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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF VENTURA**

ERIC ZARAGOZA, individually, and on behalf
of other members of the general public similarly
situated,

Plaintiffs,

vs.

THE ARC OF VENTURA COUNTY, INC., a
California corporation; and DOES 1 through
100, inclusive,

Defendants.

Case No.: 56-2022-00565343-CU-OE-VTA

*Assigned for all purposes to the Honorable
Jeffrey G. Bennett, Dept. 21*

**DECLARATION OF S. EMI MINNE IN
SUPPORT OF MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION AND PAGA SETTLEMENT**

Date: August 10, 2023
Time: 8:30 a.m.
Dept.: 21

Complaint Filed: May 5, 2022
Trial Date: Not Set

I, S. Emi Minne, declare as follows:

2. This declaration is submitted in support of Plaintiff's Motion for Preliminary Approval of Plaintiff's Complaint and PAGA Settlement.

3. Defendant The Arc of Ventura County, Inc. (“Defendant”) is a non-profit organization that provides programs and services to assist individuals with intellectual and developmental disabilities.

5. On May 5, 2022, Plaintiff filed a class action complaint in the Ventura County Superior Court entitled *Eric Zaragoza v. The Arc of Ventura County, Inc.* (Ventura County Superior Court Case No. 56-2022-00565343-CU-OE-VTA, hereinafter “Action”). The original complaint alleged a single cause of action for Violation of California Business & Professions Code §§ 17200, et seq., predicated on violations of California Labor Code sections 201, 202, 204, 226, 226.7, 510, 512, 1174, 1194, 1197, 1197.1, 2800 and 2802.

7. Consistent with the Parties' agreement regarding informal discovery, Defendant provided my office with extensive informal discovery prior to mediation, which included a 25% sampling of Class Members' time and payroll records. The sampling was randomly selected and

1 included employees across the Class Period. Defendant also provided my office with all versions of
2 Defendant's employee handbooks in use during the Class Period, samples of on-duty meal period
3 agreements signed by Class Members, and other documents evidencing its relevant wage and hour
4 policies and procedures. Finally, Defendant provided my office with key data points regarding the size
5 and composition of the Class, such as the number of Class Members and PAGA Members (including
6 the number of current versus former employees), the total number of workweeks and pay periods
7 worked by Class Members, the number of pay periods worked by PAGA Members, and the average
8 rate of pay for the Class.

9 8. Prior to mediation, I thoroughly reviewed the informal discovery produced by
10 Defendant, which included consulting with a data analysis expert to fully analyze Class Members'
11 time and payroll records for potential wage and hour violations. I also engaged in extensive
12 independent investigation, and conducted further legal research regarding merits of Plaintiff's claims
13 and Defendant's potential defenses thereto. Based on this investigation and informal discovery, I
14 prepared a detailed and informed assessment of Defendant's potential liability prior to the mediation.
15 I also extensively briefed the strengths and weaknesses of Plaintiff's claims and Defendant's
16 anticipated defenses, and provided my analysis to the mediator for his consideration. These extensive
17 efforts enabled me to act intelligently and effectively in negotiating the proposed settlement.

18 9. On April 18, 2023, the Parties attended a formal mediation with Paul Grossman, Esq.,
19 a neutral and respected mediator with extensive experience in complex wage and hour matters. The
20 Parties engaged in a full day of settlement discussions, during which the Parties extensively debated
21 their respective positions and exchanged views regarding the strengths and weaknesses of their claims
22 and defenses. The settlement discussions were at all times at arm's length and, although conducted
23 with appropriate professional decorum, were adversarial. Plaintiff and my office went into mediation
24 willing to explore the potential for a settlement of the Action, but were also prepared to aggressively
25 litigate Plaintiff's claims through class certification, trial, and appeal if a settlement was not reached.
26 Following a full day of negotiations, the mediation culminated in the issuance of a mediator's proposal,
27 which was accepted by all Parties.

28 10. On April 21, 2023, Plaintiff provided notice to the California Labor & Workforce

Development Agency (“LWDA”) and Defendant of his intent to seek civil penalties pursuant to Labor Code §§ 2698, et seq. (“PAGA”).

11. On June 26, 2023, after fully exhausting PAGA’s mandatory 65-day notice period, the Parties filed a Joint Stipulation to allow for the filing of a First Amended Complaint (“FAC”), which alleges the following eleven (11) causes of action: (1) Violation of California Labor Code §§ 510 and 1198 (Unpaid Overtime Wages); (2) Violation of California Labor Code §§ 226.7 and 512(a) (Unpaid Meal Period Premiums); (3) Violation of California Labor Code § 226.7 (Unpaid Rest Period Premiums); (4) Violation of California Labor Code §§ 1194, 1197, and 1197.1 (Unpaid Minimum Wages); (5) Violation of California Labor Code §§ 201 and 202 (Final Wages Not Timely Paid); (6) Violation of California Labor Code § 204 (Wages Not Timely Paid During Employment); (7) Violation of California Labor Code § 226(a) (Non-Compliant Wage Statements); (8) Violation of California Labor Code § 1174(d) (Failure to Keep Requisite Payroll Records); (9) Violation of California Labor Code §§ 2800 and 2802 (Unreimbursed Business Expenses); (10) Violation of California Business and Professions Code §§ 17200, et seq.; and (11) Violation of California Labor Code §§ 2698, et seq. (Private Attorneys General Act of 2004). The FAC was deemed filed by the Court on July 3, 2023.

12. On or about June 28, 2023, after months of further negotiation, the Parties fully executed a long form Joint Stipulation of Class Action and PAGA Settlement (“Agreement”). A true and correct copy of the fully executed Agreement, which includes the proposed Class Notice (Exhibit A to the Agreement), is attached hereto as **Exhibit 1**.

13. The proposed Settlement was reached at the end of a process that was neither fraudulent nor collusive. To the contrary, counsel for the Parties advanced their respective positions throughout the settlement negotiations.

SUMMARY OF THE SETTLEMENT TERMS

14. Plaintiff seeks to provisionally certify the following Class for settlement purposes: “All current and former hourly-paid, non-exempt employees of Defendant who were employed by Defendant in the State of California at any time during the Class Period.” (Agreement, ¶ 6.) The Class Period means the period commencing on May 5, 2018, and ending on July 17, 2023. (Agreement, ¶

7.)

15. Based on information provided by Defendant to my office prior to mediation, it is estimated that the Class consists of approximately 396 individuals.

16. The Settlement also includes a subgroup of “PAGA Members” which consists of all current and former non-exempt employees of Defendant who were employed by Defendant in the state of California at any time during the PAGA Period. (Agreement, ¶ 22.) The PAGA Period means the period commencing on May 5, 2021, and ending on July 17, 2023. (Agreement, ¶ 24.)

17. Based on information provided by Defendant to my office prior to mediation, it is estimated that there are approximately 246 PAGA Members.

18. Subject to Court approval, Plaintiffs and Defendant have agreed to settle both the Class and PAGA claims for the non-reversionary gross settlement amount of \$1,500,000.00. (Agreement, ¶¶ 15, 49) The Gross Settlement Amount is exclusive of any employer-side payroll taxes, which shall be separately paid by Defendant. (*Id.*)

19. The Gross Settlement Amount shall be allocated as follows:

- a. Attorneys’ Fees to Class Counsel in the amount of 35% of the Gross Settlement Amount (i.e., \$525,000.00). (Agreement, ¶¶ 4, 53.)
- b. Reimbursement of Class Counsel’s actual litigation costs and expenses, not to exceed \$30,000.00. (*Id.*)
- c. Class Representative Enhancement Payment of \$10,000.00 to Plaintiff. (Agreement, ¶¶ 8, 54.)
- d. Settlement Administration Costs not to exceed \$10,000.00. (Agreement, ¶¶ 37, 55.)
- e. PAGA Penalties in the amount of \$5,000.00. 75% of the PAGA Penalties (\$37,500.00) shall be allocated to the LWDA, and 25% of the PAGA Penalties (\$12,500.00) shall be distributed to PAGA Members. (Agreement, ¶¶ 21, 56.)

20. After the above-estimated amounts are deducted from the Gross Settlement Amount, Participating Class Members will share in a Net Settlement Amount of approximately \$875,000.00. (Agreement, ¶ 57.)

21. The Net Settlement Amount will be distributed to Participating Class Members on a

1 pro-rata basis based on the number of Workweeks they worked during the Class Period. (Settlement
2 Agreement, ¶¶ 16, 58.) This method of distribution is commonly used in wage and hour class actions
3 because it: (a) relies upon objective evidence of the length of employment which Class Members can
4 easily review and confirm for themselves; and (b) allows for a distribution that corresponds closely to
5 the alleged damages which are directly related to the amount of time Class Members were employed.
6 This information is readily available from Defendant's records, and the Settlement Administrator can
7 apply the formula in a fair and transparent manner.

8 22. The range of Individual Class Payments will vary based on the total weeks they worked
9 and the number of Class Members who request to be excluded from the Settlement. However, based
10 on information provided by Defendant, I estimate that the average Individual Class Payment to
11 Participating Class Members will be approximately \$2,209.60.

12 23. Individual Class Payments to Participating Class Members shall be allocated as 10%
13 wages, 45% interest, and 45% penalties. (Agreement, ¶ 59.)

14 24. In addition to the Individual Class Payments, PAGA Members shall receive a pro-rata
15 share of the 25% portion of PAGA Penalties allocated for distribution to PAGA Members.
16 (Agreement, ¶¶ 17, 60.) Individual PAGA Payments will be distributed based on the number of
17 workweeks worked by PAGA Members during the PAGA Period. (*Id.*) Based on information provided
18 by Defendant, I estimate that the average Individual PAGA Payment to PAGA Members will be
19 approximately \$50.81.

20 25. The Settlement Administrator shall determine the eligibility for, and the amounts of,
21 each Individual Settlement Award under the terms of the Settlement Agreement. (Agreement, ¶¶ 37,
22 52, 63.) All payments owed under the Settlement shall be disbursed within 28 calendar days of the
23 Effective Date. (Agreement ¶¶ 51-52.) Any funds from checks for Individual Class Payments and
24 Individual PAGA Payments that remain uncashed after 180 days shall be transferred to the California
25 Controller's Unclaimed Property Fund in the name of the Participating Class Member. (Agreement, ¶
26 77.) As such, no "unpaid residue" under California Code of Civil Procedure §384 will result from the
27 Settlement.

28 26. The parties have selected Phoenix Class Action Administration Solutions to serve as

1 the Settlement Administrator. I also obtained administration estimates from ILYM Group, Inc., Rust
2 Consulting, and Simpluris, Inc. Phoenix Class Action Administration Solutions was ultimately
3 selected as the Settlement Administrator because it provided the lowest estimate and, consequently,
4 would result in the highest net recovery by Participating Class Members. True and correct copies of
5 the administration bids that were provided to me by Phoenix Class Action Administration Solutions,
6 ILYM Group, Inc., Rust Consulting, and Simpluris, Inc. are attached hereto as **Exhibits 2 - 5**.

7 **DEFENDANT'S TOTAL POTENTIAL EXPOSURE**

8 27. Prior to mediation, I analyzed all available data and information, and determined that
9 if all class claims were certified and adjudicated in favor of the class at trial, Defendant faced a
10 maximum potential class-wide liability of approximately \$6,047,718.72, which can be broken down
11 by claim as follows: \$17,174.91 in unpaid overtime compensation; \$75,954.20 in unpaid minimum
12 wages; \$2,266,323.31 in unpaid meal period premiums; \$1,957,101.30 in unpaid rest period
13 premiums; \$286,965.00 in unreimbursed business expenses; \$539,400.00 in waiting time penalties
14 under Labor Code § 203; and \$904,800.00 in wage statement penalties under Labor Code § 226.
15 Penalties associated with violations of Labor Code §§ 204 and 1174, were not considered as part of
16 the Class analysis, but were instead included in my separate calculations regarding Defendant's
17 potential exposure for PAGA, which are set forth in paragraph 35, below. A detailed explanation of
18 how these calculations were reached is set forth below.

19 28. **Unpaid Overtime Compensation:** Plaintiff contends that Defendant rounded
20 employees' time records in a manner that resulted in underpayment of wages, including overtime
21 compensation. Based on information provided by Defendant, there are a total of approximately 396
22 Class Members who worked a collective total of 57,933 workweeks during the Class Period, and who
23 were paid an average hourly rate of pay of \$15.50 per hour. Based on Plaintiff's expert's analysis of
24 class time and payroll data, Class Members worked an average of 4.4 shifts per workweek, with 31.9%
25 of all recorded shifts reflected rounding that resulted in an underpayment of wages averaging at 4.2
26 minute per shift. 13.1% of all shifts were over 8 hours in duration, meaning that such rounded time
27 qualified for overtime compensation. Thus, Defendant's maximum potential liability for unpaid
28 overtime compensation was estimated to be \$17,174.91 (57,393 workweeks x 4.4 shifts per week x

31.9% shifts with rounding x 13.1% shifts over 8 hours x .07 hours underpaid due to rounding x \$23.25 average hourly overtime rate of pay.)

29. **Unpaid Minimum Wages:** The same rounding practices that resulted in underpayment of overtime compensation also resulted in failure to pay employees minimum wages for all time worked. Based on the same patterns and variables set forth in paragraph 28, above, Defendant's maximum potential liability for unpaid minimum wages was estimated to be \$75,954.20 (57,393 workweeks x 4.4 shifts per week x 31.9% shifts with rounding x 86.9% shifts 8 hours or less x .07 hours underpaid due to rounding x \$15.50 average hourly rate of pay.)

30. **Meal Period Violations:** Plaintiff contends that Defendant implemented a policy and practice of requiring employees to take on-duty meal periods in violation of California law. Plaintiff also contends that even when meal periods were provided, they were often delayed past the fifth hour of work, interrupted, and/or cut short. Based on Plaintiff's expert's analysis of class time and payroll data, approximately 57.9% of recorded shifts reflected at least one unique meal period violation. Accordingly, Defendant's maximum potential liability for meal period violations was estimated to be \$2,266,323.31 (57,393 Workweeks x 4.4 shifts per Workweek x \$15.50 average hourly rate of pay x 57.9% violation rate).

31. **Rest Period Violations:** Plaintiff contends that Defendant failed to provide Class Members with compliant rest periods, that Class Members were routinely required to remain on-duty during rest periods, and that rest periods that were provided were frequently interrupted. Based on Plaintiff's anecdotal testimony and the same underlying employment practices that cause meal period violations, I estimated a rest period violation rate of at least 50%. Accordingly, Defendant's maximum potential liability for rest period violations was estimated to be \$1,957,101.30 (57,393 Workweeks x 4.4 shifts per Workweek x \$15.50 average hourly rate of pay x 50% violation rate).

32. **Unreimbursed Business Expenses:** Plaintiff contends that Class Members were occasionally required to use personal cell phones and vehicles for work-related purposes. Based on Plaintiff's anecdotal testimony, I estimated that Class Members are owed approximately \$5.00 per week for these expenses. Accordingly, Defendant's maximum potential liability for unreimbursed business expenses was estimated to be \$286,965.00 (57,393 Workweeks x \$5.00).

33. **Waiting Time Penalties:** Plaintiff contends that as result of the foregoing practices, Defendant failed to timely pay all wages due to its former employees upon termination of their employment. Based on information provided by Defendant, there are approximately 145 Class Members who were terminated within the 3-year statutory period for claims under Labor Code § 203. Accordingly, Defendant's maximum potential liability for waiting time penalties was estimated to be \$539,400.00 (145 terminated employees x \$15.50 average hourly rate x 8 hours per day x 30 days).

34. **Wage Statement Penalties:** Plaintiff contends that as result of the foregoing practices, Defendant failed to provide wage statements that accurately reflected the total hours worked and total wages owed to employees. Based on information provided by Defendant, there are approximately 246 Class Members who were employed during the 1-year statutory period for penalties under Labor Code § 226(e), and who worked a total of 9,171 pay periods during that period. Accordingly, Defendant's maximum potential liability for statutory penalties under Labor Code § 226(e) was estimated to be \$904,800.00 ([\$50.00 initial penalty rate x 246 pay periods] + [\$100.00 subsequent penalty rate x 8,925 pay periods]).

35. **PAGA:** In addition to calculating Defendant's maximum liability for the direct class claims, I also separately analyzed Defendant's potential exposure for Plaintiff's PAGA claim. Based on this information, I estimated that if all PAGA claims were adjudicated in Plaintiff's favor and all available civil penalties were awarded, Defendant faced a potential exposure of \$4,165,468.20, which can be broken down by violation as follows: \$160,492.50 for unpaid overtime; \$320,985.00 for unpaid minimum wages; \$703,415.70 for meal period violations; \$917,100.00 for rest period violations; \$917,100.00 for failure to timely pay wages during employment under Labor Code section 204; \$917,100.00 for failure to maintain required payroll records under Labor Code section 1174; and \$229,275.00 for failure to reimburse business expenses. These calculations did not include civil penalties that I believed would likely be considered duplicative of statutory penalties recoverable as part of the Plaintiff's Class claims, such as waiting time penalties under Labor Code § 203 and wage statement penalties under Labor Code § 226.

RISKS ASSOCIATED WITH CONTINUED LITIGATION

36. Based on the investigation and informal discovery conducted to date, I am confident

1 that Plaintiff's claims are fundamentally meritorious. However, while Defendant's "soaking wet"
2 liability in this Action is substantial, such calculations assume that Plaintiff fully prevails on all claims
3 alleged in the operative Complaint at class certification, trial, and subsequent appeals. Prior to and
4 during mediation, Defendant proffered defenses to both class certification and the merits of Plaintiff's
5 claims. While I believed that this case presented common issues that were suitable for class-wide
6 adjudication, I also recognized Plaintiff would likely encounter difficulties sustaining his claims
7 through class certification, trial, and appeals. In reaching the decision to settle the Action at this
8 juncture in litigation, I considered specific risks associated with each of the primary claims, and
9 applied appropriate risk-based adjustments to determine the realistic range of recovery as follows:

10 37. Meal Period Claims: A significant portion of Defendant's estimated liability is based
11 on Plaintiff's meal period claims. Plaintiff contends that Defendant unlawfully required Class
12 Members to remain on-duty during meal periods. Plaintiff further contended that, even when Class
13 Members were allowed to take meal periods, such meal periods were often delayed past their fifth
14 hour of work and/or cut short. Plaintiff's analysis of Class time and payroll records indicated that meal
15 period premiums were not paid for these violations. At mediation, Defendant asserted that the nature
16 of the work performed by a majority of its workforce (i.e., providing direct support services to clients
17 with disabilities) and the specific legal regulations associated with providing such services, such as
18 mandatory caretaker to client ratios, prevented employees from being relieved of all duty. Defendant
19 also provided documents demonstrating that Class Members had signed written on-duty meal period
20 agreements which were revocable at any time. Defendant also asserted that Class Members' ability to
21 take duty-free meal periods varied based on their job position and their assigned clients' needs, and
22 that this variation between employees raised highly individualized questions of fact. Defendant
23 contended that questions of whether such employees had received compliant meal periods, why such
24 meal periods were not taken, and whether such meal and rest periods were voluntarily waived were
25 individualized issues that would bar certification. While I strongly disagreed with Defendant's
26 arguments and contentions, my research indicated that trial courts have reached differing conclusions
27 regarding whether on-duty meal period agreements under similar circumstances were lawful and/or
28 certifiable, creating significant uncertainty as to whether Plaintiff would prevail on his meal period

1 claim at class certification and/or trial. Accordingly, I applied a 50% reduction for risks associated
2 with class certification, and a 50% reduction for risks associated with prevailing on the merits at trial.
3 This resulted in an adjusted estimated liability of \$566,580.83 for Plaintiff's meal period claim.

