JAURIGUE LAW GROUP 1 Michael J. Jaurigue (SBN 208123) michael@ilglawyers.com 2 Abigail A. Zelenski (SBN 228610) abigail@ilglawyers.com 3 David Zelenski (SBN 231768) david@ilglawyers.com 4 Sehreen Ladak (SBN 307895) MAR 3 0 2017 sehreen@jlglawyers.com 5 Carrier, Executive Officer/Clerk 114 North Brand Boulevard, Suite 200 Glendale, California 91203 6 Telephone: (818) 630-7280 Facsimile: (888) 879-1697 7 HEKMAT LAW GROUP 8 Joseph M. Hekmat (SBN 265229) jhekmat@hekmatlaw.com 9 11111 Santa Monica Boulevard, Suite 1700 Los Angeles, California 90025 10 Telephone: (424) 888-0848 Facsimile: (424) 270-0242 11 Attorneys for Defendants 12 13 FLLEDOYFAX SUPERIOR COURT OF CALIFORNIA 14 COUNTY OF LOS ANGELES 15 16 OMAR RODRIGUEZ, individually and on behalf Case No. BC625121 17 of all others similarly situated, JOINT SUPPLEMENTAL BRIEF IN 18 Plaintiff, SUPPORT OF PRELIMINARY APPROVAL OF CLASS-ACTION SETTLEMENT 19 V. Assigned to Hon. John Shepard Wiley, Jr., 20 HAWK II ENVIRONMENTAL CORP., a Department 311 California corporation; and DOES 1–10, 21 inclusive. Date: April 13, 2017 Time: 11:00 a.m. 22 Defendants. Place: 600 South Commonwealth Avenue, Department 311, Los Angeles, California 90005 23 24 25 26 27

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Further to the Court's March 3, 2017, Order, Plaintiff Omar Rodriguez and Defendant Hawk II Environmental Corp. II submit this Joint Supplemental Brief in Support of Preliminary Approval of Class-Action Settlement. A copy of the Court's March 3, 2017, Order is attached to the concurrently filed Declaration of Abigail Zelenski as **Exhibit 1**.

This Brief is organized pursuant to the eleven points set out in the March 3, 2017, Order. In addressing those points, Plaintiff and Defendant have executed an Amended Stipulation of Settlement and Release, a copy of which is attached to the concurrently filed Zelenski Declaration as **Exhibit 2**. A red-line comparing the original Stipulation of Settlement and Release to the Amended Stipulation is attached to the concurrently filed Zelenski Declaration as **Exhibit 3**. The changes reflected in the red-line have been made to address the points raised in the Court's Order, as discussed in detail below. In addition, changes were made to address various non-substantive typographical and formatting issues.

Also in connection with addressing the points raised in the Court's Order (as well as to address various non-substantive typographical and formatting issues), Plaintiff and Defendant have revised the Notice of Class-Action Settlement, a copy of which is attached to the concurrently filed Zelenski Declaration as **Exhibit 4**. A red-line comparing the original Notice of Class-Action Settlement to the revised Notice is attached to the concurrently filed Zelenski Declaration as **Exhibit 5**.

Similarly, Plaintiff and Defendant have prepared an Employment-Information Sheet and a Change-of-Address Form, both of which are referenced by the Amended Stipulation of Settlement. Copies of the Employment-Information Sheet and Change-of-Address Form are attached to the concurrently filed Zelenski Declaration as **Exhibits 6** and **7**, respectively.

Point 1: "Amend the agreement to state the amount that will be sought by counsel for litigation costs. Modify class notice accordingly."

Paragraphs 13 and 64 of the Amended Stipulation recite that requested litigation costs will not exceed \$7,500. Similarly, the revised Notice of Class-Action Settlement recites, under question 6 on page 2, that requested litigation costs will not exceed \$7,500.

Point 2: "Amend the agreement to specify whether the \$20,000 PAGA payment is 75% of a larger amount, or whether 75% of \$20,000 will be paid to the LWDA and the other 25% to the class. (\P 23) Modify the class notice accordingly."

Paragraph 22 of the Amended Stipulation (renumbered from paragraph 23 in the original Stipulation on account of changes made to address the Court's points, as well as on account of various non-substantive changes to correct errant typographical errors and formatting issues) recites that the PAGA Payment is \$26,667, of which 75% (*i.e.*, \$20,000) will be paid to the LWDA. Likewise, the revised Notice of Class-Action Settlement recites, under question 6 on page 2, that the LWDA's share of the PAGA Payment is \$20,000.

