

1 **AIMAN-SMITH & MARCY**
PROFESSIONAL CORPORATION

2 Randal B. Aiman-Smith, #124599
3 Reed W.L. Marcy, #191531
4 Hallie Von Rock, #233152
5 Brent A. Robinson, #289373
6 Liseth Bayona, #338135
7 7677 Oakport St., Suite 1150
8 Oakland, CA 94621
9 T 510.817.2711
F 510.562.6830
ras@asmlawyers.com
rwlm@asmlawyers.com
hvr@asmlawyers.com
lb@asmlawyers.com

Attorneys for Plaintiffs

10 **UNITED STATES DISTRICT COURT**
11
12 **FOR THE NORTHERN DISTRICT OF CALIFORNIA**

14 SERENA NARO, individually and on)
15 behalf of all others similarly situated;)
16 TRISH GONZALES, individually and)
17 on behalf of all others similarly situated;)
18 AND THE CALIFORNIA LABOR)
19 AND WORKFORCE)
20 DEVELOPMENT AGENCY *ex rel.*)
SERENA NARO AND TRISH)
GONZALES, a California)
governmental entity,)

Plaintiff,

v.

22 WALGREEN CO., an Illinois)
23 corporation; and WALGREEN)
24 PHARMACY SERVICES MIDWEST,)
25 LLC, an Illinois corporation; and DOES)
1-15,)
Defendants.

Case No.: 4:22-cv-03170-JST

Assigned for All Purposes to:
Hon. Jon S. Tigar
Courtroom 6

**PLAINTIFFS' NOTICE OF UNOPPOSED
RENEWED MOTION AND MOTION
FOR PRELIMINARY APPROVAL OF
CLASS ACTION AND PAGA
REPRESENTATIVE ACTION
SETTLEMENT**

Date: April 10, 2025
Time: 2:00 P.M.
Dept: 6

Complaint Filed: May 31, 2022

TABLE OF CONTENTS

I.	INTRODUCTION.....	1
II.	THE AMENDMENTS TO THE SETTLEMENT AGREEMENT AND CLASS NOTICES COMPLY WITH THE ORDER.....	1
III.	THE VALUE OF THE PROPOSED SETTLEMENT.....	6
IV.	PLAINTIFFS’ REQUEST FOR ATTORNEY’S FEES, COSTS, AND INCENTIVE COMPENSATION.....	7
V.	FACTUAL AND PROCEDURAL HISTORY	7
	A. Discovery	9
	B. Settlement Negotiations	10
VI.	ARGUMENT	11
	A. The Court Should Grant Preliminary Approval of the Settlement	11
	B. The Court Should Certify the Settlement Class.....	12
	1. The Class Members are numerous and ascertainable.	13
	2. Plaintiffs’ claims raise common issues of fact or law.....	13
	3. Plaintiffs’ claims are typical of the claims of the Class.....	13
	4. Plaintiffs and Class Counsel will adequately represent the Class.....	14
	5. The Rule 23(b)(3) requirements for class certification are also met.	14
	C. The Terms of the Settlement Are Fair, Reasonable, and Adequate.....	15
VII.	THE PROPOSED SETTLEMENT MEETS THE NORTHERN DISTRICT OF CALIFORNIA’S PROCEDURAL GUIDELINES FOR CLASS ACTION SETTLEMENTS	16
	A. Information About the Settlement	17
	1. Settlement Class	17
	2. Released Claims	17
	B. The Proposed Settlement Is a Reasonable Compromise of Claims.....	18
	C. Cases Affected by the Settlement.	21
	D. The Proposed Allocation Plan.	21

1	E. Settlement Administration.	22
2	F. Notice and Settlement Administration.	23
3	G. Requests for Exclusion from the Settlement.	23
4	H. Objections.....	24
5	I. Attorney’s Fees and Costs Are Reasonable.	25
6	J. Service Awards to Representative Plaintiffs	25
7	K. <i>Cy Pres</i> Recipient.	26
8	M. CAFA / PAGA Notice.	26
9	VIII. CONCLUSION	28

10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

TABLE OF AUTHORITIES

Cases

<i>Campbell v. Facebook, Inc.</i> , 951 F.3d 1106 (9th Cir. 2020)	6
<i>Carrington v. Starbucks Corp.</i> , 30 Cal.App.5th 504 (2018)	20
<i>Class Plaintiffs v. City of Seattle</i> , 955 F.2d 1268 (9th Cir. 1992)	11
<i>Epstein v. Walgreen Pharmacy Services Midwest, LLC, et al.</i> , Central District Case No. 5:19-cv-01323-DOC-ADS	20
<i>Fry v. Hayt, Hayt & Landau</i>	
198 F.R.D. 461 (E.D. Pa. 2000).....	13, 14
<i>Fry v. Hayt, Hayt & Landau</i> , 198 F.R.D. 461 (E.D. Pa. 2000)	13, 14
<i>Gamarro v. Walgreen Pharmacy Services Midwest</i> , Riverside Superior Court Case No. CVRI22033	21
<i>Hanlon v. Chrysler Corp.</i> , 150 F.3d 1011 (9th Cir. 1998)	11
<i>Ikonen v. Hartz Mountain Corp.</i>	
122 F.R.D. 258 (S.D. Cal. 1988)	13
<i>In re Heritage Bond Litigation</i> , 2005 WL 1594403 (C.D. Cal. 2005)	11
<i>In re Mego Fin. Corp. Sec. Litig.</i> , 213 F.3d 454 (9th Cir.2000).....	15
<i>Nucci v. Rite Aid, et al.</i> , N.D. Cal. No. 19-cv-01434-LHK	27
<i>Officers for Justice v. Civil Serv. Comm'n</i> , 688 F.2d 615 (9th Cir. 1982).....	15, 16
<i>President, et al. v. Walgreen Co.</i> , Santa Clara Superior Court Case No. 20CV368984.....	19
<i>Romero v. Producers Dairy Foods, Inc.</i>	
235 F.R.D. 474 (E.D. Cal. 2006)	13
<i>Staton v. Boeing Co.</i>	
327 F.3d 938 (9th Cir. 2003)	25
<i>Van Vranken v. Atl. Richfield Co.</i>	
901 F. Supp. 294 (N.D. Cal. 1995)	25

Viceral v. Mistras Grp., Inc., Case No. 15-cv-2198-EMC, 2016 WL 5907869 (N.D. Cal. Oct. 11, 2016) 15

Wang v. Chinese Daily News, Inc.

737 F.3d 538 (9th Cir. 2013) 13, 14

Statutes

Cal. Bus.& Prof. Code § 17200, et seq. 28

Cal. Lab. Code § 1194.2 28

Cal. Lab. Code § 1197 27, 28

Cal. Lab. Code § 201 28

Cal. Lab. Code § 202 28

Cal. Lab. Code § 203 28

Cal. Lab. Code § 226 28

Cal. Lab. Code § 1194 28

Cal. Lab. Code § 2698, et seq. 9, 28

Cal. Lab. Code § 2802 9, 27

Other Authorities

IWC Wage Order 7, § 9 (A)..... 28

IWC Wage Order No. 7, § 4(A)..... 28

Rules

Fed.R.Civ.P. 23(a)(1)..... 12

Treatises

Fed.R.Civ.P. 23(a) 12, 13, 14

Fed.R.Civ.P. 23(b) 12, 14, 15

1 NOTICE OF UNOPPOSED RENEWED MOTION AND MOTION
 2 TO THE HONORABLE COURT, ALL PARTIES, AND THEIR ATTORNEYS OF
 3 RECORD:

4 PLEASE TAKE NOTICE that a hearing will be held on this Unopposed Renewed
 5 Motion for Preliminary Approval of Class Action Settlement of Plaintiffs Serena Naro and
 6 Trish Gonzales, on behalf of themselves and all others similarly situated (“Plaintiffs”),
 7 regarding their proposed Amended Class Action and Private Attorneys General Act
 8 Settlement Agreement and Release (the “Settlement Agreement” or the “Settlement,”
 9 attached as **Exhibit 1** to the accompanying Declaration of Hallie Von Rock) with Defendants
 10 Walgreen Co., and Walgreen Pharmacy Services Midwest, LLC (“Walgreens” or
 11 “Defendants,” together with Plaintiff, the “Parties”). The hearing will be held on April 10,
 12 2025, at 2:00 P.M., or as soon thereafter as the Court may hear them, in the Courtroom of the
 13 Honorable Jon S. Tigar, located at Courtroom 6, 2nd Floor, 1301 Clay Street, Oakland,
 14 California 94612. At the hearing, the Parties will request that the Court: (a) preliminarily
 15 approve the Settlement; (b) certify the proposed class for settlement purposes only; (c) name
 16 Aiman-Smith & Marcy as Class Counsel, and Serena Naro and Trish Gonzales as Class
 17 Representatives; (d) name Atticus Administration as Claims Administrator; (e) approve the
 18 Class Notices to be sent to the Settlement Class, and (f) and schedule a final approval
 19 hearing date.

20 Plaintiffs bring this Unopposed Renewed Motion pursuant to Federal Rules of Civil
 21 Procedure 23(e). The Unopposed Renewed Motion is based on this notice, the following
 22 Memorandum of Points and Authorities, the Declaration of Hallie Von Rock, the Declaration
 23 of Jonathan Wilson, and all other records, pleadings, and papers on file in the consolidated
 24 action and such other evidence or argument as may be presented to the Court at the hearing
 25 on this Motion. Plaintiffs also submit a Proposed Order Granting Preliminary Approval of

26 ///

27 ///

1 Class Action Settlement with their moving papers.

2
3 Date: February 13, 2025

Respectfully submitted,

4 /s/ Hallie Von Rock

5 Hallie Von Rock
6 AIMAN-SMITH & MARCY PC

7 Attorneys for Plaintiffs
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

I. INTRODUCTION

Pursuant to the Court’s Order of January 16, 2025, ECF 65 (“Order”), Plaintiffs Serena Naro and Trish Gonzales (collectively “Plaintiffs”), submit a Renewed Motion for Preliminary Approval of Class Action and PAGA Settlement, seeking approval of the amended settlement and notices that reflect all of the changes directed by the court’s initial order denying approval without prejudice. This wage-and-hour class and PAGA settlement – which the Court did not find unfair – resolves the class claims for approximately 12,553 Class Members for a total non-reversionary settlement of \$950,000. With this Settlement, the Parties are resolving wage and hour claims unlikely to have been prosecuted as individual actions. The Settlement is fair, reasonable, and adequate in all respects, and Plaintiffs respectfully request that the Court grant the requested approval.

II. THE AMENDMENTS TO THE SETTLEMENT AGREEMENT AND CLASS NOTICES COMPLY WITH THE ORDER.

The Amended Settlement Agreement (attached as **Exhibit 1** to the Declaration of Hallie Von Rock, “HVR Dec.”) incorporates the Court’s directions in the Order in the following respects:

Original Settlement Agreement	Amended Settlement Agreement (redline)
<p>Paragraph 10 k.</p> <p>“Notice Deadline” means the date that is thirty (30) days after the Notice is initially mailed to the Settlement Class. Settlement Class Members shall have until the Notice Deadline to object to the Settlement.</p>	<p>Paragraph 10 k.</p> <p>“Notice Deadline” means the date that is thirty-sixty (30)(60) days after the Notice is initially mailed to the Settlement Class. Settlement Class Members shall have until the Notice Deadline to object to the Settlement.</p>
<p>Paragraph 32</p> <p><u>Requests for Exclusion from the Settlement:</u> The Settlement Administrator shall administer the receipt of any and all requests for exclusion from the Action. Any Settlement Class Member who submits a</p>	<p>Paragraph 32</p> <p><u>Requests for Exclusion from the Settlement:</u> The Settlement Administrator shall administer the receipt of any and all requests for exclusion from the Action. Any Settlement Class Member who submits a</p>

valid and timely request for exclusion shall not be bound by the terms of this Agreement. Any Settlement Class Member who desires to be excluded from the Action must send a written request for exclusion to the Settlement Administrator with a postmark dated no later than 30 calendar days prior to the Final Hearing. In such request, the Settlement Class Member must set forth his or her full name, address, telephone number and email address (if available), along with a statement that he or she wishes to be excluded. The Settlement Administrator shall provide a list of the names and addresses of each Settlement Class Member who submitted a valid exclusion to the Parties no later than 21 court days prior to the Final Hearing. Settlement Class Members who request to be excluded from the Settlement shall nevertheless be bound by the release of claims under PAGA.

Paragraph 33

Objections to the Settlement: Any Settlement Class Member who intends to object to the fairness of this settlement must (1) file a written objection with the Court no later than 30 calendar days prior to the Final Hearing and (2) mail or personally deliver a copy of the written objection to Class Counsel and Defendants' Counsel on the same day as the objection is sent to the Court. The Court will deem an objection filed on the day it is received by the Court, not necessarily when the objection is postmarked. In the written objection, the Settlement Class Member must state: his or her full name, address, telephone number, and email address (if available); the reasons for his or her objection; and whether he or she intends to appear at the Final Hearing

valid and timely request for exclusion shall not be bound by the terms of this Agreement. Any Settlement Class Member who desires to be excluded from the Action must send a written request for exclusion to the Settlement Administrator with a postmark dated no later than ~~30~~60 calendar days ~~prior to the Final Hearing~~after the Notice is initially mailed to the Settlement Class. In such request, the Settlement Class Member must set forth his or her full name, address, telephone number and email address (if available), along with a statement that he or she wishes to be excluded. The Settlement Administrator shall provide a list of the names and addresses of each Settlement Class Member who submitted a valid exclusion to the Parties no later than 21 court days prior to the Final Hearing. Settlement Class Members who request to be excluded from the Settlement shall nevertheless be bound by the release of claims under PAGA.

Paragraph 33

Objections:

a. Objections to the Settlement: Any Settlement Class Member who intends to object to the fairness of this settlement must (1) file a written objection with the Court no later than ~~30~~60 calendar days ~~prior to the Final Hearing~~after the Notice is initially mailed to the Settlement Class and (2) mail or personally deliver a copy of the written objection to Class Counsel and Defendants' Counsel on the same day as the objection is sent to the Court. The Court will deem an objection filed on the day it is received by the Court, not necessarily when the objection is postmarked. In the written objection, the Settlement Class Member must state: his or her full name, address,

on his or her own behalf or through counsel. Further, the Settlement Class Member must attach to his or her objection all evidence supporting the objection. Any Settlement Class Member who does not file a valid and timely objection to the settlement shall be barred from seeking review of the settlement by appeal or otherwise.

telephone number, and email address (if available); the reasons for his or her objection; and whether he or she intends to appear at the Final Hearing on his or her own behalf or through counsel. Further, the Settlement Class Member must attach to his or her objection all evidence supporting the objection. Any Settlement Class Member who does not file a valid and timely objection to the settlement shall be barred from seeking review of the settlement by appeal or otherwise.

b. Objections to Plaintiff's Motion for Attorney's Fees and Costs: Any Settlement Class Member who intends to object to Plaintiff's Motion for Attorney's Fees and Costs must (1) file a written objection with the Court no later than 14 calendar days prior to the Final Hearing and (2) mail or personally deliver a copy of the written objection to Class Counsel and Defendants' Counsel on the same day as the objection is sent to the Court. The Court will deem an objection filed on the day it is received by the Court, not necessarily when the objection is postmarked. In the written objection, the Settlement Class Member must state: his or her full name, address, telephone number, and email address (if available); the reasons for his or her objection; and whether he or she intends to appear at the Final Hearing on his or her own behalf or through counsel. Further, the Settlement Class Member must attach to his or her objection all evidence supporting the objection. Any Settlement Class Member who does not file a valid and timely objection shall be barred from seeking review of Plaintiff's Motion for Attorney's Fees and Costs by appeal or otherwise.

Paragraph 34 d.

Release by Named Plaintiffs: In consideration for the service payments being paid to Plaintiffs, Plaintiffs, upon the Court's final approval of the Settlement Agreement, hereby fully and finally release and discharge the Released Parties from all known and unknown claims they have or may have against the Released Parties, of every nature and description whatsoever, up to the date of the Court's final approval of the Settlement Agreement, in addition to the Settlement Class Members'/Aggrieved Employees' Released Claims described in paragraphs 15 and 16. This general release of claims includes any and all known or unknown contract, tort, statutory, common law, constitutional, discrimination, public policy, retaliation, wrongful discharge and other claims of any type whatsoever, to the fullest extent such claims are releasable by law, arising out of Plaintiffs' employment with Defendants and the Released Parties (collectively "Named Plaintiffs' Released Claims"). As to the Named Plaintiffs' Released Claims, the Plaintiffs, understanding the significance of this waiver, waive all rights and benefits afforded by Section 1542 of the Civil Code of the State of California, which states:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Any release of claims will not be effective until the Effective Date.

Paragraph 34 d.

Release by Named Plaintiffs: ~~In consideration for the service payments being paid to Plaintiffs~~In exchange for the consideration provided by Defendant, Plaintiffs, upon the Court's final approval of the Settlement Agreement, hereby fully and finally release and discharge the Released Parties from all known and unknown claims they have or may have against the Released Parties, of every nature and description whatsoever, up to the date of the Court's final approval of the Settlement Agreement, in addition to the Settlement Class Members'/Aggrieved Employees' Released Claims described in paragraphs 15 and 16. This general release of claims includes any and all known or unknown contract, tort, statutory, common law, constitutional, discrimination, public policy, retaliation, wrongful discharge and other claims of any type whatsoever, to the fullest extent such claims are releasable by law, arising out of Plaintiffs' employment with Defendants and the Released Parties (collectively "Named Plaintiffs' Released Claims"). As to the Named Plaintiffs' Released Claims, the Plaintiffs, understanding the significance of this waiver, waive all rights and benefits afforded by Section 1542 of the Civil Code of the State of California, which states:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Any release of claims will not be effective until the Effective Date.

1 The Parties also revised the Class Notices (Settlement Agreement, Exs. A-B) in
2 compliance with the above changes in the Amended Settlement Agreement.

3 For the Notice, Ex. A, the following redline shows the changes made:

4 Paragraph 13:

5 If you are a Settlement Class Member and wish to object and tell the Court why you do not
6 like the settlement, you must (1) file a written objection with the Court by _____,
7 2025 (which is 60 calendar days from the date this Notice is sent to the Class Members) ~~no~~
8 ~~later than 30 calendar days prior to the Final Hearing~~ and (2) mail or personally deliver a
9 copy of the written objection to Class Counsel and Defendants' Counsel on the same day as
10 the objection is sent to the Court. The Court will deem an objection filed on the day it is
11 received by the Court, not necessarily when the objection is postmarked. In the written
12 objection, the Class Member must state: his or her full name, address, telephone number, and
13 email address (if available); the reasons for his or her objection; and whether he or she
intends to appear at the Final Hearing on his or her own behalf or through counsel. Further,
the Class Member must attach to his or her objection all evidence supporting the objection.
Any Settlement Class Member who does not file a valid and timely objection to the
settlement shall be barred from seeking review of the settlement by appeal or otherwise.

14 Paragraph 16:

15 Class counsel would ask the Court to approve a payment of up to \$316,666.00 for attorneys'
16 fees and up to \$20,000 for litigation costs, which will be paid out of the \$950,000.00
17 settlement fund. These attorneys' fees will pay Class Counsel for bringing the lawsuit on
18 your behalf, investigating the facts, litigating the case, and negotiating the Settlement.
Defendants have agreed not to oppose these attorneys' fees or costs. The Court may award
less than these amounts.

19 Plaintiff's Motion for Attorney's Fees and Costs will be available on the settlement website
20 by [_____, 2025] (which is 30 calendar days prior to the Final Hearing).

21 If you are a Settlement Class Member and wish to object to Plaintiff's Motion for Attorney's
22 Fees, you must (1) file a written objection with the Court by _____, 2025 (which is
23 14 calendar days prior to the Final Hearing) and (2) mail or personally deliver a copy of the
24 written objection to Class Counsel and Defendants' Counsel on the same day as the objection
25 is sent to the Court. The Court will deem an objection filed on the day it is received by the
26 Court, not necessarily when the objection is postmarked. In the written objection, the Class
27 Member must state: his or her full name, address, telephone number, and email address (if
28 available); the reasons for his or her objection; and whether he or she intends to appear at the
Final Hearing on his or her own behalf or through counsel. Further, the Class Member must
attach to his or her objection all evidence supporting the objection. Any Settlement Class
Member who does not file a valid and timely objection to the settlement shall be barred from
seeking review of Plaintiff's Motion for Attorney's Fees and Costs by appeal or otherwise.

For the Postcard Notice, Ex. B, the following redline shows the changes made:

What are my Options? To exclude yourself from the settlement or to object to the settlement, you must submit a written exclusion or objection by no later than [_____, 2024⁵]. To object to Plaintiff's Motion for Attorney's Fees and Costs, you must submit a written objection by no later than [_____, 2025]. Further details for excluding yourself or objecting to the settlement are set forth in the full-length Notice of Class Action settlement. For more information, including the full-length Notice of Class Action Settlement, go to www.[_____] .com or call [_____].

III. THE VALUE OF THE PROPOSED SETTLEMENT.

In the Order, the Court considered the value of the settlement compared to what Plaintiffs might have recovered if they had prevailed at trial, citing to *Campbell v. Facebook, Inc.*, 951 F.3d 1106, 1123 (9th Cir. 2020). The parties' original analysis of the damages calculations is set forth below in Section VII, B. The economist retained for reviewing the data provided by Defendants' third-party vendors estimated the total purchases for uniform clothing during the Class Period as \$859,994. *See*, Declaration of Jonathan Wilson ("Wilson Dec."), ¶¶ 3-10.

First, with regard to purchases of promotional t-shirts, both Plaintiffs who were deposed testified that they were not required to purchase or wear these clothing items. *See*, HVR Dec., ¶ 29. Additionally, Walgreens' dress code policies during the Class Period did not require any Class Member to purchase promotional t-shirts (such as for Red Nose Day, Pride, or Holidays) deemed "voluntary purchases." *Id.* Accordingly, in valuing the damages, the parties agreed to exclude the estimated maximum amount of \$514,809 paid for promotional clothing items, which were considered as voluntary and not required. *See*, Declaration of Jonathan Wilson ("Wilson Dec."), ¶ 11, Table 3 and fn. 10.

Second, with regard to the missing data of May 8, 2021 – October 16, 2021, Mr. Wilson calculated the amount spent on personal orders by extrapolating from the purchase data provided. *See*, Wilson Dec. ¶ 9. Mr. Wilson extrapolated clothing items purchased from a third-party vendor by putative class members during the period of May 8, 2021 – October 16, 2021 to be approximately \$40,037. *Id.* This amount was combined with the other non-

1 voluntary purchase data to total \$859,994. *Id.*, ¶ 10. Thus, the Court’s calculation to
 2 increase the total uniform purchase amount to \$929,654 double counts purchases made in the
 3 May – October 2021 time period.

4 Accordingly, Plaintiff believes that the record supports the original damages presented
 5 in Section VII, B, below. Nevertheless, even if the Court were to stand by its calculations of
 6 the settlement value, the amount offered in settlement is reasonable and should be
 7 preliminarily approved.

8 **IV. PLAINTIFFS’ REQUEST FOR ATTORNEY’S FEES, COSTS, AND** 9 **INCENTIVE COMPENSATION**

10 In the Order, the Court directed Plaintiffs to justify any deviation from the attorney’s
 11 fees benchmark and presumptively reasonable incentive award when they apply for such
 12 awards. The Settlement permits Plaintiffs to seek up to one-third in attorney’s fees and up to
 13 \$10,000 as incentive compensation. These amounts are set forth in the Notice and Class
 14 Members are provided an opportunity to object to Plaintiffs’ Attorney’s Fees Motion.
 15 Furthermore, at final approval, Plaintiffs intend to justify their request for attorney’s fees and
 16 incentive compensation, including but not limited to how the parties worked efficiently for
 17 an early resolution and managed costs savings so that funds which would have been
 18 expended have instead increased the size of the settlement for the benefit of the Class.

19 **V. FACTUAL AND PROCEDURAL HISTORY**

20 Having reached a class-wide settlement with Defendants, Plaintiffs seek preliminary
 21 approval of the Settlement. After almost two years of litigation, including formal discovery,
 22 a motion to dismiss and amendment to the complaint, informal settlement discovery, detailed
 23 expert calculations, and extensive arm’s-length negotiations between counsel, the Parties
 24 have reached a global settlement of the Action, memorialized in the proposed Class Action
 25 and Private Attorneys General Act Settlement Agreement and Release (“Settlement”).¹
 26

27
 28 ¹ The Amended Settlement is attached as **Exhibit 1** to the accompanying Declaration of Hallie Von Rock (“HVR Dec.”) in Support of Plaintiffs’ Renewed Motion for Preliminary Approval of Class and PAGA Representative Action

1 Plaintiffs brought this class and Private Attorneys General Act action on behalf of
2 current and former non-exempt workers employed by Defendants in their retail stores and/or
3 pharmacies in California (the “Class Members”). Plaintiffs contend that Defendants violated
4 California wage and hour laws by requiring Class Members to wear and purchase uniforms
5 and allege that Defendants failed to compensate Class Members for such uniforms, which
6 resulted in violation of California Labor Code section 2802.

7 The Settlement resolves the class claims for approximately 12,553 Class Members for a
8 total non-reversionary settlement of \$950,000. With this Settlement, the Parties are resolving
9 wage and hour claims unlikely to have been prosecuted as individual actions. The Settlement
10 is fair, reasonable, and adequate in all respects, and Plaintiffs respectfully request that the
11 Court grant the requested approval.

12 Plaintiffs and Class Members are those individuals who, according to Defendants’
13 third-party vendor records, purchased clothing at their own expense from Defendants’ third-
14 party vendors during the Class Period, which runs from May 31, 2018 through preliminary
15 approval. HVR Dec. ¶ 3, Settlement Agreement ¶ 10.c. The Settlement Class is comprised of
16 approximately 12,553 individuals. HVR Dec. ¶ 4; Declaration of Jonathan Wilson (“Wilson
17 Dec.”) ¶ 8.

18 Plaintiffs allege that Class Members experienced wage and hour violations in their
19 work for Defendants. HVR Dec. ¶ 5. In particular, Plaintiffs allege that during the Class
20 Period, Defendants required Class Members to report to work wearing uniform clothing
21 items, which are in a specified style and color and/or which bear the Walgreens logo. *Id.*
22 Plaintiffs alleged that while Defendants provided Class Members with an initial set of
23 Walgreens logo clothing items at the start of their employment, Defendants neither provided
24 Class Members with a sufficient number of replacement items after the initial items were
25 rendered unusable by normal wear and tear, nor did Defendants reimburse Class Members
26

27 _____
28 Settlement.

1 for required replacement purchases. Plaintiffs who wished to wear a jacket or other layers for
 2 warmth were also required to buy and wear Walgreens-branded clothing items. After this
 3 Action was filed, Defendants changed their dress code policy, in September 2022, to no
 4 longer require that Class Members wear Walgreens logo tops, jackets, or scrubs. *Id.*, ¶ 6.

5 As a result of Defendants' dress code policies, Plaintiffs' operative First Amended
 6 Complaint alleged causes of action for failure to reimburse necessary business expenses
 7 (Cal. Lab. Code § 2802); Unfair Competition (Cal. Bus. & Profs. Code § 17200, et seq.); and
 8 Private Attorneys General Act (Cal. Lab. Code § 2698, et seq.).

9 Defendants have at all times denied, and continue to deny, all of these allegations, and
 10 deny any and all liability for Plaintiffs' claims. They further deny that Plaintiffs' allegations
 11 are appropriate for class and/or representative treatment for any purpose other than for
 12 settlement purposes.

13 A. Discovery

14 The Parties engaged in formal written discovery, including Plaintiff serving two sets of
 15 special interrogatories and requests for production of documents, and Defendant serving
 16 interrogatories and requests for production of documents on both plaintiffs. The depositions
 17 of both Plaintiffs were taken as well as the deposition of one of Plaintiff's former supervisors
 18 who worked for Defendants. HVR Dec. ¶ 7.

19 Defendants produced their policies related to their dress code during the Class Period.
 20 *Id.* ¶ 8. Defendants also produced documents and data related to vouchers that were
 21 distributed to store managers for replacing Walgreen logo shirts and scrubs for Class
 22 Members.

23 Plaintiffs served subpoenas on third-party vendors of Defendants, which produced
 24 records showing all current and former non-exempt employees of Defendants working in
 25 Defendants' retail stores and/or pharmacies within California who purchased clothing items
 26 at their own expense from one of Walgreens' third-party clothing vendors during the Class
 27 and PAGA periods. *Id.* ¶ 9.

1 Additionally, Defendants engaged the expert Resolution Economics LLC, to calculate
2 the purchases identified in the data provided by the third-party vendors of Defendants and to
3 perform an exposure analysis. The Plaintiffs reviewed the detailed expert analysis performed
4 and the parties agreed that the data was an accurate calculation of damages to form the basis
5 of the Parties' settlement negotiations. *Id.* ¶ 10. The Declaration of Jonathan Wilson is being
6 submitted with this motion describing the calculations conducted.

7 Plaintiffs and their counsel have conducted sufficient discovery and analysis to evaluate
8 the strengths and weaknesses of their respective claims and Defendants' defenses and to
9 recommend this Settlement to the Class Members and the Court. HVR Dec., ¶ 11.

10 B. Settlement Negotiations

11 The Parties initially agreed to mediate with Michael Dickstein on March 28, 2024.
12 HVR Dec., ¶ 12. Prior to the mediation, the parties participated in a conference call with Mr.
13 Dickstein on January 17, 2024, which included discussions of data to be produced for
14 settlement negotiations. *Id.* Following this call, Defendants produced detailed damages data,
15 and counsel for the parties met and conferred regarding the extent of the damages at issue.
16 *Id.* The parties were largely in agreement regarding the potential exposure in the case and
17 believed that it was possible to resolve the case without a mediator. *Id.*

18 Thereafter, the parties went back and forth for three months with their respective
19 positions, including Defendants' defenses and Plaintiffs' replies thereto. Several issues arose
20 during the negotiations, including but not limited to Defendants' contention that two prior
21 settlements that released Labor Code section 2802 claims limited the Class Period and that a
22 pending class action settlement included a release for Labor Code section 2802 claims that
23 potentially overlapped with Plaintiffs' claims, here. *Id.*, ¶ 13. Additionally, the data produced
24 showed that a significant number of uniform items ordered during the Class Period were paid
25 for with vouchers supplied by Walgreens and, thus, were not expenses borne by the Class
26 Members. *Id.*, ¶ 14. At the same time, the data confirmed that Class Members did use their
27 own money to purchase required Walgreens logo clothing items during the Class Period. *Id.*

1 Given the risks that both sides faced, after multiple offers and counteroffers were
 2 exchanged between February and March, the parties agreed to settle this Action for \$950,000
 3 on March 28, 2024. *Id.*, ¶ 15. A Memorandum of Understanding was fully executed on April
 4 8, 2024. *Id.*

5 After the agreement to settle, counsel for the Parties extensively met and conferred over
 6 the detailed terms of the settlement for purposes of executing a long-form settlement
 7 agreement and worked to finalize the Settlement Agreement and corresponding notice
 8 documents, subject to the Court’s approval. HVR Dec., ¶ 16. The Settlement Agreement was
 9 fully executed on May 8, 2024. *Id.*

10 The parties informed the Court in a Joint Case Management Statement filed on April 8,
 11 2024, that the case had settled. (ECF 58). The Court entered a scheduling order on April 9,
 12 2024, ordering a Motion for Preliminary Approval of Class Settlement to be filed by June 7,
 13 2024. (ECF 59).

