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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN DIEGO

EDUARDO TOVAR, on behalf of himself,
other aggrieved employees, and the State of
California,

Plaintiff,

vs.

SUNSHINE COMMUNICATIONS, INC., an
Arizona corporation; and DOES 1 through 100,
Defendants.

Case No. 37-2020-00042998-CU-OE-CTL

*[Case assigned for all purposes to the Hon.
Timothy Taylor, Dept. C-72]*

**DECLARATION OF PAUL K.
HAINES IN SUPPORT OF
PLAINTIFF EDUARDO TOVAR'S
MOTION FOR APPROVAL OF
SETTLEMENT OF CLAIMS
BROUGHT UNDER THE PRIVATE
ATTORNEYS' GENERAL ACT
AND REASONABLE ATTORNEYS'
FEES, COSTS, AND
ENHANCEMENT AWARD**

Date: December 17, 2021
Time: 1:30 p.m.
Dept.: C-72

Complaint Filed: November 23, 2020
Trial Date: None Set

1 I, PAUL K. HAINES, declare as follows:

2 1. I am the principal of Haines Law Group, APC, counsel for the named Plaintiff
3 Eduardo Tovar (“Plaintiff”) and the Aggrieved Employees in the above-captioned matter. I am a
4 member in good standing of the bar of the State of California and am admitted to practice in this
5 Court. I have personal knowledge of the facts stated in this declaration and could testify
6 competently to them if called upon to do so. As counsel for Plaintiff and Aggrieved Employees
7 in this case, I have been intimately involved in every aspect of this case from its inception through
8 the present.

9 2. I am a 2006 graduate of Pepperdine University School of Law, where I graduated
10 *cum laude*. During law school, I worked as a law clerk for the appellate firm of Horvitz & Levy,
11 located in Encino, California. I also spent a semester in law school working as an extern for the
12 Honorable Edward Rafeedie, District Judge for the United States District Court for the Central
13 District of California.

14 3. Since graduating from law school, my practice has focused almost exclusively on
15 employment litigation. In September 2007, I began working as an associate attorney at the
16 international law firm of Littler Mendelson P.C., at its Los Angeles office, which according to
17 its website is the “largest U.S.-based law firm exclusively devoted to representing management
18 in every aspect of labor and employment law.” While at Littler Mendelson, I was primarily
19 staffed on wage and hour class actions venued in both state and federal courts, and I also worked
20 on a number of single and multi-plaintiff wage and hour matters as well.

21 4. During my employment at Littler Mendelson, I played a significant role in the
22 class actions that I was staffed on, as I was often the only associate staffed on such cases. In
23 particular, I received a wide-array of wage and hour class action experience performing the
24 following types of tasks: drafting demurrers, motions to strike and/or dismiss; removing actions
25 from state court to federal court; drafting and responding to written discovery; drafting and
26 opposing discovery related motions; arguing discovery related motions; drafting motions to
27 consolidate related matters; interviewing putative class members and obtaining declarations in
28 connection with class certification; drafting oppositions to motions for class certification;

1 drafting motions for decertification following class certification; conducting exposure analyses
2 to assess the strengths and weaknesses of asserted claims, the likelihood of prevailing at class
3 certification and potential damages resulting from such claims; drafting mediation briefs; serving
4 as the primary contact to in-house counsel; deposing named plaintiffs and putative class
5 members; deposing retained expert witnesses; and defending the depositions of corporate
6 witnesses. In short, I played an integral role in all aspects of litigation from the inception of a
7 matter through and beyond class certification. I also supervised the work of several junior
8 attorneys who were staffed on the same wage and hour class actions.

9 5. In June 2011, I voluntarily resigned from Littler Mendelson to accept a position
10 with the international law firm of Morgan, Lewis & Bockius LLP, at its Los Angeles office, where
11 I began working in July 2011. During my employment at Morgan, Lewis & Bockius LLP, I
12 worked exclusively on the defense of wage and hour class and collective actions. For the vast
13 majority of these cases, I was the only associate staffed on the matter, and I performed the same
14 job duties as described in the immediately preceding paragraph. In addition to working on wage
15 and hour class actions, at Morgan, Lewis & Bockius I also worked on a number of “hybrid”
16 actions asserting nationwide wage and hour claims under the Fair Labor Standards Act (“FLSA”),
17 as well as California-specific claims under Rule 23 of the Rules of Civil Procedure.

18 6. In July 2012, I transitioned into litigating wage and hour class actions from the
19 Plaintiff’s side, first as a Partner with the law firm of Boren, Osher & Luftman, LLP, and since
20 February 2016, as a Shareholder of the Haines Law Group, APC. Currently, over ninety percent
21 (90%) of my practice is dedicated exclusively to the prosecution of wage and hour class actions,
22 and my law firm is currently responsible for prosecuting over fifty (50) wage and hour class
23 actions filed in both State and Federal courts throughout California. I have been appointed as
24 Class Counsel in over one hundred (100) wage and hour class action settlements in state and
25 federal courts within California. A few examples of the matters in which I have been appointed
26 as Class Counsel, all of which have been granted final approval, include the following: *Sanchez*
27 *v. Res-Care, Inc.*, Case No. BC526175, California Superior Court, County of Los Angeles,
28 Honorable John S. Wiley, presiding; *Prado v. Warehouse Demo Services, Inc.*, Case No. CV14-

3170 JFW (Ex), United States District Court, Central District of California, Judge John F. Walter presiding; *Tesla Motors Wage and Hour Litigation*, JCCP 4792, California Superior Court, Santa Clara County, Judge Peter H. Kirwan presiding; *Bower v. Cycle Gear, Inc.*, Case No. CV14-2712 HSG, United States District Court, Northern District of California, Honorable Judge Haywood S. Gilliam, Jr. presiding; *Longstreth v. PAQ, Inc., dba Food 4 Less*, Case No. 15CV-0206, California Superior Court, County of San Luis Obispo, Honorable Judge Charles S. Crandall, presiding; *Nunez v. CompuCom Systems, Inc.*, Case No. BC618385, California Superior Court, County of Los Angeles, Honorable Judge John Shepard Wiley, Jr. presiding; *Mansilla v. Haeco Americas Line Services, LLC, et al*, Case No. BC615310, Superior Court of California, County of Los Angeles, Honorable Judge Elihu M. Berle presiding. *Morales v. Caremeridian, LLC, et al.*, Case No. BC593191, California Superior Court, County of Los Angeles, Judge William F. Highberger presiding; *Rodrigues v. CP Kelco U.S., Inc.*, Case No. 37-2017-00004339-CU-OE-CTL, California Superior Court, County of San Diego, Honorable Judge Joel R. Wohlfeil, presiding; *Sandoval v. Rotational Molding, Inc.*, Case No. BC640678, Superior Court of California, County of Los Angeles, Honorable Judge William F. Highberger presiding; *Gooding v. Vita-Mix Corp., et al*, Case No. 2:16-cv-03898-ODW (JEMx), United States District Court for the Central District of California, Honorable Judge Otis D. Wright II presiding.

7. I have also moved to certify and have received an order certifying a class action and/or conditionally certifying a collective action, in the following cases: *Medeiros v. Vortex Financial Management Inc.*, Case No. 30-2013-00644741-CU-OE-CXC, California Superior Court, County of Orange, Honorable Judge Gail A. Andler, presiding (certifying a class of employees who were misclassified as independent contractors); *Javine v. San Luis Ambulance Service, Inc.*, Case No. CV13-07480 BRO (SSx), United States District Court, Central District of California, Honorable Judge Beverly Reid O'Connell, presiding (conditionally certifying an unpaid FLSA overtime wage class); *Prado v. Warehouse Demo Services, Inc.*, Case No. CV14-3170 JFW (Ex), United States District Court, Central District of California, Honorable Judge John F. Walter, presiding (certifying a rest period violation class and conditionally certifying an FLSA unpaid overtime wage class); *Bower v. Cycle Gear, Inc.*, Case No. CV14-2712 HSG,

1 United States District Court, Northern District of California, Honorable Judge Haywood S.
2 Gilliam, Jr., presiding (conditionally certifying an unpaid FLSA overtime wage class); *Vega v.*
3 *Weatherford U.S., Limited Partnership*, Case No. CV14-1790-JLT, United States District Court,
4 Eastern District of California, Honorable Jennifer L. Thurston, presiding (conditionally certifying
5 an unpaid FLSA overtime wage class); *Galvan v. AMVAC Chemical Corporation*, Case No. 30-
6 2014-00716103-CU-OE-CXC, California Superior Court, County of Orange, Honorable Judge
7 William Claster, presiding (certifying unpaid overtime wage class and waiting time penalty
8 class); *Camacho v. Residential Fire Systems, Inc.*, Case No. 30-2015-775372-CU-OE-CXC,
9 California Superior Court, County of Orange, Honorable Glenda Sanders, presiding (certifying
10 piece rate pay plan classes, expense reimbursement class, wage statement class, and waiting time
11 penalties class); *Ontiveros v. Safelite Fulfillment, Inc.*, et al, Case No. CV 15-7118-DMG
12 (RAOx), United States District Court, Central District of California, Honorable Dolly M. Gee
13 presiding (certifying six classes of employees for rest period violations, wage statement
14 violations, meal period violations, and overtime and double-time violations); *Vazquez, et al v.*
15 *Kraft Heinz Foods Company*, Case No. 16-cv-2749-WQH-BLM, United States District Court,
16 Southern District of California, Honorable William Q. Hayes presiding (certifying six classes of
17 employees for unpaid wages, meal period violations, wage statement violations, and waiting time
18 penalties); *Caudle, et al. v. Sprint/United Management Company, et al.* Case No. C 17-06874-
19 WHA, United States District Court, Northern District of California, Honorable William H. Alsup
20 presiding (certifying three classes of employees for unlawful wage deductions, wage statement
21 violations, and waiting time violations); *Perez v. Sunbelt Rentals, Inc.* Case No. 37-2018-
22 00026405-CU-OE-CTL, California Superior Court, County of San Diego, Honorable Eddie C.
23 Sturgeon presiding (certifying class of employees for wage statement violations); *Staublein v.*
24 *Wells Fargo Bank, N.A.*, Case No. CIV DS1712267, San Bernardino Superior Court, Hon. David
25 S. Cohn presiding (certifying wage statement class); *Bowlin-Burdick, et al v. Life Care Centers*
26 *of America, Inc.*, Case No. BC657139, Los Angeles County Superior Court, Honorable Maren
27 E. Nelson presiding (certifying four classes for meal period violations, rest period violations,
28 wage statement violations, and waiting time penalties).

