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8
9 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
10 **THE COUNTY OF LOS ANGELES**

11 JOEL PASNO, JOHN KUNTZ, and
12 RODELLA HURTADO, individually and on
behalf of all others similarly situated,

13 Plaintiff,

14 v.

15 HIBU INC., a Delaware Corporation,
16 Defendants.
17

Case No.: 22STCV01361

CLASS ACTION:

**DECLARATION OF LLUVIA ISLAS
REGARDING SETTLEMENT
NOTICE ADMINISTRATION**

Assigned for all purposes to:
Hon. Maren E. Nelson, Dept. SSC-17

Final Approval Hearing:
September 15, 2023, 9 A.M.

1 **DECLARATION OF LLUVIA ISLAS**

2 I, Lluvia Islas, declare as follows:

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

7 2. Phoenix was selected by the Parties to provide notice of the Settlement and perform
8 class administration duties in this Action. Pursuant to the Stipulation of Class Action and PAGA
9 Settlement (“Settlement Agreement” or “Settlement”) for this matter, Phoenix is responsible for: (i)
10 preparing, translating, printing, and mailing the *Notice of Proposed Class Action Settlement and*
11 *Hearing Date for Court Approval* (“Notice”); (ii) responding to any inquiries from Class Members;
12 (iii) calculating the number of weeks each Class Member worked during the period from January
13 12, 2018 to December 13, 2022 (“Class Period”) and the number of workweeks that each Aggrieved
14 Employee worked during the time period from October 26, 2020 to December 13, 2022 (“PAGA
15 Period”); (iv) determining the validity of any letters indicating a request to be excluded from the
16 Class Settlement (“Requests for Exclusion”), any written objections to the Class Settlement
17 (“Objections”), and/or any disputes regarding the number of Workweeks submitted by Class
18 Members; (v) calculating the Net Settlement Amount and the Individual Settlement Shares to Class
19 Members; (vi) calculating and issuing the Individual Settlement Payments and distributing them to
20 Settlement Class Members and Individual PAGA Payments to Aggrieved Employees; (vii) issuing
21 the payment to Class Counsel for attorneys’ fees and costs, the Enhancement Payments to both
22 Plaintiffs, and the employer/employee payroll taxes to the appropriate taxing authorities; and (viii)
23 such other tasks as set forth in the Settlement Agreement or as the Parties mutually agree or as the
24 Court orders.

25 3. On May 26, 2023, Phoenix received a data file from Defense Counsel that contained
26 names, last known mailing addresses, Social Security numbers, dates of employment, and
27 workweeks for each Class Member (“Class List”) during the Class Period. The final mailing list
28 contained one hundred forty-two (142) individuals identified as Class Members.

1 4. On May 28, 2023, Phoenix conducted a National Change of Address (“NCOA”)
2 search in an attempt to update the class list of addresses as accurately as possible. A search of this
3 database provides updated addresses for any individual who has moved in the previous four (4)
4 years and notified the U.S. Postal Service of their change of address.

5 5. On June 16, 2023, Phoenix mailed the Notice via U.S. first class mail, in English, to
6 all one hundred forty-two (142) Class Members on the Class List. A true and correct copy of the
7 mailed Notice is attached hereto as **Exhibit A**.

8 6. As of the date of this declaration, eleven (11) Notices have been returned to Phoenix.
9 None were returned with a forwarding address. For the eleven (11) Notices returned from the Post
10 Office without a forwarding address, Phoenix attempted to locate a current mailing address using
11 TransUnion TLOxp, one of the most comprehensive address databases available for skip tracing.
12 Of the eleven (11) Notices that were skip traced, seven (7) updated addresses were obtained and the
13 Notice was promptly re-mailed to those Class Members via first class mail. The latest remailed
14 Notice was re-mailed on July 12, 2023.

15 7. As of the date of this declaration, four (4) Notices remain undeliverable, because an
16 updated address could not be obtained via skip trace.

17 8. As of the date of this declaration, Phoenix has received one (1) Request for Exclusion
18 from Class Member David Song. The deadline to request exclusion from the Class Settlement was
19 July 31, 2023.

