1 2 3 4 5	Kane Moon (SBN 249834) E-mail: kmoon@moonlawgroup.com Allen Feghali (SBN 301080) E-mail: afeghali@moonlawgroup.com Charlotte Mikat-Stevens (SBN 327047) E-mail: cmikat-stevens@moonlawgroup.com MOON LAW GROUP, PC 1055 W. Seventh St., Suite 1880 Los Angeles, California 90017	
6 7	Telephone: (213) 232-3128 Facsimile: (213) 232-3125	
8	Attorneys for Plaintiff JUAN CARLOS AVILES AMAYA	
9	SUPERIOR COURT OF THE STATE OF CALIFORNIA	
10	FOR THE COUNTY OF RIVERSIDE	
11	JUAN CARLOS AVILES AMAYA, individually,	Case No.: CVRI2202854
12	and on behalf of all others similarly situated,	CLASS AND REPRESENTATIVE ACTION
13 14	Plaintiff,	[Assigned for all purposes to Hon. Harold W. Hopp, Dept. 10]
15	VS.	AMENDED [PROPOSED] ORDER GRANTING PLAINTIFF'S MOTION FOR
16 17	PUROSIL, LLC, a limited liability corporation; and DOES 1 through 10, inclusive,	PRELIMINARY APPROVAL OF CLASS AND PAGA ACTION SETTLEMENT
18	Defendants	PRELIMINARY APPROVAL HEARING
19	2020144110	Date: July 11, 2023 Time: 8:30 a.m.
20		Dept.: 1
21		Action Filed: July 12, 2022 Trial Date: Not set
22		That Date. Not set
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The Court has before it Plaintiff Juan Carlos Aviles Amaya's ("Plaintiff") Motion for Preliminary Approval of Class and PAGA Action Settlement. Having reviewed the Motion and Memorandum of Points and Authorities, the supporting Declaration of Kane Moon and exhibit attachments, including the Joint Stipulation of Class Action Settlement and Released of Claims (referred to herein as the "Settlement Agreement"), the supporting Declarations of Plaintiff Amaya, Phoenix Settlement Administrators, and Douglas R. Leach, and the Compliance Chart, and good cause appearing, the Court hereby finds and ORDERS as follows:

- 1. The Court finds on a preliminary basis that the Settlement Agreement appears to be fair, adequate, and reasonable, and therefore meets the requirements for preliminary approval. The Court grants preliminary approval of the Settlement and the Settlement Class based upon the terms set forth in the Settlement Agreement attached to the Declaration of Kane Moon in Support of Plaintiff's Motion for Preliminary Approval of Class and PAGA Action Settlement (the "Moon Declaration") as Exhibit 1. The Court preliminarily finds that the terms of the Settlement Agreement appear to be within the range of possible approval, pursuant to California Code of Civil Procedure section 382 and applicable law.
- 2. The Settlement falls within the range of reasonableness of a settlement which could ultimately be given final approval by this Court, and appears to be presumptively valid, subject only to any objections that may be raised at the Final Approval Hearing and final approval by this Court. The Court notes that Defendant Purosil, LLC ("Defendant") (together with Plaintiff, the "Parties") agreed to create a common gross fund of at least \$435,000.00 (the "Maximum Settlement Amount"), unless increased pursuant to the Escalator Clause, and in addition to Defendant's Employer's Payroll Taxes attributable to the Settlement payments allocated to wages, to cover (a) individual Settlement Share payments to Participating Class Members; (b) \$40,000.00 allocated to settlement of claims for penalties under the Private Attorneys General Act, Labor Code Section 2698, et seq. ("PAGA"), distributed as 25% (\$10,000.00) to PAGA Group Members (the "PAGA Payment") and 75% (\$30,000.00) to the California Labor and Workforce Development Agency (the "LWDA") (the "LWDA Payment"); (c) the Class Representative Payment of up to \$7,500.00 to Plaintiff for his contributions and

participation in the litigation; (d) Class Counsel's attorneys' fees not to exceed one-third of the Maximum Settlement Amount or \$145,000.00; (e) up to \$20,000.00 to reimburse Class Counsel's costs for actual litigation expenses incurred; and (f) the Settlement Administration Payment of up to \$10,000.00 to the Settlement Administrator for its fees and expenses in administering this Settlement.

