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9 **UNITED STATES DISTRICT COURT**  
10 **NORTHERN DISTRICT OF CALIFORNIA**

11 FREDERICK SCHULZ, BRANDON  
WARREN AND MATTHEW WARREN on  
12 behalf of himself and all other similarly situated,

13 Plaintiffs,

14 v.

15 DHL EXPRESS (USA) INC., and Does 1-100,

16 Defendants.  
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Case No.: 3:20-cv-04490-RS

**DECLARATION OF TAYLOR MITZNER  
WITH RESPECT TO SETTLEMENT  
NOTICE ADMINISTRATION**

Hearing Date: 9/29/2022  
Hearing Time: 1:30 p.m.  
Courtroom: 3, SF Courthouse, 17<sup>th</sup> Flr.  
Judge: Hon. Richard Seeborg

**DECLARATION OF TAYLOR MITZNER**

I, Taylor Mitzner, declare as follows:

1. I am a Case Manager at Phoenix Settlement Administrators (“Phoenix”), the Court-appointed Class Action Settlement Administrator for *Schulz, et al. v. DHL Express (USA), Inc.* I have personal knowledge of the facts stated herein and, if called upon to testify, I could and would testify competently to such facts.

2. Phoenix was selected by the Parties to provide notice of the Settlement and perform class administration duties in this action. Pursuant to the Stipulation of Settlement and Release (“Settlement Agreement” or “Settlement”) for this matter, Phoenix was responsible for (i) preparing, printing, and mailing the *Notice of Proposed Class Action Settlement* (herein referred to as the “Notice Packet”); (ii) establishing a website at [www.phoenixclassaction.com/schulz-v-dhl](http://www.phoenixclassaction.com/schulz-v-dhl) with information regarding the Settlement including the response deadline and final hearing dates, as well as well as a link to the Pacer docket, and copies of the Notice Packet, the settlement agreement, the Motion for Attorneys’ Fees filed on April 6, 2022, and other relevant case documents; (iii) determining the validity of opt-outs; (iv) calculating the Net Settlement Amount and the Individual Settlement Payments to Class Members; (v) issuing the Individual Settlement Payments and distributing them to Participating Class Members; (vi) issuing the payment to Class Counsel for attorneys’ fees and litigation costs, the Class Representatives’ Enhancement Payment, and the employer/employee payroll taxes to the appropriate taxing authorities; and (vii) such other tasks as set forth in the Agreement or as the Parties mutually agree or as the Court orders.

3. On February 24, 2022, Phoenix received a data file from Defense Counsel that contained names, last known mailing addresses, Social Security numbers, telephone numbers, and number of Work Weeks for each Class Member (“Class Data”) during the period from April 10, 2016 to February 3, 2022 (“Class Period”). The mailing list contained seven hundred sixty-one (761) Class Members.

4. On March 8, 2022, Phoenix conducted a National Change of Address (“NCOA”) search in an attempt to update the class list of addresses as accurately as possible. A search of this

1 database provides updated addresses for any individual who has moved in the previous four (4)  
2 years and notified the U.S. Postal Service of their change of address.

3 5. On March 17, 2022, Phoenix mailed the Notice Packet via U.S. first class mail to all  
4 seven hundred sixty-one (761) Class Members on the Class List (“Initial Mailing”).

5 6. On May 23, 2022, Phoenix received a revised data file from Defense Counsel that  
6 contained revised Class Data with seven hundred sixty-three (763) Class Members.

7 7. On June 9, 2022, Phoenix mailed the Notice Packet via U.S. first class mail to all  
8 seven hundred sixty-three (763) Class Members on the revised Class List (“Revised Mailing”). A  
9 true and correct copy of the mailed Notice Packet is attached hereto as **Exhibit A**.

10 8. As a result of the Initial Mailing, thirteen (13) Notice Packets were considered  
11 undeliverable. Specifically, six (6) were undeliverable since an updated address could not be  
12 obtained via skip trace, and seven (7) were returned to Phoenix a second time after being re-mailed.

