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IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

ANGEL ALONZO; *ET AL.*; on behalf of
themselves, and all others similarly situated,

Plaintiff,

v.

FIRST TRANSIT, INC.; and DOES 1-10,
inclusive,

Defendants.

Case No. BC433932

**NOTICE OF ENTRY OF ORDER
GRANTING RENEWED MOTION FOR
FINAL APPROVAL OF CLASS ACTION
SETTLEMENT AND JUDGMENT
THEREON**

**TO THE CLERK OF COURT, ALL INTERESTED PARTIES, NON-PARTY ERIC
P. CLARKE, AND THEIR ATTORNEYS OF RECORD:**

PLEASE TAKE NOTICE that on June 10, 2016, the Court in the above-captioned matter entered the Order Granting Renewed Motion for Final Approval of Class Action Settlement and Judgment thereon attached hereto as Exhibit A.

DATED: June 20, 2016

SUNDEEN SALINAS & PYLE

By: 

Chad Saunders

Attorneys for Plaintiffs and the Certified Class

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Superior Court of California
County of Los Angeles

JUN 10 2016

Sherri R. Carter, Executive Officer/Clerk
By: B. Burns Tucker, Deputy

Attorneys for Plaintiffs and the Certified Class

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

ANGEL ALONZO; et al., on behalf of
themselves, and all others similarly situated,

Plaintiffs,

v.

FIRST TRANSIT, INC.; and DOES 1-10,
inclusive,

Defendants.

Case No. BC433932

BY FAX

~~PROPOSED~~ ORDER GRANTING
RENEWED MOTION FOR FINAL
APPROVAL OF CLASS ACTION
SETTLEMENT; JUDGMENT

Date: May 23, 2016
Time: 2:00 PM
Dept: 323
Judge: Hon. Elihu M. Berle

1 TO ALL INTERESTED PARTIES AND THEIR ATTORNEYS OF RECORD:

2 The Renewed Motion for Final Approval of Class Action Settlement came on for hearing
3 before this Court on May 23, 2016. The above captioned action is a class action lawsuit brought by
4 Plaintiffs Angel Alonzo, et al. (hereinafter "Plaintiffs") against Defendant First Transit, Inc.
5 ("Defendant" or "First Transit") (collectively the "Parties"). Plaintiffs allege that, *inter alia*,
6 Defendant's meal and rest break policies failed to comply with California law. Plaintiffs' Third
7 Amended Complaint, filed on September 11, 2013, also includes claims under the Private
8 Attorneys General Act ("PAGA"). Defendant denies any and all alleged wrongdoing, and denies
9 any liability to the Plaintiffs or to members of the certified class.

10 The claims in this matter were thoroughly litigated for over three years before the Parties
11 reached a settlement. On July 3, 2012, after a contested motion for class certification that stretched
12 over the course of one year and involved multiple hearings, the Court certified the following class
13 ("Class") in this case:

14 All bus operators that worked for FIRST TRANSIT, driving bus routes associated with
15 Community DASH Packages 2 and/or 6 in Los Angeles County, at any time during the
16 Class Period in unit(s) represented for purposes of collective bargaining by Teamsters Local
17 Union 572.

18 The parties attended two mediation sessions with experienced wage and hour mediator
19 Mark Rudy and were able to settle the action which was reduced to a written settlement agreement.
20 The Court granted preliminary approval of that settlement agreement on June 26, 2013. In
21 connection with the settlement agreement, the Court granted Plaintiffs' motion to amend the
22 complaint to add a claim for PAGA penalties. Pursuant to the Court's preliminary approval order,
23 notices regarding the settlement and claim forms were mailed to Class Members on July 8, 2013.

24 The original motion for final approval was set for hearing on October 8, 2013. On October
25 2, 2013, less than one week before the hearing on the motion for final approval, Eric P. Clarke,
26 through his attorneys, brought an ex parte application for leave to intervene. Clarke had previously
27 opted out of this case. Clarke did not seek to object to the settlement of the underlying class
28 claims. Rather, he sought to object only to the settlement of the PAGA claims.

1 On October 8, 2013, this Court denied Clarke's ex parte application to intervene.
2 Subsequently, the Court granted final approval of the settlement. The Court's Order Granting Final
3 Approval of Class Action Settlement and Judgment Thereon is hereby incorporated by reference.

4 Clarke appealed both the denial of his ex parte application and the judgment granting final
5 approval to the settlement agreement. On October 15, 2015, the Second District Court of Appeal
6 affirmed the order denying Clarke's ex parte application for leave to intervene. *Alonzo v. First*
7 *Transit* (Cal. App. 2d Dist. Oct. 15, 2015) 2015 Cal. App. Unpub. LEXIS 7415.

8 However, the Court of Appeal reversed and remanded "to the trial court to conduct a new
9 hearing for final approval of the settlement agreement in compliance with the requirements of
10 section 2699, subdivisions (i) and (l)."¹ *Id.* at *19. The Court of Appeal also directed this Court to
11 "allow Clarke to participate in the final approval hearing for the purpose of contesting the
12 settlement of the PAGA claims." *Id.*

13 On March 9, 2016, the Court held a status conference. Clarke's attorneys attended that
14 conference. The Court set a briefing schedule that allowed Clarke to file a brief. Clarke's
15 attorneys agreed to that briefing schedule.

16 On May 23, 2016, following full briefing, the Court heard oral argument regarding
17 Plaintiffs' Renewed Motion for Final Approval. Clarke's attorney was present at that argument,
18 and was permitted to make a full and complete presentation regarding his contentions with respect
19 to the PAGA claims and the settlement thereof. A transcript from that hearing is attached hereto as
20 Exhibit 1.

21
22
23 ¹ Labor Code section 2699 pertains only to PAGA penalties. Subsection (i) provides that "civil
24 penalties recovered by aggrieved employees shall be distributed as follows: 75 percent to the Labor
25 and Workforce Development Agency for enforcement of labor laws and education of employers
26 and employees about their rights and responsibilities under this code, to be continuously
27 appropriated to supplement and not supplant the funding to the agency for those purposes; and 25
28 percent to the aggrieved employees."

Subsection 2699(l) provides that, "the superior court shall review and approve any penalties
sought as part of a proposed settlement agreement pursuant to this part."

1 settlement is not the product of fraud or original collusion and that the settlement taken as a whole
2 is fair and reasonable and adequate to all concerned. (*Wershba v. Apple Computer, Inc.* (2001) 91
3 Cal.App.4th 224.)

4 The burden is on the proponent in a settlement to establish that the settlement is fair and
5 reasonable. (*7-Eleven Owners for Fair Franchising v. Southland Corp.* (2000) 85 Cal.App.4th
6 1135.) However, a presumption of fairness exist where a settlement is reached through an arm's-
7 length bargain, the investigation and discovery are sufficient to allow counsel and the court to act
8 intelligently, counsel's experience in similar litigation, and the percentage of objectors is small.
9 (*Wershba v. Apple Computer, Inc., supra*, 91 Cal.App.4th at pp. 244-245; *Dunk v. Ford Motor Co.*
10 (1996) 48 Cal.App.4th 1794.)

11 The Court recognizes that settlement need not make the class members completely whole.
12 As the *Wershba* court stated, compromise is inherent and necessary in the settlement process. (91
13 Cal.App.4th at p. 250.) Thus even if the relief afforded by the proposed settlement is substantially
14 narrower than it would be if the suit were to be successfully litigated that would not be a bar to
15 class settlement because the public interest may indeed be served by a voluntary settlement in
16 which each side gave ground in the interest of avoiding litigation.

17 The Court notes, given the history of the case, that the settlement was reached through
18 arm's-length bargaining through mediation. The Court found, based upon the evidence submitted,
19 that the investigation undertaken and discovery undertaken was sufficient to allow the Court and
20 counsel to be fully apprised of the premises and the settlement was entitled to a presumption of
21 fairness. Based upon the evidence previously submitted, the Court also found that the settlement
22 was fair, reasonable, and adequate, and now reaffirms that finding.

23 With regard to the PAGA penalty, Labor Code section 2699 provides that the Superior
24 Court shall review and approve any penalties sought as part of a proposed settlement agreement.
25 Actions pursuant to the PAGA are not class actions. They are not subject to requirement that the
26 Court conduct a fairness hearing. Nevertheless, the Court considered the PAGA penalty and its
27 fairness through inquiry at the time the court granted final approval of the Settlement. Though not

1 separately articulated in the record at the time of final approval the Court did review the PAGA
2 settlement taking into consideration that the gross settlement exceeded the maximum exposure on
3 the main claims such that there were excess funds to be allocated to the PAGA penalty, that the
4 trial court has wide discretion to reduce PAGA penalties, and that Plaintiffs admitted that
5 Defendants had significant defenses which could result in greatly reduced PAGA penalties.

6 In connection with the renewed motion for final approval, Class Counsel presents evidence
7 that the portion of settlement proceeds allocated to PAGA penalties in this action is higher than in
8 other public cases of similar size in Los Angeles County and federal cases in California.² Based
9 upon this information, the allocation of .0067 in this case is higher than the average of .0055 in Los
10 Angeles County of similar-sized cases and the average of .0057 in federal cases of similar size.

11 In opposition, Clarke cites an order in *Cotter v. Lyft, Inc.* (N.D. Cal. April 7, 2016) 2016
12 WL 1394236, a case pending in the Northern District of California, as an example of a case where
13 allocating less than 1 percent of the total settlement proceeds to a PAGA claim was rejected. The
14 federal district court in the *Cotter* case, in declining to grant preliminary approval, found that the
15 settlement as a whole did not fall within the range of reasonableness. Using the methodologies set
16 out by plaintiffs' counsel, the value of the reimbursement claim in *Cotter* was over \$126 million,
17 which made the \$12.25 million settlement amount unreasonable, according to that court. The court
18 also indicated that the lawyers undervalued the PAGA penalty by assuming the trial court would
19 use its discretion to reduce the penalty. The district court noted the *Cotter* action did not appear to
20 be a case where it would be unjust or oppressive to impose the full amount of the PAGA penalty.

21 Plaintiffs argue in reply that unlike the *Cotter* case, Plaintiffs are facing significant
22 procedural hurdles. Plaintiffs also note that the judge in the unpublished *Cotter* decision was not
23 attempting to provide a rule regarding the appropriate amount to allocate PAGA penalties in class
24 action settlements. Plaintiffs point out that, soon after *Cotter*, the same judge approved a \$10,000
25 allocation to PAGA as part of a \$3.37 million settlement.

26 _____
27 ² Plaintiffs' and Clarke's Requests for Judicial Notice filed in conjunction with the instant motion
are granted.

1 Considering all the evidence that has been submitted and the valuation of all the claims, the
2 Court comes to the conclusion that the allocation of the PAGA penalty is fair, reasonable, and
3 adequate. The Court therefore approves the allocation of the PAGA penalties.

4 The Court notes that the settlement as a whole was submitted to the Class Members. The
5 administrator, as a result of the notice to the class, received 230 claim forms, nine requests to opt
6 out, and zero objections. However, four of the nine opt-outs also submitted valid claim forms so
7 they were included in the settlement. The net result was five opt-outs and zero objections.

8 The Court finds that Clarke's argument that the renewed motion for final approval is
9 procedurally flawed because it was made without notice to the class lacks merit. The case was
10 remanded to this Court solely to conduct a new hearing with regard to the PAGA penalty that
11 complies with Labor Code section 2699. PAGA settlements do not require notice to the aggrieved
12 employees. (*See Arias v. Super. Ct.* (2009) 46 Cal.4th 969 and *Baumann v. Chase Investment* (9th
13 Cir. 2014) 747 F.3d 1117.)

14 In conclusion, the Court reaffirms its approval of the Settlement as being fair, reasonable,
15 and adequate. The Court reaffirms its rulings with regard to the approval of the total settlement of
16 \$2 million, and also reaffirms the allocation of the attorneys' fees, attorneys' costs, and claims
17 administration costs, and the enhancement awards. The only change from the previous approval of
18 this Settlement is that the PAGA penalty is increased to \$13,333.33 and of that 75 percent or
19 \$10,000 will go to the Labor and Workforce Development Agency; 25 percent, which is \$3,333.33,
20 is going to be distributed on a pro-rata basis to those Class Members who timely submitted claim
21 forms. The Court also orders that the previous award of attorneys' fees is reduced by \$3,333.33.
22 That amount will be now allocated to the PAGA penalties and distributed to Class Members.

23 **Order and Judgment**

24 Upon the Effective Date, the Plaintiff and all Class Members, except the excluded
25 individuals listed in Exhibit 4, shall have, by operation of this Order and the accompanying
26 Judgment, fully, finally and forever released, relinquished, and discharged Defendant from all
27 claims as defined by the terms of the Settlement, whether or not such Class Members execute and
28

1 deliver a Claim Form. Upon the Effective Date, all Class Members, except the excluded
2 individuals listed in Exhibit 4, shall be and are hereby permanently barred and enjoined from the
3 institution or prosecution of any and all of the claims released under the terms of the Settlement.

4 Upon completion of administration of the Settlement, Plaintiffs shall file a declaration
5 stating forth that claims have been paid and that the terms of the settlement have been completed.

6 This Judgment is intended to be a final disposition of the above captioned action in its
7 entirety, and is intended to be immediately appealable.

8 This Court shall retain jurisdiction with respect to all matters related to the administration
9 and consummation of the Settlement, and any and all claims, asserted in, arising out of, or related
10 to the subject matter of the lawsuit, including but not limited to all matters related to the Settlement
11 and the determination of all controversies relating thereto.

12 **IT IS SO ORDERED.**

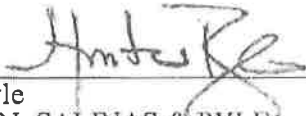
13
14 Dated: 6/10/16

ELIHU M. BERLE

Hon. Elihu Berle


15
16
17 APPROVED AS TO FORM:

18 Dated: June 7, 2016



Hunter Pyle
SUNDEEN, SALINAS & PYLE
Attorneys for the Class

19
20
21
22 Dated: June 6, 2016



Theodore R. Scott
David Dow
LITTLER MENDELSON, P.C.
Attorneys for Defendant
FIRST TRANSIT, INC.

EXHIBIT 1

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FOR FIRST TRANSIT: LITTLER MENDELSON, P.C.
BY: DAVID J. DOW, ESQUIRE
(VIA COURTCALL) 501 WEST BROADWAY, SUITE 900
SAN DIEGO, CA 92101
619.232.0441

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I N D E X

MAY 23, 2016

ALPHABETICAL/CHRONOLOGICAL LIST OF WITNESSES

(NONE)

EXHIBITS

(NONE)

1 CASE NUMBER: BC433932
 2 CASE NAME: ALONZO VS. FIRST TRANSIT
 3 LOS ANGELES, CALIFORNIA MONDAY, MAY 23, 2016
 4 DEPARTMENT CCW 323 HON. ELIHU M. BERLE, JUDGE
 5 REPORTER: ANITA B. ALDERSON, CSR NO. 11843
 6 TIME: P.M. SESSION
 7 APPEARANCES: (AS HERETOFORE NOTED.)
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 12

13 THE COURT: GOOD AFTERNOON, GENTLEMEN.
 14 MR. PYLE: GOOD AFTERNOON, YOUR HONOR.
 15 THE COURT: CALLING THE CASE OF ALONZO VERSUS FIRST
 16 TRANSIT, COUNSEL YOUR APPEARANCES PLEASE.
 17 MR. PYLE: GOOD AFTERNOON, YOUR HONOR, HUNTER PYLE
 18 FOR THE PLAINTIFFS AND THE CERTIFIED CLASS IN THIS MATTER.
 19 MR. CLIFFORD: GOOD AFTERNOON, YOUR HONOR, PATRICK
 20 CLIFFORD FOR RELATED KEESE PLAINTIFF, ERIC CLARKE.
 21 MR. DOW: DAVID DOW APPEARING FOR DEFENDANT.
 22 THE COURT: GOOD AFTERNOON.
 23 THE MATTER ON CALENDAR TODAY IS THE MOTION FOR
 24 FINAL APPROVAL. I HAVE RECEIVED A PROPOSED ORDER FOR THE
 25 APPOINTMENT OF MS. ANITA ALDERSON AS COURT REPORTER PRO
 26 TEMPORE, ANY OBJECTION?
 27 MR. PYLE: NO OBJECTION.
 28 MR. CLIFFORD: NO OBJECTION.

1 THE COURT: NO OBJECTION. MS. ALDERSON IS HEREBY
2 APPOINTED COURT REPORTER PRO TEMPORE, GOOD AFTERNOON.

3 COURT REPORTER: GOOD AFTERNOON.

4 THE COURT: OKAY. ANYONE WISH TO BE HEARD ON THIS?

5 MR. PYLE: YES, YOUR HONOR, BRIEFLY.

6 THE COURT: ALL RIGHT.

7 MR. PYLE: THANK YOU.

8 YOUR HONOR, THERE ARE TWO MAIN ISSUES THAT
9 MR. CLARKE HAS RAISED IN OPPOSING THIS MOTION. I JUST WANT
10 TO TALK ABOUT EACH OF THEM BRIEFLY HERE.

11 THE FIRST QUESTION IS WHETHER THERE IS ANY
12 ADDITIONAL NOTICE THAT MUST BE GIVEN BEFORE THE COURT CAN
13 RULE ON THE MOTION. AND WE SUBMIT THAT THE ANSWER TO THAT
14 QUESTION IS NO.

15 THE ONLY SUBSTANTIAL CHANGES OR SUBSTANTIVE CHANGES
16 THAT ARE BEING PROPOSED TO THE SETTLEMENT AGREEMENT ARE TO
17 THE PAGA CLAIMS AND UNDER ARIAS AND OTHER CASES THAT WE
18 CITED TO THE COURT, INDIVIDUALS ARE NOT ENTITLED TO NOTICE
19 BEFORE A SETTLEMENT OF A PAGA CASE IN ANY EVENT.