4 38. Rest Period Claims: Plaintiff contends that Class Members were prohibited from
5 leaving their assigned clients at any time, making it impossible to take duty-free rest periods. Plaintiff
6 also contends that Defendant required Class Members to stay on-site during their rest periods in a
7 manner that violated California law as set forth in *Augustus v. ABM Securities*, 2 Cal.5th 257, 270
8 (2016). Defendant asserted that Class Members were provided coverage to take rest periods, were free
9 to leave jobsites during their breaks, and that Class Members who worked through their rest periods
10 did so voluntarily. Defendant likewise argued that whether Class Members had received a compliant
11 rest period and the reasons why Class Members failed to receive compliant rest periods raised
12 individualized issues that could not be certified. While I disagreed with Defendant's positions, I
13 recognized that rest period claims are inherently difficult to certify and prove, given that an employer
14 has no obligation to maintain records of rest periods. Given these difficulties, there were legitimate
15 concerns Plaintiff would not be able to certify these claims or prove substantial damages with requisite
16 certainty at trial. Accordingly, I applied a 60% reduction for risks associated with class certification,
17 and a 50% reduction for risks associated with prevailing on the merits at trial. This resulted in an
18 adjusted estimated liability of \$391,240.26 for Plaintiff's rest period claim.

19 39. Minimum Wage and Overtime Compensation: Plaintiff alleges that that Defendant
20 failed to pay Class Members all minimum wages and overtime compensation owed due to its practice
21 of rounding time records. Defendant asserted that its rounding policy was neutral on its face and at
22 times resulted in the overpayment of wages to Class Members, and was therefore lawful under *See's*
23 *Candy Shops, Inc. v. Superior Court*, 210 Cal. App. 4th 889, 895 (2012). The California Supreme
24 Court recently granted in *Camp v. Home Depot U.S.A., Inc.* to address whether the practice of "neutral"
25 time rounding by employers remains lawful in view of technological advance advances that allow
26 employers to track time precisely. *See Camp v. Home Depot U.S.A., Inc.*, 304 Cal.Rptr.3d 82 (Feb. 1,
27 2023, No. S277518). My office is confident that current trends in California jurisprudence indicate
28 that the California Supreme Court will eventually hold that any rounding of time records is unlawful.

See *Donohue v. AMN Services, LLC*, 11 Cal.5th 58, 73 (2021); *Troester v. Starbucks Corp.*, 5 Cal.5th 829, 847 (2018); *Camp v. Home Depot U.S.A., Inc.*, 84 Cal.App.5th 638 (2022). Nevertheless, I recognized that the law governing the legality of Defendant's rounding practices is currently in a state of flux, and that *See's Candy Shops, Inc.* remains good law for the time being. Accordingly, I applied an extremely conservative 10% reduction for risks associated with current uncertainty in law with regard to rounding. This resulted in an adjusted estimated liability of \$15,457.42 for Plaintiff's overtime claim and \$68,358.78 for Plaintiff's minimum wage claim.

40. Reimbursement Claims: Plaintiff contends that Defendant failed to reimburse Class Members for necessary business expenses, such as use of their personal cell phones and vehicles. Defendant asserted that Class Members were provided with company-owned cell phones and vehicles to use during work hours. Defendant further asserted that individualized inquiries regarding why a Class Member failed to receive reimbursement for certain expenses would predominate. Accordingly, I applied a 50% reduction for risks associated with class certification, and a 50% reduction for risks associated with prevailing on the merits at trial. This resulted in an adjusted estimated liability of \$71,741.25 for Plaintiff's reimbursement claim.

41. Waiting Time Penalties: There are substantial risks attached to Plaintiff's claims for waiting time penalties, as they are entirely derivative of Plaintiff's primary claims for meal period, rest period, minimum wage and overtime violations. Thus, if certification is denied on the primary claims, these derivative claims would also likely fail. Moreover, even if Plaintiff prevails on the underlying claims, Plaintiff would still be required to show that Defendant's conduct was willful – a difficult standard to establish. Accordingly, I applied a 50% reduction for risks associated with class certification, and a 50% reduction for risks associated with prevailing on the merits at trial. This resulted in an adjusted estimated liability of \$134,850.00 for Plaintiff's waiting penalties claim.

42. Wage Statement Claims: As with waiting time penalties, Plaintiff's claims for non-compliant wage statements, are derivative of and dependent on the success of Plaintiff's primary claims for meal period, rest period, minimum wage and overtime violations. Moreover, wage statement claims have seen varying treatment at the appellate level because such claims have an element of discretion attached to them rather than a pure calculation of damages after liability is

1 proven. Cf., *Jaimez v. DAIOHS USA, Inc.*, 181 Cal.App.4th 1286 (2010) with *Price v. Starbucks Corp.*,
2 192 Cal.App.4th 1136 (2011). Accordingly, I applied a 50% reduction for risks associated with class
3 certification, and a 50% reduction for risks associated with prevailing on the merits at trial. This
4 resulted in an adjusted estimated liability of \$226,200.00 for Plaintiff's wage statement claim.

5 43. Risks Associated with PAGA Claim: In addition to evaluating the risks associated with
6 Plaintiff's Class claims, I also separately considered the risks of proceeding with a PAGA claim. Just
7 as with Plaintiff's class claims, in order to prevail at trial on a PAGA Claim, Plaintiff would have to
8 prove the underlying Labor Code violations and demonstrate that PAGA Members suffered these
9 violations. *See Green v. Lawrence Service Co.* (C.D. Cal. 2013) 2013 WL 3907506 at *5, fn. 5
10 ("whether each PAGA claims succeeds or fails is determined by the merits of the substantive claims
11 on which each is based."). Thus, the same defenses and merits-based risks associated with Plaintiff's
12 direct Labor Code claims are also applicable to the PAGA claim.

13 44. Further, although California case law clearly states that PAGA actions need not satisfy
14 class action requirements, I am cognizant of the fact that there is currently a split in authority over
15 whether PAGA claims may nevertheless be stricken based on manageability concerns. Cf. *Wesson v.*
16 *Staples The Office Superstore*, 68 Cal.App.5th 746 (2021) with *Estrada v. Royalty Carpet Mills, Inc.*,
17 76 Cal.App.5th 685 (2022). The California Supreme Court recently granted review of *Estrada* to
18 resolve this issue, but has not yet issued a decision, creating further uncertainty in this area.

19 45. Even if Plaintiff successfully defended against challenges to manageability and
20 prevailed at trial, I anticipate that there would be significant disputes regarding the calculation of
21 penalties owed by Defendant. There is very little published law and guidance regarding the assessment
22 of penalties under PAGA, and no clearly established methodology. I believe that the statute is clear
23 that an aggrieved employee is entitled to seek all civil penalties available under the statute. However,
24 Defendant would likely contend that multiple Labor Code violations do not give rise to cumulative
25 penalties, and that instead a single penalty should apply once per pay period, if at all, rather than
26 cumulative penalties for each separate Labor Code provisions that was violated during a pay period.
27 If this methodology were applied, it would significantly reduce Defendant's exposure for civil
28 penalties.

46. The law is also clear that courts have discretion to greatly limit the penalties awarded under the PAGA. Cal. Lab. Code § 2699(2); *Thurgood v. Bayshore Transit Management, Inc.*, 203 Cal. App. 4th 112 (1135). *See also, Cotter v. Lyft, Inc.*, 193 F. Supp. 3d 1030, 1037 (N.D. Cal. 2016 (reducing penalties by 97.5%); *Fleming v. Covidien*, 2011 U.S. Dist. LEXIS 154590, *8-9 (C.D. Cal. 2011) (reducing potential PAGA penalties by over 80 percent); *Magadia v. Wal-Mart Assocs. et al.*, 384 F. Supp. 3d 1058, 1069 (N.D. Cal. 2019)(applying 67% and 80% reductions to PAGA Penalties). Here, Defendant would likely argue that it made a good faith effort to comply with its legal obligations, that any violations that occurred were not “willful”, rendering the imposition of any heightened penalties inappropriate. While I believe that such positions lack merit, I was aware that if Plaintiff prevailed on his Class claims, there was a significant likelihood that the Court would find that further imposition of the maximum potential civil penalties could be considered unjust, arbitrary, oppressive, or confiscatory, and would exercise its discretion to substantially reduce any penalties under PAGA.

47. Finally, I remained cognizant that PAGA is fundamentally not intended to be compensatory in nature, but is instead intended to facilitate enforcement of California’s labor laws by financing state activities and educating and deterring non-compliance. *See* Cal. Labor Code § 2699(i); *Arias v. Sup. Ct.*, 46 Cal. 4th 980; *Williams v. Sup. Ct.*, 3 Cal.5th 531, 546.

48. Taking into account the considerations listed above, I applied a 50% reduction to Defendant’s potential liability for PAGA penalties for risks associated with establishing manageability, a 50% reduction for risks associated with prevailing on the merits at trial, and a 50% reduction for risks created by uncertainties regarding the method for assessing penalties and the highly discretionary nature of any penalties. This resulted in an adjusted estimated liability of \$520,683.53 for PAGA penalties.

49. General Considerations: While I was confident of the merits of this case and Plaintiff’s ability to prevail at both class certification and trial, and was prepared to litigate the case, I recognized the significant risk and expense of continued litigation, trial, and possible appeals, all of which would substantially delay and reduce any recovery by the Class Members. Even if Plaintiffs prevailed at class certification, proving the amount of wages due to each Class Member would be an expensive, time-consuming, and extremely uncertain proposition. In order to prove liability and damages, my firm will

1 need to request and analyze thousands of pages of documents, and obtain numerous declarations at
2 great expense. Obtaining the cooperation of current employees would also be difficult, given the likely
3 reluctance to aid prosecution of a lawsuit against a current employer. On the other hand, Defendant
4 would likely be able to obtain the cooperation of its current employees. Moreover, even if Plaintiff
5 successfully certifies the class on a contested motion and prevails on all claims at trial, possible appeals
6 would substantially delay any recovery by the Class. These risks are all obviated by the Settlement,
7 which if approved by the Court will ensure that class members receive timely relief without the risk
8 of an unfavorable judgment.

9 50. As set forth above, taking into account the specific strengths and weaknesses of each
10 claim, the unique risks associated therewith, I estimated that Defendant faced a risk-adjusted liability
11 of \$1,474,608.54 for Plaintiff's Class claims, and \$520,68.53 for Plaintiff's PAGA claim.

12 51. Thus, based on these considerations, I submit that Settlement is fair, reasonable, and
13 adequate, and is in the best interest of the Class. I further submit that the Gross Settlement Amount of
14 \$1,500,000.00 – which represents 24.8% of the maximum value of the direct Class claims at issue -
15 falls within an acceptable range of recovery for this type of litigation given the strengths and
16 weaknesses of the case, and the inherent costs and risks associated with class certification,
17 representative adjudication, trial, and/or appeals. *See, e.g., Stovall-Gusman v. W.W. Granger, Inc.*,
18 2015 U.S. Dist. LEXIS 78671, at *12 (N.D. Cal. 2015) (approving settlement amount representing
19 approximately 10% of the estimated actual damages to the class); *Bellinghausen v. Tractor Supply*
20 *Co.*, 306 F.R.D. 245, 256 (N.D. Cal. 2015) (approving settlement representing approximately 8.5% of
21 the maximum damages); *Avila v. Cold Spring Granite Co.*, 2017 U.S. Dist. LEXIS 130878 (E.D. Cal
22 2017) (approving settlement where gross recovery was 11% of the maximum damages).

23 52. I further submit that the allocation of \$50,000.00 towards PAGA Penalties is well
24 within the range of reasonableness for settlement of PAGA claims. *See Alcala v. Meyer Logistics, Inc.*,
25 2019 WL 4452961, *9 (C.D. Cal. June 17, 2019) (holding that allocation of 1.25% of gross settlement
26 amount to PAGA penalties “falls within the zero to two percent range for PAGA claims approved by
27 courts.”); *In re M.L. Stern Overtime Litig.*, 2009 WL 995864, *1 (S.D. Cal. Apr. 13, 2009) (approving
28 PAGA penalties of 2% of gross settlement amount); *Davis v. Brown Shoe Co.*, 2015 U.S. Dist. LEXIS

1 149010 (E.D. Cal. 2015) (approving PAGA penalties of \$5,000.00 in a \$1.5 million class settlement);
2 *Zamora v. Ryder Integrated Logistics, Inc.*, 2014 U.S. Dist. LEXIS 184096 (S.D. Cal. 2014) (\$7,500
3 payment to LWDA for PAGA on a \$1.5 million class settlement); *Lusby v. Gamestop Inc.*, 2015 U.S.
4 Dist. LEXIS 42637 (N.D. Cal. 2015) (PAGA Payment of \$5,000 in a \$500,000 class settlement); *Cruz*
5 *v. Sky Chefs, Inc.*, 2014 U.S. Dist. Lexis 17693 (N.D. Cal. 2014) (approving payment of \$10,000 to
6 the LWDA for PAGA out of \$1,750,000 class settlement.)

7 **REQUESTED CLASS REPRESENTATIVE ENHANCEMENT PAYMENT**

8 53. As part of the Settlement, Plaintiff is requesting a reasonable enhancement payment of
9 \$10,000.00. This enhancement payment is imminently reasonable given the time and effort Plaintiff
10 spent on this case, the risks he assumed in acting as the named plaintiff, and result obtained on behalf
11 of Class Members due to his actions. Plaintiff's Motion for Final Approval will expand on Plaintiff's
12 participation in the lawsuit and additional reasons regarding the reasonableness of these enhancement
13 awards. Notice of the requested enhancement payments is disclosed to the Class Members in the
14 proposed Class Notice and should be preliminarily approved by the Court. (Agreement, Exh. A.)

15 **ATTORNEYS' FEES AND COSTS**

16 54. The attorneys' fees incurred by my firm and our co-counsel, Lawyers for Justice, PC,
17 are in line with the common fund requested. The Agreement provides for an award of attorneys' fees
18 in the amount of thirty-five percent (35%) of the Gross Settlement Amount or \$525,000.00. My firm
19 and our co-counsel have achieved an excellent result for the class during hard fought negotiations. My
20 firm and our co-counsel have extensive experience in wage and hour disputes and were able to use our
21 extensive experience and skills to achieve this result. The Motion for Final Approval will elaborate on
22 the nature of the legal services provided, the time incurred in performing those services, and Class
23 Counsel's hourly rates. The Motion for Final Approval will also elaborate on the reimbursement for
24 costs sought by Class Counsel, which are currently estimated not to exceed \$30,000.00. Notice of the
25 requested attorneys' fees and costs are disclosed to the Class in the Class Notice. (Agreement, Exh.
26 A.)

27 **QUALIFICATIONS OF CLASS COUNSEL**

28 55. I am a founding partner of Parker & Minne, LLP. I received my Bachelor of Arts
degree, *cum laude*, from the University of California, Los Angeles in 2001. In 2007, I received a Juris

1 Doctor degree from the UCLA School of Law. During my time at the UCLA School of Law, from
2 approximately June 2005 to August 2005, I served as a judicial extern to the Honorable Ernest M.
3 Hiroshige of the Los Angeles County Superior Court. I also externed with the California Department
4 of Justice – Office of the Attorney General from approximately June 2006 to August 2006. I was
5 admitted to the State Bar of California in December of 2007, and have been an active member in good
6 standing continuously since then. I am admitted to practice in all federal District Courts in the State
7 of California. I am a member of the California Employment Lawyer’s Association.

8 56. Since being admitted to the California State Bar in 2007, my practice has focused
9 exclusively on the representation of employee plaintiffs. From October 2007 to August 2011, I was
10 employed as an Associate Attorney at Rastegar & Matern, APC. From September 2011 to August
11 2018, I was employed as a Senior Associate Attorney at Rastegar Law Group, APC. From September
12 2018 to October 2021. I was employed as Senior Counsel with Protection Law Group, LLP. From
13 October 2021 to June 2022, I was employed as Senior Counsel at Blackstone Law, APC. At each of
14 these firms, my practice was focused on the representation of employees in complex class and
15 representative PAGA actions involving claims for violations of the California Labor Code. In July
16 2022, I co-founded Parker & Minne, LLP.

17 57. Parker & Minne, LLP is a law firm that is dedicated to the exclusive representation of
18 employees in disputes against their employers. Parker & Minne, LLP currently represents numerous
19 employees in courts across California, with complex class actions and representative PAGA actions
20 accounting for over half of our caseload. The founding partners of Parker & Minne, LLP possess over
21 27 years of combined experience litigating cases involving Labor Code violations in individual, class,
22 and representative actions on behalf of California’s employees. Based on this extensive experience,
23 Parker & Minne LLP is qualified to serve as Class Counsel in this Action.

24 58. During the course of my career, I have managed numerous wage and hour class and
25 representative PAGA actions from inception through resolution. Accordingly, I have extensive
26 experience in all aspects of class action and representative PAGA litigation including, but not limited
27 to: initial case selection and client consultation; drafting complaints and PAGA notice letters;
28 propounding and responding to written discovery; meeting and conferring regarding discovery

disputes; taking depositions of defendants' person most knowledge, class member declarants, and other percipient witnesses; defending depositions of named plaintiffs and putative class members; opposing and arguing demurrers, motions to strike, motions for judgment on the pleadings, motions to dismiss, and motions to compel arbitration; drafting and arguing motions to compel; drafting and arguing motions to determine class arbitrability in class arbitration proceedings; drafting motions for class certification; drafting appellate briefs; representing employees in both individual and class-wide arbitration proceedings; interviewing putative class members and obtaining declarations in support of class certification; working with experts to analyze time and payroll data for purposes of both settlement negotiations and contested class certification motions; drafting mediation briefs and class-wide damages analyses; mediating class action and PAGA cases; drafting and arguing motions for preliminary approval; drafting and arguing motions for final approval; and oversight of the administration of complex wage and hour settlements.