14 Plaintiffs filed their Motion for Preliminary Approval on June 6, 2024. (ECF 60). On
 15 January 16, 2025, the Court filed an Order Denying Without Prejudice Motion for
 16 Preliminary Approval of Class Action Settlement. (ECF 65).

17 The Parties amended the Settlement Agreement and Notices. The fully executed
 18 Amended Settlement is attached as **Exhibit 1** to the HVR Dec., submitted herewith.

19 To address the Court’s concerns in the Order, Plaintiffs are filing an Unopposed
 20 Renewed Motion for Preliminary Approval.

21 VI. ARGUMENT

22 A. The Court Should Grant Preliminary Approval of the Settlement

23 Rule 23(e) provides that any compromise of a class action must receive court
 24 approval. The court has broad discretion to grant approval and should do so where the
 25 proposed settlement is “fair, adequate, reasonable, and not a product of collusion.” *Hanlon v.*
 26 *Chrysler Corp.*, 150 F.3d 1011, 1026 (9th Cir. 1998). In deciding whether a settlement
 27 should be approved, the Ninth Circuit has a “strong judicial policy that favors settlement,
 28

particularly where complex class action litigation is concerned.” *In re Heritage Bond Litigation*, 2005 WL 1594403 (C.D. Cal. 2005); *see also*, *Class Plaintiffs v. City of Seattle*, 955 F.2d 1268, 1276 (9th Cir. 1992) (The Ninth Circuit maintains a “strong judicial policy” that favors settlement of class actions.). Rule 23 requires that all class action settlements satisfy two primary prerequisites before a court may grant certification for purposes of preliminary approval: (1) that the settlement class meets the requirements for class certification if it has not yet been certified; and (2) that the settlement is fair, reasonable, and adequate. Fed.R.Civ.P. 23(a), (e)(2); *Hanlon*, 150 F.3d at 1020. As discussed below, this class action settlement satisfies the requirements of Rule 23(a) and (b), and it is fair, reasonable, and adequate in accordance with Rule 23(e)(2). HVR Dec., ¶ 17. Accordingly, the Court should preliminarily approve the Settlement.

B. The Court Should Certify the Settlement Class²

A class may be certified under Rule 23 if (1) the class is so numerous that joinder of all members individually is “impracticable”; (2) questions of law or fact are common to the class; (3) the claims or defenses of the class representative are typical of the claims or defenses of the class; and (4) the person representing the class is able to fairly and adequately protect the interests of all members of the class. Fed.R.Civ.P. 23(a). Furthermore, Rule 23(b)(3) provides that a class action seeking monetary relief may only be maintained if “the court finds that the questions of law or fact common to class members predominate over any questions affecting only individual members, and that a class action is superior to other available methods for fairly and efficiently adjudicating the controversy.” Fed.R.Civ.P. 23(b)(3). Applying this standard, numerous cases similar to this case have certified classes of employees who have suffered wage and hour violations under California wage and hour laws.³ Likewise, Plaintiffs contend that the Settlement Class meets all of these requirements.

² Plaintiffs acknowledge that, in the event that the Settlement is not approved by the Court, class certification would be contested by Defendants, and Defendants fully reserve and do not waive any arguments and challenges regarding the propriety of class action certification.

³ *See, e.g., Brown, et al. v. Abercrombie & Fitch Co., et al.*, No. 2:14-cv-01242-JGB-VBK (N.D. Cal. July 16, 2015), *ECF 108 (certifying Rule 23 class in a case asserting uniform expense reimbursement violations); *Nucci, et al. v. Rite*

1 1. *The Class Members are numerous and ascertainable.*

2 The numerosity prerequisite demands that a class be large enough that joinder of all
3 members would be impracticable. Fed.R.Civ.P. 23(a)(1). Courts routinely find numerosity
4 satisfied with classes of at least forty members. *See, e.g., Ikonen v. Hartz Mountain Corp.*,
5 122 F.R.D. 258, 262 (S.D. Cal. 1988); *Romero v. Producers Dairy Foods, Inc.*, 235 F.R.D.
6 474, 485 (E.D. Cal. 2006). The approximately 12,553 Class Members render the class so
7 large as to make joinder impracticable. HVR Dec., ¶ 18. The Class Members are readily
8 identifiable from Defendants’ payroll records and third-party vendor data of purchases made
9 during the Class Period. *Id.*

10 2. *Plaintiffs’ claims raise common issues of fact or law.*

11 The commonality requirement of Rule 23(a)(2) “is met if there is at least one common
12 question or law or fact.” *Fry v. Hayt, Hayt & Landau*, 198 F.R.D. 461, 467 (E.D. Pa. 2000).
13 Plaintiffs “need not show that every question in the case, or even a preponderance of
14 questions, is capable of classwide resolution.” *Wang v. Chinese Daily News, Inc.*, 737 F.3d
15 538, 544 (9th Cir. 2013). “[E]ven a single common question” can satisfy the commonality
16 requirement of Rule 23(a)(2). *Id.*

17 Plaintiffs contend that common questions of law and fact predominate here. The wage
18 and hour violations at issue are borne of Defendants’ standardized policies, practices, and
19 procedures regarding their dress code policy during the Class Period and failure to reimburse
20 for personal purchases of clothing from Walgreens’ third-party clothing vendors, creating
21 pervasive issues of fact and law that are amenable to resolution on a class-wide basis. HVR
22 Dec., ¶ 19. Because these questions can be resolved at the same juncture, Plaintiffs contend
23 the commonality requirement is satisfied for the Class. *Id.*

24 3. *Plaintiffs’ claims are typical of the claims of the Class.*

25 “Rule 23(a)(3) requires that the claims of the named parties be typical of the claims
26

27 *Aid Corporation*, No. 5:19-cv-01434-LHK (N.D. Cal. June 14, 2020) *ECF 69 (certifying Rule 23 class in a case
28 asserting uniform expense reimbursement violations).

of the members of the class.” *Fry*, 198 F.R.D. at 468. “[A] representative’s claims are ‘typical’ if they are reasonably coextensive with those of absent class members; they need not be substantially identical.” *Hanlon*, 150 F.3d at 1020. Here, Plaintiffs contend that their claims are typical of those of all other Class Members in that they purchased clothing from Walgreens’ third-party vendors without reimbursement. HVR Dec., ¶ 20. Thus, Plaintiffs contend that the typicality requirement is also satisfied. *Id.*

4. *Plaintiffs and Class Counsel will adequately represent the Class.*

To meet the adequacy of representation requirement in Rule 23(a)(4), Plaintiffs must show “(1) that the putative named plaintiff has the ability and the incentive to represent the claims of the class vigorously; (2) that he or she has obtained adequate counsel, and (3) that there is no conflict between the individual's claims and those asserted on behalf of the class.” *Fry*, 198 F.R.D. at 469. Plaintiffs’ claims are in line with the claims of the Class Members, and Plaintiffs’ claims are not antagonistic to the claims of Class Members. HVR Dec., ¶ 21. Plaintiffs have prosecuted this case with the interests of the Class Members in mind. *Id.* Moreover, Class Counsel has extensive experience in class action and employment litigation, including wage and hour class actions, and do not have any conflict with the Class. *Id.*

5. *The Rule 23(b)(3) requirements for class certification are also met.*

Under Rule 23(b)(3), Plaintiffs must demonstrate that common questions “predominate over any questions affecting only individual members” and that a class action is “superior to other available methods for fairly and efficiently adjudicating the controversy.” “The predominance analysis under Rule 23(b)(3) focuses on ‘the relationship between the common and individual issues’ in the case and ‘tests whether proposed classes are sufficiently cohesive to warrant adjudication by representation.’” *Wang*, 737 F.3d at 545.

Here, Plaintiffs contend the common questions raised in this action predominate over any individualized questions concerning the Class Members. HVR Dec., ¶ 22. The Class is

entirely cohesive because resolution of Plaintiffs' claims hinge on the uniform policies and practices of Defendants, rather than the treatment the Class Members experienced on an individual level. *Id.* Namely, the predominate questions relate to whether Class Members are entitled to be compensated for the personal purchases made of clothing to comply with Walgreens' dress code policy. As a result, the resolution of these alleged class claims would be achieved through the use of common forms of proof, such as Defendants' policies, and would not require inquiries specific to individual Class Members. *Id.*

Further, Plaintiffs contend that the class action mechanism is a superior method. *Id.*, ¶ 23. To determine whether the class approach is superior, courts are to consider: (A) the class members' interests in individually controlling the prosecution or defense of separate actions; (B) the extent and nature of any litigation concerning the controversy already begun by or against class members; (C) the desirability or undesirability of concentrating the litigation of the claims in the particular forum; and (D) the likely difficulties in managing a class action. Fed.R.Civ.P. 23(b)(3)(A)-(D).

Here, the Class Members do not have a strong interest in controlling their individual claims. HVR Dec., ¶ 23. The action involves thousands of workers with very similar, but relatively small, claims for monetary injury. *Id.* If the Class Members proceeded on their claims as individuals, their many individual suits would require duplicative discovery and duplicative litigation, and each Class Member would have to personally participate in the litigation effort to an extent that would never be required in a class proceeding. *Id.* Thus, Plaintiffs contend that the class action mechanism would efficiently resolve numerous substantially identical claims at the same time while avoiding a waste of judicial resources and eliminating the possibility of conflicting decisions from repetitious litigation and arbitrations. *Id.*

C. The Terms of the Settlement Are Fair, Reasonable, and Adequate.

In evaluating the fairness of a proposed settlement, courts compare the settlement amount with the estimated maximum damages recoverable in a successful litigation. *In re*

1 *Mego Fin. Corp. Sec. Litig.*, 213 F.3d 454, 459 (9th Cir.2000). Courts routinely approve
 2 settlements that provide a fraction of the maximum potential recovery. *See, e.g., Officers for*
 3 *Justice v. Civil Serv. Comm'n*, 688 F.2d 615, 623 (9th Cir. 1982); *Viceral v. Mistras Grp.,*
 4 *Inc.*, Case No. 15-cv-2198-EMC, 2016 WL 5907869, at *7 (N.D. Cal. Oct. 11, 2016)
 5 (approving wage and hour settlement which represented 8.1% of the total verdict value). A
 6 review of the Settlement Agreement reveals the fairness, reasonableness, and adequacy of its
 7 terms. HVR Dec., ¶ 24. The Gross Settlement Common Fund of \$950,000 represents 100%
 8 of the unreimbursed business expenses plus interest (\$514,809)⁴, plus an additional
 9 \$435,191, representing 26% of the approximately \$1,655,900 in maximum PAGA penalties.
 10 *Id.*; Wilson Dec., ¶ 11, Table 3.

11 Again, these figures are based on Plaintiffs' assessment of a best-case-scenario. HVR
 12 Dec., ¶ 25. To obtain such a result at trial, Plaintiffs would have to prove that Walgreens did
 13 not provide sufficient replacement shirts and scrubs to each Class Member and that Class
 14 Members purchased the uniform clothing items as a condition of work, rather than their own
 15 convenience to have multiple uniform items to avoid laundering their items or other personal
 16 reasons. *Id.* These issues would of course be disputed and hotly contested. *Id.*

17 The final settlement amount takes into account the substantial risks inherent in any
 18 class action wage and hour case, as well as the hurdles of achieving and maintaining class
 19 action status, and the specific defenses asserted by Defendants, including that Walgreens
 20 provided a sufficient number of uniform items to Class Members. *Id.*, ¶ 26; *see Officers for*
 21 *Justice*, 688 F.2d at 623. By obtaining 100% of the unreimbursed clothing purchases for
 22 dress-code required items plus over 26% of potential PAGA penalties, which were subject to
 23 the Court's reduction from the maximum PAGA penalties, the settlement is fair, reasonable,
 24 and adequate. HVR Dec., ¶ 26.

25 VII. THE PROPOSED SETTLEMENT MEETS THE NORTHERN

26
 27
 28 ⁴ This amount excludes voluntary purchases of clothing items not required by Walgreens' dress code policy, such as Red Nose Day and holiday t-shirts. *See*, HVR Dec. ¶29.

DISTRICT OF CALIFORNIA'S PROCEDURAL GUIDELINES FOR CLASS ACTION SETTLEMENTS

As outlined herein, the proposed settlement meets each of the criteria outlined in the Northern District of California's Procedural Guidelines for Class Action Settlements. Pursuant to this Court's Standing Order for All Civil Cases Before District Judge Jon S. Tigar, each of the respective guidelines are addressed in the order the guidelines are presented on the Northern District of California's website.

A. Information About the Settlement

1. Settlement Class

In the operative First Amended Complaint, the Class is defined as:

All non-exempt employees of Walgreens working in Walgreens' retail stores and/or pharmacies within California at any time during the period beginning four years prior to the date this action is filed, and continuing through to entry of judgment in this action.

The Settlement Class to be certified for settlement purposes only under Federal Rule of Civil Procedure 23, is defined as:

All current and former non-exempt employees of Defendants working in Defendants' retail stores and/or pharmacies within California who purchased clothing items at their own expense from one of Walgreens' third-party clothing vendors during the Class Period, which runs from May 31, 2018 through the date of preliminary approval.

Settlement Agreement, ¶¶ 10.b, c.

The difference in the definition for the Settlement Class is appropriate because it includes only those non-exempt employees who actually made purchases during the Class Period and were alleged to be owed reimbursed business expenses. HVR Dec., ¶ 27. An employee who did not spend personal funds on clothing purchases did not suffer any injury and would, therefore, not be entitled to any expense reimbursements. *Id.*

2. Released Claims

There are no differences between the claims to be released and the claims in the

operative complaint. The scope of the release is set forth in the Settlement at ¶¶ 14-17.

B. The Proposed Settlement Is a Reasonable Compromise of Claims.

Defendants have agreed to pay a non-reversionary Gross Settlement Amount of \$950,000 to settle all aspects of the case. Settlement Agreement ¶ 23. The Net Settlement Amount is defined as the Gross Settlement Common Fund of Nine Hundred Fifty Thousand Dollars and Zero Cents (\$950,000.00) less the following deductions: The sum of Twenty Thousand Dollars and Zero Cents (\$20,000.00) for the representative payment awards to Plaintiffs, with Ten Thousand Dollars and Zero Cents (\$10,000.00) to be paid each to Serena Naro and Trish Gonzales, or such other amount as approved by the Court; the sum of attorneys' fees to Class Counsel, which shall not exceed Three Hundred Sixteen Thousand and Six Hundred Sixty-Six Dollars and Zero Cents (\$316,666.00); the sum of costs of litigation to Class Counsel, which shall not exceed Twenty Thousand Dollars and Zero Cents (\$20,000.00); Seventy Five Thousand Dollars and Zero Cents (\$75,000.00), which is 75% of the One Hundred Thousand Dollars and Zero Cents (\$100,000.00) earmarked for the release of Representative Plaintiffs' and each Aggrieved Employees' PAGA claims, and which will be paid to the California Labor and Workforce Development Agency; the administrative expenses approved by the Court pursuant to this Agreement, up to Forty Five Thousand Dollars and Zero Cents (\$45,000.00) (*current bid is for \$32,500). Settlement ¶ 12 (e).

The net settlement fund is comprised of two parts: (1) the "Net PAGA Settlement Amount" (i.e., the \$25,000.00 earmarked for the release of Representative Plaintiffs' and each PAGA Aggrieved Employee's PAGA claims that is not payable to the California Labor and Workforce Development Agency); and (2) the "Net Class Settlement Amount" (i.e., the entire Net Settlement Amount less the Net PAGA Settlement Amount, which is approximately \$473,334.00). Settlement Agreement ¶ 12.e.⁵

The Gross Settlement Amount is a negotiated amount that resulted from substantial

⁵ If the settlement administration cost does not exceed \$32,500, the Net Class Settlement Amount will raise to \$485,834.

1 arms' length negotiations and significant investigation and analysis by both parties. HVR
2 Dec., ¶ 28. The parties based their damages analysis and settlement negotiations on the
3 expert analysis provided by Resolution Economics, LLC. *Id.* The data that formed the basis
4 of the uniform clothing purchase calculations is included in the Wilson Dec., ¶ 4.

5 According to the data, 12,553 class members purchased a garment at their own expense
6 during the class period. *Id.*, ¶ 8. In order to determine the amount paid for each line item in
7 an order, the unit price was multiplied by the quantity and then added to the sales tax and
8 shipping. *Id.*, ¶ 9. For the period of time with missing order data, May 8, 2021 – October 16,
9 2021, the amount spent on personal orders was estimated separately. *Id.* According to the
10 payroll deduction dataset, deductions for clothing items purchases from a third-party vendor
11 by putative class member during the period were approximately \$40,037. *Id.* The total
12 extrapolated amount for credit card purchases is \$5,615. *Id.* The total estimated personal
13 amount spent on clothing items during the class period is \$859,994. *Id.*, ¶ 10.

14 However, within the data were clothing items considered “voluntary purchases.” *Id.*, ¶
15 11. These t-shirts are not considered a uniform or necessary business expense, but rather,
16 Walgreen permitted employees to purchase and wear these t-shirts during specific periods
17 during the year in place of the Walgreen logo polo shirts, if the employee preferred to do so.
18 HVR Dec., ¶ 29. When excluding voluntary purchases from the analysis, there are 9,727
19 employees who personally paid for a clothing item order during the class period, which
20 reduces the total estimated personal amount spent on clothing items during the class period
21 down to \$435,000, and with interest totaled \$514,809. Wilson Dec., ¶ 11.

22 As for PAGA penalties, when excluding voluntary purchases, there were 7,379
23 employees with a personal purchase order during the PAGA period. *Id.*, ¶ 11. Assuming a
24 \$100 penalty for the first pay period with a clothing purchase not reimbursed and \$200
25 penalty for subsequent pay periods with personal purchases, the total for the PAGA
26 reimbursement claim during the PAGA period is \$1,655,900. Wilson Dec., ¶ 11, Table 3.

27 Thus, the maximum class and PAGA exposure was \$2,170,709. HVR Dec., ¶ 30;
28

1 Wilson Dec., ¶ 11, Table 3. Defendants took the position, however, that this exposure should
2 be reduced to \$1,654,350, based upon earlier settled actions that released Labor Code section
3 2802 claims during the Class Period (*President, et al. v. Walgreen Co.*, Santa Clara Superior
4 Court Case No. 20CV368984, class action settlement Judgment entered on 10/19/23, and
5 *Epstein v. Walgreen Pharmacy Services Midwest, LLC, et al.*, Central District Case No.
6 5:19-cv-01323-DOC-ADS, class action settlement Judgment 4/15/21). HVR Dec., ¶ 30.

7 The Gross Settlement Amount of \$950,000 represents more than 43% of the total
8 exposure, and 57% of the exposure if excluding previous settlements. *Id.*, ¶ 31. These total
9 exposures include the maximum PAGA penalties and Plaintiffs are reticent that the court has
10 discretion to reduce PAGA penalties. For example, in *Carrington v. Starbucks Corp.*, 30
11 Cal.App.5th 504, 517, 529 (2018), the trial Court reduced the PAGA penalty amount to only
12 \$150,000 (\$5 per violation).

13 Further, Defendants argued that the initial Walgreen logo shirts and scrubs provided at
14 hiring, along with annual vouchers they provided for replacements, were sufficient to comply
15 with Defendants' dress code policy. *Id.*, ¶ 32. Defendants argued that any additional clothing
16 purchases were not required, but were done so for class members' personal desire to have
17 multiple clothing options to wear. *Id.* If the Court had sided with Defendants on their
18 defenses, Class Members would not receive any damages or penalties. *Id.*

19 The Settlement will result in immediate and certain payment to Class Members of
20 meaningful amounts. *Id.*, ¶ 33. Class Members spent an average of \$61.53 on required
21 clothing items. Wilson Dec. ¶ 9. With the Net Class Settlement Amount of \$473,334, the
22 average class recovery is \$37.70 (or \$38.70 if Settlement Administration Costs do not raise).
23 Thus, the average recovery is over 61% of the average purchase amount, which is an
24 excellent compromise without the prolonged delays of class certification and trial. HVR
25 Dec., ¶ 33.

26 Additionally, there are approximately 7,379 Aggrieved Employees who made
27 purchases during the PAGA period. Wilson Dec. ¶ 11. The Net PAGA Settlement Amount of
28

1 \$25,000 will be distributed to the Aggrieved Employees, which calculates to an average of
 2 \$3.39 per Aggrieved Employee in PAGA penalties. HVR Dec., ¶ 34

3 Thus, the settlement amount provides significant compensation to the Class Members
 4 and Aggrieved Employees in the face of expanding and uncertain litigation. HVR Dec. ¶ 35.

5 In light of all of the risks, the settlement amount is fair, reasonable, and adequate. *Id.*
 6 Such a result will benefit the Parties and the court system. *Id.*, ¶ 36. It will bring finality to
 7 the Action and will foreclose the inevitability of expanding litigation. *Id.*

8 C. Cases Affected by the Settlement.

9 There are no pending cases the parties are aware of that would be affected by this
 10 settlement. *Id.*, ¶ 37. There is a related pending class action in the process of settling that
 11 includes a class of pharmacy techs with a Labor Code Section 2802 release (*Gamarro v.*
 12 *Walgreen Pharmacy Services Midwest*, Riverside Superior Court Case No. CVRI22033).
 13 However, pharmacy tech Class Members will be permitted to participate in both cases. *Id.*

14 D. The Proposed Allocation Plan.

15 The Net Settlement Amount is comprised of two parts: (1) the “Net PAGA Settlement
 16 Amount” (i.e., the \$25,000.00 earmarked for the release of Representative Plaintiffs’ and
 17 each PAGA Aggrieved Employee’s PAGA claims that is not payable to the California Labor
 18 and Workforce Development Agency); and (2) the “Net Class Settlement Amount” (i.e., the
 19 entire Net Settlement Amount less the Net PAGA Settlement Amount, which is
 20 approximately \$473,334.00). Settlement Agreement, ¶ 12.f; HVR Dec. ¶ 38.

21 The distribution formula is based upon records produced in this litigation by
 22 Defendants’ vendors for those Class Members who purchased clothing at their own expense
 23 from Defendants’ third-party vendors during the Class Period. Settlement Agreement, ¶ 13.
 24 The Net Settlement Fund will be divided by the clothing purchases to determine the Clothing
 25 Purchases Payout Rate. *Id.* The total amount allocated to each Class Member will be the total
 26 of his or her identified Clothing Purchases during the applicable Class and PAGA Periods
 27 multiplied by the Clothing Purchases Payout Rate. *Id.* This allocation is fair and reasonable
 28

1 because it takes the extent of the injury of each Class Member into account and bases their
 2 claim amount on the amount actually expended on uniform clothing items during the Class
 3 Period. HVR Dec. ¶ 39.

4 Twenty-five percent (25%) of the \$100,000 PAGA allocation will be distributed to the
 5 Aggrieved Employees on a pro-rata basis based upon the number of pay periods that the
 6 Aggrieved Employee made purchases during the PAGA Period. The Labor and Workforce
 7 Development Agency shall receive a check for 75% of the PAGA settlement amount.
 8 Settlement Agreement, ¶ 13.

9 The payments to the Class Members and Aggrieved Employees shall be non-taxable,
 10 and a form 1099 will be issued by the administrator for such payments. *Id.*

11 The Class Members, who do not opt-out of the settlement, and all Aggrieved
 12 Employees shall receive a direct mail check of the amount of their claim and will have 180
 13 days to cash their checks. *Id.* If any funds remain after the expiration date of the distribution,
 14 any residual funds will be distributed to Legal Aid at Work as a *cy pres* beneficiary. *Id.*

15 E. Settlement Administration.

16 Plaintiffs sought and received bids from four respected Claims Administrators,
 17 including Simpluris, Rust, JND Legal Administration, and Atticus Administration. HVR
 18 Dec. at ¶ 40. The terms of the quotes included sending a postcard notice to approximately
 19 12,500 Class Members, establishing a website with the full notice and other important
 20 documents, maintaining a toll-free number, tax accounting, and sending direct mail checks to
 21 class members. *Id.* The administrator with the lowest bid was Atticus Administration
 22 (“Atticus”), with a quote of \$37,200. *Id.* The parties agreed in the Settlement Agreement to
 23 use Atticus. Settlement Agreement, ¶ 10 (j).

24 Over the last two years, Plaintiffs’ counsel has successfully worked with Atticus for
 25 settlement administration of two PAGA settlements and three class action settlements. HVR
 26 Dec., ¶ 41. A copy of Atticus’ Data Security Information & Privacy Policy is attached as
 27 Exhibit 3 to the HVR Dec. Atticus maintains insurance with AAA rated insurance carriers
 28

1 for professional liability and cybersecurity. HVR Dec., ¶ 42. It is Atticus' policy to warrant
 2 the work performed on all errors and omissions, on all projects, including distribution of
 3 funds to class members, without additional charges to their clients. *Id.*

4 F. Notice and Settlement Administration.

5 Atticus will distribute the Post Card Notices of Settlement (attached as Ex. B to the
 6 Settlement Agreement) via U.S. mail and email (where email addresses are available), re-
 7 mail any Notice Packets returned as non-deliverable but with forwarding addresses, and re-
 8 mail the Notice Packet to any new address obtained by way of skip-trace. Settlement
 9 Agreement, ¶ 26. Atticus will also receive and process requests for exclusion forms,
 10 calculate the settlement payments, and prepare and issue all disbursements to participating
 11 Class Members and Aggrieved Employees, Service Awards to Plaintiffs, payment to the
 12 LWDA payment, payment to Class Counsel for fees and costs, and payment to itself for fees
 13 in administering the settlement. *Id.*

14 Atticus will also create a website for the Settlement, which will allow Class Members
 15 to view the Class Notice (attached as Ex. A to the Settlement Agreement), the Settlement
 16 Agreement, and all papers filed by Class Counsel to obtain preliminary and final approval of
 17 the Settlement Agreement. *Id.* The Settlement Administrator will also establish a toll-free
 18 call center for telephone inquiries from Class Members. *Id.*

19 G. Requests for Exclusion from the Settlement.

20 The Settlement Administrator shall administer the receipt of any and all requests for
 21 exclusion from the Action. Any Class Member who submits a valid and timely request for
 22 exclusion shall not be bound by the terms of the Settlement Agreement. Any Class Member
 23 who desires to be excluded from the Action must send a written request for exclusion to the
 24 Settlement Administrator with a postmark dated no later than 60 calendar days after initial
 25 mailing of the Notice. In such request, the Class Member must set forth his or her full name,
 26 address, telephone number and email address (if available), along with a statement that he or
 27 she wishes to be excluded. The Settlement Administrator shall provide a list of the names
 28

1 and addresses of each Class Member who submitted a valid exclusion to the Parties no later
2 than 21 court days prior to the Final Hearing. Class Members who request to be excluded
3 from the Settlement shall nevertheless be bound by the release of claims under PAGA.
4 Settlement Agreement ¶ 32.

5 H. Objections.

6 Objections to the Settlement: Any Settlement Class Member who intends to object to
7 the fairness of this settlement must (1) file a written objection with the Court no later than 60
8 calendar days after the Notice is initially mailed to the Settlement Class and (2) mail or
9 personally deliver a copy of the written objection to Class Counsel and Defendants' Counsel
10 on the same day as the objection is sent to the Court. The Court will deem an objection filed
11 on the day it is received by the Court, not necessarily when the objection is postmarked. In
12 the written objection, the Settlement Class Member must state: his or her full name, address,
13 telephone number, and email address (if available); the reasons for his or her objection; and
14 whether he or she intends to appear at the Final Hearing on his or her own behalf or through
15 counsel. Further, the Settlement Class Member must attach to his or her objection all
16 evidence supporting the objection. Any Settlement Class Member who does not file a valid
17 and timely objection to the settlement shall be barred from seeking review of the settlement
18 by appeal or otherwise.

19 Objections to Plaintiff's Motion for Attorney's Fees and Costs: Any Settlement Class
20 Member who intends to object to Plaintiff's Motion for Attorney's Fees and Costs must (1)
21 file a written objection with the Court no later than 14 calendar days prior to the Final
22 Hearing and (2) mail or personally deliver a copy of the written objection to Class Counsel
23 and Defendants' Counsel on the same day as the objection is sent to the Court. The Court
24 will deem an objection filed on the day it is received by the Court, not necessarily when the
25 objection is postmarked. In the written objection, the Settlement Class Member must state:
26 his or her full name, address, telephone number, and email address (if available); the reasons
27 for his or her objection; and whether he or she intends to appear at the Final Hearing on his
28

1 or her own behalf or through counsel. Further, the Settlement Class Member must attach to
 2 his or her objection all evidence supporting the objection. Any Settlement Class Member
 3 who does not file a valid and timely objection shall be barred from seeking review of
 4 Plaintiff's Motion for Attorney's Fees and Costs by appeal or otherwise.

5 I. Attorney's Fees and Costs Are Reasonable.

6 In their fee motion to be submitted with the final approval papers, Class Counsel shall
 7 seek an award of attorneys' fees not to exceed Three Hundred Sixteen Thousand Six
 8 Hundred Sixty-Six Dollars and Zero Cents (\$316,666.00) (33.33 % of the Gross Settlement
 9 Common Fund). This amount will cover all work performed to date and all work to be
 10 performed in connection with the approval by the Court of the Settlement Agreement and the
 11 final conclusion of this Action. Settlement Agreement ¶ 18; HVR Dec., ¶ 43. At final
 12 approval, Plaintiffs will justify any upward adjustment from the federal "benchmark."