20 9. As of the date of this declaration, Phoenix has received zero (0) Notices of Objection
21 from Class Members. The deadline for objecting to the Class Settlement was July 31, 2023.

22 10. As of the date of this declaration, Phoenix has received zero (0) Workweek disputes
23 from Class Members. The deadline for submitting a dispute was July 31, 2023.

24 11. The Escalator Clause of the Settlement Agreement indicates if the actual Class Size
25 exceeds one hundred thirty-nine (139) individuals as of July 31, 2023, the Gross Settlement Amount
26 shall be increased by an amount equal to the GSA multiplied by a fraction, the numerator of which
27 is the number of Class Members as of July 31, 2022 in excess of one hundred thirty-nine (139), and
28 the denominator of which is one hundred thirty-nine (139). The total number of Class Members was

1 one hundred thirty-two (132) as of July 31, 2023. (The remaining ten (10) Class Members began
2 employment with Defendant after July 31, 2023.) Since the total number of Class Members did not
3 exceed one hundred thirty-nine (139) as of July 31, 2023, the Escalator Clause was not triggered.

4 12. The Net Settlement Amount of \$62,390.08 available to pay Settlement Class
5 Members was determined by subtracting the requested Class Counsel attorneys' fees (\$46,666.67),
6 and Class Counsel costs (\$10,393.25), requested Enhancement Payment to Plaintiffs Kuntz
7 (\$5,000.00), Pasno (\$2,500.00), and Hurtado (\$2,500.00), the PAGA Amount (\$5,000.00), and the
8 requested Settlement Administration Costs (\$6,800.00) from the Gross Settlement Amount
9 (\$140,000.00).

10 13. There are one hundred forty-one (141) Class Members who did not submit timely
11 and valid Requests for Exclusion and are therefore deemed Settlement Class Members, representing
12 99% of the Class. Settlement Class Members have worked a collective total of six thousand six
13 hundred eighteen (6,618.80) Workweeks during the Class Period. The highest Individual Settlement
14 Share to be paid is approximately \$2,374.00, the lowest Individual Settlement Share to be paid is
15 approximately \$9.24 and the average Individual Settlement Share to be paid is approximately
16 \$433.62. Settlement Class Members will be issued payment of their Individual Settlement Shares
17 subject to reduction for the Settlement Class Member's share of taxes and withholdings with respect
18 to the wages portion of the Individual Settlement Share (the net payment is their "Individual
19 Settlement Payment"). Pursuant to the Settlement, Defendant has agreed to fund the employer-side
20 taxes due separately and apart from the Gross Settlement Amount.

21 14. Additionally, \$5,000.00 of the Gross Settlement Amount has been allocated toward
22 penalties under the Private Attorneys General Act ("PAGA Amount"), of which 75%, or \$3,750.00,
23 shall be paid to the Labor and Workforce Development Agency ("LWDA"), and 25%, or \$1,250.00,
24 shall be paid to Aggrieved Employees who are or were employed by Defendant during the PAGA
25 Period. There are seventy-eight (78) Aggrieved Employees who worked a total of two thousand
26 seven hundred thirty-one (2,731) workweeks during the PAGA Period. The highest Individual
27 PAGA Payment to be paid is approximately \$51.26, the lowest Individual PAGA Payment to be
28 paid is \$0.46 and the average Individual PAGA Payment to be paid is approximately \$16.03.

1 15. Plaintiff Kuntz is estimated to receive a gross settlement payment of \$212.46,
2 Plaintiff Hurtado is estimated to receive a gross settlement payment of \$368.41, and Plaintiff Pasno
3 is estimated to receive a gross settlement payment of \$785.17.

4 16. Phoenix's costs associated with the administration of this matter are \$6,800.00. This
5 includes all costs incurred to date, as well as estimated costs involved in completing the settlement
6 distribution. A true and correct copy of the invoice from Phoenix is attached hereto as **Exhibit B**.

7
8 I declare under penalty of perjury of the laws of the State of California that the foregoing is
9 true and correct.