1 8. Of particular relevance to this case, I served as counsel for the plaintiff and
2 aggrieved employees in several PAGA-only settlements, including but not limited to:

- 3 • *Diaz v. Central City Community Health Center, Inc.*, Los Angeles County Superior
4 Court Case No. 19STCV38116, Judge Yvette M. Palazuelos presiding, approved
5 November 2, 2021;
- 6 • *Ramirez v. Hobie Cat Company*, San Diego County Superior Court Case No. 37-
7 2020-00032735-CU-OE-CTL, Judge Richard S. Whitney presiding, approved
8 October 8, 2021;
- 9 • *Corralejo v. TreeSap Farms, LLC*, Orange County Superior Court Case No. 30-2019-
10 01091257-CU-OE-CXC, Judge William Claster presiding, approved December 21,
11 2020;
- 12 • *Salazar v. One Source to Market, LLC*, Ventura County Superior Court Case No. 56-
13 2020-00540150-CU-OE-VTA, Judge Vincent J. O'Neill, Jr. presiding, approved
14 October 5, 2020;
- 15 • *Ibarra v. Baker Commodities, Inc.*, Los Angeles County Superior Court Case No.
16 19STCV06148, Judge Yolanda Orozco presiding, approved September 30, 2020;
- 17 • *Vargas v. Gruma Corp.*, Los Angeles County Superior Court Case No. BC707897,
18 Judge Carolyn B. Kuhhl presiding, approved September 24, 2020;
- 19 • *Cruz v. Fleetwash, Inc.*, Los Angeles County Superior Court Case No.
20 19STCV03033, Judge Stuart M. Rice presiding, approved October 7, 2019; and
- 21 • *Canul v. Basmat, Inc.*, Los Angeles County Superior Court Case No. BC674940,
22 Judge Teresa A. Beaudet presiding, approved on August 22, 2018.

23 9. In 2015, 2016, and 2017, Thomson Reuters recognized me as a Top Young
24 Attorney in Southern California in the annual Rising Star Edition of Super Lawyer. This is an
25 honor awarded to no more than two and a half percent of attorneys under the age of forty in
26 Southern California each year. In 2018, 2019, 2020, and 2021, Thomson Reuters recognized me
27 as a “Super Lawyer,” an honor awarded to no more than five percent of attorneys in Southern
28 California each year.

1 10. Tuvia Korobkin, who is also counsel of record for Plaintiff in this matter, is a 2009
2 graduate of UCLA School of Law. Mr. Korobkin was admitted to the California State Bar in
3 December 2009. Since that time, Mr. Korobkin has practiced almost exclusively in the area of
4 employment litigation, with significant experience prosecuting wage and hour class and
5 representative actions. Mr. Korobkin has been an attorney at my firm since February 2016, first
6 as an associate and, since December 2019, as a Partner. Mr. Korobkin is currently staffed on
7 approximately thirty (30) active wage and hour class and PAGA actions in which he plays a
8 primary role. Mr. Korobkin has been appointed as class counsel in dozens of wage and hour class
9 action settlements in state and federal courts throughout California.

10 11. Alexandra R. McIntosh, an Associate at our firm who is also counsel of record for
11 Plaintiff in this matter, is a 2017 graduate of University of California Irvine School of law. Ms.
12 McIntosh was admitted to the California State Bar in June 2018. Since that time, she has practiced
13 almost exclusively in employment litigation. Mx. McIntosh has been named class counsel in
14 numerous wage and hour class actions. Ms. McIntosh joined our firm in June 2020 and is currently
15 staffed on more than thirty (30) active wage and hour class and PAGA actions in which she plays
16 a significant role.

17 12. On September 17, 2020, Plaintiff, through my office, submitted his PAGA notice
18 letter online to the Labor Workforce Development Agency (“LWDA”), describing Defendant
19 Sunshine Communications, Inc.’s (“Sunshine”) alleged Labor Code violations, as required by
20 Labor Code § 2699.3. A true and correct copy of Plaintiff’s PAGA notice letter, including the
21 certified mail receipt and confirming e-mail from the LWDA, is attached hereto as **Exhibit 2**.

22 13. On November 23, 2020, after the 65-day waiting period under Labor Code §
23 2699.3(a)(2)(A), Plaintiff, through my office, filed a Representative Action Complaint
24 (“Complaint”), alleging a single cause of action for PAGA civil penalties.

25 14. The parties subsequently agreed to mediate with Jeffrey Krivis, Esq. in an effort
26 to resolve Plaintiff’s PAGA claim. In connection with mediation, Sunshine informally produced
27 information and documents pertaining to Plaintiff and other Aggrieved Employees in order for
28 Plaintiff’s counsel to investigate Plaintiff’s allegations and value the claims prior to mediation.

Specifically, Sunshine produced timekeeping and payroll records for Plaintiff and a sample of the other Aggrieved Employees, its relevant written wage and hour policies, as well as additional data such as the total number of Aggrieved Employees and total pay periods. The parties attended mediation with Mr. Krivis on September 1, 2021. During mediation, the Parties vigorously debated the legal bases for Plaintiff's claims and Sunshine's defenses, the manageability of the case as a representative action, the potential amount of penalties, and the parties' data analyses and conclusions based thereon. With the assistance of Mr. Krivis, the parties agreed to fully and finally resolve Plaintiff's PAGA claims. The Parties subsequently negotiated and finalized the Settlement Agreement now before the Court.

15. A true and correct copy of the fully-executed Settlement Agreement is attached hereto as **Exhibit 1**. The proposed Explanatory Letter to be mailed to Aggrieved Employees with their settlement payments is attached as Exhibit A to the Settlement Agreement. The Settlement provides for Sunshine to pay a non-reversionary Gross Settlement Amount ("GSA") of \$275,000.00. After deducting amounts for requested attorneys' fees, attorneys' costs, Plaintiff's enhancement payment, and settlement administration costs, the Settlement provides for the Net Settlement Amount ("NSA") to be distributed 75% to the LWDA and 25% to the Aggrieved Employees, pursuant to Lab. Code § 2699(i). Based on a GSA of \$275,000.00 and the amounts requested for attorneys' fees, litigation costs, administration costs, and enhancement payment, the Net Settlement Amount is estimated to be \$146,351.04, with the total amount paid to Aggrieved Employees estimated at \$36,587.76, and approximately \$109,763.28 paid to the LWDA. According to data provided by Sunshine, there are approximately 387 Aggrieved Employees. Thus, the average payment to Aggrieved Employee is estimated to be \$94.54.

16. The amount paid to Aggrieved Employees will be distributed to all Aggrieved Employees based on the number of pay periods worked by each Aggrieved Employee during the PAGA Period.

17. Although he steadfastly maintains his claims are meritorious, Plaintiff acknowledges his position included real risks and uncertainty. Sunshine asserted several affirmative defenses to Plaintiff's claims, including (but not limited to) that its pay plan was not

1 a piece rate plan and therefore it did not need to separately compensate for rest periods or non-
2 productive time and that even if it did, employees worked little to no “non-productive time” since
3 all of their work time was directly related to their piece- or commission-earning activities.
4 Sunshine further argues that it has always maintained compliant wage and hour polices, including
5 meal and rest period policies, and has always provided meal and rest breaks pursuant to those
6 policies. Sunshine maintains that employees consistently reported on their time sheets that they
7 were provided with all meal and rest periods to which they were entitled, and thus, Sunshine
8 argues, any missed breaks were the result of employee waiver rather than any Sunshine policy or
9 practice. Sunshine further asserts that it reimburses any necessary business expenses. Sunshine
10 also argues that to the extent any violations occurred, it was not aware of them, and that any
11 alleged violations were drastically less frequent than alleged by Plaintiff.

12 18. Sunshine further maintains that even if the Court awarded PAGA penalties for any
13 of the alleged violations, it would substantially reduce the penalties, as may courts have done,
14 based on Sunshine’s good-faith defenses and the other discretionary factors in Labor Code §
15 2699(e)(2) (authorizing reduction in penalties “if, based on the facts and circumstances of the
16 particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive,
17 or confiscatory”).

18 19. Plaintiff asserts that he would be able to seek PAGA penalties for each Aggrieved
19 Employee for each pay period in the PAGA limitations period. Based on data provided by
20 Sunshine, there were approximately 21,250 pay periods during the PAGA period. Assuming an
21 initial violation rate of \$100 per pay period under Labor Code § 2699(f), Plaintiff estimated a
22 total potential PAGA exposure of \$2,150,000. However, because the Court maintains discretion
23 to reduce these penalties, and in light of Sunshine Communications’ arguments and defenses
24 described above, Plaintiff discounted that figure by 50% for a risk of losing on the merits, and by
25 an additional 65% for risk of the Court reducing penalties, to arrive at a realistic exposure of
26 \$376,425. Thus, the proposed \$275,000.00 Settlement represents over 73% of Plaintiff’s
27 reasonably forecasted total recovery, while avoiding the risks of proceeding through trial.

