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JUDICIAL COUNCIL COORDINATION

Case No. CJC-19-005044

PROCEEDING No. 5044

STIPULATION RE CYPRES DISTRIBUTIONS AND FINAL ACCOUNTING

& [PROPOSED] ORDER

Judge: Hon. Andrew Y.S. Cheng

Dept.: 613

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(Superior Court of California,

County of San Francisco)

1	Additional counsel continued from page 1	
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STIPULATION RE CY PRES DISTRIBUTIONS AND FINAL ACCOUNTING

Pursuant to the Court's order dated October 26, 2022, instructions from the Court at the October 26, 2022, status conference, and further to the status report and declaration of Robert Hyte, both filed October 19, 2022, as well as the parties' statements filed December 1, 2022, Plaintiffs Jon Osuna, Steven Tameny, and Yassin Olabi ("Plaintiffs") and defendant Neutron Holdings, Inc. (collectively the "Parties"), by and through their undersigned counsel of record, hereby stipulate and agree as follows:

WHEREAS, as previously set forth in the parties' status report and declaration of Robert Hyte filed October 19, 2022, of the total 15,593 checks issued to PAGA Settlement Group Members, there remains uncashed a total number of approximately 11,766 checks for a total amount of approximately \$729,634.61, representing approximately 8.58% of the total \$8,500,000 settlement fund, and the time period for PAGA Settlement Group Members to cash these checks has expired;

WHEREAS, of the total uncashed amount, approximately 5,132 checks representing a total of approximately \$373,256.46 are associated with a physical address and approximately 6,634 checks representing a total of approximately \$356,378.15 are not associated with a physical address;

WHEREAS, at the October 26, 2022, status conference and in the Court's order dated October 26, 2022, the Court instructed the parties to meet and confer on the issues of disbursements to the State Controller's Unclaimed Property Fund and up to four *cy pres* designees, disbursements to the Settlement Administrator, Settlement Services, Inc. ("SSI") for additional administration expenses incurred, possible amendment to the Settlement Agreement to allow for multiple *cy pres* recipients, and whether any amounts should be held in reserve to accommodate late requests by a PAGA Settlement Group Members to re-issue a check;

WHEREAS, the parties have met and conferred on these issues;

WHEREAS, the parties agree that the Court may exercise its discretion to approve *cy pres* disbursements to multiple organizations and that a formal amendment to the Settlement Agreement is not necessary;

WHEREAS, as set forth in Plaintiffs' status report filed December 1, 2022, Plaintiffs have

proposed four *cy pres* recipients: Legal Aid at Work, California Rural Legal Assistance, Wage Justice Center, and PowerSwitch Action;

WHEREAS, Plaintiffs contend that each of these four organizations is an appropriate *cy pres* designee given that this case involved employment law issues and each proposed organization is a non-profit organization that provides *pro bono* employment law services and/or does advocacy work related to workers' rights, including specifically independent contractor misclassification issues:

WHEREAS, on December 1, 2022, Plaintiffs filed declarations from a representative of each proposed *cy pres* designee, describing the work of each organization and disclosing any relationships with the parties or counsel in this case or confirming that there are none, pursuant to the Court's October 26, 2022, order (*see* Declaration of Joan Graff (re Legal Aid at Work); Declaration of Jose Padilla (re California Rural Legal Assistance); Declaration of Victor Narro (re Wage Justice Center); Declaration of Ben Beach (re PowerSwitch Action));

WHEREAS, on December 1, 2022, counsel for each party also submitted a declaration disclosing any relationships with the proposed *cy pres* designees or confirming that there are none, pursuant to the Court's October 26, 2022, order (*see* Declaration of Dimitrios V. Korovilas; Declaration of Jenny Yelin; Declaration of Seth Yohalem; Declaration of Kitty Szeto; Declaration of Michael Holecek);

WHEREAS, Defendant itself has not proposed any cy pres designee but contends that any cy pres disbursements should go to Legal Aid at Work and/or California Rural Legal Assistance because Defendant contends that these organizations "have missions most germane to the interests of the California Labor & Workforce Development Agency and the goals of the parties' settlement agreement" (See Defendant's Statement Regarding Cy Pres Distribution, filed December 1, 2022);

WHEREAS, Plaintiffs contend that the *cy pres* disbursements should not be limited to Legal Aid at Work and the California Rural Legal Assistance, but should be made to all four proposed organizations because: 1) it should be Plaintiffs' prerogative to propose *cy pres* recipients consistent with the objectives of this litigation, subject to the Court's approval; 2) both Wage Justice Center and PowerSwitch Action do work specific to independent contractor

misclassification issues and/or app workers (*see* Beach Decl. ¶¶ 3-4; Narro Decl. ¶ 7) and are smaller organizations for whom a *cy pres* donation would be particularly impactful (Narro Decl. ¶ 12; Beach Decl. ¶ 5); and 3) defense counsel has ties with Legal Aid at Work and California Rural Legal Assistance, and so *cy pres* disbursements should not be limited to those organizations (*see* Holecek Decl. ¶¶ 5-7; Graff Decl. ¶ 28; Padilla Decl. ¶ 6);