10 Executed this 22nd day of August 2023, at Orange, California.

11
12 

13 _____
14 LLUVIA ISLAS

Exhibit A

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT AND HEARING DATE FOR COURT APPROVAL

Pasno, et al. v. Hibu Inc.
Los Angeles County Superior Court, Case No 22STCV01361

**PLEASE READ THIS CLASS NOTICE CAREFULLY. YOUR LEGAL RIGHTS
ARE AFFECTED BY IT.**

*The California Superior Court, County of Los Angeles, authorized this Class Notice.
This is not a solicitation from a lawyer.*

If you worked for Hibu Inc. (“Hibu” or “Defendant”) between January 12, 2018 and December 13, 2022 (“Class Period”) in California as an Account Representative, Account Executive, Digital Account Executive, or in another non-management sales representative position, you are entitled to receive payment in this Class Action Settlement (this “Settlement”). All such employees are referred to herein as “Class Members.”

This Settlement resolves a class-action lawsuit (the “Lawsuit”) brought by Plaintiffs Joel Pasno, John Kuntz, and Rodella Hurtado (“Plaintiffs”) alleging that Defendant failed to adequately reimburse Class Members for necessarily incurred business expenses, failed to pay Class Members overtime pay for hours worked during the first three weeks of their employment (initial sales training), failed to pay such overtime wages owed upon discharge from employment, failed to furnish accurate wage statements during the first three weeks of their employment (initial sales training), and engaged in unfair business practices. In the Lawsuit, Plaintiffs seek recovery of unreimbursed expenses, unpaid overtime wages, statutory penalties, restitution, interest, and attorneys’ fees and costs. Plaintiffs also seek penalties under the Private Attorneys’ General Act (“PAGA”) for “Aggrieved Employees” who are those Class Members who worked for Hibu at any time during the “PAGA Period” which Plaintiffs define as the time period between October 26, 2020 and December 13, 2022.

The terms of the Settlement are set forth in Section 3 below. How your share of the Settlement is determined is set forth in Section 4 below. The Settlement is being administered by Phoenix Settlement Administrators (the “Administrator”).

Based on Hibu’s records, your Settlement Payment is estimated to be «Class_Amount» (less withholding) and your PAGA Payment is estimated to be «PAGA_Amount». (There is a “0” for your estimated PAGA Payment if you did not work during the PAGA Period.) The actual amount you receive may be different, depending on a number of factors, including if the amounts of attorneys’ fees and expenses, service payments to the Plaintiffs, administrative costs and PAGA penalties as set forth in Section 3 differ from those amounts approved by the Court in its final order of approval of the Settlement. The above estimates are based on Hibu’s records showing that you worked «Class_Workweeks_» workweeks during the Class Period and that you worked «PAGA_Workweeks_» workweeks during the PAGA Period. If you believe that you worked more workweeks during either period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already granted preliminary approval of the proposed Settlement and has approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or do not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to grant final approval of the Settlement and how much of the Settlement will be paid to Plaintiffs and Plaintiffs’ attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires Hibu to make payments

under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Hibu.

Defendant will not retaliate against you for any actions you take with respect to the proposed Settlement.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING AND RECEIVE PAYMENT	Get a payment and give up your legal rights to pursue claims released by the settlement of the Lawsuit.
OPT OUT OF THE CLASS SETTLEMENT (BUT NOT THE PAGA SETTLEMENT) BY JULY 31, 2023.	Exclude yourself from the Settlement, get no payment other than your share of the PAGA penalties, and retain your legal rights to pursue claims that would otherwise be released by the settlement of the Lawsuit. See Section 7 of this Notice regarding the opt-out procedure.
OBJECT TO THE CLASS SETTLEMENT (BUT NOT THE PAGA SETTLEMENT) BY JULY 31, 2023.	If you do not opt out, you may object to the Settlement by mailing, e-mailing or faxing your objection to the Settlement Administrator. The Court’s decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiffs who pursued the Lawsuit on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiffs, but every dollar paid to Class Counsel and Plaintiffs reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiffs if you think they are unreasonable. See Section 8 of this Notice regarding the procedure for objections.
APPEAR AT THE FINAL APPROVAL HEARING	You may appear and address the Court during the Final Approval hearing scheduled for September 15, 2023, at 9:00 a.m., in Department 17 of the Los Angeles County Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012. You don’t have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court’s virtual appearance platform. You can verbally object to the Class Settlement at the Final Approval Hearing. If the Court approves the Class Settlement despite your objection, you will still be bound by the Class Settlement. See Section 9 of this Notice for more information regarding the Final Approval Hearing.
CHALLENGE THE CALCULATION OF YOUR WORKWEEKS. WRITTEN CHALLENGES MUST BE SUBMITTED BY JULY 31, 2023.	The amount of your Payment and PAGA Payment (if any) depend on how many workweeks you worked during the Class Period and PAGA Period, respectively, which are stated on page 1 of this Notice. If you disagree with either of these numbers, you may submit a challenge by July 31, 2023. See Section 4 of this Notice.