- 3. The Court finds on a preliminary basis that: (1) the settlement amount is fair and reasonable to the Class Members when balanced against the probable outcome of further litigation relating to class certification, liability and damages issues, and potential appeals; (2) significant informal discovery, investigation, research, and litigation have been conducted such that counsel for the Parties at this time are able to reasonably evaluate their respective positions; (3) settlement at this time will avoid substantial costs, delay, and risks that would be presented by the further prosecution of the litigation; and (4) the proposed Settlement has been reached as the result of intensive, serious, and non-collusive negotiations between the Parties. Accordingly, the Court preliminarily finds that the Settlement Agreement was entered into in good faith.
- 4. A final fairness hearing on the question of whether the proposed Settlement Agreement, Class Counsel's attorneys' fees and costs, the PAGA Payments, and the Class Representative Payment should be finally approved as fair, reasonable, and adequate as to the members of the Class is hereby set in accordance with the Implementation Schedule set forth below.
- 5. The Court provisionally certifies, for settlement purposes only, the following class (the "Settlement Class"): All current and former non-exempt employees who worked for Defendant in California during the Class Period. The Class Period is the period commencing on July 12, 2018, and ending on June 5, 2023. Excluded from the Settlement Class are all persons who submit a complete, valid, and timely request to be excluded from the Settlement pursuant to the instructions provided in the Class Notice.

6. Release of Claims:

a. <u>Plaintiff's Released Claims</u>. Plaintiff, individually and on behalf of Plaintiff's heirs, executors, administrators, representatives, attorneys, successors and assigns knowingly and voluntarily

releases and forever discharges Defendant, including any and all parent corporations, affiliates, subsidiaries, managers, divisions, predecessors, insurers, franchisors, successors and assigns, including but not limited to each of their current and former employees, attorneys, officers, directors and agents thereof, both individually and in their business capacities, and their employee benefit plans and programs and the trustees, administrators, fiduciaries and insurers of such plans and programs (collectively, "Plaintiff's Released Parties"), to the fullest extent permitted by law, of and from any and all claims, known and unknown, asserted and unasserted, which Plaintiff has or may have against the Plaintiff's Released Parties as of the date of execution of this Settlement Agreement. Plaintiff is not waiving any rights Plaintiff may have to: (i) Plaintiff's own vested accrued employee benefits under the Defendant's health, welfare or retirement benefits plans, if any, as of the date of execution of this Settlement Agreement, (ii) benefits or rights to seek benefits under applicable workers' compensation (except as to claims under Labor Code §§ 132a and 4553 which are expressly released herein) or unemployment insurance or indemnification statutes; (iii) pursue claims which by law cannot be waived by signing this Settlement Agreement; and (iv) enforce this Settlement Agreement. To affect a full and complete general release as described above, Plaintiff expressly waives and relinquishes all rights and benefits of § 1542 of the Civil Code of the State of California, without exception, except as may be prohibited by law, and does so understanding and acknowledging the significance and consequence of specifically waiving § 1542. Civil Code section 1542, which Plaintiff agrees to expressly waive, states:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and would have materially affected his or her settlement with the debtor or released party.

Thus, notwithstanding the provisions of § 1542, and to implement a full and complete release and discharge of all parties, Plaintiff expressly acknowledges this Settlement Agreement is intended to include in its effect, without limitation, all claims Plaintiff does not know or suspect to exist in Plaintiff's favor at the time of signing this Settlement Agreement, and that this Settlement Agreement contemplates the extinguishment of any such claims. Plaintiff warrants Plaintiff has read this Settlement Agreement, including this waiver of California Civil Code § 1542, and that Plaintiff