20 SO HERE GIVEN THAT ALL WE'RE DOING IS MODIFYING THE
21 PAGA SETTLEMENT PORTION OF THIS, NO NOTICE IS REQUIRED, NO
22 ADDITIONAL NOTICE, BECAUSE THE CLASS MEMBERS HAVE ALSO
23 ALREADY BEEN GIVEN NOTICE A COUPLE OF YEARS AGO AND AN
24 OPPORTUNITY TO OPT OUT. THEY WERE GIVEN FULL KNOWLEDGE OF
25 THE CLAIMS AT ISSUE HERE, SO THERE IS NO REASON TO REVISIT
26 THAT.

27 AND FINALLY WHAT WE'RE PROPOSING ONLY BENEFITS THE
28 CLASS MEMBERS. THE AMOUNT THEY ARE RECEIVING GOES UP; THE

1 ATTORNEYS' FEES GOES DOWN. UNDER THOSE CIRCUMSTANCES WE
2 WOULD SUBMIT THAT NO ADDITIONAL NOTICE IS REQUIRED.

3 NOW TURNING TO THE QUESTION OF WHETHER THE COURT
4 SHOULD APPROVE THE SETTLEMENT AS AMENDED, WE SUBMIT TO YOU
5 THE ANSWER TO THAT QUESTION IS YES. THE COURT HAS A GREAT
6 DEAL OF DISCRETION WITH REGARD TO PAGA PENALTIES. THE
7 NORDSTROM CASE ESTABLISHES THAT THE COURT CAN APPROVE A
8 SETTLEMENT WITH ZERO DOLLARS ALLOCATED TO PAGA PENALTIES IF
9 THERE ARE REASONS TO DO SO.

10 HERE THERE ARE THREE VERY GOOD REASONS TO APPROVE
11 THE PROPOSED \$13,333 IN PAGA PENALTIES. FIRST, AS THE
12 ORDERS THAT WE'VE SUBMITTED TO THE COURT INDICATE, THE
13 AMOUNT OF THE PAGA PENALTIES HERE AS A PERCENTAGE OF THE
14 TOTAL SETTLEMENT IS ACTUALLY SLIGHTLY HIGHER THAN AVERAGE
15 FOR THE SETTLEMENTS THAT WE COULD FIND BOTH IN THIS COURT
16 AND IN FEDERAL COURT IN CALIFORNIA.

17 AND WE'VE GIVEN YOU A SETTLEMENT, IN FACT, THAT WAS
18 ENTERED INTO BY ART MENESES IN THE INITIATIVE LEGAL GROUP
19 WHO REPRESENTED MR. CLARKE AT VARIOUS TIMES IN THIS CASE.
20 AND IN THAT CASE THE PLAINTIFF'S COUNSEL PROPOSED, AND HAD
21 APPROVED, A SETTLEMENT THAT WAS FOR \$650,000, AND THE PAGA
22 PENALTIES WERE ONLY \$1,000.

23 SO A LOWER PERCENTAGE OF THE TOTAL THAN WE HAVE
24 HERE, WITH NO REASON GIVEN, AT LEAST IN THE ORDER, FOR
25 APPROVING THE SETTLEMENT FOR THAT. THE SETTLEMENT WE'RE
26 TALKING ABOUT HERE IS SQUARELY IN LINE WITH OTHER CASES OF
27 THIS SIZE.

28 SECOND, THE PAGA CLAIMS IN THIS CASE FACE REAL RISK

1 THAT THE CLASS CLAIMS DO NOT FACE AND THAT IS FOR TWO
2 REASONS. MR. CLARKE HAS CONCEDED THAT HE DID NOT PROPERLY
3 EXHAUST BEFORE FILING HIS PAGA LAWSUIT. AND IF DEFENDANTS
4 RAISE THAT, AS WE EXPECT THEM TO, THAT COULD CAUSE ALL OF
5 THE PAGA CLAIMS TO BE DISMISSED ON THAT ISSUE.

6 SIMILARLY, MR. CLARKE HAS CONCEDED THAT THE ONLY
7 POSSIBLE TIMELY PAGA VIOLATION THAT HE HAS IS ONE SECTION
8 201 CLAIM FOR FAILURE TO PAY MISSED MEAL AND REST BREAK
9 PREMIUMS. WE HAVE SUBMITTED TO THE COURT TWO COURTS THAT
10 UPHOLD THAT MISSED MEAL AND REST BREAKS DO NOT GIVE RISE TO
11 A SECTION 201 CLAIM.

12 SO IF THE COURT WERE TO ACCEPT THAT ANALYSIS, THEN
13 MR. CLARKE'S PAGA CLAIMS WOULD LIKELY BE DISMISSED BECAUSE
14 THEY ARE UNTIMELY.

15 FINALLY, YOUR HONOR, I WANT TO POINT OUT A NUMBER
16 OF OTHER FACTORS; WE PUT THEM IN OUR BRIEF TO YOU. THINGS
17 SUCH AS THIS SETTLEMENT INVOLVES TWO GROUPS OF DRIVERS,
18 DASH TWO AND DASH SIX. THE DASH TWO DRIVERS ALL STOPPED
19 DRIVING FOR FIRST TRANSIT MORE THAN A YEAR BEFORE
20 MR. CLARKE FILED HIS PAGA CLAIMS, SO THOSE INDIVIDUALS
21 COULD NOT UNDER ANY CIRCUMSTANCES HAVE VALID PAGA CLAIMS.

22 AND THERE ARE OTHER ISSUES WE RAISED IN OUR BRIEF.
23 BUT FOR THOSE THREE REASONS, YOUR HONOR, WE SUBMIT AT THIS
24 STAGE IN THE LITIGATION LOOKING AT ALL THAT POTENTIAL RISK
25 AND YEARS AND YEARS OF APPEALS AND DISPUTES IN THIS CASE,
26 THE PROPOSED PAGA SETTLEMENT IS REASONABLE.

27 THE COURT: THANK YOU.

28 MR. PYLE: THANK YOU.

1 THE COURT: ANYONE ELSE WISH TO BE HEARD?

2 MR. CLIFFORD: YOUR HONOR, I'D LIKE TO FIRST
3 ADDRESS THE NOTICE ARGUMENT. PLAINTIFFS ARGUE THERE IS NO
4 NEED FOR NOTICE IN A PAGA CASE. PROCEDURALLY THAT IS TRUE,
5 BUT THIS CASE WAS NOT BROUGHT AS A STRICT PAGA CASE; IT WAS
6 BROUGHT AS PART OF A CLASS ACTION WHICH THE ARIAS CASE SAYS
7 THEY CAN DO.

8 HOWEVER, HAVING CHOSEN TO BRING THE CASE AS A CLASS
9 ACTION, THEY ARE SUBJECT TO THE RULES GOVERNING CLASS
10 ACTIONS AND SHOULD HAVE TO GIVE NOTICE.

11 MR. PYLE SAID THAT NO CLASS MEMBER OBJECTED TO THE
12 SMALLER AMOUNT IN THE PRIOR SETTLEMENT, BUT NO CLASS MEMBER
13 WAS NOTIFIED OF THE POSSIBLE LARGER AMOUNT THAT COULD BE
14 RECOVERABLE IN CLARKE'S PAGA ACTION. AND NO CLASS MEMBER
15 HAS BEEN NOTIFIED OF THE SUBSEQUENT APPELLATE RULING IN
16 THIS CASE.

17 THE COURT: HOW MUCH IS THE CLASS GOING TO RECEIVE
18 UNDER THE PREVIOUS SETTLEMENT?

19 MR. CLIFFORD: OF THE PAGA PENALTIES? THEY WOULD
20 RECEIVE NOTHING.

21 THE COURT: TOTAL.

22 MR. CLIFFORD: I'LL HAVE TO DEFER TO MR. PYLE ON
23 THAT.

24 THE COURT: THAT SETTLEMENT WAS \$1,163,334; IS THAT
25 RIGHT?

26 MR. CLIFFORD: THAT SOUNDS CORRECT, YOUR HONOR.

27 THE COURT: SO BY THIS NEW SETTLEMENT, THE CLASS IS
28 NOT GOING TO RECEIVE 1 MILLION, EXCUSE ME, DID I GET THAT

1 RIGHT. THAT WAS THE -- THAT SETTLEMENT -- JUST ONE SECOND.
2 LAST TIME -- DO YOU KNOW HOW MUCH THAT SETTLEMENT PAYOUT
3 WAS?

4 MR. PYLE: I CAN GET IT FOR YOU, YOUR HONOR. YES,
5 THE NET SETTLEMENT IS \$1,163,334 AS YOU SAID.

6 THE COURT: THAT IS WHAT I THOUGHT, BUT I JUST SAW
7 SOME OTHER CALCULATIONS. THE CLASS IS GOING TO GET ANOTHER
8 \$33,333.

9 MR. CLIFFORD: YES, YOUR HONOR, THAT IS THE EFFECT
10 OF THE AMENDED --

11 THE COURT: SO THE RESULT IS THAT THE CLASS MEMBERS
12 DUE TOTAL ARE GOING TO GET AN INITIAL \$3,333.

13 SO YOU THINK WE OUGHT TO GIVE A NEW NOTICE TO TELL
14 EVERYONE THEY ARE GOING TO GET MORE MONEY.

15 HOW MANY CLASS MEMBERS?

16 MR. PYLE: ABOUT 670.

17 THE COURT: \$3,333 DIVIDED BY 670 EQUALS A TOTAL OF
18 \$4.97 FOR EACH CLASS MEMBER. HOW MUCH DO YOU THINK THE
19 PROCESSING AND THE MAILING WILL COST?

20 MR. CLIFFORD: YOUR HONOR, I ANTICIPATE IT TO BE
21 MORE THAN THAT, BUT THE ISSUE HERE IS NOT HOW MUCH MORE
22 THEY WILL BE RECEIVING UNDER THE REVISED SETTLEMENT, BUT
23 WHAT THEY WILL BE GIVING UP.

24 THE COURT: THEY ALREADY HAD NOTICE OF THAT THE
25 LAST TIME. THEY HAD NOTICE OF A LESSER SETTLEMENT THAN
26 WHAT THE PAGA CLAIM WAS LAST TIME. SO NOW THEY ARE GETTING
27 A LITTLE MORE, \$5 MORE, AND WE SHOULD START ALL OVER EVEN
28 THOUGH THE COST OF THOSE WILL EXCEED THE ADDITIONAL \$5 THEY

1 ARE GETTING. AND ANYONE WHO DIDN'T LIKE THE SETTLEMENT
2 COULD HAVE OPTED OUT OR FILED OBJECTIONS.

3 MR. CLIFFORD: THAT IS TRUE, YOUR HONOR, BUT THAT
4 WAS BEFORE THERE WAS THE INTERVENING APPELLATE DECISION,
5 THAT WAS ALSO BEFORE THE FILING OF THE THIRD AMENDED
6 COMPLAINT IN THIS CASE WHICH IS THE OPERATIVE COMPLAINT
7 WHICH WAS NOT FILED UNTIL AFTER THE NOTICE AND OPT-OUT
8 PERIOD HAD PASSED.

9 YOUR HONOR, I WANT TO FOCUS ON SOME OF THE OTHER
10 ASPECTS BEFORE THE COURT.

11 WITH REGARD TO THE COLLUSION, THE PARTIES HAVE
12 TRIED TO PARSE IT DOWN INTO LITTLE PIECES AND SAY EACH ONE
13 OF THESE IS INNOCUOUS, BUT YOU HAVE TO LOOK AT THE BIG
14 PICTURE. IT'S THE EFFECT OF THE SETTLEMENT, NOT THE
15 DETAILS.

16 THE EFFECT OF THE SETTLEMENT IS TO ELIMINATE ANY
17 CLAIMS FOR CIVIL PENALTIES FOR A NOMINAL CONSIDERATION
18 WHICH IS CONTRARY TO PAGA'S POLICY OF PUNISHING VIOLATORS
19 OF THE LABOR CODE AND DETERRING FUTURE VIOLATIONS.

20 NOW THEY TRIED TO JUSTIFY THE EXCLUSION BASED ON
21 THE ACTIONS OF CLARKE'S FORMER COUNSEL. BUT THE IMPORTANCE
22 HERE IS NOT THE FACT THAT CLARKE'S COUNSEL WAS EXCLUDED,
23 BUT WHAT HAPPENED IN HIS ABSENCE WHICH WAS RATHER THAN
24 NEGOTIATE WITH ALL THE STAKEHOLDERS, THEY TOOK CLARKE'S
25 STAKE AND HANDED IT TO OTHERS TO SETTLE.

26 THEY SAID, WE HAVE A CLARKE PROBLEM. WE DON'T WANT
27 TO DEAL WITH HIM, SO HOW ABOUT WE TAKE HIS CLAIMS, DIVIDE
28 IT UP AMONGST YOU. YOU SETTLE IT AND THEN NONE OF US HAVE

1 TO WORRY ABOUT MR. CLARKE AGAIN.

2 THERE IS ALSO THE ISSUE OF THE VOIDABLE PORTION OF
3 THE SETTLEMENT WHICH ALLOWS FIRST TRANSIT TO AVOID
4 LIABILITY IN THE EVENT THAT THE LWDA DOES NOT ACCEPT THAT
5 AMOUNT IN FULL.

6 DEFENDANT RAISED THE POINT SAYING WHAT DOES THIS
7 PROVE. IT SHOWS THE INTENT OF THE DEFENDANT TO EXTINGUISH
8 CLARKE'S CLAIMS AND ALSO TO AVOID LIABILITY FOR THIS OTHER
9 THAN ON THESE NEGOTIATED TERMS OF, AT THE TIME IT WAS
10 10,000, NOW IT'S 13,333 WHICH, AS WE SAID, IS NOT
11 SUFFICIENT TO PUNISH OR DETER.

12 MR. HUNTER TALKED ABOUT THE RISKS ASSOCIATED WITH
13 MR. CLARKE'S CASE, AND THEY ARE OVERSTATED.

14 WE POINT OUT THAT FIRST TRANSIT HAS HAD THE
15 OPPORTUNITY TO MOVE TO LIFT THE STAY IN CLARKE'S PAGA CASE.
16 THEY COULD HAVE DONE IT WHEN WE WERE HERE THREE YEARS AGO.
17 THEY COULD HAVE DONE IT WHEN THE CASE WAS FILED MORE THAN
18 EIGHT YEARS AGO, BUT THEY NEVER HAVE. HAD THEY DONE SO, WE
19 WOULD NOT BE HERE NOW, IF THEY REALLY THOUGHT THEY WERE
20 GOING TO SUCCEED.

21 WE HAVE ADDRESSED THE FAILED TO EXHAUST
22 ADMINISTRATIVE REMEDIES IN OUR OPPOSITION AND CITED THE
23 RADESCU CASE WHICH SHOWS IT'S NOT NECESSARILY A HARD AND
24 FAST RULE THAT THE FAILURE TO GIVE -- THE GIVING OF
25 SHORTENED NOTICE IS FATAL TO THIS CASE.

26 THE STATUTE OF LIMITATIONS CASE ARGUMENT ALSO FAILS
27 BECAUSE DETERMINATION AND, THEREFORE, THE LABOR CODE 201
28 VIOLATIONS FALL WITHIN THE ONE YEAR STATUTE OF LIMITATIONS.

1 AND THE FEDERAL CASES CITED BY DEFENDANTS SAYING
2 THE MEAL PERIOD AND REST PERIOD PREMIUM PAY ARE NOT WAGES
3 FOR PURPOSES OF 201 JUST DIFFERENCE BETWEEN A SPLIT IN
4 FEDERAL COURT, IN FACT THEY ARE THE MINORITY VIEW OF THE
5 FEDERAL COURT. AND THEY ARE ALSO CONTRARY TO MURPHY VERSUS
6 KENNETH COLE AND KIRBY VERSUS IMMOOS WHICH BOTH HOLD THESE
7 ARE IN FACT WAGES.

8 NOW THERE IS ALSO THE ARGUMENT THAT CLARKE'S PAGA
9 CLAIMS ARE LIMITED TO THE 201 -- LIMITED TO THE UNPAID
10 WAGES UNDER SECTION 201. HOWEVER, THAT IS UNSUPPORTED BY
11 ANY AUTHORITY. THE PLAIN LANGUAGE OF LABOR CODE SECTION
12 2699(C) SAYS AN AGGRIEVED EMPLOYEE CAN PURSUE, IF ONE OR
13 MORE OF THE VIOLATIONS ALLEGED IS COMMITTED AGAINST HIM.

14 AS EXPLAINED IN THE CASE OF DE SIMAS VERSUS BIG
15 LOTS STORES, THIS MEANS THAT THE EMPLOYEE MUST HAVE A VALID
16 CLAIM FOR AT LEAST ONE OF THOSE VIOLATIONS, BUT THE
17 AGGRIEVED EMPLOYEE BRINGING A PAGA CLAIM NEED NOT HAVE A
18 VALID CLAIM FOR ALL OF THE VIOLATIONS BROUGHT UNDER THERE.

19 THEREFORE, MR. CLARKE HAS STANDING TO SEEK PAGA
20 PENALTIES FOR ALL VIOLATIONS OCCURRING WITHIN ONE YEAR OF
21 THE STATUTE OF LIMITATIONS AND MOVING FORWARD.

22 FINALLY, DEFENDANT ACTUALLY BROUGHT UP THE ARGUMENT
23 THAT THE COURT HAS DISCRETION TO REDUCE PAGA PENALTIES, BUT
24 THAT IS IF THE IMPOSITION OF THE FULL AMOUNT WOULD BE
25 UNJUST, ARBITRATE, OPPRESSIVE, OR CONFISCATORY WHICH WE DO
26 NOT SEE HERE.

27 NOW ADDRESSING THE AMOUNT OF THE SETTLEMENT VALUE
28 THAT SETTLEMENT VERSUS THE VALUE OF THE PAGA CLAIMS.

1 MR. PYLE ARGUED THEY ARE CONSISTENT WITH OTHER
2 CASES. THE PROBLEM IS THERE ARE NO OTHER CASES ON POINT
3 HERE. THERE ARE NO CASES WHERE A PARALLEL PAGA CASE WOULD
4 BE EXTINGUISHED AS A RESULT OF THE SETTLEMENT. SO WE HAVE
5 TO LOOK NOT JUST AT THE SETTLEMENT VALUE OF THE CASE IN AND
6 OF ITSELF, BUT WEIGHT -- BUT YOU HAVE TO LOOK AT THE WEIGHT
7 AGAINST THE VALUE OF THE POTENTIAL SETTLEMENT IN THE OTHER
8 PAGA ACTION.