INFORMATION ABOUT THE SETTLEMENT

1. What is this Lawsuit about?

Plaintiffs Joel Pasno, John Kuntz, and Rodella Hurtado (collectively, “Plaintiffs”) allege that between January 12, 2018 and December 13, 2022, Defendant violated California law by failing to adequately reimburse Class Members for reasonable and necessary business expenses, failing to pay overtime during the first three weeks of employment (training weeks), failing to pay such overtime wages due upon discharge from employment, and failing to issue accurate itemized wage statements. Based on the same claims, Plaintiffs also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) (“PAGA”). Defendant strongly denies each of these allegations and contends that Plaintiffs’ claims have no merit whatsoever.

2. What does it mean that the Lawsuit has settled?

Defendant and Plaintiffs negotiated an end to the case by agreement (settled the case) rather than continuing the expensive and time-consuming process of litigation. The Court has made no determination whether Defendant or Plaintiffs are correct on the merits. There has been no trial in this case. By agreeing to settle, Hibu does not admit any violations or concede the merit of any claims.

Plaintiffs and Class Counsel believe that this settlement is fair and reasonable and is in the best interests of all Class Members. Plaintiffs and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Hibu has agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) the Settlement is in the best interests of the Class Members and Aggrieved Employees (i.e., those Class Members who worked for Defendant during the PAGA Period). The Court granted preliminary approval of the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

3. What Are the terms of the Settlement?

1. **Gross Settlement Amount:** The Parties have agreed to settle the Lawsuit for a “Gross Settlement Amount” of One Hundred Forty Thousand Dollars (\$140,000) on a non-reversionary basis. This means that the entire Gross Settlement Amount will be paid by Defendant and paid out to Class Members and Aggrieved Employees, subject to various Court-approved deductions.
2. **Court Approved Deductions from Gross Settlement:** At the Final Approval Hearing, Plaintiffs and Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - (a) attorneys’ fees not to exceed 1/3 (\$46,666.67) of the Gross Settlement and actual, reasonably incurred costs of Class Counsel not exceeding \$15,000;
 - (b) payments to the Class Representatives not to exceed \$10,000 in the aggregate for filing the Lawsuit, working with Class Counsel and representing the Class;
 - (c) all costs of third-party administration estimated at approximately \$7,000; and
 - (d) Up to \$5,000 for PAGA Penalties, allocated 75% to the California Labor & Workforce Development Agency (LWDA), and 25% to Aggrieved Employees based on their PAGA Period workweeks.

Participating Class Members have the right to object to the amounts of the deductions in items 2(a)-(c) above. The Court will consider the objections.

3. Net Settlement Distributed to Class Members. What remains after these payments are made is called the “Net Settlement Amount,” which is estimated to be in the amount of approximately \$56,333.33 depending on the final Court-approved deductions as discussed above. The Net Settlement Amount shall be distributed pro rata to each Class Member based on the number of workweeks worked during the Class Period, as described in the next section.

