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on behalf of herself and others similarly situated

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SACRAMENTO

JOSHUA BARRANTES, on behalf of
himself and all others similarly situated, and
the general public,

Plaintiff,

v.

ADIDAS AMERICA, INC., an Oregon
corporation; and DOES 1 through 50,
inclusive,

Defendants.

Case No.: 24CV012723

CLASS ACTION

Assigned for All Purposes To:
Hon. Lauri A. Damrell

**DECLARATION OF DAVID KELEDJIAN
IN SUPPORT OF PLAINTIFF'S MOTION
FOR PRELIMINARY APPROVAL OF
CLASS ACTION AND PAGA
SETTLEMENT; EXHIBITS 1-4**

Date: March 13, 2026
Time: 9:00 a.m.
Dept.: 22

Original Complaint Filed: June 25, 2024

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5. On June 25, 2024, Plaintiff commenced a Class and Representative Action by filing a Complaint alleging eleven causes of action against Defendant for (1) Failure to Provide Meal Periods (Lab. Code §§ 204, 223, 226.7, 512 and 1198); (2) Failure to Provide Rest Periods (Lab. Code §§ 204, 223, 226.7 and 1198); (3) Failure to Pay Hourly Wages and Overtime (Lab. Code §§ 223, 510, 1194, 1194.2, 1197, 1997.1, and 1198); (4) Failure to Pay Proper Sick Pay (Lab. Code § 246); (5) Failure to Provide Accurate Written Wage Statements (Lab. Code §§ 226(a)); (6) Failure to Timely Pay All Final Wages (Lab. Code §§ 201, 202 and 203); (7) Failure to Pay Wages Due, Negotiable and Payable in Cash on Demand (Lab. Code §§ 212 and 213); (8) Failure to Indemnify (Lab. Code § 2802); (9) Failure to Pay Split-Shift Premiums (IWC Order 1-15, § 4); (10) Unfair Competition (Bus. & Prof. Code §§ 17200 et seq.); and (11) Civil Penalties (Lab. Code § 2698, et seq.) (the “Action”).

6. Plaintiff contends that Defendant failed to pay all wages due and owing, by requiring systematic off the clock work, failed to pay all wages due on a timely basis during employment and upon termination, failed to pay overtime at the proper rates, failed to provide meal and rest breaks, failed to pay proper sick pay, failed to furnish and maintain accurate wage statements, failed to maintain accurate records, and failed to reimburse necessary business expenses.

Investigation

7. Before filing the lawsuit, conducted a thorough investigation and researched the facts and circumstances underlying the pertinent issues and applicable law. This required thorough discussions and interviews between Class Counsel and Plaintiff, in addition to the above-described research into the various legal issues involved in the case. After filing the lawsuit, Class Counsel conducted a thorough investigation of the facts and claims giving rise to the action, including (1) conducting informal discovery and meeting and conferring with defense counsel about same; (2) reviewing and analyzing records and data, as well as employment-related policies; (3) reviewing Plaintiff's personnel file and other documentation; (4) interviewing Plaintiff regarding potential Class Members; (5) researching the applicable law and potential defenses; (6) constructing damage models based on interpretations of California law and the facts and numbers provided by Defendant; and (7) reviewing information provided by Defendant in response to informal discovery and in

1 advance of the mediation. The Parties conducted their own evaluations of the potential recoveries
2 based on the claims alleged in the Action, including consulting experts.

3 8. Defendant, for its part, vigorously contested liability, the amount of claimed
4 damages, and the propriety of class certification. After analyzing the relevant documents and other
5 gathered data, Class Counsel believed that this case was appropriate for resolution via mediation.
6 Given the high level of risk present for both sides, the Parties elected to mediate Plaintiff's claims
7 and attempt settlement.

8 **Settlement Efforts**

9 9. On September 24, 2025, the Parties participated in an all-day mediation with Lonnie
10 Giamela, Esq., a skilled mediator experienced in wage and hour class actions. During mediation,
11 counsel for Plaintiff and Defendant discussed all aspects of the case, including the risks of continued
12 litigation and the risks to both parties of proceeding with a class certification motion, as well as the
13 law relating to unpaid wages, meal periods, rest periods, sick pay, wage statements, reimbursement
14 of necessary business expenses, and final pay. The Parties came to a settlement during the mediation.
15 The Parties continued to work together on a long-form Settlement Agreement following mediation,
16 which resulted in the Settlement Agreement before the Court for approval.

17 10. From Class Counsel's review of the facts, strengths, and weaknesses of the case and
18 the risks and delays posed by further litigation, Class Counsel believes that the recovery for each
19 Class Member is fair and reasonable. Further, the Settlement Agreement was the product of a non-
20 collusive settlement process in which the Parties were forced to make significant compromises in
21 the interest of reaching a full and complete settlement of the lawsuit.

22 **Summary of the Settlement**

23 11. Under the terms of the proposed Settlement Agreement, Defendant has agreed to pay
24 **\$1,147,500.00** ("Gross Settlement Amount" or "GSA") on a non-reversionary basis. (Exhibit 1,
25 Settlement Agreement, ¶ 3.1). In addition to and separate from the Gross Settlement Amount,
26 Defendant will pay the employers' portion of any payroll taxes on the wage allocation portion of
27 the individual settlement payments to Class Members. The Settlement Agreement defines the
28 "Class" as "all current and former employees within the State of California who, at any time from
October 2, 2021, to November 30, 2025, are or were employed as non-exempt retail hourly

employees by Defendant.” (Exhibit 1, Settlement Agreement, ¶ 1.5) The “Class Period” is defined as “October 2, 2021 to November 30, 2025.” (Exhibit 1, Settlement Agreement, ¶ 1.12) The Settlement Agreement also defines “Aggrieved Employees” as “all current and former employees within the State of California who, at any time from May 22, 2023, to November 30, 2025, are or were employed as non-exempt retail hourly employees by Defendant.” (Exhibit 1, Settlement Agreement, ¶ 1.4). The “PAGA Period” is defined as “May 22, 2023, to November 30, 2025.” (Exhibit 1, Settlement Agreement, ¶ 1.31) The “Net Settlement Amount,” available for distribution to Class Members, is the Gross Settlement Amount, less the Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. (Exhibit 1, Settlement Agreement, ¶ 1.28.) These amounts are detailed as follows:

- Class Counsel Fees and Litigation Expenses Payment: Up to one-third of the Gross Settlement Amount, or **\$382,500.00**, to Class Counsel as attorneys’ fees for the litigation and resolution of this Action and up to **\$19,000.00** for actual costs incurred in this Action. (Exhibit 1, Settlement Agreement, ¶ 3.2.2);
- Class Representative Service Payment: Up to **\$7,500.00** to Plaintiff as an award for his service as the class representative (Exhibit 1, Settlement Agreement, ¶ 3.2.1);
- Settlement Administration Costs Payment: A not-to-exceed amount of **\$24,000.00** to the Settlement Administrator for its fees and costs to administer the Settlement (Exhibit 1, Settlement Agreement, ¶ 3.2.3);
- PAGA Penalties Payment: **\$100,000.00** for settlement of claims for civil penalties under PAGA, with 25% (\$25,000.00) to be paid on a pro-rata basis to the Aggrieved Employees (“Individual PAGA Payments”) and 75% (\$75,000.00) allocated to the LWDA (“LWDA PAGA Payment”) (Exhibit 1, Settlement Agreement, ¶ 3.2.5).

12. If the Court approves the above allocations from the Gross Settlement Amount, the Net Settlement Amount is estimated to be **\$614,500.00**. Twenty percent (20%) of the “Net Settlement Amount” will be allocated to the settlement of wage claims (the “Wage Portion”) and will be subject to tax withholding and reported on an IRS W-2 Form. Each Class Member’s share of the Net Settlement Amount (“Individual Settlement Payment”) will be calculated based on the number of workweeks the Class Member worked during the Class Period. (Exhibit 1, Settlement

1 Agreement, ¶ 1.23). For the approximately 2,946 Class Members (if no exclusions), the average
2 gross Individual Share Payment, using a straight average, is \$208.58. The estimated average amount
3 each Class Member will receive per workweek based on the Net Settlement Amount and 160,000
4 workweeks is \$3.84. If the Court approves a lesser amount for any of the above requested allocations
5 from the Net Settlement Amount, the remainder will be added to the Net Settlement Amount to be
6 distributed to Class Members. (Exhibit 1, Settlement Agreement, ¶¶ 3.2.1–3.2.3, 3.2.5.2).