9 THE PARTIES ALSO ARGUED THEY HAVE BEEN LITIGATING
10 PAGA CLAIMS BECAUSE THEY WERE LITIGATING THE UNDERLYING
11 CAUSES OF ACTION, BUT THAT IS A RED HERRING BECAUSE THEY
12 WERE LITIGATING THE UNDERLYING CAUSES OF ACTION FOR THE
13 PURPOSE OF RECOVERING DAMAGES AND RESTITUTION AND NOT CIVIL
14 PENALTIES.

15 SO AGAIN BY THE NATURE OF THIS SETTLEMENT WOULD BE
16 TO ELIMINATE THE CIVIL PENALTIES AND PREVENT MR. CLARKE
17 FROM RECOVERING THEM IN HIS OWN CASE.

18 SO, YOUR HONOR, JUST TO WRAP UP, I'D LIKE TO SAY
19 OUR ARGUMENT IS AND HAS ALWAYS BEEN THAT THE PROPOSED
20 SETTLEMENT VIOLATES PUBLIC POLICY AND THE PUBLIC POLICY OF
21 PAGA IS TO ENFORCE THE LABOR CODE, NOT BY PROVIDING
22 RESTITUTION TO THE AGGRIEVED EMPLOYEES, BUT BY IMPOSING
23 CIVIL PENALTIES SUFFICIENT TO PUNISH AND DETER.

24 WHAT WE HAVE HERE IS A PROPOSED SETTLEMENT THAT
25 EXTINGUISHES CLAIMS BROUGHT IN GOOD FAITH BY AN AGGRIEVED
26 EMPLOYEE WHICH BY ITSELF DOES NOT INCENTIVIZE THEM TO
27 PURSUE PENALTIES ON BEHALF OF OTHER AGGRIEVED EMPLOYEES, IN
28 FACT IT HAS THE OPPOSITE AFFECT.

1 NOW BECAUSE IT DOES NOT PUNISH AND DETER IT DOES
2 NOT FOR THE POLICY -- AND AS WE LEARNED FROM THE ISKANIAN
3 CASE, WHICH STRANGELY ENOUGH NEITHER OF THE PARTIES CITED,
4 THAT ANY AGREEMENT WHICH HAS AS ITS GOAL TO IMMUNIZE THE
5 WRONG-DOER FROM LIABILITY IS VOID AND AGAINST PUBLIC
6 POLICY.

7 IN THIS CASE WE UNDERSTAND THAT THE MECHANISM IS
8 DIFFERENT, BUT THE RESULT IS THE SAME. FIRST TRANSIT HAS
9 COME FORWARD AND SAID WE WILL GIVE YOU THIS DEAL. WE WILL
10 SETTLE YOUR CLASS ACTION CLAIMS IF YOU AGREE TO ALLOW US TO
11 SETTLE THE PAGA CLAIMS FOR AN AMOUNT THAT WE CHOOSE AND IN
12 DOING SO WE WILL ELIMINATE THE CLAIMS OF SOMEONE ELSE.

13 SO EVEN THOUGH THE MECHANISM IS DIFFERENT, THE
14 RESULT IS THE SAME, AND BECAUSE THE SETTLEMENT VIOLATES
15 PUBLIC POLICY, IT'S VOID AND UNENFORCEABLE ISKANIAN.

16 THANK YOU, YOUR HONOR.

17 THE COURT: ANY FINAL WORD.

18 MR. PYLE: NO, YOUR HONOR. WE RESPONDED TO EACH OF
19 THOSE ARGUMENTS IN OUR REPLY BRIEF, SO I WILL NOT REPEAT
20 THE ARGUMENTS HERE TODAY.

21 THE COURT: THANK YOU.

22 IN THIS CASE PLAINTIFF FILED THIS CLASS ACTION IN
23 MARCH, 2010, INDIVIDUALLY AND ON BEHALF OF
24 SIMILARLY-SITUATED HOURLY AND NON-EXEMPT BUS DRIVERS
25 EMPLOYED BY DEFENDANT.

26 THIRD AMENDED COMPLAINT FILED SEPTEMBER 11, 2013,
27 PURSUANT TO THE SETTLEMENT AGREEMENT ALLEGES CAUSE OF
28 ACTION FOR MEAL PERIOD VIOLATIONS, REST PERIOD VIOLATIONS,

1 WAGE STATEMENT VIOLATIONS, WAITING TIME PENALTIES, UNFAIR
2 COMPETITION, AND PAGA PENALTIES.

3 ON JULY 3, 2012, JUDGE JOANNE O'DONNELL CERTIFIED
4 THE CLASS, DESCRIBED AS QUOTE "ALL BUS OPERATORS THAT WORK
5 FOR FIRST TRANSIT DRIVING BUSES ASSOCIATED WITH COMMUNITY
6 DASH PACKAGES TWO AND/OR SIX IN LOS ANGELES COUNTY AT ANY
7 TIME DURING THE CLASS PERIOD COMMUNITIES REPRESENTED FOR
8 PURPOSE OF COLLECTIVE BARGAINING BY TEAMSTERS LOCAL UNION
9 572," CLOSED QUOTE.

10 CLASS CERTIFICATION IS GRANTED AS TO THE MEAL
11 PERIOD, REST PERIOD, WAIT TIME, AND UNFAIR COMPETITION
12 CAUSES OF ACTION.

13 THE PARTIES ATTENDED TWO MEDIATION SESSIONS AND
14 WERE ABLE TO SETTLE THE ACTION WHICH WAS REDUCED TO A
15 WRITTEN SETTLEMENT AGREEMENT. THE COURT GRANTED
16 PRELIMINARY APPROVAL OF THAT SETTLEMENT AGREEMENT ON
17 JUNE 26, 2013. IN CONNECTION WITH THE SETTLEMENT
18 AGREEMENT, PLAINTIFFS AMENDED THE COMPLAINT TO ADD A CLAIM
19 FOR PAGA PENALTIES.

20 ON THE EVE OF FINAL APPROVAL, ERIC CLARKE, THE
21 PUNITIVE CLASS MEMBER OPTED OUT AFTER CLASS CERTIFICATION,
22 BUT PRIOR TO THE FILING OF THE AMENDED PLEADING. HE FILED
23 AN EX PARTE APPLICATION FOR LEAVE TO INTERVENE.

24 CLARKE HAD FILED HIS OWN PAGA COMPLAINT AGAINST THE
25 DEFENDANT IN JANUARY, 2008. THE COURT DENIED THE CLARKE
26 APPLICATION AND GRANTED FINAL APPROVAL OF THE SETTLEMENT
27 OCTOBER, 2013.

28 CLARKE APPEALED THE JUDGMENT AND DENIAL OF HIS

1 MOTION TO INTERVENE. THE COURT OF APPEAL WAS AFFIRMED IN
2 PART AND REVERSED IN PART OF THE CASE.

3 THE ORDER DENYING CLARKE'S REQUEST FOR LEAVE TO
4 INTERVENE WAS AFFIRMED. HOWEVER, THE FINAL JUDGMENT WAS
5 REVERSED AND REMANDED FOR NEW HEARING IN COMPLIANCE WITH
6 LABOR CODE SECTION 2699.

7 BEFORE ARGUMENTS ON APPEAL THE COURT AGREED WITH
8 TWO OF CLARKE'S ARGUMENTS THAT ONE -- TWO ISSUES, SEVERAL
9 AND DENY ALLOCATE 25 PERCENT OF THE PAGA PENALTIES TO THE
10 CLASS AND LABOR CODE SECTION 2699.

11 SECONDLY, THERE IS NO EVIDENCE IN THE RECORD THAT
12 THE COURT SPECIFICALLY REVIEWED AND APPROVED THE PAGA
13 PENALTIES.

14 FOLLOWING A REMITTITUR, PLAINTIFFS FILED A MOTION
15 FOR FINAL APPROVAL ADDRESSING THE TWO REMAINING ISSUES
16 HIGHLIGHTED BY THE COURT OF APPEAL. TODAY IS THE DATE FOR
17 THE HEARING ON THE RENEWED MOTION FOR FINAL APPROVAL.

18 MATERIAL TERMS OF THE SETTLEMENT ARE A MAXIMUM
19 SETTLEMENT COVERAGE OF \$2,000,000 PLUS THE EMPLOYER'S SHARE
20 OF THE PAYROLL TAXES.

21 THE NET SETTLEMENT AFTER CONSIDERATION OF ALL THE
22 DEDUCTIONS WAS ORIGINALLY \$116,333. EXCUSE ME 1 MILLION --
23 DO I HAVE THAT RIGHT.

24 THAT SETTLEMENT AMOUNT WAS DERIVED AT BY TAKING THE
25 \$1 MILLION AND DEDUCT THE PROPOSED ATTORNEYS' FEES STARTED
26 WITH \$2 MILLION. AND DEDUCT REQUESTED ATTORNEYS' FEES OF
27 \$666,666; DEDUCT \$75,000 FOR THE REQUESTED COSTS; \$25,000
28 FOR CLAIMS ADMINISTRATION; \$60,000 THAT IS REQUESTED

1 ADMINISTRATION ENHANCEMENT; AND \$10,000 OF THE PAGA
2 ORIGINALLY. SO CAME UP WITH \$116,333, EXCUSE ME,
3 \$1,163,334.

4 PURSUANT TO AN ADDENDUM TO THE SETTLEMENT AGREEMENT
5 THE TOTAL PAGA PENALTY WILL NOW BE \$13,333.33 WHICH IS
6 \$3,333.33 GREATER THAN THE PREVIOUS PAGA PENALTY.

7 \$10,000 IS GOING TO THE LABOR WORKFORCE DEVELOPMENT
8 AGENCY AND 25 PERCENT, WHICH IS THE \$3,333.30, WILL BE
9 DISTRIBUTED TO CLASS MEMBERS THAT DO NOT OPT OUT. AND TO
10 ARRIVE AT THAT \$3,333.33 IN EFFECT THE ATTORNEYS' FEES WILL
11 BE REDUCED BY THAT SUM TO FUND THE ADDITIONAL SUM TO THE
12 CLASS.

13 AND THIS ADDRESSES THE MANDATE OF THE LABOR CODE
14 SECTION 2699 THAT 75 PERCENT OF THE PAGA PENALTY WILL BE
15 PAID TO LABOR WORKFORCE DEVELOPMENT AGENCY AND 25 PERCENT
16 RECOVERABLE TO THE AGGRIEVED EMPLOYEES.

17 SO WHAT WE HAVE IS THE TOTAL PAGA PENALTY PROPOSED
18 IS \$13,333.33; 75 PERCENT OF WHICH IS \$10,000 WILL GO TO
19 THE LABOR WORKFORCE DEVELOPMENT AGENCY; 25 PERCENT OF WHICH
20 WILL GO TO THE CLASS. AND AFTER DEDUCTING THE \$3,333.33
21 FROM THE ATTORNEYS' FEES THE NET ATTORNEYS' FEES WILL BE
22 \$663,332.67. AND THE AMOUNT AVAILABLE FOR DISTRIBUTION TO
23 THE CLASS WILL BE 1 MILLION -- I THINK I MISSTATED THE
24 NUMBERS BEFORE, \$1,119,333.

25 MR. PYLE: YOUR HONOR, COULD WE TALK ABOUT THAT
26 NUMBER FOR A MOMENT TO MAKE SURE IT'S CORRECT.

27 THE COURT: YES.

28 MR. PYLE: IS THAT THE NET SETTLEMENT PLUS THE

1 3333.33?

2 THE COURT: NO, THAT IS THE TOTAL.

3 MR. PYLE: BECAUSE BEFORE THE NET SETTLEMENT, AFTER
4 DEDUCTIONS FOR THE ATTORNEYS' FEES, THE COSTS IN THE AMOUNT
5 OF 75,000; 25,000 FOR CLAIMS ADMINISTRATION COSTS; 60,000
6 FOR ENHANCEMENT AWARDS; AND THE \$10,000 TO THE LWDA FOR
7 PAGA WHAT WAS LEFT FOR THE CLASS WAS 1,163,334.

8 THE COURT: THAT IS WHAT I JUST DID THE CALCULATION
9 AND THAT DOES NOT SEEM TO BE RIGHT.

10 MR. PYLE: AND LET ME EXPLAIN THAT TO YOUR HONOR
11 BECAUSE IT'S BEEN SOME TIME. THERE WAS A CLAIMS MADE
12 PORTION OF THIS SETTLEMENT WITH THE FLOOR. SO CLASS
13 MEMBERS HAD TO SUBMIT CLAIMS AND WHILE MANY OF THEM DID,
14 AND I THINK -- I KNOW THAT A SIGNIFICANT PERCENTAGE OF THE
15 AMOUNT WAS CLAIMED, IT WASN'T 100 PERCENT. SO --

16 THE COURT: WE'RE NOT TALKING ABOUT THAT. JUST GO
17 OVER THE NUMBERS. YOU START OUT WITH \$2 MILLION.

18 MR. PYLE: RIGHT.

19 THE COURT: YOU SUBTRACT FROM \$2,000,000, \$666,666,
20 SUBTRACT FROM THAT 75,000, SUBTRACT 25,000, SUBTRACT
21 60,000, SUBTRACT 10,000. YOU MAY BE RIGHT, ONE SECOND.

22 I STAND CORRECTED. LET ME READ THE NUMBERS. SO
23 THE NET AMOUNT WAS AVAILABLE \$163,334. AND SO WHAT ARE YOU
24 SAYING IS AVAILABLE FOR THE CLASS NOW?

25 MR. PYLE: IT WOULD BE 1 MILLION --

26 THE COURT: 666.

27 MR. PYLE: -- 663,333 PLUS THE 3,333 WHICH WOULD
28 GET US TO \$1,166,667.33.

1 THE COURT: ALL RIGHT, I STAND CORRECTED. I DIDN'T
2 READ THE CALCULATOR CORRECT.

3 SO THE NUMBER, THE NET SETTLEMENT PREVIOUSLY WAS
4 \$1,163,334. NOW, WITH THE ADDITIONAL SETTLEMENT FOR THE
5 PAGA MONEY WHICH IS NOW COMING FROM THE ATTORNEYS' FEES,
6 THAT WILL ADD TO THE SETTLEMENT TO THE CLASS MEMBERS SO THE
7 CLASS MEMBER DISTRIBUTION WILL BE \$1,166,667.

8 UNDER CALIFORNIA RULES OF COURT 3.769, A SETTLEMENT
9 OR COMPROMISE OF AN ENTIRE CLASS ACTION OR A CAUSE OF
10 ACTION IN A CLASS ACTION WHERE IT APPLIES REQUIRES THE
11 APPROVAL OF COURT AFTER HEARING.

12 IN DETERMINATION WHETHER TO APPROVE A CLASS
13 SETTLEMENT THE COURT HAS A RESPONSIBILITY TO PREVENT FRAUD,
14 COLLUSION, OR UNFAIRNESS TO THE CLASS THROUGH SETTLEMENT
15 BECAUSE REST OF THE CLASS MEMBERS OR EVEN THE NAMED PARTIES
16 MAY HAVE NOT BEEN GIVEN DUE REGARD BY THE NEGOTIATING
17 PARTIES CITING CONSUMER ADVOCACY GROUP VERSUS KINTETSY
18 2006, 141 CAL.APP.4TH 46.

19 THE CLASS SETTLEMENT MUST BE SCRUTINIZED BY THE
20 COURT SO THE COURT CAN ASSURE ITSELF IT'S NOT THE PRODUCT
21 OF FRAUD OR ORIGINAL COLLUSION AND THAT THE SETTLEMENT
22 TAKEN AS A WHOLE IS FAIR AND REASONABLE AND ADEQUATE TO ALL
23 CONCERNED CITING WERSHBA VERSUS APPLE COMPUTER 2001, 91
24 CAL.APP.4TH 224.

25 THE BURDEN IS ON THE PROPONENT IN A SETTLEMENT TO
26 ESTABLISH THAT THE SETTLEMENT IS FAIR AND REASONABLE CITING
27 7-11 VERSUS SOUTHLAND 2000, 85 CAL.APP.4TH 1135.

28 HOWEVER, A PRESUMPTION OF FAIRNESS EXIST WHERE A

1 SETTLEMENT IS REACHED THROUGH AN ARM'S-LENGTH BARGAIN, THE
2 INVESTIGATION AND DISCOVERY ARE SUFFICIENT TO ALLOW COUNSEL
3 AND THE COURT TO ACT INTELLIGENTLY, COUNSEL'S EXPERIENCE IN
4 SIMILAR LITIGATION AND THE PERCENTAGE OF OBJECTORS IS
5 SMALL. CITING THE WERSHBA COURT AS WELL AS DUNK VERSUS
6 FORD MOTOR 1996, 48 CAL.APP.4TH 1974.

7 COURT RECOGNIZES THAT SETTLEMENT NEED NOT MAKE THE
8 CLASS MEMBERS COMPLETELY WHOLE. AS THE WERSHBA COURT CASE
9 STATED COMPROMISE IS INHERENT AND NECESSARY IN THE
10 SETTLEMENT PROCESS. THUS EVEN IF THE RELIEF AFFORDED BY
11 THE PROPOSED SETTLEMENT IS SUBSTANTIALLY NARROWER THAT IT
12 WOULD BE IF THE SUIT WERE TO BE SUCCESSFULLY LITIGATED THAT
13 WOULD NOT BE A BAR TO CLASS SETTLEMENT BECAUSE THE PUBLIC
14 INTEREST MAY INDEED BE SERVED BY VOLUNTARY SETTLEMENT WHICH
15 EACH SIDE GAVE GROUND IN THE INTEREST OF AVOIDING
16 LITIGATION.

17 THE COURT NOTES JUST GIVING THE HISTORY OF THE CASE
18 THAT THE SETTLEMENT WAS REACHED THOUGH ARM'S-LENGTH
19 BARGAINING THROUGH A MEDIATION. AND THE COURT FOUND THAT
20 BASED UPON THE EVIDENCE SUBMITTED THAT THE INVESTIGATION
21 UNDERTAKEN AND DISCOVERY UNDERTAKEN WAS SUFFICIENT TO ALLOW
22 THE COURT AND COUNSEL TO BE FULLY APPRISED OF THE PREMISES
23 AND THE SETTLEMENT WAS ENTITLED TO A PRESUMPTION OF
24 FAIRNESS.