has consulted with or had the opportunity to consult with counsel of Plaintiff's choosing about this Settlement Agreement and specifically about the wavier of § 1542, and that Plaintiff understands this Settlement Agreement and the § 1542 waiver, and so Plaintiff freely and knowingly enters into this Settlement Agreement. Plaintiff further acknowledges that Plaintiff later may discover facts different from or in addition to those Plaintiff now knows or believes to be true regarding the matters released or described in this Settlement Agreement, and even so Plaintiff agrees that the releases and agreements contained in this Settlement Agreement shall remain effective in all respects notwithstanding any later discovery of any different or additional facts. Plaintiff expressly assumes any and all risk of any mistake in connection with the true facts involved in the matters, disputes or controversies released or described in this Settlement Agreement or with regard to any facts now unknown to Plaintiff relating thereto. (Settlement Agreement, ¶¶ 67–68.)

- b. Participating Class Members Released Claims. As of the date of the Judgment, each Participating Class Member, and without the need to manually sign a release document, shall release the Released Parties from all causes of action and claims stated in the Operative Complaint and those based solely upon the facts alleged therein, including all of the following claims for relief from July 12, 2018, through June 5, 2023: (1) Failure to Pay Minimum Wages; (2) Failure to Pay Overtime Compensation; (3) Failure to Provide Meal Periods; (4) Failure to Authorize and Permit Rest Breaks; (5) Failure to Indemnify Necessary Business Expenses; (6) Failure to Timely Pay Wages at Termination; (7) Failure to Provide Accurate and Itemized Wage Statements; and (8) Violation of Business & Professional Code section 17200. ("Class Released Claims"). The Class Released Claims for the Participating Class Members excludes all claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, claims while not an Eligible Employee, claims outside of the Class Period, and claims covered in the PAGA Group Released Claims. The Class Released Claims only covers the time period of July 12, 2018, and ending on June 5, 2023. (Settlement Agreement, ¶ 69.)
- c. <u>The PAGA Released Claims</u>. As of the date of the Judgment, Plaintiff, and the LWDA shall release, from July 3, 2021, through June 5, 2023, the Released Parties from all claims for civil penalties under the California Labor Code Private Attorney's General Act of 2004 that were

alleged in Plaintiff's LWDA Exhaustion Letter and only to the extent those claims are also alleged in the Action, including claims for relief for: (1) Failure to Pay Minimum Wages; (2) Failure to Pay Overtime Compensation; (3) Failure to Provide Meal Periods; (4) Failure to Authorize and Permit Rest Breaks; (5) Failure to Indemnify Necessary Business Expenses; (6) Failure to Timely Pay Wages at Termination; and (7) Failure to Provide Accurate and Itemized Wage Statements. The PAGA Released Claims only cover the time period of July 3, 2021, and ending on June 5, 2023. (Settlement Agreement, ¶ 70.)

- d. <u>Released Parties</u>. Released Parties include Defendant Purosil, LLC, together with its past and present, officers, directors, and employees. (Settlement Agreement, ¶ 71.)
- e. The Participating Class Members Released Claims and PAGA Released Claims described above expressly exclude all claims made for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, claims while classified as exempt, and claims outside of the Class Period and/or PAGA Period. (Settlement Agreement, ¶ 73.)

7. Additional Key Terms under the Settlement Agreement:

- a. The "Class Period" shall be defined as the period commencing on July 12, 2018, and ending on June 5, 2023. (Settlement Agreement, \P 9.)
- b. The "PAGA Period" shall mean the period commencing on July 3, 2021, and ending on June 5, 2023. (Settlement Agreement, \P 26.)
- c. The "Net Settlement Amount" shall mean the Maximum Settlement Amount, less (i) the Class Representative Payment approved by the Superior Court; (ii) the Class Counsel Fees Payment approved by the Superior Court; (iii) the Class Counsel Litigation Expenses Payment approved by the Superior Court; (iv) the LWDA Payment approved by the Superior Court; (v) the PAGA Payment approved by the Superior Court; (vi) the Settlement Administrator Payment approved by the Superior Court; and (vii) any other fees or expenses incurred in implementing the terms and conditions of this Agreement as approved by the Superior Court. The Net Settlement Amount shall be distributed on a *pro rata* basis to Class Members, subject to the distribution formula agreed upon by the Parties. (Settlement Agreement, ¶ 21.)
 - d. A "Participating Class Member" shall mean a Class Member who has not submitted a Page 5

complete, valid, and timely request to be excluded from the Settlement pursuant to the instructions provided in the Class Notice. (Settlement Agreement, ¶ 27.)