13 9. The thirteen (13) Notice Packets that were undeliverable were included in the  
14 Revised Mailing, as they appeared a second time on the class data list. This time, only six (6) Notice  
15 Packets have been returned to Phoenix from the Revised Mailing. None were returned with a  
16 forwarding address. Of the six (6) Notice Packets that were skip traced, zero (0) updated addresses  
17 were obtained. Therefore, six (6) Notice Packets are considered undeliverable from the Revised  
18 Mailing since an updated address could not be obtained via skip trace.

19 10. Phoenix has received one (1) Request for Exclusion. The first deadline to request  
20 exclusion was May 2, 2022, and the revised deadline to request exclusion based on the second  
21 mailed notice was July 25, 2022.

22 11. Phoenix has received zero (0) Objections to the Settlement. The Objection deadline  
23 was July 25, 2022.

24 12. The Notice Packet provided the Work Weeks and estimated payouts for each  
25 individual Class Member, along with Phoenix’s mailing address and telephone number for Class  
26 Members to contact if they believed the provided Work Week data was incorrect. As of the date of  
27 this declaration, Phoenix has received two Work Weeks disputes. Phoenix determined that both  
28

1 class members were claiming weeks that they did not work during their employment period, and  
2 therefore were considered invalid. The deadline to submit a dispute was July 25, 2022.

3 13. There are seven hundred fifty-six (756) Class Members, representing approximately  
4 99.08% of the Class, who, having not requested exclusion, are deemed Participating Class Members  
5 and have worked a collective total of 11,514 Work Weeks during the Class Period.

6 14. The Net Settlement Amount of \$890,000.00 available to pay Participating Class  
7 Members was determined by subtracting the requested Class Counsel attorneys' fees and costs  
8 (\$300,000.00) and requested Class Representative Enhancement Payments to Named Plaintiffs  
9 from the Gross Settlement Amount (\$1,200,000.00).

10 15. Based upon the calculations stipulated in the Settlement and taking into account the  
11 one (1) Opt-Out and six (6) undeliverables, the highest Individual Settlement Payment to be paid is  
12 approximately \$11,439.99, the lowest Individual Settlement Payment to be paid is approximately  
13 \$77.30, while the average Individual Settlement Payment to be paid is approximately \$1,177.25.  
14 All Individual Settlement Payments are subject to any and all legally mandated reductions and  
15 deductions on the one-third (33.33%) portion thereof considered wages.

16 16. Pursuant to the Settlement, Defendant has agreed to fund the employer-side taxes  
17 due separately and apart from the Gross Settlement Amount. As of this date, and utilizing the  
18 maximum tax rates, Phoenix estimates that the employer-side taxes should not exceed \$42,864.05.

19 17. Phoenix's costs associated with the administration of this matter are \$8,000.00. This  
20 includes all costs incurred to date, as well as estimated costs involved in completing the settlement  
21 distribution. Pursuant to the Settlement, this amount will be paid separate and apart from the Gross  
22 Settlement Amount. A true and correct copy of the invoice from Phoenix is attached hereto as

23 **Exhibit B.**

24 I declare under penalty of perjury of the laws of the State of California that the foregoing is  
25 true and correct.

26 Executed this 22<sup>nd</sup> of August 2022 at Anaheim, California.

27  
28   
TAYLOR MITZNER

## **Exhibit A**

«PSA\_ID»

«Pre\_Sort\_Tray\_ID»

«Pre\_Sort\_Order»

**FIRST AMENDED NOTICE OF PROPOSED CLASS ACTION SETTLEMENT**

***FREDERICK SCHULZ, BRANDON WARREN AND MATTHEW WARREN on behalf of themselves and all those similarly situated***

**vs.**

***DHL EXPRESS (USA), INC., Case No. 3:20-cv-04490-RS***

***You are not being sued. This notice affects your rights. Please read it carefully.***

To: All persons classified as ‘casual employees’ who worked as couriers for DHL Express (USA), Inc. (“Defendant”) in the State of California from April 10, 2016 through February 3, 2022.