59. Although not exhaustive, the following is a list of matters that were certified by way of contested class certification motions that I worked on as part of a team of attorneys prior to opening my own firm: *Behaein v. Pizza Hut, Inc.*, Los Angeles Superior Court Case No. BC389960 (certified wage and hour class action brought on behalf of hourly-paid fast food employees for alleged meal period, rest period, and expense reimbursement violations); *Garmendia v. Fortune Fashion Industries, LLC*, Los Angeles Superior Court Case No. BC389960 (certified wage and hour class action brought on behalf hourly paid garment workers in the State of California); *Gutierrez v. Dynaflex Products*, Los Angeles Superior Court Case No. BC360704 (certified wage and hour class action brought on behalf hourly paid manufacturing employees in the State of California); *ABM Industries Overtime Cases*, JCCP Case No. CJC-07-004502 (certified wage and hour class action brought on behalf of janitorial employees for meal and rest period, split-shift violations, and reimbursement violations); and *Hines v. KFC U.S. Properties, Inc.*, S.D. Cal. Case No. 3:09-cv-02422, (certified wage and hour class action brought on behalf of hourly-paid fast food employees in the State of California).

60. In addition, I have acted as the managing attorney at my prior firms in the following non-exhaustive list of cases that were certified for settlement purposes and/or where settlement of representative PAGA claims was approved: *Raquel Melara v. Los Palos Convalescent Hospital*, Los

Angeles Superior Court Case No. BC385437; *Jeanette Delgado v. El Pollo Loco, Inc.*, Los Angeles Superior Court Case No. BC391758; *Hector Arceo v. International Paper Co.*, Los Angeles Superior Court Case No. BC389721 ; *Brandon Waibl v. International Paper Co.*, Los Angeles Superior Court Case No. BC428670; *Cheryl Luke v. The Sisters of Nazareth Los Angeles*, Los Angeles Superior Court Case No. 572227; *Elizabeth Romero v. Jobbers Meat Packing Co., Inc.*, Los Angeles Superior Court Case No. BC499085; *Natividad Barrera v. La Jolla Cove Motel and Hotel Apartments*, San Diego County Superior Court Case No. 37-2014-00022715-CU-OE-CTL; *Gustavo Meza v. OldCastle BuildingEnvelope, Inc.*, Los Angeles County Superior Court Case No. BC523586; *Reina v. Arriaga v. Kitchell Corporation*, San Diego County Superior Court Case No. 37-2016-00034681-CU-OC-CTL; *Jose Manuel Garcia v. Crockett Graphics, Inc.*, Ventura County Superior Court Case No. 56-2016-00485262-CU-OE-VTA; *Manuel Saucedo v. Hussmann Corporation*, Los Angeles County Superior Court Case No. BC611159; *Hector Garcia v. Santa Victoria Investments*, Los Angeles County Superior Court Case No. BC562717; *Maria Guadalupe Ramirez v. Wing N Things, Inc.*, San Diego County Superior Court Case No. 37-2013-00040760-CU-OE-NC; *Ernesto Pintor v. Phil's BBQ of Point Loma, Inc.*, San Diego County Superior Court Case NO. 37-2015-00030542-CU-OE-CTL; *Mario Morales v. Western Pacific Pulp and Paper*, Los Angeles County Superior Court Case No. BC617544; *Ruth Fuentes v. Communications Test Design, Inc.*, San Bernardino County Superior Court Case No. CIVDS1802427; *Briana Fernandez v. Sumitomo Rubber North America*, San Bernardino County Superior Court Case No. CIVDS1803211; *Leandra Rodriguez v. The RealReal, Inc.*, San Francisco County Superior Court Case No. CGC-19-574661; *Miguel Montes v. Kindness General Contractors*, Orange County Superior Court Case No. 30-2018-01024338-CU-OR-CXC; *Yasmine Jennings v. Advantage Sales & Marketing LLC*, Los Angeles County Superior Court Case No. BC696157; *Heriberto Aparicio v. Advantage Painting Solutions, Inc.*, San Bernardino County Superior Court Case No. CIVDS2013809; *Rocio Orozco v. ODW Logistics*, San Bernardino County Superior Court Case No. CIVDS2004281.

61. No one at Parker & Minne, LLP has any financial interest in the Settlement Administrator, Phoenix Class Action Administration Solutions, which would create a conflict of interest.

1 62. To my knowledge, there is no actual or potential conflict of interests between Parker &
2 Minne, LLP and any of the Class Members which would interfere with my ability to fulfill my duties
3 as Class Counsel or impede my representation of the Class.


4 63. To my knowledge, there are no other pending matters or actions that assert claims that
5 will be extinguished to adversely affected by the Settlement.

6 **SUBMISSION OF THE SETTLEMENT TO THE LWDA**

7 64. Pursuant to California Labor Code § 2699(1)(2), I submitted a copy of the fully
8 executed Agreement, as well as information regarding the preliminary approval hearing on this matter,
9 to the California Labor Workforce Development Agency via online filing at
10 <https://www.dir.ca.gov/Private-Attorneys-General-Act/Private-Attorneys-General-Act.html> on July
11 14, 2023. A true and correct copy of an email confirming submission of the Agreement to the LWDA
12 on July 14, 2023 is attached hereto as **Exhibit 6**.

13 I declare under penalty of perjury under the laws of the state of California that the foregoing is
14 true and correct.

15 Executed on July 17, 2023, at Redondo Beach, California.

16 

17 _____
18 S. Emi Minne
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EXHIBIT 1

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Attorneys for Plaintiff
ERIC ZARAGOZA

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF VENTURA**

ERIC ZARAGOZA, individually, and on behalf
of other members of the general public similarly
situated,

Plaintiff,

vs.

THE ARC OF VENTURA COUNTY, INC., a
California corporation; and DOES 1 through
100, inclusive,

Defendants.

Case No.: 56-2022-00565343-CU-OE-VTA

*Assigned for all purposes to the Honorable
Jeffrey G. Bennett, Dept. 21*

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

Complaint Filed: May 5, 2022

Trial Date: Not set

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

2 This Joint Stipulation of Class Action and PAGA Settlement is entered into by and between
3 Plaintiff Eric Zaragoza, individually and on behalf of the Class and PAGA Members (as defined
4 below) and on behalf of the State of California with respect to PAGA Members, and Defendant The
5 Arc of Ventura County, Inc.

6 This Settlement Agreement shall be binding on Plaintiff, Settlement Class Members, PAGA
7 Members, the State of California as to the employment of PAGA Members and on Defendant, subject
8 to the terms and conditions hereof and the approval of the Court.

9 **DEFINITIONS**

10 1. “Agreement” or “Settlement Agreement” means this Joint Stipulation of Class Action
11 and PAGA Settlement.

12 2. “Action” refers to the court action entitled *Eric Zaragoza v. The Arc of Ventura County,*
13 *Inc.*, Ventura County Superior Court Case No. 56-2022-00565343-CU-OE-VTA.

14 3. “Class Counsel” means S. Emi Minne and Jill J. Parker of Parker & Minne, LLP and
15 Edwin Aiwazian, Arby Aiwazian, Joanna Ghosh, and Yasmin Hosseini of Lawyers for Justice, PC,
16 who will seek to be appointed as counsel for the Class.

17 4. “Class Counsel’s Fees and Costs” means attorneys’ fees for Class Counsel’s litigation
18 and resolution of the Action and their expenses and costs incurred in connection with the Action,
19 which shall be paid from the Gross Settlement Amount. Class Counsel will request attorneys’ fees not
20 to exceed Thirty-Five Percent (35%) of the Gross Settlement Amount (i.e., \$525,000.00), and the
21 reimbursement costs and expenses associated with the litigation and settlement of the Action, not to
22 exceed \$30,000.00, subject to the Court’s approval. Defendant has agreed not to oppose Class
23 Counsel’s request for fees and reimbursement of costs and expenses in the amount set forth above.

24 5. “Class List” means a complete list of all Class Members and PAGA Members that
25 Defendant will diligently and in good faith compile from their records and provide to the Settlement
26 Administrator within twenty-one (21) calendar days after Preliminary Approval of this Settlement.
27 The Class List will be formatted in a readable Microsoft Office Excel spreadsheet and will include all
28 Class Members’ and PAGA Members’: (1) full name; (2) last known home address; (3) last known

1 telephone number; (4) social security number; (5) start and end dates of active employment as a non-
2 exempt employee of Defendant in the State of California; and (6) any other information required by
3 the Settlement Administrator in order to effectuate the terms of the Settlement.

4 6. “Class” or “Class Members” means all current and former hourly-paid, non-exempt
5 employees of Defendant who were employed by Defendant in the State of California at any time during
6 the Class Period.

7 7. “Class Period” means the period commencing on May 5, 2018, and ending on July 17,
8 2023.

9 8. “Class Representative Enhancement Payment” means the amount that the Court
10 authorizes to be paid to Plaintiff Eric Zaragoza, in addition to his Individual Class Payment and
11 Individual PAGA Payment, in recognition of the efforts and risks he has taken in assisting with the
12 prosecution of the Action and in exchange for the General Release of his claims as provided herein.

13 9. “Court” means the Superior Court of the State of California for the County of Ventura.

14 10. “Defendant” refers to The Arc of Ventura County, Inc.

15 11. “Defendant’s Counsel” means Jonathan Fraser Light, Jamie N. Stein, and Brier Miron
16 Setlur of LightGabler.

17 12. “Effective Date” means the date by when both of the following have occurred: (a) the
18 Court enters the Final Approval Order and Judgment; and (b) the Final Approval Order and Judgment
19 is final. The Final Approval Order and Judgment is final as of the latest of the following occurrences:
20 (a) the day after the deadline for filing a notice of appeal from the Final Approval Order and Judgment;
21 or (b) if a timely appeal from the Final Approval Order and Judgment is filed, the day after the
22 appellate court affirms the Final Approval Order and Judgment and issues a remittitur.

23 13. “Final Approval” means the date the Court enters an order granting final approval of
24 the Settlement Agreement.

25 14. “Final Approval Order and Judgment” mean the judgment and order entered by the
26 Court upon Final Approval of the Settlement Agreement, which will be a judgment for purposes of
27 California Rule of Court, Rule 3.771(a) and constitute approval pursuant to California Rule of Court,
28 Rule 3.769(a).

1 15. “Gross Settlement Amount” means the sum of One Million Five Hundred Thousand
2 Dollars and Zero Cents (\$1,500,000.00) to be paid by Defendant in full satisfaction of all of
3 Defendant’s liabilities in the Action, including Class Counsel’s Fees and Costs, Class Representative
4 Enhancement Payments, Payments to Class Members, PAGA Penalties, and Settlement
5 Administration Costs. The Gross Settlement Amount does not include any employer-side taxes and
6 withholdings, which will be calculated by the Settlement Administrator and separately paid for by
7 Defendant.

8 16. “Individual Class Payment” means a Participating Class Members’ pro-rata share of
9 the Net Settlement Amount.

10 17. “Individual PAGA Payment” means a PAGA Member’s pro-rata share of the 25%
11 portion of PAGA Penalties to be paid to PAGA Members.

12 18. “Net Settlement Amount” means the funds available for payments to Class Members,
13 which shall be the amount remaining after the following amounts are deducted from the Gross
14 Settlement Amount: (1) Class Counsel’s fees, (2) Class Counsel’s costs, (3) Settlement Administration
15 Costs, (4) Class Representative Enhancement Payment to Plaintiff; and (5) the PAGA Penalties to the
16 LWDA and PAGA Members.

17 19. “Notice” means the Notice of Class Action Settlement in a form substantially similar
18 to the form attached hereto as Exhibit A, that will be mailed to Class Members’ and PAGA Members’
19 last known addresses and which will provide Class Members and PAGA Members with information
20 regarding the Action and information regarding the settlement of the Action.

21 20. “PAGA” means the California Labor Code Private Attorneys General Act of 2004, Cal.
22 Lab. Code §§ 2698, *et seq.*

23 21. “PAGA Penalties” means the amount that the Parties have agreed to allocate in order
24 to settle claims arising under the Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698, *et*
25 *seq.*) (“PAGA”). The Parties have agreed that Fifty Thousand Dollars (\$50,000.00) of the Gross
26 Settlement Amount will be allocated to the resolution of Plaintiff’s PAGA Claims. Seventy Five
27 Percent (75%) of this amount (\$37,500.00) will be paid to the California Labor and Workforce
28 Development Agency in accordance with Labor Code §§ 2698 *et seq.* Twenty Five Percent (25%) of

1 this amount (\$12,500.00) will be distributed to PAGA Members. PAGA Members will receive
2 payment from the employee portion of the PAGA Penalties regardless of their decision to participate
3 in the class action if the PAGA Penalties are approved by the Court.

4 22. “PAGA Members” means all current and former non-exempt employees of Defendant
5 who were employed by Defendant in the state of California at any time during the PAGA Period.

6 23. “PAGA Notice” refers to the notice letter submitted to the LWDA by Plaintiff on April
7 21, 2023.

8 24. “PAGA Period” means the period commencing on May 5, 2021, and ending on July
9 17, 2023.

10 25. “Parties” means Plaintiff and Defendant, collectively, and “Party” shall mean either
11 Plaintiff or Defendant, individually.

12 26. “Participating Class Members” means all Class Members who do not submit valid and
13 timely Requests for Exclusion.

14 27. “Plaintiff” means Plaintiff Eric Zaragoza, who will seek to be appointed as
15 representative for the Class.

16 28. “Preliminary Approval” means the date the Court enters an order granting preliminary
17 approval of the Settlement Agreement.

18 29. “Objection” means a Class Member’s valid and timely written objection to the
19 Settlement Agreement. For an Objection to be valid, it must include: (a) the objector’s full name,
20 address, telephone number, and last four digits of the employee’s social security number or employee
21 ID number and (b) a written statement of all grounds for the objection accompanied by legal support,
22 if any, for such objection.

23 30. “Released Class Claims” means all claims, rights, demands, liabilities and causes of
24 action that are alleged, or reasonably could have been alleged based on the factual allegations and
25 claims asserted in the Action arising during the Class Period, including the following claims: (1)
26 Violation of California Labor Code §§ 510 and 1198 (Unpaid Overtime); (2) Violation of California
27 Labor Code §§ 226.7 and 512(a) (Unpaid Meal Period Premiums); (3) Violation of California Labor
28 Code § 226.7 (Unpaid Rest Period Premiums); (4) Violation of California Labor Code §§ 1194, 1197,

1 and 11971. (Unpaid Minimum Wages); (5) Violation of California Labor Code §§ 201 and 202 (Final
2 Wages Not Timely Paid); (6) Violation of California Labor Code § 204 (Wages Not Timely Paid
3 During Employment); (7) Violation of California Labor Code § 226(a) (Non-Compliant Wage
4 Statements); (8) Violation of California Labor Code § 1174(d) (Failure to Keep Requisite Payroll
5 Records); (9) Violation of California Labor Code §§ 2800 and 2802 (Unreimbursed Business
6 Expenses); and (10) Violation of California Business & Professions Code §§ 17200, et seq. based on
7 violations of Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197,
8 1197.1, 2800, and 2802.

9 31. “Released PAGA Claims” means any and all claims for the recovery for civil penalties,
10 attorneys’ fees and costs permissible under PAGA which Plaintiff and/or the PAGA Members had, or
11 may claim to have, against Released Parties, arising out of the violations alleged in the Complaint or
12 the PAGA Notice during the PAGA Period, including failure to pay overtime compensation, failure
13 to pay minimum wages, failure to provide compliant meal and rest breaks, failure to pay meal and rest
14 period premiums, failure to pay all wages owed at discharge or resignation; failure to timely pay wages
15 during employment; failure to provide complete and accurate wage statements; failure to keep
16 complete and accurate payroll records; failure to reimburse necessary business-related expenses; and
17 violations of Labor Code sections 201, 202, 203, 204, 226(a), 226.3, 226.7, 510, 512(a), 1174(d),
18 1194, 1197, 1197.1, 1198, 2698, *et seq.*, 2800, and 2802 and the Industrial Welfare Commission
19 Orders.

20 32. “Released Parties” means Defendant The Arc of Ventura County, Inc. and its past,
21 present and/or future, direct and/or indirect, officers, directors, members, managers, employees,
22 agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent
23 companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, joint venturers, and
24 any individual or entity that could be jointly or severally liable for any of the Released Class Claims
25 or Released PAGA Claims, including any staffing agencies or labor placement services.

26 33. “Request for Exclusion” means a valid and timely written statement submitted by a
27 Class Member requesting to be excluded from the Action.
28

34. “Response Deadline” means the date sixty (60) days after the Settlement Administrator mails Notice to Class Members, which shall be the last date on which Class Members may submit Requests for Exclusion, written objections to the Settlement, or Workweek Disputes to the Settlement Administrator via mail, facsimile, or e-mail. In the event the 60th day falls on a Sunday or Federal holiday, the Response Deadline will be extended to the next day on which the U.S. Postal Service is open. The Response Deadline for Requests for Exclusion or objections will be extended fifteen (15) calendar days for any Class Member who is re-mailed a Notice by the Settlement Administrator, unless the 15th day falls on a Sunday or Federal holiday, in which case the Response Deadline will be extended to the next day on which the U.S. Postal Service is open. The Response Deadline may also be extended by express agreement between Class Counsel and Defendant’s Counsel. Under no circumstances, however, will the Settlement Administrator have the authority to unilaterally extend the deadline for Class Members to submit a Request for Exclusion or objection to the Settlement.

35. “Settlement” means the disposition of the Action pursuant to this Agreement.

36. “Settlement Administrator” means Phoenix Class Action Administration Solutions. The Parties each represent that they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

37. “Settlement Administration Costs” mean the costs payable from the Gross Settlement Amount to the Settlement Administrator for administering this Settlement, including, but not limited to, printing, distributing, and tracking documents for this Settlement, calculating/confirming the class member Workweeks from the information contained in the Class List, calculating each Participating Class Member’s Individual Class Payment, calculating each PAGA Member’s Individual PAGA Payment, tax reporting, distributing the Gross Settlement Amount, providing necessary reports and declarations, and other duties and responsibilities set forth herein to process this Settlement. It is currently estimated that Settlement Administration Costs shall not exceed \$10,000.00.

38. “Workweek” shall mean any calendar week (i.e. a week beginning on Sunday and ending on Saturday) in which a Class Member or PAGA Member worked at least 1 day for Defendant.