25 BASED UPON THE EVIDENCE PREVIOUSLY SUBMITTED, THE
26 COURT ALSO FOUND THAT THE SETTLEMENT WAS FAIR, REASONABLE,
27 AND ADEQUATE.

28 WITH REGARD TO THE PAGA PENALTY, LABOR CODE SECTION

1 2699 PROVIDES THAT THE SUPERIOR COURT SHALL REVIEW AND
2 APPROVE ANY PENALTIES SOUGHT AS PART OF A PROPOSED
3 SETTLEMENT AGREEMENT PURSUANT TO THIS PART.

4 THE ACTIONS PURSUANT TO THE PAGA ARE NOT CLASS
5 ACTIONS. THEY ARE NOT SUBJECT TO REQUIREMENT THAT THE
6 COURT CONDUCT A FAIRNESS HEARING. NEVERTHELESS, THE COURT
7 CONSIDERED THE PAGA PENALTY AND ITS FAIRNESS THROUGH
8 INQUIRY AT THE TIME THE COURT GRANTED FINAL APPROVAL OF THE
9 SETTLEMENT.

10 THOUGH NOT SEPARATELY ARTICULATED IN THE RECORD AT
11 THE TIME OF FINAL APPROVAL THE COURT DID REVIEW THE PAGA
12 SETTLEMENT TAKING INTO CONSIDERATION THAT THE GROSS
13 SETTLEMENT EXCEEDED THE MAXIMUM EXPOSURE ON THE MAIN CLAIMS
14 SUCH THAT THERE WERE EXCESS FUNDS TO BE ALLOCATED TO THE
15 PAGA PENALTY, THAT THE TRIAL COURT HAS WIDE DISCRETION TO
16 REDUCE PAGA PENALTIES, AND THAT PLAINTIFFS ADMITTED THAT
17 DEFENDANTS HAD SIGNIFICANT DEFENSES WHICH COULD RESULT IN
18 GREATLY REDUCED PAGA PENALTY.

19 IN CONNECTION WITH THE RENEWED MOTION FOR FINAL
20 APPROVAL, CLASS COUNSEL PRESENTS EVIDENCE THAT THE PORTION
21 OF SETTLEMENT PROCEEDS ALLOCATED TO PAGA PENALTIES IN THIS
22 ACTION IS HIGHER THAN IN OTHER PUBLIC CASES OF SIMILAR SIZE
23 IN LOS ANGELES COUNTY AND FEDERAL CASES.

24 BASED UPON THIS INFORMATION, THE ALLOCATION OF
25 .0067 IN THIS CASE IS HIGHER THAN THE ARRANGE .0055 IN LOS
26 ANGELES COUNTY OF SIMILAR-SIZED CASES AND THE AVERAGE OF
27 .0057 IN FEDERAL CASES OF SIMILAR SIZE.

28 IN OPPOSITION, CLARKE CITES AN UNPUBLISHED CASE OF

1 COTTER VERSUS LYFT IN THE NORTHERN DISTRICT OF CALIFORNIA
2 2016 CASE REPORTED IN 2016 WESTLAW 1394236 AS AN EXAMPLE OF
3 THE CASE WHERE ALLOCATING LESS THAN 1 PERCENT OF THE TOTAL
4 SETTLEMENT PROCEEDS TO A PAGA CLAIM WAS REJECTED.

5 THE FEDERAL DISTRICT COURT IN THE COTTER CASE IN
6 DECLINING TO GRANT PRELIMINARY APPROVAL FOUND THAT THE
7 SETTLEMENT AS A WHOLE DID NOT FALL WITHIN THE RANGE OF
8 REASONABLENESS. USING THE METHODOLOGIES SET OUT BY
9 PLAINTIFFS' COUNSEL, THE VALUE OF THE REIMBURSEMENT CLAIM
10 IS OVER \$126 MILLION MAKING THE \$12.25, EXCUSE ME, THE
11 \$12.25 MILLION SETTLEMENT UNREASONABLE.

12 THE COURT ALSO INDICATED THAT THE LAWYERS
13 UNDERVALUED THE PAGA PENALTY, \$122,250, BY ASSUMING THE
14 TRIAL COURT WOULD USE ITS DISCRETION TO REDUCE THE PENALTY.
15 THE DISTRICT COURT NOTED THIS DID NOT APPEAR TO BE THE CASE
16 WHERE IT WOULD BE UNJUST OR OPPRESSIVE TO IMPOSE THE FULL
17 AMOUNT OF THE PAGA PENALTY.

18 PLAINTIFFS ARGUE IN THE REPLY THAT UNLIKE THE
19 COTTER CASE, PLAINTIFF IS FACING SIGNIFICANT PROCEDURAL
20 HURDLES. ALSO NOTE THAT THE JUDGE IN THE UNPUBLISHED
21 COTTER DECISION WAS NOT ATTEMPTING TO PROVIDE A RULING ON
22 THE APPROPRIATE AMOUNT TO ALLOCATE PAGA PENALTIES. NOTING
23 THAT SOON AFTER HE APPROVED THE \$10,000 ALLOCATION TO PAGA
24 AND \$3.37 MILLION SETTLEMENT.

25 CONSIDERING ALL THE EVIDENCE THAT HAS BEEN
26 SUBMITTED AND THE VALUATION OF ALL THE CLAIMS, THE COURT
27 DOES COME TO THE CONCLUSION THAT THE ALLOCATION OF THE PAGA
28 PENALTY IS FAIR, REASONABLE, AND ADEQUATE. THE COURT WILL

1 APPROVE THE ALLOCATION OF THE PAGA PENALTIES.

2 THE COURT DOES NOTE THAT THE SETTLEMENT AS A WHOLE
3 WAS SUBMITTED TO THE CLASS MEMBERS AND THAT THE
4 ADMINISTRATOR AS A RESULT OF THE NOTICE TO THE CLASS,
5 RECEIVED 230 CLAIM FORMS, THREE OPT-OUTS AND ZERO
6 OBJECTIONS, EXCUSE ME, THAT WAS EARLIER REPORT.

7 THE LATER REPORT INDICATED THAT THERE WERE NINE
8 OPT-OUTS. HOWEVER, FOUR OUT OF THE NINE OPT-OUTS ALSO
9 SUBMITTED VALID CLAIM FORMS SO THEY WERE INCLUDED IN THE
10 SETTLEMENT SO THE NET RESULT WAS FIVE OPT-OUTS AND ZERO
11 OBJECTIONS.

12 ALL RIGHT. SO ARGUMENT THAT THE RENEWED MOTION FOR
13 FINAL APPROVAL IS PROCEDURALLY FLAWED BECAUSE IT WAS MADE
14 WITHOUT NOTICE TO THE CLASS LACKS MERIT. THE CASE WAS
15 REMANDED TO THIS COURT SOLELY TO CONDUCT A NEW HEARING WITH
16 REGARD TO THE PAGA PENALTY THAT COMPLIES WITH LABOR CODE
17 SECTION 2699. PAGA SETTLEMENTS DO NOT REQUIRE NOTICE TO
18 THE AGGRIEVING EMPLOYEES CITING ARIAS VERSUS SUPERIOR
19 COURT, 2009, 46 CAL.4TH 969 AND BAUMANN VERSUS CHASE
20 INVESTMENT, 9TH CIRCUIT, 2014, 747 F.3D 1117.

21 SO IN CONCLUSION, THE COURT IS GOING TO REAFFIRM
22 ITS APPROVAL OF THE SETTLEMENT AS BEING FAIR, REASONABLE,
23 AND ADEQUATE.

24 THE COURT IS GOING TO REAFFIRM ITS RULINGS WITH
25 REGARD TO THE APPROVAL OF THE TOTAL SETTLEMENT OF
26 \$2 MILLION AND ALSO THE ALLOCATION OF THE ATTORNEYS' FEES,
27 THE ATTORNEYS COSTS, AND CLAIMS ADMINISTRATION COSTS, THE
28 ENHANCEMENT AWARDS. THE ONLY CHANGE WILL BE THAT THE PAGA

1 PENALTY IS INCREASED TO \$13,333.33 AND OF THAT 75 PERCENT
2 OR \$10,000 WILL GO TO THE LABOR WORK DEVELOPMENT AGENCY; 25
3 PERCENT WHICH IS \$3,333.33 IS GOING TO BE DISTRIBUTED AS
4 PART OF THE CLASS; AND THE COURT IS ALSO GOING TO ORDER
5 THAT THE PREVIOUS AWARD OF ATTORNEYS' FEES THAT WAS
6 APPROVED AND JUST REFERRED TO THAT THE COURT IS GOING TO
7 APPROVE THE ATTORNEYS' FEES, BUT IN A LESSER AMOUNT AND
8 THAT IS \$3,333.33 THAT WAS PREVIOUSLY ALLOCATED TO THE
9 ATTORNEYS WILL BE NOW ALLOCATED TO THE PAGA PENALTY.

10 AND I THANK COUNSEL, AND THE COURT WILL REVIEW THE
11 ORDER AND WILL SIGN THE ORDER WITH ANY MODIFICATIONS THAT
12 MAY BE NECESSARY. AND PLAINTIFF TO GIVE NOTICE AND POST ON
13 THE WEB SITE.

14 MR. PYLE: WE WILL, YOUR HONOR, AND WE NEED TO GET
15 TO YOU THE LIST OF THE OPT-OUTS TO INCLUDE AS AN EXHIBIT TO
16 THE ORDER, AND WE WILL DO SO THIS WEEK.

17 THE COURT: SUBMIT A NEW REVISED ORDER WITH THE
18 OPT-OUTS INCLUDED.

19 MR. PYLE: WE WILL DO THAT.

20 MR. CLIFFORD: THANK YOU, YOUR HONOR.

21 MR. DOW: THANK YOU.

22

23 (END OF PROCEEDING.)

24

25

26

27

28

EXHIBIT 2

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County Of Los Angeles

JUN 07 2013

John A. Clark, Executive Officer/Clerk
By: Tinnaya Lewis, Deputy

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10 **IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA**

11 **FOR THE COUNTY OF LOS ANGELES**

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14 MARTHA AVILA; JULIA AVILA;
15 ARMANDO BARAJAS; JIM BARNETT; JOSE
16 BAZA; JOSE BOLANOS; TASHIKA
17 BRACKENS; TWANDA BRANOM;
18 LORRAINE BREWTON; BOBBIE BRIGHT;
19 JUANA CALDERON; WILLIAM
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ANN JORDAN; MEKONNEN KASSA;
BENISHA LEWIS; ROSEMARY GUERRA
LLAMAS; MIGUEL A. LOPEZ;
MARDOQUEO LOPEZ; TANYA LOPEZ;
MIGUEL LUNA; MARIA MALAGON;
ARTURO PEREZ MARQUEZ; GUILLERMO
MARTINEZ; TONY MEDINA; SAMUEL
MEJIA; MILADY MENJIVAR; LUIS
ALBERTA MONTOYA; DONALD MOORE;
SUSAN MOORE; AURORA NAJERA;
CHAVARRIA NETYONE; JOSE ROBERTO
ORELLANA; PEDRO JESUS PADILLA;
DEMSY PAIZ; LUIS PALAFOX; KEVIN
PAYNE; ANGELINE PITTMAN; RAUL
PREZA; JOSE F. PULIDO; SANTIAGO CRUZ
RAMIREZ; MIRIAM CRUZ RAYAS;
GLENDA SEALY; RONALD RAY SMITH;
JORGE SOLORZANO; JOE LOUIS SOTO;

Case No. BC433932

SETTLEMENT AGREEMENT

Date: June 13, 2013
Time: 8:30 A.M.
Dept: 323
Judge: Hon. Elihu M. Berle

BY FAX

SETTLEMENT AGREEMENT

Case No. BC433932

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CARLOS TORRES; BENJAMIN TRUJILLO;
JACQUELINE VANDERBILT; GERARDO
VARGAS; ISAAC VELASQUEZ; JOSE LUIS
VILLA; AND BRANDI WARREN; on behalf of
themselves, and all others similarly situated,

Plaintiff,

v.

FIRST TRANSIT, INC.; and DOES 1-10,
inclusive,

Defendants.

1 SETTLEMENT AGREEMENT

2 This Settlement Agreement of Class Action and Release (hereinafter referred to as
3 "Settlement" or "Agreement") is made and entered into by and between class representatives
4 Hugo Cortez, Elizabeth Peralta, Joe Perez, Lorraine Brewton, Monique Clark and Raul Preza
5 ("Class Representatives"), on behalf of themselves and the Class they represent ("Plaintiffs"), on
6 the one hand, and Defendant First Transit, Inc. and all related entities (hereinafter referred to as
7 the "Defendant") on the other hand (collectively the "Parties"), with regard to the lawsuit entitled
8 *Angel Alonzo, et al. v. First Transit, Inc.*, Los Angeles Superior Court Case No. BC433932 (the
9 "Action" or "Complaint").

10 Subject to Court approval pursuant to Rule 3.769 *et seq.* of the California Rules of Court,
11 Plaintiffs and Defendant have agreed to settle the Action by agreement upon the terms and
12 conditions and for the consideration set forth in this Settlement Agreement.

13 **PRELIMINARY DEFINITIONS AND STIPULATIONS**

14 1. "Class" or "Class Member" or "Class Members" means persons who are members
15 of the following class:

16 All individuals who were employed by Defendant as a bus operator driving bus routes
17 associated with Community DASH Packages 2 and/or 6 in Los Angeles County at any
18 time during the period between August 13, 2003 and the date of Preliminary Approval of
19 this Settlement by the Court.

20 2. "Claimant" means any Class Member who: (1) has not opted out of this
21 Settlement by submitting a complete and timely Request for Exclusion Form in accordance with
22 this Agreement; and (2) has submitted a completed and signed Claim Form by first class U.S.
23 mail within the Claims Submission Period and has thereby timely presented a valid claim with
24 respect to the claims covered by this Agreement.

25 3. "Excluded Class Member" means any Class Member who timely returns a
26 completed and signed Request for Exclusion Form in accordance with the terms of this
27 Settlement.

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- 1 4. "Class Period" means the period beginning August 13, 2003 and ending the date of
2 Preliminary Approval of this Settlement by the Court.
- 3 5. "Court" means the Superior Court Judge assigned to the Action (currently the
4 Honorable Elihu M. Berle).
- 5 6. "Class Counsel" means the law firm of Sundeen, Salinas & Pyle.
- 6 7. "Defense Counsel" means the law firm of Littler Mendelson.
- 7 8. "Preliminary Approval" means an order or orders of the Court granting
8 preliminary approval of this Settlement in accordance with Rule 3.769 of the California Rules of
9 Court, including approval of the Class Notice, Claim Form and Request for Exclusion Form to be
10 agreed upon by the Parties and submitted to the Court in conjunction with Plaintiffs' application
11 for preliminary approval of this Settlement.
- 12 9. "Final Approval" means an order or orders by the Court granting final approval of
13 this Settlement in accordance with Rule 3.769 of the California Rules of Court, including a
14 determination of good faith settlement by the Court which explicitly precludes any and all cross
15 claims or other claims against Defendant and releases all Settled Claims for all Class Members
16 who do not opt out of this Settlement by submitting a complete and timely Request for Exclusion
17 Form in accordance with this Agreement
- 18 10. "Effective Date" means the later of (a) the date of entry of an order by the Court
19 granting Final Approval of this Settlement, if no objection to the Settlement is filed; (b) the date
20 of filing of notice of withdrawal of any objections filed; (c) the date on which the time for appeals
21 from the denial of objections to the Settlement has run, if one or more objections to the
22 Settlement are filed and are not withdrawn; or (d) the resolution of any appeals filed from any and
23 all orders by the Court granting Final Approval of this Settlement and/or overruling any
24 objections thereto.
- 25 11. "Maximum Settlement Amount" means the maximum amount of money
26 Defendant will potentially be required to pay pursuant to this Agreement and Settlement. The
27 Maximum Settlement Amount is two million dollars and no cents (\$2,000,000.00). The
28 Maximum Settlement Amount shall be inclusive of: (1) all payments to Class Members; (2) all

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1 attorneys' fees and costs of Class Counsel and the Class; (3) all enhancement payments to Class
2 Representatives; (4) all payments to or withholdings for governmental authorities for the
3 employee portion of any payroll taxes or other required taxes or withholdings; (5) all payments to
4 the California Labor Workforce Development Agency ("LWDA") for PAGA penalties; (6) all
5 costs relating to administration of the Settlement; and (7) any and all other costs or expenses
6 associated with this Agreement and Settlement. Any part of the Maximum Settlement Amount
7 that is not allocated and required to be paid as provided herein shall remain the property of
8 Defendant, except that, as set forth below, the amount contained in any uncashed Settlement
9 checks shall be distributed to a cy pres beneficiary. There shall be no settlement fund.

10 12. "Settlement Administrator" refers to Kurtzman Carson Consultants ("KCC"), an
11 experienced class action settlement administrator who has been selected by Class Counsel.

12 13. "Net Settlement Amount" means the amount available for possible distribution to
13 Class Members after deductions from the Maximum Settlement Amount for: (1) all attorneys'
14 fees and costs of Class Counsel and the Class; (2) all enhancement payments to Class
15 Representatives; (3) all payments to the California Labor Workforce Development Agency
16 ("LWDA") for PAGA penalties; (4) all costs relating to administration of the Settlement; and (5)
17 any and all other costs or expenses associated with this Agreement and Settlement.

18 14. "Workweek" or "Workweeks" refers to weeks worked by Class Member(s) during
19 the Class Period driving bus routes associated with Community DASH Packages 2 and/or 6,
20 excluding any weeks that are the subject of a release previously approved by a court as part of a
21 class action settlement or entered into by a Class Member.

22 15. "Individual Settlement Payment" refers to the amount to be apportioned to each
23 Claimant under this Settlement. The Individual Settlement Payment shall be calculated based on
24 the number of Workweeks worked by each Class Member during the Class Period as follows:
25 The "Settlement Numerator" for each Class Member's payment shall be determined by
26 multiplying his or her number of workweeks by his or her final hourly rate during the Class
27 Period. The "Settlement Denominator" shall be determined by aggregating all of the Settlement
28 Numerators. The "Proportionate Share" for each Class Member shall then be determined by

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1 dividing his or her Settlement Numerator by the Settlement Denominator. The Individual
2 Settlement Payment for each Class Member shall be determined by multiplying his or her
3 Proportionate Share by the Net Settlement Amount.