7 13. Not later than fifteen (15) calendar days after the Court grants Preliminary Approval
8 of the Settlement, Defendant will deliver the Class Information to the Settlement Administrator in
9 the form of a Microsoft Excel spreadsheet. The Settlement Administrator will mail the Class Notice
10 with Spanish translation to all Class Members in no event later than fourteen (14) days following
11 the receipt of Class Data via first class United States Postal Service (“USPS”) mail. (Exhibit 1,
12 Settlement Agreement, ¶ 7.4.2). Before mailing the Class Notice, the Settlement Administrator will
13 update Class Member addresses using the National Change of Address database. The Class Notice
14 includes a summary of the case and settlement terms and provides Class Members with detailed
15 instructions on how to exclude themselves, object to the settlement, and dispute the number of
16 workweeks and/or pay periods attributed to each Class Member per Defendant’s records. (Exhibit
17 A, Class Notice). Any mailing returned to the Settlement Administrator as undeliverable will be
18 sent within three (3) days via First Class U.S. Mail to the forwarding address affixed thereto, if
19 applicable. (Exhibit 1, Settlement Agreement, ¶ 7.4.3) If no forwarding address is provided, the
20 Settlement Administrator will attempt to determine the correct address again using all reasonably
21 available sources and methods, including the National Change of Address database, skip traces, and
22 direct contact by the Settlement Administrator with Class Members, and re-mail the Class Notice to
23 the most current address obtained. (Exhibit 1, Settlement Agreement, ¶ 7.4.3). Class Members will
24 have forty-five(45) days from the mailing of the Class Notice (plus an additional fourteen (14)
25 calendar days if they receive a re-mailed Notice) to opt out of or object to the Settlement or to dispute
26 the number of work weeks and/or pay periods. (Exhibit 1, Settlement Agreement, ¶ 7.4.4). The
27 parties selected Phoenix Settlement Administrators (“Phoenix”) to handle the notice and
28 administration of the Settlement based on the competitiveness of their bid, their competency in

1 administering settlements, and their responsiveness to the parties' counsel and settlement class
2 members. (Exhibit 1, Settlement Agreement, ¶ 7.1). Phoenix will have a website for Class Members
3 to review and reference for details regarding the Final Approval Hearing and any Final Approval
4 Order and Judgement. (Exhibit 1, Settlement Agreement, ¶ 7.8.1). If the Court grants final approval
5 of the Settlement, a copy of the Final Approval Order and Judgment will be posted on this website
6 for Class Members to review. The website will be provided to Class Members in the Class Notice
7 that is mailed to them.

8 **Certification for Settlement Purposes Only is Appropriate**

9 14. Plaintiff alleges that the proposed Class satisfies the criteria for certification of a
10 settlement class under California law, as embodied in California Code of Civil Procedure § 382.
11 Defendant has agreed to the conditional certification of the class for settlement purposes only.
12 Defendant does not concede that certification is appropriate outside of this Settlement and preserves
13 all rights to oppose certification if, for any reason, the Settlement does not become effective. In
14 general, courts may take a proposed settlement into account in evaluating the propriety of class
15 certification. *See Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1807 fn. 19. Indeed, a “lesser
16 standard” of scrutiny applies in certifying classes for settlement purposes. *Id.* Therefore, the Court
17 should take into consideration the fact that the Parties have settled their claims and stipulated to
18 certification for settlement purposes when assessing whether the Settlement is fair and reasonable.

19 15. Numerosity and Ascertainability. The putative Class is so numerous that joinder of
20 all members is impractical. Class Members are all current and former non-exempt, hourly employees
21 of Defendant employed in California during the Class Period (October 2, 2021, to November 30,
22 2025). Defendant has identified 2,946 Class Members based on a review of its payroll and personnel
23 records. Thus, the requirements of numerosity and ascertainability are met here.

24 16. Well-Defined Community of Interest. Plaintiff contends, and Defendant does not
25 dispute for settlement purposes only, that common issues of fact and law predominate as to each of
26 the claims alleged by Plaintiff, and the Class is united in its proof. This action involves, *inter alia*,
27 a determination about Defendant's alleged failure to pay wages and overtime due to off-the-clock
28 work, failure to provide meal and rest periods, failure to pay proper sick pay, the resulting failure to

1 pay timely and final wages when required and to provide accurate wage statements, failure to
2 reimburse business expenses, and largely derivative claims under the UCL and PAGA. Plaintiff
3 contends Defendant's practices affected Class Members in the same way and presents questions that
4 are suitable for common adjudication because all Class Members were subject to the same
5 employment policies and practices. The outcome of litigation in this matter depends upon questions
6 that are common to Class Members.

7 17. Typicality. The class representatives' claims are typical when they arise from the
8 same event, practice, or course of conduct that gives rise to the claims of other putative Class
9 Members and if their claims rest on the same legal theories. Here, Plaintiff alleges that his claims
10 are typical of Class Members' claims because they arose from the same factual basis and are based
11 on the same legal theories. Plaintiff and Class Members were employed by Defendant during the
12 Class Period and were subject to the allegedly unlawful meal and rest policies and pay practices at
13 issue in this litigation. Thus, the typicality requirement is satisfied.

14 18. Adequacy. Plaintiff's interests are aligned with those of the Class Members, as he
15 has suffered the same injuries as the Class Members and has no conflicts of interest. Plaintiff has
16 not shrunk from this responsibility. Indeed, Plaintiff has devoted a substantial amount of time and
17 energy to litigating this action and effectuating a settlement. Furthermore, as set forth below, Class
18 Counsel are experienced in wage-and-hour litigation, especially class actions, and have zealously
19 represented the interests of the class in litigating this case and have no conflicts of interest.
20 Accordingly, the adequacy requirement is satisfied.

21 19. Predominance and Superiority. Plaintiff contends that individualized issues do not
22 predominate over the issues of law and fact that are common to the Class as a whole. As explained,
23 *supra*, Plaintiff alleges there are common issues of law and fact given that Plaintiff and all Class
24 Members were subjected to the same policies and pay practices during the relevant time period.
25 Plaintiff and Class Members seek meal and rest premiums, unpaid wages and overtime, and
26 penalties for work performed as non-exempt employees for Defendant. Plaintiff alleges that these
27 issues are suitable for common adjudication because all Class Members were allegedly subject to
28 the same employment policies, and Plaintiff contends the practices applied uniformly to all Class

Members.

20. Plaintiff contends that class resolution is superior to other available methods for the fair and efficient adjudication of the controversy as there is little interest or incentive for Class Members to individually control the prosecution of separate actions. Although the alleged injury resulting from Defendant's policies and practices are allegedly real and significant, the cost of individually litigating each such case against Defendant would easily exceed the value of any relief that could be obtained by any one Class Member individually. If Class Members are forced to litigate their claims individually this would result in over 2,946 individual actions against Defendant. Here, the alternative methods of resolution are individual suits for relatively small amounts. Hence, an individual suit would prove uneconomical for potential plaintiffs because litigation costs would dwarf a potential recovery.

The Settlement is Fair, Adequate, and Reasonable

21. In deciding whether to approve a proposed class action settlement, the Court must find that a proposed settlement is "fair, adequate, and reasonable" and falls within the "range of approval." *Dunk v. Ford Motor Co.*, supra, (1996) 48 Cal.App.4th at. Pp. 1801-1802. The trial court considers all relevant factors, such as "the strength of plaintiffs' case, the risk, expense, complexity and likely duration of further litigation, the risk of maintaining class action status through trial, the amount offered in settlement, the extent of discovery completed and the stage of the proceedings, the experience and views of counsel, the presence of a governmental participant, and the reaction of the Class Members to the proposed settlement." *Id.* The Settlement satisfies all of these requirements.

A. The Settlement is the Result of Serious, Informed, Non-Collusive Negotiations.

22. The proposed settlement was reached as a result of arm's length negotiations after the completion of pertinent discovery and the exchange of necessary Class Information. The negotiations have been, at all times, adversarial and non-collusive in nature. *See*, 4 Newberg on Class Actions § 13:45 (5th ed.) (due to the preference of settlement over litigation, "a court will presume that a proposed class action settlement is fair when certain factors are present, particularly evidence that the settlement is the product of arms-length negotiation, untainted by collusion.").

1 Although Plaintiff steadfastly maintains that his claims are meritorious, Plaintiff acknowledges that
2 there were substantial risks and uncertainty in proceeding with litigation. As described below,
3 Defendant presented multiple defenses to Plaintiff's claims, both on the merits and with respect to
4 class certification. Thus, while Plaintiff was prepared to litigate these claims through class
5 certification, and ultimately trial, success was far from certain. Assistance from a well-respected
6 mediator ensured that negotiations were non-collusive and well-informed.

7 **B. Extent of Discovery and Stage of Proceedings.**

8 23. As stated above, the Parties engaged in substantial informal discovery before the
9 Settlement was reached to allow them to fully evaluate the class claims and Defendant's defenses.
10 This litigation has reached the stage where the Parties have a clear view of their respective strengths
11 and weaknesses.