RECITALS

39. On May 5, 2022, Plaintiff filed a putative class action complaint against Defendant in the Superior Court for the State of California, County of Ventura entitled *Eric Zaragoza v. The Arc of Ventura County, Inc.*, Case No. 30-2022-01262282-CU-OE-CXC, alleging a single cause of action for Violation of California Business and Professions Code §§ 17200, et seq., predicated on Defendant's alleged violations of California Labor Code §§ 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802.

40. On April 21, 2023, Plaintiff provided written notice to the California Labor & Workforce Development Agency ("LWDA") and Defendant of his intent to seek civil penalties pursuant to PAGA for Defendant's alleged violations of California Labor Code §§ 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802.

41. Defendant denies the allegations in the complaint in the Action and PAGA Notice, denies any failure to comply with the laws identified in in the operative complaints in the Action and PAGA Notice, and denies any and all liability for any of the causes of action pled and facts asserted in the Action and PAGA Notice.

42. Following the filing of the Action, the Parties met and conferred with respect to potential resolution of this Action, and agreed to engage in private mediation. Prior to mediation, Class Counsel diligently investigated the claims against Defendant, including any and all applicable defenses and the applicable law. This investigation included, *inter alia*, the exchange of informal discovery, review of numerous corporate policies and practices, and analysis of a 25% sampling of the time and payroll records for the putative class. Class Counsel's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.*, 48 Cal.App.4th 1794, 1801 (1998) and *Kullar v. Foot Locker Retail, Inc.*, 168 Cal.App.4th 116, 129-130 (2008).

43. On April 18, 2023, the Parties participated in a private mediation with Paul Grossman, Esq., a respected mediator with extensive experience in complex wage and hour litigation. Mr. Grossman's supervision of the mediation and negotiations was critical in managing the expectations of the Parties, and in providing a useful and neutral analysis of the case to both Parties. After a full day of negotiations, the Parties reached an agreement to settle this matter on a class-wide basis, the material terms of which are now fully memorialized in this Agreement.

44. The settlement discussions during and after mediation were conducted at arms-length, and this Agreement is the result of an informed and detailed analysis of Defendant's potential liability in relation to the costs and risks associated with continued litigation.

45. Based on data produced pursuant to formal and informal discovery, as well as Class Counsel's own independent investigation and evaluation, Plaintiff and Class Counsel believe that the Settlement for the consideration and terms set forth in this Agreement is fair, reasonable and adequate, and is in the best interests of the Class in light of all known facts and circumstances.

46. This Agreement is made and entered into by and between Plaintiff individually and on behalf of the Settlement Class, and Defendant, and is subject to the terms and conditions hereof, and to the Court's approval. The Parties expressly acknowledge that this Agreement is entered solely for the purpose of compromising significantly disputed claims and that nothing herein is an admission of liability or wrongdoing by Defendant. If for any reason this Agreement is not approved, it will be of no force or effect, and the Parties shall be returned to their original respective positions.

TERMS OF AGREEMENT

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

47. Filing of First Amended Complaint: Prior to and/or in conjunction with the filing of Plaintiff's Motion for Preliminary Approval, the Parties shall file a stipulation and order to allow Plaintiff to file a First Amended Complaint that adds the following causes of action: (1) Violation of California Labor Code §§ 510 and 1198 (Unpaid Overtime); (2) Violation of California Labor Code §§ 226.7 and 512(a) (Unpaid Meal Period Premiums); (3) Violation of California Labor Code § 226.7 (Unpaid Rest Period Premiums); (4) Violation of California Labor Code §§ 1194, 1197, and 11971. (Unpaid Minimum Wages); (5) Violation of California Labor Code §§ 201 and 202 (Final Wages Not Timely Paid); (6) Violation of California Labor Code § 204 (Wages Not Timely Paid During Employment); (7) Violation of California Labor Code § 226(a) (Non-Compliant Wage Statements); (8) Violation of California Labor Code § 1174(d) (Failure to Keep Requisite Payroll Records); (9) Violation of California Labor Code §§ 2800 and 2802 (Unreimbursed Business Expenses); (10)

1 Violation of California Business & Professions Code §§ 17200, et seq.; and (11) Violation of
2 California Labor Code §§ 2698, et. seq.

3 48. Class Certification for Settlement Purposes Only: Solely for purposes of Settlement of
4 the Action, the Parties stipulate and agree that the requirements for establishing class certification with
5 respect to the Class have been satisfied, and stipulate and agree to certification of the Class. The Parties
6 further agree to the designation of Parker & Minne, LLP and Lawyers for Justice, P.C. as counsel for
7 the Class. Should the Settlement not be approved or is terminated, the fact that the Parties were willing
8 to stipulate to class certification as part of the Settlement shall have no bearing on, and shall not be
9 admissible in connection with, the issue of whether a class should be certified in a non-settlement
10 context in this Action.

11 49. Settlement Consideration: Defendant shall fund the Gross Settlement Amount and all
12 applicable employer-side payroll taxes following Final Approval by the Court and the occurrence of
13 the Effective Date. The following will be paid out of the Gross Settlement Amount: the sum of the
14 Individual Class Payments, the Class Representative Enhancement Payment, Class Counsel's Fees
15 and Costs, the PAGA Penalties, and the Settlement Administration Costs, as specified in this
16 Agreement. Except for any employer-side taxes due on the Individual Class Payments, or as a result
17 of an increase in the number of workweeks as set forth in Paragraph 50 below, Defendant shall not be
18 required to pay more than the Gross Settlement Amount. The Gross Settlement Amount is non-
19 reversionary; no portion of the Gross Settlement Amount will revert to Defendant.

20 50. Potential Increase to the Gross Settlement Amount: The Gross Settlement Amount is
21 based on Defendant's representation that Class Members worked a total of 57,393 Workweeks
22 between May 8, 2018 and April 18, 2023, the date of mediation ("Certified Workweek Amount").
23 Should the actual number of Workweeks for Class Members during the period of May 8, 2018 through
24 April 18, 2023 exceed the Certified Workweek Amount by more than ten percent (10%) (i.e., final
25 total Workweeks increased by more than 5,739 Workweeks), then the Gross Settlement Amount shall
26 increase proportionally to the actual percentage increase between the Certified Workweek Amount
27 and the number of actual Workweeks worked by the Class Members. For example, if the number of
28

Workweeks increases by 11% to 63,706 Workweeks, the Gross Settlement Amount will increase by 1% to \$1,515,000.00.

51. Funding of the Gross Settlement Amount: Within fourteen (14) calendar days of the Effective Date of the Settlement, Defendant will deposit the Gross Settlement Amount (and all applicable employer-side payroll taxes into a Qualified Settlement Fund (“QSF”)) to be established by the Settlement Administrator. Defendant shall provide all information necessary for the Settlement Administrator to calculate necessary payroll taxes including its official name, 8-digit state unemployment insurance tax ID number, and other information requested by the Settlement Administrator, no later than seven (7) calendar days of the Effective Date.

52. Distribution of the Gross Settlement Amount: Within fourteen (14) calendar days of the funding of the Gross Settlement Amount the Settlement Administrator will issue payments for: (a) Individual Class Payments; (b) Individual PAGA Payments; (c) the PAGA Penalties to the Labor and Workforce Development Agency; (d) the Class Representative Enhancement Payments; (e) Class Counsel’s Fees and Costs; and (f) Settlement Administration Costs.

53. Attorneys’ Fees and Costs: Defendant agrees not to oppose any application or motion by Class Counsel for attorneys’ fees of not more than thirty-five percent (35%) of the Gross Settlement Amount, i.e. Five Hundred Twenty-Five Thousand Dollars and Zero Cents (\$525,00.00), plus the reimbursement of costs and expenses associated with the litigation and settlement of the Action, in an amount not to exceed Thirty Thousand Dollars and Zero Cents (\$30,000.00), both of which will be paid from the Gross Settlement Amount. Any portion of the requested fees or costs that are not awarded to the Class Counsel shall be reallocated to the Net Settlement Amount and distributed to Participating Class Members as provided in this Agreement.

54. Class Representative Enhancement Payment: Defendant agrees not to oppose or object to any application or motion by Plaintiff for a Class Representative Enhancement Payment of Ten Thousand Dollars and Zero Cents (\$10,000.00). The Class Representative Enhancement Payment is intended to recognize Plaintiff’s time, effort and risk in bringing and prosecuting the Action, as well as the General Release of Plaintiff’s individual claims against Defendant. Any portion of the requested

Class Representative Enhancement Payment that is not awarded to Plaintiff shall be reallocated to the Net Settlement Amount and distributed to Participating Class Members as provided in this Agreement.

55. Settlement Administration Costs: The Settlement Administrator will be paid for the reasonable costs of administration of the Settlement and distribution of payments from the Gross Settlement Amount as further set forth in this Agreement. Settlement Administration Costs are currently estimated not to exceed \$10,000.00. The Parties acknowledge that Settlement Administration Costs may increase above the current estimate of \$10,000.00 and that any such additional Settlement Administration Costs will be taken out of the Gross Settlement Amount. Any portion of the requested Settlement Administration Costs that are not awarded to the Settlement Administrator or which are not ultimately required to complete administration of the Settlement shall be reallocated to the Net Settlement Amount and distributed to Participating Class Members as provided in this Agreement.

56. PAGA Penalties: Fifty Thousand Dollars and Zero Cents (\$50,000.00) shall be allocated from the Gross Settlement Amount for settlement of claims for civil penalties under the PAGA. The Settlement Administrator shall pay seventy-five percent (75%) of the PAGA Penalties, or Seventy-Five Thousand Five Hundred Dollars (\$37,500.00), to the California Labor and Workforce Development Agency ("LWDA"). Twelve Thousand Five Hundred Dollars (\$12,500.00), will be distributed to PAGA Members on a *pro rata* basis based on the total number of Workweeks worked by each PAGA Member during the PAGA Period. PAGA Members shall receive their portion of the PAGA Penalties even if they request to be excluded from the class settlement.

57. Net Settlement Amount for Payment of Class Claims: The Net Settlement Amount will be used to satisfy the class portion of Participating Class Members' Individual Class Payments in accordance with the terms of this Agreement. The estimated Net Settlement Amount is as follows:

Gross Settlement Amount	\$	1,500,000.00
Enhancement Payment:	\$	10,000.00
Class Counsel's Fees:	\$	525,000.00
Class Counsel's Costs:	\$	30,000.00
PAGA Penalties	\$	50,000.00
Settlement Administration Costs:	\$	10,000.00

Estimated Net Settlement Amount \$ \$875,000.00

58. Individual Class Payment Calculations: Individual Class Payments will be paid from the Net Settlement Amount on a pro-rata basis based on the total Workweeks worked by Participating Class Members during the Class Period. Specifically, the Settlement Administrator will calculate the total Workweeks for all Participating Class Members by adding the number of Workweeks worked by each Participating Class Member during the Class Period. The respective Workweeks for each Participating Class Member will be divided by the total Workweeks for all Participating Class Members, resulting in the payment ratio for each Participating Class Member. Each Participating Class Member's payment ratio will then be multiplied by the Net Settlement Amount to calculate each Settlement Class Member's estimated Individual Class Payment.

59. Tax Allocation of Individual Class Payments: Individual Class Payments will be allocated as follows: ten percent (10%) of each Individual Class Payment will be allocated as wages, forty-five percent (45%) shall be allocated as interest, and forty-five percent (45%) shall be allocated as penalties. The portion of the Individual Class Payment allocated to wages will be reported by the Settlement Administrator on an IRS Form W-2. The remaining non-wage payments will be reported on an IRS Form-1099 by the Settlement Administrator

60. Individual PAGA Payment Calculations: Individual PAGA Payments will be paid on a pro-rata basis based on the total Workweeks worked by PAGA Members during the PAGA Period. Specifically, the Settlement Administrator will calculate the total Workweeks for all PAGA Members by adding the number of Workweeks worked by each PAGA Member during the PAGA Period. The respective Workweeks for each PAGA Member will be divided by the total Workweeks for all PAGA Members, resulting in the payment ratio for each PAGA Member. Each PAGA Member's payment ratio will then be multiplied by the 25% employee portion of the PAGA Penalties to calculate each PAGA Member's estimated Individual PAGA Payment. PAGA Members shall receive an Individual PAGA Payment regardless of whether they submit a Request for Exclusion.

61. Tax Allocation of Individual PAGA Payments: Individual PAGA Payments are not subject to withholdings and will be reported on an IRS Form 1099 by the Settlement Administrator.

62. No Credit Toward Benefit Plans: The Individual Class Payments made to Participating

Class Members under this Settlement, as well as any other payments made pursuant to this Settlement, will not be utilized to calculate any additional benefits under any benefit plans to which any Class Members may be eligible, including, but not limited to profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not affect any rights, contributions, or amounts to which any Class Members may be entitled under any benefit plans.

63. Settlement Administration Process: The Parties agree to cooperate in the administration of the Settlement and to make all reasonable efforts to control and minimize the costs and expenses incurred in administration of the Settlement. The Settlement Administrator will provide the following services:

- a) Establish and maintain a Qualified Settlement Fund.
- b) Calculate the Individual Class Payment each Participating Class Member is eligible to receive.
- c) Calculate the Individual PAGA Payment each PAGA Member shall receive.
- d) Print and mail the Notice in both Spanish and English.
- e) Conduct additional address searches for mailed Notices that are returned as undeliverable.
- f) Process Objections and Requests for Exclusion.
- g) Field inquiries from Class Members and PAGA Members.
- h) Print and issue Settlement Payment Checks.
- i) Prepare IRS W2 and 1099 Tax Forms and any other filings required by any governmental taxing authority.
- j) Provide declarations and/or other information to this Court as requested by the Parties and/or the Court.
- k) Provide weekly status reports to counsel for the Parties.
- l) Posting a notice of final judgment online at Settlement Administrator's website.

64. Delivery of the Class List: Within twenty-one (21) calendar days of Preliminary Approval, Defendant will provide the Class List to the Settlement Administrator. This is a material

term of the Agreement, and if Defendant fails to comply, Plaintiff shall have the right to void the Agreement.

65. Notice by First-Class U.S. Mail: Within seven (7) calendar days after receiving the Class List from Defendant, the Settlement Administrator will mail the Notice to all Class Members via regular First-Class U.S. Mail, using the most current, known mailing addresses identified in the Class List.

66. Confirmation of Contact Information in the Class List: Prior to mailing, the Settlement Administrator will perform a search based on the National Change of Address Database for information to update and correct for any known or identifiable address changes. Any Notice returned to the Settlement Administrator as non-deliverable on or before the Response Deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto and the Settlement Administrator will indicate the date of such re-mailing on the Notice. If no forwarding address is provided, the Settlement Administrator will promptly attempt to determine the correct address using a skip-trace, or other search using the name, address and/or Social Security number of the Class Member involved, and will then perform a single re-mailing. If any notice sent to a Class Member by the Settlement Administrator is returned as undeliverable to a current employee, then Defendant shall make all reasonable efforts to obtain the current address from the Class Member and provide the same within seven (7) calendar days of notice from the Settlement Administrator. Those Class Members who receive a re-mailed Notice, whether by skip-trace or by request, will have between the later of (a) an additional fifteen (15) calendar days or (b) the Response Deadline to submit a Request for Exclusion or an objection to the Settlement via mail, facsimile, or e-mail.

67. Notice: All Class Members will be mailed a Notice in English and Spanish, substantially in the form attached hereto as Exhibit A. Each Notice will provide: (a) information regarding the nature of the Action; (b) a summary of the Settlement's principal terms; (c) the Class definition; (d) the total number of Workweeks each respective Class Member worked for Defendant during the Settlement Class Period; (e) each Class Member's estimated Individual Class Payment and the formula for calculating Individual Class Payments; (f) each PAGA Members' estimated Individual PAGA Payment and the formula for calculating Individual PAGA Payments; (g) the dates which

comprise the Class Period; (h) the deadlines by which the Class Member must email, fax, or postmark Requests for Exclusion, Objections to the Settlement, or Workweek Disputes; (i) the claims to be released, as set forth herein; and (j) the date for the Final Approval hearing.

68. Disputed Information on Notice: Class Members will have an opportunity to dispute the information provided in their Notice. To the extent Class Members dispute the number of Workweeks with which they have been credited or the amount of their Individual Class Payments, Class Members may produce evidence to the Settlement Administrator showing that such information is inaccurate. Absent evidence rebutting Defendant's records, Defendant's records will be presumed determinative. However, if a Class Member produces evidence to the contrary by the Response Deadline, the Parties will evaluate the evidence submitted by the Class Member and the Parties will make the final decision as to the number of eligible Workweeks that should be applied and/or the Individual Class Payments to which the Class Member may be entitled. If the Parties are unable to resolve the dispute, the Settlement Administrator will be the final arbiter of the Workweeks for each Class Member during the Class Period, based on the information provided to it. Class Members must submit any disputes to the number of Workweeks reported on the Notice to the Settlement Administrator via email, facsimile or mail by the Response Deadline.

69. Request for Exclusion Procedures: Any Class Member wishing to opt-out from the Action must sign and return a written Request for Exclusion to the Settlement Administrator by the Response Deadline via email, facsimile or mail. The Request for Exclusion must include (a) the Class Member's name, address, telephone number, and the last four digits of the Class Member's Social Security number and/or the Employee ID number and (b) a clear statement requesting to be excluded from the settlement of the class claims similar to the following: "I wish to exclude myself from the class settlement reached in the matter of *Zaragoza v. The Arc of Ventura County, Inc.* I understand that by excluding myself, I will not receive money from the settlement of my individual claims." The date of the email, fax, or postmark will be the exclusive means to determine whether a Request for Exclusion has been timely submitted. All Requests for Exclusion will be submitted to the Settlement Administrator, who will certify jointly to Class Counsel and Defendant's Counsel the Requests for Exclusion that were timely submitted. All Class Members who do not request exclusion from the

1 Action will be bound by all terms of the Settlement Agreement if the Settlement is granted final
2 approval by the Court. The Request for Exclusion shall not be effective as to the release of claims
3 arising under the Private Attorneys General Act.

4 70. Defective Submissions: If a Class Member's Request for Exclusion is defective as to
5 the requirements listed herein, that Class Member will be given an opportunity to cure the defect(s).
6 The Settlement Administrator will mail the Class Member a cure letter within three (3) business days
7 of receiving the defective submission to advise the Class Member that his or her submission is
8 defective and that the defect must be cured to render the Request for Exclusion valid. The Class
9 Member will have until the later of (a) the Response Deadline or (b) seven (7) calendar days from the
10 date of the cure letter, whichever date is later, to email, fax, or postmark a revised Request for
11 Exclusion. If a Class Member responds to a cure letter by filing a defective claim, then the Settlement
12 Administrator will have no further obligation to give notice of a need to cure. If the revised Request
13 for Exclusion is not emailed, faxed, or postmarked within that period, it will be deemed untimely.