On February 3, 2022, the Honorable Richard Seeborg of the United States District Court for the Northern District of California granted preliminary approval of this class action settlement and ordered the litigants to notify all Class Members of the settlement. **You have received this notice because Defendant’s records indicate that you are a Class Member, and therefore entitled to a payment from the settlement.**

**You previously received this notice with information regarding your estimated share of the settlement. You are receiving this amended notice due to a potential change in your estimated share of the settlement based on revised counts of the workweeks of members of the Class. Please review Paragraph B below for your updated estimated workweeks and payment. Because of these changes, you have a renewed right to exclude yourself from the settlement, dispute your estimated workweeks, and/or object to the settlement, as described in this notice.**

**Unless you choose to opt out of the settlement by following the procedures described below, you will be deemed a Class Member and, if the Court grants final approval of the settlement, you will be mailed a check for your share of the settlement fund.** The Final Fairness Hearing on the adequacy, reasonableness, and fairness of the Settlement will be held at San Francisco Courthouse of the United States District Court for the Northern District of California, Courtroom 3 – 17th Floor, 450 Golden Gate Avenue, San Francisco, CA 94102, at 1:30 p.m. on September 22, 2022. Please note that the Final Fairness Hearing may be rescheduled by the Court to another date and/or time. Please visit [www.phoenixclassaction.com/schulz-v-dhl](http://www.phoenixclassaction.com/schulz-v-dhl) for any scheduling changes.

**WHAT THE ACTION IS ABOUT**

Plaintiffs Frederick Schulz, Brandon Warren, and Matthew Warren (“Plaintiffs”) brought claims on behalf of themselves and all persons classified as ‘casual employees’ who worked as couriers for DHL Express (USA), Inc. in the State of California from April 10, 2016 through February 3, 2022 (“the Class”) for: (1) Failure to Compensate for Hours Worked; (2) Failure to Compensate for Overtime; (3) Failure to Provide Paid Rest Periods; (4) Failure to Provide Meal Periods; (5) Waiting Time Penalties; and (6) Violation of Unfair Business Practices Act (Business & Professions Code §17200 *et seq.*). The operative complaint seeks relief for the Class members in the form of wages and monetary penalties and reasonable attorney’s fees and costs.

Defendant has denied, and continues to deny, the factual and legal allegations in the case and believes that it has valid defenses to Plaintiffs’ claims. By agreeing to settle, Defendant is not admitting liability on any of the allegations or claims in the case or that the case can or should proceed as a class action. Defendant has agreed to settle the case as part of a compromise with Plaintiffs.

Subject to the Court’s approval, the parties have agreed to settle all claims under the terms set forth in this Notice.

## DEFINITION OF THE CLASS

The Court in this Action has entered an order certifying the Class for settlement purposes. The Class is defined as follows:

All persons classified as ‘casual employees’ who worked as couriers for DHL Express (USA), Inc. in the State of California from April 10, 2016 through February 3, 2022.

You are a Class member if you fall into this definition.

## SUMMARY OF THE PROPOSED SETTLEMENT TERMS

The following is a summary of the terms of the proposed Settlement Agreement.

### A. Gross Settlement Amount

This Settlement Agreement creates a total settlement fund of one million, two hundred thousand dollars (\$1,200,000.00) (“Gross Settlement Amount”). This Gross Settlement Amount includes: (1) the individual settlement payments to all participating Class Members; (2) a Class Representative Enhancement Payment of \$10,000 to be split between Frederick Schulz, Brandon Warren, and Matthew Warren for their services on behalf of the class, and for a release of all claims arising out of their employment with Defendant; and (3) Class Counsel’s attorneys’ fees and costs in the amount of \$300,000.00. After deducting the above payments, a total of approximately \$890,000.00 will be allocated to Class Members who do not opt out of the Settlement Class (“Net Settlement Fund”).