13 Class Counsel shall also submit an application for the reimbursement of costs and
 14 expenses in an amount not to exceed Twenty Thousand Dollars and Zero Cents (\$20,000.00).
 15 This amount will cover all costs and expenses incurred to date or to be incurred. This amount
 16 shall come from the Gross Settlement Common Fund. Settlement Agreement, ¶ 18.

17 The amount of fees and costs requested are clearly set forth in the Notice. The fees
 18 motion will be filed 30 days prior to the final approval hearing and uploaded to the
 19 settlement website. Class Members will have until 14 days prior to the final approval
 20 hearing to object to the request for fees and costs, which may be considered by the Court.

21 J. Service Awards to Representative Plaintiffs

22 Named plaintiffs in class action litigation are eligible for reasonable service awards.
 23 *See Staton v. Boeing Co.*, 327 F.3d 938, 977 (9th Cir. 2003) ("Courts routinely approve
 24 incentive awards to compensate named plaintiffs for the services they provided and the risks
 25 they incurred during the course of the class action litigation"); *Van Vranken v. Atl. Richfield*
 26 *Co.*, 901 F.Supp. 294, 300 (N.D. Cal. 1995) (named plaintiff received \$50,000 for work in
 27 class action). At final approval, Plaintiffs will seek up to Ten Thousand Dollars and Zero
 28

1 Cents (\$10,000.00) each as a service award for their time and efforts as Representative
 2 Plaintiffs. These service payment awards are in addition to their rights to payments provided
 3 in the Settlement for initiating and pursuing the Action and undertaking the risk of liability
 4 for attorneys' fees and expenses in the event they were unsuccessful in the prosecution of the
 5 Action. Settlement Agreement, ¶ 16.

6 In agreeing to serve as Class Representatives, these individuals formally agreed to
 7 accept the responsibilities of representing the interests of all Class Members and Aggrieved
 8 Employees. HVR Dec. ¶ 45. At final approval, Plaintiffs will justify any increase from the
 9 "presumptively" reasonable amount for incentive compensation.

10 K. Cy Pres Recipient.

11 The parties propose that any funds remaining in the Net Settlement Fund after the 180
 12 day void date for checks be distributed *cy pres* to Legal Aid at Work, which is a nonprofit
 13 organization that provides legal services assisting low-income, working families and
 14 promotes better understanding of the conditions, policies, and institutions that affect the
 15 well-being of workers and their families and communities. HVR Dec. at ¶ 46.

16 L. Timeline.

17 Plaintiffs have submitted a proposed order setting forth the proposed schedule of
 18 events from here through final approval. HVR Dec., ¶ 47 and [Proposed] Order. Plaintiffs
 19 submit that the proposed schedule complies with Rule 23 and secures the benefits for Class
 20 Members in a timely fashion.

21 M. CAFA / PAGA Notice.

22 On June 18, 2024, Defendants filed the Declaration of Christopher J. Archibald
 23 confirming they provided a notice of the proposed settlement upon the appropriate State
 24 official of each State in which a class member resides and the appropriate Federal official.
 25 (ECF 61). Concurrently with this filing, Plaintiffs are submitting a copy of this Unopposed
 26 Renewed Motion to the LWDA.

27 N. Comparable Cases.
 28

Plaintiffs provide two comparable cases. HVR Dec., ¶ 48. The case of *Ping v. See's Candy Shops, Inc., et al.*, County of Butte No. 20CV01023, involved claims similar to here in that Plaintiffs sought reimbursement for purchasing uniform clothing to comply with Defendant's dress code policy. The scope of release was more expansive than here as wage and hour violations for statutory penalties were alleged, and the release included failure to provide uniforms and/or reimbursement for uniform-related expenses; failure to pay minimum wages; failure to timely pay wages due at termination; and failure to furnish accurate itemized wage statements; including without limitation, claims under the California Labor Code sections 201, 202, 203, 204, 210, 218.5, 223, 226, 226.3, 558, 1194, 1194.2, 1197 et seq., 2802, Bus. & Prof. Code section 17200 et seq., and Labor Code section 2698.

	The See's Settlement	This Proposed Settlement
Total settlement fund	\$1,350,000	\$950,000
Total no. of class members	6,851	12,555
Total no. of class members who received notice and not returned as undeliverable	6,737	Unknown at this time
Method(s) of Notice	U.S. mail	U.S. mail and email
No. and percentage of Claim Forms submitted	Not applicable	Not applicable
Average recovery per class member	\$42.96	\$37.70 / \$38.70
Amount of uncashed checks	2,350	Amount of uncashed checks is unknown at this time
Administrative Costs	\$50,000	Up to \$45,000; current bid is \$37,200
Attorney's Fees and Costs	\$380,000 in fees and \$11,400 in costs	\$316,666 in fees and up to \$20,000 in costs
Total Exposure if Plaintiffs and the Class Prevailed	\$18,341,598	\$2,170,709

The case of *Nucci v. Rite Aid, et al.*, N.D. Cal. No. 19-cv-01434-LHK, involved claims similar to here in that Plaintiffs sought reimbursement for purchasing uniform clothing to comply with Defendants' dress code policy. This was a certified class action that was heading for trial at the time of settlement. Plaintiffs' causes of action and scope of

release were more expansive than here and included Failure to Indemnify Business Expenses (Labor Code §2802); Failure to Reimburse for Required Uniforms (IWC Wage Order 7, § 9 (A)); Unfair Business Practices (Business and Professions Code § 17200, et seq.); Injunction; Failure to Pay Minimum Wage (Labor Code §§ 1194, 1194.2, 1197, IWC Wage Order No. 7, § 4(A); Failure to Furnish Accurate Wage Statements (Labor Code § 226); Waiting Time Penalties (Labor Code §§ 201, 202, and 203); and Penalties under the Private Attorneys General Act (“PAGA”) (Labor Code § 2698, et seq.).

	The Rite Aid Settlement	This Proposed Settlement
Total settlement fund	\$12,000,000	\$950,000
Total no. of class members	39,451	12,555
Total no. of class members who received notice and not returned as undeliverable	29,103	Unknown at this time
Method(s) of Notice	U.S. mail and email	U.S. mail and email
No. and percentage of Claim Forms submitted	Not applicable	Not applicable
Average recovery per class member	\$308.31	\$37.70 / \$38.70
Amount of uncashed checks	6,225	Amount of uncashed checks is unknown at this time
Administrative Costs	\$75,000	Up to \$45,000; current bid is \$37,200
Attorney’s Fees and Costs	\$3,999,600 in fees and \$300,940 in costs	\$316,666 in fees and up to \$20,000 in costs
Total Exposure if Plaintiffs and the Class Prevailed	\$46,230,694	\$2,170,709

VIII. CONCLUSION

Based on the foregoing, Plaintiffs respectfully request that the Court grant preliminary approval of the proposed settlement, enter the proposed preliminary approval order submitted herewith, and set a final approval hearing date.

Date: February 13, 2025

Respectfully submitted,

/s/ Hallie Von Rock

Hallie Von Rock

AIMAN-SMITH & MARCY, Attorneys for Plaintiffs

CERTIFICATE OF SERVICE

I hereby certify that I caused the foregoing document to be electronically filed with the Clerk of the Court for the United States District Court, Northern District of California, by using the Court's CM/ECF system on February 13, 2025. Service will be accomplished on all parties by the Court's CM/ECF system.

Dated: February 13, 2025

/s/ Hallie Von Rock

Hallie Von Rock

1 **AIMAN-SMITH & MARCY**
PROFESSIONAL CORPORATION

2 Randal B. Aiman-Smith, #124599
3 Reed W.L. Marcy, #191531
4 Hallie Von Rock, #233152
5 Brent A. Robinson, #289373
6 Lisseth Bayona, #338135
7 7677 Oakport St., Suite 1150
8 Oakland, CA 94621
9 T 510.817.2711
F 510.562.6830
ras@asmlawyers.com
rwlm@asmlawyers.com
hvr@asmlawyers.com
lb@asmlawyers.com

Attorneys for Plaintiffs

10 **UNITED STATES DISTRICT COURT**
11
12 **FOR THE NORTHERN DISTRICT OF CALIFORNIA**

14 SERENA NARO, individually and on)
15 behalf of all others similarly situated;)
16 TRISH GONZALES, individually and)
17 on behalf of all others similarly situated;)
18 AND THE CALIFORNIA LABOR)
19 AND WORKFORCE)
20 DEVELOPMENT AGENCY *ex rel.*)
SERENA NARO AND TRISH)
GONZALES, a California)
governmental entity,)

Plaintiff,

v.

22 WALGREEN CO., an Illinois)
23 corporation; and WALGREEN)
24 PHARMACY SERVICES MIDWEST,)
25 LLC, an Illinois corporation; and DOES)
1-15,)
Defendants.

Case No.: 4:22-cv-03170-JST

Assigned for All Purposes to:
Hon. Jon S. Tigar
Courtroom 6

**DECLARATION OF HALLIE VON
ROCK IN SUPPORT OF PLAINTIFFS'
RENEWED MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION AND PAGA REPRESENTATIVE
ACTION SETTLEMENT**

Date: April 10, 2025
Time: 2:00 PM
Dept: 6

Complaint Filed: May 31, 2022

**DECLARATION OF HALLIE VON ROCK IN SUPPORT OF PLAINTIFFS’
RENEWED MOTION FOR PRELIMINARY APPROVAL OF CLASS
ACTION AND PAGA REPRESENTATIVE ACTION SETTLEMENT**

I, Hallie Von Rock, declare as follows:

1. I am an attorney at law licensed to practice in the State of California and before this Court. I am a partner in the law firm Aiman-Smith & Marcy (“ASM”), which law firm is Class Counsel for Plaintiffs Serena Naro and Trish Gonzales, on behalf of themselves, the Plaintiff Class, the California Labor Workforce Development Agency, and all others similarly situated (collectively “Plaintiffs”), in the captioned class action. The facts stated herein are true of my own personal knowledge, except where a matter is stated on information and belief, in which case and unless otherwise indicated the source of my knowledge is statements made to me by my colleagues or records maintained by my firm in the ordinary course of litigation. I could competently testify to all matters set forth herein. This declaration is provided in support of Plaintiffs’ Renewed Motion for Preliminary Approval of Class Action and PAGA Settlement.

2. Attached hereto as **Exhibit 1** is a true and correct copy of the fully executed Amended Settlement Agreement and Release entered into by the parties in this Action.

3. Plaintiffs and Class Members are those individuals who, according to Defendants’ third-party vendor records, purchased clothing at their own expense from Defendants’ third-party vendors during the Class Period, which runs from May 31, 2018 through preliminary approval.

4. The Settlement Class is comprised of approximately 12,553 individuals, according to the records provided in the litigation. This number will likely rise by the time of preliminary approval.

5. Plaintiffs allege that Class Members experienced wage and hour violations in their work for Defendants. In particular, Plaintiffs allege that during the Class Period, Defendants required Class Members to report to work wearing uniform clothing items, which are in a specified style and color and/or which bear the Walgreens logo. Plaintiffs

1 alleged that while Defendants provided Class Members with an initial set of Walgreens logo
2 clothing items at the start of their employment, Defendants neither provided Class Members
3 with a sufficient number of replacement items after the initial items were rendered unusable
4 by normal wear and tear, nor did Defendants reimburse Class Members for required
5 replacement purchases. Plaintiffs who wished to wear a jacket or other layers for warmth
6 were also required to buy and wear Walgreens-branded clothing items.

7 6. After this Action was filed, Defendants changed their dress code policy, in
8 September 2022, to no longer require that Class Members wear Walgreens logo tops, jackets,
9 or scrubs.

10 7. The Parties engaged in formal written discovery, including Plaintiff serving
11 two sets of special interrogatories and requests for production of documents, and Defendant
12 serving interrogatories and requests for production of documents on both plaintiffs. The
13 depositions of both Plaintiffs were taken as well as the deposition of one of Plaintiff's former
14 supervisors who worked for Defendants.

15 8. Defendants produced their policies related to their dress code during the Class
16 Period. Defendants also produced documents and data related to vouchers that were
17 distributed to store managers for replacing Walgreen logo shirts and scrubs for Class
18 Members.

19 9. Plaintiffs served subpoenas on third-party vendors of Defendants, which
20 produced records showing all current and former non-exempt employees of Defendants
21 working in Defendants' retail stores and/or pharmacies within California who purchased
22 clothing items at their own expense from one of Walgreens' third-party clothing vendors
23 during the Class and PAGA periods.

24 10. Additionally, Defendants engaged the expert Resolution Economics LLC, to
25 calculate the purchases identified in the data provided by the third-party vendors of
26 Defendants and to perform an exposure analysis. I reviewed the detailed expert analysis
27 performed and the parties agreed that the data was an accurate calculation of damages to
28 form the basis of the Parties' settlement negotiations.

1 11. As an experienced employment litigation attorney, with significant experience
2 with class action claims and expense reimbursement claims, I believe that Plaintiffs
3 conducted sufficient discovery and analysis to evaluate the strengths and weaknesses of the
4 case and Defendants' defenses and I recommend this Settlement to the Class Members and
5 the Court.

6 12. The Parties initially agreed to mediate with Michael Dickstein on March 28,
7 2024. Prior to the mediation, the parties participated in a conference call with Mr. Dickstein
8 on January 17, 2024, which included discussions of data to be produced for settlement
9 negotiations. Following this call, Defendants produced detailed damages data, and I met and
10 conferred with Defendants' counsel regarding the extent of the damages at issue. We were
11 largely in agreement regarding the potential exposure in the case and believed that it was
12 possible to resolve the case without a mediator.

13 13. Thereafter, the parties went back and forth for three months with their
14 respective positions, including Defendants' defenses and Plaintiffs' replies thereto. Several
15 issues arose during the negotiations, including but not limited to Defendants' contention that
16 two prior settlements that released Labor Code section 2802 claims limited the Class Period
17 and that a pending class action settlement included a release for Labor Code section 2802
18 claims that potentially overlapped with Plaintiffs' claims, here.

19 14. Additionally, the data produced showed that a significant number of uniform
20 items ordered during the Class Period were paid for with vouchers supplied by Walgreens
21 and, thus, were not expenses borne by the Class Members. At the same time, the data
22 confirmed that Class Members did use their own money to purchase over \$435,000 in
23 required Walgreens logo clothing items during the Class Period.

24 15. Given the risks that both sides faced, after multiple offers and counteroffers
25 were exchanged between February and March, the parties agreed to settle this Action for
26 \$950,000 on March 28, 2024. A Memorandum of Understanding was fully executed on
27 April 8, 2024.

16. After the agreement to settle, counsel for the Parties extensively met and conferred over the detailed terms of the settlement for purposes of executing a long-form settlement agreement and worked to finalize the Settlement Agreement and corresponding notice documents, subject to the Court's approval. The original Settlement Agreement was fully executed on May 8, 2024. Following the Court's denial of Plaintiffs' Motion for Preliminary Approval, the parties amended the settlement agreement, which was fully executed on January 27, 2025. A true and correct copy of the Amended Settlement Agreement and corresponding documents is attached hereto as **Exhibit 1**. The changes to the Amended Settlement Agreement are as follows:

Original Settlement Agreement	Amended Settlement Agreement (redline)
Paragraph 10 k. “ Notice Deadline ” means the date that is thirty (30) days after the Notice is initially mailed to the Settlement Class. Settlement Class Members shall have until the Notice Deadline to object to the Settlement.	Paragraph 10 k. “ Notice Deadline ” means the date that is thirty <u>sixty (60)</u> days after the Notice is initially mailed to the Settlement Class. Settlement Class Members shall have until the Notice Deadline to object to the Settlement.
Paragraph 32 <u>Requests for Exclusion from the Settlement:</u> The Settlement Administrator shall administer the receipt of any and all requests for exclusion from the Action. Any Settlement Class Member who submits a valid and timely request for exclusion shall not be bound by the terms of this Agreement. Any Settlement Class Member who desires to be excluded from the Action must send a written request for exclusion to the Settlement Administrator with a postmark dated no later than 30 calendar days prior to the Final Hearing. In such request, the Settlement Class Member must set forth his or her full name, address, telephone number and email address (if available), along with a statement that he or	Paragraph 32 <u>Requests for Exclusion from the Settlement:</u> The Settlement Administrator shall administer the receipt of any and all requests for exclusion from the Action. Any Settlement Class Member who submits a valid and timely request for exclusion shall not be bound by the terms of this Agreement. Any Settlement Class Member who desires to be excluded from the Action must send a written request for exclusion to the Settlement Administrator with a postmark dated no later than 30 <u>60</u> calendar days prior to the Final Hearing <u>after the Notice is initially mailed to the Settlement Class</u> . In such request, the Settlement Class Member must set forth his or her full name, address, telephone number and email

she wishes to be excluded. The Settlement Administrator shall provide a list of the names and addresses of each Settlement Class Member who submitted a valid exclusion to the Parties no later than 21 court days prior to the Final Hearing. Settlement Class Members who request to be excluded from the Settlement shall nevertheless be bound by the release of claims under PAGA.

address (if available), along with a statement that he or she wishes to be excluded. The Settlement Administrator shall provide a list of the names and addresses of each Settlement Class Member who submitted a valid exclusion to the Parties no later than 21 court days prior to the Final Hearing. Settlement Class Members who request to be excluded from the Settlement shall nevertheless be bound by the release of claims under PAGA.

Paragraph 33

Objections to the Settlement: Any Settlement Class Member who intends to object to the fairness of this settlement must (1) file a written objection with the Court no later than 30 calendar days prior to the Final Hearing and (2) mail or personally deliver a copy of the written objection to Class Counsel and Defendants' Counsel on the same day as the objection is sent to the Court. The Court will deem an objection filed on the day it is received by the Court, not necessarily when the objection is postmarked. In the written objection, the Settlement Class Member must state: his or her full name, address, telephone number, and email address (if available); the reasons for his or her objection; and whether he or she intends to appear at the Final Hearing on his or her own behalf or through counsel. Further, the Settlement Class Member must attach to his or her objection all evidence supporting the objection. Any Settlement Class Member who does not file a valid and timely objection to the settlement shall be barred from seeking review of the settlement by appeal or otherwise.

Paragraph 33

Objections:

a. Objections to the Settlement: Any Settlement Class Member who intends to object to the fairness of this settlement must (1) file a written objection with the Court no later than ~~30~~60 calendar days ~~prior to the Final Hearing~~after the Notice is initially mailed to the Settlement Class and (2) mail or personally deliver a copy of the written objection to Class Counsel and Defendants' Counsel on the same day as the objection is sent to the Court. The Court will deem an objection filed on the day it is received by the Court, not necessarily when the objection is postmarked. In the written objection, the Settlement Class Member must state: his or her full name, address, telephone number, and email address (if available); the reasons for his or her objection; and whether he or she intends to appear at the Final Hearing on his or her own behalf or through counsel. Further, the Settlement Class Member must attach to his or her objection all evidence supporting the objection. Any Settlement Class Member who does not file a valid and timely objection to the settlement shall be barred from seeking review of the settlement by appeal or otherwise.

	<p>b. <u>Objections to Plaintiff's Motion for Attorney's Fees and Costs: Any Settlement Class Member who intends to object to Plaintiff's Motion for Attorney's Fees and Costs must (1) file a written objection with the Court no later than 14 calendar days prior to the Final Hearing and (2) mail or personally deliver a copy of the written objection to Class Counsel and Defendants' Counsel on the same day as the objection is sent to the Court. The Court will deem an objection filed on the day it is received by the Court, not necessarily when the objection is postmarked. In the written objection, the Settlement Class Member must state: his or her full name, address, telephone number, and email address (if available); the reasons for his or her objection; and whether he or she intends to appear at the Final Hearing on his or her own behalf or through counsel. Further, the Settlement Class Member must attach to his or her objection all evidence supporting the objection. Any Settlement Class Member who does not file a valid and timely objection shall be barred from seeking review of Plaintiff's Motion for Attorney's Fees and Costs by appeal or otherwise.</u></p>
<p>Paragraph 34 d.</p> <p><u>Release by Named Plaintiffs:</u> In consideration for the service payments being paid to Plaintiffs, Plaintiffs, upon the Court's final approval of the Settlement Agreement, hereby fully and finally release and discharge the Released Parties from all known and unknown claims they have or may have against the Released Parties, of every nature and description whatsoever, up to the date of the Court's final approval of the Settlement Agreement, in addition to the Settlement Class Members'/Aggrieved</p>	<p>Paragraph 34 d.</p> <p><u>Release by Named Plaintiffs:</u> In consideration for the service payments being paid to Plaintiffs<u>In exchange for the consideration provided by Defendant,</u> Plaintiffs, upon the Court's final approval of the Settlement Agreement, hereby fully and finally release and discharge the Released Parties from all known and unknown claims they have or may have against the Released Parties, of every nature and description whatsoever, up to the date of the Court's final approval of the Settlement Agreement,</p>

Employees' Released Claims described in paragraphs 15 and 16. This general release of claims includes any and all known or unknown contract, tort, statutory, common law, constitutional, discrimination, public policy, retaliation, wrongful discharge and other claims of any type whatsoever, to the fullest extent such claims are releasable by law, arising out of Plaintiffs' employment with Defendants and the Released Parties (collectively "Named Plaintiffs' Released Claims"). As to the Named Plaintiffs' Released Claims, the Plaintiffs, understanding the significance of this waiver, waive all rights and benefits afforded by Section 1542 of the Civil Code of the State of California, which states:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Any release of claims will not be effective until the Effective Date.

in addition to the Settlement Class Members'/Aggrieved Employees' Released Claims described in paragraphs 15 and 16. This general release of claims includes any and all known or unknown contract, tort, statutory, common law, constitutional, discrimination, public policy, retaliation, wrongful discharge and other claims of any type whatsoever, to the fullest extent such claims are releasable by law, arising out of Plaintiffs' employment with Defendants and the Released Parties (collectively "Named Plaintiffs' Released Claims"). As to the Named Plaintiffs' Released Claims, the Plaintiffs, understanding the significance of this waiver, waive all rights and benefits afforded by Section 1542 of the Civil Code of the State of California, which states:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

Any release of claims will not be effective until the Effective Date.

17. Plaintiffs believe that this class action settlement satisfies the requirements of Rule 23(a) and (b), and it is fair, reasonable, and adequate in accordance with Rule 23(e)(2).

18. The approximately 12,553 Class Members render the class so large as to make joinder impracticable. The Class Members are readily identifiable from Defendants' payroll records and third-party vendor data of purchases made during the Class Period.

19. Plaintiffs contend that common questions of law and fact predominate here. The wage and hour violations at issue are borne of Defendants' standardized policies, practices, and procedures regarding their dress code policy during the Class Period and failure to reimburse for personal purchases of clothing from Walgreens' third-party clothing

1 vendors, creating pervasive issues of fact and law that are amenable to resolution on a class-
2 wide basis. Because these questions can be resolved at the same juncture, Plaintiffs contend
3 the commonality requirement is satisfied for the Class.

4 20. Plaintiffs contend that their claims are typical of those of all other Class
5 Members in that they purchased clothing from Walgreens' third-party vendors without
6 reimbursement. Thus, Plaintiffs contend that the typicality requirement is also satisfied.

7 21. Plaintiffs' claims are in line with the claims of the Class Members, and
8 Plaintiffs' claims are not antagonistic to the claims of Class Members. Plaintiffs have
9 prosecuted this case with the interests of the Class Members in mind. Moreover, Class
10 Counsel has extensive experience in class action and employment litigation, including wage
11 and hour class actions, and do not have any conflict with the Class. Attached hereto as
12 **Exhibit 2** is a true and correct copy of the firm resume of Aiman-Smith & Marcy, describing
13 Class Counsel's experience.

14 22. Plaintiffs contend the common questions raised in this action predominate over
15 any individualized questions concerning the Class Members. The Class is entirely cohesive
16 because resolution of Plaintiffs' claims hinge on the uniform policies and practices of
17 Defendants, rather than the treatment the Class Members experienced on an individual level.
18 Namely, the predominate questions relate to whether Class Members are entitled to be
19 compensated for the personal purchases made of clothing to comply with Walgreens' dress
20 code policy. As a result, Plaintiffs contend that the resolution of these alleged class claims
21 would be achieved through the use of common forms of proof, such as Defendants' policies,
22 and would not require inquiries specific to individual Class Members.

23 23. Further, Plaintiffs contend that the class action mechanism is a superior
24 method of adjudication compared to a multitude of individual suits. Here, the Class
25 Members do not have a strong interest in controlling their individual claims. The action
26 involves thousands of workers with very similar, but relatively small, claims for monetary
27 injury. If the Class Members proceeded on their claims as individuals, their many individual
28 suits would require duplicative discovery and duplicative litigation, and each Class Member

1 would have to personally participate in the litigation effort to an extent that would never be
2 required in a class proceeding. Thus, Plaintiffs contend that the class action mechanism
3 would efficiently resolve numerous substantially identical claims at the same time while
4 avoiding a waste of judicial resources and eliminating the possibility of conflicting decisions
5 from repetitious litigation and arbitrations. Thus, the issues raised by the present case are
6 much better handled collectively by way of a settlement.

7 24. A review of the Settlement Agreement reveals the fairness, reasonableness, and
8 adequacy of its terms. The Gross Settlement Common Fund of \$950,000, represents 100%
9 of the unreimbursed business expenses plus interest (\$514,809)¹, plus an additional
10 \$435,191, representing 26% of the approximately \$1,655,900 in maximum PAGA penalties.

11 25. Again, these figures are based on Plaintiffs' assessment of a best-case-
12 scenario. To obtain such a result at trial, Plaintiffs would have to prove that Walgreens did
13 not provide sufficient replacement shirts and scrubs to each Class Member and that Class
14 Members purchased the uniform clothing items as a condition of work, rather than their own
15 convenience to have multiple uniform items to avoid laundering their items or other personal
16 reasons. These issues would of course be disputed and hotly contested.

17 26. The final settlement amount takes into account the substantial risks inherent in
18 any class action wage and hour case, as well as the hurdles of achieving and maintaining
19 class action status, and the specific defenses asserted by Defendants, including that
20 Walgreens provided a sufficient number of uniform items to Class Members. By obtaining
21 100% of the unreimbursed clothing purchases for dress-code required items plus over 26%
22 of potential PAGA penalties, which were subject to the Court's reduction from the maximum
23 PAGA penalties, the settlement is fair, reasonable, and adequate.

24 27. In the operative First Amended Complaint, the Class is defined as:

25 All non-exempt employees of Walgreens working in Walgreens' retail stores
26 and/or pharmacies within California at any time during the period beginning

27
28 ¹ This amount excludes voluntary purchases of clothing items not required by Walgreens' dress code policy, such as Red
Nose Day and holiday t-shirts.

1 four years prior to the date this action is filed, and continuing through to entry
2 of judgment in this action.

3 The Settlement Class to be certified for settlement purposes only under
4 Federal Rule of Civil Procedure 23, is defined as:

5 All current and former non-exempt employees of Defendants working in
6 Defendants' retail stores and/or pharmacies within California who purchased
7 clothing items at their own expense from one of Walgreens' third-party
8 clothing vendors during the Class Period, which runs from May 31, 2018
9 through the date of preliminary approval. (Settlement Agreement, ¶¶ 10.b,
10 c.)

11 The difference in the definition for the Settlement Class is appropriate because it includes
12 only those non-exempt employees who actually made purchases during the Class Period and
13 were alleged to be owed reimbursed business expenses. An employee who did not spend
14 personal funds on clothing purchases did not suffer any injury and would, therefore, not be
15 entitled to any expense reimbursements.

16 28. The Gross Settlement Amount is a negotiated amount that resulted from
17 substantial arms' length negotiations and significant investigation and analysis by both
18 parties. The parties based their damages analysis and settlement negotiations on the expert
19 analysis provided by Resolution Economics, LLC.

20 29. Within the data from third-party vendors were clothing items considered
21 "voluntary purchases," such as Red Nose Day, diversity, and holiday t-shirts. These t-shirts
22 are not considered a uniform or necessary business expense, but rather, Walgreen permitted
23 employees to purchase and wear these t-shirts during specific periods during the year in
24 place of the Walgreen logo polo shirts, if the employee preferred to do so. When excluding
25 voluntary purchases from the analysis, there are 9,727 employees who personally paid for a
26 clothing item order during the class period, which reduces the total estimated personal
27 amount spent on clothing items during the class period down to \$435,000, and with interest
28 totaled \$514,809. With regard to purchases of promotional t-shirts, Walgreens' dress code
policies produced for the Class Period did not require any Class Member to purchase

1 promotional t-shirts (such as for Red Nose Day, Pride, or Holidays) deemed “voluntary
2 purchases.” Both Plaintiffs who were deposed testified that they were not required to
3 purchase or wear these clothing items, as set forth below:

4 A. We did have promotional, kind of, times, where I would purchase the -- I forgot
5 about those -- they're like sponsored things, kind of, T-shirts, like back-to-school or
6 Red Nose day, stuff like that. I would buy the T-shirts, and we just paid cash for
7 those.

8 Q. Okay. But you weren't required to wear those?

9 A. We weren't required, no.

10 Serena Naro Deposition, 10/05/2023, 73:20-74:3

11 Q. Okay. And that would be an example of, you weren't required to purchase the Red
12 Nose Day T-shirt, but you could if you wanted to?

13 A. Uh-huh.

14 Q. Okay.

15 A. Yes.

16 Q. Yes. I believe you testified to this, but I just want to confirm. If you wanted to
17 purchase a Red Nose Day T-shirt because you like the shirt, you were allowed to wear
18 that shirt instead of your scrub top?

19 A. During the season, yeah.

20 Q. Okay.

21 A. It was fun.

22 Serena Naro Deposition, 10/05/2023, 89:24-90:11

23
24 Q. Have you ever heard of a T-shirt that's to support Diversity, Equity, and Inclusion?

25 A. Yes.

26 Q. Okay. Were you required to purchase that T-shirt?

27 A. No.

1 Q. Okay. What about holiday flair T-shirts? I think there were -- they came in some
2 different colors around the holidays. Were those required to be purchased by
3 employees?

4 A. No.

5 Q. Are there other types of T-shirts that do have the Walgreens logo on them that you
6 can purchase but are not required to purchase?

7 A. Like, the red nose? They have red nose shirts, we --

8 Q. Correct. That's an example.

9 A. Yes.

10 Patricia Gonzales Deposition, 10/06/2023, 58:12-59:4

11
12 Q. Okay. You also purchased the Red Nose Day T-shirt; correct?

13 A. Correct.

14 Q. And I believe you testified earlier that that was not a required shirt. Is it now your
15 testimony that that is a required shirt?