The above-contemplated PAGA Payment to the LWDA comports with the civil-penalty amounts approved in other wage-and-hour litigation. *See*, *e.g.*, *Schiller v. David's Bridal*, *Inc.*, 2012 WL 2117001 at *2, 14 (E.D. Cal. June 11, 2012) (in a \$518,245 settlement, recommending approval of a \$7,500 payment to the LWDA for PAGA after explaining that "[t]his comports with settlement approval of PAGA awards in other cases") (citing *Chu v. Wells Fargo Investments*, *LLC*, 2011 WL 672645 at *1 (N.D. Cal. Feb. 16, 2011) (approving a PAGA settlement payment of \$7,500 to the LWDA out of a \$6.9 million settlement)); *Franco v. Ruiz Food Prods.*, *Inc.*, 2012 WL 5941801 at *2, 14 (E.D. Cal. Nov. 27, 2012) (in a \$2.5 million settlement, approving a \$7,500 PAGA payment to the LWDA after explaining that "[t]his total amount comports with settlement approval of PAGA awards in other cases") (citing *Garcia v. Gordon Trucking*, 2012 WL 5364575 at *3 (E.D. Cal. Oct. 31, 2012) (approving a PAGA settlement payment of \$7,500 to the LWDA out of a \$3.7 million settlement)); *Thio v. Genji*, *LLC*, 14 F. Supp. 3d 1324, 1330, 1337 (N.D. Cal. Aug. 7, 2014) (in a \$1.25 million settlement, approving a PAGA payment of \$10,000 to the LWDA); *Bui v. Sprint Corp.*, 2016 WL 727163 at *2, 3 n.5 (E.D. Cal. Feb. 24, 2016) (in a \$4.85 million settlement, approving a PAGA payment to the LWDA of \$3,750).

Point 3: "Remove any prohibitions against speaking at the fairness hearing if objection procedures are not complied with. (\P 56) Modify class notice accordingly."

The at-issue language has been stricken from paragraph 55 of the Amended Stipulation of Settlement (renumbered from paragraph 56 in the original Stipulation of Settlement on account of changes made to address the Court's points, as well as on account of various non-substantive changes to

correct errant typographical errors and formatting issues). In addition, the Amended Stipulation provides in paragraph 55 that Settlement Class Members who wish to object to the Settlement *may* submit a written objection by the Response Deadline, and there is no provision in the Amended Stipulation that precludes any such Settlement Class Member—or anyone else, for that matter—from voicing his or her concerns (if any) at the final approval hearing. In other words, under the terms of the Amended Stipulation, Settlement Class Members who fail to submit timely written objections will not be prohibited from speaking at the final approval hearing.

Points 4, 5, 7, and 8: "How will the pro rata payments called for in ¶ 64(a)(ii) be calculated? How will the waiting time penalties be allocated? (¶ 64(a)(iii)) For example, will the 20% be divided per capita? Pro rata? Please provide more information about the Previous Settlement Payments described in ¶ 64(a)(iv). What is the size of the average payment? How many class members received such payments? Paragraph 64(a)(iv) provides that amounts from previous settlement payments will be deducted from a class member's settlement payment and will be paid to a cy pres recipient. Consider having such funds redistributed to class members rather instead. How would payment to the Los Angeles Mission fulfill the purpose of this lawsuit? Please provide declarations disclosing any interest or involvement in governance or work of the proposed cy pres recipient by any party or counsel."

Paragraph 60 of the Amended Stipulation of Settlement (renumbered from paragraph 64 in the original Stipulation of Settlement, on account of changes made to address the Court's points, as well as on account of various non-substantive changes to correct errant typographical errors and formatting issues) sets forth the precise formula for computing how the Net Settlement Amount will be divided among Settlement Class Members, as well as how Defendant's previous settlement payments will affect the division. Specifically, the Amended Stipulation explains that 80% of the Net Settlement Amount

¹ As stated in paragraph 52 of the Amended Stipulation of Settlement (renumbered from paragraph 53 in the original Stipulation of Settlement, on account of changes made to address the Court's points, as well as on account of various non-substantive changes to correct errant typographical and formatting issues), Class Members are not required to submit claim forms in order to receive Individual Settlement Payments. Instead, as set forth under question 8 on page 3 of the revised Notice of Class-Action Settlement, settlement checks will be mailed by the Settlement Administrator to all Class Members who do not request exclusion.