### B. Calculation of Individual Claims

The individual Settlement Share payment to a Settlement Class Member will be calculated based on Workweeks worked by each Settlement Class Member during the time period of April 10, 2016 through February 3, 2022. Individual Settlement Shares for that time period will be calculated by dividing the number of weeks a Settlement Class Member worked in the role of a casual driver (“Casual”) for Defendant in California from April 10, 2016 to February 3, 2022 (“Workweeks”), by all the number of weeks worked by all Settlement Class Members as Casuals in California during that time period, and then multiplying the resulting figure by the Net Settlement Fund.

The Individual Settlement Payment will be reduced by any required deductions for each Class Member as specifically set forth herein, including employee-side tax withholdings or deductions. If there are any valid and timely Requests for Exclusion, the Settlement Administrator shall proportionately increase each Participating Class Member’s share of the Net Settlement Fund according to the number of Workweeks worked, so that the amount actually distributed to the Settlement Class equals 100% of the Net Settlement Fund.

According to Defendant’s records, you worked during the Class Period as a casual driver for a total of «Total\_Weeks» Workweeks. Accordingly, your estimated payment from the Net Settlement Fund is approximately «Est\_Set\_Amt».

If you believe the Workweek information provided above is incorrect, please contact the Settlement Administrator to dispute the calculation. You must attach all documentation in support of your dispute (such as check stubs, W2s, or letters from HR). All disputes must be postmarked or faxed on or before July 25, 2022 and must be sent to:

Settlement Administrator  
c/o Phoenix Settlement Administrators  
PO BOX 7208  
Orange, CA 92863

Fax No. (949) 209-2503

C. Release

Each member of the Settlement Class releases Released Parties from any and all claims, debts, liabilities, demands, obligations, penalties, premium pay, guarantees, costs, expenses, attorney's fees, damages, actions or causes of action of whatever kind or nature, whether known or unknown, contingent or accrued, under any legal theory that were or could have been alleged in the operative complaint in the Action arising during the period from April 10, 2016, to the date on which the Court grants final approval of the settlement and related to work performed as Casual employees ("Released Claims"). The Released Claims include, but are not limited to, claims for any alleged failure to pay all wages due (including minimum wage and overtime wages), failure to pay for all hours worked (including off-the clock work), failure to provide meal and rest periods, short/late meal and rest periods, failure to relieve of all duties during meal and rest periods, failure to pay or underpayment of meal and rest break premiums, auto-deduction of meal periods, failure to timely pay final wages, and unfair business practices relating to the foregoing, up to and including the date of final approval by the Court. The Released Claims include without limitation claims meeting the above definition(s) under any and all applicable statutes, including, but not limited to, any provision of the California Labor Code; Private Attorneys General Act (California Labor Code §§ 2698, *et seq.*); California Business & Professions Code §§ 17200 *et seq.*; any provision of the applicable California Industrial Welfare Commission Wage Orders, or the Fair Labor Standards Act, based on the facts or claims alleged in the Complaint(s) in the Action. This release shall apply to all claims arising at any point between April 10, 2016 and the date of Final Approval ("Release Period"). Released Claims do not include claims by Settlement Class Members arising out of work performed in any capacity other than as a "casual employee."

**YOUR OPTIONS UNDER THE SETTLEMENT**

**Option 1 – *Automatically Receive a Payment from the Settlement***

If you want to receive your payment from the settlement, then no further action is required on your part. You will automatically receive your settlement payment from the Settlement Administrator if and when the Settlement receives final approval by the Court.

If you choose Option 1, and if the Court grants final approval of the settlement, you will be mailed a check for your share of the settlement funds. In addition, you will be deemed to have released the claims as described above.