16 A. It's not a required shirt.

17 Patricia Gonzales Deposition, 10/06/2023, 72:6-12.

18
19 30. The maximum class and PAGA exposure was \$2,170,709. Defendants took
20 the position, however, that this exposure should be reduced to \$1,654,350, based upon earlier
21 settled actions that released Labor Code section 2802 claims during the Class Period
22 (*President, et al. v. Walgreen Co.*, Santa Clara Superior Court Case No. 20CV368984, class
23 action settlement Judgment entered on 10/19/23, and *Epstein v. Walgreen Pharmacy*
24 *Services Midwest, LLC, et al.*, Central District Case No. 5:19-cv-01323-DOC-ADS, class
25 action settlement Judgment entered 4/15/21).

26 31. The Gross Settlement Amount of \$950,000 represents more than 43% of the
27 total exposure, and 57% of the exposure if excluding previous settlements. These total
28 exposures include the maximum PAGA penalties and Plaintiffs are reticent that the court has

1 discretion to reduce PAGA penalties. For example, in *Carrington v. Starbucks Corp.* (2018)
2 30 Cal.App.5th 504, 517, 529, the trial Court reduced the PAGA penalty amount to only
3 \$150,000 (\$5 per violation).

4 32. Furthermore, Defendants argued that the initial Walgreen logo shirts and
5 scrubs provided at hiring, along with annual vouchers they provided for replacements, were
6 sufficient to comply with Defendants' dress code policy. Defendants argued that any
7 additional clothing purchases were not required, but were done so for class members'
8 personal desire to have multiple clothing options to wear. If the Court had sided with
9 Defendants on their defenses, Class Members would not receive any damages or penalties.

10 33. The Settlement will result in immediate and certain payment to Class Members
11 of meaningful amounts. Class Members spent an average of \$61.53 on required clothing
12 items. With the Net Class Settlement Amount of \$473,334, the average class recovery is
13 \$37.70 (or \$38.70 if Settlement Administration Costs do not raise). Thus, the average
14 recovery is over 61% of the average purchase amount, which is an excellent compromise
15 without the prolonged delays of class certification and trial.

16 34. Additionally, there are approximately 7,379 Aggrieved Employees who made
17 purchases during the PAGA period. The Net PAGA Settlement Amount of \$25,000 will be
18 distributed to the Aggrieved Employees, which calculates to an average of \$3.39 in PAGA
19 penalties.

20 35. Thus, the settlement amount provides significant compensation to the Class
21 Members and Aggrieved Employees in the face of expanding and uncertain litigation.

22 36. In light of all of the risks, the settlement amount is fair, reasonable, and
23 adequate. Such a result will benefit the Parties and the court system. It will bring finality to
24 the Action and will foreclose the inevitability of expanding litigation.

25 37. There are no pending cases the parties are aware of that would be affected by
26 this settlement. There is a related pending class action in the process of settling that includes
27 a class of pharmacy techs with a Labor Code Section 2802 claim (*Gamarro v. Walgreen*
28

1 *Pharmacy Services Midwest*, Riverside Superior Court Case No. CVRI22033). However,
2 pharmacy tech Class Members will be permitted to participate in both cases.

3 38. The Net Settlement Amount is comprised of two parts: (1) the “Net PAGA
4 Settlement Amount” (i.e., the \$25,000.00 earmarked for the release of Representative
5 Plaintiffs’ and each PAGA Aggrieved Employee’s PAGA claims that is not payable to the
6 California Labor and Workforce Development Agency); and (2) the “Net Class Settlement
7 Amount” (i.e., the entire Net Settlement Amount less the Net PAGA Settlement Amount,
8 which is approximately \$473,334.00).

9 39. The distribution formula is based upon records produced in this litigation by
10 Defendants’ vendors for those Settlement Class Members who purchased clothing at their
11 own expense from Defendants’ third-party vendors during the Class Period. The Net
12 Settlement Fund will be divided by the clothing purchases to determine the Clothing
13 Purchases Payout Rate. The total amount allocated to each Settlement Class Member will be
14 the total of his or her identified Clothing Purchases during the applicable Class and PAGA
15 Periods multiplied by the Clothing Purchases Payout Rate. This allocation is fair and
16 reasonable because it takes the extent of the injury of each Class Member into account and
17 bases their claim amount on the amount actually expended on uniform clothing items during
18 the Class Period.

19 40. Plaintiffs sought and received bids from four respected Claims Administrators,
20 including Simpluris, Rust, JND Legal Administration, and Atticus Administration. The
21 terms of the quotes included sending a postcard notice to approximately 12,500 Class
22 Members, establishing a website with the full notice and other important documents,
23 maintaining a toll-free number, tax accounting, and sending direct mail checks to class
24 members. The administrator with the lowest bid was Atticus Administration (“Atticus”),
25 with a quote of \$37,200. The parties agreed in the Settlement Agreement to use Atticus.

26 41. Over the last two years, Plaintiffs’ counsel has successfully worked with
27 Atticus for settlement administration of two PAGA settlements and three class action
28

1 settlements. A true and correct copy of Atticus' Data Security Information & Privacy Policy
2 is attached hereto as **Exhibit 3**.

3 42. Atticus maintains insurance with AAA rated insurance carriers for professional
4 liability and cybersecurity. It is Atticus' policy to warrant the work performed on all errors
5 and omissions, on all projects, including distribution of funds to class members, without
6 additional charges to their clients.

7 43. In their fee motion to be submitted with the final approval papers, Class
8 Counsel shall seek an award of attorneys' fees not to exceed Three Hundred Sixteen
9 Thousand Six Hundred Sixty-Six Dollars and Zero Cents (\$316,666.00) (33.33 % of the
10 Gross Settlement Common Fund). This amount will cover all work performed to date and all
11 work to be performed in connection with the approval by the Court of the Settlement
12 Agreement and the final conclusion of this Action.

13 44. The percentage fee will also be reasonable on a lodestar basis. Based on
14 Plaintiffs' current lodestar of \$375,135, the fees being sought of \$316,666 are less than the
15 lodestar. Plaintiffs will be spending additional time on the case through the settlement
16 administration process and seeking final approval, which will further increase their lodestar.

17 45. In agreeing to serve as Class Representatives, Plaintiffs Naro and Gonzales
18 formally agreed to accept the responsibilities of representing the interests of all Class
19 Members and Aggrieved Employees. Each Named Plaintiff participated fully in discovery,
20 worked closely with Class Counsel, and had her deposition taken by Defendants.
21 Defendants do not oppose the requested payments to these representatives as reasonable
22 service awards.

23 46. The parties propose that any funds remaining in the Net Settlement Fund after
24 the 180 day void date for checks be distributed *cy pres* to Legal Aid at Work, which is a
25 nonprofit organization that provides legal services assisting low-income, working families
26 and promotes better understanding of the conditions, policies, and institutions that affect the
27 well-being of workers and their families and communities.

47. Plaintiffs have submitted a proposed order setting forth the proposed schedule of events from here through final approval, which is also set forth below. If the Court were to grant preliminary approval on the date of the hearing on April 10, 2025, Plaintiffs propose a final approval hearing date of September 18, 2025.

Date of preliminary approval of the Settlement as to the Class	
Deadline for Defendants to pay the Administrator all amounts awarded and approved by the Court (“Payment Date”)	<p>The latest of:</p> <ul style="list-style-type: none"> • 15 business days following the entry of a Judgment finally approving this Settlement • If an objection is filed, 15 business days after any deadline to file an appeal has expired • If an appeal has been taken or sought, 15 business days after the Judgment is finally affirmed by an appellate court with no possibility of subsequent appeal or judicial review, or the date the appeal(s) or reviews are finally dismissed
Deadline for Defendants to provide to Administrator a list containing, for each Class Member, the following information: (1) name; (2) last known address, email address (to the extent such information is maintained in Defendants’ Human Resources Information System) and phone number (to the extent such information is maintained in Defendants’ Human Resources Information System); (3) Social Security number; (4) the total amount spent on clothing items	Within 10 court days of the Court’s Preliminary Approval Order

1	purchased by each Settlement Class Member	
2	at their own expense from one of Walgreens'	
3	third-party clothing vendors during the Class	
4	Period; and (5) the total number of pay	
5	periods that each Aggrieved Employee	
6	purchased clothing items at their own	
7	expense from one of Walgreens' third-party	
8	clothing vendors during the PAGA Period.	
9	Deadline for Administrator to mail and email	Within 21 court days after entry of the
10	the Class Notice to Class Members	Preliminary Approval Order
11	Deadline for Settlement Class Members to	Within 60 days after Notice is initially
12	postmark request to opt-out or file objections	mailed to the class
13	to the Settlement	
14	Deadline for Administrator to provide the	At least 10 days prior to the Final
15	Court with a declaration attesting to	Approval Hearing
16	completion of the notice process	
17	Deadline for filing of Final Approval Motion	30 days prior to the Final Approval
18	and Motion for Attorney's Fees	Hearing
19	Deadline for Settlement Class Members to	14 days prior to the Final Approval
20	file objections to the Motion for Attorney's	Hearing
21	Fees	
22	Final Approval Hearing	[Proposed] September 18, 2025
23		[if preliminary approval is granted
24		by April 10, 2025]
25	Effective Date	The date that the Court's judgment
26		approving this settlement becomes final.
27		For purposes of this Agreement, the
28		

1 judgment “becomes final” upon the last
2 to occur of the following:

3 i. The entry of a Judgment finally
4 approving this Settlement, provided no
5 objection is made to this Settlement
6 prior to or at the hearing for approval of
7 this Settlement, or if any objection is
8 made, but is resolved formally and
9 withdrawn prior to the final approval
10 hearing of this Settlement.

11
12 ii. If an objection to this Settlement
13 is made before or at the hearing for
14 approval (that is not resolved prior to the
15 hearing and is formally withdrawn),
16 thirty-one (31) calendar days after the
17 Judgment is entered, provided no appeal
18 is filed.

19
20 iii. If an appeal has been taken or
21 sought, seven (7) calendar days after the
22 date the Judgment is finally affirmed by
23 an appellate court with no possibility of
24 subsequent appeal or other judicial
25 review, or the date the appeal(s) or other
26 judicial review are finally dismissed
27 (and upholding the Settlement) with no
28

	possibility of subsequent appeal or other judicial review.
Deadline for Administrator to make all payments due under the Settlement	Within ten (10) business days of the Payment Date
Check-cashing deadline	180 days after issuance
Deadline for Administrator to distribute uncashed check funds to <i>cy pres</i>	As soon as practicable after check-cashing deadline
Deadline for Plaintiffs to file a Post-Distribution Accounting	Within 21 days after the distribution of any remaining monies to the <i>cy pres</i> recipient

48. In reviewing comparable cases, Plaintiffs provide the following two examples: The case of *Ping v. See's Candy Shops, Inc., et al.*, County of Butte No. 20CV01023, involved claims similar to here in that Plaintiffs sought reimbursement for purchasing uniform clothing to comply with Defendant's dress code policy. The scope of release was more expansive than here as wage and hour violations for statutory penalties were alleged, and the release included failure to provide uniforms and/or reimbursement for uniform-related expenses; failure to pay minimum wages; failure to timely pay wages due at termination; and failure to furnish accurate itemized wage statements; including without limitation, claims under the California Labor Code sections 201, 202, 203, 204, 210, 218.5, 223, 226, 226.3, 558, 1194, 1194.2, 1197 et seq., 2802, Business & Professions Code sections 17200 et seq., and the California Private Attorneys General Act, Labor Code section 2698 et seq.

	The See's Settlement	This Proposed Settlement
Total settlement fund	\$1,350,000	\$950,000
Total no. of class members	6,851	12,555
Total no. of class members who received notice and not returned as undeliverable	6,737	Unknown at this time

Method(s) of Notice	U.S. mail	U.S. mail and email
No. and percentage of Claim Forms submitted	Not applicable	Not applicable
Average recovery per class member	\$42.96	\$37.70 / \$38.70
Amount of uncashed checks	2,350	Amount of uncashed checks is unknown at this time.
Administrative Costs	\$50,000	Up to \$45,000; current bid is \$37,200
Attorney's Fees and Costs	\$380,000 in fees and \$11,400 in costs	\$316,666 in fees and up to \$20,000 in costs
Total Exposure if Plaintiffs and the Class Prevailed	\$18,341,598	\$2,170,709

The case of *Nucci v. Rite Aid, et al.*, N.D. Cal. No. 19-cv-01434-LHK, involved claims similar to here in that Plaintiffs sought reimbursement for purchasing uniform clothing to comply with Defendants' dress code policy. This was a certified class action that was heading for trial at the time of settlement. Plaintiffs' causes of action and scope of release were more expansive than here and included Failure to Indemnify Business Expenses (Labor Code §2802); Failure to Reimburse for Required Uniforms (IWC Wage Order 7, § 9 (A)); Unfair Business Practices (Business and Professions Code § 17200, et seq.); Injunction; Failure to Pay Minimum Wage (Labor Code §§ 1194, 1194.2, 1197, IWC Wage Order No. 7, § 4(A); Failure to Furnish Accurate Wage Statements (Labor Code § 226); Waiting Time Penalties (Labor Code §§ 201, 202, and 203); and Penalties under the Private Attorneys General Act ("PAGA") (Labor Code § 2698, et seq.).

	The Rite Aid Settlement	This Proposed Settlement
Total settlement fund	\$12,000,000	\$950,000
Total no. of class members	39,451	12,555
Total no. of class members who received notice and not returned as undeliverable	29,103	Unknown at this time
Method(s) of Notice	U.S. mail and email	U.S. mail and email
No. and percentage of Claim Forms submitted	Not applicable	Not applicable

Average recovery per class member	\$308.31	\$37.70 / \$38.70
Amount of uncashed checks	6,225	Amount of uncashed checks is unknown at this time.
Administrative Costs	\$75,000	Up to \$45,000; current bid is \$37,200
Attorney's Fees and Costs	\$3,999,600 in fees and \$300,940 in costs	\$316,666 in fees and up to \$20,000 in costs
Total Exposure if Plaintiffs and the Class Prevailed	\$46,230,694	\$2,170,709

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on February 13, 2025, at San Francisco, California.

/s/ Hallie Von Rock

Hallie Von Rock

Exhibit 1

1 **AIMAN-SMITH & MARCY**
PROFESSIONAL CORPORATION

2 Randal B. Aiman-Smith, #124599
3 Reed W.L. Marcy, #191531
4 Hallie Von Rock, #233152
5 Brent A. Robinson, #289373
6 Lisseth Bayona, #338135
7 7677 Oakport St., Suite 1150
8 Oakland, CA 94621
9 T 510.817.2711
10 F 510.562.6830
11 ras@asmlawyers.com
12 rwlm@asmlawyers.com
13 hvr@asmlawyers.com
14 lb@asmlawyers.com

15 Attorneys for Plaintiffs

16 *Additional counsel on next page

17 **UNITED STATES DISTRICT COURT**
18 **FOR THE NORTHERN DISTRICT OF CALIFORNIA**

19 SERENA NARO, individually and on)
20 behalf of all others similarly situated;)
21 TRISH GONZALES, individually and)
22 on behalf of all others similarly situated;)
23 AND THE CALIFORNIA LABOR)
24 AND WORKFORCE)
25 DEVELOPMENT AGENCY *ex rel.*)
26 SERENA NARO AND TRISH)
27 GONZALES, a California)
28 governmental entity,)

Plaintiff,

v.

29 WALGREEN CO., an Illinois)
30 corporation; and WALGREEN)
31 PHARMACY SERVICES MIDWEST,)
32 LLC, an Illinois corporation; and DOES)
33 1-15,)
34 Defendants.)

Case No.: 4:22-cv-03170-JST

Assigned for All Purposes to:
Hon. Jon S. Tigar
Courtroom 6

**AMENDED CLASS ACTION AND PRIVATE
ATTORNEYS GENERAL ACT
SETTLEMENT AGREEMENT AND
RELEASE**

1 Allison C. Eckstrom, Esq.
2 Christopher J. Archibald, Esq.
3 Amelia Alvarez, Esq.
4 BRYAN CAVE LEIGHTON PAISNER LLP
5 1920 Main Street, Suite 1000
6 Irvine California 92614-7276
7 Telephone: (949) 223-7000
8 Facsimile: (949) 223-7100
9 allison.eckstrom@bclplaw.com
10 christopher.archibald@bclplaw.com
11 amelia.alvarez@bclplaw.com

12 Attorneys for Defendants
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

1 This Amended Class Action and Private Attorneys General Act Settlement Agreement and
 2 Release (hereinafter “**Settlement**” or “**Agreement**”) is made and entered into by and between
 3 Plaintiffs Serena Naro and Trish Gonzalez, individually and on behalf of those similarly situated and
 4 on behalf of the California Labor and Workforce Development Agency (“**Plaintiffs**”), on the one
 5 hand, and Defendants Walgreen Co. and Walgreen Pharmacy Services Midwest, LLC (“**Defendants**”
 6 or “**Walgreens**”), on the other hand, in the case of *Naro, et al. v. Walgreen Co., an Illinois*
 7 *corporation; and Walgreen Pharmacy Services Midwest, LLC, an Illinois Corporation* (Northern
 8 District of California, Case Number 4:22-cv-03170-JST), and subject to the approval of the Court.

9 1. On March 16, 2022, Plaintiffs Serena Naro and Trish Gonzales sent a letter to the
 10 California Labor and Workforce Development Agency (“LWDA”) and to Defendants giving notice of
 11 their intent to pursue a representative action pursuant to the California Labor Code Private Attorneys
 12 General Act of 2004, codified at Labor Code § 2699 *et seq.* (“PAGA”), on behalf of themselves and
 13 the State of California as well as on behalf of a proposed group of allegedly aggrieved employees. In
 14 the letter, Plaintiffs claimed Defendants violated the Industrial Welfare Commission Wage Order and
 15 California Labor Code sections 204/204b, 221, 223, 226, 510, 1197, and 2802 and the related IWC
 16 Wage Order No. 7.

17 2. On May 31, 2022, Plaintiffs filed a class action Complaint in the United States District
 18 Court, Northern District of California, Case No. 4:22-cv-03170-JST, that included causes of action for
 19 Failure to Indemnify Business Expenses (Labor Code §2802); Failure to Reimburse for Required
 20 Uniforms (IWC Wage Order 7, § 9 (A)); Failure to Pay Minimum Wage (Labor Code §§ 1194,
 21 1194.,2, 1197, IWC Wage Order No. 7, § 4(A)); Failure to Furnish Accurate Wage Statements (Labor
 22 Code § 226); Waiting Time Penalties (Labor Code §§ 201, 202, and 203); Unfair Business Practices
 23 (Business and Professions Code § 17200, *et seq.*); and Penalties under the Private Attorneys General
 24 Act (“PAGA”) (Labor Code § 2698, *et seq.*).

25 3. On July 5, 2022, Defendants filed a Motion to Dismiss Plaintiffs’ Complaint. On
 26 February 9, 2023, the Court granted Defendants’ Motion to Dismiss Plaintiffs’ wage claims,
 27 specifically the claims for the Failure to Pay Minimum Wage (Labor Code §§ 1194, 1194.,2, 1197,
 28

1 IWC Wage Order No. 7, § 4(A)); Failure to Furnish Accurate Wage Statements (Labor Code § 226);
2 and Waiting Time Penalties (Labor Code §§ 201, 202, and 203).

3 4. On February 23, 2023, Plaintiffs filed the operative First Amended Complaint for
4 Failure to Indemnify Business Expenses (Labor Code §2802); Unfair Business Practices (Business and
5 Professions Code § 17200, et seq); and Penalties under the Private Attorneys General Act (“PAGA”)
6 (Labor Code § 2698, et seq).

7 5. On March 16, 2023, Defendants filed their Answer to First Amended Complaint.

8 6. The Parties engaged in formal written discovery, and the depositions of both Plaintiffs
9 were taken. Plaintiffs served subpoenas on third-party vendors of Defendants, which produced records
10 showing all current and former non-exempt employees of Defendants working in Defendants’ retail
11 stores and/or pharmacies within California who purchased clothing items at their own expense from
12 one of Walgreens’ third-party clothing vendors during the Class and PAGA periods.

13 7. Additionally, Defendants engaged the expert Resolution Economics LLC to calculate
14 the purchases identified in the data provided by the third-party vendors of Defendants and to perform
15 an exposure analysis that formed the basis of the Parties’ settlement negotiations.

16 8. Representative Plaintiffs and their counsel have conducted sufficient discovery and
17 analysis to evaluate the strengths and weaknesses of their respective claims and Defendants’ defenses
18 and to recommend this Settlement to the Settlement Class Members and the Court.

19 9. Class Counsel has fully advised Representative Plaintiffs of this Agreement and
20 represents that they approve of and consent to the terms herein.

21 **TERMS OF SETTLEMENT**

22 NOW, THEREFORE, in consideration of the mutual covenants, promises and
23 warranties set forth herein, the Parties agree, subject to the Court’s approval, as follows:

24 10. **Definitions of Certain Settlement Terms:**

25 a. **“Person”** shall have the meaning set forth in California Government Code Section 17.

26 b. **“Settlement Class”**: All current and former non-exempt employees of Defendants
27 working in Defendants’ retail stores and/or pharmacies within California who purchased
28 clothing items at their own expense from one of Walgreens’ third-party clothing

vendors during the Class Period.

- c. **“Class Period”** in this case runs from May 31, 2018 through the date of preliminary approval.
- d. **“Aggrieved Employees”**: All current and former non-exempt employees of Defendants working in Defendants’ retail stores and/or pharmacies within California who purchased clothing items at their own expense from one of Walgreens’ third-party clothing vendors during the PAGA period.
- e. **“PAGA Period”** in this case runs from March 16, 2021 through the date of preliminary approval.
- f. **“Class Counsel”**: Aiman-Smith & Marcy PC.
- g. **“Notice”**: The notice form to Settlement Class Members, substantially in the form attached hereto as **Exhibit A**, which will, among other things, notify Settlement Class Members of the preliminary approval of the settlement and scheduling of the final approval hearing.
- h. **“Effective Date”**: The “Effective Date” is the date that the Court's judgment approving this settlement becomes final. For purposes of this Agreement, the judgment “becomes final” upon the last to occur of the following:
 - i. The entry of a Judgment finally approving this Settlement, provided no objection is made to this Settlement prior to or at the hearing for approval of this Settlement, or if any objection is made, but is resolved formally and withdrawn prior to the final approval hearing of this Settlement.
 - ii. If an objection to this Settlement is made before or at the hearing for approval (that is not resolved prior to the hearing and is formally withdrawn), thirty-one (31) calendar days after the Judgment is entered, provided no appeal is filed.
 - iii. If an appeal has been taken or sought, seven (7) calendar days after the date the Judgment is finally affirmed by an appellate court with no possibility of subsequent

1 appeal or other judicial review, or the date the appeal(s) or other judicial review are
 2 finally dismissed (and upholding the Settlement) with no possibility of subsequent
 3 appeal or other judicial review.

- 4 i. **“Final Approval”**: The date of the Court’s order granting final approval of the
 5 Settlement.
 6 j. **“Administrator”**: The administrator responsible for administering this settlement,
 7 Atticus Administration, LLC.
 8 k. **“Notice Deadline”** means the date that is sixty (60) days after the Notice is initially
 9 mailed to the Settlement Class. Settlement Class Members shall have until the Notice
 10 Deadline to object to the Settlement.

11 11. Settlement of the Action:

12 As detailed in the Release set forth in Paragraph 34, all causes of action alleged in the
 13 Action and any claims, damages, or causes of action that could have been brought based on the factual
 14 allegations in the Action, including any claims arising from the alleged violation of any provision of
 15 California and/or federal law which were or could have been raised as a part of the Action shall be
 16 settled and compromised in full and without exception as between each Settlement Class Member,
 17 Aggrieved Employee, Representative Plaintiffs and Defendants, subject to the terms and conditions set
 18 forth in this Agreement and the approval of the United States District Court for the Northern District of
 19 California.

20 12. Settlement Amount:

- 21 a. **Gross Settlement Common Fund**: A gross settlement common fund amount of Nine
 22 Hundred Fifty Thousand (\$950,000.00) will be funded by Defendants as follows:
 23 Within fifteen (15) business days following the Effective Date, Defendants will pay the
 24 total Gross Settlement Common Fund Amount to the Claims Administrator.
 25
 26 b. **Attorney’s Fees and Costs**: Plaintiffs’ Counsel shall receive payment of their
 27 reasonable attorney’s fees, to be approved by the Court. Defendants will not contest
 28 Plaintiff’s attorneys’ fees up to an amount equal to one-third (33.33%) of the Gross

Settlement Common Fund, which is Three Hundred Sixteen Thousand and Six Hundred Sixty Six Dollars.

Plaintiffs' Counsel shall also receive payment of their reasonable litigation costs out of the gross settlement common fund in the actual amount of costs, not to exceed twenty thousand dollars \$20,000.00. An itemization of costs will be submitted to the Court. Defendants will not contest Plaintiffs' litigation costs.

c. **PAGA Award:** From the Gross Settlement Common Fund, \$100,000.00 will be attributed to penalties for violations of PAGA. Of this amount, 75% shall be paid to the LWDA and 25% distributed to Aggrieved Employees.

d. **Class/PAGA Representative Incentive Fee:** For the risks taken and time expended as Class/PAGA Representative, Plaintiffs shall seek Court Approval of a Class/PAGA Representative Incentive Fee out of the gross settlement common fund in the amount up to \$10,000, each. Defendants will not contest the PAGA Representative Incentive Fee.

e. **Net Settlement Amount:** The Gross Settlement Common Fund of Nine Hundred Fifty Thousand Dollars and Zero Cents (\$950,000.00) less the following deductions: The sum of Twenty Thousand Dollars and Zero Cents (\$20,000.00) for the representative payment awards to Plaintiffs, with Ten Thousand Dollars and Zero Cents (\$10,000.00) to be paid each to Serena Naro and Trish Gonzales, or such other amount as approved by the Court; the sum of attorneys' fees to Class Counsel, which shall not exceed Three Hundred Sixteen Thousand and Six Hundred Sixty-Six Dollars and Zero Cents (\$316,666.00); the sum of costs of litigation to Class Counsel, which shall not exceed Twenty Thousand Dollars and Zero Cents (\$20,000.00); Seventy Five Thousand Dollars and Zero Cents (\$75,000.00), which is 75% of the One Hundred Thousand Dollars and Zero Cents (\$100,000.00) earmarked for the release of Representative Plaintiffs' and each Aggrieved Employees' PAGA claims, and which will be paid to the California Labor and Workforce Development Agency; the administrative expenses approved by the Court pursuant to this Agreement, estimated at Forty Five Thousand Dollars and Zero Cents (\$45,000.00).

f. **The Net Settlement Amount** is comprised of two parts: (1) the “Net PAGA Settlement Amount” (*i.e.*, the \$25,000.00 earmarked for the release of Representative Plaintiffs’ and each PAGA Aggrieved Employee’s PAGA claims that is not payable to the California Labor and Workforce Development Agency); and (2) the “Net Class Settlement Amount” (*i.e.*, the entire Net Settlement Amount less the Net PAGA Settlement Amount, which is approximately \$473,334.00).

13. Settlement Formula and Distribution: Subject to the conditions of this Agreement, the distribution formula is based upon records produced in this litigation by Defendants’ vendors for those Settlement Class Members who purchased clothing at their own expense from Defendants’ third-party vendors during the Class Period. The total paid by all Settlement Class Members for clothing purchased from Defendants during the Class Period is herein referred to as “Clothing Purchases.” The Net Settlement Fund will be divided by the Clothing Purchases to determine the Clothing Purchases Payout Rate. The total amount allocated to each Settlement Class Member will be the total of his or her identified Clothing Purchases during the applicable Class and PAGA Periods multiplied by the Clothing Purchases Payout Rate.

Twenty-five percent (25%) of the PAGA allocation will be distributed to the Aggrieved Employees on a pro-rata basis based upon the number of pay periods that the Aggrieved Employee made purchases during the PAGA Period.

The payments to the Settlement Class Members and Aggrieved Employees shall be non-taxable, and a form 1099 will be issued by the administrator for such payments.

The Settlement Class Members, who do not opt-out of the settlement, and all Aggrieved Employees shall receive a direct mail check of the amount of their claim and will have 180 days to cash their checks. If any funds remain after the expiration date of the first distribution, any residual funds will be distributed to the *cy pres* recipient, which shall be proposed by the parties and approved by the Court. The Parties propose Legal Aid at Work, which provides legal services assisting low-income, working families and promotes better understanding of the conditions, policies, and institutions that affect the well-being of workers and their families and communities. The Settlement Administrator shall distribute any *cy pres* payment.

1 The Labor and Workforce Development Agency shall receive a check for 75% of the
2 PAGA settlement amount.

3 14. Reference to Third-Party Vendors Records: The “Clothing Purchases” will be
4 determined by reference to records produced in this litigation by Defendants’ vendors for those
5 Settlement Class Members and Aggrieved Employees who purchased clothing at their own expense
6 from Defendants’ third-party vendors during the respective Class and PAGA Periods. These third-
7 party vendor records shall be presumptively correct for determining who the Settlement Class
8 Members and Aggrieved Employees are and the clothing purchased at their own expense during the
9 respective Class and PAGA Periods.

10 15. Allocation of Settlement Payments: The payments to the Settlement Class Members
11 and Aggrieved Employees shall be non-taxable, and a form 1099 will be issued by the administrator
12 for such payments.

13 16. Service Payment Award to Representative Plaintiffs: From the Gross Settlement
14 Comon Fund, each Representative Plaintiff will be paid Ten Thousand Dollars and Zero Cents
15 (\$10,000.00) as a service award for their time and efforts as Representative Plaintiffs. These service
16 payment awards are in addition to their rights to payments provided in this Agreement for initiating
17 and pursuing the Action, undertaking the risk of liability for attorneys’ fees and expenses in the event
18 they were unsuccessful in the prosecution of the Action, and granting the general release under the
19 Settlement. Tax deductions and withholdings will not be taken from the Representative Payments, and
20 instead a Form 1099 will be issued to each Plaintiff with respect to this payment. Representative
21 Plaintiffs will be responsible for correctly characterizing this compensation for tax purposes and to pay
22 any taxes owing. The Representative Plaintiffs hereby indemnify and hold Defendants harmless for
23 and against any action or liability of Representative Plaintiffs, if any tax authority should dispute the
24 characterization of this compensation. The Representative Plaintiffs shall not be entitled to the
25 payment set forth in this Subparagraph unless they provide their Social Security number or tax
26 identification numbers to the Administrator.