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20. My office is requesting attorneys' fees of forty percent of the Gross Settlement Amount ("GSA") (i.e., \$110,000.00). As explained below and in the accompanying Motion, the requested fee is fair compensation for undertaking complex, risky, expensive, and time-consuming litigation on a purely contingent basis. In determining reasonable fees in this case, Plaintiff requests the Court apply the lodestar method. The chart below provides a summary of the hours billed by Plaintiff's counsel:

Lawyer	Title	Law School Grad Year	Rate	Hrs	Fees
Paul K. Haines	Partner/Principal	2006	\$650	42.8	\$27,820.00
Tuvia Korobkin	Partner	2009	\$625	83.7	\$52,312.50
Alexandra R. McIntosh	Associate	2017	\$375	109.2	\$40,950.00
Paralegals			\$175	25.6	\$4,480.00
Total				261.3	\$125,562.50

As shown above, multiplying Plaintiff's counsel's hourly rates by hours worked in this litigation yields a lodestar of approximately \$125,562.50, which is more than 1.14 times the amount of attorney's fees sought, resulting a *negative* multiplier of about 0.88. I believe the proposed hourly rates for the attorneys at my firm are reasonable in light of our skills, wage and hour litigation experience (including significant experience litigating PAGA actions), as well as fee awards to other attorneys of similar experience in California, and are in line with rates at which we have been approved in other matters. For example, in the *Caudle v. Sprint* matter cited above, Judge William Alsup of the Northern District of California approved my hourly rate of \$650 for work performed in 2017-2019. In *Jiminez et al v. Bon Appetit Danish, Inc., et al*, Case No. BC661737 (Hon. Daniel J. Buckley), which received final approval in October 2021, my firm was awarded fees based on requested hourly rates of \$650 for myself and \$625 for Mr. Korobkin, for work performed in 2017-2021. Likewise, in *Afa, et al v. Alliance Ground Int'l, LLC*, Case No. BC661449 (Hon. William F. Highberger), which received final approval in November 2019, my firm was awarded attorneys' fees based on requested hourly rates of, *inter alia*, \$650 for myself, for work performed in 2017-2019.

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1 21. As noted in the Motion, the requested hourly rates are also in line with rates
2 approved by other courts in the San Diego area. In addition, the hourly rates requested by the
3 attorneys at my firm are in line with the current *Laffey* Matrix, a true and correct copy of which
4 is attached hereto as **Exhibit 3**. The *Laffey* Matrix has been recognized by California courts as
5 “a widely recognized compilation of attorney rates based on various levels of experience.” *Theme*
6 *Promotions, Inc. v. News America Mktg. FSI, Inc.*, 731 F.Supp.2d 937, 948 (N.D. Cal. 2010); *see*
7 *also Reed v. 1-800 Contacts, Inc.*, No. 12-cv-02359 JM (BGS), 2014 WL 29011 at **8-9 (S.D.
8 Cal. Jan. 2, 2014) (cross-checking requested hourly rates against the *Laffey* Matrix and finding
9 that “the *Laffey* matrix lends further credibility” to counsel’s requested hourly rates). Pursuant to
10 the *Laffey* Matrix, a reasonable hourly rate for an attorney with my or Mr. Korobkin’s level of
11 experience (11th to 19th year out of law school) is \$764, for an attorney with Ms. McIntosh’s
12 level of experience (4th to 7th year out of law school) is \$468, and for paralegals \$208. Each
13 hourly rate sought by my firm is below the relevant hourly rate cited in the *Laffey* Matrix.

14 22. My office has expended significant time and effort in this case, including but not
15 limited to: (i) initial client intake; (ii) investigating Plaintiff’s claims and Sunshine’s potential
16 defenses; (iii) drafting and serving the PAGA notice letter; (iv) drafting and filing the Complaint;
17 (v) responding to Defendant’s formal discovery requests; (vi) conducting significant research and
18 analysis of data and information produced by Defendant in connection with mediation, and, with
19 the aide of an expert, drafting a comprehensive mediation brief, including exposure analysis for
20 potential PAGA penalties; (vii) attending a full-day mediation; (viii) preparing the MOU, long-
21 form Settlement, and other settlement-related documents; and (ix) preparing the accompanying
22 Motion and supporting documents. My firm will also oversee the settlement administration
23 process, together with the Settlement Administrator. Given the considerable potential for adverse
24 outcomes in this case, including but not limited to Plaintiff losing on the merits as to his
25 underlying theories of recovery, and/or facing a drastic reduction in potential PAGA penalties,
26 the contingent risk borne by my office was great.

27 23. This case also involved nuanced legal issues, including the legality of Sunshine’s
28 compensation practices and the availability and amount of PAGA penalties for alleged Labor

1 Code violations. Sunshine was also represented by experienced wage-and-hour litigation counsel.
2 Thus, the requested fee award is fair, reasonable and adequate and should be approved.

3 24. Since undertaking representation of Plaintiff, my firm has dedicated substantial
4 resources to this litigation without receiving any compensation to date. My office is requesting
5 reimbursement of \$9,498.96 in total costs. A summary of the costs incurred by my office in
6 connection with this case is attached hereto as **Exhibit 4**. These costs include filing fees, copying
7 costs, mediation fees, expert fees, and other expenses that were all reasonably incurred in the
8 prosecution of this litigation on behalf of Plaintiff and the Aggrieved Employees.

9 25. I have extensive experience in this type of litigation, and it is my opinion that the
10 proposed settlement represents a fair and reasonable result for the Aggrieved Employees. My
11 experience in similar matters was integral in evaluating the strengths and weaknesses of the case
12 against Sunshine and the reasonableness of the settlement.

13 26. I believe the requested \$5,000 enhancement award to Plaintiff is reasonable given
14 Plaintiff's efforts in this case and the risks he undertook on behalf of Aggrieved Employees.
15 Plaintiff provided substantial factual information and documents to my office, was consistently
16 available by phone to answer questions or when my office otherwise needed to contact him, and
17 otherwise assisted in the prosecution of this case. Plaintiff also undertook significant risk of being
18 liable for Sunshine's costs in the event this case were lost, as well as the reputational risk inherent
19 in suing a former employer on a representative basis. Accordingly, I believe Plaintiff's requested
20 enhancement award is reasonable.

21 I declare under penalty of perjury under the laws of the state of California that the
22 foregoing is true and correct. Executed on November 22, 2021, at El Segundo, California.

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25 Paul K. Haines
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EXHIBIT 1

SETTLEMENT AGREEMENT

This Settlement Agreement (“Settlement” or “Agreement”) is made and entered into between Plaintiff Eduardo Tovar (“Plaintiff”), acting in a Private Attorney General capacity, and Defendant Sunshine Communications, Inc. (“Defendant”).

I. DEFINITIONS

The following terms, when used in this Settlement, shall have the following meanings:

1. “Action” means the matter entitled *Eduardo Tovar v. Sunshine Communications, Inc.*, San Diego Superior Court Case No. 37-2020-00042998-CU-OE-CTL and as set forth in Plaintiff’s correspondence to the California Labor and Workforce Development Agency (“LWDA Letter”) dated on or about September 17, 2020.

2. “Aggrieved Employees” means all current and former hourly, non-exempt employees of Defendant Sunshine Communications, Inc. who worked for Defendant in California at any time during the PAGA Period.

3. “Defendant” means Sunshine Communications, Inc.

4. “Complaint” means the Representative Action Complaint entitled *Eduardo Tovar v. Sunshine Communications, Inc.*, San Diego Superior Court Case No. 37-2020-00042998-CU-OE-CTL originally filed on November 23, 2020.

5. “Court” means the Superior Court of California for the County of San Diego.

6. “Effective Date” means the date by which this Settlement is approved as provided herein and the Court’s Approval Order becomes binding. For purposes of this Settlement Agreement, the Approval Order becomes binding upon the later of: (1) in the event that the Settlement has received approval by the Court and there were no timely objections filed, or that any timely objections have been withdrawn, then the date the Court’s order of approval of the Settlement; (2) in the event that one or more timely objections has/have been filed and not withdrawn, then the day after the last day by which a notice of appeal of the Approval Order and/or of an order rejecting any motion to intervene may be timely filed, and none is filed; (3) if such an appeal is filed, and the Approval Order is affirmed, the day after the last date for filing a request for further review of the decision passes and no further review is requested; (4) if an appeal is filed and further review of the decision affirming the Approval Order is requested, the day after the request for review is denied with prejudice and/or no further review of the decision can be requested, or (5) if review is accepted, the day after the United States or California Supreme Court affirms the Settlement. The Effective Date cannot occur, and Defendant will not be obligated to fund this Settlement, until and unless there is no timely possibility of an appeal or further appeal that could potentially prevent this Settlement Agreement from becoming final and binding.

7. “Individual PAGA Payment” means the amount to be paid to each Aggrieved Employee based on the formula described herein.

8. “LWDA” means the California Labor and Workforce Development Agency.

9. “Gross Settlement Amount” is the non-reversionary sum of Two Hundred Seventy-Five Thousand Dollars and Zero Cents (\$275,000.00), which represents the total all-in amount payable under this Settlement by Defendant, including, without limitation, payments to all Aggrieved Employees, payment to the LWDA, payment of Plaintiff’s Counsel’s fees and costs, payment of Plaintiff’s enhancement award and payment to the Settlement Administrator for administration costs.

10. “Net Settlement Amount” is the amount remaining to distribute to the LWDA and Aggrieved Employees after the following amounts (if approved by the Court) are subtracted from the Gross Settlement Amount: (a) Plaintiff’s Counsel’s fees up to forty percent (40%) of the Gross Settlement Amount, currently estimated at \$110,000.00; (b) Plaintiff’s verified costs up to \$20,000.00 (c) Plaintiff’s enhancement award of \$5,000.00; and (d) verified administration costs up to \$6,000.00.

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

12. “PAGA Period” means the time-period from April 6, 2019 through the sooner of (1) the date the Court grants final approval of this Settlement or (2) November 30, 2021. However, as described below, if the pay periods worked by Aggrieved Employees in the PAGA Period are more than 10% greater than 21,510 (i.e., a total of more than 23,661 pay periods), Defendant will have the option to elect to have the Gross Settlement Amount increase proportionally with the added pay periods (i.e., if there was a 15% increase in the number of pay periods above 21,510, Defendant shall increase the Gross Settlement Amount by 15%) or Defendant can elect to cut off the end of the PAGA Period at such a date that no more than 23,661 pay periods exist during the PAGA Period.

