Piece	\$3.00	8	\$24.60
Redistribution Check Stub & Release - (including W-2/1099)	Per Check	\$2.00	29	\$57.40
Check Mailing Postage	Per Piece	\$0.60	29	\$17.22
Re-Mails (Skip Trace/Undeliverable/Requests)	Per Piece	\$3.00	6	\$17.22
Preparation of Taxes	Hourly	\$125.00	12	\$1,500.00
Annual Filing of Tax Return	Per Year	\$1,500.00	1	\$1,500.00

**Additional Bank fees may apply*

Subtotal \$4,048.04

CASE CONCLUSION				
Data Manager Final Reporting	Hourly	\$100.00	3	\$300.00
Project Manager Final Reporting	Hourly	\$120.00	3	\$360.00
Process Unclaimed Funds to State Controller's Office	Flat Fee	\$500.00	1	\$500.00
Declarations	Hourly	\$125.00	3	\$375.00

Subtotal \$1,535.00

Total Case Estimate: \$9,433.35

TERMS AND CONDITIONS

All services to be provided by ILYM Group, Inc. (hereinafter, "ILYM") to Client shall be subject to the following terms and conditions:

Services: Subject to the terms hereof, ILYM agrees to provide the Client with Administration Services (hereinafter, "services") as specified in the Proposal provided to Client to which these Terms and Conditions are attached. The estimate is in good faith and does not cover any applicable taxes and fees. The estimate does not make provision for any services or class members/size not delineated in the request for proposal or stipulations. Such services do not in any way constitute legal services or advice. ILYM is performing its services as an Independent Contractor and neither it nor its employees shall be deemed to be employees of the Client.

Mailing and Data Conversion: ILYM's database administration assumes the Client will provide complete data that includes all information required to send notifications and complete the administration process. Data must be provided in a complete, consistent, standardized electronic format. ILYM's standard format is Microsoft Excel, however, ILYM may accept other formats at its discretion. Further developments or enhancements to non-standardized data will be billed to Client by ILYM on a time and materials basis, according to ILYM's Standard Rates.

Charges for Services: Charges to the Client for services shall be on a time and materials basis at our prevailing rates, as the same may change from time to time. Any fee estimates set forth in the proposal are estimates only, based on information provided by Client to ILYM. Actual fees charged by ILYM to Client may be greater or less than such estimate, and Client shall be responsible for the payment of all such charges and expenses in accordance with Section 5 hereof. Charges incurred related to resolving post distribution withholdings and related corrective files due to voids and re-issues of payments and related correspondence with state and federal taxing authorities will not be charged to the Client to the extent that funds are received from the taxing authorities offset these charges. ILYM may derive financial benefits from financial institutions in connection with the deposit and investment of settlement funds with such institutions, including without limitation, discounts on eligible banking services and fees, and loans at favorable rates.

Indemnification: Client will indemnify and hold ILYM (and the officers, employees, affiliates and agents harmless against any Losses incurred by ILYM, arising out of, in connection with, or related to (i) any breach of the terms by Client; (ii) the processing and handling of any payment by ILYM in accordance with Client's instructions, including without limitation, the imposition of any stop payment or void payment on any check or the wrongful dishonor of a check by ILYM pursuant to Client's instructions.

Payment of Charges: ILYM reserves the right to request payment of postage charges and 50% of the final administration charges at the start of the case. ILYM bills are due upon receipt unless otherwise negotiated and agreed to with the Client. In the event settlement terms provide that ILYM is to be paid out of the Settlement Fund, ILYM will request that Counsel endeavor to make alternate payment arrangements for ILYM charges that are due at the onset of the case. The entire remaining balance is due and payable at the time the Settlement Account is funded by, or no later than the time of disbursement. Decisions of the court and actions of the parties, including disapproval or withdrawal of a settlement, do not affect the Client's liability to ILYM for payment of services. Services are not provided on a contingency fee basis.

Confidentiality: ILYM maintain reasonable and appropriate security measures and safeguards to protect the security and confidentiality of Client data provided to ILYM by Client in connection herewith. Should ILYM ever be notified of any judicial order or other proceedings in which a third party seeks to obtain access to the confidential data created by or for the Client, ILYM will promptly notify the Client, unless prohibited by applicable law. The Client shall have the option to (1) provide legal representation at the Client's expense to avoid such access or (2) promptly reimburse ILYM for any of its costs, including attorneys' fees, reasonably incurred in avoiding, attempting to avoid or providing such access and not paid by the entity seeking the data. If ILYM is required, pursuant to a court order, to produce documents, disclose data, or otherwise act in contravention of the obligations imposed by this Agreement, or otherwise, with respect to maintaining the confidentiality, proprietary nature and secrecy of the produced documents or disclosed data, ILYM will not be liable for breach of said obligation.

Data Rights: ILYM does not convey nor does the Client obtain any right in the programs, system data, or materials utilized or provided by ILYM in the ordinary course of business in the performance of this Agreement.

Document Retention: Unless directed otherwise in writing by Client, ILYM will destroy undeliverable mail on the effective date of the settlement or the date that the disposition of the case is no longer subject to appeal or review, whichever is later. ILYM will maintain claim forms and other correspondence for one year after final distribution of funds or benefits, or until the date that the disposition of the case is no longer subject to appeal or review, whichever is later.

Limitation of damages: ILYM is not responsible to the Client for any special, consequential or incidental damages incurred by Client. Any liability of ILYM to the Client shall not exceed the total amount billed to the Client for the particular services that give rise to any loss.

Termination: The services to be provided under this Agreement may be terminated, at will by the Client upon at least 30 calendar days' prior written notice to ILYM. The Client's obligation to pay for services or projects in progress at the time of notice of withdrawal shall continue throughout that 30 day period. ILYM may terminate this Agreement (i) with 10 calendar days' prior written notice, if the Client is not current in payment of charges or (ii) in any event, upon at least 3 months' prior written notice to the Client.

Notice: Any notice required or permitted hereunder shall be in writing and shall be delivered personally, or sent by registered mail, postage prepaid, or overnight courier service to the responsible officer or principal of ILYM or the Client, as applicable, and shall be deemed given when so delivered personally, or, if mailed, five days after the date of deposit in United States mail, or, if sent by courier, one business day after delivery to such courier service.

Force Majeure: To the extent performance by ILYM of any of its obligations hereunder is substantially prevented by reason of any act of God or by reason of any other matter beyond ILYM's reasonable control, then such performance shall be excused and this Agreement, at ILYM's option, be deemed suspended during the continuation of such condition and for a reasonable time thereafter.

Waiver of Rights: No failure or delay on the part of a party in exercising any right hereunder will operate as a waiver of, or impair, any such right. No single or partial exercise of any such right will preclude any other or further exercise thereof or the exercise of any other right. No waiver of any such right will be effective unless given in a signed writing.

Jurisdiction: The parties hereto submit to the jurisdiction of the Court of the applicable case for purposes of any suit, action or proceeding to enforce any provision of, or based on any right arising out of, this Agreement. The parties hereto hereby waive any objection to the laying of venue of any such suit, action or proceeding in the Court.

Entire Agreement: These terms and conditions and the proposal embody the entire agreement between the parties with respect to the subject matter hereof, and cancels and supersedes all prior negotiations, representations, and agreements related thereto, either written or oral, except to the extent they are expressly incorporated herein. No changes in, additions to, or waivers of, the terms and conditions set forth herein will be binding upon any party, unless approved in writing by such party's authorized representative.

approved in writing by such party's authorized representative.