14 71. Defendant's Right to Rescind: If more than five percent (5%) of the Class Members
15 (rounded to the next whole number) elect not to participate in the Settlement, Defendant may, at its
16 election, rescind the Settlement Agreement and all actions taken in furtherance of it will be thereby
17 null and void. Defendant must meet and confer with Class Counsel prior to exercising this right, and
18 must make clear their intent to rescind the Agreement within fourteen (14) calendar days of the
19 Settlement Administrator notifying the Parties of the final number of opt-outs. If Defendant exercises
20 its right to rescind the Agreement, Defendant shall be responsible for all Settlement Administration
21 Costs incurred to the date of rescission.

22 72. Settlement Terms Bind All Class Members Who Do Not Opt-Out: Any Class Member
23 who does not affirmatively opt-out of the Settlement by submitting a timely and valid Request for
24 Exclusion will be bound by all of its terms, including those pertaining to the Released Claims, as well
25 as any Final Approval Order and Judgment that may be entered by the Court if it grants final approval
26 to the Settlement. Class Members who opt-out of the Settlement shall not be bound by such Final
27 Approval Order and Judgment or release. The names of Class Members who have opted-out of the
28 settlement shall be disclosed to the Counsel for both Plaintiff and Defendant and noted in the proposed

1 Final Approval Order and Judgment submitted to the Court.

2 73. Objection Procedures: To object to the Settlement, a Participating Class Member must
3 email, fax, or postmark a valid Objection to the Settlement Administrator on or before the Response
4 Deadline. The Objection must be signed by the Participating Class Member and contain all information
5 required by this Settlement Agreement including the employees full name, address, telephone number,
6 the last four digits of their social security number and/or Employee ID number, and the specific reason
7 including any legal grounds for the Participating Class Members objection. The email, facsimile, or
8 postmark date will be deemed the exclusive means for determining that the Notice of Objection is
9 timely. Participating Class Members who fail to object in the manner specified above will be
10 foreclosed from making a written objection, but shall still have a right to appear at the Final Approval
11 Hearing in order to have their objections heard by the Court. At no time will any of the Parties or their
12 counsel seek to solicit or otherwise encourage Participating Class Members to submit written
13 objections to the Settlement or appeal from the Final Approval Order and Judgment. Class Counsel
14 will not represent any Class Members with respect to any objections to this Settlement.

15 74. Weekly Reports Regarding Settlement Administration: The Settlement Administrator
16 will provide Defendant's Counsel and Class Counsel a weekly report which certifies: (a) the number
17 of Class Members who have submitted valid Requests for Exclusion; (b) the number of Notices
18 returned and re-mailed; and (c) whether any Class Member has submitted any Objections, Requests
19 for Exclusions, or any challenges to any information contained in the Notice. Additionally, the
20 Settlement Administrator will provide to counsel for both Parties any updated reports regarding the
21 administration of the Settlement Agreement as needed or requested.

22 75. Compliance Declaration by Settlement Administrator: Within two weeks of the
23 Response Deadline, the Settlement Administrator will provide to a signed declaration to Class Counsel
24 and Defendant's counsel attesting to its due diligence and compliance with all of its obligations under
25 this Agreement, including, but not limited to, the mailing of Notice, the Notices returned as
26 undelivered, the re-mailing of Notices, attempts to locate Class Members, the names of the individuals
27 who submitted timely and valid Requests for Exclusion from Settlement, and the number of written
28 objections to the Settlement. The Administrator shall also provide to Class Counsel and Defense

Counsel authenticated copies of every written objection and Request for Exclusion that it received. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court.

76. Payment Schedule for All Court Approved Settlement payments: Within three (3) business days of the Court granting Final Approval of the Settlement, the Settlement Administrator will calculate all payments due, and shall provide Defendant's Counsel and Class Counsel with a report on all disbursements to be made under the Settlement.

77. Uncashed Settlement Checks: Any checks issued by the Settlement Administrator to Participating Class Members and PAGA Members will be negotiable for at least one hundred eighty (180) calendar days. If a Participating Class Member or PAGA Member does not cash his or her Individual Class Payment check or Individual PAGA Payment check within 180 days, the uncashed funds, subject to Court approval, shall be distributed to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Civil Code §1500, *et. seq.* for the benefit of those Participating Class Members and PAGA Members who did not cash their checks until such time that they claim their property. The Parties agree that this disposition results in no "unpaid residue" under California Civil Procedure Code § 384, as the entire Net Settlement Amount will be paid out to Participating Class Members and PAGA Members, whether or not they all cash their Individual Class Payment checks or Individual PAGA Payment checks. Therefore, Defendant will not be required to pay any interest on such amounts. The Individual Class Payment checks provided to Participating Class Members and Individual PAGA Payment checks provided to PAGA Members shall prominently state the expiration date or a statement that the Settlement Check will expire in one hundred eighty (180) days, or alternatively, such a statement may be made in a letter accompanying the Individual Class Payment and/or Individual PAGA Payment. Expired Individual Class Payments and expired Individual PAGA Payments will not be reissued, except for good cause and as mutually agreed by the Parties in writing. The parties agree no unclaimed funds will result from the settlement.

78. Administration of Taxes by the Settlement Administrator: The Settlement Administrator will be responsible for issuing to Plaintiff, Participating Class Members, and Class Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant

1 to this Settlement. The Settlement Administrator will also be responsible for forwarding all payroll
2 taxes and penalties to the appropriate government authorities.

3 79. Final Distribution Report and Declaration by Settlement Administrator: Within 10
4 calendar days after the Settlement Administrator disburses all funds in the Gross Settlement Amount,
5 the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its
6 disbursements by employee identification number only of all payments made under this Agreement.
7 At least 14 calendar days before any deadline set by the Court, the Settlement Administrator will
8 prepare, and submit to Class Counsel and Defense Counsel, a signed declaration under oath suitable
9 for filing in Court attesting to its disbursement of all payments required under this Agreement. Class
10 Counsel is responsible for filing the Settlement Administrator's Declaration with the Court.

11 80. Tax Liability: Defendant makes no representation as to the tax treatment or legal effect
12 of the payments called for hereunder, and Plaintiff and Participating Class Members are not relying
13 on any statement, representation, or calculation by Defendant or by the Settlement Administrator in
14 this regard. Plaintiff and Participating Class Members understand and agree that they will be solely
15 responsible for the payment of any taxes and penalties assessed on the payments described herein.
16 Defendant's share of any employer payroll taxes and other required employer withholdings due on the
17 Individual Class Payments, including, but not limited to, Defendant's FICA and FUTA contributions,
18 shall be paid separate and apart from the Gross Settlement Amount.

19 81. Circular 230 Disclaimer: Each Party to this Agreement (for purposes of this section,
20 the "acknowledging party" and each Party to this Agreement other than the acknowledging party, an
21 "other party") acknowledges and agrees that: (1) no provision of this Agreement, and no written
22 communication or disclosure between or among the Parties or their attorneys and other advisers, is or
23 was intended to be, nor shall any such communication or disclosure constitute or be construed or be
24 relied upon as, tax advice within the meaning of United States Treasury Department circular 230 (31
25 CFR part 10, as amended); (2) the acknowledging party (a) has relied exclusively upon his, her or its
26 own, independent legal and tax counsel for advice (including tax advice) in connection with this
27 Agreement, (b) has not entered into this Agreement based upon the recommendation of any other Party
28 or any attorney or advisor to any other Party, and (c) is not entitled to rely upon any communication

1 or disclosure by any attorney or adviser to any other party to avoid any tax penalty that may be imposed
2 on the acknowledging party, and (3) no attorney or adviser to any other Party has imposed any
3 limitation that protects the confidentiality of any such attorney's or adviser's tax strategies (regardless
4 of whether such limitation is legally binding) upon disclosure by the acknowledging party of the tax
5 treatment or tax structure of any transaction, including any transaction contemplated by this
6 Agreement.

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

11 83. Release by Participating Class Members: Upon the complete funding of the Gross
12 Settlement Amount and all applicable employer-side payroll taxes by Defendant, Participating Class
13 Members shall fully release and discharge the Released Parties from any and all Released Class Claims
14 for the Class Period. This release shall be binding on all Participating Class Members.

15 84. Release by PAGA Members, the LWDA and the State of California: Upon the complete
16 funding of the Gross Settlement Amount, all PAGA Members, the LWDA, and State of California
17 shall fully release and discharge the Released Parties from any and all Released PAGA Claims for the
18 PAGA Period. In light of the binding nature of a PAGA judgment on non-party employees pursuant
19 to *Arias v. Superior Ct. (Dairy)*, 46 Cal. 4th 969 (2009), all PAGA Members shall release claims
20 arising under PAGA regardless of their decision to participate in the class settlement. PAGA Members
21 who exclude themselves from the settlement of class claims, shall still receive an Individual PAGA
22 Payment and release all claims for penalties pursuant to the PAGA during the PAGA Period.

23 85. Release of Additional Claims & Rights by Plaintiff: Upon the funding of the Gross
24 Settlement Amount, Plaintiff agrees—on behalf of himself only—to the additional following General
25 Release: In consideration of Defendant's promises and agreements as set forth herein, Plaintiff hereby
26 fully releases the Released Parties from any and all Released Claims and also generally releases and
27 discharges the Released Parties from any and all claims, demands, obligations, causes of action, rights,
28 or liabilities of any kind which have been or could have been asserted against the Released Parties

1 arising out of or relating to his employment by Defendant or termination thereof, including but not
2 limited to claims for wages, restitution, penalties, retaliation, defamation, discrimination, harassment
3 or wrongful termination of employment. This release specifically includes any and all claims,
4 demands, obligations and/or causes of action for damages, restitution, penalties, interest, and
5 attorneys' fees and costs (except provided by the Settlement Agreement) relating to or in any way
6 connected with the matters referred to herein, whether or not known or suspected to exist, and whether
7 or not specifically or particularly described herein. Specifically, Plaintiff waives all rights and benefits
8 afforded by California Civil Code Section 1542, which provides:

9 A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR
10 RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER
11 FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY
12 HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT
13 WITH THE DEBTOR OR RELEASED PARTY.

14 This release specifically excludes claims for unemployment insurance, disability, social
15 security, and workers compensation (with the exception of claims arising pursuant to California Labor
16 Code Sections 132(a) and 4553)

17 86. Neutral Employment Reference: Defendant agrees that it will adopt a neutral reporting
18 policy regarding any future employment references related to Plaintiff. Specifically, should Plaintiff
19 seek an employment reference from Defendant, Plaintiff must direct all such inquiries to Defendant's
20 Human Resources department. Defendant shall communicate to any prospective employer Plaintiff's
21 title and dates of employment, and no characterization of employment or separation from employment
22 will be provided.

23 87. Preliminary Approval Hearing: Promptly upon execution of this Settlement
24 Agreement, Plaintiff shall file a Motion for Preliminary Approval requesting the entry of an order as
25 follows:

- 26 a. Granting preliminary approval of the Settlement Agreement
- 27 b. Certifying the Class for the purpose of Settlement;
- 28 c. Approving, as to form and content, the proposed Notice;

- 1 d. Approving the manner and method for Class Members to request exclusion from
2 the Stipulation of Settlement as contained herein and within the Notice;
3 e. Directing the mailing of the Notice and Reminder Postcards to the Class
4 Members, in accordance with the Agreement; and
5 f. Setting a date for a Final Approval/Settlement Fairness Hearing.

6 In conjunction with the Preliminary Approval hearing, Plaintiff will submit this Agreement, which
7 sets forth the terms of the Settlement, and will include the proposed Notice attached as Exhibit A.
8 Defendant agree that they will not oppose Plaintiff's motion for preliminary approval or delay the
9 hearing thereon. This is a material term of the Agreement and any delay or opposition by Defendant
10 will be grounds for Plaintiff to withdraw from the Agreement.

11 88. Final Settlement Approval Hearing and Entry of Judgment: Upon expiration of the
12 deadlines to email, fax, or postmark Requests for Exclusion or objections to the Settlement Agreement,
13 and with the Court's permission, a Final Approval/Settlement Fairness Hearing will be conducted to
14 determine the Final Approval of the Settlement Agreement along with the amounts properly payable
15 for: (a) Individual Class Payments; (b) PAGA Penalties; (c) the Attorneys' Fees and Costs; (d) the
16 Class Representative Enhancement Payments; and (e) the Settlement Administration Costs. Class
17 Counsel will be responsible for drafting all documents necessary to obtain Final Approval. Class
18 Counsel will also be responsible for drafting the attorneys' fees and costs application to be heard at
19 the final approval hearing and shall submit to the Court a Proposed Final Approval Order as follows:

- 20 a. Approving the Agreement, adjudging the terms thereof to be fair, reasonable and
21 adequate, and directing consummation of its terms and provisions;
22 b. Approving Class Counsel's application for an award of attorneys' fees and costs;
23 c. Approving the Class Representative Enhancement Payments to Plaintiff;
24 d. Setting a date when the parties shall report to the Court the total amount that was
25 actually paid to the Class Members; and
26 e. Entering Final Approval Order and Judgment in this Action consistent with this
27 Agreement.

28 Defendant agrees that it will not oppose Plaintiff's Motion for Final Approval and Attorneys' Fees

and Costs.

89. Judgment and Continued Jurisdiction: Upon Final Approval of the Settlement by the Court or after the Final Approval/Settlement Fairness Hearing, Plaintiff will present the Final Approval Order and Judgment to the Court for its approval. After entry of the Final Approval Order and Judgment, the Court will have continuing jurisdiction solely for purposes of addressing: (a) the interpretation and enforcement of the terms of the Settlement, (b) Settlement administration matters, and (c) such post-judgment matters as may be appropriate under court rules or as set forth in this Settlement.

90. Nullification of Settlement Agreement: The Parties, Class Counsel and Defendant's counsel pledge their good faith and fair dealing in supporting the approval of the Settlement by the Court. In the event that: (a) the Court does not grant preliminary or final approval of the Settlement as provided herein; (b) the Court strikes or does not approve any material term of this Settlement Agreement; or (c) the Settlement does not become final as written and agreed to by the Parties for any other reason, then this Settlement Agreement, and any documents generated to bring it into effect, will be null and void, all amounts deposited into the QSF will be returned to Defendant, the Parties to share equally the Settlement Administrator's costs to date (except as provided in paragraph 71), and the Parties shall be returned to their original respective positions prior to the Settlement and shall proceed in all respects as if this Settlement Agreement had not been executed. Any order or judgment entered by the Court in furtherance of this Settlement Agreement will likewise be treated as void from the beginning. Notwithstanding this provision, the Parties agree that they shall make a good faith effort to resolve any issues raised by the Court prior to invoking their right to nullify the Settlement under this provision. The Parties further agree that they will return to and attend mediation with Paul Grossman, Esq., with any mediator's fee being split equally between the Parties, in an effort to reach a settlement that may be approved by the Court.

91. Exhibits Incorporated by Reference: The terms of this Settlement include the terms set forth in any attached Exhibits, which are incorporated by this reference as though fully set forth herein. Any Exhibits to this Settlement are an integral part of the Settlement.

92. Entire Agreement: This Settlement Agreement and any attached Exhibits constitute the

entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties.

93. Amendment or Modification: This Settlement Agreement may be amended or modified only by a written instrument signed by counsel for all Parties or their successors-in-interest.

94. Authorization to Enter Into Settlement Agreement: Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms and to execute any other documents required to effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to affect 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.

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

96. California Law Governs: All terms of this Settlement Agreement and Exhibits hereto will be governed by and interpreted according to the laws of the State of California.

97. Execution and Counterparts: This Settlement Agreement is subject only to the execution of all Parties. However, the Settlement Agreement 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.

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

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

4 100. Waiver of Certain Appeals: The Parties agree to waive appeals and to stipulate to class
5 certification for purposes of this Settlement only; except, however, that either party may appeal any
6 court order that materially alters the Settlement Agreement's terms.

7 101. Class Action Certification for Settlement Purposes Only: The Parties agree to stipulate
8 to class action certification only for purposes of the Settlement. If, for any reason, the Settlement is
9 not approved, the stipulation to certification will be void. The Parties further agree that certification
10 for purposes of the Settlement is not an admission that class action certification is proper under the
11 standards applied to contested certification motions and that this Agreement will not be admissible in
12 this or any other proceeding as evidence that either: (a) a class action should be certified or (b)
13 Defendant is liable to Plaintiff or any Class Member, other than according to the Settlement's terms.

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

27 103. Captions: The captions and section numbers in this Agreement are inserted for the
28 reader's convenience, and in no way define, limit, construe or describe the scope or intent of the

provisions of this Agreement.

104. Waiver: No waiver of any condition or covenant contained in this Settlement Agreement 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.

105. 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 or to declare rights and/or obligations under this Settlement, 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.

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

107. Representation By Counsel: The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Agreement, and that this Agreement has been executed with the consent and advice of counsel and reviewed in full. Further, Plaintiff and Class Counsel warrant and represent that there are no liens on the Agreement.

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

109. Cooperation and Execution of Necessary Documents: The Parties agree to cooperate to promote participation in the Settlement, and in seeking court approval of the Settlement. The Parties and their counsel agree not to take any action to encourage any Class Members to opt out of and/or object to the Settlement. The Parties will work in good faith to reach an agreement approved by the Court.

110. Confidentiality: The Parties and their counsel agree to keep the terms of the Settlement confidential until the filing of Plaintiff's Motion for Preliminary Approval. Plaintiff, Class Counsel,


Defendant and its counsel agree that they will not issue any press releases, initiate any contact with the press, respond to any press inquiry or have any communication with the press about the fact, amount or terms of the Settlement Agreement. Nothing in this Settlement Agreement shall limit Defendant's ability to fulfill disclosure obligations reasonably required by law or in furtherance of business purposes, including the fulfillment of obligations stated in this Settlement Agreement or limit Class Counsel's communications with the Class Members in furtherance of approval of this Settlement. Furthermore, nothing in this provision shall be construed as preventing Class Counsel from referring to the Settlement or the Action in support of their adequacy as counsel or to justify an award of attorneys' fees in other proceedings.

111. Binding Agreement: The Parties warrant that they understand and have full authority to enter into this Settlement, and further intend that this Settlement Agreement 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, notwithstanding any settlement confidentiality provisions that otherwise might apply under federal or state law.

APPROVED AS TO FORM AND CONTENT:

Dated: 06/27/2023

By:


eric zaragoza (Jun 27, 2023 15:04 PDT)
Plaintiff Eric Zaragoza

Dated:

By:


Name:
Title:
For Defendant The Arc of Ventura County, Inc.