4. How much will I get from the settlement and how will it be taxed?

1. Individual Settlement Payments. The Administrator will calculate Individual Settlement Payments by (a) dividing the Net Settlement Amount by the total number of workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of workweeks worked by each individual Participating Class Member.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$1,250.00 by the total number of PAGA Period workweeks worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period workweeks worked by each individual Aggrieved Employee.
3. Workweek Challenges. The number of workweeks you worked during the Class Period and PAGA Period, as recorded in Hibu’s records, are stated on the first page of this Notice. You have until July 31, 2023 to challenge the number of workweeks credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 10 of this Notice has the Administrator’s contact information. You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Hibu’s calculation of workweeks as accurate unless you send copies of records that demonstrate that Hibu’s calculation is inaccurate. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve workweek challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and Hibu’s Counsel. The Administrator’s decision is final. You can’t appeal or otherwise challenge its final decision.
4. Taxes Owed on Payments to Class Members. Plaintiff and Hibu are asking the Court to approve an allocation of 10% of each Payment to taxable wages (“Wage Portion”) and 90% to non-wage income (“Non-Wage Portion”). The Wage Portion is subject to withholdings and will be reported on an IRS Form W2. Hibu will separately pay the employer’s share of payroll taxes it owes on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Non-Wage Portions of the Individual Class Payments and the Individual PAGA Payments on IRS Forms 1099. Although Plaintiffs and Hibu have agreed to these allocations, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes on any Payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

5. When will I get my payment?

The Administrator will send, by U.S. mail, a check to each Participating Class Member (i.e., every Class Member who doesn’t opt-out from the Settlement) including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member).

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 10 of this Notice has the Administrator’s contact information.

Need to Promptly Cash Payment Checks. The front of every check will show the date when the check expires (the void date is 180 days after the date the check is issued). If you don't cash your check by the void date, your check will be automatically cancelled, and the monies will irrevocably lost to you because they will be paid to the non-profit organization or foundation ("Cy Pres") Bet Tzedek.

6. What claims am I releasing?

Participating Class Members' Release. After the Judgment is final and Hibu has fully funded the Gross Settlement and all employer payroll taxes, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Hibu or related entities based on the facts alleged or the facts that reasonably could have been alleged in the First Amended Complaint in the Lawsuit and arising during the Class Period, or any lawsuit for PAGA penalties based on the PAGA claims or PAGA causes of action that were alleged in the First Amended Complaint in the Lawsuit, or that reasonably could have been alleged based on the facts alleged and statutes listed in Plaintiffs' PAGA notices, and arising during the PAGA Period. The Participating Class Members will be bound by the following release:

Effective on the date that Defendant fully funds the Gross Settlement, Settlement Class Members shall be deemed to have fully released the Released Parties (defined below) from any and all claims, debts, liabilities, demands, obligations, penalties, guarantees, costs, expenses, attorney's fees, damages, action or causes of action, whether known or unknown, that were alleged or that reasonably could have been alleged based on the facts alleged in the First Amended Complaint in the Lawsuit, including, but not limited to, any claims for the failure to reimburse business expenses (Labor Code § 2802), the failure to pay overtime wages (Labor Code §§ 510 and 1194), the failure to timely and fully pay all wages due at termination (Labor Code §§ 201- 203), the failure to provide accurate and timely pay statements (Labor Code §§ 226(a) and (e)), and claims under the applicable Wage Order, as well as claims under Business and Professions Code §§ 17200 et seq., based on alleged violations of these Labor Code provisions and arising during the Class Period. Settlement Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

"Released Parties" means Defendant and its present and former parents, subsidiaries, affiliates, and joint ventures, and its and their shareholders, owners, officers, directors, non-Class Member employees, agents, servants, registered representatives, attorneys, insurers, successors, contractors, vendors, agencies, staffing agencies, and assigns, and any other persons acting by, through, under, or in concert with any of them.

Aggrieved Employees' PAGA Release. After the Court's judgment is final and Hibu has paid the Gross Settlement, all Aggrieved Employees will be barred from asserting PAGA claims and causes of action against Hibu, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against Hibu or its related entities based on the facts alleged or that reasonably could have been alleged in the First Amended Complaint in the Lawsuit and arising during the PAGA Period. The Aggrieved Employees' Release is as follows:

Effective on the date that Defendant fully funds the Gross Settlement, all Aggrieved Employees, whether or not they exclude themselves from the Settlement, fully, finally, and forever release, settle, compromise, extinguish, and discharge the Released Parties for all claims and causes of action for civil penalties under Labor Code §§ 2699 and 2699.3 that were alleged in the First Amended Complaint in the Lawsuit or that reasonably could have been alleged based on the facts alleged in the First Amended Complaint in the Lawsuit and in Plaintiffs' January 26, 2022 PAGA Notice, including claims under Labor Code §§ 201, 202, 226(a), 510, 2802, and IWC Wage Order No. 4-2001, § 3.