4 16. In the event that less than 60% of the Net Settlement Amount is claimed by Class
5 Members, the Individual Settlement Payment of each Claimant shall be proportionally increased
6 until a 60% payout of the Net Settlement Amount is achieved. The proportional increase to the
7 Individual Settlement Payment of each Claimant shall be determined by his or her Proportionate
8 Share. For example, a Claimant whose Proportionate Share was 1% would receive 1% of
9 the additional funds to be paid out to Claimants, and a Claimant whose Proportionate Share was
10 5% would receive 5% of the additional funds.

11 17. "Claims Submission Period" means the time period commencing on the date
12 Claim Forms are first mailed by first class U.S. mail to Class Members and ending forty-five (45)
13 days later on the deadline by which Class Members who wish to participate in the distribution of
14 the Net Settlement Amount must return a completed and signed Claim Form to the Settlement
15 Administrator via first class U.S. mail.

16 18. "Opt Out Period" means the time period commencing on the date Claim Forms are
17 mailed by first class U.S. mail to Class Members and ending forty-five (45) days later on the
18 deadline by which Class Members who wish to opt out from the Settlement must return a
19 completed and signed Request for Exclusion Form to the Settlement Administrator via first class
20 U.S. mail.

21 19. "Class Notice" means the document agreed to by the parties and approved by the
22 Court and sent via first class U.S. mail to the Class within 60 days following Preliminary
23 Approval that notifies Class Members of the Settlement, the Settled Claims being released by any
24 Class Member who does not timely file a completed and signed Request for Exclusion Form, and
25 that otherwise explains the Class Members' options. A copy of the agreed-upon Class Notice is
26 attached hereto as Exhibit A.

27 20. "Claim Form" means the proof of claim, the language of which is to include a
28 description of the Settled Claims being released by any Class Member who does not timely file a

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1 completed and signed Request for Exclusion Form and additional language to be mutually agreed
2 upon by the Parties and approved by the Court, and which is to be used by Class Members who
3 choose to make a claim for an Individual Settlement Payment. A copy of the agreed-upon Claim
4 Form is attached hereto as Exhibit B.

5 21. "Request for Exclusion Form" means the form that is to be completed, signed and
6 timely submitted by any Class Member who wishes to be excluded from the settlement of the
7 Action and the release of Settled Claims pursuant to this Agreement. A copy of the agreed-upon
8 Request for Exclusion Form is attached hereto as Exhibit C.

9 22. "Final Judgment" means the order or orders entered and filed by the Court that:
10 (1) finally approves this Agreement and the Settlement, disposes of all issues raised in this Action
11 and bars Class Members from asserting or reasserting Settled Claims against Released Parties;
12 and (2) awards and orders the payment of all required amounts pursuant to the terms of this
13 Agreement (Class Counsel's attorneys' fees and costs, Settlement Payments to Claimants, etc.)

14 23. "Final Settlement Hearing" means the hearing at which Class Representatives will
15 request that the Court: (1) approve the fairness, reasonableness, and adequacy of the terms and
16 conditions of the Settlement and this Agreement; (2) enter the Final Approval Order and
17 Judgment; (3) award Class Counsel attorneys' fees and costs; (4) award Class Representatives'
18 enhancement payments; (5) award Individual Settlement Payments to Claimants; (6) enter an
19 order permanently enjoining all Class Members who have not timely opted out from this
20 Settlement from pursuing, or seeking to reopen, any of the Settled Claims; and (7) take other
21 appropriate or necessary action as described herein.

22 24. "Class Representatives" means Hugo Cortez, Elizabeth Peralta, Joe Perez,
23 Lorraine Brewton, Monique Clark and Raul Prca.

24 25. "Parties" means Class Representatives, individually and on behalf of all Class
25 Members, and Defendant.

26 26. "Released Parties" shall mean Defendant and its affiliated companies, parents,
27 members, subsidiaries, related companies and business concerns, past and present, and each of
28 them, as well as each of their insurers, partners, trustees, directors, shareholders, officers, agents,

1 attorneys, servants and employees, past and present, and each of them, including but not limited
2 to First Transit, Inc., FirstGroup America, Inc. and First Group plc.

3 27. "Settlement" shall refer to the agreement of the Parties to settle the claims as set
4 forth and embodied in this Agreement.

5 28. "Settled Claims" means any and all claims for relief based on wage and hour
6 provisions of state and federal law, including but not limited to statutory, regulatory and common
7 law claims, and all related or derivative claims for penalties, including but not limited to claims
8 under the Private Attorneys General Act and wage statement claims, and claims for relief based
9 on the California Unfair Competition Law, whether suspected or unsuspected, which the Class
10 Representatives or any Class Member may have had, now have, or may have in the future against
11 the Released Parties, or any of the Released Parties, for any acts occurring during the Class
12 Period that are either or both: (1) alleged in the original complaint and/or any amended complaint
13 filed in the Action; or (2) that could have been alleged in the original complaint and/or any
14 amended complaint filed in the Action relating in any way to meal periods, rest periods, correct
15 and complete itemized wage statements, and waiting time penalties, whether known or unknown.

16 BACKGROUND

17 29. The original complaint in the Action was filed March 16, 2010 and was thereafter
18 amended on two separate occasions, with the second amended complaint being filed on or about
19 October 29, 2010. The complaint and/or amended complaints allege numerous claims for
20 damages and penalties against Defendant on behalf of the Class, including but not limited to
21 claims based on Defendant's alleged violations of the rights of Class Representatives and
22 members of the Class to receive legally compliant meal and rest periods, to receive compensation
23 and penalties as required by law relating thereto, and to receive complete and correct itemized
24 wage statements. The Complaint also sought attorneys' fees, costs and associated penalties in
25 connection with the claims referenced therein.

26 30. It is the desire of the Parties to fully, finally, and forever settle, compromise,
27 waive, release and discharge all disputes and claims that arise or could have arisen from
28 Plaintiffs' Complaint and the Action, as further described in this Agreement.

1 31. In the Action, the Parties have diligently sought to represent the interests of their
2 respective clients. Both parties have engaged in significant written discovery, demanded and
3 received relevant documents, taken depositions and also informally investigated the facts
4 surrounding the claims asserted in the Complaint. More particularly, Class Counsel has
5 conducted a thorough investigation into the facts of the Action and of the Class Members' claims
6 against Defendant, including extensively reviewing all relevant documents, conducting written
7 discovery, taking depositions of Defendant's representatives and communicating with Class
8 Members as part of Class Counsel's own independent investigation and evaluation. Class
9 Counsel is of the opinion that the Settlement with Defendant for the consideration and on the
10 terms set forth in this Agreement is fair, reasonable, and adequate and is in the best interest of the
11 Class Members in light of all known facts and circumstances, including the risk of significant
12 delay, the risk that the Class would not prevail at trial, the defenses asserted by Defendant, and
13 potential appellate issues.

14 32. On October 20, 2011, Defense Counsel and Class Counsel attended a full-day
15 Mediation with Mark Rudy, who is highly experienced in employment litigation and in class
16 "wage and hour" litigation, in an attempt to resolve all disputes related to the Action. A
17 representative of Defendant from its Cincinnati corporate headquarters also attended the
18 mediation. However, the mediation did not result in a resolution.

19 33. Subsequent to the October 20, 2011 mediation, both Defense Counsel and Class
20 Counsel continued to engage in discovery and additional investigation of the claims asserted in
21 the Action. Class Counsel also successfully obtained an order from the Court certifying the Class
22 and notices were sent to 685 Class Members, with only six (6) opting out of the Class.

23 34. On February 1, 2013 the Parties held a second mediation session with Mark Rudy.
24 A representative of Defendant from its Cincinnati corporate headquarters also attended the second
25 mediation session. The second mediation session began at 9:00 a.m. and concluded
26 approximately 12 hours later with both Defendant and Class Representatives, on behalf of the
27 Class, agreeing to a mediator's proposal made by Mr. Rudy. The Parties' acceptance of the
28 mediator's proposal was the result of the discovery and investigation conducted by Class Counsel

1 beginning prior to the filing of the original complaint and continuing through the date of the
2 second mediation session, including agreement reached with Defense Counsel on the number of
3 Workweeks at issue in the Action, and the Parties' respective assessment of the risks of trial. The
4 agreement reached by the Parties through the efforts of Mr. Rudy were reduced to a written
5 memorandum of understanding signed by Defendant's representative and Class Counsel at the
6 end of the mediation session.

7 35. Class Counsel is of the opinion that this Settlement is fair, reasonable, and
8 adequate, and in the best interest of the Class in light of all known facts and circumstances,
9 including the risk of significant delay, defenses asserted to the merits, the continuing class action
10 status of this Action, and the numerous potential appellate issues. While Defendant specifically
11 denies any liability in the Action, Defendant has agreed to enter into this Settlement to avoid the
12 cost and business disruption associated with defending the Action.

13 36. The Parties agree to cooperate and take all steps necessary and appropriate to
14 consummate this Settlement and, if the Settlement is finally approved by the Court, Class
15 Representatives agree to release all Settled Claims on behalf of themselves and all Class
16 Members.

17 TERMS AND CONDITIONS

18 37. The maximum total liability under this Agreement and Settlement, including all
19 attorneys' fees, attorneys' costs, and other payments provided by this Settlement, is two million
20 dollars and no cents (\$2,000,000.00), which is known as the Maximum Settlement Amount as
21 defined above. It is understood and agreed that Defendant shall have no obligation to pay more
22 than the Maximum Settlement Amount under the terms of this Agreement. However, as set forth
23 below Defendant shall be obligated to pay the employer's share of any payroll taxes.

24 38. This Settlement contemplates (1) entry of a Preliminary Approval order
25 preliminarily approving this Agreement and Settlement, the Class Notice, the Claim Form and the
26 Request for Exclusion Form; (2) distribution of the Class Notice, Claim Form and Request for
27 Exclusion Form to Class Members; (3) entry of a Final Approval order granting final approval of
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1 this Agreement and Settlement, determining that the Settlement is fair, and finally and forever
2 releasing all Settled Claims.

3 39. Modification of Allocation of Maximum/Net Settlement Amount. If the Court
4 refuses to enter orders giving Preliminary Approval or Final Approval of this Agreement due to
5 the manner in which the Maximum Settlement Amount and/or Net Settlement Amount are
6 allocated under this Agreement, the Parties will meet and attempt in good faith to reach
7 agreement on a re-allocation that will be approved by the Court. If the Parties are unable to agree
8 to a re-allocation that is approved by the Court, this Agreement shall become void and shall be of
9 no further effect, and Defendant shall not be obligated to pay any monies related in any way to
10 this Agreement.

11 40. Non-Admission of Liability. The Parties enter into this Agreement to resolve the
12 dispute that has arisen between them and to avoid the burden, expense and risk of continued
13 litigation. In entering into this Agreement, Defendant does not admit, and specifically denies, it
14 has: violated any federal, state, or local law; violated any regulations or guidelines promulgated
15 pursuant to any statute or any other applicable laws, regulations or legal requirements; breached
16 any contract; violated or breached any duty; engaged in any misrepresentation or deception; or
17 engaged in any other unlawful conduct with respect to its employees. Neither this Agreement,
18 nor any of its terms or provisions, nor any of the negotiations connected with it, shall be
19 construed as an admission or concession by Defendant of any such violation(s) or failure(s) to
20 comply with any applicable law. Except as necessary in a proceeding to enforce the terms of this
21 Agreement, this Agreement and its terms and provisions shall not be offered or received as
22 evidence in any action or proceeding to establish any liability or admission on the part of
23 Defendant or to establish the existence of any condition constituting a violation of, or a
24 noncompliance with, federal, state, local or other applicable law. In addition, the Parties intend
25 this Settlement to be contingent upon satisfaction of all the terms and conditions of this
26 Agreement, including the entry of a Preliminary Approval order and Final Approval order in
27 accordance with the terms of this Agreement. The Parties do not waive, and instead expressly
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1 reserve, their respective rights to prosecute and defend this Action as if this Agreement never
2 existed in the event the Settlement is not fully and finally approved as set forth herein.

3 41. Release of Claims. As of the date of filing and entry of a Final Approval order and
4 Final Judgment, Class Representatives and each Class Member who did not timely file a Request
5 for Exclusion Form shall be deemed to have fully, finally, and forever released, settled,
6 compromised, relinquished and discharged any and all of the Released Parties of and from any
7 and all Settled Claims. This release is intended to settle any and all of the Settled Claims,
8 whether known or unknown, that any of them may have against the Released Parties as of the
9 date of Preliminary Approval of this Settlement by the Court.

10 42. Confirmation of Scope of Release. The Class Notice, Claim Form and Final
11 Judgment shall expressly provide that the release being provided by Class Members under this
12 Agreement covers and bars each and every Class Member who did not timely submit a complete
13 and signed Request for Exclusion Form from asserting any Settled Claims against any of the
14 Released Parties now or in the future.

15 43. As of the entry and filing of the Final Judgment, Class Representatives and all
16 Class Members who did not timely file a Request for Exclusion Form, and all of their successors
17 in interest, shall be permanently enjoined and forever barred from prosecuting any and all Settled
18 Claims released pursuant to this Agreement against the Released Parties. The release of all
19 Settled Claims extends to Settled Claims which now exist or which heretofore have existed upon
20 any theory of law or equity. The release of all Settled Claims further extends to and includes any
21 Settled Claims whether the conduct is negligent, intentional, with or without malice, or a breach
22 of any duty, law, or rule.

23 44. The Parties agree for settlement purposes only that because the Class Members are
24 so numerous, it is impossible or impracticable to have each Class Member execute this
25 Agreement. Accordingly, the Class Notice will advise all Class Members of the terms of the
26 release provided for by this Agreement and such notice shall have the same force and effect as if
27 the Agreement were executed by each Class Member.

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1 45. Class Representatives and Class Counsel represent, covenant, and warrant that
2 they have not directly or indirectly assigned, transferred, encumbered or purported to assign,
3 transfer, or encumber to any person or entity any portion of any liability, claim, demand, action,
4 cause of action, or rights herein released and discharged, except as set forth herein.

5 46. Settlement Payments and Calculation of Claims. Subject to entry of a Final
6 Approval order and Final Judgment by the Court and the additional conditions specified in this
7 Agreement, and in consideration of the mutual covenants and promises set forth herein,
8 Defendant agrees to make a total payment under this Agreement in an amount as required by this
9 Agreement, but not to exceed two million dollars and no cents (\$2,000,000.00), the Maximum
10 Settlement Amount as defined in Paragraph 11 above. In no event shall Defendant be required to
11 pay any amounts above the Maximum Settlement Amount under this Settlement and this
12 Agreement. The Parties agree, subject to Court approval, that the Maximum Settlement Amount
13 shall be apportioned as follows:

14 a. Class Counsel will apply to the Court for an award of attorneys' fees of no more
15 than thirty-three and one-third percent (33.33 %) of the Maximum Settlement Amount,
16 which equals six hundred and sixty-six thousand, six hundred and sixty-six dollars
17 (\$666,666.00). The attorney's fees shall come from and be deducted from the Maximum
18 Settlement Amount. Defendant will not oppose such application.

19 b. Class Counsel will apply to the Court for an award of litigation costs of no more
20 than seventy-five thousand dollars (\$75,000.00). The litigation costs shall come from and
21 be deducted from the Maximum Settlement Amount. Defendant will not oppose such
22 application.

23 c. Class Counsel will also apply to the Court for Settlement Administration costs,
24 currently estimated to be in an amount of up to twenty-five thousand dollars (\$25,000.00),
25 to be deducted from the Maximum Settlement Amount. Defendant will not oppose such
26 application.

27 d. Class Counsel will apply to the Court for an enhancement award in an amount not
28 to exceed ten thousand dollars (\$10,000.00) to be paid to each of the Class

1 Representatives for their services for a total of sixty thousand dollars (\$60,000.00), for
2 assuming the risks associated with this litigation and as consideration for providing a
3 general release. Defendant will not oppose such application. The enhancement award is
4 included in, and shall be deducted from, the Maximum Settlement Amount.

5 e. Pursuant to California Labor Code Section 2698, et seq., Defendant shall pay ten
6 thousand dollars (\$10,000.00) to the California Labor & Workforce Development Agency
7 ("LWDA") for penalties under the Private Attorney General's Act California Labor Code
8 section 2698, et seq. ("PAGA"). The Parties stipulate that Class Representatives will
9 exhaust administrative remedies for these claims and stipulate to the amendment of the
10 current operative complaint to add claims under the PAGA and the Fair Labor Standards
11 Act ("FLSA") and to answer the complaint as amended in accordance with this
12 subparagraph (d). This amount is included in, and shall be deducted from, the Maximum
13 Settlement Amount and shall be distributed one-hundred percent (100%) to the LWDA.
14 Defendant shall have the option of voiding this Agreement and Settlement in the event the
15 LWDA refuses to accept the above amount in full for all civil penalties to aggrieved
16 employees in connection with the civil penalty claims included within the Settled Claims
17 and alleged in the amendment to the Complaint.

18 47. The Net Settlement Amount will be the amount remaining after deducting the
19 amounts specified in Paragraph 46 (a) to (e) above. The Net Settlement Amount is currently
20 estimated to be one million, one hundred and sixty-three thousand three hundred thirty-four
21 dollars (\$1,163,334.00). Individual Settlement Payments to Claimants shall be awarded from the
22 Net Settlement Sum based on his or her Proportionate Share as set forth in Paragraphs 15 and 16
23 above.

24 48. The Parties acknowledge and agree that the formula used to calculate Individual
25 Settlement Payments does not imply that all of the elements of damages and penalties alleged in
26 the Action are not being taken into account. The above formula was devised as a practical and
27 logistical tool to simplify the claims process.

1 49. The Parties agree that under no circumstances shall Defendant be obligated to pay
2 any amount under this Agreement to any Class Member other than Class Representatives and
3 Claimants. In addition, the Parties agree that in no event shall Defendant be obligated to pay
4 more than the Maximum Settlement Amount in full settlement of the Action.