- e. The "PAGA Group" shall mean all persons who, during the PAGA Period, have previously been or currently are employed in California by Defendant Purosil, LLC, as an hourly-paid, non-exempt employee. (Settlement Agreement, ¶ 23.)
- f. A "PAGA Group Member" shall mean an individual who is a member of the PAGA Group (or if any such person is incompetent, deceased, or unavailable due to military service, the person's legal representative or successor in interest evidenced by reasonable verification). (Settlement Agreement, ¶ 23.)
- g. "Individual Pay Periods" shall mean the number of Pay Periods for an individual PAGA Group Member. (Settlement Agreement, ¶ 16.)
- h. "Pay Period" shall mean any pay period in which a Class Member actually received payment from Defendant as an hourly-paid, non-exempt employee. (Settlement Agreement, ¶ 28.)
- i. "Individual Workweeks" shall mean any week where a Class Member actively worked at least 1 day for Defendant during the Class Period and recorded time worked in Defendant's timekeeping system and as reflected in the Class Member's dates of employment in Defendant's payroll and timekeeping system. A workweek without time worked (a time entry) will not be included in the Workweek count. (Settlement Agreement, ¶ 17.)
- j. "Employer's Payroll Taxes" shall mean Defendant's share of all payroll taxes payable to any and all government agencies incurred for any payments of Settlement Shares to Participating Class Members pursuant to this Settlement as calculated by the Settlement Administrator. The Employer's Payroll Tax shall not be deducted from the Maximum Settlement Amount and shall not be included in any payments of Settlement Shares. Defendant shall pay an amount separate and apart from the Maximum Settlement Amount to satisfy its share of all payroll taxes into a Settlement Account established by the Settlement Administrator. (Settlement Agreement, ¶¶ 14, 54, 62.)

k. Tax Allocations:

1) Each Settlement Share is intended to settle the Class Members' claims for unpaid wages and penalties. Accordingly, twenty percent (20%) of each Settlement Share shall

represent unpaid wages, forty percent (40%) shall represent interest, and forty percent (40%) shall represent penalties. The portion of the Settlement Share representing unpaid wages shall be paid to each Participating Class Member subject to any applicable employee-side tax withholdings and deductions, and the Settlement Administrator shall issue an IRS Form W-2 to each Participating Class Member for that amount. The portion of the Settlement Share representing penalties shall be paid to the Participating Class Member in full without deductions or withholdings, and the Settlement Administrator shall issue and IRS Form 1099 to each Participating Class Member for that amount. (Settlement Agreement, ¶ 62.)

- 2) Each PAGA Payment Share is intended to settle the PAGA Group Members' claims for civil penalties. Accordingly, one hundred percent (100%) of each PAGA Payment Share shall represent civil penalties. The PAGA Payment Share shall be paid to the PAGA Group Member in full without deductions or withholdings, and the Settlement Administrator shall issue an IRS Form 1099 to each PAGA Group Member for that amount, to the extent the PAGA Group Member's PAGA Payment Share is \$600.00 or more. (Settlement Agreement, ¶ 63.)
- 1. Uncashed Settlement Share and PAGA Payment Share Checks. Any checks paid to Participating Class Members and/or PAGA Group Members shall be negotiable for one hundred and eighty (180) calendar days from the date of their issuance. A Participating Class Member must cash his or her Settlement Share Check within one hundred and eighty (180) calendar days after it is mailed to him or her. A PAGA Group Member must cash his or her PAGA Payment Share Check within one hundred and eighty (180) calendar days after it is mailed to him or her. If a check remains uncashed after one hundred and eighty (180) calendar days from the initial mailing, or if a check is returned to the Settlement Administrator as undeliverable during the one hundred eighty-day period, the Settlement Administrator shall take all reasonable efforts to identify the Participating Class Member's and/or PAGA Group Member's correct address, including the performance of a "skiptrace." If an updated address can be identified, the Settlement Administrator shall issue another check to the Participating Class Member and/or PAGA Group Member and mail it to the Page 7