Effect of Settlement on Other Pending Litigation. There is a lawsuit pending in United States District Court for the Eastern District of California, *Lori Cruz v. Hibu, Inc.*, Case No. 2:22-cv-00959 (“*Cruz*”). In that lawsuit, the plaintiff, on behalf of herself and a putative class of other sales representatives employed by Hibu in California asserts claims for wages and overtime allegedly owed to the plaintiff and the putative class, related claims for allegedly inaccurate pay statements and waiting time penalties for the alleged late payment or non-payment of wages on termination of employment, and claims for PAGA civil penalties arising from those claims. This Settlement releases the claims

asserted in the *Cruz* case only to the extent that they relate to work performed during the first three weeks of employment (initial sales training) within the Class Period. This settlement also releases claims for PAGA civil penalties arising from work performed during the first three weeks of employment (initial sales training) and from Defendant’s alleged failure during the PAGA Period to reimburse business expenses in violation of Labor Code § 2802.

7. How can I opt out of this Settlement?

You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator via mail, email or fax, not later than July 31, 2023, that you wish to opt out. The easiest way to opt out is to send a written and signed Request for Exclusion to the Administrator by the July 31, 2023 Response Deadline. The Request for Exclusion should be from a Class Member or his/her representative setting forth the Class Member’s name, address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Settlement Payments, except for PAGA Payments as noted below, but will preserve their rights to personally pursue wage and hour claims against Defendant.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement remain eligible for PAGA Payments. They are not permitted to opt-out of the PAGA portion of the Settlement and are required to give up their right to assert any future PAGA claims against Hibu based on the PAGA Period facts alleged or that reasonably could have been alleged in the Lawsuit.

8. How do I tell the Court that I do not agree with the Settlement?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiffs and Hibu are asking the Court to approve. At least 16 court days before the September 15, 2023 Final Approval Hearing, Class Counsel and/or Plaintiffs will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Award stating (i) the amount Class Counsel is requesting for attorneys’ fees and litigation expenses; and (ii) the amount Plaintiffs are requesting as a Class Representative Service Award. Upon reasonable request, Class Counsel (whose contact information is in Section 10 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator’s Website <https://www.phoenixclassaction.com/pasno-v-hibu/> or the Court’s website <https://www.lacourt.org/casesummary/ui/index.aspx?casetype=civil>.

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiffs are too high. **The deadline for sending written objections to the Administrator is JULY 31, 2023.** Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Lawsuit, *Pasno, et al. v. Hibu Inc.*, Case No. 22STCV01361, and include your name, current address, telephone number, and approximate dates of employment for Hibu and sign the objection. Section 10 of this Notice has the Administrator’s contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 9 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

9. Can I attend the Final Approval Hearing?

You can, but don't have to, attend the Final Approval Hearing on September 15, 2023, at 9:00 a.m., in Department 17 of the Los Angeles Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiffs, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via LACourtConnect (<https://www.lacourt.org/lacc/>). Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website <https://www.phoenixclassaction.com/pasno-v-hibu/> beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

10. Are there more details about the Settlement?

Everything Hibu and Plaintiffs have promised to do under the proposed Settlement is set forth in the Class Action Settlement Agreement (the "Settlement Agreement"). You can review the Settlement Agreement and Plaintiffs' Motion for Preliminary Approval of Class Action Settlement on the Administrator's website at <https://www.phoenixclassaction.com/pasno-v-hibu/>. Once issued, you may also read the Court's final judgment on the Administrator's website. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (<http://www.lacourt.org/casesummary/ui/index.aspx>) and entering the Case Number for the Lawsuit, Case No. 22STCV01361. You can also make an appointment to personally review court documents in the Clerk's Office at the Stanley Mosk Courthouse by calling (213) 830-0800.