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will be allocated to the Settlement Class and distributed pro rata to address the Complaint's wagestatement, meal-and-rest-period, unpaid-overtime, uniform-reimbursement, and liquidated-damages allegations. This pro rata allocation will be based on each Settlement Class Member's Individual Pay Periods relative to the total number of pay periods worked throughout the Class Period by all Settlement Class Members, i.e., each Settlement Class Member's Individual Pay Periods ("x") will be divided by the total of number of pay periods worked throughout the Class Period by all Settlement Class Members ("y"), and that quotient then will be multiplied by 80% of the Net Settlement Amount ("z"): $(x/y) \times z$. The Amended Stipulation also explains in paragraph 60 that the remaining 20% of the Net Settlement Amount will be allocated to, and divided equally among, Settlement Class Members who are former employees of Defendant, to address the Complaint's waiting-time-penalties allegations. In addition, the Amended Stipulation explains that, for all Settlement Class Members who received a previous settlement payment from Defendant in connection with signing a "Confidential General Release Agreement," their respective shares of the Net Settlement Amount will be reduced by the amount of their respective previous settlement payments. As recited in paragraph 60 of the Amended Stipulation, Plaintiff and Defendant have agreed that those offset amounts will be donated to the Los Angeles Mission's Urban Training Institute.

In answer to the Court's request for more information about the previous settlement payments, Plaintiff and Defendant state as follows:

- There are approximately 109 Class Members in this action. (Supplemental Decl. of Abigail Zelenski in Supp. of Preliminary Approval of Class-Action Settlement [filed concurrently herewith] ("Zelenski Decl.") ¶ 6.)
- Defendant's counsel has provided 57 separate Confidential General Release
 Agreements to Plaintiff's counsel. (Zelenski Decl. ¶ 6.) Each of these 57
 Agreements was signed by a separate Class Member. (Zelenski Decl. ¶ 6.) Plaintiff's

² Paragraph 6 of the Amended Stipulation of Settlement defines the Class Period as running from February 24, 2012, through January 26, 2017. January 26, 2017, is the date that the original Stipulation of Settlement was fully executed. Paragraph 6 of the original Stipulation defined the Class Period as running from February 24, 2012, through the date that the original Stipulation was fully executed. By cutting off the Class Period at January 26, 2017, the Amended Stipulation effectively retains the original Stipulation of the Class Period.

counsel was not involved in any way in getting any Class Members to sign these Agreements. (Zelenski Decl. ¶ 6; Supplemental Decl. of Joseph Hekmat in Supp. of Preliminary Approval of Class-Action Settlement [filed concurrently herewith] ("Hekmat Decl.") ¶ 2.) Defendant's counsel has informed Plaintiff's counsel that these 57 Agreements reflect the total universe of all Confidential General Release Agreements signed by any Class Member in this action. (Zelenski Decl. ¶ 6.)

- Under the express terms of each of the 57 Confidential General Release Agreements,
 Defendant obligated itself to pay a previous settlement payment to each signing Class
 Member. (Zelenski Decl. ¶ 6.) Of the 57 Agreements, 41 of them specify a previous
 settlement payment of \$187, and 16 of them specify a previous settlement payment of
 \$840. (Zelenski Decl. ¶ 6.)
- The Confidential General Release Agreements all bear signatures dated during the Class Period. (Zelenski Decl. ¶ 6.)
- Irrespective of the amount of each previous settlement payment, each Confidential General Release Agreement recites that the signing Class Member is releasing Defendant from all claims—whether known or unknown—through the date of signing, including claims under the California Labor Code, the California Business and Professions Code, and the California Private Attorneys General Act. (Zelenski Decl. ¶ 6.)

Based on the foregoing, the total amount that Defendant already has paid to 57 of the 109 Class Members in the form of previous settlement payments is \$21,107. To the extent that these 57 Class Members received payments after executing comprehensive general releases, it would be inequitable to calculate their respective Individual Settlement Payments without applying an offset for their previous settlement payments. This is not to say, however, that these 57 Class Member will not receive anything under the Amended Stipulation of Settlement. Here, assuming that the Settlement Administrator's estimated Administration Costs (\$12,000), Class Counsel's Fee and Expense Award (\$83,325 + \$7,500 = \$90,825), Plaintiff's Service Payment (\$7,500), and the LWDA's share of the PAGA Payment (\$20,000) all are approved in full, the total of the \$250,000 Maximum Settlement Amount remaining