**Option 2 -- *Opt Out of the Settlement***

You have the right to exclude yourself from the Class and the settlement. If you wish to be excluded, you must mail a Request for Exclusion postmark no later than July 25, 2022 at the address set forth below. The Request for Exclusion must contain the following: (a) the words "DHL EXPRESS, Case No. 3:20-cv-04490-RS" (b) your full name, (c) your address (d) the last four digits of your Social Security number, (e) the statement, "I wish to be excluded from the Settlement," and (f) your signature. Mail your Request for Exclusion to:

Phoenix Settlement Administrators  
PO BOX 7208  
Orange, CA 92863

If you timely request exclusion from the Class, you will be excluded from the Class, you will receive no payment from the settlement, and you will not be bound by the judgment entered in the Action.

**Option 3 -- Object to the Settlement**

If you decide to object to the settlement, you must submit an objection stating why you object to the settlement. Your objection must provide: (1) the name and case number of this Action, (2) your full name, last four digits of their social security number, and current address, (3) the specific reason(s) for the objection, and (4) all evidence and supporting papers (including, without limitation, all briefs, written evidence, and declarations) for the Court to consider.

To submit such an objection, you must send it in writing to the Settlement Administrator at the address below no later than July 25, 2022. The address where you send your objection is:

Phoenix Settlement Administrators  
PO BOX 7208  
Orange, CA 92863

If you timely request to be excluded from the Class (as described above), you do not have the right to object to the settlement or speak at the Final Approval Hearing. If you do not exclude yourself from the Class, you are entitled to appear and speak at the Final Approval Hearing regardless of whether you have submitted a timely written objection pursuant to this paragraph. You may, but need not, enter an appearance through counsel of your choice. If you do, you will be responsible for your personal attorneys' fees and costs.

**ADDITIONAL INFORMATION**

This description of the Action is general and does not cover all of the issues and proceedings thus far. In order to see the complete file including the individual terms of the settlement, you may visit the following website: [www.phoenixclassaction.com/schulz-v-dhl](http://www.phoenixclassaction.com/schulz-v-dhl).

If you have any questions about the settlement, you may contact Class counsel, who have been appointed to represent the interests of the Class in this matter:

QUADRA & COLL, LLP  
James Quadra  
Email: [jquadra@quadracoll.com](mailto:jquadra@quadracoll.com)  
Rebecca Coll  
Email: [rcoll@quadracoll.com](mailto:rcoll@quadracoll.com) 649  
Mission Street, Fifth Floor  
San Francisco, CA 94105  
Tel: (415) 426-3502

**PLEASE DO NOT CONTACT THE COURT WITH QUESTIONS ABOUT THE SETTLEMENT.**

## **Exhibit B**



# PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

**February 18, 2022**

## CASE ASSUMPTIONS

Class Members	700
Opt Out Rate	1%
Opt Outs Received	7
Total Class Claimants	693
Subtotal Admin Only	<b>\$10,404.12</b>

**Not-to-Exceed Total \$8,000.00**

**For 700 Class Members**

Pricing Good for Scope of Estimate Only

All Aspects of Escheating to the State of CA Included

## Case: Schulz v. DHL Express (USA), Inc., Opt-Out Administration

Phoenix Contact: Michael E. Moore  
 Contact Number: 949.331.0131  
 Email: mike@phoenixclassaction.com

Requesting Attorney: Elizabeth J. MacGregor  
 Firm: Seyfarth Shaw, LLP  
 Contact Number: 415-544-1065  
 Email: emacgregor@seyfarth.com

Assumptions and Estimate are based on information provided by counsel. If class size changes, PSA will need to adjust this Estimate accordingly. Estimate is based on **700** Class Members. PSA assumes class data will be sent in Microsoft Excel or other usable format with no or reasonable additional formatting needed. A rate of \$150 per hour will be charged for any additional analysis or programming.