13. “Released Parties” means Defendant and its former, present and future owners, parents, subsidiaries, and all of their current, former and future officers, directors, members, managers, employees, consultants, partners, shareholders, joint venturers, agents, successors, assigns, accountants, insurers, or legal representatives.

14. “PAGA Released Claims” means any and all claims, rights, demands, liabilities and causes of action for civil penalties under the PAGA, against the Released Parties as pled in the operative complaint in the Action, or that could have been pled based on the facts alleged in the operative complaint in the Action, arising during the PAGA Period, including PAGA claims based on alleged: (a) failure to pay all minimum wages owed (Labor Code sections 204, 226.2, 558, 1182.12, 1194, 1194.2, 1197 and 1198); (b) failure to pay all overtime wages and/or double time compensation (Labor Code sections 204, 226.2, 510, 558, 1194 and 1198); (c) failure to provide meal periods, or premium pay for non-compliant meal periods (Labor Code sections 226.7, 512, 558 and 1198); (d) failure to authorize and permit rest periods, or premium pay for non-compliant rest periods (Labor Code sections 226.7, 226.2, 516, 558 and 1198); (e) failure to reimburse all necessary expenditures (Labor Code sections 2802 and 2804); (f) failure to provide accurate, itemized wage statements (Labor Code sections 226 and 226.2); (g) taking unlawful deductions from wages (Labor Code sections 221-223); (h) failure to pay all final wages and compensation earned at time of separation of employment (Labor Code sections 201-203); (i) failure to pay all earned wages at least twice during each calendar month (Labor Code section 204); (j) failure to maintain accurate records (Labor Code sections 1174, 1198, 1199); and any related claims for

attorneys' fees, costs, penalties and interest resulting therefrom.

15. "Parties" mean Plaintiff and Defendant, collectively.

16. "Plaintiff" means Eduardo Tovar.

17. "Plaintiff's Counsel" means Paul K. Haines, Tuvia Korobkin, and Alexandra R. McIntosh of Haines Law Group, APC.

18. "Settlement Administrator" means Phoenix Class Action Administration Solutions.

II. RECITALS

1. Plaintiff alleges that with regard to the Aggrieved Employees, Defendant: (1) failed to pay all minimum wages owed; (2) failed to pay all overtime and double time wages owed; (3) failed to provide legally compliant meal periods; (4) failed to authorize and permit rest periods; (5) failed to reimburse all necessary expenditures; (6) failed to provide accurate, itemized wage statements; (7) made unlawful deductions from wages; (8) failed to pay all final wages and compensation earned at time of separation of employment; (9) failed to pay all earned wages at least twice during each calendar month; and (10) failed to maintain accurate records, all of which result in liability for civil penalties under the PAGA.

2. On September 17, 2020, Plaintiff provided written notice to the LWDA and Defendant asserting claims for civil penalties pursuant to PAGA stemming from alleged violations of the California Labor Code described in Paragraph II.1 above.

3. On November 23, 2020, Plaintiff filed the operative Complaint in the Action.

4. During the pendency of the Action, the Parties engaged in informal discovery exchange prior to mediation. In response to Plaintiff's Counsel's informal discovery requests, Defendant provided Plaintiff's Counsel with information and documents pertaining to Plaintiff and other Aggrieved Employees and the claims in the Action in order for Plaintiff's Counsel to investigate Plaintiff's allegations and value the PAGA claim, including but not limited to time punch and payroll data.

5. On September 1, 2021, the Parties participated in mediation before mediator Jeffrey Krivis, Esq. With the assistance of Mr. Krivis, the Parties agreed to fully and finally resolve, subject to Court approval, the PAGA Released Claims as to Plaintiff and the Aggrieved Employees.

III. OPERATIVE TERMS OF SETTLEMENT AGREEMENT

The Parties agree as follows:

1. **Non-Admission.** Nothing in this Settlement shall be construed to be an admission by Plaintiff that his claims do not have merit or by Defendant of any liability or wrongdoing as to Plaintiff, Aggrieved Employees or any other person, and Defendant specifically disclaims any such liability or wrongdoing. The Parties have entered into this Settlement with the intention to avoid further disputes and litigation with the attendant inconvenience, expenses and risks. This

Settlement and any related court documents or orders are not and may not be cited or admitted as evidence of liability.

2. **Gross Settlement Amount.** Defendant shall pay Two Hundred Seventy-Five Thousand Dollars and Zero Cents (\$275,000.00) as the **non-reversionary** Gross Settlement Amount. Defendant will not pay more than the Gross Settlement Amount (subject to the Escalator Clause below). The payment of the Gross Settlement Amount shall be made within thirty (30) calendar days of the Effective Date. The Effective Date cannot occur, and Defendant will not be obligated to fund this Settlement, until and unless there is no timely possibility of an appeal or further appeal that could potentially prevent this Settlement Agreement from becoming final and binding. Defendant shall make the payment to the Settlement Administrator who will then distribute all payments.

3. **Escalator Clause.** Defendant represents that there are an estimated 21,510 total pay periods worked by the Aggrieved Employees during the PAGA Period. If the number of pay periods as reported to the Settlement Administrator following the Effective Date is more than 10% greater than this figure (i.e., if there are 23,661 or more pay periods worked during the PAGA Period), Defendant will have the option to elect to either (i) have the Maximum Settlement Amount increase proportionally with the added pay periods (i.e., if there was a 15% increase in the number of pay periods, Defendant shall increase the Maximum Settlement Amount by 15%) or to (ii) preempt the escalator by cutting off the end of the PAGA Period at such a date that no more than 2,151 additional pay periods would be included to the estimated 21,510 pay periods estimated during the PAGA Period.

4. **Net Settlement Amount.** The Parties agree that the following amounts should be subtracted from the Gross Settlement Amount, if approved by the Court, resulting in a Net Settlement Amount to distribute to the LWDA and Aggrieved Employees:

a. **Plaintiff's Counsel's Fees and Costs.** Defendant will not oppose Plaintiff's request for attorneys' fees in the amount up to forty percent (40%) of the Gross Settlement Amount (currently estimated at \$110,000.00), and costs incurred in prosecuting this Action up to \$20,000.00. In the event the Court approves a payment of less than these amounts, the difference will be added to the Net Settlement Amount. If the Court believes the attorneys' fees and/or costs should be reduced, the other terms of this Settlement will remain in effect and any such reduction will not affect the remaining terms, other than adjusting the Net Settlement Amount. Defendant, via the Settlement Administrator, will report these payments on IRS Form 1099 issued to Plaintiff's Counsel.

b. **Plaintiff's Enhancement Award.** Defendant will not oppose Plaintiff's request for an enhancement award in the amount of \$5,000.00 for his service to the LWDA and the Aggrieved Employees, and the risk he undertook by attaching his name to the Action. In the event the Court approves a payment of less than the requested amount, the difference will be added to the Net Settlement Amount. If the Court believes the enhancement award should be reduced, the other terms of the Settlement will remain in effect and any such reduction will not affect the remaining terms, other than adjusting the Net Settlement Amount. Defendant, via the Settlement Administrator, will report this payment on IRS Form 1099 issued to Plaintiff.

c. Administration Costs. Defendant will not oppose the Settlement Administrator's costs in the amount up to \$6,000.00 for administering the Settlement. In the event the Court approves a payment of less than this amount, the difference will be added to the Net Settlement Amount. Defendant, via the Settlement Administrator, will report this payment on IRS Form 1099 issued to the Settlement Administrator.

5. Allocation of Net Settlement Amount. The Net Settlement Amount shall be distributed pursuant to Labor Code § 2699(i) as follows:

a. 75% of the Net Settlement Amount shall be distributed to the LWDA.

b. 25% of the Net Settlement Amount shall be paid to Aggrieved Employees. This portion of the Net Settlement Amount shall be paid to all Aggrieved Employees pro rata based on the proportional number of pay periods worked by each Aggrieved Employee during the PAGA Period.

The Parties agree that should the Court deny approval of the Settlement based on the allocation of the Gross Settlement Amount or the Net Settlement Amount, the Parties agree to re-negotiate the allocation of funds in good faith in an effort to obtain approval of the Settlement.

6. PAGA Released Claims. Plaintiff agrees that upon entry of an Order approving the Settlement and full payment by Defendant of the Gross Settlement Amount, all Aggrieved Employees will release any and all PAGA Released Claims against the Released Parties that arose during the PAGA Period. Upon entry of the Order approving the Settlement and judgment entered thereon, as well as full payment by Defendant of the Gross Settlement Amount, Plaintiff and all Aggrieved Employees will be forever barred from pursuing any and all of the PAGA Released Claims that arose during the PAGA Period against the Released Parties.

7. No Right to Opt-Out. The Parties agree that there is no statutory right for any Aggrieved Employee to opt out or otherwise exclude himself or herself from the Settlement.

8. Covenants and Representations by Plaintiff and Plaintiff's Counsel.

a. Plaintiff represents and warrants that he has not assigned or transferred or purported to assign or transfer to any person or entity, any claim or portion thereof, or interest therein, which is or may be subject to this Settlement.

b. Plaintiff acknowledges that he has read this Settlement, that he fully understands his rights, privileges and duties under the Settlement, and enters into this Settlement freely and voluntarily, and without duress. Plaintiff further acknowledges that he had the opportunity to consult with his attorneys to explain the terms of this Settlement and the consequences of signing this Settlement.

10. Notification to LWDA. Plaintiff's Counsel will notify the LWDA of the settlement at the time the settlement is submitted to the court for approval, seek approval of the settlement, and perform any and all statutory tasks as required by law.

11. Termination of Settlement. If the Court does not approve the Settlement, if the Court does not enter judgment as provided for in this Settlement, or if appellate review is sought

and, on such review, the Court's decision is materially modified or reversed, or, except as otherwise set forth herein, if one or more of the material terms of the Settlement is not approved or is materially modified or reversed or found to be invalid, then either of the Parties shall have the right within ten (10) days of written notice thereof to elect to terminate the Settlement, in which case the Settlement shall have no force or effect, and the Parties shall be deemed to have reverted to their respective status as of the date and time immediately prior to the execution of this Settlement.