5 50. Unclaimed and Unawarded Amounts. To the extent that there are amounts
6 allocated to the Net Settlement Amount as set forth herein that are not awarded, claimed or used,
7 such amounts will remain Defendant's property and will not be part of this Settlement. All
8 amounts not distributed to Class Members or allocated under the terms of the Agreement will
9 remain Defendant's property and not be part of the Settlement, including, without limitation:
10 amounts allocated to Class Members who do not timely file completed and signed Claim Forms
11 and become Claimant(s). Under no circumstances will a Claimant be entitled to more than his or
12 her pro rata share of the Net Settlement Amount based on his or her total Workweeks in
13 comparison to the total number of Workweeks worked by all Class Members, as potentially
14 modified pursuant to Paragraph 16 above, regardless of how many Class Members timely file
15 Claim Forms or become Claimants.

16 51. No Additional Benefits: All Individual Settlement Payment awards to Claimants
17 shall be deemed to be paid to such Claimants solely in the year in which such payments actually
18 are received by the Claimants. It is expressly understood and agreed that the receipt of such
19 payments will not entitle any Claimant to any additional compensation or benefits under any
20 Defendant bonus, contest or other compensation or benefit plan or agreement or any collective
21 bargaining agreement currently in place and/or that was in place during the Class Period or
22 thereafter, nor will receipt of such payments entitle any Claimant to any increased retirement,
23 401K benefits or matching benefits, deferred compensation benefits or any other type of benefit.
24 It is the intent of this Settlement that the Individual Settlement Payment awards provided for in
25 this Agreement are the sole payments to be made by Defendant to the Claimants, and that the
26 Claimants are not entitled to any new or additional compensation or benefits as a result of having
27 received the payments, notwithstanding any contrary language or agreement in any benefit or
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1 compensation plan document or collective bargaining agreement currently in place and/or that
2 was in place during the Class Period or thereafter.

3 52. Taxation of Settlement Proceeds. All payments paid to Claimants and the Class
4 Representatives under this Agreement shall be paid in a net amount after applicable employee
5 state and federal tax withholdings, including payroll taxes, have been deducted for the portion of
6 the Individual Settlement Payment that is attributable to wages, as set forth below.

7 a. The Parties agree that thirty three and one-third percent (33.33%) of the amount
8 distributed to each Claimant will be considered taxable wages, and will be reported as
9 such to each Claimant on a W-2 Form. The Parties agree that thirty three and one-third
10 percent (33.33%) of the amount distributed to each Claimant will be considered interest,
11 and will be reported as such to each Claimant on an IRS Form 1099. The Parties agree
12 that thirty three and one-third percent (33.33%) of the amount distributed to each
13 Claimant will be considered penalties, and will be reported as such to each Claimant on an
14 IRS Form 1099.

15 b. The Settlement Administrator shall calculate, withhold from the Individual
16 Settlement Payments, and remit to applicable governmental agencies sufficient amounts as
17 may be owed by Claimants for applicable employee taxes and withholdings. The
18 Settlement Administrator will issue appropriate tax forms to each Claimant consistent
19 with the foregoing breakdown.

20 c. The Settlement Administrator shall also calculate, obtain from Defendant and
21 remit to applicable governmental agencies amounts owed by Defendant for applicable
22 employer taxes and withholdings through the following steps: the Settlement
23 Administrator will calculate employer-side payroll taxes and other applicable taxes and
24 withholdings that are the responsibility of Defendant based the amount of the Net
25 Settlement Amount actually claimed by Claimants and allocated to wages by this
26 Agreement ("Employer-Side Payroll Tax"), will notify Defendant of the Employer-Side
27 Payroll Amount and, following receipt of the Employer-Side Payroll Tax from Defendant,
28 will pay the Employer-Side Payroll Tax to the appropriate state and federal government

1 agencies. The amount of the Employer-Side Payroll Tax shall be excluded from the
2 Maximum Settlement Amount.

3 53. All Parties represent that they have not received, and shall not rely on, advice or
4 representations from other parties or their agents regarding the tax treatment of payments under
5 federal, state, or local law. In this regard, Defendant makes no representations regarding the
6 taxability of any of the payments to be made under this Agreement.

7 54. Class Counsel will be issued an IRS Form 1099 for any fees and costs awarded by
8 the Court and paid to Class Counsel pursuant to this Agreement. Except as provided in this
9 Agreement, each Party shall bear his, her or its own attorneys' fees, costs, and expenses incurred
10 in the prosecution, defense, or settlement of the Action. Class Counsel agree that any allocation
11 of fees between or among each of the Class Counsel or among the Class Counsel and any other
12 attorney that may be representing Class Representatives or any Class Members shall be the sole
13 responsibility of Class Counsel. Class Counsel agree to indemnify and hold harmless Defendant
14 from any claims or liability by any other person claiming or seeking to claim any attorneys' fees
15 or costs relating to this this Action or Settled Claims.

16 55. Class Representatives will be issued an IRS Form 1099 for any enhancement
17 award approved by the Court. The enhancement award payable to Class Representatives shall be
18 in addition to any payments they may receive pursuant to their status as a Claimant. In exchange
19 for the enhancement award payments each Class Representative will provide Defendant with a
20 separate signed release releasing and settling all possible claims against Released Parties, of any
21 nature whatsoever, whether known or unknown, that the Class Representative may have against
22 any Released Party arising at any time prior to the payment of the enhancement award to the
23 Class Representative, except as to any pending claims based upon violations of the California
24 Investigative Consumer Reporting Agencies Act ("ICRAA"), California Civil Code section 1786,
25 *et seq.*, and alleged in a pending complaint in which the Class Representative is currently a
26 plaintiff.

27 56. Claims-Made Nature of The Settlement. The Settlement will be on a claims-made
28 basis, meaning that the Parties agree, covenant, and represent that the Individual Settlement

1 Payments to be distributed from the Net Settlement Amount shall be distributed to Claimants
2 only. Therefore, individual Class Members will be entitled to receive an Individual Settlement
3 Payment only if the Class Member does all of the following: (i) completes the Claim Form in its
4 entirety; (ii) signs the Claim Form certifying that its contents are true and correct; and (iii) returns
5 by first class U.S. mail the Claim Form that is postmarked on or before the expiration of the
6 Claim Submission Period. Class Members who do not properly or timely submit a Claim Form
7 by first class U.S. mail will not be entitled to any portion of the Net Settlement Amount. As
8 indicated above, the Net Settlement Amount will be calculated as set forth in this Agreement,
9 including after deducting attorney's fees and costs, administrative fees, enhancement payments to
10 the Class Representatives, and the amount to the LWDA. Any and all amounts in the Net
11 Settlement Amount not distributed to Claimants pursuant to the provisions of this Agreement will
12 remain the property of Defendant and not be part of the Settlement. However, the Individual
13 Settlement Payments may be increased as set forth in Paragraph 16 above so that a 60% payout of
14 the Net Settlement Amount is achieved.

15 57. Preliminary Approval of Settlement and Settlement Procedure: No later than
16 March 4, 2013, or as soon thereafter as an ex parte appearance can be scheduled with the Court,
17 Class Counsel will submit this Agreement as well as the agreed-upon Class Notice, Claim Form
18 and Request for Exclusion Form to the Court for its Preliminary Approval. Such submission will
19 include such motions, pleadings and evidence as may be required for the Court to determine that
20 this Settlement, and the settlement procedure set forth herein, is fair, adequate and reasonable, as
21 required by Rule 3.769 *et seq.* of the California Rules of Court.

22 58. Claims Administration: As noted above, Class Counsel has selected KCC, an
23 experienced class action settlement administrator, to administer this Settlement and to act as the
24 Settlement Administrator. The Settlement Administrator will perform all administration duties in
25 conjunction with this Agreement and Settlement, including calculation of the Individual
26 Settlement Payment amounts to be paid to each Claimant, and will issue Individual Settlement
27 Payment checks to Claimants, enhancement checks to Class Representatives, etc., in accordance
28 with the terms of this Agreement. The Settlement Administrator will report in summary or

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- 16 -

1 narrative form the substance of its calculations related to Claimants' Individual Settlement
2 Payment amounts and will otherwise discharge its duties in accordance with this Agreement as
3 supplemented by any agreed-upon instructions from Class Counsel and Defense Counsel. Tax
4 treatment of the settlement awards will be as set forth herein and in accordance with state and
5 federal tax laws. All disputes relating to the Settlement Administrator's performance of its duties
6 shall be referred to the Court, if necessary, which will have continuing jurisdiction over the terms
7 and conditions of this Settlement until all payments and obligations contemplated by this
8 Settlement and the Court's Final Approval orders have been fully carried out.

9 59. Class Member Database. Within thirty (30) days following entry by the Court of
10 its Preliminary Approval order(s), Defendant shall provide to the Settlement Administrator a list
11 setting forth each Class Member's name, social security number, last known address, last known
12 telephone number, Workweeks worked during the Class Period, and highest hourly salary during
13 the Class Period, to the extent available. Defendant agrees to consult with the Settlement
14 Administrator as required to provide the list in a format reasonably acceptable for the duties of
15 the Settlement Administrator. The Settlement Administrator (along with any of its agents) shall
16 represent and warrant that it will: a) provide reasonable and appropriate administrative, physical
17 and technical safeguards for any personally identifiable information ("PII"), which it receives
18 from Defendant; b) not disclose the PII to third parties, including agents or subcontractors,
19 without Defendant's consent; c) not disclose or otherwise use the PII other than to carry out its
20 duties as set forth herein; d) promptly provide Defendant with notice if PII is subject to
21 unauthorized access, use, disclosure, modification, or destruction; and e) return or destroy the PII
22 upon termination of its services.

23 60. Mailing of Class Notice, Claim Form and Request for Exclusion Form. Within
24 thirty (30) days after receipt of the above information from Defendant, the Settlement
25 Administrator shall send the Class Notice, Claim Form and Request for Exclusion Form to each
26 Class Member via first class U.S. mail in a single envelope ("Notice Packet"). Each and every
27 Class Member whose Notice Packet is not returned to the Settlement Administrator as
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1 undeliverable within fifteen (15) calendar days after mailing shall be conclusively presumed to
2 have received the Notice Packet.

3 61. Second Mailing. The Settlement Administrator will perform one skip trace if
4 necessary using social security numbers provided by Defendant and National Change of Address
5 searches, as needed, to attempt to obtain the current address for any Class Member whose Notice
6 Packet is returned to the Class Administrator within fifteen (15) calendar days after mailing
7 without a forwarding address, and will within the thirty (30) day period following the initial
8 mailing conduct a second round of mailings by first class U.S. mail to any Class Member whose
9 Notice Packet was returned as described above. The Settlement Administrator shall also re-mail
10 by first class U.S. mail any Notice Packet returned to the Class Administrator by the Post Office
11 with a forwarding address within fifteen (15) calendar days after mailing. It shall be conclusively
12 presumed that those Class Members whose re-mailed Notice Packet is not returned to the
13 Settlement Administrator as undeliverable within fifteen (15) calendar days after re-mailing,
14 actually received the Notice Packet.

15 62. Obligation of Class Members to Timely Respond to Initial Class Notice. Class
16 Members who are not the subject of a second mailing as described in Paragraph 61 immediately
17 above must submit their completed and signed Claim Form or Request for Exclusion Form by
18 first class U.S. mail during the Claims Submission Period as described in Paragraph 17 above,
19 with proof of date of submission to be the postmark date of the completed and signed Claim Form
20 or Request for Exclusion Form. Such Class Members who wish to object to the Settlement must
21 do so by filing an objection with the Court that sets forth the basis of the objection, and serving
22 the objection on the Parties, during the Claims Submission Period. Any Class Member who is not
23 the subject of a second mailing and who fails to timely submit a completed and signed Claim
24 Form during the Claims Submission Period shall not be eligible to be a Claimant or receive an
25 Individual Settlement Payment.

26 63. Obligation of Class Members to Timely Respond to Second Mailing. Class
27 Members who are subject to a second mailing as described in Paragraph 61 above must submit
28 their completed and signed Claim Form or Request for Exclusion Form by first class U.S. mail

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- 18 -

1 during the forty-five (45) days following the second mailing, with proof of date of submission to
2 be the postmark date of the completed and signed Claim Form or Request for Exclusion Form.
3 Such Class Members who wish to object to the Settlement must do so by filing an objection with
4 the Court that sets forth the basis of the objection, and serving the objection on the Parties, during
5 the same forty-five (45) day period. Any Class Member who is the subject of a second mailing
6 and who fails to timely submit a completed and signed Claim Form during said forty-five (45)
7 day period shall not be eligible to be a Claimant or receive an Individual Settlement Payment.

8 64. Class Counsel shall provide to the Court, at or before the Final Settlement Hearing,
9 a declaration from the Settlement Administrator confirming that the Class Notice, Claim Form
10 and Request for Exclusion Form were mailed to all Class Members as required by this
11 Agreement, as well as any additional information Class Counsel, with the input of Defendant,
12 deems appropriate to provide to the Court.

13 65. Payment of Costs and Attorneys' Fees: Within thirty (30) business days of the
14 Effective Date of this Agreement as described in Paragraph 10, Defendant shall pay to Class
15 Counsel any attorneys' fees and costs approved by the Court.

16 66. Mailing of Individual Settlement Payments: Within thirty (30) days of the
17 Effective Date of this Agreement as described in Paragraph 10 Defendant shall provide the
18 Settlement Administrator with the funds necessary to make all payments from the Maximum
19 Settlement Amount required by this Agreement, including all Individual Settlement Payments to
20 Class Members. The Settlement Administrator shall cause the Individual Settlement Payments to
21 be mailed to Claimants within fourteen (14) calendar days after the date of the Settlement
22 Administrator's receipt of said funds. Claimants will have one hundred and eighty (180) calendar
23 days from the date of issuance to cash their Individual Settlement Payment checks, and such
24 checks will automatically be cancelled by the Settlement Administrator if not cashed by the
25 Claimant within that time, at which point the Claimant's claim will be deemed void and of no
26 further force or effect, and the Claimant's claims will remain released by this Settlement and the
27 Court's Final Approval orders. The funds from any uncashed Individual Settlement Payment
28 check shall be donated to a 501(c)(3) charity to be agreed upon by the parties and approved by the

1 Court. The Settlement Administrator shall pay that charity within ten (10) days after the stale
2 date of the checks. Should any Individual Settlement Payment checks be returned as
3 undeliverable to the Settlement Administrator, the Settlement Administrator shall notify Class
4 Counsel and Defense Counsel and shall use reasonable efforts to identify a correct address for the
5 Claimant, and cause the Individual Settlement Payment check to be delivered to the correct
6 address.

7 67. Right to Rescission: If more than five percent (5%) of the Class Members request
8 exclusion from the Settlement, Defendant shall have the right in its sole discretion to rescind and
9 void the Settlement and this Agreement, and Defendant will not be obligated to pay any monies
10 relating in any way to this Agreement, or take any additional actions in accordance with this
11 Agreement, if Defendant does so. If Defendant exercises this right, Defendant shall be solely
12 responsible for all costs of administration incurred prior to its rescission, as well as any costs
13 associated with notifying Class Members of its rescission.

14 68. Release By Class. Upon Final Approval by the Court of this Settlement and
15 Agreement, and except as to such rights or claims as may be created by this Agreement, Class
16 Representatives and each Class Member who did not submit a valid Request for Exclusion during
17 the Claims Submission Period, shall be deemed to have fully released and discharged Defendant
18 and all Released Parties, including, but not limited to First Group America and First Group plc,
19 from any and all Settled Claims as defined in this Agreement.

20 69. Prior to the Final Approval Hearing, Class Counsel will submit a proposed final
21 order:

- 22 a. Approving the Settlement, adjudging the terms thereof to be fair, reasonable, and
23 adequate, and directing consummation of its terms and provisions;
- 24 b. Approving Class Counsel's application for an award of attorneys' fees and
25 litigation costs;
- 26 c. Barring and enjoining all Class Members who have not opted out of this
27 Settlement by submitting a complete and timely Request for Exclusion Form in
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1 accordance with this Agreement from prosecuting against Defendant, and the Released
2 Parties, any Settled Claims upon satisfaction of all payments and obligations hereunder.

3 70. Defendant agrees not to seek any attorneys' fees and/or costs from Plaintiffs for
4 any unsuccessful claims or any Plaintiffs who arguably may have not recovered against
5 Defendant.

6 71. The signatories hereto represent that they are fully authorized to enter into this
7 Agreement and bind the Parties hereto to the terms and conditions thereof.

8 72. The Parties agree to fully cooperate with each other to accomplish the terms of this
9 Settlement and Agreement, including, but not limited to, execution of such documents and taking
10 such other action as reasonably may be necessary to implement the terms of this Settlement. The
11 Parties to this Settlement shall use their best efforts, including all efforts contemplated by this
12 Settlement and any other efforts that may become necessary by order of the Court, or otherwise,
13 to effectuate this Settlement and the terms set forth herein.

14 73. The Parties and their counsel represent, covenant, and warrant that they have not
15 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or
16 encumber to any person or entity any portion of any liability, claim, demand, action, cause of
17 action or right herein released and discharged except as set forth herein.

18 74. In the event that one or more of the Parties to this Settlement institutes any legal
19 action or other proceeding against any other party or parties to enforce the provisions of this
20 Settlement or to declare rights and/or obligations under this Settlement, the successful party or
21 parties shall be entitled to recover from the unsuccessful party or parties reasonable attorneys'
22 fees and costs, including expert witness fees incurred in connection with any enforcement Action.

23 75. Unless otherwise specifically provided herein, all notices, demands, or other
24 communications given hereunder shall be sent via email and first class mail addressed as follows:

25 To Class Representatives and the Class
26 Hunter Pyle, Esq.
27 Sundeen, Salinas & Pyle
28 428 13th Street, 8th Floor
Oakland, CA 94612
Phone: (510) 663-9240

DJD

1 Fax: (510) 663-9241
2 Email: hpyle@ssrplaw.com
3 Attorneys for Class Representatives and the Class

4 To Defendant

5 Ted Scott
6 David Dow
7 Littler Mendelson
8 501 W. Broadway #900
9 San Diego, CA 92101
10 TEL: (619) 232-0441
11 FAX (619) 232-4302
12 Attorneys for Defendant

13 76. The Parties hereto agree that the terms and conditions of this Agreement and
14 Settlement are the result of lengthy, intensive, arms-length negotiations between the Parties, and
15 this Settlement shall not be construed in favor of or against any Party by reason of the extent to
16 which any Party or his, her or its counsel participated in the drafting of this Agreement.