12 **C. Strength of Plaintiff's Case and the Risk, Expense, Complexity, and Likely Duration**
13 **of Any Litigation.**

14 24. Plaintiff's claims are based on Defendant's alleged failure to pay wages (including
15 overtime), failure to provide meal and rest periods, failure to reimburse business expenses, failure
16 to pay proper sick pay, the resulting failure to pay final wages when required and provide accurate
17 wage statements, and largely derivative claims under the UCL and PAGA.

18 25. Plaintiff alleges that Defendant failed to pay Plaintiff and Class Members at least
19 minimum wages for all hours worked and proper overtime wages for hours worked in excess of
20 eight hours in a day and 40 hours in a week. Specifically, Plaintiff and Class Members were required
21 to undergo mandatory security bag checks before clocking in for work and after clocking out for the
22 day. Next, Plaintiff and Class Members were also consistently required to perform work, including
23 helping customers, after clocking out of their shift.

24 26. Defendant contends that it did not require off the clock work, paid for all reported
25 hours worked, that Class Members were instructed and required to record all hours worked, and that
26 any alleged off the clock work was performed without Defendant's knowledge and was de minimis,
27 and that it paid wages at the proper rates. Defendant also argues that given its written policies and
28 practices, any unrecorded hours are likely subject to individualized inquiry and unlikely to be

1 certified. Given the difficulty in certifying this claim, Class Counsel applied a significant discount
2 to damages based on this theory.

3 27. Plaintiff also alleges that Defendant failed to provide proper meal breaks to Plaintiff
4 and Class Members. Specifically, the uncompensated pre-shift hours delayed Plaintiff and Class
5 Members' meal periods to commence after the completion of their fifth hour of work and Plaintiff
6 and Class Members' meal breaks were interrupted by work-related duties. Further, Plaintiff alleges
7 Defendant did not pay meal period premiums for these late and interrupted meal breaks.

8 28. Defendant contends that Class Members were given a reasonable opportunity to take
9 their meal periods, and when compliant meal periods were not provided, Defendant provided
10 premium pay to Class Members as reflected in their time and pay records. Defendant further
11 contends that the meal break claim requires individualized inquiries which would preclude class
12 certification. If Defendant's contentions are proven true and prevail in trial, the likely outcome
13 would be no recovery for the Class Members on the meal break claim.

14 29. Plaintiff also contends that Defendant did not provide Class Members with paid 10-
15 minute rest breaks for every hours or major fraction thereof. Specifically, Plaintiff contends that job
16 requirements and duties required of Class Members consistently manifested in a failure to authorize
17 and permit Class Members to take all their required rest breaks. Moreover, Plaintiff and Class
18 Members rest breaks were interrupted by work-related duties. Further, Plaintiff contends that
19 Defendant failed to pay premiums to Plaintiff and Class Members for missed rest breaks.

20 30. Defendant maintains that it did provide a reasonable opportunity for Class Members
21 to take duty-free rest breaks during their shifts and dispute all allegations that rest breaks were not
22 provided. Considering that unlike meal periods, rest breaks need not be recorded, these violations
23 would likely be difficult to prove at trial and potentially depress the damages ultimately awarded.
24 Therefore, Class Counsel applied significant and appropriate discounts to the rest break claim.

25 31. Plaintiff further contended Defendants failed to pay Plaintiff and Class Members proper
26 sick pay at their regular rate of pay. Specifically, Plaintiff and Class Members worked for
27 Defendants for more than 30 days but were not paid at least one hour of sick pay for every 30
28 hours of work, or at least 3 days of sick time for every 12-month period of work. Furthermore,

1 Plaintiff and Class Members were not able to use accrued paid sick days. Further, Plaintiff and
2 Class Members were not able to use paid sick days for COVID sick leave, as required for any part-
3 time employee with a variable work schedule that has worked for a company for more than seven
4 (7) days.

5 32. Additionally, Plaintiff alleges that Defendant required Plaintiff and Class Members
6 to wear a uniform with Defendant's logo present, but were not provided reimbursement for the full
7 cost of the uniform. Additionally, Plaintiff and Class Members were required to use their cellular
8 phones for work-related activities, including communicating with supervisors, the district manager,
9 and contacting local stores, for which they were not reimbursed. Defendant maintained that
10 individualized issues relating to this claim would preclude class certification.

11 33. As for the wage statement and waiting time penalties claims, Defendant contends
12 that these claims are merely derivative of the underlying claims and that Plaintiff and Class Members
13 would be unable to first establish liability for the underlying claims for the reasons described above.
14 Defendant further contends that even if they could first establish liability for the underlying claims,
15 Plaintiff and Class Members would be unable to establish that Defendant's conduct was willful and
16 knowing as required by the relevant statutes since Defendant acted in good faith to provide accurate
17 wage statements and pay all wages due to Plaintiff and Class Members. Thus, Defendant contends
18 that the wage statement and waiting time penalties claims to have little to no value.

19 34. Further, Defendant contends that the PAGA claim is also derivative of the underlying
20 claims in the Action and ultimately fails because the underlying claims have no merit. Defendant
21 also contends that even if Plaintiff and Class Members could establish Labor Code violations, the
22 Court has the discretion to award less than the maximum civil penalty amount and would award
23 substantially less civil penalties here because Defendant acted in good faith to comply with the
24 relevant wage and hour laws and any violations were minor and technical in nature.

25 35. Defendant generally denies all claims alleged in the Action and further denies class
26 and/or representative treatment is appropriate for any purpose other than this Settlement and that it
27 complied with all applicable laws. However, Defendant has concluded that further litigation would
28

1 be protracted and expensive and that it is desirable that the Action be fully and finally settled in the
2 manner and upon the terms and conditions herein.

3 36. As stated above, while Plaintiff and Class Counsel contend the claims asserted in the
4 Action have merit, they also acknowledge the expense, delay, and risks of continued litigation.
5 Although the Parties engaged in significant informal discovery in advance of mediation, the Parties
6 still had significant discovery to complete had the matter not settled. This would have required the
7 expenditure of substantial time and resources by both Parties that would have very likely spanned
8 several years. Even if Plaintiff were to certify the classes, the Parties would incur considerably more
9 attorney fees and costs through a possible decertification motion, trial, and possible appeal. This
10 Settlement avoids those risks and the accompanying expense.

11 **D. The Risk of Maintaining Class Action Status Through Trial.**

12 37. Plaintiff had not yet filed his motion for class certification, and as such, the extent to
13 which Plaintiff proposed classes were certifiable is somewhat speculative. Absent a settlement, there
14 was a risk that there would not be a certified class at the time of trial, or if there were, it could consist
15 of a significantly smaller group of employees than the proposed Settlement Class, resulting in less
16 overall recovery.

17 38. Finally, in class actions, decertification is always a possibility, and there is always a
18 risk that a trial of this magnitude can become unmanageable. Cases like *Duran v. U.S. Bank Nat.*
19 *Assn.* (2014) 59 Cal. 4th 1, 34 address the complexity of using statistical samples in class actions
20 and demonstrate that decertification is a real risk that Class Counsel must consider. A class trial
21 would have also required expert witnesses, the accrual of extensive litigation costs, and the
22 commitment of extensive further time and financial resources. Finally, given the complexity and
23 unsettled nature of the issues, it is somewhat likely that any outcome at trial would have resulted in
24 a lengthy and costly appeal. An appeal would result in further delay for the Class Members who
25 have already waited years for resolution in this matter. Risk and legal uncertainty must be dealt with
26 in any litigation, and this Settlement was the product of compromise accounting for those risks and
27 that uncertainty.

28 ///

1 **E. The Presence of a Governmental Participant.**

2 39. Class Counsel will be submitting the Settlement Agreement and this Motion to the
3 LWDA concurrently with the filing of this Motion pursuant to Labor Code § 2699(1)(2).

4 **F. The Amount Offered in Settlement is Fair Given the Potential Value of the Claims.**

5 40. Because the class consists of numerous employees, it was unlikely that the potential
6 monetary claims of individual Class Members would have proved viable without the class-action
7 mechanism. The Settlement Agreement should be approved in light of two California appellate
8 decisions: *Clark v. American Residential Services LLC* (2009) 175 Cal.App.4th 785 and *Kullar v.*
9 *Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116.

10 41. The strength of the Plaintiff's case in light of the settlement amount is deemed by
11 courts to be the "most important." *Clark v. American Residential Services, LLC* (2009) 175
12 Cal.App.4th 785, 799 (citing *Kullar*). Here, Plaintiff alleges that Defendant failed to pay all wages
13 due and owing by requiring systematic off the clock work, failed to pay all wages due on a timely
14 basis during employment and upon termination, failed to pay overtime at the proper rates, failed to
15 provide meal and rest breaks, failed to furnish and maintain accurate wage statements, failed to
16 maintain accurate records, and failed to reimburse necessary business expenses, all in violation of
17 California law. Plaintiff seeks related violations of California's Business & Professions Code,
18 penalties pursuant to Labor Code § 2699 *et seq.* Summary calculations for estimated liability for
19 each of these claims follow.