APPROVED AS TO FORM ONLY:

Dated: June 27, 2023

PARKER & MINNE, LLP

By:



S. Emi Minne
Attorneys for Plaintiff Eric Zaragoza

1 Defendant and its counsel agree that they will not issue any press releases, initiate any contact with
2 the press, respond to any press inquiry or have any communication with the press about the fact,
3 amount or terms of the Settlement Agreement. Nothing in this Settlement Agreement shall limit
4 Defendant's ability to fulfill disclosure obligations reasonably required by law or in furtherance of
5 business purposes, including the fulfillment of obligations stated in this Settlement Agreement or limit
6 Class Counsel's communications with the Class Members in furtherance of approval of this
7 Settlement. Furthermore, nothing in this provision shall be construed as preventing Class Counsel
8 from referring to the Settlement or the Action in support of their adequacy as counsel or to justify an
9 award of attorneys' fees in other proceedings.

10 111. Binding Agreement: The Parties warrant that they understand and have full authority
11 to enter into this Settlement, and further intend that this Settlement Agreement will be fully enforceable
12 and binding on all Parties, and agree that it will be admissible and subject to disclosure in any
13 proceeding to enforce its terms, notwithstanding any settlement confidentiality provisions that
14 otherwise might apply under federal or state law.

15
16 **APPROVED AS TO FORM AND CONTENT:**


17
18 Dated:

By:

Plaintiff Eric Zaragoza

19
20
21
22 Dated: June 28, 2023

By:


Name: Patricia Schultz
Title: CEO
For Defendant The Arc of Ventura County, Inc.

23
24
25 **APPROVED AS TO FORM ONLY:**

26 Dated:

PARKER & MINNE, LLP

27 By:

S. Emi Minne
Attorneys for Plaintiff Eric Zaragoza

1 Dated: June 28, 2023

LIGHTGABLER

2
3 By:



Brier Miron Setlur
Attorneys for Defendant
The Arc of Ventura County, Inc.

EXHIBIT A

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

Eric Zaragoza v. The Arc of Ventura County, Inc.

Ventura County Superior Court, Case No. 56-2022-00565343-CU-OE-VTA

**THIS IS A COURT-AUTHORIZED NOTICE. IT IS NOT A SOLICITATION.
PLEASE READ THIS NOTICE CAREFULLY.
YOUR LEGAL RIGHTS ARE AFFECTED WHETHER YOU ACT OR DO NOT ACT.**

To:	All current and former non-exempt or hourly-paid employees who are or were employed by The Arc of Ventura County, Inc. in the State of California at any time from May 5, 2018, through July 17, 2023.
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BASIC INFORMATION

1. What is this settlement about?

A lawsuit was commenced by a former employee of The Arc of Ventura County, Inc. ("Defendant") on May 5, 2022 in the Ventura County Superior Court, Case No. 56-2022-00565343-CU-OE-VTA ("Lawsuit"). The Lawsuit claims that Defendant violated sections of the California Labor Code and California Business and Professions Code. Specifically, the Lawsuit alleges that Defendant failed to provide meal and rest periods and associated premium pay, did not timely pay employees all wages owed during and upon termination of their employment, did not provide accurate wage statements, failed to maintain required payroll records, failed to reimburse employees for necessary business expenses, and engaged in unfair business practices. The Lawsuit claims that the Defendant violated the California Labor Code and the California Business and Professions Code, entitling Class Members to, *inter alia*, damages, statutory penalties, and restitution. The Lawsuit also seeks to recover civil penalties pursuant to the California Private Attorneys General Act of 2004 ("PAGA"). Defendant denies all alleged violations and denies that it owes Class Members any remedies. The Court has not made a ruling on the merits of the case.

2. Why is this a class action?

In a class action, one or more people called the Class Representative (in this case, Eric Zaragoza, also known as "Plaintiff"), sue on behalf of people who appear to have similar claims (in this case all current and former non-exempt or hourly-paid employees who are or were employed by Defendant in the State of California at any time from May 5, 2018 through July 17, 2023). All these people are referred to in this Notice as Class Members. In a class action one court resolves the issues for all Class Members in one Lawsuit, except for those who exclude themselves from the Class. The Ventura County Superior Court is in charge of this class action.

3. Why is there a settlement?

The Court has not decided in favor of the Plaintiff or Defendant. Instead, both sides agreed to a settlement which is memorialized in the Joint Stipulation of Class Action and PAGA Settlement ("Agreement" or "Settlement"). On [Date of Preliminary Approval] the Court granted preliminary approval of the Settlement, appointed Plaintiff Eric Zaragoza as the Class Representative, and appointed his attorneys at Parker & Minne, LLP and Lawyers for Justice, PC as counsel for the Class ("Class Counsel"). The Class Representative and Class Counsel think the Settlement is best for the Class.

WHO IS PART OF THE SETTLEMENT?

4. How do I know if I am part of the settlement?

You are part of the Settlement, and a Class Member, if you were employed by Defendant as a non-exempt or hourly-paid employee in the state of California at any time between May 5, 2018 through July 17, 2023.

WHAT DO I GET FROM THE SETTLEMENT?

5. What does the settlement provide?

The Settlement provides that Defendant will pay a maximum of One Million Five Hundred Thousand Dollars (\$1,500,000.00) ("Gross Settlement Amount"). This includes all costs and attorneys' fees for Class Counsel.

The "Net Settlement Amount" is the portion of the Class Settlement Amount that will be available for distribution to Class Members who do not submit timely and valid requests for exclusion in exchange for the release of their class claims. The Net Settlement Amount is the Class Settlement Amount less the following amounts (which are subject to Court approval):

- A. **Attorneys' Fees to Class Counsel** not to exceed 35% of the Class Settlement Amount or Five Hundred Twenty-Five Thousand Dollars (\$525,000.00);
- B. **Litigation Costs/Expenses to Class Counsel** not to exceed Thirty Thousand Dollars (\$30,000.00);
- C. **Class Representative Enhancement Payment** in an amount not to exceed Ten Thousand Dollars (\$10,000.00) to Plaintiff;
- D. **Settlement Administration Costs** which are currently estimated not to exceed Ten Thousand Dollars (\$10,000.00); and
- E. **PAGA Penalties** in the amount of Fifty Thousand Dollars (\$50,000.00) for the settlement of claims arising under the Private Attorney's General Act of 2004 (PAGA). Seventy-Five percent (75%) of this amount, (\$37,500.00) shall be paid to the LWDA. The remaining twenty-five percent (25%) (\$12,500.00) will be distributed to hourly-paid, non-exempt employees of Defendant in the state of California at any time from May 5, 2021, to July 17, 2023 ("PAGA Members") for the release of their claims arising under PAGA.

Class Members are entitled to receive an Individual Class Payment from the Net Settlement Amount, which is determined on a *pro rata* basis based on the number of weeks each Class Member worked for Defendant as an hourly-paid, non-exempt employee of Defendant from May 5, 2018 through July 17, 2023 ("Workweeks"). Your Individual Class Payment will be apportioned as twenty percent (20%) wages, forty percent (40%) interest and forty percent (40%) penalties. The wage portion of the Individual Class Payment will be subject to withholding for the employee taxes and will be reported on a W-2 Form. Employer-side payroll taxes shall be paid separately from and in addition to the Gross Settlement Amount. The penalties and interest portions of each class member's settlement payment will not be subject to any withholdings and will be reported on an IRS Form 1099.

PAGA Members are eligible to receive an Individual PAGA Settlement from the 25% portion of the PAGA Penalties allocated towards payment of employees, which is determined on a *pro rata* basis based on the number of weeks each PAGA Member worked for Defendant as an hourly-paid, non-exempt employee of Defendant from May 5, 2021, through July 17, 2023. Each Individual PAGA Payment will be allocated as one hundred percent (100%) penalties, which will be reported on an IRS Form 1099 (if applicable). PAGA Members will receive an Individual PAGA Settlement even if they submit a Request for Exclusion.

5. How Much Will I Receive From the Settlement?

According to Defendant's Records, you worked:

- workweeks during the Class Period (May 5, 2018, through July 17, 2023); and
- workweeks during the PAGA Period (May 5, 2021, through July 17, 2023).

Based on the number of Workweeks credited to you, your Individual Class Payment is estimated to be \$ _____, and your Individual PAGA Payment (if applicable) is estimated to be \$ _____.

The settlement approval process may take multiple months. Your Individual Class Payment and/or Individual PAGA Payment (if applicable) reflected in this Notice is only an estimate. Your actual Individual Class Payment and/or Individual PAGA Payment (if applicable) may be higher or lower. Payments will be distributed only after the Court grants final approval of the Settlement, and after the Settlement goes into effect.

Your Individual Class Payment and/or Individual PAGA Payment was determined based on Defendant's record of your employment, and are presumed correct. If you dispute the accuracy of Defendant's records as to the number of weeks worked during the Class Period, you must contact the Settlement Administrator and provide any documentation you have supporting such dispute by [DATE]. All disputes regarding your workweeks will be resolved and decided by the Parties or if the Parties cannot agree, the Settlement Administrator, after you submit evidence to the Settlement Administrator.

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

The Settlement Administrator's contact information is listed below:

Phoenix Class Action Administration Solutions
[Address]
[Telephone No].
[Fax No.]
[E-mail address]

6. How can I get a payment?

You do not have to do anything to receive payment of your portion of the Settlement.

7. What am I giving up if I do not request to be excluded from the Settlement?

Upon the funding of the Gross Settlement Amount, in exchange for the consideration set forth by the Settlement, Plaintiff and all Class Members who do not submit a timely request for exclusion shall release the "Released Parties" from the "Released Class Claims" for the Class Period.

The "Released Parties" include Defendant The Arc of Ventura County, Inc. and its past, present and/or future, direct and/or indirect, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, joint venturers, and any individual or entity that could be jointly or severally liable for any of the Released Class Claims or Released PAGA Claims .

The "Released Class Claims" means all claims, rights, demands, liabilities and causes of action that are alleged, or reasonably could have been alleged based on the factual allegations and claims asserted in the operative Complaint in this action, including the following claims: (i) Violation of California Labor Code §§ 510 and 1198 (Unpaid Overtime); (2) Violation of California Labor Code §§ 226.7 and 512(a) (Unpaid Meal Period Premiums); (3) Violation of California Labor Code § 226.7 (Unpaid Rest Period Premiums); (4) Violation of California Labor Code §§ 1194, 1197, and 11971. (Unpaid Minimum Wages); (5) Violation of California Labor Code §§ 201 and 202 (Final Wages Not Timely Paid); (6) Violation of California Labor Code § 204 (Wages Not Timely Paid During Employment); (7) Violation of California Labor Code § 226(a) (Non-Compliant Wage Statements); (8) Violation of California Labor Code § 1174(d) (Failure to Keep Requisite Payroll Records); (9) Violation of California Labor Code §§ 2800 and 2802 (Unreimbursed Business

Expenses); and (10) Violation of California Business & Professions Code §§ 17200, et seq. based on violations of Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 2800, and 2802. The Released Class Claims pertains to the period of May 5, 2018, through July 17, 2023.

In addition, All PAGA Members will be deemed to have fully, finally and forever released, settled, compromised, relinquished, and discharged all claims, rights, demands, liabilities and causes of actions for civil penalties under the California Labor Code Private Attorneys General Act of 2004, Cal. Labor Code §§ 2698, et seq. which Plaintiffs and/or the PAGA Members had, or may claim to have, against Released Parties, based on the facts and legal theories contained the PAGA Notice, including claims for civil penalties based on unpaid overtime, failure to provide rest periods and associate premium wages, failure to provide rest periods and associated premium wages, unpaid minimum wages, failure to timely pay final wages, failure to timely pay wages during employment, failure to keep requisite payroll records, and failure to reimburse business expenses, including violations under California Labor Code sections 201, 202, 203, 204, 226, 226.7, 501, 512, 1174, 1194, 1197, 1197.1, 2800 and 2802 and the Industrial Welfare Commission Orders (“Released PAGA Claims.”) The Released PAGA Claims pertains to the period of May 5, 2021, through July 17, 2023. All PAGA Members will have been deemed to have released the Released PAGA Claims against the Released Parties irrespective of whether they submit a request for exclusion from the Class settlement.

EXCLUDING YOURSELF FROM THE RELEASE OF NON-PAGA CLAIMS

If you want to keep the right to sue or continue to sue Defendant with respect to the Released Class Claims, then you must submit a request for exclusion in conformity with the requirements set forth herein. If you exclude yourself, you will not receive payment from the Net Settlement Amount. However, if eligible, you will still receive a payment in an amount equal to your estimated *pro rata* share of the PAGA Penalties because the Request for Exclusion does not apply to the PAGA claim.

8. How can I not participate in the Settlement?

To exclude yourself from the release of Released Class Claims you must submit a written request for exclusion. You must include your name, address, telephone number and the last four digits of your social security number and/or Employee ID number. Your request for exclusion must also include a statement that you do not wish to be included in this action similar to the following: I wish to exclude myself from the class action settlement reached in the matter of *Zaragoza v. The Arc of Ventura County, Inc.* I understand that by excluding myself I will not receive money from the class portion of the settlement.”

The written request for exclusion must be mailed, emailed, or faxed to the Settlement Administrator at the address listed below, by U.S. mail, facsimile, or e-mail **by [Response Deadline]**. You cannot exclude yourself by phone.

Phoenix Class Action Administration Solutions

[Address]

[Telephone No.

[Fax No.]

[E-mail address]

If you ask to be excluded, you will not receive payment of any portion of the Net Settlement Amount and you cannot object to the Settlement. You will not be legally bound by the release of Released Class Claims. You may be able to sue Defendant and/or the Released Parties or continue any suit you have pending against Defendant and/or the Released Parties, regarding the Released Class Claims.

9. If I don’t exclude myself, can I sue Defendant for the same thing later?

No. Unless you submit a request for exclusion, you give up the right to sue Defendant and the Released Parties for the Released Class Claims. If you have a pending lawsuit involving the Released Class Claims, speak to your lawyer in that lawsuit immediately.

10. If I exclude myself, can I get money from the Settlement?

No (except if you worked between May 5, 2021, through July 17, 2023, in which case you will still receive your Individual PAGA Payment for Released PAGA Claims). But if you submit a timely and valid request for exclusion, you retain any right that you may have to sue, continue to sue, or be part of a different lawsuit against and/or the Released Parties for Released Class Claims.

THE LAWYERS REPRESENTING YOU

11. Do I have a lawyer in this case?

The Court has approved PARKER & MINNE, LLP and LAWYERS FOR JUSTICE, P.C. as counsel for the Class for Settlement purposes. The firms' contact information is:

PARKER & MINNE, LLP
S. Emi Minne
Jill J. Parker
700 South Flower Street, Suite 1000
Los Angeles, California 90017
Telephone: (310) 882-6833
Facsimile: (310) 889-0822

LAWYERS FOR JUSTICE, PC
Edwin Aiwazian
Arby Aiwazian
Joanna Ghosh
Yasmin Hosseini
410 West Arden Avenue, Suite 203
Glendale, California 91023
Telephone: (818) 265-1020
Facsimile: (818) 265-1021

Class Counsel will ask the Court for attorneys' fees of up to \$525,000.00 and reimbursement of litigation cost/expenses of up to \$30,000.00. These amounts are subject to Court approval and the Court may award less than these amounts.

OBJECTING TO THE SETTLEMENT

12. How do I tell the Court if I don't like the settlement?

If you are a Class Member, you can object to the Settlement and you can give reasons for why you think the Court should not approve it. The Court will consider your views. To object, you must mail, email, or fax your objection to the Settlement Administrator no later than [DATE]. Your objection must include your full name, address, telephone number, the last four digits of your social security number or employee ID number, and the specific reason for your objection. You may also come to the Final Approval Hearing on [DATE] and make an objection at that time, regardless of whether you submitted a written objection.

13. What is the difference between objecting and requesting to be excluded?

Objecting is simply telling the Court that you do not like something about the Settlement. You can object only if you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S FAIRNESS HEARING

The Court will hold a hearing to decide whether to grant final approval of the Settlement ("Final Approval Hearing"). You may attend, but you do not have to attend.

14. When and where will the Court decide whether to approve the settlement?

The Court will hold the Final Approval Hearing at _____ a.m./p.m. on [_____, 2023], in Department 21 of the Ventura County Superior Court, located at 800 South Victoria Avenue, Ventura, California 93009. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate, and determine whether to grant final approval of the Settlement. If there are objections, the Court will consider them.

15. Do I have to come to the hearing?

No. If you agree to the Settlement you do not have to come to Court to talk about it. However, you may attend. You may also retain your own lawyer at your expense to attend on your behalf. A copy of the Court's tentative ruling on the Motion for Final Approval may be posted at <https://www.ventura.courts.ca.gov/CaseInquiry/TentativeRulings>. Tentative rulings are typically posted the day before the hearing.

16. How will I learn if the settlement was approved?

A notice of final judgment will be posted on the Settlement Administrator website located at www._____.com.

IF YOU DO NOTHING

17. What happens if I do nothing at all?

If you do nothing, you will receive your share of the Settlement, and you will release the Released Class Claims. You will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Defendant and/or the Released Parties about the Released Claims, ever again. Your Individual Class Payment and Individual PAGA Payment (if applicable) will be mailed to you and remain valid and negotiable for 180 days. If you do not cash the check for your Individual Class Payment and Individual PAGA Payment (if applicable) within 180 days, these funds will be transferred to the Controller of the State of California's Unclaimed Property Fund. You may then claim these funds from there.

GETTING MORE INFORMATION

18. How do I get more information?

This notice summarizes the proposed Settlement. More details are in the Settlement Agreement. You can get a copy of the Settlement Agreement by viewing the settlement located on the Settlement Administrator's website at www._____.com, or by contacting the Settlement Administrator or Class Counsel by phone or email. You may also obtain copies of the Settlement Agreement by scheduling an appointment with the Clerk's office at <https://calendly.com/vcscreservations>. If you obtain copies through the Clerk's office, the Settlement Agreement is attached as Exhibit 1 to the Declaration of S. Emi Minne in Support of Plaintiff's Motion for Preliminary Approval of Class Action Settlement.

WHAT IF MY INFORMATION CHANGES?

19. What if my contact information changes?

It is your responsibility to inform the Settlement Administrator of your updated information to ensure receipt of settlement payments or communications regarding this matter. You can change or update your contact information by contacting the Settlement Administrator.