will be \$119,675; assuming that no Class Members request exclusion, this results in an average Individual Settlement Payment across all 109 Class Members of \$1,098. That average award exceeds the \$187 and \$840 amounts recited in the Confidential General Release Agreements.³ Accordingly, even if none of the 57 Class Members who signed such Agreements request exclusion, they still can expect to receive amounts under the Amended Stipulation of Settlement; in all fairness, to the extent that they received previous settlement payments, they should not be permitted to obtain double-recoveries at the expense of Settlement Class Members who did not receive previous settlement payments. Again, as set forth in paragraph 60 of the Amended Stipulation, those offset amounts will be donated to the Los Angeles Mission's Urban Training Institute—a program focused on providing adult-education services to the Los Angeles community, which helps community members find gainful employment. (*See* Zelenski Decl. ¶ 7.) This helps to further the purpose of this lawsuit: recovering unpaid wages for relatively low-paid, hourly, Los Angeles-area gas-station employees.

As set forth in the revised Notice of Class-Action Settlement, under question 7 on page 3, each Class Member's estimated Individual Settlement Payment will be set forth on his or her Employment-Information Sheet. As explained in the revised Notice, the estimate will be calculated based on an assumption that no Class Members will exclude themselves. The revised Notice also states that, if Class Members exclude themselves, Settlement Class Members can expect to receive more than the estimate printed on the Employment-Information Sheet. Furthermore, each of the 57 Class Members who received a previous settlement payment will have a statement on their respective Employment-Information Sheets informing them of the amount of their respective previous settlement payments. For these Class Members, the estimate of their respective Individual Settlement Payments will be computed after subtracting the amount of their respective previous settlement payments.

Both Plaintiff and his counsel hold no interest, and have no involvement, in the Los Angeles Mission's governance, and they hold no interest, and have no involvement, in the Los Angeles Mission's

³ Plaintiff and Defendant recognize that Employer-Side Payroll Taxes still must be deducted from the Maximum Settlement Amount. However, under paragraph 60 of the Amended Stipulation of Settlement, the only portion of any Individual Settlement Payment that constitutes wages is one-third of the 80% portion earmarked for the Complaint's wage-statement, meal-and-rest-period, unpaid-overtime, uniform-reimbursement, and liquidated-damages allegations.

work. (Supplemental Decl. of Omar Rodriguez in Supp. of Preliminary Approval of Class-Action Settlement [filed concurrently herewith] ¶ 3; Zelenski Decl. ¶ 7; Hekmat Decl. ¶ 3.) Prior to signing the original Stipulation of Settlement, Defendant's counsel confirmed to Plaintiff's counsel that the same holds true for both Defendant and Defendant's counsel. (Zelenski Decl. ¶ 7; Hekmat Decl. ¶ 3.) Defendant's counsel re-confirmed this before the execution of the Amended Stipulation of Settlement. (Zelenski Decl. ¶ 7; Hekmat Decl. ¶ 3; Decl. of Joseph Bezerra [filed concurrently herewith] ¶ 3; Decl. of Devon M. Lyon [filed concurrently herewith] ¶ 2.)

Point 6: "Paragraph 59 allows Defendant to cancel if 7% or more of the class opts out. What is the class size?"

Again, the Class consists of approximately 109 individuals. (Zelenski Decl. ¶ 6.) Paragraph 57 of the Amended Stipulation of Settlement (renumbered from paragraph 59 in the original Stipulation of Settlement, on account of changes made to address the Court's points, as well as on account of various non-substantive changes to correct errant typographical errors and formatting issues) recites that there are approximately 109 Class Members, meaning that Defendant can exercise its right to cancel only if eight or more Class Members submit timely, non-defective requests for exclusion.

Point 9: "The class notice needs modification. At ¶ 5, please remove the statement that Judge Wiley decided anything; simply state the class definition as contained in the agreement. Include the cost of settlement administration, litigation costs, and the corrected amounts of the PAGA payment in ¶ 6. Modify ¶ 8 to more correctly inform class members when they may expect to receive payments. As the settlement is being funded in installments, the last of which is to be made 4 months after the Effective Date, the statement that checks will be mailed about 14 days after judgment is not accurate. What is the website the parties intend to insert in ¶ 18? Please do not use the Court's website, as this is not a place where documents may be viewed for free. If the settlement administrator will be maintaining a website, please include that information in ¶ 19."