20 Failure to Pay Minimum and Overtime Wages:

21 42. Plaintiff alleges that Defendant failed to pay Plaintiff and Class Members at least
22 minimum wages for all hours worked and proper overtime wages for hours worked in excess of
23 eight hours in a day and 40 hours in a week. Specifically, Plaintiff and Class Members were required
24 to undergo mandatory security bag checks before clocking in for work and after clocking out for the
25 day. Next, Plaintiff and Class Members were also consistently required to perform work, including
26 helping customers, after clocking out of their shift. Further, Plaintiff alleges that Plaintiff and Class
27 Members earned split-shift premiums, which were not factored into their regular rate of pay. The
28 forgoing and uncompensated working time was under the direction and control of Defendants, for

1 which no wages were paid.

2 43. Defendant contends that it did not require off the clock work, paid for all reported
3 hours worked, that Class Members were instructed and required to record all hours worked and that
4 any alleged off the clock work was performed without Defendant's knowledge and was de minimis,
5 and it paid wages at the proper rates. Defendant also argues that given its written policies and
6 practices, any unrecorded hours are likely subject to individualized inquiry and unlikely to be
7 certified. Given the difficulty in certifying this claim, Class Counsel applied a significant discount
8 to damages based on this theory.

9 44. Class Counsel's expert estimated Defendant's exposure on the unpaid wages claims to be
10 approximately \$1,893,045 (assuming 10 minutes of off the clock work per shift and 15% of off the
11 clock hours attributable to overtime, and including \$7,963 of underpaid overtime wages due to the
12 failure account for the proper regular overtime orate of pay). However, given Defendant's defenses
13 and the potential hurdles facing certification of off-the-clock claims, and the difficulty in proving
14 the number of minutes of off the clock work per shift, Class Counsel applied an 80% discount
15 between making for an adjusted realistic exposure of **\$378,609.00** for Defendant.

16 Meal Periods and Rest Breaks:

17 45. Plaintiff argued that Defendant had a common practice and policy of denying compliant
18 meal periods. Specifically, the uncompensated pre-shift hours delayed Plaintiff and Class Members'
19 meal periods to commence after the completion of their fifth hour of work and Plaintiff and Class
20 Members' meal breaks were interrupted by work-related duties. Further, Plaintiff alleges Defendant
21 did not pay meal period premiums for these late and interrupted meal breaks.

22 46. For each meal period missed, of less than 30 minutes, or taken late for which the employee
23 was not provided a reasonable opportunity to take a complete and timely meal period, an employer
24 must pay the employee an additional one hour of compensation. Labor Code § 226.7. This additional
25 hour of compensation is referred to as "premium pay." To comply with these laws, every employer
26 must keep, for each employee, accurate time records showing when the employee begins and ends
27 each work period and takes his or her meal periods. See Wage Order 4-2001(7)(A)(3). Plaintiff
28 alleges that Defendant failed to pay the legally required premium at their regular rate of pay

1 whenever meal periods were missed, interrupted, or late.

2 47. Defendant contends that Class Members were given a reasonable opportunity to take their
3 meal periods, and when compliant meal periods were not provided, Defendant provided premium
4 pay to Class Members as reflected in their time and pay records. Defendant also contends that the
5 relevant Class Members signed valid meal period waivers. Defendant further contends that the meal
6 break claim requires individualized inquiries which would preclude class certification.

7 48. Class Counsel's expert estimated Defendant had **no exposure** on the meal period claim
8 because Defendant's records revealed that class members were overpaid premiums for missed meal
9 breaks, resulting in a negative balance.

10 49. Rest Breaks: Plaintiff contended that Defendant did not provide Class Members with
11 timely paid 10-minute rest breaks for every four hours or major fraction thereof. Specifically,
12 Plaintiff contended that job requirements and duties required of Class Members consistently
13 manifested in a failure to authorize and permit Class Members to take all their required rest breaks.
14 Moreover, Plaintiff and Class Members rest breaks were interrupted by work-related duties. Further,
15 Plaintiff contended that Defendant failed to pay premiums to Plaintiff and Class Members for missed
16 rest breaks.

17 50. Defendant maintains that it did provide a reasonable opportunity for Class Members to
18 take duty-free rest breaks during their shifts and dispute all allegations that rest breaks were not
19 provided. Considering that unlike meal periods, rest breaks need not be recorded, these violations
20 would likely be difficult to prove at trial and potentially depress the damages ultimately awarded.

21 51. Class Counsel's expert estimated Defendant's maximum liability exposure on the rest
22 break period claim at approximately \$10,558,431.00 assuming a 100% violation rate. For the
23 purposes of the analysis, Class Counsel assumed only 10% violation rate, especially given the fact
24 that rest breaks are not recorded, making the maximum exposure \$1,055,843.10 for Defendant.
25 Owing to the arguments above and the fact that the recording of rest periods is not required, this
26 claim was substantially discounted further by 70%, making for an adjusted realistic exposure of
27 **\$316,752.93** for Defendant.

28 ///

Inaccurate Wage Statement Violations:

52. Under Labor Code § 226(a), Plaintiff and the Class are entitled to recover \$50 for initial violations for inaccurate wage statements and \$100 for subsequent violations, up to a maximum of \$4,000 per employee. Plaintiff alleged Defendant issued wage statements to Plaintiff and the Class Members that did not accurately list all hours worked by omitting off-the-clock work and inaccurately listing applicable hourly rates.

53. Defendant challenged Plaintiff's claim for Labor Code § 226(e) penalties, including by arguing they were merely derivative of the other claims that lacked merit, and Plaintiff's failure to prove the underlying claims could result in the dismissal of these derivative claims. Defendant also argued that it did not knowingly and intentionally commit these alleged violations. *See, e.g.*, Labor Code § 226(e) (recovery of penalties requires showing there was "a knowing and intentional failure by an employer").

54. Class Counsel's expert estimated Defendant's maximum total exposure on the section 226 claim at approximately \$3,732,000.00. Class Counsel believes it would be difficult to prevail on this claim because Class Members would need to show that they suffered an injury and that Defendant's noncompliance was knowing and intentional (on top of the challenges described above with the underlying wage and break claims) which are both subject to individualized issues making certification of this claim difficult to achieve. Thus, Class Counsel provided a 90% discount making Defendant's realistic exposure **\$373,200.00**.

Failure to Pay Final Wages at Termination or Separation:

55. In allegedly failing to pay Class Members their minimum wages, overtime wages, and premium pay for deficiently provided meal periods and rest breaks, all discussed above, Plaintiff alleged that Defendant willfully failed to pay Class Members all wages due and certain at the time of termination or within seventy-two (72) hours of resignation, as required under Labor Code § 203.

56. Section 203 further provides that if an employer willfully fails to pay an employee all wages due at termination or within 72 hours of resignation, then that employee's wages will continue as a penalty until paid for a period of up to 30 days from the date they were due. Because Class Members stopped working for Defendant but were allegedly not paid their full compensation for the

1 reasons discussed above, Class Members did not receive all wages due upon termination of
2 employment.

3 57. Defendant challenged this claim under Labor Code § 203 with several arguments,
4 including that this claim is merely derivative of the other claims that lacked merit and that under
5 Labor Code § 203, employers are only obligated to pay waiting-time penalties if they “willfully”
6 fail to pay wages due and owing at the time of termination or resignation. As Title 8, California
7 Code of Regulations, § 13520 states: “A willful failure to pay wages within the meaning of Labor
8 Code Section 203 occurs when an employer intentionally fails to pay wages to an employee when
9 those wages are due. However, a good faith dispute that any wages are due will preclude imposition
10 of waiting time penalties under Section 203.” Defendant argued that their good faith disputes and
11 lack of willfulness would excuse its violations. Defendant maintained that because they had viable
12 defenses in both law and fact, such penalties were subject to a three-year limitations period under
13 Labor Code § 203(b).