Participating Class Member and/or PAGA Group Member at his or her updated address. If an updated address for the Participating Class Member and/or PAGA Group Member cannot be identified, if a reissued check is once again returned to the Settlement Administrator as undeliverable, or if the reissued check remains uncashed after one hundred eighty (180) calendar days, the Settlement Administrator will keep an accounting of such funds and shall give notice to the Parties of the total balance of uncashed Settlement Shares and/or PAGA Payment Shares. A Participating Class Member who fails to negotiate or receive their Settlement Share check despite the procedures described above shall nevertheless remain bound by the Settlement and the releases contained herein. A PAGA Group Member who fails to negotiate or receive their PAGA Payment Share check despite the procedures described above shall nevertheless remain bound by the Settlement, shall forfeit those funds, and those funds shall be sent to the California LWDA by the Administrator if the collective amount of those checks do not justify the expense of a second pro rata distribution to aggrieved employees who did cash their checks. Justification of the expense of a second distribution shall be based on the Settlement Administrator's cost for services and the amount awarded by the Superior Court for the Settlement Administrator Payment. (Settlement Agreement, ¶ 56; Amendment to Joint Stipulation of Class Action Settlement, ¶ 2.3.)

m. Distribution of Uncashed Checks. The funds represented by Settlement Share checks remaining uncashed for more than one hundred and eighty (180) calendar days after issuance shall be voided and then shall be transmitted to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Civil Code Section 1500, et seq., in the names of those Participating Class Members who did not cash their checks until such time they claim their property. The funds represented by PAGA Payment Share checks remaining uncashed for more than one hundred and eighty (180) calendar days after issuance shall be voided and then shall be distributed to aggrieved employees who did cash their checks on a pro rata basis consistent with the distribution formula agreed upon in Paragraph 61; if, however, the collective amount of those uncashed checks do not justify the expense of a second distribution to aggrieved employees who did cash their checks, then the amounts shall be transmitted to the California LWDA. Uncashed Settlement Share checks will not be transmitted to the California LWDA. 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, whether or not they all cash their settlement checks. (Settlement Agreement, ¶ 57; Amendment to Joint Stipulation of Class Action Settlement, ¶ 2.4.)

- 8. The Court finds, for settlement purposes only, that the Settlement Class meets the requirements for certification under California Code of Civil Procedure section 382 in that: (1) the Settlement Class is so numerous that joinder is impractical; (2) there are questions of law and fact that are common, or of general interest, to all Settlement Class Members, which predominate over individual issues; (3) Plaintiff's claims are typical of the claims of the Settlement Class Members; (4) Plaintiff and Class Counsel will fairly and adequately protect the interests of the Settlement Class Members; and (5) a class action is superior to other available methods for the fair and efficient adjudication of the controversy.
- 9. The Court appoints, for settlement purposes only, Plaintiff Juan Carlos Aviles Amaya as the Class Representative. The Court approves, on a preliminary basis, payment of a Class Representative Payment of up to \$7,500.00 to Plaintiff for his contributions and participation in the litigation, and for the risks assumed therefore, and for his general release of claims and waiver of Section 1542 rights. To the extent the final amount awarded at the Final Approval Hearing is less than \$7,500.00, the Settlement Administrator will retain the remainder in the Net Settlement Amount.
- 10. The Court appoints, for settlement purposes only, Moon Law Group, PC as Class Counsel. The Court approves, on a preliminary basis, Class Counsel's ability to request attorneys' fees of up to one-third of the Maximum Settlement Amount or \$145,000.00, and reimbursement for actual costs not to exceed \$20,000.00. To the extent the final amounts awarded at the Final Approval Hearing are less than the foregoing, the Settlement Administrator will retain the remainder in the Net Settlement Amount.
- 11. The Court appoints Phoenix Settlement Administrators as the Settlement Administrator with payment for reasonable administration costs not to exceed \$10,000.00, except upon a showing of good cause and as approved by the Court. To the extent actual administration expenses are less than \$10,000.00, the Settlement Administrator will retain the