The revised Notice of Class-Action Settlement contains no references to the Court's having decided anything. In addition, the revised Notice recites, under question 6 on page 2, the estimated amount of the Administration Costs, the maximum amount of to-be-requested litigation costs, and the LWDA's share of the PAGA Payment. The revised Notice also specifies, under question 18 on page 6,

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a website address to be maintained by the Settlement Administrator: www.Phoenixclassaction/ RodriguezvHawk.com. That website address is repeated under question 19 on page 6 of the Notice.

As for the installment-plan structure, Plaintiff and Defendant state that the language in the original Notice that settlement checks will be mailed about fourteen days after the Effective Date is, in fact, correct. Under the contemplated payment schedule—set forth in paragraph 59 of the Amended Stipulation of Settlement (renumbered from paragraphs 62 and 63 in the original Stipulation of Settlement, on account of changes made to address the Court's points, as well as on account of various non-substantive changes to correct errant typographical errors and formatting issues)—Defendant is required to fund \$190,000 of the \$250,000 Maximum Settlement Amount within five days of the Effective Date. As detailed above, assuming that Class Counsel's Fee and Expense Award, Plaintiff's Service Payment, the LWDA's share of the PAGA Payment, and the Settlement Administrator's Administration Costs all are approved in full, the total of the \$250,000 Maximum Settlement Amount remaining will be \$119,675. This amount is less than the \$190,000 set to be funded within five days of the Effective Date. In other words, within five days of the Effective Date, enough of the Maximum Settlement Amount will have been funded to support all payments to the Settlement Class, as well as the Service Payment, the LWDA's share of the PAGA Payment, and the Administration Costs. All of those amounts therefore can be paid within fourteen days of the Effective Date. The only entity that will not be paid within fourteen days of the Effective Date is Class Counsel. The Amended Stipulation of Settlement makes this explicit in paragraph 64, stating that the Fee and Expense Award shall be paid to Class Counsel only after the *entirety* of the Maximum Settlement Amount has been funded.

Point 10: "Please submit a sample of the Employment Information sheet."

The template Employment-Information Sheet is attached to the Amended Stipulation of Settlement as Exhibit 2.⁴ Also attached to the Amended Stipulation are the revised Notice of Class-Action Settlement (Exhibit 1 to the Amended Stipulation) and a template Change-of-Address Form

⁴ As stated above, the Employment-Information Sheet also is attached as Exhibit 6 to the concurrently filed Zelenski Declaration.

⁵ As stated above, the revised Notice of Class-Action Settlement also is attached as Exhibit 4 to the concurrently filed Zelenski Declaration, and the template Change-of-Address Form is attached as Exhibit 7 to the concurrently filed Zelenski Declaration.

1	PROOF OF SERVICE	
2	I am employed in the County of Los Angeles; I am over the age of eighteen years and am not a party to the within action; and my business address is 114 North Brand Boulevard, Suite 200, Glendale, California 91203.	
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4 5	On March 30, 2017, I served the document(s) described as JOINT SUPPLEMENTAL BRIEF IN SUPPORT OF PRELIMINARY APPROVAL OF CLASS-ACTION SETTLEMENT on the interested parties in this action as follows:	
6	BY U.S. MAIL: I am readily familiar with the firm's practice of collection and processing	
7	Ц	correspondence for mailing. Under that practice, an envelope(s) containing the document(s)
prepaid, at Glendale, California in the ordinary course of business. I am aware	would be deposited with the U.S. Postal Service on that same day, with postage thereon fully prepaid, at Glendale, California in the ordinary course of business. I am aware that, on motion of	
9		the party served, service is presumed invalid if the postal-cancellation date or postage-meter dat is more than one day after the date of deposit for mailing.
10		BY OVERNIGHT DELIVERY OR EXPRESS MAIL I enclosed the document(s) in an envelope(s) or package(s) allowed by an overnight-delivery carrier and/or by the U.S. Post
Office for express mail, and addressed to the person(s) at the address(es) a	Office for express mail, and addressed to the person(s) at the address(es) above. I placed the envelope(s) or package(s) for collection and overnight delivery or express mail at an office or a	
12		regularly utilized drop-box of the overnight-delivery carrier, or I dropped it off at the U.S. Post Office.
13	XXX	XXX BY ELECTRONIC DELIVERY VIA CASE ANYWHERE: In accordance with the Court's rules governing Los Angeles Superior Court Case No. BC625121 requiring that all documents be served upon interested parties via the Case Anywhere system.
14	AAA	
15 16	I declare under penalty of perjury under the laws of the State of California and the United States that the foregoing is true and correct. Executed on March 30, 2017 , at Glendale, California.	
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18		Abigail Zelenski
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