Class Counsel:	Settlement Administrator:
HAMMONDLAW, P.C. Julian Hammond (SBN 268489) jhammond@hammondlawpc.com Polina Brandler (SBN 269086) pbrandler@hammondlawpc.com Ari Cherniak (SBN 290071) acherniak@hammondlawpc.com 1201 Pacific Ave Suite 600 Tacoma WA 98402 Tel: (310) 601-6766 Fax: (310) 295-2385	Phoenix Settlement Administrators Email Address: notice@phoenixclassaction.com Mailing Address: P.O. Box 7208 Orange, CA 92863 Telephone: (800) 523-5773 Fax Number: (949) 209-2503

PLEASE DO NOT CONTACT THE COURT OR DEFENDANT WITH INQUIRIES

11. What if I lose my check?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void you will have no way to recover the money.

Exhibit B



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

CASE ASSUMPTIONS

Class Members	142
Opt Out Rate	0%
Opt Outs Received	1
Total Class Claimants	141
Subtotal Admin Only	\$7,957.75

TOTAL COSTS \$6,800.00

FIXED FEE

August 22, 2023

Case: Parno et al. v. Hibu, Inc. Invoice

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

Administrative Tasks:	Rate	Hours/Units	Line Item Estimate
Programming Manager	\$100.00	3	\$300.00
Programming Database & Setup	\$100.00	3	\$300.00
Toll Free Setup*	\$140.00	1	\$140.00
Call Center & Long Distance	\$2.00	14	\$28.40
NCOA (USPS)	\$0.15	142	\$21.30
Total			\$789.70

Data Merger & Scrub / Notice Packet, Opt-Out Form & Postage / Translation

Project Action	Rate	Hours/Units	Line Item Estimate
Notice Packet Formatting	\$105.00	3	\$315.00
Data Merge & Duplication Scrub	\$0.15	142	\$21.30
Notice Packet & Opt-Out Form	\$0.95	142	\$134.90
Estimated Postage (up to 1 oz.)	\$0.60	142	\$85.20
Language Translation	\$0.30	3,261	\$978.30
Total			\$1,534.70

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	\$1.00	11	\$11.00
Remail Notice Packets	\$0.95	7	\$6.65
Estimated Postage	\$0.60	7	\$4.20
Programing Undeliverables	\$50.00	1	\$50.00
Total			\$236.85

Database Programming / Processing Opt-Outs, Deficiencies or Disputes

Project Action:	Rate	Hours/Units	Line Item Estimate
Programming Claims Database	\$100.00	3	\$300.00
Non Opt-Out Processing	\$200.00	1	\$200.00
Case Associate	\$55.00	3	\$165.00
Opt-Outs/Deficiency/Dispute Letters	\$5.00	0	\$0.00
Case Manager	\$85.00	3	\$255.00
Total			\$920.00

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

Project Action:	Rate	Hours/Units	Line Item Estimate
Programming Calculations	\$100.00	3	\$300.00
Disbursement Review	\$100.00	3	\$300.00
Programming Manager	\$95.00	2	\$190.00
QSF Fees, Bank Account & EIN	\$75.00	3	\$225.00
Check Run Setup & Printing	\$100.00	3	\$300.00
Mail Class Checks, W2 and 1099 *	\$1.00	141	\$141.00
Estimated Postage Checks, W2 and 1099	\$0.50	141	\$70.50
Total			\$1,526.50

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

Tax Reporting & Reconciliation / Re-Issuance of Checks / Conclusion Reports and Declarations

Project Action:	Rate	Hours/Units	Line Item Estimate
Case Supervisor	\$100.00	3	\$300.00
Remail Undeliverable Checks (Postage Included)	\$1.50	40	\$60.00
Case Associate	\$55.00	2	\$110.00
Reconcile Uncashed Checks	\$85.00	3	\$255.00
Conclusion Reports	\$115.00	2	\$230.00
Case Manager Conclusion	\$85.00	2	\$170.00
Final Reporting & Declarations	\$115.00	1	\$115.00
Uncashed Check Notice Postcard (Postage Included)	\$1.50	40	\$60.00
Uncashed Check QSF Tax Filing	\$150.00	3	\$450.00
IRS & QSF Annual Tax Reporting * (State Tax Reporting Included)	\$1,200.00	1	\$1,200.00
Total			\$2,950.00

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

Total: \$7,957.75