### Case & Database Setup / Toll Free Setup & Call Center / NCOA (USPS)

Administrative Tasks:	Rate	Hours/Units	Line Item Estimate
Programming Manager	\$100.00	2	\$200.00
Programming Database & Setup	\$100.00	2	\$200.00
Toll Free Setup*	\$150.00	1	\$150.00
Call Center & Long Distance	\$2.00	16	\$32.00
NCOA (USPS)	\$175.00	1	\$175.00
		<b>Total</b>	<b>\$757.00</b>

\* Up to 120 days after disbursement

### Data Merger & Scrub / Notice Packet, Opt-Out Form & Postage / Website / CAFA Noticing

Project Action	Rate	Hours/Units	Line Item Estimate
Notice Packet Formatting	\$100.00	2	\$200.00
Data Merge & Duplication Scrub	\$0.10	700	\$70.00
Notice Packet & Opt-Out Form	\$1.25	700	\$875.00
Estimated Postage (up to 2 oz.)*	\$0.51	700	\$357.00
Static Website	\$100.00	1	Included
CAFA Noticing to State Agencies	\$200.00	4	TBD
Check Cashing Reminder Postcard Postage Included	\$0.60	146	\$87.32
		<b>Total</b>	<b>\$1,589.32</b>

\* Prices good for 90 days. Subject to change with the USPS Rate or change in Notice pages or Translation, if any.



# PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

## Skip Tracing & Remailing Notice Packets / Tracking & Programming Undeliverables

Project Action:	Rate	Hours/Units	Line Item	Estimate
Case Associate	\$55.00	6		\$330.00
Skip Tracing Undeliverables	\$0.85	175		\$148.75
Remail Notice Packets	\$0.75	172		\$129.00
Estimated Postage	\$0.53	172		\$91.16
Programming Undeliverables	\$50.00	1		\$50.00
		<b>Total</b>		<b>\$748.91</b>

## Database Programming / Processing Opt-Outs, Deficiencies or Disputes

Project Action:	Rate	Hours/Units	Line Item	Estimate
Programming Claims Database	\$150.00	2		\$300.00
Non Opt-Out Processing	\$200.00	1		\$200.00
Case Associate	\$55.00	5		\$275.00
Opt-Outs/Deficiency/Dispute Letters	\$10.00	13		\$130.00
Case Manager	\$85.00	4		\$340.00
		<b>Total</b>		<b>\$1,245.00</b>

## Calculation & Disbursement Programming/ Create & Manage QSF/ Mail Checks

Project Action:	Rate	Hours/Units	Line Item	Estimate
Programming Calculations	\$135.00	2		\$270.00
Disbursement Review	\$135.00	1		\$135.00
Programming Manager	\$95.00	3		\$285.00
QSF Bank Account & EIN	\$135.00	2		\$270.00
Check Run Setup & Printing	\$135.00	4		\$540.00
Mail Class Checks *	\$0.90	693		\$623.70
Estimated Postage	\$0.53	693		\$367.29
		<b>Total</b>		<b>\$2,490.99</b>

\* Checks are printed on 8.5 x 11 in. sheets with W2/1099 Tax Filing



# PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

<b>Tax Reporting &amp; Reconciliation / Re-Issuance of Checks / Reporting and Declarations</b>				
<b>Project Action:</b>	<b>Rate</b>	<b>Hours/Units</b>	<b>Line Item</b>	<b>Estimate</b>
Case Supervisor	\$115.00	4		\$460.00
Remail Undeliverable Checks (Postage Included)	\$1.50	139		\$207.90
Case Associate	\$55.00	4		\$220.00
Reconcile Uncashed Checks	\$85.00	5		\$425.00
Conclusion Reports	\$115.00	4		\$460.00
Case Manager Conclusion	\$85.00	4		\$340.00
Final Reporting & Declarations	\$115.00	4		\$460.00
IRS & QSF Annual Tax Reporting * (1 State Tax Reporting Included)	\$1,000.00	1		\$1,000.00
Check to Cy-Pres	\$150.00	1		Included
Uncashed Checks to the State of California Controllers Office Estimated 43 Total Class Members	\$300.00	1		TBD
			<b>Total</b>	<b>\$3,572.90</b>

\* All applicable California State & Federal taxes, which include SUI, ETT, and SDI, and FUTA filings. Additional taxes are Defendant's responsibility.