14 58. Class Counsel estimated Defendant’s maximum total exposure on the section 203 claim
15 at approximately \$8,237,772.00 (2,274 terminated employees during the relevant period x 30 days
16 x average hourly rate per year x 6.1 hours per work day, on average). Given the foregoing
17 arguments, Class Counsel discounted this amount by 90% to get an adjusted realistic exposure of
18 **\$823,777.20.**

19 Failure to Reimburse for Necessary Business Expenditures:

20 59. Under Labor Code § 22802(a) Defendant must indemnify Plaintiff and Class Members
21 for all necessary expenditures or losses incurred in direct consequence of the discharge of their
22 duties. As discussed above, Plaintiff alleges that Plaintiff and Class Members incurred necessary
23 expenditures in the performance of their job duties for Defendant, including the cost of personal
24 cell phone usage for work related purposes, but were not reimbursed for those expenses by
25 Defendant. Defendant contends that they had an expense reimbursement policy and did reimburse
26 Plaintiff and Class Members for any business expenses incurred pursuant to their policy.

27 60. Class Counsel’s expert estimated Defendant’s total exposure on the unreimbursed
28 business expenses claim at approximately \$939,375.00, based on \$25.00 of unreimbursed

1 expenses per month. However, given Defendant's reimbursement policy and the potential for the
2 need for individualized inquiries making class certification of this claim difficult, Class Counsel
3 applied a 90% discount to get an adjusted realistic exposure of **\$93,937.50**.

4 **PAGA Penalties:**

5 61. The Private Attorneys General Act, Labor Code § 2699 *et seq.*, allows Plaintiffs to obtain
6 civil penalties on behalf of themselves and other aggrieved employees for Defendant's violation of
7 any provision of the Labor Code enumerated under Labor Code § 2699.5. Where civil penalties are
8 provided in the statute, those civil penalties are recoverable; where no civil penalties are recoverable,
9 Labor Code § 2699(f) establishes civil penalties of one hundred dollars (\$100) for each aggrieved
10 employee per pay period for the initial violation and two hundred dollars (\$200) for each aggrieved
11 employee per pay period for each subsequent violation. Pursuant to Labor Code § 2699(i), seventy-
12 five (75) percent of the penalties recovered must be allocated to the LWDA, with the remaining
13 twenty-five (25) percent allocated to the affected employees. However, under *Amaral v. Cintas*, 163
14 Cal. App. 4th 1157, 1207-09 (2008) the Court held that a lower penalty amount of \$100 per violation
15 applies in the absence of a determination that a violation actually occurred.

16 62. Plaintiff estimated that the potential exposure on the PAGA claim is \$4,681,000.00
17 calculated by multiplying the total number of PAGA Pay Periods (46,810) by \$100 per violation.
18 Plaintiff's calculation of the total potential exposure on the PAGA claim was based on one PAGA
19 penalty per Pay Period (i.e., Plaintiffs did not stack the PAGA penalties in their damages
20 calculation).

21 63. Case law supports the notion that it is inappropriate to "stack" penalties for multiple
22 violations, particularly when those violations all stem from the same alleged "injury" *Aguirre v.*
23 *Genesis Logistics*, 2015 U.S. Dist. LEXIS 78748 (citing *Villacres v. ABM Indus., Inc.*, 189
24 Cal.App.4th 562, 577 (2010)). ("One injury gives rise to only one claim for relief...The violation of
25 one primary right constitutes a single cause of action."; *Crowley v. Katleman*, 8 Cal. 4th 666, 681-
26 82) (1994); *Li v. A Perfect Day Franchise, Inc.*, 2012 WL 2236752, *17 (N.D. Cal.2012) ("There is
27 no authority that "would permit double recovery of essentially the same penalties.")

28 ///

64. PAGA penalties are not mandatory but permissive. Labor Code § 2699(e)(2) states that “a court may award a lesser amount than the maximum civil penalty amount specified by this part if, based on the facts and circumstances of the particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory.” (See *Thurman v. Bayshore* (2012) 203 Cal. App. 4th 1112 (substantially reducing PAGA penalties by 30% under this provision) (emphasis added); see also *Carrington v. Starbucks Corp.*, 30 Cal. App. 5th 504, 529 (2018) (affirming penalty reduction of 90% for practice that resulted in meal periods occasionally starting minutes after the fifth hour of work); *Sanchez v. McDonald’s Corp.* (2017), LASC Case No. No. BC 499888 (98% reduction from \$41 million to \$775,000); *Ghrdilyan v. RJ Financial* (2012), LASC Case No. BC430633 (94% reduction from \$5.4 million to \$325,000); *Fleming v. Covidien, Inc.* (2011), USDC Case No. ED CV 10-01487-RGK (OPx) (87% reduction from \$2.8 million to \$375,000).). In departing from the \$100.00/50.00 per pay period calculation to arrive at the \$1,147,500.00 Gross Settlement Amount in this case, Plaintiff considered various reasons why the Court may reduce any eventual recovery at its discretion and considered that PAGA penalties are not mandatory but permissive.

65. Class Counsel’s expert estimated Defendant’s total exposure on the PAGA claim at approximately \$4,681,000.00 (46,810 PAGA Pay Periods x \$100). Based on those considerations, Plaintiffs applied a discount of 95% to the maximum potential exposure (which equates to \$5.00 penalty per pay period) to get a realistic potential exposure of **\$234,050.00** (46,810 pay periods x \$5 penalty per pay period). Thus, the PAGA allocation agreed upon by the Parties therefore was **\$100,000.00**, subject to the Court’s final approval. 75% of that amount (\$75,000.00) will be paid to the LWDA out of the Gross Settlement Amount, and the remaining 25% (\$25,000.00) will remain in the PAGA Settlement Fund for distribution to the Aggrieved Employees.

Unfair Business Practices

66. Plaintiff pled this cause of action to augment their other causes of action and aid in their prosecution. Business & Professions Code § 17208 extends the statute of limitations on Plaintiff’s wage claims, which qualify as unfair business practices, to four years rather than the three years provided by statute.

1 **Summary**

2 67. The foregoing discussion establishes the adequacy of the Settlement amount in light of
3 the merits of Plaintiff's case and establishes the fairness of the class-action settlement in the instant
4 case, including by analyzing it in light of the *Clark* and *Kullar* decisions. It does so by explaining
5 the legal basis for each of Plaintiff's causes of action, summarizing the evidence that Class Counsel
6 gathered in support of those causes of action, and relating to Defendant's legal and factual arguments
7 that worked to detract from the strength of Plaintiff's case.

8 68. Class Counsel applied reasonable and justified discounts, considering the facts and legal
9 contexts outlined above. These substantial discounts were necessary in light of Defendant's
10 contentions and denial of liability. This Settlement, like most others, was the product of
11 compromise. As addressed above, Plaintiff estimated that Defendant faced approximately
12 **\$2,220,326.63** in *total realistic exposure* on Plaintiff's main claims. The Gross Settlement Amount
13 of \$1,147,500.00 therefore represents a recovery for the Class Members of approximately **52%** of
14 the total realistic exposure Plaintiff estimated Defendant could face on these class-wide claims.
15 Class Counsel submits that this is an optimal result for the Class in light of all of the factors described
16 above.

17 **Class Counsel Fees Payment is Fair and Reasonable**

18 69. Under the Settlement, Class Counsel requests, without opposition from Defendant, an
19 award of \$382,500.00 for attorneys' fees and up to \$19,000.00 for reasonable expenses incurred to
20 prosecute the Action. This request is fair, reasonable, and adequate to compensate Class Counsel
21 for the substantial work they have put into this case and, moreover, the risk they assumed by taking
22 it in the first place as they will not receive any compensation for their efforts until recovery is
23 obtained for the Class. The attorneys' fees award is intended to reimburse Class Counsel for all
24 uncompensated work that they have already done and for all the work they will continue to do in
25 carrying out and overseeing the notification to Class Members, communicating with Class Members
26 regarding their claims, and assisting in the administration of the Settlement if it is preliminarily
27 approved. The requested fee is reasonable for the services provided to Class Members and for the
28 benefits they are to receive. Class Counsel's costs incurred to date and estimated future costs are

1 detailed in their cost log which is attached hereto as Exhibit 3.

2 **Class Representative Enhancement and Service Payment is Fair and Reasonable**

3 70. Plaintiff herein is entitled to reasonable service payment for his efforts and initiative in
4 bringing and helping to prosecute this action. Plaintiff spent a considerable amount of time better
5 apprising himself of his rights, deciding whether remedial action should be taken, how it should be
6 taken, searching for attorneys, and finally contacting Class Counsel, who spent many hours with
7 Plaintiff discussing the case and the law. In the end, Plaintiff decided to vindicate not only his own
8 rights but also those of co-workers by filing a class action lawsuit.

9 71. The courage it took to stand up to Defendants by filing and litigating this action in this
10 way should not be underestimated. By suing Defendants, Plaintiff increased the risk of retaliation
11 by prospective employers. Plaintiff's lawsuit has now required Defendants to expend considerable
12 resources, and Plaintiff justifiably fears the fact that he served as class representative in a wage and
13 hour class action will not be lost on a prospective employer who may choose between an applicant
14 who has never sued a prior employer and one who has. Plaintiff contends this risk is particularly
15 real in the information age, where employers can, more easily than ever, perform background checks
16 of prospective employees, sometimes with the stroke of a key. It is common for employers to screen
17 employee candidates to determine whether they have ever filed suit, and employee candidates who
18 might be branded "litigious" are likely to be screened out of the process. In fact, an entire industry
19 has developed for providing employers with background information on employee candidates.