remainder in the Net Settlement Amount. The Settlement Administrator shall perform services and duties as provided for in the Settlement Agreement, including, but not limited to, mailing, via first-class U.S. Mail, of the Class Notice, Request for Exclusion Form, and Objection Form. Settlement Class Members and/or PAGA Group Members shall not be required to submit a claim form in order to receive Settlement Shares and/or PAGA Payment Shares.

- 12. The Court approves, as to form and content, the Class Notice, attached hereto as **Exhibit A**. The Court finds, on a preliminary basis, that the plan for distribution of the Class Notice to Settlement Class Members satisfies due process, provides the best notice practicable under the circumstances, and constitutes due and sufficient notice to all persons entitled thereto.
- 13. The Court approves, as to form and content, the Request for Exclusion Form, attached hereto as **Exhibit B**. Class Members who wish to exclude themselves from the Settlement shall submit a written request using the attached Request for Exclusion Form, which shall be timely submitted to the Settlement Administrator and shall not be submitted to the Court. The Settlement Administrator shall send copies of any exclusion forms received to the Parties' respective counsel. In the Settlement Administrator's declaration to be filed concurrently with the filing of any motion for final approval, the Settlement Administrator shall authenticate a copy of every exclusion form received.
- 14. Any Class Member who does not request exclusion from the Settlement may object to the Settlement Agreement. The Court approves, as to form and content, the Objection Form, attached hereto as **Exhibit C**. Participating Class Members who wish to object to the Settlement may submit a written objection using the attached Objection Form, which shall be timely submitted to the Settlement Administrator and shall not be submitted to the Court. The Settlement Administrator shall send copies of any objection forms received to the Parties' respective counsel. In the Settlement Administrator's declaration to be filed concurrently with the filing of any motion for final approval, the Settlement Administrator shall authenticate a copy of every objection form received. Participating Class Members may also object to the Settlement by appearing at the Final Approval Hearing and stating an oral objection.
 - 15. The Parties and Settlement Administrator are ordered to carry out the Settlement
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according to the terms of the Settlement Agreement.

16. The Court orders the following Implementation Schedule:

Defendant to provide Class Members' Data to the Settlement Administrator	Within 21 calendar days after the Motion for Preliminary Approval is granted
Settlement Administrator to mail the Class Notice and Forms	Within 7 calendar days after receipt of the Class Members' Data
Response and Opt-Out Deadline	Within 45 calendar days after mailing
Deadline to file Motion for Final Approval	At least 16 court days before Final Approval Hearing: October 6, 2023
Final Approval Hearing	October 30, 2023 at 8:30 a.m. in Dept. 1

- 17. The Court reserves the right to continue the date of the Final Approval Hearing without further notice to Class Members. However, Class Counsel and/or the Settlement Administrator shall give notice to any objecting party of any continuance of the Final Approval Hearing.
- 18. The Court further orders that, pending further order of this Court, all proceedings in this litigation, except those contemplated herein and in the Settlement Agreement, are stayed.
- 19. The Settlement Agreement is preliminarily approved but is not an admission by Defendant of the validity of any claims in this class action, or of any wrongdoing by Defendant or of any violation of law. Neither the Settlement Agreement nor any related document shall be offered or received in evidence in any civil, criminal, or administrative action or proceeding other than as may be necessary to consummate or enforce the Settlement Agreement. The obligations set forth in the Settlement Agreement are deemed part of this Order.
- 20. The Class is not enjoined from filing any actions or administrative proceedings pending the final hearing on settlement or for any other period.

IT IS SO ORDERED.

DATE:
Hon. Harold W. Hopp

Judge of the Riverside County Superior Court