**Estimate Total: \$10,404.12**



# PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

## **TERMS AND CONDITIONS**

**Provisions:** The case estimate is in good faith and does not cover any applicable taxes and fees. The estimate does not make any provision for any services or class size not delineated in the request for proposal or stipulations. Proposal rates and amounts are subject to change upon further review, with Counsel/Client, of the Settlement Agreement. Only pre-approved changes will be charged when applicable. No modifications may be made to this estimate without the approval of PSA (Phoenix Settlement Administrators). All notifications are mailed in English language only unless otherwise specified. Additional costs will apply if translation into other language(s) is required. Rates to prepare and file taxes are for Federal and California State taxes only. Additional charges will apply if multiple state tax filing(s) is required. **Pricing is good for ninety (90) days.**

**Data Conversion and Mailing:** The proposal assumes that data provided will be in ready-to-use condition and that all data is provided in a single, comprehensive Excel spreadsheet. PSA cannot be liable for any errors or omissions arising due to additional work required for analyzing and processing the original database. A minimum of two (2) business days is required for processing prior to the anticipated mailing date with an additional two (2) business days for a National Change of Address (NCOA) update. Additional time may be required depending on the class size, necessary translation of the documents, or other factors. PSA will keep counsel apprised of the estimated mailing date.

**Claims:** PSA's general policy is to not accept claims via facsimile. However, in the event that facsimile filing of claims must be accepted, PSA will not be held responsible for any issues and/or errors arising out of said filing. Furthermore, PSA will require disclaimer language regarding facsimile transmissions. PSA will not be responsible for any acts or omissions caused by the USPS. PSA shall not make payments to any claimants without verified, valid Social Security Numbers. All responses and class member information are held in strict confidentiality. Additional class members are \$10.00 per opt-out.

**Payment Terms:** All postage charges and 50% of the final administration charges are due at the commencement of the case and will be billed immediately upon receipt of the data and/or notice documents. PSA bills are due upon receipt unless otherwise negotiated and agreed to with PSA by Counsel/Client. In the event the settlement terms provide that PSA is to be paid out of the settlement fund, PSA will request that Counsel/Client endeavor to make alternate payment arrangements for PSA charges that are due at the onset of the case. The entire remaining balance is due and payable at the time the settlement account is funded by Defendant, or no later than the time of disbursement. Amounts not paid within thirty (30) days are subject to a service charge of 1.5% per month or the highest rate permitted by law.

### **Tax Reporting Requirements**

PSA will file the necessary tax returns under the EIN of the QSF, including federal and state returns. Payroll tax returns will be filed if necessary. Under the California Employment Development Department, all taxes are to be reported under the EIN of the QSF with the exception of the following taxes: Unemployment Insurance (UI) and Employment Training Tax (ETT), employer-side taxes, and State Disability Insurance (SDI), an employee-side tax. These are reported under Defendant's EIN. Therefore, to comply with the EDD payroll tax filing requirements we will need the following information:

1. Defendant's California State ID and Federal EIN.
2. Defendant's current State Unemployment Insurance (UI) rate and Employment Training Tax (ETT) rate. This information can be found in the current year DE 2088, Notice of Contribution Rates, issued by the EDD.
3. Termination dates of the class members, or identification of current employee class members, so we can account for the periods that the wages relate to for each class member.
4. An executed Power of Attorney (Form DE 48) from Defendant. This form is needed so that we may report the UI, SDI, and ETT taxes under Defendant's EIN on their behalf. If this form is not provided we will work with the EDD auditors to transfer the tax payments to Defendant's EIN.
5. Defendant is responsible for reporting the SDI portion of the settlement payments on the class member's W-2. PSA will file these forms on Defendant's behalf for an additional fee and will issue an additional W-2 for each class member under Defendant's EIN, as SDI is reported under Defendant's EIN rather than the EIN of the QSF. The Power of Attorney (Form DE 48) will be needed in order for PSA to report SDI payments.