20 72. But Plaintiff did not allow the fear of the potential repercussions of being a class
21 representative deter him from acting for the benefit of Class Members. To the contrary, Plaintiff has
22 been intimately involved in this case since its inception. He has devoted a substantial amount of
23 time to helping Class Counsel effectively develop and prosecute this action at every stage of the
24 litigation. Both before and after the filing of this lawsuit, Plaintiff conferred with Class Counsel on
25 numerous occasions to discuss every aspect of his case. Plaintiff provided Class Counsel with
26 information about Defendants and about the industry generally, reviewed documents, identified
27 witnesses, consulted Class Counsel throughout the litigation repeatedly and at length, participated
28 in the mediation process, monitored the progress of the litigation with Class Counsel, and provided

1 and reviewed and signed the Settlement Agreement.

2 73. Plaintiff has spent a significant amount of time with Class Counsel detailing his
3 knowledge of Defendants' practices and helping Class Counsel with the prosecution of this action.
4 He has diligently, adequately, and fairly represented Class Members, and has not placed his interests
5 above any member of the putative class. The payment to Plaintiff is intended to recognize his time
6 and effort on behalf of the Class. The amount requested is fair and appropriate based on his
7 contribution and involvement. This sort of payment to a class representative has been a common
8 feature of settlements negotiated by Class Counsel and has been routinely approved by trial courts.

9 74. In light of the foregoing, Class Counsel believes that the \$7,500.00 incentive award to the
10 Class Representative is fair and reasonable.

11 **Proposed Class Notice Provides Adequate Notice**

12 75. The notification procedure set out in the Settlement Agreement provides the greatest
13 likelihood that each and every Class Member will receive the Class Notice, attached to the
14 Settlement as Exhibit A. Under the Settlement, Defendant will deliver the Class Information to the
15 Settlement Administrator in the form of a Microsoft Excel spreadsheet not later than fifteen (15)
16 calendar days after the Court grants Preliminary Approval of the Settlement, Defendant will deliver
17 the Class Information to the Settlement Administrator in the form of a Microsoft Excel spreadsheet.
18 (Exhibit 1, Settlement Agreement, ¶ 4.2) The Settlement Administrator will mail the Class Notice,
19 attached to the Settlement Agreement as Exhibit A, and the Spanish translation, to all Class
20 Members in no event later than ten (14) days after receiving the class data via first class United
21 States Postal Service ("USPS") mail. (Exhibit 1, Settlement Agreement, ¶¶ 7.4.2). The Class Notice
22 includes a summary of the case and settlement terms and provides Class Members with detailed
23 instructions on how to exclude themselves, object to the settlement, and dispute the number of
24 workweeks and/or pay periods attributed to each Class Member per Defendant's records. (Exhibit
25 A, Class Notice). Class Members will have sixty (60)¹ days from the mailing of the Class Notice
26 (plus an additional fourteen (14) calendar days if they receive a re-mailed Notice) to opt out of or
27 object to the Settlement or to dispute the number of work weeks and/or pay periods. (Exhibit 1,

28
¹ The Settlement Agreement provides for forty-five (45) days but the Parties through their counsel have agreed to extend the notice period to sixty (60) days. The sixty (60) day notice period will also be reflected in the Class Notice.

Settlement Agreement, ¶ 7.4.4). This is the best and most practicable way to ensure the greatest possible number of Class Members will receive the Notice.

76. The settlement agreement does not impose any affirmative duties on Participating Class Members. No claim form is required to participate in the Settlement. Individuals who wish to opt out or object may do so. The Class Notice itself fully apprises Class Members of the nature of the lawsuit, the claims involved, the terms of the settlement, and their options thereunder. (Exhibit 1, Settlement Agreement, Exhibit A, Class Notice). It provides for a specific procedure to seek exclusion from the Class, disputing payments and Class Information, challenging workweek and pay period data, and lodging objections to the settlement. (Exhibit 1, Settlement Agreement, ¶ 7.5-7.7). In the Class Notice, Class Members will also receive Class Counsel's contact information so they can speak to attorneys conversant with the legal and factual issues involved in this case, as well as the contact information for the Settlement Administrator. The efforts taken to ensure that Class Members receive the Class Notice and are well informed about the settlement are reasonable and provide the best notice practicable under the facts.

Qualifications and Adequacy of Class Counsel

77. D.Law, Inc. (formerly known as Davtayan Law Firm) prosecutes wage and hour cases, including class actions and PAGA actions on behalf of employees and others who have had their rights violated. D.Law, Inc., either on its own or with co-counsel, is currently serving as plaintiffs' counsel of record in numerous wage and hour and employment class action and PAGA action cases pending in both state and federal court.

78. D.Law, Inc. is well-qualified and has ample experience, knowledge, and resources to act as counsel and represent Plaintiff and the putative Class and Aggrieved Employees in this action. Our practice is exclusively focused on employment matters and representing plaintiffs in wage and hour actions with the same or similar causes of actions brought forth in the matter pending before this Court.

79. D.Law, Inc. has litigated and successfully resolved many wage and hour class action cases involving failure to pay wages and derivative Labor Code claims and penalties. *See e.g. De La Rosa v. The Coca Cola Company et al.* (Superior Court of California in Napa, 17CV000787),

1 *Harvey v. Bed Bath & Beyond of California Limited Liability Company* (Superior Court of
2 California in Alameda, RG17885153), *Paredes v. Bottling Group LLC et. al.* (Superior Court of
3 California in Kern), *Ramirez v. Harris Ranch Beef Company* (Superior Court of California in
4 Fresno, 16CECG04103), *Gates v. Gate Gourmet, Inc. et. al.* (Southern District of California, 16-
5 cv-01084-L-AGS), *Hargrave v. Antelope Valley Hospital* (Superior Court of California in Los
6 Angeles, BC663252), *Ramirez v. Milton Roy et. al.* (Superior Court of California in Los Angeles,
7 BC 632 276), *Hawkins v. AvalonBay Communities* (Superior Court of California in Santa Clara,
8 17CV316492), *Jones Tharpe et al. v. Sprint Corporation et al.* (Superior Court of California in
9 Los Angeles, BC644645), *Ortega et al. v. Nestle Waters North America, Inc. et al.* (Superior
10 Court of California in Los Angeles, BC623610), *Schultz v. Jimbo's Natural Family, Inc.* (Superior
11 Court of California in San Diego, 37-2017-00022348-CUE-OE-CTL), *Ambrose v. Victor Valley*
12 *Global et al.* (Superior Court of California in San Bernardino, CIVDS1709289), *Puerta-Gildardo*
13 *v. Real Time Staffing Services LLC et. al.* (Superior Court of California in Los Angeles,
14 BC565445), *Vargo v. Pregis Innovative Packaging LLC* (Superior Court of California in Tulare,
15 270836), *Conlin v. Aegis Senior Communities LLC* (Northern District of California, 17-cv-05534-
16 LHK), *Galarza v. Kloeckner Metals Corporation* (Central District of California, 2:17-cv-04910-
17 FMO), *Estes v. L3 Technologies, Inc. et al.* (Southern District of California, 3:17-cv-02356-H-
18 JMA), *Rowser v. Trunk Club, Inc.* (Central District of California, 2:17-cv-05064-DSF-RAO),
19 *Leach v. The Claremont Colleges, Inc.* (Superior Court of California in Los Angeles, BC686451),
20 *Vaesau v. PCT Enterprises, Inc. dba Precision Cabinets* (Superior Court of California, County of
21 Contra Costa MSC18-02404), *Terry v. TF Louderback, Inc. dba Bay Area Beverage Company*
22 (Superior Court of the State of California, County of Contra Costa, MSC18-00859), *Roach v.*
23 *Westcare California, Inc.* (Superior Court of California in Kern County, BCV-17-102367-SDS),
24 *Patton v. Church & Dwight Co., Inc.* (Central District of California, EDCV 18-903-MWF (KKx)),
25 *Juarez v. ISL Employees, Inc.* (Superior Court of California in Madera, MCV074787), *Ferraro v.*
26 *USC Verdugo Hill s Hospital, et al.* (Superior Court of California in Los Angeles,
27 18STCV09463), *Ford v. Account Control Technology, Inc., et al.* (Superior Court of California in
28 Los Angeles, 19STCV09369), *Ornelas v. iStorage, et al.* (Superior Court of California in San