27 17. PAGA Payment: Subject to Court Approval, from the Gross Settlement Amount, a
28 payment of Seventy Five Thousand Dollars and Zero Cents (\$75,000.00) will be made to the

California Labor and Workforce Development Agency (“LWDA”), which is the payment to the State of California for its share of civil penalties pursuant to the Labor Code Private Attorneys General Act, Cal. Labor Code §§ 2698, *et seq.* (“PAGA”), approved by the Court. The Seventy-Five Thousand Dollars and Zero Cents (\$75,000.00) payment is 75% of One Hundred Thousand Dollars and Zero Cents (\$100,000.00), which is the amount that the Parties have earmarked for the release of claims under PAGA. The remaining Twenty-Five Percent (25%), or Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00), will be allocated to the Net PAGA Settlement Amount for distribution to the PAGA Aggrieved Employees. The Net PAGA Settlement Amount will be distributed to the Aggrieved Employees on a pro-rata basis based upon the number of pay periods that the Aggrieved Employee made purchases during the PAGA Period.

18. Attorneys’ Fees and Costs: Class Counsel shall submit an application for an award of attorneys’ fees not to exceed Three Hundred Sixteen Thousand Six Hundred Sixty-Six Dollars and Zero Cents (\$316,666.00) (33.33 % of the Gross Settlement Common Fund). This amount will cover all work performed to date and all work to be performed in connection with the approval by the Court of this Agreement and the final conclusion of this Action. Defendants agree not to oppose any fee application that is not in excess of the amount specified in this Paragraph. Should the fee and costs award approved by the Court be less than the amount sought, the difference shall be added to the Net Settlement Amount. Payment of the fees and costs to Class Counsel shall constitute full satisfaction of any obligation to pay any amounts to any person, attorney or law firm for attorneys’ fees, expenses or costs in the Action, and shall relieve Defendants of any other claims or liability to any other attorney or law firm for any attorneys’ fees, expenses and/or costs to which any of them may claim to be entitled on behalf of Plaintiffs and/or the Class.

Class Counsel shall submit an application for the reimbursement of costs and expenses in an amount not to exceed Twenty Thousand Dollars and Zero Cents (\$20,000.00). This amount will cover all costs and expenses incurred to date or to be incurred. This amount shall come from the Gross Settlement Common Fund. Defendants agree not to oppose any cost and expense application that is not in excess of the amount specified in this Paragraph.

Except as provided herein, each party shall be responsible for their own attorneys’ fees

1 and costs.

2 19. Date of Defendants' Payment to Administrator: A gross settlement common fund
3 amount of Nine Hundred Fifty Thousand (\$950,000.00) will be funded by Defendants as follows:

4
5 Within fifteen (15) business days following the Effective Date, Defendants will pay the
6 total Gross Settlement Common Fund Amount to the Claims Administrator ("Payment
Date").

7 20. Date of Administrator's Payment to Recipients: Within ten (10) business days of the
8 Payment Date, the Administrator shall distribute all payments due under the Settlement, including the
9 payments to each Settlement Class Member, to Representative Plaintiffs, to the LWDA, to each
10 Aggrieved Employee, and Class Counsel.

11 21. No Further Payments: Defendants shall have no obligation to pay or provide any
12 further consideration to any Settlement Class Member or Aggrieved Employee by reason of this
13 Agreement or because of the foregoing payments, including but not limited to contributions to any
14 401(k) or other retirement or employee benefit plan, vacation or sick pay, etc. Any payments made
15 pursuant to this Agreement will not trigger any obligation of Defendants to make any withholding for
16 401(k) contributions or to make any contributions to any 401(k) or similar plan. Nor will it trigger any
17 obligation of Defendants to make any contributions to any employee welfare benefit plan for the
18 benefit of any Settlement Class Member who is a member of any union.

19 22. Parties' Contentions: In entering into this Agreement, Defendants do not admit to any
20 liability or wrongdoing of any kind associated with the asserted claims. In entering into this
21 Agreement, Representative Plaintiffs believe that they have filed a meritorious action.

22 23. Settlement Fair, Reasonable, and Adequate: Representative Plaintiffs and Class
23 Counsel are of the opinion that the terms set forth in this Agreement are fair, reasonable, and adequate
24 and this Agreement is in the best interest of the Class in light of all known facts and circumstances,
25 including the risk of pending motions and the trial, defenses asserted by Defendants, and numerous
26 potential appellate issues. Defendants and their counsel also agree that this Agreement is fair and is in
27 the best interests of the Settlement Class and each Settlement Class Member.

THE ADMINISTRATOR

24. Selection of Administrator: Subject to the Court's approval, Atticus Administration shall be retained as the Administrator.

25. Class List: Within ten (10) court days of the date the Court enters an order granting preliminary approval of the Settlement (the "**Preliminary Approval Date**"), Defendants shall provide to the Administrator a list containing, for each Settlement Class Member, the following information: (1) name; (2) last known address, email address (to the extent such information is maintained in Defendants' Human Resources Information System) and phone number (to the extent such information is maintained in Defendants' Human Resources Information System); (3) Social Security Number; (4) the total amount spent on clothing items purchased by each Settlement Class Member at their own expense from one of Walgreens' third-party clothing vendors during the Class Period; and (5) the total number of pay periods that each Aggrieved Employee purchased clothing items at their own expense from one of Walgreens' third-party clothing vendors during the PAGA Period.

26. Administrator's Duties: The Administrator's duties will include:

- a. updating addresses contained in the Class List by way of search of the National Change of Address registry before the initial mailing of the Notice Postcard;
- b. preparing, printing, mailing and emailing (where email is available pursuant to Paragraph 25) the Postcard Notice, in substantially the form attached hereto as "**Exhibit B**" to Settlement Class Members, as well as re-mailing any Postcard Notice that is returned by the U.S. Postal Service as non-deliverable but with a forwarding address; conducting a skip-trace on any Postcard Notice returned by the U.S. Postal Service as non-deliverable, as needed, and re-mailing the Postcard Notice to any new address obtained by way of skip-trace;
- c. creating a website for the Settlement which will allow Settlement Class Members to view the Class Notice in substantially the form attached hereto as "**Exhibit A**" to this Settlement Agreement, all papers filed by Class Counsel to obtain preliminary and final approval of the Settlement Agreement, and payment options. Additionally, the Settlement website will provide contact information for Class Counsel and the

1 Settlement Administrator. The Settlement Administrator will provide Class Counsel
2 and Defendants' counsel with a preview of the proposed website. Class Counsel and
3 Defendants' counsel must approve the website before it goes live and also must approve
4 any modifications to the website. The Settlement Administrator shall also create a toll-
5 free call center to field telephone inquiries from Settlement Class Members during the
6 notice and settlement administration periods. The Settlement Administrator will be
7 directed to take the website and call center down 180 days after the Payment Date.

- 8 d. conducting any necessary verifications of Social Security Numbers;
- 9 e. reviewing and processing requests for exclusions and objections to the Settlement;
- 10 f. providing Class Counsel and Defendants' Counsel with periodic status reports about the
11 delivery of the Notice, requests for exclusions, and objections to the Settlement;
- 12 g. issuing payment to effectuate the payments due under the Settlement. Settlement checks
13 will be valid for one hundred and eighty (180) days. At the end of that 180-day period,
14 settlement checks will be void. The amounts of any uncashed will be distributed to the
15 charitable organization agreed to by the Parties and approved by the Court;
- 16 h. providing a report listing the amounts of payments made to each Settlement Class
17 Member; issuing the tax reports required under this Settlement; and
- 18 i. otherwise administering the Settlement pursuant to this Agreement.

19 27. Qualified Settlement Fund: The Parties agree that the settlement funds will be placed in
20 an account held by the Administrator to effectuate the terms of this Agreement and the orders of the
21 Court. The Parties agree that the settlement fund (1) shall be established pursuant to an order of the
22 Court prior to the receipt of any monies from Defendants; (2) that it shall be established to resolve and
23 satisfy the contested claims that have resulted, or may result, from the matters that are the subject of
24 this Action and that are released by this Settlement; and (3) that the fund or account that is established
25 and its assets are segregated and shall be segregated (within a separately established fund or account)
26 from the assets of Defendants and all related other persons. The Administrator shall be responsible for
27 establishing, administering, and otherwise operating the settlement fund, including the preparation and
28 filing of federal, state, and local tax returns. The Administrator shall also be responsible for preparing

1 and issuing all payments to the Settlement Class Members, Aggrieved Employees, the LWDA,
2 Representative Plaintiffs, Class Counsel, all checks for claims administration costs and expenses that
3 are approved by the Court and any other payments included in this Agreement and approved by the
4 Court.

5 28. Administrator's Findings: The Administrator shall report, in summary or narrative
6 form, the substance of its findings regarding the notice and claims process, and, in that regard, the
7 Administrator's approval of claims shall be conclusive and binding. The Administrator shall be
8 granted reasonable access to Defendants' records to perform its duties. All disputes relating to the
9 Administrator's ability and need to perform its duties shall be referred, if necessary, to the Court,
10 which will have continuing jurisdiction over the terms and conditions of this Agreement. The
11 Administrator submits to the jurisdiction of the Court in connection with its appointment as
12 Administrator.

13 29. Administrator's Reports: The Administrator shall provide weekly reports to counsel
14 concerning receipt of Settlement Class Members' requests for exclusion and returned mail.

15 **ADMINISTRATION OF SETTLEMENT**

16 30. Notice: Within twenty-one (21) court days of after the entry of the Preliminary
17 Approval Order, the Postcard Notice, in the form attached hereto as Exhibit "B", as approved by the
18 Court, shall be sent by the Administrator to each Settlement Class Member. The Postcard Notice shall
19 be sent by first class mail to each Settlement Class Member's current or last known address on file
20 with Defendants, following an updated review of the National Change of Address Registry by the
21 Administrator, as well as by email (where available). The long form Notice, in the form attached
22 hereto as Exhibit "A" will be posted on the settlement website.

- 23 a. Returned Postcard Notice: For Postcard Notices returned from this mailing with
24 forwarding addresses affixed thereto, the Administrator will promptly perform a single
25 re-mailing of the Notice Packet to the forwarding address. For Postcard Notices
26 returned without a forwarding address, the Administrator will utilize reasonable and
27 customary skip-tracing efforts to locate an updated address, and promptly perform a
28 single re-mailing to such updated address, if found.

b. It will be presumed that that a Settlement Class Member received the Postcard Notice if it has not been returned within thirty (30) days of mailing.

c. At least ten (10) days prior to the final approval hearing, the Administrator shall provide the Court with a declaration of due diligence and proof of mailing with regard to the mailing of the Postcard Notice, all attempts to locate Settlement Class Members, and confirmation of the posting of the long form Notice on the settlement website. Class Counsel shall be responsible for working with the Administrator to timely file the declaration of due diligence.

31. Administrator's Responsibility for Payment: The Settlement Class Members, who do not opt-out of the settlement, and all Aggrieved Employees shall receive a direct mail check of the amount of their claim and will have 180 days to cash their checks. If any funds remain after the expiration date of the first distribution, any residual funds will be distributed *cy pres* by the Administrator. The *cy pres* recipient shall be proposed by the parties and approved by the Court. The Parties propose Legal Aid at Work which provides legal services assisting low-income, working families and promotes better understanding of the conditions, policies, and institutions that affect the well-being of workers and their families and communities. The Labor and Workforce Development Agency shall receive a check for 75% of the PAGA settlement amount.

32. Requests for Exclusion from the Settlement: The Settlement Administrator shall administer the receipt of any and all requests for exclusion from the Action. Any Settlement Class Member who submits a valid and timely request for exclusion shall not be bound by the terms of this Agreement. Any Settlement Class Member who desires to be excluded from the Action must send a written request for exclusion to the Settlement Administrator with a postmark dated no later than 60 calendar days after the Notice is initially mailed to the Settlement Class. In such request, the Settlement Class Member must set forth his or her full name, address, telephone number and email address (if available), along with a statement that he or she wishes to be excluded. The Settlement Administrator shall provide a list of the names and addresses of each Settlement Class Member who submitted a valid exclusion to the Parties no later than 21 court days prior to the Final Hearing. Settlement Class

Members who request to be excluded from the Settlement shall nevertheless be bound by the release of claims under PAGA.

33. Objections:

a. Objections to the Settlement: Any Settlement Class Member who intends to object to the fairness of this settlement must (1) file a written objection with the Court no later than 60 calendar days after the Notice is initially mailed to the Settlement Class and (2) mail or personally deliver a copy of the written objection to Class Counsel and Defendants' Counsel on the same day as the objection is sent to the Court. The Court will deem an objection filed on the day it is received by the Court, not necessarily when the objection is postmarked. In the written objection, the Settlement Class Member must state: his or her full name, address, telephone number, and email address (if available); the reasons for his or her objection; and whether he or she intends to appear at the Final Hearing on his or her own behalf or through counsel. Further, the Settlement Class Member must attach to his or her objection all evidence supporting the objection. Any Settlement Class Member who does not file a valid and timely objection to the settlement shall be barred from seeking review of the settlement by appeal or otherwise.

b. Objections to Plaintiff's Motion for Attorney's Fees and Costs: Any Settlement Class Member who intends to object to Plaintiff's Motion for Attorney's Fees and Costs must (1) file a written objection with the Court no later than 14 calendar days prior to the Final Hearing and (2) mail or personally deliver a copy of the written objection to Class Counsel and Defendants' Counsel on the same day as the objection is sent to the Court. The Court will deem an objection filed on the day it is received by the Court, not necessarily when the objection is postmarked. In the written objection, the Settlement Class Member must state: his or her full name, address, telephone number, and email address (if available); the reasons for his or her objection; and whether he or she intends to appear at the Final Hearing on his or her own behalf or through counsel. Further, the Settlement Class Member must attach to his or her objection all evidence supporting the objection. Any Settlement Class Member who does not file a valid and timely objection

shall be barred from seeking review of Plaintiff's Motion for Attorney's Fees and Costs by appeal or otherwise.

RELEASE OF CLASS CLAIMS

34. **Release of Claims by Settlement Class Members, Aggrieved Employees, and Representative Plaintiffs:**

- a. **Release by Settlement Class Members:** Upon the Court's final approval of the Settlement Agreement, and except as to such rights or claims as may be created by the Settlement Agreement, the Class Representatives and the Settlement Class Members (other than those who submit timely and valid exclusion forms) release and discharge the Defendants and each of their respective former and present parents, subsidiaries, holding companies and affiliated corporations and entities, and each of their respective former and present officers, directors, owners, managers, employees, partners, shareholders, members, and agents, and any other predecessors, successors, assigns or legal representatives (collectively "the Released Parties"), from any and all claims for reimbursement of business expenses (Labor Code Section 2802) and unfair business practices (Bus. & Prof. Code sections 17200 et seq.), arising from the facts as alleged in the First Amended Complaint from four years preceding the filing of Plaintiff's original complaint up to the date of preliminary approval (*i.e.*, from May 31, 2018) (collectively, "Settlement Class Members' Released Claims").
- b. **Release by Aggrieved Employees:** Upon the Court's final approval of the Settlement Agreement, and except as to such rights or claims as may be created by the Settlement Agreement, the Aggrieved Employees shall be bound by the release as to any Released PAGA claims that arise during the PAGA Period, pursuant to Labor Code section 2698, *et seq.*, from any and all claims for reimbursement of business expenses (Labor Code Section 2802) arising from the facts as alleged in the First Amended Complaint and Plaintiffs' PAGA Notice to the LWDA from one year preceding the filing of Plaintiffs' PAGA Notice (*i.e.*, from March 16, 2021) (collectively, "Aggrieved Employees'

Released Claims”). For the avoidance of doubt, the Aggrieved Employees shall be bound by the release of any Released PAGA claims, irrespective of whether they submit a timely and valid exclusion form to be excluded from the Settlement Class.

c. Release by Plaintiffs on Behalf of the LWDA (and State of California): In their capacity as private attorneys general “aggrieved employees” acting on behalf of themselves and as proxies or agents of the LWDA and State of California, Plaintiffs agree to release Defendants and the Released Parties, from any and all PAGA Claims asserted in Plaintiffs’ PAGA Notice to the LWDA against the Released Parties during the PAGA Period. Upon approval of this Agreement, Plaintiffs, the LWDA, the State of California, and any other individual or entity acting on behalf of or purporting to act on behalf of the LWDA and/or the State shall be barred from asserting any of the Released PAGA Claims in any future litigation, arbitration, or other legal forum. Any party to this Agreement may use the Agreement to assert that this Agreement and the Judgment to be entered by the Court following approval of this Agreement bars or limits any pending or later-filed action asserting any of the Released PAGA Claims against any of the Released Parties. The provisions of this paragraph apply regardless of whether Plaintiffs and/or the Aggrieved Employees cash their Individual PAGA Payment checks.

d. Release by Named Plaintiffs: In exchange for the consideration provided by Defendant, Plaintiffs, upon the Court’s final approval of the Settlement Agreement, hereby fully and finally release and discharge the Released Parties from all known and unknown claims they have or may have against the Released Parties, of every nature and description whatsoever, up to the date of the Court’s final approval of the Settlement Agreement, in addition to the Settlement Class Members’/Aggrieved Employees’ Released Claims described in paragraphs 15 and 16. This general release of claims includes any and all known or unknown contract, tort, statutory, common law, constitutional, discrimination, public policy, retaliation, wrongful discharge and other claims of any type whatsoever, to the fullest extent such claims are releasable by law,

1 arising out of Plaintiffs' employment with Defendants and the Released Parties
2 (collectively "Named Plaintiffs' Released Claims"). As to the Named Plaintiffs'
3 Released Claims, the Plaintiffs, understanding the significance of this waiver, waive all
4 rights and benefits afforded by Section 1542 of the Civil Code of the State of California,
5 which states:

6 A general release does not extend to claims which the creditor does not
7 know or suspect to exist in his or her favor at the time of executing the
8 release, which if known by him or her must have materially affected his
9 or her settlement with the debtor.

10 Any release of claims will not be effective until the Effective Date.

11 **DUTIES OF THE PARTIES FOR COURT APPROVAL OF SETTLEMENT**

12 35. Plaintiffs will file a motion with the Court requesting preliminary and final approval of
13 the Class Settlement for the Action. Defendants contend that the facts do not justify class certification
14 under the governing legal standards. Consequently, the Parties will agree to a stipulated "Settlement
15 Class" solely for purposes of administration and resolution of this matter. This Memorandum is not,
16 and it should not be construed as, any admission by Defendants of fact or law in this matter or any
17 other matter that class certification or a representative action is appropriate. If the Court does not grant
18 either preliminary or final approval of this settlement, then the Parties revert to their previous positions
19 prior to negotiating the settlement, and Defendants will not stipulate to class certification.

20 **VOIDING THE AGREEMENT**

21 36. If the Court disapproves of or refuses to enforce any of the material conditions set forth
22 in the preceding Paragraphs, with the exception of the Court's reduction of the amounts of attorneys'
23 fees and costs, the Parties agree to engage in follow up negotiations with the intent of resolving the
24 Court's concerns that precluded approval, and if feasible, to resubmit the settlement for approval
25 within thirty (30) days. If the Settlement is not approved as resubmitted or if the Parties are not able to
26 reach another agreement, then either Party may void this Agreement. At that point, the Parties agree
27 that each shall return to their respective positions on the day before this Agreement and that this
28 Agreement shall not be used in evidence or argument in any other aspect of the litigation.

1 37. If the conditions of the Settlement set forth herein are not satisfied, or if either of the
2 Parties void the Settlement under Paragraph 36 above, or if the Payment Date does not occur, or, if one
3 or more of the material terms of the Agreement is not approved or is materially modified or reversed,
4 with the exception of the Court's reduction of the amounts of attorneys' fees and costs, Representative
5 Plaintiffs' service payment award, or Administrator's fee, then this Agreement shall be cancelled,
6 terminated, and shall have no force or effect, unless the Parties agree otherwise. If the Settlement is
7 not finally approved, or if this Settlement is terminated, revoked or cancelled pursuant to its terms, the
8 Parties to this Settlement shall be deemed to have reverted to their respective status as of the date and
9 time immediately prior to the execution of this Agreement.

10 **PARTIES' AUTHORITY**

11 38. The signatories hereby represent that they are fully authorized to enter into this
12 Agreement and bind the Parties hereto to the terms and conditions hereof.

13 **MUTUAL FULL COOPERATION**

14 39. The Parties shall fully cooperate with each other to accomplish the terms of this
15 Agreement, including the execution of such documents and to take such other action as may
16 reasonably be necessary to implement the terms of this Agreement and to secure the Court's Final
17 Approval of this Agreement.

18 **NO PRIOR ASSIGNMENTS**

19 40. The Representative Plaintiffs hereto represent, covenant, and warrant that they have not
20 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber
21 to any Person or entity any portion of any liability, claim, demand, action, cause of action, or rights
22 herein released and discharged except as set forth herein.

23 **NO ADMISSION**

24 41. Nothing contained herein, including the consummation of this Agreement, is to be
25 construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the part of
26 Defendants. Each of the Parties hereto has entered into this Agreement with the intention to avoid
27 further disputes and litigation settled herein with the attendant inconvenience, expenses, and
28 uncertainties. This Agreement is a settlement document and shall, pursuant to Federal Rule of

1 Evidence 408 and California Evidence Code Section 1152, be inadmissible in evidence in any
2 proceeding, except an action or proceeding to approve, interpret, or enforce this Agreement.

3 CONFIDENTIALITY

4 42. The Parties agree that this Settlement Agreement is confidential (except for purposes of
5 enforcement). The Parties and their counsel agree that they will not initiate or have any contact with
6 the press, respond to any press inquiry or have any communication with the press about this Action
7 prior to the date of entry of order for final approval. Following final approval of the Settlement,
8 Defendants may disclose the terms and contents of the Settlement, as required under its contractual and
9 legal obligations. Plaintiffs and Plaintiffs' Counsel agree not to issue press releases, communicate
10 with, or respond to any media or publication entities, publish information in manner or form, whether
11 printed or electronic, on any medium or otherwise communicate, whether by print, video, recording or
12 any other medium, with any person or entity concerning the Settlement, including the fact of the
13 Settlement, its terms or contents and the negotiations underlying the Settlement, except as shall be
14 contractually required to effectuate the terms of the Settlement as set forth herein. Nothing stated
15 herein shall prohibit Plaintiffs' Counsel from discussing the Settlement, the fact of Settlement, and its
16 terms and conditions with Settlement Class Members or Aggrieved Employees, or from filing all
17 necessary motions and supporting memoranda related to preliminary and final approval of the
18 Settlement. Plaintiffs' Counsel and counsel for Defendants shall not place notice of the Settlement on
19 their respective websites, except that Plaintiffs' Counsel may post a statement on their website that
20 they "obtained a settlement of \$950,000 for employees in an expense reimbursement case." This
21 provision does not limit Plaintiffs' Counsel from complying with ethical obligations or from posting
22 court-filed documents on their website without commentary for viewing by Settlement Class Members
23 and Aggrieved Employees.

24 TAXES

25 43. Neither Class Counsel nor Defendants' counsel intend anything contained herein to
26 constitute legal advice regarding the taxability of any amount paid hereunder, nor shall it be relied
27 upon as such. The tax issues for each Settlement Class Member may be unique, and each Settlement
28 Class Member is advised to obtain tax advice from his/her own tax advisor with respect to any

1 payments resulting from this Agreement.

2 **NOTICES**

3 44. Unless otherwise specifically provided herein, all notices, demands or other
4 communications given hereunder shall be in writing and shall be deemed to have been duly given as of
5 the third business day after mailing by United States certified mail with return receipt requested,
6 addressed as follows:

7 To Plaintiffs and Class:

8 Hallie Von Rock, Esq.

9 AIMAN-SMITH & MARCY, PC

10 7677 Oakport St., Suite 1150

11 Oakland, CA 94621

12
13 To Defendants' Counsel:

14 Christopher J. Archibald, Esq.

15 Amelia Alvarez, Esq.

16 BRYAN CAVE LEIGHTON PAISNER LLP

17 1920 Main Street, Suite 1000

18 Irvine California 92614-7276

19 **CONSTRUCTION**

20 45. The terms and conditions of this Agreement are the result of lengthy, intensive
21 arms-length negotiations between the Parties, and this Agreement shall not be construed in favor of or
22 against any party by reason of the extent to which any party or his, her, or its counsel participated in its
23 drafting.

24 **CAPTIONS AND INTERPRETATIONS**

25 46. Paragraph titles or captions contained herein are inserted as a matter of convenience and
26 for reference, and in no way define, limit, extend, or describe the scope of this Agreement or any
27 provision hereof. Each term of this Agreement is contractual and not merely a recital.

MODIFICATION

47. This Agreement may not be changed, altered, or modified, except in writing and signed by the Parties hereto. This Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by the Parties hereto.

INTEGRATION CLAUSE

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

BINDING ON ASSIGNS

49. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective spouses, heirs, trustees, executors, administrators, successors, and assigns, including Defendants and the Released Parties.

SETTLEMENT CLASS MEMBER SIGNATORIES

50. Because the Settlement Class is so numerous, it is impossible or impractical to have each member execute this Agreement. The Notice, **Exhibit "A"** hereto, as approved by the Court, and the other forms of notice described herein will advise each Settlement Class Member of the binding nature of the release and such shall have the same force and effect, to the extent permitted by law, as if this Agreement were executed by each Settlement Class Member.

CORPORATE SIGNATORIES

51. Any Person executing this Agreement or any such related document on behalf of a corporate signatory hereby warrants and promises for the benefit of all Parties hereto that such Person has been duly authorized by such corporation to execute this Agreement or any such related document.

COUNTERPARTS

52. This Agreement may be executed in counterparts, and when each Party has signed and delivered at least one such counterpart, each counterpart shall be 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 as set forth herein. Copies, electronic signatures, and facsimile

1 transmissions of signatures shall be considered the same as an original signature.

2 **CONTROLLING LAW**

3 53. The Agreement shall be governed by and construed in accordance with the laws of the
4 State of California. In any dispute about the scope of the Release provisions set forth herein or their
5 application to bar any future claim, including regarding the assertion of a res judicata / collateral
6 estoppel defense, this Agreement is governed exclusively by California state law and without regard to
7 any other state or federal law.


8
9
10 **IT IS SO AGREED.**

11
12 **[SIGNATURES ON THE FOLLOWING PAGE]**
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

28 Respectfully submitted,

Dated: 01/25/2025

Plaintiff Serena Naro:

By: 
Serena Naro (Jan 25, 2025 16:21 PST)
Serena Naro

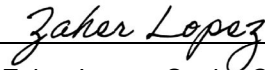
Dated: 01/27/2025

Plaintiff Trish Gonzalez:

By: 
Trish Gonzales (Jan 27, 2025 08:36 PST)
Trish Gonzalez

Dated: 1/24/25

**Defendants Walgreen Co. and Walgreen Pharmacy
Services Midwest, LLC**


By: 
Zaher Lopez, Senior Counsel

APPROVED AS TO FORM:

Dated: 01/24/2025

Attorneys for Plaintiffs:

Aiman-Smith & Marcy

By: 
Hallie Von Rock (Jan 24, 2025 14:56 PST)
Hallie Von Rock, Esq.

Dated: January 24, 2025

Attorneys for Defendants:

Bryan Cave Leighton Paisner LLP


By: 
Allison C. Eckstrom, Esq.
Christopher Archibald, Esq.

Exhibit A

**NOTICE OF CLASS ACTION AND PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT AND
RELEASE**

Serena Naro, et al., v. Walgreen Co., et al.
United States District Court, Northern District
Case No. 4:22-cv-03170-JST

You could get a payment from a class action settlement if you worked in Walgreens' retail stores and/or pharmacies within California and purchased clothing items at your own expense from one of Walgreens' third-party clothing vendors at any time during the period from May 31, 2018 through [INSERT PRELIMINARY APPROVAL DATE].

This Notice is only a *summary* of the class action settlement. You can (and are encouraged to) access and review the entire Class Action and Private Attorneys General Act Settlement Agreement and Release, with all of the settlement terms to which you are bound, including the "Release of Claims" set forth in Paragraph 34 therein, at the settlement website [INSERT URL].

The United States District Court authorized this notice. This is not a solicitation from a lawyer. This is not a lawsuit against you and you are not being sued. However, your legal rights are affected whether you act or do not act.

- A former and current employee of Walgreen Co. and Walgreen Pharmacy Services Midwest, LLC (hereinafter referred to collectively as "Walgreens" and/or "Defendants") filed a lawsuit, claiming that Walgreens violated California law by purportedly failing to reimburse for business expenses associated with the purchase of clothing from Walgreens' third-party clothing vendors, and violating the Labor Code, Private Attorneys General Act ("PAGA"), and California Business and Professions Code.
- Walgreens has denied these claims and the Court has not decided the merits of these claims.
- To avoid litigation expenses, Walgreens has agreed to settle these claims and this Notice is a summary of your rights and options under this Settlement—including the deadlines to exercise them.

1. Why did I get this notice package?

You are receiving this Class Notice because Defendants' third-party vendor records identify you as a non-exempt employee who worked at Defendants' retail stores and/or pharmacies within California and purchased clothing items at your own expense from one of Walgreens' third-party clothing vendors during the period of May 31, 2018 through [INSERT PRELIMINARY APPROVAL DATE]. As such, you are a potential Class Member and/or Aggrieved Employee in this lawsuit. The purpose of this Notice is to describe the litigation to you, inform you about the Settlement, and inform you of your rights and options in connection with the Settlement.

Class Members include all current and former non-exempt employees of Defendants working in Defendants' retail stores and/or pharmacies within California who purchased clothing items at their own expense from one of Walgreens' third-party clothing vendors during the period of May 31, 2018 through [INSERT PRELIMINARY APPROVAL DATE].

Aggrieved Employees include all current and former non-exempt employees of Defendants working in Defendants' retail stores and/or pharmacies within California who purchased clothing items at their own expense from one of Walgreens' third-party vendors during the period from March 16, 2021 through [INSERT PRELIMINARY APPROVAL DATE]

The Court in charge of the case is the United States District Court, Northern District, and the case is known as *Serena Naro, et al. v. Walgreen Co., et al.*, Case No. 4:22-cv-03170-JST (referred to as the "Action"). The judge currently presiding over the lawsuit is the Honorable Jon S. Tigar, in Courtroom 6.