17 77. Paragraph titles or captions contained herein are inserted as a matter of
18 convenience and for reference, and in no way define, limit, extend, or describe the scope of this
19 Settlement and any provision of this Agreement. Each term of this Settlement and Agreement is
20 contractual not merely a recital.

21 78. This Agreement may not be changed, altered, or modified, except in writing and
22 signed by the Parties hereto. The obligations set forth in this Agreement may not be discharged
23 except by performance in accordance with its terms or by a writing signed by the Parties hereto.

24 79. This Agreement contains the entire agreement between the Parties relating to the
25 settlement and transaction contemplated hereby, and all prior or contemporaneous agreements,
26 understandings, representations, and statements, whether oral or written and whether by a Party or
27 such Party's legal counsel, are merged herein. No rights hereunder may be waived except in
28 writing.

80. This Settlement shall be binding upon and inure to the benefit of the Parties hereto
and their respective heirs, trustees, executors, administrators, successors, and assigns.

81. This Agreement may be executed in counterparts and by facsimile signatures, and
when each party has signed and delivered at least one such counterpart, each counterpart shall be

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deemed an original, and, when taken together with other signed counterparts, shall constitute one Agreement, which shall be binding upon and effective as to all Parties.

82. Neither the Defendant, Defense Counsel, Class Representatives, nor Class Counsel shall issue, authorize, or contribute to any public comment concerning this Agreement to anyone other than the Court or Class Members, other than as necessary to effectuate the terms of this Agreement, without the prior written approval of counsel for the other Party or Parties.

IN WITNESS THEREOF, the Parties hereto knowingly and voluntarily execute this Settlement Agreement as of the date(s) set forth below.

DATED: 6/18/13 Hugo Cortez
HUGO CORTEZ
Class Representative

DATED: 6/17/13 Elizabeth Peralta
ELIZABETH PERALTA
Class Representative

DATED: Joe P 6/18/13 Joe Perez
JOE PEREZ
Class Representative

DATED: June 13, 2013 Lorraine Brewton
LORRAINE BREWTON
Class Representative

DATED: June 17, 2013 Monique Clark
MONIQUE CLARK
Class Representative

DATED: 6-19-13 Raul Preza
RAUL PREZA
Class Representative

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DATED: 6.7.13

Michael Petrucci

FIRST TRANSIT, INC.
Defendant
Name: Michael Petrucci
Title: Asst Secretary

DATED: 6/7/2013

Hunter Pyle

HUNTER PYLE
SUNDBEN, SALINAS & PYLE
Attorneys for the Class

DATED: 6/7/13

Dir Paul for

THEODORE R. SCOTT
LITTLER MENDELSON, P.C.
Attorneys for Defendant
FIRST TRANSIT, INC.

DSD

EXHIBIT A

LOS ANGELES COUNTY SUPERIOR COURT

NOTICE OF SETTLEMENT OF CLASS ACTION
ALONZO ET AL. V. FIRST TRANSIT, INC.

If you were employed by FIRST TRANSIT as a bus operator driving bus routes associated with Community DASH Packages 2 and/or 6 in Los Angeles County at any time from August 13, 2003 until now a class action settlement may affect your rights.

The Los Angeles County Superior Court has authorized this notice in *Alonzo et al. v. First Transit, Inc.*, Case No. BC433932 (the "Action"). This is not a solicitation from a lawyer.

- Angel Alonzo and other bus drivers have sued First Transit alleging claims relating to First Transit's alleged failure to provide legally compliant meal and rest periods, failure to issue accurate wage statements, failure to pay all wages when due, and associated penalties.
- The Court has allowed the Action to be a class action on behalf of all bus operators driving bus routes associated with Community DASH Packages 2 and/or 6 in Los Angeles County at any time from August 13, 2003 to June 26, 2013. The Court has not decided whether First Transit did anything wrong, and First Transit specifically denies violating any laws.
- However, the Court has preliminarily approved a settlement of this case. Your legal rights may be affected, and you have a choice to make now:

YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT

SUBMIT A CLAIM FORM	Submit a Claim Form. Receive part of the Settlement. <i>If you submit a valid and timely Claim Form you will receive a Claim Amount, and you will give up your right to sue for alleged violations and related claims released by the Settlement.</i>
SUBMIT A WRITTEN REQUEST TO BE EXCLUDED FROM THE SETTLEMENT	Opt-out or exclude yourself from the Settlement. Get no benefits from it. <i>If you make a valid and timely written request to be excluded from the Settlement, you will not receive any money, and you will not give up any rights you may have.</i>
DO NOTHING	Do Nothing. Receive nothing from the Settlement. Give up certain rights. <i>If you do nothing you will not receive any money, but you will still give up any right you may have to sue for alleged violations and related claims released by the Settlement.</i>

- Your options are explained in this notice. To submit a Claim Form or request to be excluded from this Settlement, you must act before September 8, 2013.
- Please read this notice carefully. See www.ssrplaw.com/FirstTransit for more information.

I. BACKGROUND OF THE CASE	Page 2
II. SUMMARY OF THE PROPOSED SETTLEMENT	Page 2
A. Monetary Settlement	Page 2
B. Calculation of Claim Amount	Page 3
C. Release	Page 4
D. Submitting a Claim	Page 4
E. Excluding Yourself from the Settlement	Page 4
F. Objecting to the Settlement	Page 5
III. FINAL SETTLEMENT APPROVAL HEARING	Page 5
IV. ADDITIONAL INFORMATION	Page 5

You are receiving this notice because the Los Angeles County Superior Court has granted preliminary approval to a class-action settlement and you are a Class Member in the class previously certified by the Court.

As a Class Member, your interests are being represented at no expense to you by Class Counsel Hunter Pyle and Mana Barari of Sundeen Salinas & Pyle. You may also hire your own lawyer at your own expense.

I. BACKGROUND OF THE CASE

Plaintiffs filed a complaint against First Transit on March 16, 2010 in Los Angeles County Superior Court (the "Court"). The complaint was then twice amended. The Second Amended Complaint is filed on behalf of Plaintiffs and all other bus operators driving bus routes associated with Community DASH Packages 2 and/or 6 in Los Angeles County at any time from August 13, 2003 to present (collectively referred to as "Class Members"). It claims that First Transit is liable for claims relating to failure to provide meal and rest periods, failure to pay all wages due at termination, failure to issue accurate wage statements, associated penalties, and unfair competition under Business and Professions Code section 17200 *et seq.*

First Transit denies any liability or wrongdoing of any kind associated with the claims alleged in the Action and that will be released by the Settlement, and the Court has not decided whether any violations occurred.

After extensive arms-length negotiations by and amongst the Parties, including two full days of mediation, the Parties reached this Settlement. This Settlement has been given preliminary approval by the Court, and this notice is being sent to all Class Members who now have the opportunity to participate in or exclude themselves from the Settlement.

II. SUMMARY OF THE PROPOSED SETTLEMENT

A. Monetary Settlement

First Transit has agreed to pay up to two million dollars (\$2,000,000.00) ("Maximum Settlement Amount") to settle this lawsuit. The Maximum Settlement Amount will include attorneys' fees and costs, the Class Representative Enhancements, Settlement Administrator Costs, and the payments to all Class Members who timely submit a completed and signed Claim Form.

The following sums will be deducted from the Maximum Settlement Amount: (1) Class Counsel's attorneys' fees and costs in an amount approved by the Court (Class Counsel will seek Court approval for \$666,666.00 in attorneys' fees, which equals one-third of the Maximum Settlement Amount, and up to \$75,000.00 in documented litigation costs); (2) "Class Representative Enhancements" or payments to the six Class Representatives in an amount approved by the Court (Class Counsel will seek Court approval for up

to \$10,000.00 for each of the six Class Representatives); (3) a reasonable amount to the Settlement Administrator to administer the Settlement (Class Counsel estimates that the maximum amount to be paid to the Settlement Administrator will be \$25,000.00); (4) a \$10,000 payment to the California Labor Workforce Development Agency ("LWDA") for penalties under the Private Attorney General Act; and (5) all payments to or withholdings for governmental authorities for the employee portion of any payroll taxes or other required taxes or withholdings. The amount of the settlement sum remaining after these deductions should be approximately \$1,163,334.00 ("Net Settlement Amount").

The Settlement Administrator will calculate Class Members' estimated gross distribution from the Net Settlement Amount. Checks issued to Class Members pursuant to this Settlement shall remain negotiable for a period of one-hundred and eighty (180) days from the date of mailing. After the expiration of one-hundred and eighty (180) days, the sum of any uncashed/undeposited checks shall be distributed to a nonprofit organization agreed upon by the parties and ordered by the Court.

B. Calculation of Claim Amount

There are approximately six hundred and seventy-nine (679) Class Members. A Claim Amount for each Class Member will be determined based on the number of weeks worked from August 13, 2003 through June 26, 2013 and each Class Member's highest regular hourly wage rate while working for First Transit during that time period. The Claim Amount is an estimate of the amount of money a Class Member will be entitled to receive upon submitting a timely and complete signed Claim Form. Claim Amounts shall be calculated as follows:

1. The numerator for each Class Member shall be the total number of work weeks worked multiplied by highest regular hourly wage rate while working for First Transit from August 13, 2003 through June 26, 2013.
2. The denominator shall be the aggregate amount of all numerators for all Class Members;
3. The Settlement Administrator will calculate the Net Settlement Amount. The Settlement Administrator will then multiply the Net Settlement Amount by each Class Member's numerator divided by the denominator to determine that Class Member's share of the Net Settlement Amount.

In the event that less than 60% of the Net Settlement Amount is claimed by Class Members, the individual settlement payment of each Class Member who submits a timely and complete signed Claim Form will be proportionally increased until a 60% payout of the Net Settlement Amount is achieved. The proportional increase to the individual settlement payment of each Class Member who submits a timely and complete signed Claim Form will be determined by his or her proportionate share of the Settlement. For example, a Class Member whose proportionate share was 1% would receive 1% of the additional funds to be paid out, and a Class Member whose Proportionate Share was 5% would receive 5% of the additional funds.

The exact amount that you may receive from the settlement is currently unknown and depends on whether or not any Class Members opt out, the amount of the Net Settlement Amount claimed by Class Members, the number of workweeks that you worked for First Transit, and your highest regular hourly wage rate while working for First Transit from August 13, 2003 through June 26, 2013.

However, your **estimated** share of the settlement is: \$[insert number]. That number may be adjusted up or down depending on the claims made by Class Members, among other factors.

C. Release

Upon Final Approval by the Court of this Settlement, each Class Member who did not timely submit a completed and signed Request for Exclusion shall be deemed to have fully released and discharged First Transit and all Released Parties, including, but not limited to First Group America and First Group plc, from any and all Settled Claims as defined in the Settlement. Settled Claims under this Settlement means any and all claims for relief based on wage and hour provisions of state and federal law, including but not limited to statutory, regulatory and common law claims, and all related or derivative claims for penalties, including but not limited to claims under the Private Attorneys General Act and wage statement claims, and claims for relief based on the California Unfair Competition Law, whether suspected or unsuspected, which the Class Member may have had, now has, or may have in the future against the Released Parties, or any of the Released Parties, for any acts occurring during the Class Period that are either or both: (1) alleged in the original complaint and/or any amended complaint filed in the Action; or (2) that could have been alleged in the original complaint and/or any amended complaint filed in the Action relating in any way to meal periods, rest periods, correct and complete itemized wage statements, and waiting time penalties, whether known or unknown.

WHAT ARE YOUR RIGHTS AS A CLASS MEMBER?

D. Submitting a Claim Form

If you wish to submit a claim, by September 8, 2013 you must complete, sign and date the enclosed Claim Form and return it to:

Kurtzman Carson Consultants, LLC
75 Rowland Way, Suite 250
Novato, CA 94945

The Claim Form must be mailed to the Settlement Administrator with a postmark no later than September 8, 2013. The Claim Form has the postage pre-paid. If you send it in an envelope, do not use a postage meter as that may not result in a postmark appearing on your envelope. If a timely submitted Claim Form is incomplete or unsigned, the Settlement Administrator will send you a deficiency notice and you must return the fully completed and signed Claim Form within fourteen (14) days after the date the deficiency notice is mailed to you. If you lose, misplace, or need another Claim Form, you should contact the Settlement Administrator.

To dispute the number of workweeks and/or hourly wage rate stated on your Claim Form, you must file your Claim Form and provide what you believe to be the correct information along with supporting documentation to evidence the changes you are seeking. First Transit's records will be presumed determinative, but if Class Counsel believes the Class Member's evidence should be accepted, and counsel for First Transit does not agree, the matter will be decided by the Settlement Administrator whose decision will be final and not subject to further challenge.

E. Excluding Yourself from the Settlement

IMPORTANT: You will be bound by the terms of the Settlement, even if you do not timely submit a complete and signed Claim Form, unless you submit a timely and signed written request to be excluded from the Settlement. To exclude yourself from the Settlement you must complete, sign and date the enclosed Exclusion Form. You must mail your request to be excluded from the Settlement, postmarked no later than September 8, 2013, to:

Kurtzman Carson Consultants, LLC.
75 Rowland Way, Suite 250
Novato, CA 94945

DO NOT SUBMIT BOTH A CLAIM FORM AND A REQUEST FOR EXCLUSION FORM. IF YOU SUBMIT BOTH, THE REQUEST FOR EXCLUSION FORM WILL BE DISREGARDED.

F. Objection to Settlement

You may object to the terms of the Settlement before Final Approval. Objections may only be submitted by persons who have not excluded themselves from the Settlement. An objector must both object and timely submit a complete signed Claim Form. However, the only way to avoid being bound by the terms of the Settlement is to timely submit a signed request for exclusion as described above.

You may object to the proposed settlement in writing. You may also appear at the Final Approval Hearing, either in person or through an attorney at your own expense, provided you notify the Court of your intent to do so. All written objections, supporting papers and/or notices of intent to appear at the Final Approval Hearing must (a) clearly identify the case name and number (*Alonzo et al. v. First Transit*, Case No. BC433932), (b) be submitted to the Court either by mailing to: Clerk of Court, Superior Court of California, County of Los Angeles, Los Angeles County Courthouse, Department 323, 600 S. Commonwealth Ave., Los Angeles, California 90005, or by filing in person at the Superior Court, County of Los Angeles, (c) also be mailed to Class Counsel and Defendant's Counsel at the law firms identified below, and (d) be filed or postmarked on or before September 8, 2013.

CLASS COUNSEL

HUNTER PYLE, SBN 191125
SUNDEEN SALINAS & PYLE
428 13th Street, 8th Floor
Oakland, California 94612

FIRST TRANSIT'S COUNSEL

TED SCOTT, SBN 191125
DAVID DOW, SBN 191125
Littler Mendelson
501 W. Broadway #900
San Diego, CA 92101

IF YOU INTEND TO OBJECT TO THE SETTLEMENT, BUT WISH TO RECEIVE YOUR SHARE OF THE NET SETTLEMENT AMOUNT, YOU MUST TIMELY FILE A COMPLETE AND SIGNED CLAIM FORM AS EXPLAINED ABOVE. IF THE COURT APPROVES THE SETTLEMENT DESPITE OBJECTIONS, AND YOU DO NOT SUBMIT A TIMELY COMPLETED AND SIGNED CLAIM FORM, YOU WILL NOT RECEIVE SETTLEMENT PROCEEDS.

III. FINAL SETTLEMENT APPROVAL HEARING

The Court will hold a hearing in Department 323, 600 S. Commonwealth Ave., Los Angeles, California 90005, on October 8, 2013, at 9:00 a.m., to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The hearing may be continued or rescheduled without further notice to Class Members. You may attend the Final Approval Hearing but are not required to do so. Written objections will be considered at the Final Approval Hearing whether or not the person objecting appears at the hearing. If you object and wish to appear at the Final Settlement Hearing, you may appear personally or through counsel hired at your own expense, as long as you provide the Court with timely notice of your intent to appear. As a Class Member, your interests are being represented at no expense to you by Class Counsel, but you may hire your own lawyer at your own expense.

IV. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement, you are referred to the detailed Settlement Agreement, which is on file with the Clerk of the Court. The pleadings and other records in this litigation, including the Settlement Agreement, may be examined (a)

Questions? Visit www.ssrplaw.com/FirstTransit

online at www.ssrplaw.com/FirstTransit, or (b) in person at 600 S. Commonwealth Ave., Los Angeles, California 90005, between the hours of 8:30 a.m. and 2:30 p.m., Monday through Friday, excluding Court holidays, or you may contact Class Counsel or the Settlement Administrator:

Class Counsel
HUNTER PYLE
SUNDEEN SALINAS & PYLE
428 13th Street, 8th Floor, Oakland, CA 94612
(510) 663-9240

Settlement Administrator
Kurtzman Carson Consultants, LLC.
75 Rowland Way, Suite 250
Novato, CA 94945

**PLEASE DO NOT TELEPHONE THE COURT OR DEFENDANT'S COUNSEL
FOR INFORMATION REGARDING THIS SETTLEMENT OR THE CLAIM PROCESS.**

BY ORDER OF THE COURT.

Kurtzman Carson Consultants
75 Rowland Way, Suite 250
Novato, CA 94945

Court-Ordered
KURTZMAN CARSON CONSULTANTS
Class Action Notice & Claim Form Inside
First Transit, Inc. Settlement



KCC

EXHIBIT B

First Transit Settlement
c/o Kurtzman Carson Consultants, LLC.
75 Rowland Way, Suite 250
Novato, CA 94945

CLAIM FORM

ALONZO ET AL. V. FIRST TRANSIT, INC.

||||| Claim #: AG-123456-7

First Last
c/o
Address
City, ST Zipcode

Name/Address Changes (if any):

First Name Last Name

Address

City State Zip

() Daytime Telephone Number

() Evening Telephone Number

GENERAL INFORMATION

IF YOU WERE EMPLOYED BY FIRST TRANSIT, INC. AS A BUS OPERATOR DRIVING BUS ROUTES ASSOCIATED WITH COMMUNITY DASH PACKAGES 2 AND/OR 6 IN LOS ANGELES COUNTY AT ANY TIME FROM AUGUST 13, 2003 TO June 26, 2013, YOU ARE ELIGIBLE TO PARTICIPATE IN A CLASS ACTION SETTLEMENT.