DO NOT ADDRESS ANY QUESTIONS ABOUT THE SETTLEMENT OR THE LAWSUIT TO THE CLERK OF THE COURT OR THE JUDGE

EXHIBIT 2



CASE ASSUMPTIONS

Class Members	440
Opt Out Rate	1%
Opt Outs Received	4
Total Class Claimants	436
Subtotal Admin Only	\$9,750.00

Not-to-Exceed Total **\$9,750.00**

For 440 Members

Pricing Good for Scope of Estimate Only

May 5, 2023

Case: Zaragoza v. Arc of Ventura Opt-Out Admin wTranslation

Phoenix Contact: Jodey Lawrence

Contact Number: 949.566.1455

Email: Jodey@phoenixclassaction.com

Requesting Attorney: S. Emi Minne

Firm: Parker & Minne, LLP

Contact Number: (310) 882-6833

Email: emi@parkerminne.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 **440** 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*	\$151.82	1	\$151.82
Call Center & Long Distance	\$2.00	16	\$32.00
NCOA (USPS)	\$155.00	1	\$155.00
		Total	\$738.82

* Up to 120 days after disbursement

Data Merger & Scrub / Notice Packet, Opt-Out Form & Postage / Spanish Translation / Reporting			
Project Action	Rate	Hours/Units	Line Item Estimate
Notice Packet Formatting	\$100.00	2	\$200.00
Data Merge & Duplication Scrub	\$0.75	440	\$330.00
Notice Packet & Opt-Out Form	\$2.00	440	\$880.00
Estimated Postage (up to 2 oz.)*	\$0.84	440	\$369.60
Static Website	\$200.00	1	\$200.00
Language Translatiomn	\$1,000.00	1	\$1,000.00
		Total	\$2,979.60

* 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	3	\$165.00
Skip Tracing Undeliverables	\$1.50	88	\$132.00
Remail Notice Packets	\$2.00	88	\$176.00
Estimated Postage	\$0.84	88	\$73.92
Programming Undeliverables	\$50.00	2	\$100.00
Total			\$646.92

Database Programming / Processing Opt-Outs, Deficiencies or Disputes

Project Action:	Rate	Hours/Units	Line Item Estimate
Programming Claims Database	\$100.00	2	\$200.00
Non Opt-Out Processing	\$125.00	1	\$125.00
Case Associate	\$55.00	2	\$110.00
Opt-Outs/Deficiency/Dispute Letters	\$10.00	4	\$44.00
Case Manager	\$85.00	3	\$255.00
Total			\$734.00

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

Project Action:	Rate	Hours/Units	Line Item Estimate
Programming Calculations	\$125.00	2	\$250.00
Disbursement Review	\$125.00	2	\$250.00
Programming Manager	\$95.00	3	\$285.00
QSF Bank Account & EIN	\$100.00	2	\$200.00
Check Run Setup & Printing	\$125.00	2	\$250.00
Mail Class Checks *	\$2.00	436	\$871.20
Estimated Postage	\$0.64	436	\$278.78
Total			\$2,384.98

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



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

Tax Reporting & Reconciliation / Re-Issuance of Checks / Conclusion Reports and Declarations			
Project Action:	Rate	Hours/Units	Line Item Estimate
Case Supervisor	\$125.00	2	\$250.00
Remail Undeliverable Checks (Postage Included)	\$1.50	87	\$130.68
Case Associate	\$55.00	3	\$165.00
Reconcile Uncashed Checks	\$100.00	2	\$200.00
Conclusion Reports	\$100.00	2	\$200.00
Case Manager Conclusion	\$85.00	2	\$170.00
Final Reporting & Declarations	\$100.00	2	\$200.00
IRS & QSF Annual Tax Reporting * (1 State Tax Reporting Included)	\$950.00	1	\$950.00
Total			\$2,265.68

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

Estimate Total: \$9,750.00



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.

EXHIBIT 3

ILYM | GROUP, Inc.

SETTLEMENT ADMINISTRATION EXPERTS

Case Name: Zaragoza

Requesting Law Firm:

Parker & Minnie

Law Firm Contact:

Emi Minnie

E-Mail:

emi@parkerminne.com

ILYM Contact:

Kimberly Sutherland

E-Mail:

ksutherland@ilymgroup.com

Contact Number:

321.223.5065

ESTIMATE FOR ADMINISTRATION SOLUTIONS

ASSUMPTIONS

Total Number of Class Members	440
Estimated Mail Returned as Undeliverable	20%
NCOA	Yes
Toll Free Telephone Support Line	Yes
Case Duration (Year(s))	1

Activity

Rate Type

Unit Cost

Volume

Amount

CASE STARTUP

Initial Setup - Import and Formatting of Data*	Hourly	\$150.00	4	\$600.00
Programming of Class Database	Hourly	\$175.00	4	\$700.00

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

Subtotal \$1,300.00

PROJECT MANAGEMENT & NOTICING

Project Manager (Case notification and maintenance)	Hourly	\$120.00	6	\$720.00
Staff Hours for Processing Returned Mail	Hourly	\$70.00	3	\$210.00
Staff Hours for Processing Opt-Outs, Disputes & Objection(s)	Hourly	\$70.00	5	\$350.00
Report Processing	Hourly	\$70.00	6	\$420.00
NCOA	Flat Rate	\$133.81	1	\$133.81
Toll Free Customer Service Representative	Flat Fee	\$250.00	1	\$250.00
ILYM Group, Static Website, Includes Hosting	Flat Fee	\$750.00	1	\$750.00
Weekly Reports	Flat Rate	\$750.00	1	Waived

Subtotal \$2,833.81

ILYM | GROUP, Inc.

SETTLEMENT ADMINISTRATION EXPERTS

Activity	Rate Type	Unit Cost	Volume	Amount
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NOTIFICATION/MAILING

Fulfillment of Notice	Per Piece	\$1.50	440	\$660.00
USPS First Class Postage	Per Piece	\$0.60	440	\$264.00
Re-Mails (Forward/Skip trace Undeliverables)	Per Piece	\$2.00	88	\$176.00
Storage, Photocopies, Deliveries	Flat Fee	\$350.00	1	\$350.00

Subtotal \$1,450.00

DISTRIBUTION (Includes EIN, Bank Acct * /QSF Setup)

Distribution Setup & Management	Hourly	\$150.00	5	\$750.00
Account Reconciliation & Distribution Reporting	Hourly	\$125.00	5	\$625.00
Check, Stub & Release - Print & Mail (W-2/1099)	Per Check	\$1.50	440	\$660.00
USPS First Class Postage	Per Piece	\$0.60	440	\$264.00
Re-Mails (Forward/Skip trace Undeliverables up to 10%)	Per Piece	\$2.00	44	\$88.00
Preparation of Taxes	Hourly	\$120.00	12	\$1,440.00
Annual Filing of Tax Return	Per Year	\$1,250.00	1	\$1,250.00

*Additional Bank fees may apply

Subtotal \$5,077.00

CASE CONCLUSION

Data Manager Final Reporting	Hourly	\$100.00	2	\$200.00
Project Manager Final Reporting	Hourly	\$120.00	2	\$240.00
Process Uncashed Funds	Flat Fee	\$500.00	1	\$500.00
Declaration	Hourly	\$125.00	3	\$375.00

Subtotal \$1,315.00

Will Not Exceed: \$12,000.00

Ventura Superior Court Accepted through eDelivery submitted 07-17-2023 at 08:27:13 AM

Terms and Conditions

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

EXHIBIT 4



Reference No. 20230508-PJI-03

May 8, 2023

S. Emi Minne, Esq.
Parker & Minne, LLP
700 S. Flower Street, Suite 1000
Los Angeles, California 90017

RE: *Zaragoza v. Arc of Ventura*

Dear Emi,

Thank you for this opportunity to provide a quote for your above-captioned settlement. Using the parameters you described, Simpluris' total estimated cost is \$14,972.

Please let me know if you have questions. I look forward to this opportunity to work together.

Sincerely yours,

A handwritten signature in blue ink, appearing to read "Patrick J. Ivie".

PATRICK J. IVIE
Chief Sales Executive

m: 310-995-6455
o: 714-975-5260
e: pivie@simpluris.com



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www.simpluris.com | 1 (800) 779 - 2104



3194-C Airport Loop Drive
Costa Mesa, CA 92626
800-779-2104
www.simpluris.com

Estimate Number: 20230508-PJI-03 Prepared By: Patrick J. Ivie
Estimate Date: 5/8/2023 Telephone Number (mobile): 310.995.6455
Estimate Expiration Date: 8/6/2023 Email: pjvie@simpluris.com

Attorney Contact
Attorney: **S. Emi Minne, Esq.**
Firm: Parker & Minne, LLP
Email: emi@parkerminne.com

Opposing Counsel Contact
Attorney:
Firm:
Email:

Case Name: Zaragoza v. Arc of Ventura

Assumptions

In addition to the assumptions enumerated below, this estimate assumes that

- (1) Simpluris will receive data in a single, complete file; (2) there will be no substantial change to class size or in response rate; (3) administration costs will be paid from the QSF, and (4) Simpluris will submit revisions to this estimate to account for any material changes to scope.

Anticipated Class Size:	440	Undeliverable Rate:	10%
Claims Rate:	N/A	Mail Skip Trace Success Rate:	85%
Opt-out Rate:	1%	Call Rate:	4%
Language(s) for Communication	EN/SP	Average Call Length:	3 Minutes
Reminder Mailing:	Yes	Fund Distribution:	Simpluris
Unclaimed Funds:	Escheat	Number of Distributions:	1
State(s):	CA	Tax Year(s):	2023, 2024
Length of Administration:	9 Months		

Case Setup

- Data compilation: develop case-specific response tracking

Category	Unit Value	# of Units	Total
Project Manager - Case Setup	\$110.00	2	\$220.00
Database Manager - Initial Data Analysis	\$125.00	2	\$250.00
Total:			\$470.00

Notice and Communications

- 6-page Notice, mailed in English and Spanish

Category	Unit Value	# of Units	Total
Spanish Translation assuming 5,000 words	\$0.25	5,000	\$1,250.00
Notice Packet assuming 12 images	\$3.00	440	\$1,320.00
Postage	\$0.62	440	\$272.80
NCOA/CASS/LACS	\$0.25	440	\$110.00
Undeliverable Processing and Skip Trace	\$0.50	44	\$22.00
Remail Notice (assuming 85% skip trace success)	\$4.00	37	\$149.60
Remail Postage	\$0.62	37	\$23.19
Mailing Supervisor	\$50.00	2	\$100.00
Total:			\$3,247.59

Contact Center

- Establish case-specific toll-free number and 24/7 IVR
- Assuming 3-minute calls

Category	Unit Value	# of Units	Total
IVR Call Center Setup	\$450.00	1	\$450.00
IVR Monthly Maintenance	\$225.00	9 Months	\$2,025.00
IVR (includes toll-free number charges)	\$15.00	1	\$15.00
Subtotal			\$2,490.00

Administration

- Process incoming class and counsel communications, opt-outs, and objections

Category	Unit Value	# of Units	Total
Database Manager	\$125.00	2	\$250.00
Project Manager	\$110.00	3	\$330.00
Opt-out Processing	\$3.50	4	\$14.00
Reporting to Counsel (hours)	\$100.00	3	\$300.00
Total:			\$894.00

Award Disbursement

- Establish 26 CFR § 1.468B-1 compliant Qualified Settlement Fund ("QSF")
- Disburse award payments and tax documents
- Conduct regular and annual IRS-mandated QSF reporting and reconciliation (one per calendar year)
- Complete all required filings with state and federal tax authorities

Category	Unit Value	# of Units	Total
Disbursement Data Preparation	\$140.00	2	\$280.00
Disbursement Manager - Data Validation	\$90.00	2	\$180.00
Setup Banking Account/QSF	\$675.00	1	\$675.00
QSF Monthly Reconciliation and Maintenance	\$200.00	9	\$1,800.00
Print & Mail Distribution Check and Tax Docs	\$0.65	440	\$286.00
Postage	\$0.62	440	\$272.80
Process Returned Checks (assuming 5%)	\$0.25	22	\$5.50
Skip Trace Search Undeliverable Checks	\$0.50	22	\$11.00
Remail Checks (includes postage)	\$1.60	22	\$35.20
Escheat Uncashed to State Controller	\$500.00	1	\$500.00
QSF Reporting and Final Declaration	\$500.00	1	\$500.00
QSF Annual Tax Reporting and Reconciliation	\$1,350.00	2	\$2,700.00
Distribution Manager	\$90.00	2	\$180.00
Total:			\$7,425.50

Case Completion

- Final audit and review
- Send final declaration and reporting to counsel

Category	Unit Value	# of Units	Total
Data Manager-Final Reporting	\$125.00	1	\$125.00
Clerical-Clean Up Any Misc.	\$50.00	2	\$100.00
Project Manager-Wrap-up Final Issues	\$110.00	2	\$220.00
Total:			\$445.00

Total Estimated Cost of Administration:

\$14,972

Terms and Conditions

All administration services to be provided by Simpluris to Client, are provided subject to the following terms and conditions ("Agreement"):

1. Services: Simpluris agrees to provide Client those services set forth in the Proposal (the "Services") to which these terms and conditions are attached and which has been provided to Client. As compensation for such Services, Client agrees to pay the fees for Services outlined in the Proposal. Simpluris will often take direction from Client's representatives, employees, agents and or professionals (collectively, the "Client Parties") with respect to the Services. The parties agree that Simpluris may rely upon, and Client agrees to be bound by, any direction, advice or information provided by the Client Parties to the same extent as if provided by Client. Client agrees and understands that Simpluris shall not provide Client or any other party with any legal advice.

2. Fee Estimates Not Binding: Simpluris and Client acknowledge that it is difficult to determine all necessary work required for the Services or the total amount of fees that may be incurred in performing the Services. Client agrees that fees for Services described in the Proposal are estimated based on the requirements provided by Client. Actual fees charged by Simpluris may be greater or less than such estimate. Client specifically agrees that it will be responsible for the payment of all such fees. Simpluris will provide estimates and budgets, but they are not intended to be binding; are subject to unforeseen circumstances, and by their nature are inexact.

3. Billing and Payment: Simpluris will invoice Client on a regular basis unless a specific timeframe is otherwise set forth in the Proposal. Client shall pay all invoices within 30 days of receipt. Amounts unpaid after thirty (30) days are subject to a service charge at the rate of 1.5% per month or, if less, the highest rate permitted by law. Services are not provided on a contingency basis and Client shall remain liable to Simpluris for all fees incurred by Simpluris in performing the Services, regardless of any circumstance that impacts the outcome of Client's matter, including but not limited to, court decisions, actions by the parties, or a failure to consummate a settlement.

4. Further Assurances: Client agrees that it will use its best efforts to include provisions reasonably acceptable to Simpluris in any relevant court order, settlement agreement or similar document that provide for the payment of Simpluris' fees and expenses hereunder. No agreement to which Simpluris is not a party shall reduce or limit the full and prompt payment of Simpluris' fees and expenses as set forth herein and in the Proposal.

5. Rights of Ownership: The parties understand that the software programs and other materials furnished Simpluris to Client and/or developed during the course of the performance of Services are the sole property of Simpluris. The term "program" shall include, without limitation, data processing programs, specifications, applications, routines, and documentation. Client agrees not to copy or permit others to copy the source code from the support software or any other programs or materials furnished to Client. Fees and expenses paid by Client do not vest in Client any rights in such property, it being understood that such property is only being made available for Client's use during and in connection with the Services provided by Simpluris.

6. Bank Accounts: Simpluris will establish a demand deposit checking account (i.e. non-interest bearing) for funds received related to a distribution, unless directed otherwise in writing by the parties or unless the settlement agreement stipulates otherwise. Simpluris may derive financial benefits from financial institutions in connection with the deposit and investment of settlement funds with such institutions, including without limitation, discounts on eligible banking services and fees, and compensation for services Simpluris performs for financial institutions to be eligible for FDIC deposit insurance. The amounts held pursuant to these Terms and Conditions are at the sole risk of Client and, without limiting the generality of the foregoing, Simpluris shall have no responsibility or liability for any diminution of the fund that may result from any deposit made with a financial institution including any losses resulting from a default by such institution or other credit losses. It is acknowledged and agreed that Simpluris will have acted prudently in depositing the fund at such institution.

7. Retention of Documents & Data: Unless otherwise required in writing by the Client or court orders, all returned/undeliverable physical documents will be securely shredded after the data has been confirmed uploaded to our systems. Simpluris will retain bank and tax documents for such period of time as it determines is required to maintain compliance with various federal and state law requirements. Unless otherwise required in writing by the Client or court orders, Simpluris will adhere to the Company's data deletion policies and will destroy all remaining project-related information from our systems three (3) years after the conclusion of the project. Storage beyond three (3) years is available upon request and will be billed as incurred.

8. Limitation of Liability; Disclaimer of Warranties: Simpluris warrants that it will perform the Services diligently, with competence and reasonable care. In no event will Simpluris be liable to Client or any third party for any claims, losses, costs, penalties, fines, judgments, tax activities, lost profits or business opportunities, business interruptions or delay, special, exemplary, punitive, consequential, indirect or incidental damages relating to the performance of the Services, regardless of whether Client's claim is for breach of contract, tort (including negligence and strict liability) or otherwise, regardless of whether such damage was foreseeable and whether such party has been advised of the possibility of such damages. Simpluris' cumulative liability for damages to Client hereunder will be limited to the total fees charged or chargeable to Client for the particular portion of the Services affected by Simpluris' omission or error. THE WARRANTIES SET FORTH IN THIS SECTION ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, EXPRESS, IMPLIED OR STATUTORY, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE.

9. Force Majeure: To the extent performance by Simpluris of any of its obligations hereunder is substantially prevented or delayed by reason of any act of God, flood, fire, earthquake or explosion, war, terrorism, invasion, riot or other civil unrest, embargoes or blockades in effect on or after the date

that Simpluris began performing Services, epidemic, pandemic, quarantine, civil commotion, national or regional emergency, strikes, labor stoppages or slowdowns or other industrial disturbances, passage of Law or any action taken by a governmental or public authority, including imposing an export or import restriction, quota, or other restriction or prohibition or any complete or partial government shutdown, or national or regional shortage of adequate power or telecommunications or transportation or because of any other matter beyond Simpluris' reasonable control, then Simpluris' performance shall be excused and this Agreement, at Simpluris' option, be deemed suspended during the continuation of such condition and for a reasonable time thereafter.

10. Rights in Data: Client agrees that it will not obtain, nor does Simpluris convey, any rights of ownership in the programs, system data, or materials provided or used by Simpluris in the performance of the Services.