2. What is a class action and who is involved?

In class and representative actions, one or more people called “Class Representatives” (which – in this case – are Serena Naro and Trish Gonzales) sue on behalf of themselves and other individuals who have similar claims. The Class Representatives and these other individuals together are a “Class” or “Class Members” for purposes of the class action claims and “Aggrieved Employees” for purposes of the PAGA claim. Each person receiving this notice is a “Class Member” and/or “Aggrieved Employee” for purposes of this Settlement. The Court has preliminarily decided that this lawsuit can be resolved on a class-wide basis because it meets the requirements of federal law governing the resolution of claims through a class action.

3. What does the lawsuit complain about?

Plaintiffs Serena Naro and Trish Gonzales Action allege that non-exempt employees of Defendants who worked in Defendants’ retail stores and/or pharmacies in California during the relevant time period were not reimbursed for clothing items purchased at their own expense from one of Walgreens’ third-party clothing vendors, which allegedly violated the California Labor Code Section 2802 and California Business and Professions Code. Based on the allegations in this Action, Plaintiffs further seek the recovery of civil penalties under the Private Attorneys General Act of 2004 (“PAGA”).

Class Counsel is experienced in class action litigation and has a duty to represent the interests of all Class Members and Aggrieved Employees. Based on analyzing the law concerning the claims, analyzing records, making factual investigations, considering risks involved in further litigation, ensuring that the Class and group of Aggrieved Employees receives payment without having to wait for years of protracted litigation with no certainty of success, Class Counsel believes the Settlement is fair, adequate, and reasonable.

You are receiving Class Notice of this Settlement because the Court has reviewed the Settlement and has preliminarily determined the Settlement is fair and reasonable and can go forward.

The Settlement is the result of good faith, arm’s length negotiations between Plaintiffs and Walgreens, through their respective attorneys. Both sides agree that, in light of the risks and expenses associated with continued litigation, this Settlement is fair and appropriate under the circumstances, and in the best interests of the Settlement Class Members and Aggrieved Employees. This Settlement is a compromise and is not an admission of liability on the part of Defendants.

The Court has not decided whether Plaintiffs’ claims have any merit. There was no trial. Instead of going to trial, both sides agreed to this settlement.

4. What does the settlement provide?

- Walgreens will pay \$950,000.00 (“Gross Settlement Common Fund”) to end this lawsuit.
- Class Members and Aggrieved Employees will receive a portion of the Net Settlement Amount in the manner described under Question 5. The Net Settlement Amount is the Gross Settlement Common Fund minus the following deductions: (1) up to \$10,000.00 to each of the Class Representatives as approved by the Court; (2) up to \$316,666.00 as attorneys’ fees to Class Counsel as approved by the Court; (3) up to \$20,000.00 as costs to Class Counsel as approved by the Court; (4) approximately \$45,000.00 as Administrative Expenses as approved by the Court; and (5) \$75,000.00 to the California Labor & Workforce Development Agency. The Net Settlement Amount is estimated to be \$473,334.00.

5. How much will my payment be?

The Settlement Payments to Class Members and Aggrieved Employees will be based on his or her pro-rata share of the

Net Settlement Amount. The Net Settlement Amount is comprised of two parts: (1) the Net PAGA Settlement Amount (*i.e.*, \$25,000 earmarked for the release of Representative Plaintiffs' and each PAGA Aggrieved Employee's PAGA claims that is not payable to the California Labor and Workforce Development Agency), and (2) the Net Class Settlement Amount (*i.e.*, the entire Net Settlement Amount less the Net PAGA Settlement Amount which is approximately \$473,334.00).

The distribution formula is based upon records produced in this Action by Defendants' vendors for those Class Members who purchased clothing at their own expense from Defendants' third-party vendors during the Class Period. The total paid by all Settlement Class Members for clothing purchased from Defendants during the Class Period is herein referred to as "Clothing Purchases." The Net Settlement Fund will be divided by the Clothing Purchases to determine the Clothing Purchases Payout Rate. The total amount allocated to each Settlement Class Member will be the total of his or her identified Clothing Purchases during the applicable eligibility periods multiplied by the Clothing Purchases Payout Rate.

Twenty-five percent (25%) of the PAGA Allocation will be distributed to the Aggrieved Employees on a pro-rata basis based upon the number of pay periods that the Aggrieved Employees made purchases during the PAGA Period.

The payments to the Settlement Class Members and Aggrieved Employees shall be non-taxable, and a form 1099 will be issued by the administrator for such payments. You should consult with your tax advisors concerning the tax consequences of the payments you receive under the settlement. Neither Class Counsel nor Defendants' counsel intend anything contained herein to constitute legal advice regarding the taxability of any amount paid, nor shall it be relied upon as such.

6. Will being part of this Settlement affect my job with Walgreens?

Walgreens encourages all Class Members to participate in the Settlement. Walgreens represents that, as required by law, it will not retaliate against any employee as a result of his or her participation in the Settlement.

7. How do I receive payment from the Settlement Amount?

As a Class Member, you will automatically receive your portion of the Settlement Payment via settlement check so long as you do not opt-out or exclude yourself from this lawsuit. If you are also an Aggrieved Employee, you will receive your portion of the PAGA Allocation via settlement check regardless of whether you opt-out or exclude yourself from this lawsuit.

8. What claims am I releasing as part of this lawsuit?

If you do not exclude yourself from the Settlement, you will be bound by the release of claims in this Settlement. This release includes the expense reimbursement claims that were pleaded in the Action (or that could have been pleaded based on the facts alleged in the Action), for non-exempt employees of Defendants working in Defendants' retail stores and/or pharmacies within California who purchased clothing items at their own expense from one of Walgreens' third-party clothing vendors between May 31, 2018 through [INSERT PRELIMINARY APPROVAL DATE].

More specifically, if the Court grants final approval of the Settlement, all Settlement Class Member who do not timely request exclusion from the Settlement will be barred from bringing certain claims described below.

Release by Settlement Class Members: Upon the Court's final approval of the Settlement Agreement, and except as to such rights or claims as may be created by the Settlement Agreement, the Class Representatives and the Settlement Class Members (other than those who submit timely and valid exclusion forms) release and discharge the Defendants and each of their respective former and present parents, subsidiaries, holding companies and affiliated corporations and entities, and each of their respective former and present officers, directors, owners, managers, employees, partners, shareholders, members, and agents, and any other

predecessors, successors, assigns or legal representatives (collectively “the Released Parties”), from any and all claims for reimbursement of business expenses (Labor Code Section 2802) and unfair business practices (Bus. & Prof. Code sections 17200 et seq.), arising from the facts as alleged in the First Amended Complaint from four years preceding the filing of Plaintiff’s original complaint up to the date of preliminary approval (i.e., from May 31, 2018) (collectively, “Settlement Class Members’ Released Claims”).

If any Class Member initiates a new lawsuit against Defendants based on any claim released under this Agreement, and the Court invalidates the release, any recovery by the Class Member shall be offset by the amount, if any, paid to the Class Member in connection with this Settlement.

Release by Aggrieved Employees: Upon the Court’s final approval of the Settlement Agreement, the Aggrieved Employees shall be bound by the release as to any Released PAGA claims that arise during the PAGA Period, pursuant to Labor Code section 2698, *et seq.*, from any and all claims for reimbursement of business expenses (Labor Code Section 2802) arising from the facts as alleged in the First Amended Complaint and Plaintiffs’ PAGA Notice to the LWDA from one year preceding the filing of Plaintiffs’ PAGA Notice (*i.e.*, from March 16, 2021) (collectively, “Aggrieved Employees’ Released Claims”). The Aggrieved Employees shall be bound by the release of any Released PAGA claims, irrespective of whether they submit a timely and valid exclusion form to be excluded from the Settlement Class.

For the full language of the release, as well as additional documents related to the settlement, including the complete Class Action and Private Attorneys General Act Settlement Agreement and Release and the documents filed by the Parties to obtain approval of the settlement, you may visit the settlement website at [INSERT URL]. You may also contact the Settlement Administrator for a copy of the Class Action and Private Attorneys General Act Settlement Agreement and Release that has been filed with the United States District Court, located at 450 Golden Gate Ave, San Francisco, CA 94102.

9. What are my options?

YOUR LEGAL RIGHTS AND OPTIONS IN THIS LAWSUIT	
DO NOTHING	If you do nothing and the Court orders final approval of the Settlement, you will give up your rights to pursue the claims that are released by the Settlement and will be paid your portion of the Net Settlement Amount.
YOU MAY ASK TO BE EXCLUDED FROM THE SETTLEMENT	If you ask to be excluded from, or opt-out of, the Settlement, you will get no payment as a Class Member, but you will keep your rights and not release any of the Settlement Class Members’ Released Claims. However, even if you opt-out of the Settlement, you will receive a payment as an Aggrieved Employee and will be bound by the Aggrieved Employees’ Released Claims.
OBJECT	Write to the Court about what you do not like about the Settlement, and if you so choose, attend Court to speak about the fairness of the Settlement.

10. How do I ask to be excluded from the settlement?

If you do not want a payment from this Settlement as a Class Member, but you want to keep your rights, then you *must* take steps to exclude yourself from the Settlement. You can exclude yourself from the Settlement by notifying the Settlement Administrator in writing of your intent to exclude yourself by [REDACTED], 2025 (which is 60 calendar days from the date this Notice is sent to the Class Members). Your exclusion letter must state your (i) name, (ii) current address, (iii) the last four digits of your social security number, (iv) desire to exclude yourself from the Settlement, and (v) your signature. Exclusion letters must be sent directly to the Settlement Administrator. The Settlement Administrator, Atticus Administration, is a neutral third-party appointed by the Court to administer the Settlement in accordance with the Court's Orders and the terms of the Settlement Agreement. If you are an Aggrieved Employee, you will still receive a portion of the PAGA Allocation and be bound by the Aggrieved Employees' Released Claims.

Exclusion letters must be sent directly to the Settlement Administrator at the following address by first class mail, postage prepaid, postmarked on or before [REDACTED], 2025:

Naro v. Walgreen Co.
Atticus Administration
[Administrator Address Here]

11. If I don't exclude myself, can I sue Walgreens for the same thing later?

No. Unless you exclude yourself, you give up any right to sue Defendants for the claims that this Settlement resolves. If you have a pending lawsuit regarding these claims, speak to your lawyer in that case. *Remember, the exclusion deadline is [REDACTED], 2025.*

12. If I exclude myself, can I get money from this settlement?

If you exclude yourself, you are not eligible to receive any money from this settlement as a Class Member, but you may sue, continue to sue, or be part of a different lawsuit against Defendants. If you ask to be excluded, you will not be bound by the Settlement or have any right to object, appeal, or comment thereon. Please note that Aggrieved Employees cannot exclude themselves from the PAGA portion of the Settlement and will receive a portion of the PAGA Allocation and be bound by the release of PAGA claims even if excluded as a Class Member.

13. How do I object to the settlement?

If you are a Settlement Class Member and wish to object and tell the Court why you do not like the settlement, you must (1) file a written objection with the Court by [REDACTED], 2025 (which is 60 calendar days from the date this Notice is sent to the Class Members) and (2) mail or personally deliver a copy of the written objection to Class Counsel and Defendants' Counsel on the same day as the objection is sent to the Court. The Court will deem an objection filed on the day it is received by the Court, not necessarily when the objection is postmarked. In the written objection, the Class Member must state: his or her full name, address, telephone number, and email address (if available); the reasons for his or her objection; and whether he or she intends to appear at the Final Hearing on his or her own behalf or through counsel. Further, the Class Member must attach to his or her objection all evidence supporting the objection. Any Settlement Class Member who does not file a valid and timely objection to the settlement shall be barred from seeking review of the settlement by appeal or otherwise.

If a Class Member objects to the Settlement, he/she will remain a member of the Class, and, if the Court grants final approval of the Settlement, he/she will be bound by the Settlement in the same way and to the same extent as a Class Member who does not object. Any member of the Class who does not make and serve his/her written objection in the

manner provided above, shall be deemed to have waived such objections and shall be foreclosed from making any objections by appeal or otherwise to the Settlement.

The names and addresses of Class Counsel are:

Class Counsel	Defendants' Counsel
Hallie Von Rock Aiman-Smith & Marcy, PC 7677 Oakport St., Suite 1150 Oakland, CA 94621	Christopher Archibald, Esq. BRYAN CAVE LEIGHTON PAISNER LLP 1920 Main Street, Suite 1000 Irvine California 92614-7276

14. What's the difference between objecting and excluding myself?

Objecting is simply telling the Court that you do not like something about the Settlement. You can object only if you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Class and don't want to release your individual claims. If you exclude yourself, you have no basis to object because the case no longer affects you.

15. Do I have a lawyer in this case?

The Court has approved Aiman-Smith & Marcy, PC, to represent you and other Class Members in this action. These lawyers are called Class Counsel. You will not be separately charged for these lawyers. If you want to be represented by your own lawyer, you may hire one at your own expense. A Class Member may enter an appearance through an attorney if the Class Member so desires. Aiman-Smith & Marcy, PC is available as your counsel to answer your questions. The names and contact information of Class Counsel are listed in Question 13 above.

16. How will the lawyers be paid?

Class counsel would ask the Court to approve a payment of up to \$316,666.00 for attorneys' fees and up to \$20,000 for litigation costs, which will be paid out of the \$950,000.00 settlement fund. These attorneys' fees will pay Class Counsel for bringing the lawsuit on your behalf, investigating the facts, litigating the case, and negotiating the Settlement. Defendants have agreed not to oppose these attorneys' fees or costs. The Court may award less than these amounts. Plaintiff's Motion for Attorney's Fees and Costs will be available on the settlement website by [_____, 2025] (which is 30 calendar days prior to the Final Hearing).

If you are a Settlement Class Member and wish to object to Plaintiff's Motion for Attorney's Fees, you must (1) file a written objection with the Court by [REDACTED], 2025 (which is 14 calendar days prior to the Final Hearing) and (2) mail or personally deliver a copy of the written objection to Class Counsel and Defendants' Counsel on the same day as the objection is sent to the Court. The Court will deem an objection filed on the day it is received by the Court, not necessarily when the objection is postmarked. In the written objection, the Class Member must state: his or her full name, address, telephone number, and email address (if available); the reasons for his or her objection; and whether he or she intends to appear at the Final Hearing on his or her own behalf or through counsel. Further, the Class Member must attach to his or her objection all evidence supporting the objection. Any Settlement Class Member who does not file a valid and timely objection to the settlement shall be barred from seeking review of Plaintiff's Motion for Attorney's Fees and Costs by appeal or otherwise.

17. When will final approval occur?

The Court will hold a final hearing to decide whether or not to approve the Settlement. You may attend, either in person or remotely depending on the Court's procedure at the time of the hearing due to the pandemic, and you may ask to speak, but you don't have to. The Final Approval Hearing is scheduled for [REDACTED], 2025, at [REDACTED] a.m. in the United States District Court, Northern District, Courtroom 6, 450 Golden Gate Ave, San Francisco, CA 94102.

18. How do I get more information?

This Notice only summarizes the Action, the Settlement and related matters. For more information, you may visit the settlement website at: [REDACTED URL]. You may also contact the Settlement Administrator for a copy of the Class Action and Private Attorneys General Act Settlement Agreement and Release. This document and the motion for approval of the settlement is also on file with the United States District Court, Northern District, located at 450 Golden Gate Ave, San Francisco, CA 94102. You may also contact Class Counsel at the address listed in Section 13 above without having to pay for any attorneys' fees. You also have the right to speak with an attorney of your choosing at your own expense. A Class Member may enter an appearance through an attorney if the Class Member so desires.

PLEASE DO NOT CONTACT THE CLERK OF THE COURT, THE JUDGE, OR ANY OF WALGREENS' MANAGERS, SUPERVISORS, OR ATTORNEYS ABOUT THIS SETTLEMENT.

Exhibit B

POSTCARD NOTICE

On [_____, 2025], the US District Court for the Northern District of California preliminarily approved a class action settlement in the case *Naro, et al. v. Walgreen Co., et al.*, Case Number No. 4:22-cv-03170-JST.

You could get a payment from a class action settlement if you are a current or former non-exempt employee of Walgreen Co. and/or Walgreen Pharmacy Services Midwest, LLC (hereinafter, “Walgreen” or “Defendants”) working in Defendants’ retail stores and/or pharmacies within California who purchased clothing items at their own expense from one of Walgreens’ third-party clothing vendors at any time from May 31, 2018 through the present.

This Notice is only a *summary* of the class action settlement. You can (and are encouraged to) access and review the full-length Notice of Class Action Settlement, with all of the settlement terms to which you are bound at the settlement website [www.\[_____\].com](http://www.[_____]).

Walgreen has denied the claims in this action and the Court has not decided the merits of the claims. To avoid litigation expenses, Walgreen has agreed to settle these claims.

What does the settlement provide? Walgreen will pay \$950,000.00 (“Gross Settlement Common Fund”) to end this lawsuit. The proposed deductions from the Gross Settlement Common Fund for payments to the Representative Plaintiffs, Class Counsel, Claims Administrator, and the LWDA are included in the full-length Notice of Class Action Settlement.

How much will my payment be? The distribution formula is based upon records produced in this litigation by Defendants’ vendors for those Settlement Class Members who purchased clothing at their own expense from Defendants’ third-party vendors during the Class Period. The total paid by all Settlement Class Members for clothing purchased from Defendants during the Class Period is herein referred to as “Clothing Purchases.” The Net Settlement Fund will be divided by the Clothing Purchases to determine the Clothing Purchases Payout Rate. The total amount allocated to each Settlement Class Member will be the total of his or her identified Clothing Purchases during the applicable eligibility periods multiplied by the Clothing Purchases Payout Rate.

What are my Options? To exclude yourself from the settlement or to object to the settlement, you must submit a written exclusion or objection by no later than [_____, 2025]. To object to Plaintiff’s Motion for Attorney’s Fees and Costs, you must submit a written objection by no later than [_____, 2025]. Further details for excluding yourself or objecting to the settlement are set forth in the full-length Notice of Class Action settlement. For more information, including the full-length Notice of Class Action Settlement, go to [www.\[_____\].com](http://www.[_____]) or call [_____].

Exhibit 2



CURRICULUM VITAE OF AIMAN-SMITH & MARCY

FIRM BIOGRAPHY

Aiman-Smith & Marcy, PC, is a boutique plaintiffs' law firm that has successfully litigated individual, representative, and class action cases for plaintiffs across a broad variety of areas, including unpaid wages, unpaid overtime, missed meal and rest breaks, uniform reimbursement, consumer fraud, securities fraud, employment discrimination, civil rights, sex harassment, wrongful termination, whistleblower retaliation, and others. The firm represents exclusively plaintiffs, in all aspects of litigation, including trial and appeals. Aiman-Smith & Marcy began in 2005, although the principals have worked together since 1997.

Aiman-Smith & Marcy, PC
7677 Oakport Street, Suite 1150
Oakland, CA 94621
Tel.: 510-817-2711
Fax: 510-562-6830
www.asmlawyers.com

ATTORNEYS

RANDALL B. AIMAN-SMITH (SBN 124599)

Randall Aiman-Smith earned his Juris Doctor degree from University of California, Berkeley School of Law in 1986. While at Berkeley Law, Mr. Aiman-Smith served as a member of the editorial board of the California Law Review and, additionally, on the Moot Court Board. Mr. Aiman-Smith was an adjunct faculty member at University of California Law, San Francisco, for seven years and has been a frequent presenter at continuing educational seminars.

Mr. Aiman-Smith is admitted to practice in state and federal courts in California, including the Northern District, Central District, Ninth Circuit, and the Tenth Circuit Court of Appeals, and the California Supreme Court. Additionally, Mr. Aiman-Smith has been admitted *pro hac vice* in several other jurisdictions.

Over the 30 years that Mr. Aiman-Smith has been practicing law, he has worked exclusively as a litigator in the state and federal trial and appellate courts on behalf of

plaintiffs seeking to vindicate their rights under the law. Mr. Aiman-Smith has tried numerous cases in the state and federal courts and has taken at least 25 cases to judgment or verdict, including serving as lead trial counsel in *Rivero v. City and County of San Francisco* (judgment of \$2.3 million in damages and fees after 15 years of litigation in 2008), *Williams v. Union Pacific Railroad* (individual discrimination verdict of \$1.7 million in 2009); *Aghmane v. Bank of America* (\$1.6 million jury verdict for defamation and blacklisting in 2018), and *Benton v. Telecom Network Specialists* (\$9.5 million total to class in wages, interest, and penalties).

The firm and Mr. Aiman-Smith have also taken numerous matters to the state and federal courts of appeal on behalf of both appellants and respondents resulting in the creation of significant legal precedents favorable to plaintiffs. Published decisions where Mr. Aiman-Smith was counsel of record and had primary responsibility for writing briefs and making oral arguments include: *Bergemann v. United States*, 820 F.2d 1117 (10th Cir. 1987); *Eidsmore v. R.B.B., Inc.*, 25 Cal.App.4th 1989 (1994); *Rivero v. Superior Court (Smith)* (1997) 54 Cal.App.4th 1048; *Rivero v. City and County of San Francisco*, 316 F.3d 857 (9th Cir. 2002); *Bradley v. Networkers International LLC* (2012) 211 Cal.App.4th 1129; and *Benton v. Telecom Network Specialists, Inc.* (2013) 220 Cal.App.4th 701.

Most recently, Mr. Aiman-Smith was lead counsel for plaintiffs in the class action trial in *Benton v. Telecom Network Specialists, Inc.* (lead case *Booker v. Tanintco, Inc.*, Los Angeles Superior Court Case No. BC34926) which resulted in a judgment for plaintiffs of \$9.5 million in March 2021.

Mr. Aiman-Smith has also served as the lead attorney in numerous cases where class certification has been granted over defendants' opposition, including *Nucci v. Rite Aid Corp.* (N.D. Cal. Feb. 3, 2022) 2022 US Dist. LEXIS 142121 (25,000 employee class) and *Brown v. Abercrombie & Fitch Co.* (C.D. Cal. July 16, 2015) 2015 US Dist. LEXIS 176214 (65,000 employee class).

REED W. L. MARCY (SBN 191531)

Reed W. L. Marcy obtained his Bachelor's degree with High Honors in French Literature in 1983 and his Master's degree in French Literature in 1985, both from the University of California, Berkeley. Mr. Marcy graduated from University of California Law, San Francisco, in 1997 and was admitted to practice in California in December 1997. Mr. Marcy was awarded numerous academic honors at UC Law SF, including the American Jurisprudence Award, the David Snodgrass Oral Advocacy Award, the California Computerized Legal Instruction Award, and awards for civil rights and art law. Mr. Marcy was Associate Executive Editor for *Comm/Ent*, the journal of intellectual property law, and published a note on patent law. Mr. Marcy has been a frequent

presenter of continuing legal education programs on employment law and legal research topics through National Business Institute.

Mr. Marcy is admitted to practice in state and federal courts in California, including the Northern District, Central District, Eastern District, Ninth Circuit, and Court of Appeals, along with the California Supreme Court, and has been admitted *pro hac vice* in Ohio and Oklahoma.

Mr. Marcy began working as a law clerk for Randall Aiman-Smith in 1995, while still a law student. After graduation and admission to the Bar in 1997, Mr. Marcy continued working as an attorney for Mr. Aiman-Smith, becoming a partner in Mr. Aiman-Smith's firm in 2002. In 2005, Mr. Marcy and Mr. Aiman-Smith formed Aiman-Smith & Marcy.

Mr. Marcy has abundant experience as a civil litigator, including extensive experience in all phases of employment law and class actions from initial client intake through trial and appeal. Mr. Marcy has been the lead attorney for dozens of employment and consumer class actions and has extensive experience in employment law appellate practice. Published decisions where Mr. Marcy had responsibility for writing briefs and making oral arguments include *Rivero v. City and County of San Francisco*, 316 F.3d 857 (9th Cir. 2002); *Bradley v. Networkers International LLC* (2012) 211 Cal.App.4th 1129; and *Benton v. Telecom Network Specialists, Inc.* (2013) 220 Cal.App.4th 701. Mr. Marcy successfully argued for overturning summary judgment in a defamation and blacklisting action in the Ninth Circuit in *Aghmane v. Bank of America, N.A.*, 696 Fed. Appx. 175 (9th Cir. May 17, 2017) Case Number 15-15482 (unpublished memorandum). The case was successfully tried to a \$1.6 million verdict in February 2018. Mr. Marcy also argued the appeals in *Selkirk v. Grasshopper House, LLC* (2d Dist. Cal. Div. 7, March 16, 2020) and *Ezeokoli v. Uber Techs.* (1st Dist. Cal. Div. 3, January 13, 2021). Mr. Marcy was the supervising attorney in *Carroll v. City and County of San Francisco, et al.* (2019) 41 Cal.App.5th 805 (reversing demurrer and applying continuing violation and continuous accrual doctrine to age discrimination in disability benefits). Most recently, Mr. Marcy was one of the lead counsel for plaintiffs in the class action trial in *Benton v. Telecom Network Specialists, Inc.* (lead case *Booker v. Tanintco, Inc.*, Los Angeles Superior Court Case No. BC34926) and performed the examination and cross-examination of the expert witnesses, which resulted in a judgment for plaintiffs of \$9.5 million in March 2021.

Mr. Marcy is currently the Top 10 Wage & Hour President for 2022 – 2023 for the National Trial Lawyers Association.

HALLIE VON ROCK (SBN 233152)

Ms Von Rock graduated with a Bachelor of Arts degree from University of California, Berkeley with Honors in 1999. Ms Von Rock graduated from University of California Law, San Francisco, in 2004 and was admitted to practice in California in December, 2004. Ms Von Rock was awarded numerous academic honors at UC Law SF, including the Witkin Award for Excellence for Trial Advocacy and CERCLA Outstanding Achievement Awards for Trial Advocacy and for Moot Court. Ms Von Rock was an Editor for West Northwest Environmental Law Journal.

Ms Von Rock is admitted to practice in state and federal courts in California, including the Northern District, Central District, Southern District, and Court of Appeals, along with the California Supreme Court.

Ms Von Rock has worked with Randall Aiman-Smith and Reed Marcy since 1996, while still an undergraduate at University of California, Berkeley. Ms Von Rock began working as a law clerk for Mr. Aiman-Smith and Mr. Marcy during her last year of law school in June 2003 and was hired as an Associate following admission to the California Bar in 2004. Ms Von Rock has been a partner at Aiman-Smith & Marcy since 2012.

During Ms Von Rock's significant litigation experience, she has worked on numerous employment and consumer cases and class action cases. Ms Von Rock has experience in all aspects of litigation and class action work, including trial and appeal. She has been lead counsel in numerous employment and consumer class actions. Published decisions where Ms Von Rock had responsibility for writing briefs include *Bradley v. Networkers International LLC* (2012) 211 Cal.App.4th 1129; and *Benton v. Telecom Network Specialists, Inc.* (2013) 220 Cal.App.4th 701, and the unpublished decision in *Aghmane v. Bank of America, N.A.*, 696 Fed. Appx. 175 (9th Cir. May 17, 2017) Case Number 15-15482. Ms Von Rock was trial counsel in *Aghmane v. Bank of America*, which was successfully tried to a \$1.6 million verdict on defamation and blacklisting in February 2018. Most recently, Ms Von Rock was one of the lead counsel for plaintiffs in the class action trial in *Benton v. Telecom Network Specialists, Inc.* (lead case *Booker v. Tanintco, Inc.*, Los Angeles Superior Court Case No. BC34926) which resulted in a judgment for plaintiffs of \$9.5 million in March 2021.

BRENT A. ROBINSON (SBN 289373)

Mr. Robinson graduated with a Bachelor of Arts in English from the University of California, Santa Barbara, and spent a year abroad studying at the University of Leeds in the U.K. He graduated in the top quintile of his law school class at the University of San Francisco School of Law, where his work garnered the CALI Award for Excellence in Legal Ethics, the California Academy of Appellate Lawyers Award for Best Brief in the

Roger J. Traynor Appellate Moot Court Competition, and an award for Outstanding Individual Achievement in Oral Argument at the same competition.

Mr. Robinson has extensive experience litigating the full spectrum of employment claims, including harassment, discrimination, retaliation, disparate impact, wage and hour, and Private Attorneys General Act claims. Mr. Robinson also has experience litigating tort claims including wrongful death and serious personal injury claims.

Mr. Robinson is a member of Aiman-Smith & Marcy's class action litigation group. As part of that team, he fights high-stakes battles against some of the top defense firms and the largest corporations, and has established new law in California. *See, Carroll v. City and County of San Francisco* (2019) 41 Cal.App.5th 805, review and depublication denied (Jan. 29, 2020); *Piplack v. In-N-Out Burgers* (2023) 88 Cal.App.5th 1281, review granted and pending (Jun. 14, 2023). Representative cases include:

- *Aghmane v. Bank of America Corporation N.A.* (N.D.Cal. Case No. 4:13-cv-03698) (2018 \$1.6m jury verdict, plus a finding of liability for punitive damages, and a subsequent confidential settlement);
- *Carroll v. City and County of San Francisco et al.* (San Francisco Super. Ct. Case No. CGC-17-526580; First Dist. Ct. of App. Case Nos. A154569 and A155208; Cal. Supreme Ct. Case No. S259558) (first-chair in class action trial);
- *Rahman/Bautista Diaz v. Gate Gourmet, Inc.* (N.D.Cal. Case No. 3:20-cv-03047-WHO; Los Angeles Super. Ct. Case No. 20STCV34299; C.D.Cal. Case No. 2:20-CV-09454 FLA (MAAx); MDL No. 3012);
- *Piplack et al. v. In-n-Out Burgers* (Orange Co. Super. Ct. Case No. 30-2019-01114510, Fourth Dist. Ct. of App. Case No. G061098, Cal. Supreme Ct. Case No. S279546; Sonoma County Superior Case No. SCV-268956, First Dist. Ct. of App. Case Nos. A165320 and A165403; Cal. Supreme Ct. Case No. S275185; Second Dist. Ct. of App. Case No. B319885);
- *Lewis v. Simplified Labor Staffing Solutions* (Cal. Supreme Ct. Case No. S278457); and
- *Cosio v. IPAA et al.* (San Francisco Super. Ct. Case No. CGC-16-551337; First Dist. Ct. of App. Case No. A153333).

Mr. Robinson is admitted to practice in all California state courts, and in the United States District Courts for the Northern, Eastern, and Central Districts of California.

Mr. Robinson is a member of the California Employment Lawyers Association, serves on that organization's Reverse Auctions Panel, and is a member of that organization's Wage & Hour Committee. He has also been recognized by Super Lawyers

as a Northern California Rising Star for 2022 and 2023.