WHEREAS, as previously set forth in the October 19, 2022, status report and Hyte Declaration, SSI has incurred approximately \$15,000 in increased administration costs resulting from changes to settlement procedures described in the status report, and may incur additional expenses in connection with disbursement of multiple *cy pres* awards and final accounting;

NOW, THEREFORE, the parties hereby stipulate and agree to entry of the attached proposed order, providing that, with respect to the \$729,634.61 settlement residue:

- The approximately \$373,256.46 associated with a physical address be disbursed by SSI
 to the State Controller's Unclaimed Property Fund, allowing individuals associated
 with the checks relating to these amounts to claim their funds from the State if they so
 choose;
- 2. The approximately \$356,378.15 not associated with a physical address be disbursed by SSI as follows:
 - a. Approximately \$20,000 shall be allocated to SSI for increased administration expenses, from which SSI may pay itself any additional expenses incurred to date and make later disbursements to itself in the future to the extent it incurs additional administration expenses;
 - b. Approximately \$20,000 shall be held in reserve by SSI to accommodate any late requests by a PAGA Settlement Group members to re-issue a check, to the extent the funds associated with that individual have not been transferred to the Unclaimed Property Fund;
 - c. SSI shall distribute the remaining funds to the organization(s) approved by the Court as *cy pres* recipients (in equal parts to the extent multiple organizations are approved);

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1	3. On or before December 31, 2023, any amounts previously held in reserve under		
2	paragraphs 2.a and 2.b above shall be disbursed to the approved cy pres recipients (in		
3	equal parts to the extent multiple organizations are approved).		
4	IT IS SO	STIPULATED.	
5			Respectfully submitted,
6	DATED:	December 8, 2022	DOCENI DIENI CALVANI & CDIMEEI DILID
7			ROSEN BIEN GALVAN & GRUNFELD LLP
8			By: /s/ Jenny S. Yelin JENNY S. YELIN
9			Attorneys for Plaintiff Yassin Olabi
10	DATED:	December 8, 2022	
11			PARRIS LAW FIRM
12		•	By: /s/ Kitty K. Szeto KITTY K. SZETO
13			Attorneys for Plaintiff Jon Osuna
14	DATED:	December 8, 2022	VIVIOUS AND ONLY AGAIN
15			WUCETICH & KOROVILAS LLP
16			By: /s/ Dimitrios V. Korovilas DIMITRIOS V. KOROVILAS
17			Attorneys for Plaintiff Steven Tameny
18	DATED:	December 8, 2022	
19			GIBSON DUNN & CRUTCHER LLP
20			By: /s/ Monica Paladini MONICA PALADINI
21			Attorneys for Defendant
22			Neutron Holdings, Inc.
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AC [PROPOSED] ORDER

The Court, having considered the parties' stipulation re *cy pres* distributions and final accounting and, good cause appearing, hereby approves the stipulation and orders as follows with with respect to the \$729,634.61 settlement residue in this matter:

- The approximately \$373,256.46 associated with physical addresses shall be disbursed by SSI to the State Controller's Unclaimed Property Fund, allowing individuals associated with the checks relating to these amounts to claim their funds from the State;
- 2. The approximately \$356,378.15 not associated with physical addresses shall be disbursed by SSI as follows:
 - a. Approximately \$20,000 shall be allocated to SSI for increased administration expenses, from which SSI may pay itself any additional expenses incurred to date and make later disbursements to itself in the future to the extent it incurs additional administration expenses;
 - b. Approximately \$20,000 shall be held in reserve by SSI to accommodate any late requests by a PAGA Settlement Group members to re-issue a check, to the extent the funds associated with that individual have not been transferred to the Unclaimed Property Fund;
 - c. SSI shall distribute the remaining funds to the following organization(s) as a *cy* pres distribution (in equal parts to the extent multiple organizations are listed):

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i. Legal Aidat Work;
ii. Calibraia Kural Legal Assistance
iii. Wage Justice Center;
iv. Power Switch Action;
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3. On or before December 31, 2023, any amounts previously held in reserve under paragraphs 2.a and 2.b above shall be disbursed the organization(s) listed in paragraph 2.c as cy pres distributions (in equal parts if multiple organizations are listed).
IT IS SO ORDERED.

Dated: December 12, 2022

Hon. Andrew Y.S. Cheng San Francisco Superior Court