12. **Judgment.** As part of any Motion or stipulation to approve the Settlement, Plaintiff shall submit a proposed order and judgment which enters judgment in the Action in accordance with the terms of the Settlement and retains jurisdiction over the Action for the purpose of enforcing the terms of the Settlement following approval of the Settlement pursuant to Cal. Code Civ. Proc. § 664.6. This Settlement is expressly conditioned upon the Court entering judgment as set forth herein. The judgment will not release or bar any claims other than the PAGA Released Claims as to Plaintiff and Aggrieved Employees.

IV. ADMINISTRATION OF SETTLEMENT

1. **Settlement Administrator.** The Parties agree to use Phoenix Class Action Administration Solutions to handle the administration of this Settlement.

2. **Provision of Information for Aggrieved Employees.** Within fifteen (15) business days of the court signing the Approval Order, Defendant shall provide the Settlement Administrator with information for Aggrieved Employees. Defendant will in good faith compile from its records a list of Aggrieved Employees that will be in a computer-readable format, such as a Microsoft Excel spreadsheet, and shall include each Aggrieved Employee's full name, last known mailing address, total number of pay periods worked during the PAGA Period or dates of employment, and Social Security number. The list shall also include the sum total of all pay periods worked by Aggrieved Employees during the PAGA Period. Because Social Security numbers are included in the list, the Settlement Administrator will maintain the list in confidence, and access shall be limited to those with a need to use the list as part of the administration of the Settlement.

Within seven (7) business days of receiving the Aggrieved Employees' information from Defendant, the Settlement Administrator will circulate to counsel for both Parties an anonymized spreadsheet containing the estimated individual settlement payments to each Aggrieved Employee and the data used to calculate said payments. The Settlement Administrator shall obtain approval from all counsel of the calculations before mailing Individual PAGA Payments.

3. **Explanatory Letter and Individual PAGA Payments.** Upon receipt of the information for Aggrieved Employees, the Settlement Administrator will perform a search on the National Change of Address database to update the Aggrieved Employees' addresses.

Within five (5) business days of the Settlement being fully funded as provided above in section III.2, the Settlement Administrator shall mail copies of the explanatory letter, which has been mutually approved by the Parties and is attached hereto as **Exhibit A**, in both English and Spanish, along with Individual PAGA Payments to all Aggrieved Employees via regular First Class U.S. Mail.

The Settlement Administrator will calculate the amount to be received by each Aggrieved Employee, which will be based on the formula set forth in Section III.5., *supra*. The Settlement Administrator will send each Aggrieved Employee a check for his or his Individual PAGA Payment along with the explanatory letter. Checks will remain negotiable for 180 days. Each Individual PAGA Payment shall be deemed penalties/interest and reported using IRS Form 1099.

4. **Undeliverable Notices.** The Settlement Administrator shall exercise its best judgment to determine the current mailing address for each Aggrieved Employee. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Aggrieved Employee.

Any checks returned as non-deliverable on or before the check cashing deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address, using a skip-trace or other similar search, using the name, address or Social Security number of the Aggrieved Employee involved and will perform a single re-mailing if a new address is located.

Defendant fully discharges its obligations to those Aggrieved Employees to whom they will pay an Individual PAGA Payment through the mailing of a check, regardless of whether such checks are actually received and/or negotiated by Aggrieved Employees. Funds represented by checks returned as undeliverable after a re-mailing, and funds represented by checks remaining un-cashed for more than 180 days after issuance, will be tendered to the State Controller's Office under the unclaimed property fund laws in the names of the Aggrieved Employees to whom the checks were issued.

5. **Payment of Remainder.** Within five (5) business days of the Settlement being fully funded, the Settlement Administrator will distribute the following additional payments: (1) the 75% share of the Net Settlement Amount to the LWDA; (2) Court-approved attorneys' fees and costs to Plaintiff's Counsel; (3) Court-approved enhancement award to Plaintiff; and (4) Court-approved administration costs to the Settlement Administrator.

6. **Accounting.** Within fifteen (15) business days of distribution of the Settlement funds, the Settlement Administrator will provide an accounting under oath to the Parties of the amounts paid from the Settlement.

7. **Tax Consequences.** Individual PAGA Payments made under this Settlement will be attributed 100% as penalties and interest and paid via IRS Form 1099 issued to each Aggrieved Employee. Neither Plaintiff nor Defendant, nor counsel for either of the Parties, makes any representations or warranties with respect to tax consequences of any payment under this Settlement.

V. MISCELLANEOUS PROVISIONS

1. **Mutual Preparation and Drafting.** The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement. The Parties agree that the terms and conditions of this Settlement are the result of lengthy, intensive, arm's-length negotiations between the Parties and that neither Plaintiff nor Defendant shall be considered the "drafter" of this Settlement for purposes of having terms construed against that Party. This Settlement will not be

construed more strictly against one Party merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement.

2. **Successors.** This Settlement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, assigns, administrators and successors.

3. **Costs and Fees.** The Parties shall each bear their own costs, attorneys' fees, expert fees, mediator fees and other fees incurred in connection with this Settlement, the Action and Plaintiff's claims, except as otherwise set forth specifically herein.

4. **Governing Law.** This Settlement shall be construed under and governed by the laws of the state of California. This Settlement shall be deemed to have been entered into in the County of San Diego, California, and all questions of validity, interpretation or performance of any of its terms or of any rights or obligations of the Parties to this Settlement shall be governed by California law. If any legal or equitable action is necessary to enforce the terms of this Settlement, it shall be brought in the State of California, County of San Diego.

5. **Complete Agreement.** The Parties each acknowledge and represent that no promise or representation not contained in this Settlement has been made to them and acknowledge and represent that this Settlement contains the entire understanding between them and contains all terms and conditions pertaining to the compromise and settlement of the PAGA Released Claims in the Action. This Settlement cannot be amended or modified except by a writing signed by counsel for the Parties hereto.

6. **Nullification of Settlement.** In the event that: (i) the Court does not approve the Settlement as provided herein; or (ii) the Settlement does not become final for any other reason, then this Settlement and any documents generated to bring it into effect, will be null and void, and the Parties will be returned to their original respective positions unless otherwise required under this Agreement.

7. **Judgment and Continued Jurisdiction.** After approval of this Settlement, the Court will have continuing jurisdiction solely for purposes of addressing: (i) the interpretation and enforcement of the terms of the Settlement, (ii) settlement administration matters, and (iii) such post-Judgment matters as may be appropriate under court rules or as set forth in this Settlement. Plaintiff will submit a proposed judgment in conformity with this Agreement to be entered by the Court, which shall constitute a final and binding resolution of the claims in the Action.

8. **Authorization to Enter into Settlement.** Counsel for all Parties warrant and represent that they are expressly authorized by the Parties whom they represent to negotiate this Settlement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Settlement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to resolve such disagreement.

9. **Execution and Counterparts.** This Settlement is subject only to the execution of all Parties. However, the Settlement may be executed in one or more counterparts. All executed counterparts, and each of them, including facsimile and scanned copies of the signature page, will be deemed to be one and the same instrument, provided that counsel for the Parties will exchange among themselves original signed counterparts.

10. **Acknowledgement that the Settlement is Fair and Reasonable.** The Parties believe this Settlement is a fair, adequate and reasonable settlement of the Action, and have arrived at this Settlement after arm's-length negotiations by experienced counsel and with the assistance of an experienced mediator. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Settlement.

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

12. **Severability.** If any term or provision of this Settlement is held to be invalid or unenforceable, the remaining portions of this Settlement will continue to be valid and will be performed, construed and enforced to the fullest extent permitted by law, and the invalid or unenforceable term will be deemed amended and limited in accordance with the intent of the Parties, as determined from the face of the Agreement, to the extent necessary to permit the maximum enforceability or validation of the term or provision.

13. **Waiver.** No waiver of any condition or covenant contained in this Settlement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such Party of the same or any other condition, covenant, right or remedy.

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

15. **Binding Agreement.** The Parties warrant that they understand and have full authority to enter into this Settlement, and further intend that this Settlement will be fully enforceable and binding on all Parties and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms under California Code of Civil Procedure section 664.6 and any other applicable statute or law, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

16. **Denial of Liability.** The Parties expressly recognize that the making of this Settlement does not in any way constitute an admission or concession of wrongdoing on the part of Defendant. Nothing in this Settlement, nor any action taken in implementation thereof, nor any statements, discussions or communications, nor any materials prepared, exchanged, issued or used during the course of this Action, is intended by the Parties to, nor will any of the foregoing constitute, be introduced, be used or be admissible in any way in any other judicial, arbitral, administrative, investigative or other forum or proceeding, as evidence of any violation of any federal, state or local law, statute, ordinance, regulation, rule or executive order, or any obligation

or duty at law or in equity. Notwithstanding the foregoing, this Settlement may be used in any Court proceeding that has as its purpose the interpretation, implementation or enforcement of the Settlement or any orders or judgments of the Court entered into in connection therewith.

17. **Enforcement Action:** In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement Agreement or to declare rights and/or obligations under this Settlement Agreement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

IN WITNESS THEREOF, the Parties each acknowledge that they have read the foregoing Settlement, accept and agree to the provisions contained in this Settlement and hereby execute it voluntarily and with full understanding of its consequences.

Dated: 09/27/2021


Eduardo tovar (Sep 27, 2021 10:17 PDT)

Eduardo Tovar, Plaintiff

Dated: _____

Sunshine Communications, Inc.
By Robert A. Straub
Chief Executive Officer

APPROVED AS TO FORM ONLY:

Dated: September 27, 2021

HAINES LAW GROUP, APC

By: 
Paul K. Haines
Attorneys for Plaintiff
Eduardo Tovar

Dated: _____

**GORDON REES SCULLY MANSUKHANI,
LLP**

By: _____
Eulalio J. Garcia
Counsel for Defendant
Sunshine Communications, Inc.

or duty at law or in equity. Notwithstanding the foregoing, this Settlement may be used in any Court proceeding that has as its purpose the interpretation, implementation or enforcement of the Settlement or any orders or judgments of the Court entered into in connection therewith.