LISSETH BAYONA (SBN 338135)

Ms Bayona received her J.D. from the University of Southern California (USC) Gould School of Law. While there, she served as a judicial extern to the Honorable Patrick J. Walsh of the United States District Court for the Central District of California, where she drafted a criminal judicial opinion. Also, while at Gould, she served as an extern for the U.S. Attorney's Office for the Central District of California. As a Criminal Division Extern, she had the opportunity to work closely with a trial team of Assistant U.S. Attorneys on a money laundering case.

Ms Bayona is a member of Aiman-Smith & Marcy's class action litigation group. As part of that team, she has successfully fought high-stakes legal battles against well-resourced and highly competent defense firms. *See, e.g., Cal. Labor & Workforce Dev. Agency ex rel. Raymond v. CompuCom Sys.* (E.D.Cal. Mar. 9, 2023, No. 2:21-cv-02327-KJM-KJN) 2023 U.S. Dist. LEXIS 40710.

JOSEPH CLAPP (SBN 99194) *Of Counsel

Mr. Clapp received his Bachelor of Arts degree in Economics from the University of California at Berkeley in 1978. While attending college, he organized the 1,500 workers in Yosemite National Park into a union. In 1981, Mr. Clapp received his J.D. degree from McGeorge School of Law, University of the Pacific, and while attending McGeorge he served as the Comments Editor for the Pacific Law Journal.

Mr. Clapp is admitted to practice in federal and state courts in California, including the U.S. District Court for the Northern District of California, the U.S. District Court for the Eastern District of California, the Ninth Circuit Court of Appeals, and the California Supreme Court.

Mr. Clapp began his career with the trial firm of Herron & Herron in 1982 and remained with that firm for 26 years. Thereafter, he spent a year with the firm of Kumin Sommers before opening his own practice. In 2012, he became “of counsel” to Aiman-Smith & Marcy.

Throughout his career, Mr. Clapp has always fought for those who work for a living. He has litigated all aspects of the employment relationship, and his cases have included wrongful or discriminatory discharges, the failure to pay wages due (e.g., overtime, prevailing wages), substandard working conditions (e.g., meal periods), and the failure to pay earned pensions (ERISA). He has tried numerous cases and has prosecuted numerous appeals in both in state and federal courts. He was lead counsel for two published appellate victories: *George v. California Unemployment Insurance Appeals Board* (2009) 179 Cal.App.4th 1475 (public employee’s retaliation lawsuit survives claim and issue preclusion defenses), and *Walker v. Berkeley Housing Authority*, 951 F.2d 182 (9th Cir. 1991) (biased decision-maker violates public employee’s Due Process rights). Most recently, Mr. Clapp won reversal of summary judgment in *Duffey v. Tender Heart Home Care Agency, LLC*, (2019) 31 Cal.App.5th 232 (temporary agency and care home were plaintiff’s joint employers under the Domestic Workers Bill of Rights). Other published cases include *Rodriguez v. Akima Infrastructure Servs. LLC* (9th Cir. 2019) 747 Fed.Appx. 625 (reversing summary judgment) and *Sucillio v. Perk* (9th Cir. 2022) 25 F.4th 1118.

Mr. Clapp has successfully tried several employment cases to judgment since joining Aiman-Smith & Marcy.

JOHN A. LOFTON (SBN 222259) *Of Counsel

Mr. Lofton graduated from the University of Texas at Austin with honors in 1998, and received his law degree from the University of California at Berkeley (Berkeley

Law) in 2002. He clerked for Chief Justice Veasey of the Delaware Supreme Court in 2001 and co-authored “Computer Security Publications: Information Economics, Shifting Liability and the First Amendment” (Whittier Law Review, Vol. 24, No. 1).

Mr. Lofton joined the California State Bar 2002. Prior to joining Aiman-Smith & Marcy, Mr. Lofton worked as a litigator for several large firms, including litigating employment cases from the defense side. He has been of counsel with Aiman-Smith & Marcy since 2019. His practice focuses on employment and consumer fraud, representing individual employees and consumers as well as litigating on their behalf in class actions and other representative actions.

Since joining Aiman-Smith & Marcy, Mr. Lofton has handled several employment class actions and actions under the Private Attorney General Act (PAGA), including the rare feat of successfully bringing a wage and hour class action within a bankruptcy.

REPRESENTATIVE CASES FOR AIMAN-SMITH & MARCY

A representative list of significant class actions, representative actions, and jury trials in which the attorneys at Aiman-Smith & Marcy have served as lead counsel or co-class counsel includes:

Aghmane v. Bank of America NA, U.S. District Court, Northern District, Case No. No.: C13-03698 DMR (\$1.6 million jury verdict for defamation and blacklisting), *see also*, 696 Fed.Appx. 175 (9th Cir. 2017 (Ninth Circuit Opinion reversing summary judgment on defamation and blacklisting claims)).

Bean v. Hugo Boss Retail, Inc., U.S. District Court, Northern District, Case No. 3:13-cv-05921-RS (employee class action for uniform reimbursement, bag searches, and missed breaks).

Benton, et al. v. Telecom Network Specialists, Inc., Los Angeles County Superior Court, Case No. BC354230, published as (2013) 220 Cal.App.4th 701 (employee class action for overtime, meal and rest breaks; established important principles for class certification of wage and hour cases); (summary judgment awarding \$7.6 million in overtime, meal, and rest break pay and trial awarding \$1.28 million in Labor Code §203 penalties) (total judgment \$9.5 million).

Billingsley v. Ross Dress for Less, Inc., Alameda Superior Court case no. RG17864196 (employee class action for uniform reimbursement).

Booker, et al. v. Tanintco, Inc., Los Angeles County Superior Court, Case No. BC349267 (class action for overtime, meal and rest breaks).

Bradley, et al. v. Networkers International, LLC, San Diego County Superior Court, Case No. GIC 862417, published as (2012) 211 Cal.App.4th 1129 (employee class action for overtime, meal and rest breaks; established important principles for class certification of wage and hour cases).

Brawner v. Bank of America, United States District Court, Northern District of California, Case No. 3:2014cv02702 (employee class action for misclassification as exempt).

Brown v. Abercrombie & Fitch Co., 2014 U.S. Dist. LEXIS 19414, N.D. Cal., February 14, 2014, Case No.: 4:13-CV-05205 YGR (employee class action for uniform reimbursement; 62,000 person class certified), consolidated with *Bojorquez v. Abercrombie & Fitch Co.*, Southern District of Ohio, Case No. 2:16-cv-00551-MHW (250,000 employees) (\$25 million settlement).

Carroll v. City and County of San Francisco, et al. San Francisco Superior Court case no. CGC-17-562580 (employee class action for age discrimination in payment of retirement benefits); published at *Carroll v. City and County of San Francisco* (2019) 41 Cal.App.5th 805 (reversing demurrer on basis of continuing violation and continuous accrual doctrines) (class certified).

Cohen v. FedEx Office and Print Services, Inc., Alameda County Superior Court Case No. RG17810621 (consumer class action under Fair and Accurate Credit Transactions Act).

Cosio v. International Performing Arts Academy, LLC, et al., (San Francisco Superior Court Case No. CGC-16-551337) (consumer class action for violation of Talent Agency Act) (class certified).

Duffey v. Tender Heart Home Care Agency, LLC, Superior Court of Contra Costa County, No. MSC15-02271 (employee claim for overtime against temporary agency and care home as joint employers) published as *Duffey v. Tender Heart Home Care Agency, LLC*, (2019) 31 Cal.App.5th 232 (reversing summary adjudication on the basis of joint employer relationship).

Frye v. Jyve, Inc., San Francisco Superior Court case number CGC-20-582236 (PAGA action for missed breaks against defunct gig company).

Green, et al. v. Presidio International, Inc. dba A|X Armani Exchange, San Francisco Superior Court, Case No. CGC 13-536365 (employee class action for uniform reimbursement, bag searches, and missed breaks).

Guess? Outlet Stores Pricing Cases, Los Angeles County Superior Court Case No. JCCP 4883 (consumer retail pricing class actions).

Hurtado, et al. v. Lowe's HIW, U.S. District Court, Northern District, Case No. CV-11-1996 (consumer class action under Song-Beverly Credit Card Act).

Holmes, et al. v. Big Five Sporting Goods, Los Angeles County Superior Court, Case No. JCCP4667 (consumer class action under Song-Beverly Credit Card Act).

Honrine v. Coast Counties Truck & Equipment Company, Alameda Superior Court, Case No. RG21088933 (PAGA representative action for various Labor Code violations)

Jerominski v. Walgreen Co., consolidated as *In re Walgreen Co. Wage and Hour Class Action*, U.S. District Court, Central District of California, Case No. 11-cv-07664-PSG (FFMx) (40,000 employee class action for bag searches) (\$23 million settlement).

Jones v. Armanino LLP, Alameda County Superior Court, Case No. RG 13-68105 (consumer class action for accounting negligence).

Kulvicki, et al. v. Pick-N-Pull Auto Dismantlers, Alameda County Superior Court, Case No. RG11560441 (employee class action for misclassification).

Lara v. Visual Edge, Inc., et al., Alameda County Superior Court, Case No. RG21105541 (PAGA representative action for various Labor Code violations).

Lemons et al. v. Rite Aid Corp., consolidated with *Ramirez v. Rite Aid Corp.*, U.S. District Court, Northern District of California. case number CV 20-3531-GW (employee class action for off-the-clock security searches).

Mauldin v. Frito Lay, Inc. Alameda Superior Court Case No. RG16811677 (employee class action for overtime).

Mendes, et al. v. B-4 Partners, LLC, et al., Alameda County Superior Court, Case No. RG11603095, consolidated with *Noble v. Greenberg Traurig, LLP*, Alameda County Superior Court, Case No. RG11593201 (consumer class action for securities fraud, Ponzi scheme) (\$83 million settlement).

Milton v. Best Buy Stores, L.P., U. S. District Court, Central District of California, Case No. CV11-6913, consolidated as *Gass, et al. v. Best Buy Stores, L.P.*, U.S. District Court, Central District of California, Case No. CV 11-01507 SJO (JCGx) (consumer class action under the Song-Beverly Credit Card Act).

Naro, et al. v. Walgreen Co, et al., U.S. District Court, Northern District of California, Case No. 4:22-dv-03170-JST (employee class action and PAGA representative action for failure to reimburse for uniforms).

Lewis v. Simplified Labor Staffing Solutions, Cal. Supreme Ct. Case No. S278457 (request for depublication granted).

Lourdes v. Eagle Clean Group, Sacramento Superior Court, Case No. 23CV009072 (Employee Class and PAGA representative action for various Labor Code violations)

McCormick v. CalPers, Sacramento Superior Court, Case No. 23CV006749 (employee class action for discrimination of retirement benefits)

Nakooka v. Dollar Tree Stores, Inc., U.S. District Court, Northern District of California, Case No. 3:17-CV-03955-JD (employee class action for uniform reimbursement).

Nucci, et al. v. Rite Aid Corporation, et al., U.S. District Court, Northern District of California, Case No. 19-CV-01434-LHK (26,000 person employee class action certified for uniform reimbursement).

Ortiz v. CVS Caremark Corporation, et al., U.S. District Court, Northern District of California, Case No. CV 12-05859 EDL; related with *Murphy v. CVS Caremark Corp.*, Los Angeles County Superior Court No. BC464785 (30,000 employee class action for bag searches, off-the-clock work) (\$12.75 million settlement).

Padilla, et al. v. Mygrant Glass Co., Alameda Superior Court, Case No. RG18906877 (employee class action and PAGA action for labor code violations).

Paknad v. Intuitive Surgical, Inc., et al., Santa Clara Superior Court Case No. 19CV350641, 6th District Court of Appeal Case No. H050711 (individual FEHA and retaliation action; petition for extraordinary writ pending).

Palma v. Mercury Insurance Services, LLC, San Bernardino Superior Court, Case No. CIV-DS1911981 (PAGA action for off-the-clock time).

Ping v. See's Candy Shops, Inc. U.S. District Court, Northern District of California Case No.: 3:19-cv-02504-RS (employee class action for uniform reimbursement).

Piplack et al. v. In-n-Out Burgers, Orange Co. Super. Ct. Case No. 30-2019-01114510, Fourth Dist. Ct. of App. Case No. G061098, Cal. Supreme Ct. Case No. S279546; Sonoma County Superior Case No. SCV-268956, First Dist. Ct. of App. Case Nos. A165320 and A165403; Cal. Supreme Ct. Case No. S275185; Second Dist. Ct. of App. Case No. B319885 (PAGA action for failure to reimburse uniform-related expenses)

Price, et al. v. EXI Parsons Telecom, Los Angeles County Superior Court, Case No.

BC351252 (employee class action for overtime, meal and rest breaks).

Rahman v. Gate Gourmet, Inc., U.S. District Court, Northern District of California, case number 3:20-cv-03047-WHO (employee class action for off-the-clock donning and doffing time).

Rivera v. Uniqlo California, LLC, U.S. District Court for the Central District of California, Case No. 17-CV-02848-JAK (JPR) (employee class action for uniform reimbursement).

Robinson, et al. v. Defender Security Company, Alameda County Superior Court, Case No. RG10505016 (employee class action for misclassification and off-the-clock work).

Ruiz v. Automotive Racing, Ventura Superior Court, Case No. 2023CUOE11192 (employee class action for failure to reimburse business expenses and other Labor Code violations)

Saberi, et al. v. Bridgestone Firestone Retail & Commercial Operations, Alameda County Superior Court. Case No. RG08406555 (employee class action for misclassification) (\$14 million settlement).

Sandak v. Comerica, San Francisco Superior Court, Case No. CGC-23-606913 (PAGA representative action for various Labor Code violations)

Smith, et al. v. S.Com, Inc., San Francisco County Superior Court, Case No. CGC-02-412968 (employee misclassification class action)

Westman, et al. v. Rogers Family Funeral Homes, Contra Costa County Superior Court, Case No. C 98-03165 (consumer class action for negligence).

Williams v. Bank of America, N.A., U.S. District Court, Central District of California, Case No. SACV 15-01597 AG (KESx) (employee misclassification class action).

Williams v. Union Pacific Railroad Co., Alameda County Superior Court Case No. RG 06251955 (race discrimination jury verdict of \$1.6 million).

Wright and Raymond v. Compucom Systems, Inc., County of Riverside, Case No. CVRI22005136 (PAGA representative action for various Labor Code violations)

Zimmelman Jewelry v. CrossCheck, Sonoma County Superior Court Case No. SCV 229654 (consumer class action for unfair business practices).

Exhibit 3



DATA SECURITY & INFORMATION PRIVACY POLICY

Policy Area	Employee Handbook: Data Security & Information Privacy Policy
Approved Date	October 12, 2023
Approved By	Director of Information Technology – Joel Prest; CFO, COO – James Hardy
Effective Date	October 12, 2023
Current Version	7.0

I. OVERVIEW

Atticus Administration, LLC (“Atticus”), in fulfilling the requirement as a third-party administrator under the terms of a court order and/or settlement agreement for a case (“Case Court Documents”), is required to collect and store client information such as class member data records which contain names, addresses, phone numbers, emails, and occasionally sensitive information such as social security numbers, and takes seriously its obligation to secure information systems and protect the privacy of this client data.

As a standard operating procedure, Atticus regularly reviews its policies related to data collection, privacy, and security. All who are employed by Atticus or retained as a contractor for Atticus (“Users”) are provided with this Data Security & Information Privacy Policy document as a part of their training or onboarding to ensure that this information is communicated and understood through explicit acknowledgment. Any material revisions to this document are immediately communicated to Users with an emailed memo which calls out the revisions, as well as an updated copy of the Data Security & Information Privacy Policy document.

Atticus complies with the policies and processes encompassed within this Data Security & Information Privacy Policy document.

II. PURPOSE

The purpose of this Policy is to establish the rules for handling the collection, storage, and use of client data. These rules are necessary to preserve the integrity, availability, and confidentiality of information.

III. SCOPE

This policy applies to all Atticus employees and contractors that use company assets such as computers, laptops, or mobile devices and/or have access to Atticus’ networks and information resources. All devices, whether owned by Atticus or owned by employees, that have access to Atticus’ networks and information resources are governed by this Data Security & Information Privacy Policy. Usage of applications, including cloud storage software, by employees on their own personal devices, are also subject to this policy.

IV. POLICY

1. Data Governance

Atticus is committed to protecting and safeguarding the data that it collects and recognizes this data as a critical asset. Atticus maintains a tiered data governance structure, managed by the Director of Information Technology and enforced by Atticus executive leadership, that governs individual Users access to data. This governance structure is further maintained through enforced processes, standards, and procedures to ultimately ensure appropriate use of data and/or management of data.



2. Internal Use of Data

Any client data and class member data records that Atticus collects, and stores are used only to fulfill Atticus' requirement as a third-party administrator under the terms of the Case Court Documents. This information is only available to Users as set forth by Atticus' tiered data governance structure.

3. External Use & Disclosure of Data

Atticus follows the direction and instructions outlined in the Case Court Documents for handling class member data records. All sensitive and non-public client data, class member data, and information for a case that is provided to Atticus, is the property of Atticus and may not be shared, used, or otherwise communicated outside of Atticus or outside the scope of the project. In cases where a contractor partner is used, only those who have been approved and authorized by Atticus management and have a privacy policy (or data security policy) consistent with Atticus' Data Security & Information Privacy Policy are allowed to be used.

4. Data Security & Information Privacy Policy

Electronic transmission, delivery or receipt of sensitive data is only permitted using SFTP technology. Delivery or receipt of hardcopy sensitive data is only permitted using the US Mail System or a courier as approved by Atticus management.

Atticus complies with all state and federal regulations that apply to data security.

Once a case has closed, Atticus will destroy all hardcopy documents containing sensitive data within twelve months. Regarding all electronic case data (including sensitive data), Atticus maintains this data for up to five years following the closure of the case. In the event Court Case Documents specify unique data retention/return requirements, those requirements shall prevail over Atticus' standard retention/return policy.

5. Computing Devices & Access to Atticus Information Database and Network

Only Atticus IT approved devices may be used to access Atticus' information database and network. All devices must be protected with an employee's user access level systems username and password required at the time the device is powered on.

Access to database and network information must be authenticated using two-factor authentication.

Sensitive data shall not be stored on the device. However, in the event there is no alternative to device storage, all sensitive data must be encrypted with password protection.

Atticus prohibits the use of public cloud storage for any client specific data.

Unattended devices must be logged out and locked when unattended, and additionally configured to automatically be logged out of and screen locked after 10 minute or more of inactivity.

All devices that access Atticus' information database and network infrastructure shall have active and up-to-date anti-malware and firewall protection.

6. Breaches in Security and Policy Violation

Breaches in security, whether actual or suspected, must be reported immediately to Atticus' Director of Information Technology. The Director of Information Technology and executive management will assess the breach for scope and severity and take appropriate action to mitigate and/or eliminate.



If the Director of Information Technology and/or executive management, is made aware a User has failed to comply with Atticus' Data Security & Information Privacy Policy, they will identify and apply appropriate consequences to the User. Consequences may be as severe as termination of employment or termination of contract and/or further legal action. If there is a concern about a breach involving the Director of Information Technology, concerns should be immediately directed to the Chief Operating Officer.

If there is a data breach with a vendor/contractor, the contractor must comply with all applicable state and federal laws that require the notification to individuals (or other affected parties) in the event of unauthorized release of sensitive personal information or confidential data. Contractors must notify Atticus within 24 hours of the incident. Atticus reserves all rights to act under the terms of any applicable contract, including indemnification and/or termination of the contract.

7. General Atticus Information Security and Privacy Standards

- **Annual security training.** Training and review of the Information Security and Privacy Standards are provided to Atticus Employees on an annual basis. Periodic security reminders may be used to reinforce computing device security procedures, updates, or changes.
- **Minimum necessary.** Employees shall only have access to the minimum amount of data necessary to perform their job duties.
- **Lost devices.** Employees must immediately report any lost or stolen devices so access to systems can be deactivated.
- **Unauthorized access.** Any unauthorized access to a device or company data must be immediately reported.
- **Rooting Mobile computing devices.** Mobile computing devices must not be "rooted" or have unauthorized software/firmware installed. A mobile device is considered "rooted" if the internal protections of the device have been compromised or modified to allow control access to the operating system.
- **Content.** Employees shall not load illegal content or pirated software onto devices.
- **Software installs.** Only approved applications are allowed on the computing devices that connect to Atticus' information database and network.
- **Patch management.** Computing devices and applications must be kept up-to-date. Patches should be installed within 30 days of release.
- **Anti-malware.** All computing devices must have active and up-to-date anti-malware protection software. encryption. Encryption shall be used to protect sensitive information.
- **Firewalls.** Firewall is maintained at the headquarters location for the network and administered by the Director of Information Technology.
- **Work habits.** Employee shall use Atticus company applications and systems while at work. Access to certain outside applications, websites, and/or systems may be blocked within each Atticus computing device.
- **Backups.** Backups are performed twice daily on the network terminal server environment.
- **Internal applications.** Computing devices are installed with company internal applications on an as needed basis to Users. User access rights are maintained by the Director of Information Technology.
- **Exemptions.** A risk assessment and risk analysis shall be performed for any requests for exemptions from this Policy.

V. ENFORCEMENT

Any User found to have violated this policy may be subject to disciplinary action. Such action may be as severe as termination of employment or termination of contract and/or further legal action.

VI. DISTRIBUTION



This policy is to be distributed to all Users.

Policy History

Version	Date	Description	Approved By
1.0	8/1/2017	Initial policy release	Mai Vang – Director of Operations James Hardy – CFO/COO
2.0	11/5/2018	Policy Review	Joel Prest – Director of Information Technology James Hardy – CFO/COO
3.0	11/14/2019	Policy Review	Joel Prest – Director of Information Technology James Hardy – CFO/COO
4.0	11/10/2020	Policy Review	Joel Prest – Director of Information Technology James Hardy – CFO/COO
5.0	10/15/2021	Policy Review	Joel Prest – Director of Information Technology James Hardy – CFO/COO
6.0	10/12/2022	Policy Review	Joel Prest – Director of Information Technology James Hardy – CFO/COO
7.0	10/12/2023	Policy Review	Joel Prest – Director of Information Technology James Hardy – CFO/COO

BRYAN CAVE LEIGHTON PAISNER LLP

Allison C. Eckstrom, SBN 217255

allison.eckstrom@bclplaw.com

1920 Main Street, Suite 1000

Irvine, California 92614-7276

Telephone: (949) 223-7000

Facsimile: (949) 223-7100

Attorneys for Defendants

Walgreen Co.

UNITED STATES DISTRICT COURT

FOR THE NORTHERN DISTRICT OF CALIFORNIA

SERENA NARO, individually and on
behalf of all others similarly situated;
TRISH GONZALEZ, individually and
on behalf of all others similarly situated;
AND THE CALIFORNIA LABOR
AND WORKFORCE
DEVELOPMENT AGENCY *ex rel.*
SERENA NARO AND TRISH
GONAZALEZ, a California
governmental entity,

Plaintiffs,

v.

WALGREEN CO., an Illinois
corporation; and WALGREEN
PHARMACY SERVICES MIDWEST,
LLC, an Illinois corporation; and DOES
1-15,

Defendants.

Case No. 3:22-CV-03170

**DECLARATION OF JONATHAN
WILSON, M.S.**

DECLARATION OF JONATHAN WILSON

I, Jonathan Wilson, declare as follows:

1. I am a Partner at Resolution Economics LLC, a firm whose activities include conducting labor studies, performing economic and statistical analyses, and providing complex data analysis in connection with litigation and non-litigation issues. I testify to the foregoing facts of my own personal knowledge and, if called as a witness, could and would testify competently thereto under oath.

2. I have been retained in an expert or consulting capacity in more than 100 class-action matters alleging wage and hour violations under the FLSA and analogous state laws. In these matters, I am often asked to perform complex data analysis in connection with assessing potential liability, calculating potential damages, and generating class lists for the purpose of distributing settlement funds. I have been involved in numerous projects where the objective was collecting and analyzing data related to the work activities of groups of workers through the use of time and pay records, scientific surveys, time-and-motion studies, video observation studies, and other large-scale forensic data studies. I have studied the labor models and scheduling practices of major firms in numerous industries, including hospitality, manufacturing, agriculture, logistics, retail, healthcare, and many others. Finally, I regularly perform similar studies outside of the litigation context in conducting wage and hour audits and post-audit remediation. I hold an M.S. in Computer Science from the University of Southern California, a B.A. in Economics and a B.S. in Pure Mathematics from the University of California, Los Angeles. My resume is attached to this report as Exhibit A. My hourly rate is \$575 per hour for this matter.

3. I have been retained by counsel for Defendants Walgreen Co and Walgreen Pharmacy Services Midwest, LLC (“WPM”) to aid in the resolution of this matter through a review and analysis of data containing clothing item purchase

1 details in connection with this matter. I have been asked to provide counts of
2 employees who purchased clothing items at their own expense; the amount spent
3 by employees on purchases; and to review purchases by garment type. The putative
4 class is defined as all current and former non-exempt employees working in stores
5 or pharmacies in California who purchased garments at their own expense. I was
6 asked to analyze orders during the class period starting May 31, 2018 and
7 additionally during the PAGA period starting March 16, 2021. It is my
8 understanding that the parties in this matter jointly agreed to use this analysis as the
9 basis for mediation discussions.

10 4. In connection with the above assignment, I have been provided with
11 the following data and documents: Plaintiff's Class Action Complaint; Walgreen
12 clothing item order information from HPI from September 29, 2017 to September
13 17, 2020; Walgreen clothing item order information from Microsoft Access
14 Database from August 7, 2020 to May 7, 2021; Walgreen clothing item order
15 information from High Performance Uniforms (HPU) from August 24, 2021 to
16 March 20, 2023; payroll data from WPM's SAP system for all employees from May
17 31, 2018 to March 22, 2023; payroll deduction data from January 3, 2018 to July
18 12, 2023; employee job history data for all California employees from 2018 through
19 2023.¹

20 5. The HPI order data includes client number, invoice number, invoice
21 date, billing information, shipping information, payment type, item information and
22 amount. After removing observations with amounts of zero or missing garment
23 type and limiting the data to the putative class², there are 5,331 records. The HPU
24 data includes order number, store location, mail state, order date, amounts (tax,
25 shipping, credit card, payroll deduction, credit, total), employee ID, employee
26

27 ¹ Purchase data is not available between May 7, 2021 and October 16, 2021

28 ² The putative class includes any storefront or pharmacy employees. I limited the data by employee job title, removing any warehouse employees or exempt store manager positions.

1 name, product information, unit price and ship date. There were 499 order records
2 not fulfilled or issued which were removed from the analysis. After limiting the
3 data to fulfilled orders and the relevant putative class members, there are 70,905
4 records in the HPU data. The Access database includes information on order
5 number, date, employee ID, style number, quantity, order amount (unit price, tax,
6 shipping), and order payment comment. There are 40,438 order records after
7 removing orders with a quantity of zero and limiting to the putative class.
8 Combining the order datasets results in 116,674 total records with 77,743 unique
9 invoice numbers by employee³ and 28,843 unique employees.

10 6. There are three payment types listed in the HPI data. I understand
11 “CC” or “CHECK” to indicate the payment was made by the employee via credit
12 card or check, and “ELS” to mean “Employee Ledger System” which I identified
13 as payroll deductions. In the Access data orders with credit card information were
14 assumed to be paid by the employee, if the order comment contained “payroll amt”
15 the order was considered a payroll deduction, and all other orders were paid through
16 vouchers by Walgreens. There are fourteen different payment types in the HPU
17 data. I understand that a payment type of “CC” references credit card, and “PD”
18 references payroll deductions, which I understand both reflect payments made by
19 the employee. A combination payment type of “PDCC” means the employee split
20 the payment between a credit card and a payroll deduction. I am informed that
21 payment types “V” and “VE” are vouchers paid for by Walgreens.⁴

22 7. To summarize this data, payment types were categorized as either paid
23 for by the employee—i.e., by credit card or payroll deduction—or paid by
24 Walgreens—i.e., payments by voucher. There are 28,358 total orders paid for by
25

26 ³ Order numbers are not always unique by employee. There appear to be bulk orders, which show up as
27 multiple entries with differing employee IDs, but with the same invoice number. Invoice orders are
28 considered unique order number to employee ID combinations.

⁴ There are several other payment types, the majority of which are just combinations of those listed
above, e.g., “PDCC.”

1 the employee, 49,384 orders paid by Walgreens and 1 order missing a payment
2 method. Summarized by employee, there are 12,357 employees⁵ with credit card
3 or payroll deductions, 26,942 employees with voucher payments made by
4 Walgreens and 1 employee with an order missing a payment method.⁶

5 8. I was able to identify 12,553 putative class members who purchased a
6 garment at their own expense during the class period. When limited to the PAGA
7 period there were 9,140 employees who personally paid for a clothing item. There
8 were 28,509 weeks with personal orders during the class period and 18,827 weeks
9 with a personal order during the PAGA period.

10 9. In order to determine the amount paid for each line item in an order
11 the unit price was multiplied by the quantity and then added to the sales tax and
12 shipping⁷. Based on the order data, individual employees personally spent between
13 \$2.00 - \$829.30 with an average spending of \$61.53 during the class period⁸. For
14 the period of time with missing order data, May 8, 2021 – October 16, 2021, the
15 amount spent on personal orders was estimated separately. According to the payroll
16 deduction dataset, deductions for clothing items purchases from a third-party
17 vendor by putative class member during the period were approximately \$40,037.
18 To extrapolate the total amount in personal orders paid for by credit cards I took the
19 ratio of credit card to payroll deduction payments over the period with complete
20 data to extrapolate for the period with missing credit card orders. The total
21 extrapolated amount for credit card purchases is \$5,615.

22
23
24 ⁵ There are an additional 196 employees found exclusively in the deduction data with an identified
clothing item deduction that are included in the putative class counts.

25 ⁶ Employees can place more than one order and use different payment types, so these figures are not
additive.

26 ⁷ There were a few observations that this amount did not equal the total amount for the line item. The
27 difference between total order amounts and the calculated amounts is \$36,456 and added back to the
estimated total.

28 ⁸ Apparent group orders were excluded from this calculation. Group orders were identified as having
multiple sizes for the same item or large quantities which suggest the order was not for one individual.

10. The total estimated personal amount spent on clothing items during the class period is \$859,994. Assuming a \$100 penalty for the first pay period with personal order not reimbursed and \$200 penalty for subsequent pay periods with personal purchases, the total for PAGA reimbursement claim during the PAGA period is \$2,812,000. Table 1 below summarizes these amounts.