1 Francisco, CGC-18-571421), *Martinez v. Ronpak, Inc.* (Superior Court of California in Riverside,
2 RIC1901307), *Barrera et al. v. Exclusive Wireless, Inc.* (Superior Court of California in
3 Stanislaus, 9000687), *Barajas v. Mancha Development Company LLC* (Superior Court of
4 California in Orange County, 30-2018-00974707-CU-OE-CXC), *Prado v. IMAX Corporation dba*
5 *IMAC Worldwide Home* (Superior Court of California in San Bernardino, CIVDS1820265),
6 *Rodriguez v. ND Industries, Inc.* (Superior Court of California in Los Angeles, 19STCV38096),
7 *Singletary v. Motel 6 Operating LP, et al.* (Southern District of California, 3:20-cv-0270-LAB-
8 AHG), *Quizon v. CF Watsonville East, LLC, et al.* (Superior Court of California in Santa Cruz,
9 20CV01868), *Stephenson v. Bakersfield Dodge, Inc.* (Superior Court of California in Kern, BCV-
10 20-102693), *Bacerra v. Hugo Boss Retail, Inc.* (Superior Court of California in San Diego, 37-
11 2021-00002933-CU-OE-CTL), *Walker v. Ariat International, Inc.* (Superior Court of California in
12 Alameda, HG19026439), *Orr v. Petvet Care Centers (California) Inc.* (Superior Court of
13 California in Santa Clara, 19CV354063), *Jimenez v. OEC Distribution Services, Inc.* (Superior
14 Court of California in San Bernardino, CIVDS1915743), *Virdi v. Absolute Security International*
15 (Superior Court of California in San Bernardino, CIVDS 1909589), *Raj v. First Transit, Inc*
16 (Superior Court of California in Sacramento, 34-2021-00295895-CU-OE-GDS), *Marchbanks v.*
17 *Torrid Administration, Inc.* (Superior Court of California in San Diego, 37-2020-00008179-CU-
18 OE-NC), among others.

19 80. As Senior Counsel at D.Law, Inc. I manage my own complex litigation team. I was
20 admitted to the California Bar in December 2016. I received my J.D. from Trinity Law School and
21 B.A. from California State University of Fullerton. Since graduating from law school, I have
22 dedicated virtually my entire career on the practice of employment law. I have practiced
23 employment law from both the plaintiff's side and defense side.

24 81. Attorney David Yeremian is a Managing Attorney at D.Law, Inc. and counsel of record
25 for Plaintiff. Mr. Yeremian graduated from UC Berkeley in 1997 and received his law degree and
26 MBA from UCLA in 2001. Mr. Yeremian has been honored as a Super Lawyers Rising Star in
27 2009, 2010, 2012-2015 and has been named and honored as a Super Lawyer. Since 2007, Mr.
28 Yeremian has focused exclusively on representing employees, including in wage-and-hour class

1 actions. During his career, Mr. Yeremian has represented employees in hundreds of wage-and-
2 hour class action lawsuits as lead or co-lead counsel (including in the Central, Southern, Eastern,
3 and Northern Districts of California), and has obtained six and seven-figure settlements against a
4 range of defendants, including Fortune 500 companies.

5 82. Svetlana Hovhannisyan is an Associate Attorney at D.Law, Inc. Ms. Hovhannisyan
6 received her Bachelor of Arts in Political Science from the University of California, Berkeley in
7 2020, and then earned her Juris Doctorate from LMU Loyola Law School in 2024. She has been
8 licensed to practice law in the State of California since November 2024 and has practiced
9 primarily in employment law wage and hour and wrongful termination litigation since her
10 admission to the California Bar.

11 83. The collective experience of the D.Law, Inc. attorneys in litigating employment wage
12 and hour matters has been integral in identifying legal issues, evaluating the strengths and
13 weaknesses of a case, and generally negotiating fair and reasonable class and representative action
14 settlements. Practice in the narrow field of wage and hour litigation requires skill and knowledge
15 concerning the constantly evolving substantive law (state and federal), as well as the procedural
16 law of class and representative action litigation. In this action, the attorneys at D.Law, Inc. are
17 fully equipped to use the skills and knowledge developed over decades of prosecuting and
18 defending wage and hour class actions to fairly and adequately represent the interests of the class
19 members. Therefore, based on our resources, experience, and knowledge, the attorneys at D.Law
20 are well-qualified to act as class counsel and represent Plaintiff and the putative class members in
21 this action.

22 84. We understand the responsibilities owed as counsel to the Settlement Class Members and
23 aggrieved employees we represent. The attorneys at D.Law, Inc. thoroughly investigated the claims
24 asserted in this action and have remained committed to dedicating the resources necessary to
25 represent the Settlement Class and vigorously pursue their claims. Based upon my experience and
26 understanding of the claims and defenses in this action, I believe the settlement is fair, adequate,
27 and reasonable for the Class Members and aggrieved employees and all involved, and that the
28 Settlement is well within the range of reasonableness that would permit it to be finally approved. I

1 am not aware of any conflict of interest with Plaintiff or any other Class Member that would interfere
2 with the duties as Class Counsel.

3 85. On February 19, 2026, Plaintiff submitted the Amended Class Action and PAGA
4 Settlement Agreement and Plaintiff's Motion for Preliminary Approval of Class Action and PAGA
5 Settlement and supporting documents to the LWDA. A true and correct copy of the confirmatory
6 email from the LWDA is attached hereto as **Exhibit 4.**

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

9 Executed this 19th day of February 2026, in Glendale, California

10 
11 _____
12 David Keledjian
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EXHIBIT 1

AMENDED CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND NOTICE

This Amended Class Action Settlement Agreement (“Agreement”) is made by and between Plaintiff Joshua Barrantes, on behalf of himself and others similarly situated and other allegedly aggrieved employees (“Plaintiff”) and Defendant adidas America, Inc. (“Defendant”) (collectively, the “Parties” and individually as “Party”).

I. DEFINITIONS

- 1.1. “Action” means the Plaintiff’s lawsuit alleging wage and hour violations against Defendant captioned *Joshua Barrantes v. Adidas America, Inc.*, initiated on June 25, 2024, and pending the in Superior Court of the State of California, County of Sacramento, Case No. 24CV012723.
- 1.2. “Administrator” means Phoenix Settlement Administrators (“Phoenix”), the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.
- 1.4. “Aggrieved Employee” means all current and former employees within the State of California who, at any time from May 22, 2023, to November 30, 2025, are or were employed as non-exempt retail hourly employees by Defendant.
- 1.5. “Class” means all current and former employees within the State of California who, at any time from October 2, 2021, to November 30, 2025, are or were employed as non-exempt retail hourly employees by Defendant.
- 1.6. “Class Counsel” means Emil Davtyan, David Yeremian, David Keledjian, and Svetlana Hovhannisyan of D. Law, Inc.
- 1.7. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.8. “Class Data” means Class Member identifying information in Defendant’s possession including the Class Member’s name, last known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.
- 1.9. “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).
- 1.10. “Class Member Address Search” means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.

- 1.11. "Class Notice" means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English and Spanish in the form, without material variations, attached as **Exhibit A** and incorporated by reference into this Agreement.
- 1.12. "Class Period" means the period from October 2, 2021 to November 30, 2025.
- 1.13. "Class Representative" means the named Plaintiff, Joshua Barrantes, in the operative complaint in the Action seeking Court approval to serve as a Class Representative.
- 1.14. "Class Representative Service Payment" means the payment to the Class Representative for initiating the Action and providing services in support of the Action.
- 1.15. "Court" means the Superior Court of California, County of Sacramento.
- 1.16. "Defendant" means adidas America, Inc.
- 1.17. "Defense Counsel" means Robert S. Blumberg, Ashley J. Brick, and Donna Leung, of Littler Mendelson, P.C.
- 1.18. "Effective Date" means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur..
- 1.19. "Final Approval" means the Court's order granting final approval of the Settlement.
- 1.20. "Final Approval Hearing" means the Court's hearing on the Motion for Final Approval of the Settlement.
- 1.21. "Final Judgment" means the Judgment entered by the Court upon granting Final Approval of the Settlement.
- 1.22. "Gross Settlement Amount" means One Million One Hundred and Forty-Seven Thousand Five-Hundred Dollars and Zero Cents (\$1,147,500.00) which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 8 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payment and the Administrator's Expenses Payment.
- 1.23. "Individual Class Payment" means the Participating Class Member's pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.