17. **Enforcement Action:** In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement Agreement or to declare rights and/or obligations under this Settlement Agreement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

IN WITNESS THEREOF, the Parties each acknowledge that they have read the foregoing Settlement, accept and agree to the provisions contained in this Settlement and hereby execute it voluntarily and with full understanding of its consequences.

Dated: _____

Eduardo Tovar, Plaintiff

Dated: 9/24/21


Sunshine Communications, Inc.
By Robert A. Straub
Chief Executive Officer

APPROVED AS TO FORM ONLY:

Dated: _____

HAINES LAW GROUP, APC

By: _____
Paul K. Haines
Attorneys for Plaintiff
Eduardo Tovar

Dated: September 27, 2021

**GORDON REES SCULLY MANSUKHANI,
LLP**

By: 

Eulalio J. Garcia
Counsel for Defendant
Sunshine Communications, Inc.

EXHIBIT A

Re: Payment from Eduardo Tovar v. Sunshine Communications, Inc.
Superior Court of California for the County of San Diego; Case No. 37-2020-00042998-CU-OE-CTL

Date: / / 2021

SIMID
Name
Address

Dear Name:

Enclosed, please find a check made payable to you. This is your payment from the settlement of the lawsuit titled *Eduardo Tovar v. Sunshine Communications, Inc.*, Case No. 37-2020-00042998-CU-OE-CTL, pending in the Superior Court of the State of California for the County of San Diego (the "Action").

The Action was filed against Sunshine Communications, Inc. ("Sunshine") and includes a claim pursuant to the California Labor Code Private Attorneys General Act of 2004, California Labor Code § 2698, *et seq.* ("PAGA"). The Action was brought by Plaintiff Eduardo Tovar ("Plaintiff"), a former employee of Sunshine, on behalf of the State of California and other alleged aggrieved employees. You have been identified as one of the employees on whose behalf the case was brought.

Plaintiff claimed that Sunshine owed civil penalties under PAGA for alleged violations of the California Labor Code. The parties have reached a settlement of Plaintiff's claims, and on [DATE], the Court approved the settlement, including the amount of civil penalties to be paid under the settlement. A portion of the civil penalty settlement amount goes to the State of California's Labor and Workforce Development Agency. Another portion of the civil penalty settlement amount goes to employees of Sunshine who were allegedly affected by the alleged violations of the Labor Code. In agreeing to this settlement, Sunshine does not admit that it is liable in any way to current or former employees for any violations of the California Labor Code or any penalties. The Court has not decided the merits of Plaintiff's claims.

Pursuant to the settlement, enclosed is a check for your share of a portion of the civil penalties. This check will remain valid for 180 days from the date of issuance. If you do not cash your check within 180 days of issuance, the funds will be deposited by the Settlement Administrator with the California State Controller to be deposited in the Unclaimed Property Fund in your name. If you are still employed by Sunshine, your decision to cash the check will not affect your employment.

While you were not a party to the Action, you and the State of California have been bound by the settlement entered in this matter and approved by the Court, including the release contained in the settlement. The release pertains to civil penalties under PAGA only. The release includes all claims under the PAGA that were alleged in, or could have been alleged based on the facts alleged in, Plaintiff's complaint in the Actions, including claims for civil penalties, attorneys' fees, costs, or interest under the PAGA based on Sunshine's alleged violations of Labor Code sections 201-204, 221-223, 226, 226.2, 226.7, 510, 512, 516, 558, 1174, 1182.12, 1194, 1194.2, 1197, 1198, 1199, 2802, 2804, during the time period April 6, 2019 through <<END OF PAGA PERIOD>> (the "PAGA Period").

If you have any questions, you can contact Phoenix Settlement Administrators, the Settlement Administrator, at 1- - .

EXHIBIT 2

HAINES LAW GROUP
EMPLOYMENT ATTORNEYS

September 17, 2020

VIA LWDA WEBSITE

Labor and Workforce Development Agency
Attn: PAGA Administrator
1515 Clay Street, Suite 801
Oakland, CA 94612

Re: *Eduardo Tovar v. Sunshine Communications, Inc.*

To Whom It May Concern:

Please be advised that this law firm represents Eduardo Tovar (“Mr. Tovar”) in claims arising from his employment with Sunshine Communications, Inc. and Does 1 through 100 (collectively, “Sunshine”). Mr. Tovar is an “aggrieved employee” as defined by Labor Code Section 2698, *et seq.*, due to Sunshine’s numerous violations of the Labor Code as set forth below. The purpose of this letter is to comply with Labor Code Section 2699.3, which requires aggrieved employees to notify their employer and the Labor & Workforce Development Agency (“LWDA”) of the specific provisions of the Labor Code allegedly violated.

Pursuant to California Judicial Council Emergency Rule 9, statutes of limitations of more than 180 days are suspended from April 6, 2020 through October 1, 2020. Accordingly, the relevant time period for the violations described herein is based on the tolled statute of limitations date of April 6, 2020. The “aggrieved employees” whom Plaintiff seeks to represent include all non-exempt employees who worked for Sunshine at any time from April 6, 2019 through the present.

Sunshine provides installation and construction services to the cable television industry. Sunshine employed Mr. Tovar as a non-exempt “CBS Installation Technician” from approximately January 7, 2019 until May 2019. As an “Installation Technician,” Mr. Tovar was responsible for completing installations and special request orders for Cox Communication’s residential customers. From approximately October 2019 until July 24, 2020, Mr. Tovar worked for Sunshine as an “Administrative Clerk.”

Throughout Mr. Tovar’s employment with Sunshine, Mr. Tovar recorded his hours worked to the minute using an application on his company-provided smart phone. However, Sunshine utilized a timekeeping system which resulted in Mr. Tovar and other aggrieved employees not being compensated for all hours actually worked, by time-shaving, rounding, or otherwise, such that Mr. Tovar and other aggrieved employees were only paid in quarter of an hour increments. Sunshine regularly, systematically, and impermissibly rounded and/or time-shaved the time worked by Mr. Tovar and other

aggrieved employees in Sunshine's favor. This time shaving/rounding practice utilized by Sunshine was not-even handed over time, and would round and shave in Sunshine's favor such that Mr. Tovar and other aggrieved employees were routinely underpaid for his time worked. Due to Sunshine's timekeeping policies and practices that fail to compensate for all hours worked, Mr. Tovar and other aggrieved employees were deprived of all required minimum wages. Further, on occasions when Mr. Tovar or other aggrieved employees worked over eight hours in a day and/or forty hours in a workweek, this process of time-shaving or rounding also deprived them of overtime wages owed. As such, Mr. Tovar and other aggrieved employees were not compensated for all required minimum and overtime wages.

As an "Installation Technician," Mr. Tovar was paid pursuant to commission/piece-rate pay plans, whereby he was paid a commission and/or a piece-rate based on completed installations, reboots, and/or other jobs. Under this commission/piece-rate pay plan, Mr. Tovar was required to record his hours worked by clocking in and clocking out at the beginning and end of his workday, but was only paid an hourly minimum wage if his commissions and/or piece-rate wages did not exceed his minimum wage floor for the pay period. Because Sunshine's pay system is simply a subterfuge for a commission and/or piece-rate compensation system, on those occasions when Mr. Tovar or other aggrieved employees were paid a piece rate or commission (i.e., when their commissions or piece rate earnings exceeded the minimum wage floor), Mr. Tovar and other aggrieved employees paid pursuant to Sunshine's commission/piece-rate pay plans were not separately compensated for time spent working on tasks which were not compensated on a piece-rate or commission basis (i.e., non-productive time), including but not limited to, hours spent attending weekly meetings and traveling in between job sites. As a result of Sunshine's failure to compensate Mr. Tovar and aggrieved employees for non-productive time, Sunshine failed to compensate its aggrieved employees for all minimum and overtime wages earned. This violates California law, which requires employers to pay piece rate workers separately for all nonproductive time. *See Gonzalez v. Downtown LA Motors, LP*, 215 Cal.App.4th 36 (2013) (holding that where employer pays workers either a minimum wage "floor" or a piece rate if the piece rate exceeds the floor, the employer must separately for nonproductive time when employees are paid a piece rate); Labor Code § 226.2 (requiring employers to pay piece rate employees separately for nonproductive time)

Furthermore, when Mr. Tovar and other aggrieved employees were on a commission and/or piece-rate basis and worked shifts of 3.5 hours or more, they were not provided with a paid rest period for every 4-hour period worked, or major fraction thereof, because Sunshine's commission and/or piece-rate compensation plan failed to separately compensate Mr. Tovar and other aggrieved employees for required rest periods. *See Vaquero v. Stoneledge Furniture LLC*, 9 Cal.App.5th 98 (2017); *Bluford v. Safeway Inc.*, 216 Cal.App.4th 864 (2013) ("There is no dispute that Safeway's activity-based compensation system did not separately compensate drivers for their rest periods."); Labor Code § 226.2(a)(1) (requiring employers to pay piece rate employees separate for rest periods and other nonproductive time). Specifically, Sunshine's "Pay Rate Acknowledgment" specifies the commission and/or piece-rate compensation plans for Mr.

Tovar and other aggrieved employees; however, the plans do not make any reference to separate compensation for rest periods.

Moreover, throughout the entirety of Mr. Tovar's employment with Sunshine, Sunshine maintained an unlawful written rest period policy which only permits and authorizes Mr. Tovar and other aggrieved employees to take a 10-minute rest period "within each 4 hours worked," instead of every 4 hours *or a major fraction thereof*, in violation of Labor Code § 226.7 and Wage Order 4, § 12, which requires employers to authorize and permit a 10-minute paid rest period for every 4 hours worked or major fraction thereof. Thus, Sunshine failed to authorize and permit the proper number of rest periods on "major fraction" shifts, including one rest period on shifts of 3.5-3.99 hours, 2 rest periods on shifts of 6.01-7.99 hours, and 3 rest periods on shifts of 10.01-11.99 hours.