11. Electronic Communications: During the provision of the Services, the parties may wish to communicate electronically with each other at a business e-mail address. However, the electronic transmission of information cannot be guaranteed to be secure or error free and such information could be intercepted, corrupted, lost, destroyed, arrive late or incomplete or otherwise be adversely affected or unsafe to use. Accordingly, each party agrees to use commercially reasonable procedures to check for the then most commonly known viruses and to check the integrity of data before sending information to the other electronically, but each party recognizes that such procedures cannot be a guarantee that transmissions will be virus free. It remains the responsibility of the party receiving an electronic communication from the other to carry out a virus check on any attachments before launching any documents whether received on disk or otherwise.

12. Notice: Any notice required or permitted hereunder shall be in writing and shall be delivered personally, by, or sent by registered mail, postage prepaid, or overnight courier to the address identified by each Party in the Proposal. Notice shall be deemed given when so delivered personally, or, if mailed, five days after the date of deposit in United States mail, or, if sent by courier, one business day after delivery to such courier service. Notice should be addressed to an officer or principal of Client and Simpluris, as the case may be.

13. Waiver: Failure or delay on the part of a party to exercise any right, power or privilege hereunder shall not operate as a waiver thereof or any of other subject, right, power or privilege.

14. Termination: Client may terminate the Services at any time upon 30 days prior written notice to Simpluris. Termination of Services shall in no event relieve Client of its obligation make any payments due and payable to Simpluris for Services rendered up to the effective date of Termination. Simpluris may terminate this Agreement (i) for any reason upon no less than 60 days prior written notice to the Client; or (ii) upon 15 calendar days' prior written notice if the Client is not current in payment of fees.

15. Jurisdiction: These Terms and Conditions will be governed by and construed in accordance with the laws of the state of California, without giving effect to any choice of law principles.

16. Survival: Any remedies for breach of this Agreement, this Section and the following Sections will survive any expiration or termination of this Agreement: Section 4 - Limitation of Liability; Disclaimer of Warranties, Section 6 – Rights in Data, and Section 12- Jurisdiction, 14 -Confidentiality, and Section 15 – Indemnification.

17. Confidentiality: Simpluris maintains reasonable and appropriate safeguards to protect the confidentiality and security of data provided by Client to Simpluris in connection with the Services. If, pursuant to a court order or other proceeding, a third-party requests that Simpluris to disclose any confidential data provided by or for Client, Simpluris will promptly notify the Client unless prohibited by applicable law. Client will then have the option to provide Simpluris with qualified legal representation at Client's expense to defend against such request. If, pursuant to a court order, Simpluris is required to disclose data, produce documents, or otherwise act in contravention of the obligation to maintain confidentiality set forth in these terms and conditions, Simpluris will not be liable for breach of said obligation.

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

19. Severability: If any term or condition or provisions of this Agreement shall be held to be invalid, illegal, unenforceable or in conflict with the law of any jurisdiction, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

20. Database Administration: Simpluris' database administration for Client assumes that Client will provide complete data that includes all information required to send notifications and calculate and mail settlement payments. Data must be provided in a complete, consistent, standardized electronic format. Simpluris' standardized format is Microsoft Excel, however, Simpluris may accept other formats at its discretion. Further developments or enhancements to non-standardized data will be billed to Client by Simpluris on a time and materials basis according to Simpluris' Standard Rates.

21. Entire Agreement: These Terms and Conditions together with the Proposal constitutes the entire agreement between the parties with respect of the subject matter hereof and supersede all prior understandings, agreements, or representations by or among the parties, written or oral, to the extent they relate in any way to the subject matter hereof.

EXHIBIT 5



Settlement Administration Estimate
Zaragoza v. Arc of Ventura
May 8, 2023

Prepared by:
Andrew Meyer
Business Development Consultant
612-987-8835
ameyer@rustconsulting.com

EXPERIENCE

With experience on approximately 3,300 labor and employment cases, we are the nation's largest labor and employment settlement administrator. We have managed employment settlements with class sizes ranging from dozens to multi-million class members. In fact, we've been trusted to administer many of the nation's largest settlements, including the nation's top wage-and-hour cases in recent years.

DATA SECURITY

Our internal data security practices meet or exceed today's exacting industry standards. Our enterprise-class data security measures are founded on standard business processes including a vigorous employee screening program, ongoing employee security training and a hardened production data center hosted at a Tier 1 network carrier, all designed for ensuring data integrity and security.

DEDICATED SPECIALISTS

Our labor and employment case team is strictly dedicated to managing settlement administration for cases involving matters such as wage-and-hour, FLSA, discrimination and ERISA. They're specialists, not generalists, with an industry reputation for responsiveness and expertise in relevant areas such as the applicable banking and tax regulations. We are confident that Rust is the best choice for the administration of your settlement.

Project Summary

Estimated Class Size	450
<u>Project Cost</u>	
Mailed Notice	\$ 2,958
Telephone Support	\$ 1,998
Website / Email	\$ 2,345
Processing and Administration	\$ 40
Fund Distribution & Tax Reporting	\$ 3,447
Project Management	\$ 6,030
Other Out-of-pocket Expenses	\$ 150
Total Project Cost	\$ 16,967
First time client discount	\$ 1,103
Total Estimated Fees (assumes scope within)	\$ 15,865

Key Assumptions

Notice mailing, with Spanish translation included
Static Website for relevant documents/information
Email inbox set-up for receiving of opt-outs/CMs questions
Fax included for receiving of opt-outs
Telephone support included
180 Payment void date
One state tax ID (CA)
Uncashed to CA State Controller's Office (assumed)

NOT INCLUDED: Reminder Postcards

Thank you for considering Rust Consulting, Inc. as your administrator -- we appreciate the opportunity to submit this estimate.



Settlement Administration Estimate
Zaragoza v. Arc of Ventura
May 8, 2023

Prepared by:
Andrew Meyer
Business Development Consultant
612-987-8835
ameyer@rustconsulting.com

Key Assumptions Used to Prepare this Estimate

Class Size	530	
Initial Mailed Notice:		
Mailed Notice	530	100.0%
Forwarded Notices	13	2.5%
Undeliverable Notices	80	15.0%
Re-Mailed Notices after Trace	64	80.0%
Telephone Support:		
Number of Telephone Contacts	80	15.0%
Connect Minutes per Call - CSRs	5.0	
Claimant Communications:		
Opt-outs received (via mail, email, fax)	8	1.5%
Payments	522	100.0%

Standard Hourly Rates*

SVP	\$175-\$275
Program Manager	\$160-\$180
Project Manager	\$100-\$140
Technical Consultant	\$110-\$180
Call Center Manager	\$125
CSR	\$ 43-\$ 50
Processor	\$ 43-\$ 50
Other	\$ 43-\$125

*Subject to change

Additional Administration Assumptions Used to Prepare this Estimate:

Database Development: Receive and Process Database assumes that the data provided is complete with respect to the data components needed to mail and calculate settlement payments. Data that includes multiple records for individuals or work history that needs to be accumulated and totaled by individual generally requires additional efforts to bring to a point where it is final settlement data. These additional efforts can take a significant amount of time and should be considered when setting key settlement dates, especially the mailed notice deadline. Data must be provided in a complete, consistent, standardized electronic format. Rust's standard format is ASCII fixed width complete with field layout. Other formats may be accepted at Rust's discretion. Resources used to enhance or further develop non-standardized data will be billed on a time and materials basis according to Rust's Current Standard Hourly Rates.

CASS/NCOA/LACS: CASS - Coding Accuracy Support System; NCOA - National Change of Address; LACS - Locatable Address Conversion System.

Notice Package: Print and Mail per unit price is estimated. Actual prices will be provided after form is finalized prior to mailing. Notice package includes notice and exclusion form.

Telephone Support is included.

Processing & Administration: Receipt and Process Forms includes open, date stamp, label and data capture a 1-page form with up to five fields.

Project Management: Project Management fees are estimated and will be billed on actual time expended based on the rates found in the Current Standard Hourly Rates section above. The rates included in the estimate are a blended estimate of the rates listed above.

Out of Pocket Expenses: Includes post office box rental, overnight shipments, postage, labels, travel, long distance and other miscellaneous charges and expenses.

Pricing good for 90 days.



Settlement Administration Estimate
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Prepared by:
Andrew Meyer
 Business Development Consultant
 612-987-8835
 ameyer@rustconsulting.com

Administrative Task	Estimated Quantity	Per Unit	Task Amount	Total
Database Development				
Receive and Process Database	1 Hours @	\$ 175	\$ 175	\$ 175
Additional Efforts to Finalize Settlement Data			<i>As Incurred</i>	
Initial Mailed Notice				
CASS / NCOA / LACS Processing			\$ 200	
Spanish Translation			\$ 850	
Print and Mail Notice Package	530 Notices @	\$ 2.00	\$ 1,060	
Postage - 1 Ounce First Class	530 Notices @	\$ 0.63	\$ 334	\$ 2,444
Follow-up to Initial Notice				
Receive Undeliverable Notices and Update Database	80 Notices @	\$ 1.00	\$ 80	
Address Trace	80 Traces @	\$ 0.75	\$ 60	
Remail Notice Package	77 Notices @	\$ 2.00	\$ 154	
Remail Postage - 1 Ounce First Class	77 Notices @	\$ 0.60	\$ 46	\$ 339
Telephone Support				
Telephone Support	9 Months @	\$ 200.00	\$ 1,800	
800# Charges	398 Minutes @	\$ 0.12	\$ 48	
Fax line set-up	1 Fee @	150	\$ 150	\$ 1,998
Website / Email inbox				
Set-up / create static website for documents, information	5 Hours @	\$ 185	\$ 925	
Monthly maintenance and hosting	9 Months @	\$ 75	\$ 675	
Email inbox set-up	1 Set-up @	\$ 250	\$ 250	
Monthly maintenance and hosting	9 Months @	\$ 55	\$ 495	\$ 2,345
Processing and Administration				
Receipt, Process, and Validate Forms	8 Forms @	\$ 5.00	\$ 40	\$ 40
Additional Administrative Services Requested by Client				<i>As Incurred</i>
Fund Distribution				
Print and Mail Payments	522 Payments @	\$ 2.00	\$ 1,044	
Postage - 1 Ounce First Class	522 Payments @	\$ 0.60	\$ 313	
Check Processing	522 Payments @	\$ 0.22	\$ 115	
FDIC fees			\$ 275	
Monthly Bank Account Fee	6 Months @	\$ 75	\$ 450	\$ 2,197
Tax Reporting				
Annual Fee -Qualified Settlement Fund	1 Year @	\$ 750	\$ 750	
Individual Income Tax Reporting (W2 & 1099)	1 Year @	\$ 500	\$ 500	\$ 1,250
Project Management				
Senior Vice President	2 Hours @	\$ 225	<i>waived</i>	
Project Management	26 Hours @	\$ 175	\$ 4,550	
Technical Consulting	8 Hours @	\$ 185	\$ 1,480	\$ 6,030
Other Charges and Out-of-pocket Costs				
				\$ 150
Total Settlement Administration Estimate				\$ 16,967



Settlement Administration Estimate
Zaragoza v. Arc of Ventura
May 8, 2023

Prepared by:
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ameyer@rustconsulting.com

Terms and Conditions

All claims administration services to be provided by Rust Consulting to Customer shall be subject to the following terms and conditions:

1. **Services.** Subject to the terms hereof, Rust Consulting agrees to provide the Customer with claims administration services (hereinafter, "Claims Services") as specified in the Proposal provided to Customer to which these Terms and Conditions are attached.
2. **Term.** The terms of this agreement will remain in effect until completion of the Claims Services, unless earlier terminated in accordance with Section 10 hereof.
3. **Charges for Services.** Charges to the Customer for Claims Services shall be on a time and materials basis at our prevailing rates, as the same may change from time to time. Any fee estimates set forth in the proposal are estimates only, based on information provided by Customer to Rust Consulting. Actual fees charged by Rust Consulting to Customer may be greater or less than such estimate, and Customer shall be responsible for the payment of all such charges and expenses in accordance with Section 4 hereof. Furthermore, Customer will be responsible for payment of all state and local sales and use taxes, if any, levied upon the charges payable by the Customer hereunder. Charges incurred related to resolving post distribution withholdings and related corrective files due to voids and re-issues of payments and related correspondence with state and federal taxing authorities will not be charged to the Customer to the extent that funds are received from the taxing authorities offset these charges. Rust Consulting may derive financial benefits from financial institutions in connection with the deposit and investment of settlement funds with such institutions, including without limitation, discounts on eligible banking services and fees, and loans at favorable rates.
4. **Payment of Charges.** Payment by Customer of Rust Consulting's monthly invoices shall be due upon receipt thereof. Amounts unpaid after thirty (30) days are subject to a service charge at the rate of 1.5% per month or, if less, the highest rate permitted by law. Decisions of the court and actions of the parties, including disapproval or withdrawal of a settlement, do not affect the Customer's liability to Rust Consulting for payment of Claims Services. Claims Services are not provided on a contingency fee basis.
5. **Confidentiality.** Rust Consulting agrees to implement and maintain reasonable and appropriate security measures and safeguards to protect the security and confidentiality of Customer data provided to Rust Consulting by Customer in connection herewith. Should Rust Consulting ever be notified of any judicial order or other proceedings in which a third party seeks to obtain access to the confidential data created by or for the Customer, Rust Consulting will promptly notify the Customer, unless prohibited by applicable law. The Customer shall have the option to (1) provide legal representation at the Customer's expense to avoid such access or (2) promptly reimburse Rust Consulting for any of its costs, including attorneys' fees, reasonably incurred in avoiding, attempting to avoid or providing such access and not paid by the entity seeking the data. If Rust Consulting is required, pursuant to a court order, to produce documents, disclose data, or otherwise act in contravention of the obligations imposed by this Agreement, or otherwise, with respect to maintaining the confidentiality, proprietary nature and secrecy of the produced documents or disclosed data, Rust Consulting will not be liable for breach of said obligation.
6. **Standard Banking Procedures.** In accordance with Rust Consulting's standard banking procedures, Rust Consulting will establish a demand deposit checking account (i.e. non-interest bearing) for funds received related to a distribution, unless directed otherwise in writing by the parties or unless the settlement agreement stipulates otherwise. When directed to invest funds in an interest bearing or investment accounts, Rust Consulting intends to invest all funds in U.S. government backed securities, unless directed by the parties in writing or the settlement agreement or distribution plan to invest in other types of securities; however, even in cases where funds are temporarily placed in interest bearing or investment accounts, funds will eventually be migrated to a demand deposit checking account prior to a fund distribution.
7. **Rights in Data.** Rust Consulting does not convey nor does the Customer obtain any right in the programs, system data, or materials utilized or provided by Rust Consulting in the ordinary course of business in the performance of this Agreement.
8. **Document Retention.** Unless directed otherwise in writing by Customer, Rust Consulting will destroy undeliverable notice mail on the effective date of the settlement or the date that the disposition of the case is no longer subject to appeal or review, whichever is later. Rust will maintain claim forms and other correspondence for one year after final distribution of funds or benefits, or until the date that the disposition of the case is no longer subject to appeal or review, whichever is later. Rust Consulting will retain all bank and tax documents for such period of time as it determines is required to maintain compliance with various federal and state requirements.
9. **Limitation of Liability: Disclaimer of Warranty.** Rust Consulting warrants that our services will be performed with reasonable care in a diligent and competent matter. Our sole obligation will be to correct any non-conformance with this warranty. Rust Consulting shall not be liable, whether under theories of contract, negligence or other tort, statutory duty or other theories of liability in an amount exceeding the total charges to the Customer for the specific work affected by the error or omission. Rust Consulting will not be liable for any incidental, special, indirect, consequential or exemplary damages of any kind; or for any lost profits, lost opportunities, business interruption or for any liability incurred by the Customer or others to any third party. **THE WARRANTIES SET FORTH HEREIN ARE EXCLUSIVE AND ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED, IMPLIED, OR STATUTORY, INCLUDING BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR USE FOR PARTICULAR PURPOSE.**
10. **Termination.** The Claims Services to be provided under this Agreement may be terminated, at will by the Customer upon at least 30 calendar days' prior written notice to Rust Consulting. The Customer's obligation to pay for services or projects in progress at the time of notice of withdrawal shall continue throughout that 30 day period. Rust Consulting may terminate this Agreement (i) with 10 calendar days' prior written notice, if the Customer is not current in payment of charges or (ii) in any event, upon at least 3 months' prior written notice to the Customer.
11. **Notice.** Any notice required or permitted hereunder shall be in writing and shall be delivered personally, by, or sent by registered mail, postage prepaid, or overnight courier service to the responsible officer or principal of Rust Consulting or the Customer, as applicable, and shall be deemed given when so delivered personally, or, if mailed, five days after the date of deposit in United States mail, or, if sent by courier, one business day after delivery to such courier service.
12. **Force Majeure.** To the extent performance by Rust Consulting of any of its obligations hereunder is substantially prevented by reason of any act of God or by reason of any other matter beyond Rust Consulting's reasonable control, then such performance shall be excused and this Agreement, at Rust Consulting's option, be deemed suspended during the continuation of such condition and for a reasonable time thereafter.
13. **Nonwaiver of Rights.** No failure or delay on the part of a party in exercising any right hereunder will operate as a waiver of, or impair, any such right. No single or partial exercise of any such right will preclude any other or further exercise thereof or the exercise of any other right. No waiver of any such right will be effective unless given in a signed writing.
14. **Jurisdiction.** The parties hereto irrevocably and unconditionally submit to the jurisdiction of the Court of the applicable case for purposes of any suit, action or proceeding to enforce any provision of, or based on any right arising out of, this Agreement. The parties hereto hereby irrevocably and unconditionally waive any objection to the laying of venue of any such suit, action or proceeding in the Court.
15. **Survival.** All accrued payment obligations hereunder, any remedies for breach of this Agreement, this Section and the following Sections will survive any expiration or termination of this Agreement: Section 7 (Rights in Data); Section 5 (Confidentiality); Section 9 (Limitation of Liability; Disclaimer of Warranty); and Section 14 (Jurisdiction).
16. **Entire Agreement.** These Terms and Conditions and the proposal embody the entire agreement between the parties with respect to the subject matter hereof, and cancels and supersedes all prior negotiations, representations, and agreements related thereto, either written or oral, except to the extent they are expressly incorporated herein. No changes in, additions to, or waivers of, the terms and conditions set forth herein will be binding upon any party, unless approved in writing by such party's authorized representative.

EXHIBIT 6

Emi@parkerminne.com

From: DIR PAGA Unit <lwdadonotreply@dir.ca.gov>
Sent: Friday, July 14, 2023 3:32 PM
To: emi@parkerminne.com
Subject: Thank you for your Proposed Settlement Submission

07/14/2023 03:31:31 PM

Thank you for your submission to the Labor and Workforce Development Agency.

Item submitted: Proposed Settlement

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