In order to receive money from the Settlement, you must complete and sign this Claim Form and return it by First-Class Mail, postmarked no later than mm/dd, 2013 to the following address:

First Transit Settlement
Kurtzman Carson Consultants, LLC.
75 Rowland Way, Suite 250
Novato, CA 94945

A return envelope is provided. If you fail to submit your signed Claim Form by that date, your claim will be rejected and you will not receive any money in connection with the Settlement (although you will be bound by the other provisions of the Settlement approved by the Court unless you submit a timely, written request to be excluded from the Settlement). A Claim Form will be deemed timely when sent by First-Class Mail as determined by the postmark date.

ESTIMATED CLAIM AMOUNT

According to First Transit's records, you were employed as a bus driver driving routes associated with Community DASH Packages 2 or 6.

According to the terms of the Settlement, your estimated Claim Amount will be determined in part by the length of your employment and your highest regular hourly wage rate at First Transit from August 13, 2003 to June 26, 2013. According to First Transit's records, your start and end dates of employment are:

[INSERT DATES]

According to First Transit's records, your highest regular hourly wage rate is:

The exact Claim Amount figure cannot be determined until all Claim Forms are collected by the Settlement Administrator.

If you believe this information is inaccurate, please indicate the information (dates of employment, number of workweeks, employment status, highest hourly wage), below and attach documentation (pay stubs or other employment records) to support the requested correction.

Please complete the IRS Substitute Form W-9 on page 2 then date and sign the Claim Form.

I have received the Notice of Class Action Settlement summarizing the proposed Settlement and Settlement Agreement. I submit this Claim Form under the terms of the proposed Settlement and Settlement Agreement referenced in the Notice. I also submit to the jurisdiction of the Superior Court of California, in and for the County of Los Angeles, with respect to my claim as a Class Member and for purposes of enforcing the release of claims stated in the Settlement Agreement on file with the Court. I understand that the full and precise terms of the proposed Settlement are contained in the Settlement Agreement filed with the Court. I further acknowledge that I am bound by the terms of any Judgment that may be entered in this class action. I agree to furnish additional information to support this claim if required to do so.

If I am the executor and/or heir of a Class Member or a representative of a Class Member, I have provided appropriate documentation about the capacity in which I am submitting this Claim Form on separate sheets attached.

Please complete the Taxpayer Identification Number Certification - IRS Substitute Form W-9 below, sign the Claim Form, and mail it to the Claim Administrator at the address provided below.

Taxpayer Identification Number Certification - Substitute IRS Form W-9	«ClaimID»
Enter the last four digits of your Social Security Number: _____	
Print name as shown on your income tax return if different from «Payee»:	
First Name _____	Last Name _____
Under penalties of perjury, I certify that:	
1. The taxpayer identification number shown on this form is my correct taxpayer identification number, and	
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and	
3. I am a U.S. person (including a U.S. resident alien).	
Note: If you have been notified by the IRS that you are subject to backup withholding, you must cross out item 2 above.	
The IRS does not require your consent to any provision of this document other than this Form W-9 certification to avoid backup withholding.	

I declare under penalty of perjury that the foregoing information is true and accurate, that I have read and understand the Notice that was mailed with this Claim Form, and agree to abide by the terms of the Settlement Agreement, Notice and this Claim Form.

Dated: _____ (mm/dd/2013) _____ (Signature)

EXHIBIT C

REQUEST FOR EXCLUSION or "OPT-OUT" FORM

If you **DO NOT** want to participate in the *Angel Alonzo, et al. v. First Transit, Inc.* Settlement, please fill out and return this form. This form is to be completed only by those Class Members who do **NOT** wish to participate in the Settlement and receive a payment for their claim.

Name: _____

First MI Last

Address: _____

Number and Street

City State Zip Code

Telephone: _____

By signing this Form, I certify that I have read the notice to Class Members and I understand that:

1. I am excluding myself from the Settlement;
2. I will receive no financial benefit from the Settlement;
3. I have a right to pursue claims on my own, with or without my own attorney;
4. I understand that if I opt out, my claims may be affected by the relevant statute of limitations and that I should discuss the statute of limitations with any attorney with whom I consult.

Signature: _____ Date: _____

City and State where signed: _____

Please return the completed form by September 8, 2013 to:

First Transit Settlement
c/o Kurtzman Carson Consultants, LLC.
75 Rowland Way, Suite 250
Novato, CA 94945

EXHIBIT 3

EXHIBIT 3

CONFORMED COPY
ORIGINAL FILED
Superior Court of California
County of Los Angeles

APR 22 2016

Sherry H. Carter, Executive Officer/Clerk
By: *Stephanie Amador*, Deputy
Stephanie Amador

1 HUNTER PYLE, SBN 191125
2 MANA BARARI, SBN 275328
3 SUNDEEN SALINAS & PYLE
4 428 13TH Street, 8th Floor
5 Oakland, California 94612

6 Telephone: (510) 663-9240
7 Facsimile: (510) 663-9241

8 Email: hpyle@ssrplaw.com, mbarari@ssrplaw.com

9 Attorneys for Plaintiffs and the Certified Class

10
11 IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
12 FOR THE COUNTY OF LOS ANGELES

BY FAX

13 ANGEL ALONZO; et al.; on behalf of
14 themselves, and all others similarly situated,

15 Plaintiff,

16 v.

17 FIRST TRANSIT, INC.; and DOES 1-10,
18 inclusive,

19 Defendants.

Case No. BC433932

ADDENDUM TO SETTLEMENT OF
CLASS ACTION AND RELEASE

1 Employee PAGA Penalty Payment shall be increased proportionally to account for any Class
2 Members who timely opted out of the settlement.

3 4. Each Class Member Who Did Not Opt Out's share of the Aggrieved Employee
4 PAGA Penalty Payment shall be considered penalties for purposes of taxation and will be
5 reported to each Class Member Who Did Not Opt Out as such on an IRS Form 1099.

6 5. Any increased cost of claims administration resulting from the distribution of the
7 Aggrieved Employee PAGA Penalty Payment shall be paid by Class Counsel from Class
8 Counsel's attorneys' fee award under Paragraph 46(a) of the Settlement Agreement.

9 6. If the Court refuses to enter an Order granting final approval of the Settlement
10 Agreement, including this Addendum, the Parties will meet and confer in a good faith attempt to
11 reach agreement on a re-allocation that will be approved by the Court. If the Parties are unable to
12 agree to a re-allocation that is approved by the Court, this Addendum shall become void and shall
13 be of no further effect.

14 7. This Agreement may be executed in counterparts and by facsimile signatures, and
15 when each party has signed and delivered at least one such counterpart, each counterpart shall be
16 deemed an original, and, when taken together with other signed counterparts, shall constitute one
17 Addendum, which shall be binding upon and effective as to all Parties.

18 IN WITNESS THEREOF, the Parties hereto knowingly and voluntarily execute this
19 Addendum to Settlement Agreement as of the date(s) set forth below.

20
21 DATED: _____ HUGO CORTEZ
22 Class Representative

23
24 DATED: _____ ELIZABETH PERALTA
25 Class Representative

26
27 DATED: _____ JOE PEREZ
28 Class Representative

1 Employee PAGA Penalty Payment shall be increased proportionally to account for any Class
2 Members who timely opted out of the settlement.

3 4. Each Class Member Who Did Not Opt Out's share of the Aggrieved Employee
4 PAGA Penalty Payment shall be considered penalties for purposes of taxation and will be
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16 deemed an original, and, when taken together with other signed counterparts, shall constitute one
17 Addendum, which shall be binding upon and effective as to all Parties.

18 IN WITNESS THEREOF, the Parties hereto knowingly and voluntarily execute this
19 Addendum to Settlement Agreement as of the date(s) set forth below.

20
21 DATED: 4/30/16

HUGO CORTEZ
Class Representative

22
23
24 DATED: _____

ELIZABETH PERALTA
Class Representative

25
26
27 DATED: _____

JOE PEREZ
Class Representative

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DOCUMENT PREPARED
ON RECYCLED PAPER

- 2 -

ADDENDUM TO SETTLEMENT AGREEMENT

1 Employee PAGA Penalty Payment shall be increased proportionally to account for any Class
2 Members who timely opted out of the settlement.

3 4. Each Class Member Who Did Not Opt Out's share of the Aggrieved Employee
4 PAGA Penalty Payment shall be considered penalties for purposes of taxation and will be
5 reported to each Class Member Who Did Not Opt Out as such on an IRS Form 1099.

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7 Aggrieved Employee PAGA Penalty Payment shall be paid by Class Counsel from Class
8 Counsel's attorneys' fee award under Paragraph 46(a) of the Settlement Agreement.

9 6. If the Court refuses to enter an Order granting final approval of the Settlement
10 Agreement, including this Addendum, the Parties will meet and confer in a good faith attempt to
11 reach agreement on a re-allocation that will be approved by the Court. If the Parties are unable to
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16 deemed an original, and, when taken together with other signed counterparts, shall constitute one
17 Addendum, which shall be binding upon and effective as to all Parties.

18 IN WITNESS THEREOF, the Parties hereto knowingly and voluntarily execute this
19 Addendum to Settlement Agreement as of the date(s) set forth below.

20
21 DATED: _____

HUGO CORTEZ
Class Representative

22
23
24 DATED: 4/21/16 _____


ELIZABETH PERALTA
Class Representative

25
26
27 DATED: _____

JOE PEREZ
Class Representative

1 Employee PAGA Penalty Payment shall be increased proportionally to account for any Class
2 Members who timely opted out of the settlement.

3 4. Each Class Member Who Did Not Opt Out's share of the Aggrieved Employee
4 PAGA Penalty Payment shall be considered penalties for purposes of taxation and will be
5 reported to each Class Member Who Did Not Opt Out as such on an IRS Form 1099.

6 5. Any increased cost of claims administration resulting from the distribution of the
7 Aggrieved Employee PAGA Penalty Payment shall be paid by Class Counsel from Class
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15 when each party has signed and delivered at least one such counterpart, each counterpart shall be
16 deemed an original, and, when taken together with other signed counterparts, shall constitute one
17 Addendum, which shall be binding upon and effective as to all Parties.

18 IN WITNESS THEREOF, the Parties hereto knowingly and voluntarily execute this
19 Addendum to Settlement Agreement as of the date(s) set forth below.

20
21 DATED: _____

HUGO CORTEZ
Class Representative

22
23
24 DATED: _____

ELIZABETH PERALTA
Class Representative

25
26
27 DATED: 4/21/16



JOE PEREZ
Class Representative

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DATED: 4-20-2016

Lorraine Brewton
LORRAINE BREWTON
Class Representative

DATED: _____

MONIQUE CLARK
Class Representative

DATED: _____

RAUL PREZA
Class Representative

DATED: _____

FIRST TRANSIT, INC.
Defendant
Name: _____
Title: _____

DATED: _____

HUNTER PYLE
SUNDEEN, SALINAS & PYLE
Attorneys for the Class

DATED: _____

THEODORE R. SCOTT
LITTLER MENDELSON, P.C.
Attorneys for Defendant
FIRST TRANSIT, INC.


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DATED: _____

LORRAINE BREWTON
Class Representative

DATED: 4.21.16


MONIQUE CLARK
Class Representative

DATED: _____

RAUL PREZA
Class Representative

DATED: _____

FIRST TRANSIT, INC.
Defendant
Name: _____
Title: _____

DATED: _____

HUNTER PYLE
SUNDEEN, SALINAS & PYLE
Attorneys for the Class

DATED: _____

THEODORE R. SCOTT
LITTLER MENDELSON, P.C.
Attorneys for Defendant
FIRST TRANSIT, INC.

Firmwide: 139469361.3 070993.1016

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DATED: _____

LORRAINE BREWTON
Class Representative

DATED: _____

MONIQUE CLARK
Class Representative

DATED: 4-20-16

Raul Preza
RAUL PREZA
Class Representative

DATED: _____

FIRST TRANSIT, INC.
Defendant
Name: _____
Title: _____

DATED: _____

HUNTER PYLE
SUNDEEN, SALINAS & PYLE
Attorneys for the Class

DATED: _____

THEODORE R. SCOTT
LITTLER MENDELSON, P.C.
Attorneys for Defendant
FIRST TRANSIT, INC.

Firmwldc:139460361.3 070993.1016

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DATED: _____

LORRAINE BREWTON
Class Representative

DATED: _____

MONIQUE CLARK
Class Representative


DATED: _____

RAUL PREZA
Class Representative


DATED: 3.23.16


FIRST TRANSIT, INC.
Defendant
Name: Michael Petrucci
Title: Asst secretary

DATED: 4-21-16


HUNTER PYLE
SUNDEEN, SALINAS & PYLE
Attorneys for the Class

DATED: March 23, 2016


THEODORE R. SCOTT
LITTLER MENDELSON, P.C.
Attorneys for Defendant
FIRST TRANSIT, INC.

Firmwide: 139469361.3 070993.1016

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PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I declare that I am employed in the County of Alameda, State of California. I am over the age of eighteen (18) years and not a party to the within cause. My business address is Sundeen Salinas & Pyle, 428 13th Street, 8th Floor, Oakland, California 94612. On this day, I served the foregoing Document(s):

ADDENDUM TO SETTLEMENT OF CLASS ACTION AND RELEASE

By Mail to the parties in said action, as addressed below, in accordance with Code of Civil Procedure §1013(a), by placing a true copy thereof enclosed in a sealed envelope in a designated area for outgoing mail, addressed as set forth below. At Sundeen Salinas & Pyle, mail placed in that designated area is given the correct amount of postage and is either picked up or deposited that same day, in the ordinary course of business in a United States mailbox in the City of Oakland, California.

Theodore R. Scott, Esq.
David Dow, Esq.
LITTLER MENDELSON
501 W. Broadway # 900
San Diego, CA 92101

Mark Yablonovich, Esq.
Patrick J. Clifford, Esq.
Law Offices of Mark Yablonovich
1875 Century Park East, Suite 700
Los Angeles, CA 90067

By Overnight Delivery to the parties in said action, as addressed below, in accordance with Code of Civil Procedure §1013(c), by placing a true and correct copy thereof enclosed in a sealed envelope, with delivery fees prepaid or provided for, in a designated outgoing overnight mail. Mail placed in that designated area is picked up that same day, in the ordinary course of business for delivery the following day via United Parcel Service Overnight Delivery.

By Electronic Service. Based on a court order or an agreement of the parties to accept service by electronic transmission, I caused the documents to be sent to the persons at the electronic notification addresses listed in item 5. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful.

I declare under penalty of perjury that the foregoing is true and correct. Executed in Oakland, California, on this date, April 22, 2016.


Verence Andrade

EXHIBIT 4

ANGEL ALONZO ET AL. V. FIRST TRANSIT INC.
Los Angeles County Superior Court
Case No. BC433932
Cumulative Opt Out List

	FirstName	LastName	Manner/time of Exclusion
1	Patricia M.	Armstrong	Class Certification
2	Eric P	Clarke	Class Certification
3	Rosenda	Fernandez	Not employed in class period
4	Martha J.	Galvez	Class Certification
5	Delbert W.	Ghost Bear	Class Settlement
6	Krystal G.	Golden	Class Certification
7	Alfredo	Guzman	Class Settlement
8	Oscar P.	Hernandez	Class Settlement
9	Shirley Ann	Lang	Class Settlement
10	Becky F.	Morrison	Class Settlement
11	Ieasha N.	Petus	Class Certification
12	Mirna	Rosales	Not employed in class period
13	Pedro L.	Reyes	Class Certification
14	Rochelle	Williams	Not employed in class period

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PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

I declare that I am employed in the County of Alameda, State of California. I am over the age of eighteen (18) years and not a party to the within cause. My business address is Sundeen Salinas & Pyle, 428 13th Street, 8th Floor, Oakland, California 94612. On this day, I served the foregoing Document(s):

NOTICE OF ENTRY OF ORDER GRANTING RENEWED MOTION FOR FINAL APPROVAL OF CLASS ACTION SETTLEMENT AND JUDGMENT THEREON

By Mail to the parties in said action, as addressed below, in accordance with Code of Civil Procedure §1013(a), by placing a true copy thereof enclosed in a sealed envelope in a designated area for outgoing mail, addressed as set forth below. At Sundeen Salinas & Pyle, mail placed in that designated area is given the correct amount of postage and is either picked up or deposited that same day, in the ordinary course of business in a United States mailbox in the City of Oakland, California.

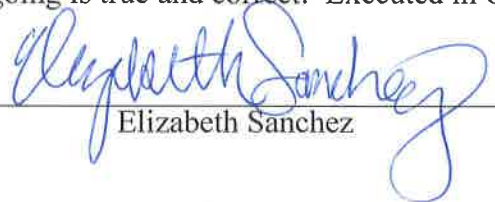
Theodore R. Scott, Esq.
David Dow, Esq.
LITTLER MENDELSON
501 W. Broadway # 900
San Diego, CA 92101

Mark Yablonovich, Esq.
Patrick J. Clifford, Esq.
Law Offices of Mark Yablonovich
1875 Century Park East, Suite 700
Los Angeles, CA 90067

By Overnight Delivery to the parties in said action, as addressed below, in accordance with Code of Civil Procedure §1013(c), by placing a true and correct copy thereof enclosed in a sealed envelope, with delivery fees prepaid or provided for, in a designated outgoing overnight mail. Mail placed in that designated area is picked up that same day, in the ordinary course of business for delivery the following day via United Parcel Service Overnight Delivery.

By Electronic Service. Based on a court order or an agreement of the parties to accept service by electronic transmission, I caused the documents to be sent to the persons at the electronic notification addresses listed in item 5. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful.

I declare under penalty of perjury that the foregoing is true and correct. Executed in Oakland, California, on this date, June 20, 2016


Elizabeth Sanchez