As a result of Sunshine's failure to provide all legally required rest periods and its unlawful rest period policy, Sunshine failed to compensate their employees with the required rest period premium for each workday in which Mr. Tovar and other aggrieved employees experienced a rest period violation, and failed to compensate Mr. Tovar and other aggrieved employees for all minimum and overtime wages that should have been earned during paid rest periods. Upon information and belief, during at least a portion of the relevant time period, Sunshine maintained no payroll code for paying rest period premiums under Labor Code § 226.7.

Sunshine also failed to provide Mr. Tovar and other aggrieved employees with legally-compliant meal periods of at least 30-minutes commencing before the conclusion of the fifth hour of work and/or a second meal period when they worked shifts in excess of 10.0 hours. As Mr. Tovar and other aggrieved employees were required to provide installation services at numerous different locations per shift, Mr. Tovar and other aggrieved employees were often required to take a meal period after the fifth hour of work and/or take a meal period that was less than 30-minutes. For instance, although Mr. Tovar's shift regularly began at 7:00 am, Mr. Tovar was regularly not provided with a meal period until after 12:00 pm, or after the fifth hour of work. Mr. Tovar and other aggrieved employees were also often required to take their meal periods while traveling in between jobs and were not provided with a second meal period when they worked shifts over ten hours. On those workdays when Sunshine failed to provide all legally required meal periods, Sunshine failed to compensate their employees with the required meal period premium for each workday in which employees experienced a meal period violation. Upon information and belief, during at least a portion of the relevant time period, Sunshine maintained no payroll code for paying meal period premiums under Labor Code § 226.7.

Sunshine also failed to reimburse Mr. Tovar and other aggrieved employees for all reasonable and necessary work expenditures, including, but not limited to, car insurance, mileage, parking fees, and other personal vehicle expenses. Specifically, Sunshine required Mr. Tovar and other technicians to purchase a large vehicle in order to transport a 28" ladder and other equipment needed to assist Cox Communication's customers, without

reimbursing technicians for the costs associated with the purchase or use of such a large vehicle. Sunshine also required Mr. Tovar and other aggrieved employees to use their personal vehicles to travel in between job locations and to pick up and drop off equipment, without properly compensating them for all mileage, parking fees, or other expenses incurred. Further, Sunshine required Mr. Tovar and other aggrieved employees to purchase and maintain an insurance policy with a minimum coverage of: Bodily Injury - \$100,000 per person/\$300,000 per accident; Property Damages - \$100,000 per accident or \$400,000 combined single limit per accident, without reimbursing the costs of such a comprehensive insurance policy. Additionally, when aggrieved employees did get in on-the-job motor vehicle accidents, Sunshine failed to reimburse employees for costs associated with the accident. Instead, Sunshine has a written policy and practice which requires employees to “indemnify [Sunshine] and its owners against any and all claims, losses, damages and expenses, including legal fees, which the company may incur up to the minimum insurance requirements” when employees get in an on-the-job accident. As a result of Sunshine’s failure to reimburse Mr. Tovar and other aggrieved employees for these necessary work expenditures, Mr. Tovar and other aggrieved employees are entitled to reimbursement pursuant to Labor Code § 2802.

Sunshine also unlawfully deducted the costs of broken tools from employee wages in violation of California Labor Code §§ 221-223. *See Hudgins v. Nieman Marcus Group, Inc.*, (1995) 34Cal.App.4th 1109, 1118 (“As interpreted by the Industrial Welfare Commission (IWC) and the California courts, section 221 has long been held to prohibit deductions from an employee’s wages for cash shortages, breakage, loss of equipment, and other business losses that may result from the employee’s simple negligence.”); *see also* Wage Order 4, § 8 (prohibiting deductions from employee wages for, *inter alia*, “breakage, or loss of equipment”).

As a result of Sunshine’s failure to pay all minimum and overtime wages, as well as meal and rest period premium wages, Sunshine maintained inaccurate payroll records, and issued inaccurate wage statements to Mr. Tovar and other aggrieved employees. Additionally, Sunshine issued facially non-compliant wage statements to Mr. Tovar and other aggrieved employees by failing to list the number of piece-rate units earned and any applicable piece rate, in violation of Labor Code § 226(a)(3); failing to list all applicable hourly rates in effect during the pay period (including but not limited to the overtime rate of pay) and the corresponding number of hours worked at each hourly rate by the employee, in violation of § 226(a)(9); failing to list the total hours of compensable rest and recovery periods and the corresponding rate of compensation and gross wages for those periods, in violation of Labor Code § 226.2(a)(2)(A); and failing to state the total hours of non-productive time along with the corresponding rate of compensation and gross wages for non-productive time worked in violation of Labor Code § 226.2(a)(2)(B).

As a result of its failure to pay all minimum wages, overtime wages, and meal and rest period premiums, and as a result of its unlawful deductions from wages described above, Sunshine failed to pay all final wages to Mr. Tovar and other aggrieved former employees at the separation of their employment.

As described above, Sunshine committed, and continues to commit, the following violations of the Labor Code and Industrial Welfare Commission Wage Order No. 4 (“Wage Order 4”):

Minimum Wage Violations

Sunshine was, and is, required to pay Mr. Tovar and other aggrieved employees an hourly rate at least equal to the minimum wage for each hour worked. See Labor Code §§ 226.2, 558, 1182.12, 1194, 1194.2, 1197, 1198, and Wage Order 4, § 4. As alleged above, Sunshine maintained, and continues to maintain, timekeeping policies/practices and pay policies/practices that regularly, systematically, and impermissibly fail to compensate Mr. Tovar and other aggrieved employees for all hours worked. As a result of these policies/practices, Mr. Tovar and other aggrieved employees have been, and continue to be, deprived of all required minimum wages.

Overtime Violations

Sunshine is required to properly compensate non-exempt employees, including Mr. Tovar, and other aggrieved employees, for all overtime hours worked pursuant to Labor Code § 204, 226.2, 510, 558, 1194, 1198 and Wage Order 4. Wage Order 4, § 3 requires an employer to pay an employee “one and one-half (1½) times [the] employee’s regular rate of pay” for work in excess of 8 hours per workday or over 40 hours in a workweek, and for the first eight (8) hours and/or in excess of 40 hours of work in the workweek, and “double the employee’s regular rate of pay” for all hours worked in excess of 12 hours in a workday or in excess of 8 hours on the seventh day of a workweek. As alleged herein, Sunshine has caused Mr. Tovar and other aggrieved employees to work overtime and/or double-time hours but has not compensated Mr. Tovar or other aggrieved employees at one and one-half times (or two times, in the case of double-time) their “regular rate” of pay for such hours.

Rest Period Violations

As alleged above, Sunshine failed, and continues to fail, to authorize and permit Mr. Tovar and other aggrieved employees to take all rest periods to which they are legally entitled. See Labor Code §§ 226.2, 226.7, 516, 1198; Wage Order 4, § 12.

As a result, Mr. Tovar and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday that they were not authorized and permitted to take all legally required rest periods. See Labor Code § 226.7 (“If an employer fails to provide an employee a meal period or rest period in accordance with an applicable order of the Industrial Welfare Commission, the employer shall pay the employee one additional hour of pay at the employee’s regular rate of compensation for each workday that the meal or rest period is not provided.”). As alleged above, Sunshine has failed to pay them the premium wages to which they are legally entitled.

Meal Period Violations

As alleged above, Sunshine failed, and continues to fail, to provide Mr. Tovar and other aggrieved employees with all required and compliant meal periods, due to Sunshine's meal period policies/practices that often fail to provide legally-compliant 30-minute first meal periods before the end of the fifth hour of work, and which fail to provide second meal periods for shifts of over 10.0 hours. *See* Labor Code §§ 226.7, 512, 1198; Wage Order 4, § 11.

As a result, Mr. Tovar and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday they experienced a meal period violation. *See* Labor Code § 226.7 ("If an employer fails to provide an employee a meal or rest or recovery period in accordance with...[an] order of the Industrial Welfare Commission...the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest period is not provided."). As alleged above, Sunshine has failed to pay them the premium wages to which they are legally entitled.

Failure to Reimburse Employees for Necessary Business Expenditures

As alleged above, due to Sunshine's unlawful policy and practice of requiring employees to purchase, use, and maintain personal vehicles for work purposes; pay for parking and other auto-related expenses; maintain their own auto insurance for said vehicles, and failing to pay reimbursements to Mr. Tovar and other aggrieved employees, Sunshine has violated Labor Code §2802. ("An employer shall indemnify his or her employees for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or obedience to the directions of the employer.") Mr. Tovar and other aggrieved employees are therefore entitled to reimbursement of such unpaid work expenses with interest.

Unlawful Deductions from Wages

As alleged above, as a result of Sunshine's practice of deducting the costs of broken tools from its employees' wages, Sunshine has failed to pay all wages owed to aggrieved employees in violation of Labor Code §§ 221-223, which prohibit, among other things, the paying of a lower wage than required under contract or statute, and the taking of any deductions from employee wages, as well as Wage Order 4, §§ 8 and 9.

Wage Statement Violations

As alleged herein, Sunshine knowingly and intentionally, as a matter of uniform policy and practice, failed to furnish Mr. Tovar and other aggrieved employees with accurate and itemized wage statements that included, among other requirements, all applicable hourly rates in effect during the pay period and the corresponding number of

hours worked at each hourly rate by the employee in violation of § 226(a)(9). Sunshine also failed to furnish Mr. Tovar and other aggrieved employees who were compensated on a piece-rate basis with accurate and itemized wage statements that included the number of piece-rate earnings and the applicable piece rate in violation of Labor Code § 226, the total hours of compensable rest and recovery periods and the corresponding rate of compensation and gross wages for those periods, and the total hours of non-productive time along with the corresponding rate of compensation and gross wages for non-productive time worked in violation of Labor Code § 226.2. Sunshine also failed to accurately report the number of hours worked and wages owed as a result of its failures to pay all wages owed and to pay all meal and rest period premium wages owed, as alleged herein. Sunshine's failure to comply with its wage statement obligations was knowing and intentional, and Mr. Tovar and other aggrieved employees have suffered injury as a result.