Table 1: Summary of Purchases	
Employees with Personal Order During Class Period	12,553
Employees with Personal Order During PAGA Period	9,140
Estimated Personal Purchases Total	\$859,994
Estimated PAGA for Reimbursement Claims	\$2,812,000

11. There are 122 garment types in the combined data. The SKUs in Table 2 were identified as items rarely purchased with the use of a voucher – and therefore considered voluntary purchases. When excluding voluntary purchases from the analysis there are 9,727 employees who personally paid for a clothing item order during the class period and 7,379 employees with a personal order during the PAGA period. Table 3 below summarizes the estimated amounts from Table 1 excluding payments for voluntary items. The average amount spent per employee on clothing items excluding voluntary items was \$46.28 with a minimum amount of \$4.80 to a maximum of \$680.30⁹.

⁹ Apparent group orders were excluded from this calculation. Group orders were identified as having multiple sizes for the same item or large quantities which suggest the order was not for one individual.

Table 2: SKUs Considered Voluntary Purchases

Style	Description
COVIDTEE	
RND2022	2022 Red Nose Day T-shirt
WB9000	Unisex Track Jacket
DEI250C	Navy Diversity Equity Inclusion T-shirt
DEI100	Light-Blue DEI T-shirt
REDNOSE	
WJ2021	Unisex Softball Jacket
HDT800	Blue Holiday Flare Long-Sleeve T-Shirt
HDT700	Red Holiday Flare Long-Sleeve T-Shirt
RND2023	2023 Red Nose Day T-shirt
WG9124CH	WG ASSOCIATE JACKET UNISEX
WG8124CH	WG ASSOCIATE JACKET MALE
HDH400	Solid Holiday Hat
HDH500	Striped Holiday Hat
WG8128CH	WG ASSOCIATE JACKET FEMALE
WB9500	DR Track Jacket Unisex
DEI500B	Unisex Black Diversity, Equity, and Inclusion T-shirt

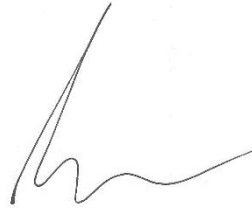
Table 3: Summary of Purchases – Excluding Voluntary Items

Employees with Personal Order During Class Period	9,727
Employees with Personal Order During PAGA Period	7,379
Estimated Personal Purchases Total ¹⁰	\$514,809
Estimated PAGA for Reimbursement Claims	\$1,655,900

¹⁰ The total deduction amount for the period 5/8/2021 – 10/16/2021 and the difference between the total amounts and reconstructed amounts cannot be individual calculated to exclude voluntary purchases, consequently the maximum amount is included in the total. The total estimated amount is likely higher than the actual amount spent on voluntary purchases.

1 I declare under penalty of perjury under the laws of the United States of
2 America that the foregoing is true and correct. This declaration was executed in
3 Charlotte, North Carolina on May 29, 2024.

4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28



Jonathan Wilson

Attachment A



1925 Century Park East
15th Floor
Los Angeles, CA 90067
Office: 310.275.9137
Fax: 310.275.9086
JWilson@resecon.com

JONATHAN WILSON, PARTNER AND CHIEF TECHNOLOGY OFFICER

Jonathan Wilson is a Partner and the Chief Technology Officer at Resolution Economics LLC, an economics and statistics consulting firm with offices in Los Angeles, Chicago, Washington, D.C., New York, and Charlotte. He holds a B.A. in Economics and B.S. in Pure Mathematics from the University of California, Los Angeles, and an M.S. in Computer Science (Data Science) from the University of Southern California.

Mr. Wilson has experience in a wide range of litigation support for single plaintiff and class action matters involving wrongful termination, meal and rest break compliance, off-the-clock work, regular rate of pay, misclassification, and other wage-and-hour claims. He specializes in interpreting complex databases, and preparing detailed analyses and damages models to assist clients both at mediation and at trial. He also regularly performs similar wage-and-hour compliance audits outside of the litigation context, specializing in the identification, remediation, and simplification of configurations in HR systems. Mr. Wilson has also been involved in the design and implementation of large scale, nationwide surveys and observation studies in both litigation and consulting contexts. Mr. Wilson also specializes in the analysis of lost wages, including evaluating job search efforts and mitigation opportunities within the labor market.

In his role as Chief Technology Officer, Mr. Wilson is also responsible for the development, implementation, and execution of the firm's overall Technology strategy.

Professional Experience

Assignments representative of Mr. Wilson's experience include the following:

Technology/Compliance Services

- Provided consulting services to counsel for a large manufacturing firm with presence in most U.S. states. Services included a full-scale audit of wage and hour practices across the nation, site visits, interviews with staff, policy review, data analysis, job description review, and system configurations. Worked with Counsel to finalize findings and present recommendations to firm stakeholders, and, upon approval, oversaw technical implementation of recommendations through various working sessions, configuration review, testing, and deployment.
- Provided consulting services to counsel for a large manufacturing parent company in connection with a recurring wage and hour compliance audit. Services included meeting with database administrators, gathering requirements, reviewing existing database schemas and structure, and creating complex pipeline that transformed time and pay data into highly detailed compliance reports on a regular, automated basis. In addition, liaised with system administrators to ensure proper implementation of changes.



- Provided consulting services to a Credit Union in connection with an audit to the firm's compliance with respect to the Regular Rate of Pay and compliance with wage statement laws. Services included detailed technical analysis of system configurations, identification of root causes, and recommendations regarding both configuration and methodological changes to existing system. Upon review and approval of changes, worked directly with HR and payroll provider to correct, test, and deploy new configurations to existing environment. Post-deployment, created simplified Excel tool that was configured to analyze payroll reports each pay period to ensure ongoing compliance.
- Provided consulting services to counsel for a large hotel chain in connection with a Wage and Hour compliance audit. Services included working with database administrators and payroll providers to map out entire payroll process, including rounding, paid meals, sick pay, automatic meal break premiums, rest and recovery pay for piece-rate employees, and regular rate of pay related to multiple pay rates and dozens of bonus codes (both "production" and "flat-sum")—for an employee population that included multiple unions with different requirements on top of existing Wage and Hour laws. Once process was mapped out, recommendations and findings were finalized with Counsel, including detailed multi-phase testing and deployment strategy. Upon approval, participated in implementation sessions with HR and payroll provider, and performed detailed testing involving hundreds of test cases that were efficiently managed, tested, and re-tested against configuration updates made inside test environment. Once all test cases were passed, configuration updates would be deployed to production environment, and the following payroll periods would be closely monitored, with highly efficient testing being conducted in the few hours between payroll submission/preview and payroll finalization. This process was repeated in multiple phases until all issues were successfully resolved.
- Provided consulting services to counsel for a high-profile entertainment firm in connection with a full-scale audit of wage and hour practices. Services included site visits, interviews with staff, policy review, data analysis, job description review, and system configurations. Created detailed report to CEO that outlined findings and recommendations related to organizational structure, policies, and practices.
- Provided consulting services to counsel for a nationwide healthcare staffing company in connection with a Wage and Hour compliance audit. Services included working together with Senior Database Administrator to merge disparate time and payroll databases into single data warehouse to ease future burden responding to legal production requests.
- Provided consulting services to counsel for a nationwide Pharmacy Chain in connection with a Wage and Hour compliance audit. Services included working with Senior Database Administrators to design efficient ways to store and produce massive quantities of data on ad-hoc basis reliably; and working with developers to implement, test, and deploy updates to timekeeping configurations.
- Provided consulting services to counsel for a large home healthcare provider in connection with an internal audit to assess compliance with Wage and Hour laws. Services included analyzing timekeeping and payroll data, conducting a detailed review of a sample of paper records, and providing recommendations to Counsel.



Consulting Services

- Provided consulting services to defense counsel for a senior-care provider in connection with a class-action case alleging various wage-and-hour related violations due to understaffing. Services included analyzing timekeeping data, and reviewing and commenting on opposing expert analysis.
- Provided consulting services to plaintiff's counsel for a financial professional in connection with a single-plaintiff case alleging wrongful discharge and fraudulent inducement of employment. Services included analysis of mitigation opportunities and estimating potential economic damages.
- Provided consulting services to defense counsel for a senior-care provider in connection with a class-action case alleging understaffing. Services included reviewing and commenting on opposing expert analysis, conducting a time-and-motion study to capture time spent on various activities, and analyzing timekeeping and resident assessment data.
- Provided consulting services to defense counsel for a large big-box retailer in connection with an internal compliance audit of post-shift activities. Services included conducting a large-scale observation study to assess the extent of potential wait times related to bag checks.
- Provided consulting services to defense counsel for a large pharmacy chain in a class-action case alleging various wage-and-hour related violations, including missed meals and missed rest breaks for Pharmacists. Services included examining case-related documents, processing timekeeping data to assess extent of break-related coverage, and commenting on a survey proposed by an opposing expert.
- Provided consulting services to defense counsel for a casino in a class-action case alleging various wage-and-hour related violations, including missed meals, missed rest breaks, and potential off-the-clock related to donning and doffing. Services included examining case-related documents and processing timekeeping, payroll, and proprietary casino management data to assess extent of issues and to estimate exposure. In addition, conducted a post-settlement audit of the entire firm's wage-and-hour practices to assist with ensuring compliance.
- Provided consulting services to defense counsel of a large pharmacy chain in a class-action case alleging various wage-and-hour related violations, including missed meals and missed rest breaks for key holders and Managers on Duty. Services included examining case-related documents and processing timekeeping data to assess extent of break-related coverage.
- Provided consulting services to city attorney in a single plaintiff matter brought by a former-convict with allegations of wrongful imprisonment. Services included examining case-related documents and estimating potential damages under various scenarios.
- Provided special master services to the Court in a case involving violation of Nevada State minimum wage laws against a taxi company. Services included organizing a large expedited data entry project, and presenting analysis to the Court at a hearing.



- Provided consulting services to defense counsel in a class-action case alleging various wage-and-hour-related violations, including missed meals, missed rest breaks, and overtime rate of pay calculations at an airline manufacturing facility. Services included processing and analyzing payroll and timekeeping data, and estimating exposure for mediation purposes.
- Provided consulting services to defense counsel in a large class-action matter alleging wait times due to bag checks at a large retailer. Services included designing and implementing a video observation study to capture the exit process at several of the company's locations, and performing a statistical analysis of results.
- Provided consulting services to defense counsel in a nationwide class-action case alleging misclassification of clinical research associates at a pharmaceutical research organization. Services included analysis of variability in billing practices, and estimation of potential exposure under various damages scenarios.
- Provided consulting services to defense counsel in a large class-action matter alleging wait times due to bag checks at a large big-box retailer. Services included reviewing and analyzing timekeeping data, designing and implementing a video observation study to capture the exit process at several of the company's locations, and performing a statistical analysis of results.
- Provided consulting services and expert testimony to defense counsel in a single plaintiff wrongful termination matter at a telecommunications company. Services included analysis of mitigation opportunities, reviewing and commenting on opposing expert analysis, estimation of economic damages, and deposition testimony.
- Provided consulting services to defense counsel in a single plaintiff personal injury matter against a city employee. Services including summarizing current published research and responding to opposing expert analysis.
- Provided consulting services to defense counsel in large multi-plaintiff matter alleging violation of anti-discrimination laws. Services included analysis of mitigation opportunities, review of opposing expert calculations, and estimation of economic damages.
- Provided consulting services and expert testimony to defense counsel in a wage-and-hour dispute involving unpaid commissions at a telecommunications company. Services included analysis of paper records, providing damages estimates, and deposition testimony.
- Provided consulting services to defense counsel in large, multi-plaintiff matter alleging misclassification of tipped employees for a nationwide restaurant chain. Services included assisting in the design, implementation, and management of an observation study across multiple states to capture the tasks performed by employees, and performing statistical analysis of observation study data related to establishing liability.



- Provided consulting services to defense counsel in matter alleging off-the-clock work, donning and doffing, improper time clock rounding, and related claims at a large beverage manufacturer. Services included reviewing and analyzing timekeeping and gate swipe data, designing and implementing an observation study to capture time spent on various activities, performing a statistical analysis of the observation data, and extrapolating the results to the entire putative class.
- Provided consulting services to defense counsel in a large class-action case alleging misclassification of assistant managers at a large grocery store chain. Services included assisting in the design, implementation, and management of an observation study across multiple locations to capture the tasks performed by employees, and performing statistical analysis of observation study data.
- Provided consulting services to defense counsel in a large class-action case alleging various wage-and-hour-related violations, including missed meals, missed rest breaks, and overtime rate of pay calculations at a large restaurant chain. Services included processing and analyzing payroll, timekeeping, and point-of-sale data, and estimating exposure for mediation purposes.
- Provided consulting services to defense counsel in several wrongful termination matters for associates and assistant managers at a large big box retailer. Services including reviewing various documents and company data, analyzing labor market data to create reasonable mitigation scenarios, and creating estimates of damages under each scenario.
- Provided consulting services to defense counsel in a single plaintiff wrongful termination matter for a city employee. Services including reviewing various documents and data, analyzing labor market data to create reasonable mitigation scenarios, and creating estimates of damages under each scenario.
- Provided consulting services to defense counsel in both non-litigation and multi-plaintiff matters alleging unpaid overtime at multiple apartment properties. Services included gathering and analyzing data, creating exposure models for settlement purposes, and assisting with claim administration data preparation.
- Provided consulting services to defense counsel in matter alleging violations of suitable seating laws at a large big-box retailer. Services included reviewing and analyzing point-of-sale data, designing and implementing a video observation study to capture time spent on various activities at several of the company's locations, and performing a statistical analysis of results.
- Provided consulting services to defense counsel in large multi-plaintiff matter alleging violation of anti-discrimination laws. Services included assisting in the implementation and execution of a market research survey, and performing statistical analysis of results.
- Provided consulting services to defense counsel in large class action matter alleging misclassification of tipped employees at a large restaurant chain. Services included designing a video observation study, consulting and supervising video installation technicians to ensure full video coverage in a selected restaurant, analyzing timekeeping and point-of-sale data, and preparing exposure model for mediation purposes.



- Provided consulting services to defense counsel in multi-plaintiff matter alleging misclassification of service technicians for a large nation-wide energy company. Services included assisting with the implementation and execution of an observation study, and assisting with the processing and analysis of observation study results.
- Provided consulting services to defense counsel in multi-plaintiff matter alleging meal and rest violations at a large trucking firm. Services included analysis of timekeeping, payroll, DOT transportation logs, and GPS data in connection with assessing the extent of potential break activity.
- Provided consulting services to defense counsel in a wage-and-hour dispute involving unpaid vacation and commissions at a large nation-wide manufacturer. Services included analysis of paper records and providing damages estimates.
- Provided consulting services to defense counsel in a wage-and-hour dispute involving misclassification of safety supervisors at an energy manufacturer. Services included analysis of time-estimates given at deposition, and the construction of a model to assess how much time was potentially spent on non-exempt duties.
- Provided consulting services to defense counsel in thousands of single plaintiff disputes involving misclassification of tipped employees for a nationwide restaurant chain. Services included analyzing timekeeping, payroll, and point-of-sale data and creating dozens of exposure models to assist with individual arbitrations.
- Provided consulting services to city attorney in a number of single plaintiff matters brought by former-convicts with allegations of wrongful imprisonment. Services included examining case-related documents, performing labor market analyses to develop suitable mitigation scenarios, and building models to estimate potential damages.
- Provided consulting services to city attorney in a multi-plaintiff matter alleging discriminatory practices by emergency responders. Services included processing extensive electronic dispatch records and GPS records, and measuring response times in different neighborhoods.
- Provided consulting services to defense counsel in a wrongful termination case involving a single plaintiff retail employee with disabilities. Services included analyzing case-related documents to estimate potential exposure, working with a vocational rehabilitation expert to determine worklife expectancy and offset positions.
- Provided consulting services to defense counsel in a wrongful termination and case involving several employees for a translation company. Services included analyzing case-related documents to estimate potential exposure.



Internal Projects

- Designed and Implemented overhaul of entire organization's IT infrastructure, including finance/accounting systems, e-mail servers, website, file systems, remote desktop servers, cloud computing servers, business intelligence systems, applicant tracking systems, communications systems, and security posture.
- Replaced legacy Time & Expense system with a unified Salesforce Time & Expense environment that pipelined directly into billing and accounting system; created advanced Project Tracking and Resource Management dashboards in Tableau; created detailed documentation and embedded tooltips to make Time & Expense system more user friendly.
- Replaced legacy Finance & Accounting system with a unified Salesforce and Accounting Seed deployment; designed and implemented pipeline into a Tableau data mart; created advanced Finance & Accounting reporting dashboards in Tableau; streamlined and automated many tasks and workflows (e.g., the entire invoicing and approval process); created detailed documentation and embedded tooltips to make Accounting system more user friendly.
- Upgraded organization communication infrastructure, consolidating disparate VoIP phone systems, migrating email servers into Microsoft 365, and securely decommissioning old servers.
- Upgraded organization website including content, graphics, user-interface, back-end, and Applicant Tracking System.
- Upgraded organization file system; designed and architected new infrastructure for all five offices; migrated over 200TB of data from existing Cohesity file servers into secure, unified cloud-deployment using the Nasuni file system, including robust backup and failover protocols; installed local caches at each endpoint to eliminate latency from end user perspective.
- Upgraded entire organization's SAS code processing infrastructure, decommissioning old desktop servers and migrating into a Linux-based centralized SAS GRID deployment; designed and architected code processing flow, including load balancing across multiple dimensions at multiple stages, an advanced auto-scaling procedure that expands and contracts the computing environment based on real-time demand for resources, and high-performance burst-computing when demand is critical; implemented Kerberos authentication to connect to existing Windows Active Directory permission structure.
- Upgraded Remote Desktop infrastructure from to expand scalability from a more manual approach to load balancing to an auto-balancing, fully scalable Remote Desktop environment with a single access point that is invisible to the end user.
- Authored IT policies for the organization, including the Written Information Security Policy, Incident Response and Disaster Recovery protocols, and several FAQs; implemented regular disaster-recovery exercises to ensure protocols are up to date, practical, and efficient.



- Upgraded existing security posture by initiating regular white-hat phishing exams, penetration testing, and vulnerability scanning; implemented a firm-wide annual security training regimen; tidied up existing practices to enable all users to be more proactive about cybersecurity threats.
- Designed, built, and maintain several databases containing a variety of labor market data utilized by staff in normal course of business.
- Upgraded IT helpdesk system to align with existing standards; onboarded a new IT MSP to assist with helpdesk support; implemented new ticketing system, including proactive monitoring process utilizing ticket volume to establish an early-warning alert system; installed monitoring dashboards on all existing servers

Education

University of California, Los Angeles

Bachelor of Arts and Science, Economics and Pure Mathematics

University of Southern California

Master of Science in Computer Science (Data Science)

Employment History

Resolution Economics LLC

2013 – Present: Partner and Chief Technology Officer; Director; Senior Manager; Manager; Senior Consultant; Consultant; Analyst/Observer

Other Professional Activities

Mr. Wilson assisted with designing and served as a guest lecturer for the University of Southern California's Economic Consulting course (ECON 474L).

1 **AIMAN-SMITH & MARCY**
PROFESSIONAL CORPORATION

2 Randal B. Aiman-Smith, #124599
3 Reed W.L. Marcy, #191531
4 Hallie Von Rock, #233152
5 Brent A. Robinson, #289373
6 Lisseth Bayona, #338135
7 7677 Oakport St., Suite 1150
8 Oakland, CA 94621
9 T 510.817.2711
F 510.562.6830
ras@asmlawyers.com
rwlm@asmlawyers.com
hvr@asmlawyers.com
lb@asmlawyers.com

Attorneys for Plaintiffs

10 **UNITED STATES DISTRICT COURT**

11 **FOR THE NORTHERN DISTRICT OF CALIFORNIA**

14 SERENA NARO, individually and on)
15 behalf of all others similarly situated;)
16 TRISH GONZALES, individually and)
17 on behalf of all others similarly situated;)
18 AND THE CALIFORNIA LABOR)
19 AND WORKFORCE)
20 DEVELOPMENT AGENCY *ex rel.*)
SERENA NARO AND TRISH)
GONZALES, a California)
governmental entity,)

Plaintiff,

v.

23 WALGREEN CO., an Illinois)
24 corporation; and WALGREEN)
25 PHARMACY SERVICES MIDWEST,)
1-15,)
26 Defendants.)

Case No.: 4:22-cv-03170-JST

Assigned for All Purposes to:
Hon. Jon S. Tigar
Courtroom 6

**[PROPOSED] ORDER GRANTING
PRELIMINARY APPROVAL OF CLASS
ACTION AND PAGA REPRESENTATIVE
ACTION SETTLEMENT**

Date: April 10, 2025
Time: 2:00 PM
Dept: 6

Complaint Filed: May 31, 2022

1 The Renewed Motion for Preliminary Approval of Class Action and PAGA
2 Representative Action Settlement, filed by Plaintiffs Serena Naro and Trish Gonzales
3 (“Plaintiffs”), came on for hearing regularly in Courtroom 6 of the above captioned court, the
4 Honorable Jon S. Tigar, presiding, on April 10, 2025. Defendants Walgreen Co., and
5 Walgreen Pharmacy Services Midwest, LLC (collectively “Defendants”) do not oppose the
6 motion.

7 Having reviewed the papers and documents presented, having heard the statements of
8 counsel, and having considered the matter, the Court HEREBY ORDERS THE
9 FOLLOWING:

10 1. The Court hereby GRANTS preliminary approval of the terms and conditions
11 contained in the Settlement, attached as **Exhibit 1** to the Declaration of Hallie Von Rock in
12 Support of Plaintiff’s Renewed Motion for Preliminary Approval of Class Action and PAGA
13 Representative Action Settlement. The Court preliminarily finds that the terms of the
14 Settlement appear to be within the range of possible approval, pursuant to Federal Rule of
15 Civil Procedure 23 and applicable law.

16 2. The Court finds on a preliminary basis that: (1) the settlement amount is fair
17 and reasonable when balanced against the probable outcome of further litigation relating to
18 class certification, liability and damages issues, and potential appeals; (2) sufficient
19 discovery, investigation, research, and litigation have been conducted such that counsel for
20 the Parties at this time are able to reasonably evaluate their respective positions; (3)
21 settlement at this time will avoid substantial costs, delay, and risks that would be presented
22 by the further prosecution of the litigation; and (4) the proposed Settlement has been reached
23 as the result of intensive, serious, and non-collusive negotiations between the Parties.
24 Accordingly, the Court preliminarily finds that the Settlement was entered into in good faith.

25 3. The Court hereby GRANTS conditional certification of the provisional
26 Settlement Class, in accordance with the Settlement, for the purposes of this Settlement only.
27 The Settlement Class is defined as all current and former non-exempt employees of
28 Defendants working in Defendants’ retail stores and/or pharmacies within California who

1 purchased clothing items at their own expense from one of Walgreens' third-party clothing
2 vendors during the period of May 31, 2018 through the date of the Court's order granting
3 preliminary approval of the Settlement.

4 4. The Court hereby authorizes the retention of Atticus Administration
5 ("Atticus") as Settlement Administrator for the purpose of the Settlement, with reasonable
6 administration costs currently estimated at \$37,200, and not to exceed \$45,000.

7 5. The Court hereby conditionally appoints Aiman-Smith & Marcy PC as
8 Counsel for the Class.

9 6. The Court hereby conditionally appoints Plaintiffs Serena Naro and Trish
10 Gonzales as Representatives for the Class.

11 7. The Court hereby APPROVES the Notices of Settlement attached to the
12 Settlement as **Exhibits A and B**. The Court finds that the Notice of Settlement, along with
13 the related notification procedure contemplated by the Settlement, constitute the best notice
14 practicable under the circumstances and are in full compliance with the applicable laws and
15 the requirements of due process. The Court further finds that the Notice appears to fully and
16 accurately inform the Members of the Class of all material elements of the proposed
17 Settlement, of their right to be excluded from the Settlement, and of their right and
18 opportunity to object to the Settlement.

19 8. The Court hereby authorizes dissemination of the Notice of Settlement to the
20 Class. Subject to the terms of the Settlement, the Postcard Notice of Settlement shall be
21 mailed via first-class mail to the most recent known address of each Class Member within
22 the timeframe specified in the Settlement, and sent via email to all such persons for whom
23 Defendants have an email address. The Parties are authorized to make non-substantive
24 changes to the proposed Notice of Settlement that are consistent with the terms of the
25 Settlement and this Order.

26 9. The Court hereby APPROVES the proposed procedure for Members of the
27 Class to request exclusion from the Settlement, which is to submit a written statement
28 requesting exclusion to the Settlement Administrator during the time period permitted under

1 the Settlement. Any Members of the Class who submit a written exclusion shall not be a
2 member of the Class, shall be barred from participating in the Settlement, and shall receive
3 no benefit from the Settlement.

4 10. Class Counsel's requests for attorneys' fees in the amount of one-third
5 (33.33%) of the Gross Settlement Amount, or \$316,666, plus their costs, not to exceed
6 \$20,000, are set forth in the Notice and are to be considered as part of Plaintiffs' motion for
7 attorney's fees and costs to be heard at the time of the final fairness hearing. Class Members
8 may file objections to the motion for attorney's fees and costs with a deadline for objections
9 to be 14 days prior to the final approval hearing.

10 11. The Court ORDERS that Class Counsel shall file a motion for final approval of
11 the Settlement, with the appropriate declarations and supporting evidence, including a
12 declaration setting forth the identity of any members of the Class who request exclusion from
13 the Settlement, with a deadline to file of 30 days prior to the final approval hearing.

14 12. The Court ORDERS that Class Counsel shall file a motion for approval of the
15 fee and cost award and of the service awards to the Class Representatives, with the
16 appropriate declarations and supporting evidence, to be heard at the same time as the motion
17 for final approval of the Settlement, with a deadline to file of 30 days prior to the final
18 approval hearing.

19 13. The Court further ORDERS that each Member of the Settlement Class shall be
20 given a full opportunity to object to the Settlement and request for attorneys' fees, and to
21 participate at a Final Approval Hearing, which the Court sets to commence on September 18,
22 2025, or alternatively on [] at 2:00 p.m. in Courtroom 6 of the United
23 States District Court, Northern District of California. Any Class Member seeking to object to
24 the proposed Settlement may file such objection in writing with the Court and shall serve
25 such objection on the Settlement Administrator.

26 14. Accordingly, GOOD CAUSE APPEARING, the Court hereby APPROVES the
27 proposed Notice of Settlement and the proposed notice process, and adopts the following
28 dates and deadlines:

1 2	Date of preliminary approval of the Settlement as to the Class	
3 4 5 6 7 8 9 10 11 12	Deadline for Defendants to pay the Administrator all amounts awarded and approved by the Court (“Payment Date”)	<p>The latest of:</p> <ul style="list-style-type: none"> • 15 business days following the entry of a Judgment finally approving this Settlement • If an objection is filed, 15 business days after any deadline to file an appeal has expired • If an appeal has been taken or sought, 15 business days after the Judgment is finally affirmed by an appellate court with no possibility of subsequent appeal or judicial review, or the date the appeal(s) or reviews are finally dismissed
13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28	Deadline for Defendants to provide to Administrator a list containing, for each Class Member, the following information: (1) name; (2) last known address, email address (to the extent such information is maintained in Defendants’ Human Resources Information System) and phone number (to the extent such information is maintained in Defendants’ Human Resources Information System); (3) Social Security number; (4) the total amount spent on clothing items purchased by each Settlement Class Member at their own expense from one of Walgreens’ third-party clothing vendors during the Class Period; and (5) the total number of pay	Within 10 court days of the Court’s Preliminary Approval Order

1	periods that each Aggrieved Employee	
2	purchased clothing items at their own	
3	expense from one of Walgreens' third-party	
4	clothing vendors during the PAGA Period.	
5	Deadline for Administrator to mail and email	Within 21 court days after entry of the
6	the Class Notice to Class Members	Preliminary Approval Order
7	Deadline for Settlement Class Members to	Within 60 days after Notice is initially
8	postmark request to opt-out or file objections	mailed to the class
9	to the Settlement	
10	Deadline for Administrator to provide the	At least 10 days prior to the Final
11	Court with a declaration attesting to	Approval Hearing
12	completion of the notice process	
13	Deadline for filing of Final Approval Motion	30 days prior to the Final Approval
14	and Motion for Attorney's Fees	Hearing
15	Deadline for Settlement Class Members to	14 days prior to the Final Approval
16	file objections to the Motion for Attorney's	Hearing
17	Fees	
18	Final Approval Hearing	[Proposed] September 18, 2025 [if
19		preliminary approval is granted by April
20		10, 2025]
21	Effective Date	The date that the Court's judgment
22		approving this settlement becomes final.
23		For purposes of this Agreement, the
24		judgment "becomes final" upon the last
25		to occur of the following:
26		i. The entry of a Judgment finally
27		approving this Settlement, provided no
28		

	<p>objection is made to this Settlement prior to or at the hearing for approval of this Settlement, or if any objection is made, but is resolved formally and withdrawn prior to the final approval hearing of this Settlement.</p> <p>ii. If an objection to this Settlement is made before or at the hearing for approval (that is not resolved prior to the hearing and is formally withdrawn), thirty-one (31) calendar days after the Judgment is entered, provided no appeal is filed.</p> <p>iii. If an appeal has been taken or sought, seven (7) calendar days after the date the Judgment is finally affirmed by an appellate court with no possibility of subsequent appeal or other judicial review, or the date the appeal(s) or other judicial review are finally dismissed (and upholding the Settlement) with no possibility of subsequent appeal or other judicial review.</p>
Deadline for Administrator to make all payments due under the Settlement	Within ten (10) business days of the Payment Date

1	Check-cashing deadline	180 days after issuance
2	Deadline for Administrator to distribute	As soon as practicable after check-
3	uncashed check funds to cy pres	cashing deadline
4	Deadline for Plaintiffs to file a Post-	Within 21 days after the distribution of
5	Distribution Accounting	any remaining monies to the cy pres
6		recipient

7
8 15. The Court further ORDERS that, pending further order of this Court, all
9 proceedings in the Action, except those contemplated herein and in the Settlement, are
10 stayed, and all deadlines are vacated.

11 16. If for any reason the Court does not execute and file a Final Approval Order
12 and Judgment, the proposed Settlement subject to this Order and all evidence and
13 proceedings had in connection with the Settlement shall be null and void.

14 17. The Court may, for good cause, extend any of the deadlines set forth in this
15 Order or adjourn or continue the final approval hearing without further notice to the Class.

16 **IT IS SO ORDERED.**

17
18
19 Dated: _____

20 HON. JON S. TIGAR

21 United States District Judge,

22 Northern District of California
23
24
25
26
27
28