Waiting Time Penalties

Labor Code §§ 201 and 202 require that employees receive all of their final wages at the time of their separation of employment. As alleged herein, Sunshine failed to timely pay aggrieved former employees all of their final wages at the time of separation. Pursuant to Labor Code § 203, Sunshine's failure to pay all final wages due to aggrieved employees was willful and, consequently, entitles aggrieved former employees to waiting time penalties equal to one day of wages at their standard rate for each day Sunshine failed to pay their final wages after their separation, up to a maximum of thirty days.

Mr. Tovar is informed and believes, and based thereon alleges, that the violations alleged herein are continuing to the present. As an "aggrieved employee," Mr. Tovar will initiate a civil action on behalf of himself and other aggrieved employees to recover civil penalties resulting from the wage and hour violations alleged herein. Based on Mr. Tovar's own investigation, and on information and belief, Sunshine has committed the following Labor Code violations:

- a. Sunshine has violated Labor Code §§ 204, 226.2, 558, 1182.12, 1194, 1194.2, 1197, and 1198 by failing to pay Mr. Tovar and other aggrieved employees at least the statutory minimum wage for all hours worked;
- b. Sunshine has violated Labor Code §§ 204, 226.2, 510, 558, 1194, and 1198 by failing to pay Mr. Tovar and other aggrieved employees all overtime and/or double-time compensation earned;
- c. Sunshine has violated Labor Code §§ 226.7, 512, 558, and 1198 by failing to provide all legally required meal periods and by failing to pay meal period premiums to Mr. Tovar and other aggrieved employees at these employees' respective regular rates of compensation for meal period violations;
- d. Sunshine has violated Labor Code §§ 226.7, 226.2, 516, 558, and 1198 by failing to authorize and permit all legally required rest periods and by failing to

pay rest period premiums to Mr. Tovar and other aggrieved employees at these employees' respective regular rates of compensation for rest period violations;

- e. Sunshine has violated Labor Code §§ 2802 and 2804 by failing to reimburse Mr. Tovar and other aggrieved employees for all necessary expenditures incurred;
- f. Sunshine has violated Labor Code §§ 226 and 226.2 by failing to furnish Mr. Tovar and other aggrieved employees with accurate and complete itemized wage statements;
- g. Sunshine has violated Labor Code §§ 221-223 by taking unlawful deductions from aggrieved employees' wages and thereby failing to pay aggrieved employees all earned wages;
- h. Sunshine has violated Labor Code §§ 201, 202 and 203 by failing to timely pay all final wages due to aggrieved former employees.
- i. Sunshine has violated Labor Code § 204 by failing to pay Mr. Tovar and other aggrieved employees all earned wages at least twice during each calendar month; and
- j. Sunshine has violated Labor Code §§ 1174, 1198 and 1199 by failing to maintain accurate records on behalf of Mr. Tovar and other aggrieved employees.

Pursuant to Labor Code section 2699.3, please notify us and Sunshine if the LWDA intends to investigate these alleged violations of the Labor Code. Please contact me should you require additional information.

Very truly yours,
HAINES LAW GROUP, APC



Paul K. Haines

cc: Sunshine Communications, Inc., c/o Tana L. Corbin, Agent for Service of Process
(via certified mail)

7019 2280 0001 9441 1946

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- ☐ Adult Signature Required \$
- ☐ Adult Signature Restricted Delivery \$

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\$

Total Pos

\$

Sent To

Street and

City, State

Sunshine Communications, Inc.
c/o Tana L. Corbin
350 Cypress Lane, Suite D
El Cajon, CA 92020 (Attn AC)

PS Form 3800, April 2015 PSN 7530-02-000-9047

See Reverse for Instructions

SENDER: COMPLETE THIS SECTION

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Sunshine Communications, Inc.
c/o Tana L. Corbin
350 Cypress Lane, Suite D
El Cajon, CA 92020



9590 9402 5238 9122 7248 98

2. Article Number (Transfer from service label)

7019 2280 0001 9441 1946

PS Form 3811, July 2015 PSN 7530-02-000-9053

COMPLETE THIS SECTION ON DELIVERY

A. Signature

x T. ST CLAIR

- ☐ Agent
- ☐ Addressee

B. Received by (Printed Name)

PJ 2016 C.19

C. Date of Delivery

09/21/20

D. Is delivery address different from item 1? ☐ Yes

If YES, enter delivery address below: ☐ No

3. Service Type

- ☐ Adult Signature
- ☐ Adult Signature Restricted Delivery
- ☒ Certified Mail[®]
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- ☐ Registered MailTM
- ☐ Registered Mail Restricted Delivery
- ☐ Return Receipt for Merchandise
- ☐ Signature ConfirmationTM
- ☐ Signature Confirmation Restricted Delivery

Restricted Delivery

Domestic Return Receipt

From: noreply@salesforce.com on behalf of [LWDA DO NOT REPLY](#)
To: [Aaron Clark](#)
Subject: Thank you for submission of your PAGA Case.
Date: Thursday, September 17, 2020 5:10:45 PM

9/17/2020

LWDA Case No. LWDA-CM-806755-20
Law Firm : Haines Law Group, APC
Plaintiff Name : Eduardo Tovar
Employer: Sunshinie Communications, Inc.

Item submitted: Initial PAGA Notice

Thank you for your submission to the Labor and Workforce Development Agency. Please make a note of the LWDA Case No. above as you may need this number for future reference when filing any subsequent documents for this Case.

If you have questions or concerns regarding this submission or your case, please send an email to pagainfo@dir.ca.gov.

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website: http://labor.ca.gov/Private_Attorneys_General_Act.htm

EXHIBIT 3

LAFFEY MATRIX

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[Case Law](#)
[See the Matrix](#)
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			Years Out of Law School *				
Year	Adjustmt Factor**	Paralegal/ Law Clerk	1-3	4-7	8-10	11-19	20 +
6/01/21- 5/31/22	1.006053	\$208	\$381	\$468	\$676	\$764	\$919
6/01/20- 5/31/21	1.015894	\$206	\$378	\$465	\$672	\$759	\$914
6/01/19- 5/31/20	1.0049	\$203	\$372	\$458	\$661	\$747	\$899
6/01/18- 5/31/19	1.0350	\$202	\$371	\$455	\$658	\$742	\$894
6/01/17- 5/31/18	1.0463	\$196	\$359	\$440	\$636	\$717	\$864
6/01/16- 5/31/17	1.0369	\$187	\$343	\$421	\$608	\$685	\$826
6/01/15- 5/31/16	1.0089	\$180	\$331	\$406	\$586	\$661	\$796
6/01/14- 5/31/15	1.0235	\$179	\$328	\$402	\$581	\$655	\$789
6/01/13- 5/31/14	1.0244	\$175	\$320	\$393	\$567	\$640	\$771
6/01/12- 5/31/13	1.0258	\$170	\$312	\$383	\$554	\$625	\$753
6/01/11- 5/31/12	1.0352	\$166	\$305	\$374	\$540	\$609	\$734
6/01/10- 5/31/11	1.0337	\$161	\$294	\$361	\$522	\$589	\$709
6/01/09- 5/31/10	1.0220	\$155	\$285	\$349	\$505	\$569	\$686
6/01/08- 5/31/09	1.0399	\$152	\$279	\$342	\$494	\$557	\$671
6/01/07-5/31/08	1.0516	\$146	\$268	\$329	\$475	\$536	\$645
6/01/06-5/31/07	1.0256	\$139	\$255	\$313	\$452	\$509	\$614
6/1/05-5/31/06	1.0427	\$136	\$249	\$305	\$441	\$497	\$598
6/1/04-5/31/05	1.0455	\$130	\$239	\$293	\$423	\$476	\$574
6/1/03-6/1/04	1.0507	\$124	\$228	\$280	\$405	\$456	\$549
6/1/02-5/31/03	1.0727	\$118	\$217	\$267	\$385	\$434	\$522
6/1/01-5/31/02	1.0407	\$110	\$203	\$249	\$359	\$404	\$487
6/1/00-5/31/01	1.0529	\$106	\$195	\$239	\$345	\$388	\$468
6/1/99-5/31/00	1.0491	\$101	\$185	\$227	\$328	\$369	\$444
6/1/98-5/31/99	1.0439	\$96	\$176	\$216	\$312	\$352	\$424
6/1/97-5/31/98	1.0419	\$92	\$169	\$207	\$299	\$337	\$406
6/1/96-5/31/97	1.0396	\$88	\$162	\$198	\$287	\$323	\$389
6/1/95-5/31/96	1.032	\$85	\$155	\$191	\$276	\$311	\$375
6/1/94-5/31/95	1.0237	\$82	\$151	\$185	\$267	\$301	\$363

The methodology of calculation and benchmarking for this Updated Laffey Matrix has been approved in a number of cases. See, e.g., *DL v. District of Columbia*, 267 F.Supp.3d 55, 69 (D.D.C. 2017)

* "Years Out of Law School" is calculated from June 1 of each year, when most law students graduate. "1-3" includes an attorney in his 1st, 2nd and 3rd years of practice, measured from date of graduation (June 1). "4-7" applies to attorneys in their 4th, 5th, 6th and 7th years of practice. An attorney who graduated in May 1996 would be in tier "1-3" from June 1, 1996 until May 31, 1999, would move into tier "4-7" on June 1, 1999, and tier "8-10" on June 1, 2003.

** The Adjustment Factor refers to the nation-wide Legal Services Component of the Consumer Price Index produced by the Bureau of Labor Statistics of the United States Department of Labor.

EXHIBIT 4

Haines Law Group, APC Expense Summary
Tovar v. Sunshine Communications, Inc.

EXPENSE	AMOUNT
Expert Fees	\$1,405.00
Mediation Fee:	\$7,000.00
Filing and Service Fees	\$622.96
Copying and Postage Costs	\$236.47
Legal Research Costs	\$234.53
TOTAL:	\$9,498.96