- 1.24. "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during the PAGA Period.
- 1.25. "Judgment" means the judgment entered by the Court based upon the Final Approval.
- 1.26. "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.27. "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under the Labor Code section 2699, subd. (i).
- 1.28. "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.
- 1.29. "Non-Participating Class Member" means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 1.30. "PAGA Pay Period" means any Pay Period during which an Aggrieved employee worked for Defendant for at least one day during the PAGA Period.
- 1.31. "PAGA Period" means the period from May 22, 2023, to November 30, 2025.
- 1.32. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698, et seq.)
- 1.33. "PAGA Notice" means Plaintiff's letter dated October 12, 2023, to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd. (a).
- 1.34. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees and the 75% to the LWDA in settlement of PAGA claims.
- 1.35. "Participating Class Member" means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.36. "Plaintiff" means Joshua Barrantes, the named Plaintiff in the Action.
- 1.37. "Preliminary Approval" means the Court's Order Granting Preliminary Approval of the Settlement.
- 1.38. "Preliminary Approval Order" means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.39. "Released Class Claims" means the claims being released as described in Paragraph 5.2 below.
- 1.40. "Released PAGA Claims" means the claims being released as described in Paragraph 5.3 below.

- 1.41. “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.
- 1.42. “Response Deadline” means 45 days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail an Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.
- 1.43. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.
- 1.44. “Workweek” means any week during which a class member actively worked for Defendant for at least one day, during the Class Period.

II. RECITALS

- 2.1. On June 25, 2024, Plaintiff commenced this Action by filing a Complaint alleging causes of action against Defendant for: (1) Failure to Provide Meal Periods (Lab. Code §§ 204, 223, 226.7, 512 and 1198); (2) Failure to Provide Rest Periods (Lab. Code §§ 204, 223, 226.7 and 1198); (3) Failure to Pay Hourly Wages and Overtime (Lab. Code §§ 223, 510, 1194, 1194.2, 1197, 1997.1, and 1198); (4) Failure to Pay Proper Sick Pay (Lab. Code § 246); (5) Failure to Provide Accurate Written Wage Statements (Lab. Code §§ 226(a)); (6) Failure to Timely Pay All Final Wages (Lab. Code §§ 201, 202 and 203); (7) Failure to Pay Wages Due, Negotiable and Payable in Cash on Demand (Lab. Code §§ 212 and 213); (8) Failure to Indemnify (Lab. Code § 2802); (9) Failure to Pay Split-Shift Premiums (IWC Order 1-15, § 4); (10) Unfair Competition (Bus. & Prof. Code §§ 17200 *et seq.*); and (11) Civil Penalties (Lab. Code § 2698, *et seq.*) (the “Operative Complaint.”) Defendant denies the allegations in the Operative Complaint, denies any failure to comply with any applicable laws, and denies any and all liability for the causes of action alleged.
- 2.2. Pursuant to Labor Code section 2699.3, subd. (a), on May 22, 2024, Plaintiff gave timely written notice to Defendant and the LWDA by sending the PAGA Notice, LWDA Case Number LWDA-CM-987342-23.
- 2.3. On September 24, 2025, the Parties participated in an all-day mediation with Lonnie Giamela, Esq. which resulted in this Agreement to settle the Action.
- 2.4. Prior to mediation, Plaintiff obtained, through formal and informal discovery, the relevant policies, procedures, and data from Defendant. The Parties have conducted a thorough investigation into the facts of the Action and have informally exchanged extensive data and information, as well as pertinent documents, relating to the underlying alleged violations. Defendant also produced all of the electronic time and payroll records for the Class and the Aggrieved Employees. Based on the foregoing data and on their own independent investigation and evaluation, Class Counsel believes that the settlement with Defendant for the consideration and on the terms set forth in this

Agreement is fair, reasonable, and adequate and is in the best interest of the Class, the LWDA, and Aggrieved Employees in light of all known facts and circumstances, including the risk of significant delay, uncertainty associated with litigation, various defenses asserted by Defendant, and potential appellate issues.

2.5. The Court has not granted class certification.

2.6. The Parties, Class Counsel, and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

III. MONETARY TERMS

3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendant promises to pay One Million One Hundred and Forty-Seven Thousand Five-Hundred Dollars and Zero Cents (\$1,147,500.00) and no more as the Gross Settlement Amount and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. Defendant has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

3.2. Payment from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:

3.2.1. To Plaintiff: Class Representative Service Payment to the Class Representative of not more than Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member). Defendant will not oppose Plaintiff's request for a Class Representative Service Payment that does not exceed this amount. As part of the Motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiff will seek Court approval for any Class Representative Service Payment no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment of less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Class Representative Service Payment.

3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than one-third (1/3) of the Gross Settlement Amount, which is currently estimated to be Three Hundred and Eighty Two Thousand and Five Hundred Dollars and Zero Cents (\$382,500.00) and a Class Counsel Litigation Expenses Payment of not more than Nine Thousand Dollars and Zero Cents (\$19,000.00). Defendant will not oppose

requests for these payments provided that they do not exceed these amounts. Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion of Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and shall hold Defendant harmless, and indemnify Defendant, from any dispute or controversy regarding any division or sharing of these Payments.

3.2.2.1. In the event that the Court reduces or does not approve the requested Class Counsel Fees Payment and/or Class Litigation Expenses Payment, Class Counsel reserve their right to appeal such order; however, Plaintiff and/or Class Counsel will not request or demand an increase to the Gross Settlement Amount on that basis.

3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed Twenty-Four Thousand Dollars and Zero Cents (\$24,000.00) except for a showing of good cause and as approved by the Court. To the extent the Administrative Expenses are less, or the Court approves payment less than \$24,000.00, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.4. To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period, and (b) multiplying the result by each Participating Class Member's Workweeks.

3.2.4.1. Tax Allocation of Individual Class Payments: 20% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The remaining 80% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

3.2.4.2. Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments.

3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of One Hundred Thousand Dollars and Zero Cents (\$100,000.00) to be paid from the Gross Settlement Amount, with 75% (\$75,000.00) allocated to the LWDA PAGA Payment and 25% (\$25,000.00) allocated to the Individual PAGA Payments.

3.2.5.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$25,000) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.5.2. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

IV. SETTLEMENT FUNDING AND PAYMENTS

4.1. Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records, Defendant estimates there are 2,946 Class Members who collectively worked a total of 153,000 Workweeks during the Class Period up to the date of Mediation. There are approximately 160,000 Workweeks during the Class Period.

4.2. Class Data. Not later than fifteen (15) days after the Court grants Preliminary Approval of the Settlement, Defendant will simultaneously deliver the Class Data to the Administrator. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

4.3. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Defendant's share of payroll taxes by transmitting the funds to the Administrator no later than thirty (30) days after the Effective Date.

4.4. Payments from the Gross Settlement Amount. Within fourteen (14) days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment,

the Administration Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

4.4.1. The Administrator will issue checks for the Individual Class Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.4.2. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within seven (7) days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.

4.4.3. For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).

4.4.4. The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

V. RELEASE OF CLAIMS. Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff and Class Members will release claims against all Released Parties as follows:

5.1. Plaintiff's Release. Plaintiff and his respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences arising out of Plaintiff's employment that occurred prior to the date of execution of this agreement, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint and (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Operative Complaint, Plaintiff's PAGA Notice, ("Plaintiff's Release"). Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

5.1.1. Plaintiff's Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

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

5.2. Release by Participating Class Members:

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims that were pled, or reasonably could have been pled based on the facts alleged in the Operative Complaint against Defendant that accrued during the Class Period (the "Released Class Claims"). Except as set forth in Section 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

5.3. Release by Aggrieved Employees:

All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for civil penalties or other remedies recoverable under Labor Code Section 2698, *et seq.* ("PAGA"), which were pled, or could have been pled based on the facts alleged in the PAGA Notice, against Defendant that accrued during the PAGA Period (the "Released PAGA Claims"). The Released PAGA Claims include a release of civil penalties, attorneys' fees and costs.

VI. MOTION FOR PRELIMINARY APPROVAL.

- 6.1 Class Counsel shall prepare a Motion for Preliminary Approval (“Motion for Preliminary Approval”) that complies with the Court’s current checklist for Preliminary Approvals.
- 6.2 Responsibilities of the Parties. The Parties, by and through their respective Counsel, are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than thirty (30) court days after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Plaintiff is responsible for delivering the Court’s Preliminary Approval Order to the Administrator. Plaintiff shall prepare the initial draft of the Motion for Preliminary Approval and send to Defense Counsel no later than fourteen (14) days before the deadline to file. Defense Counsel shall provide any revisions within five (5) Court days.
- 6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, the Parties, by and through their respective Counsel, will expeditiously work together by meeting by telephone or email, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, the Parties, by and through their respective Counsel, will expeditiously work together by meeting by telephone or email, and in good faith, to modify the Agreement and otherwise satisfy the Court’s concerns.

VII. SETTLEMENT ADMINISTRATION

- 7.1 Selection of Administrator. The Parties have jointly selected Phoenix Settlement Administrators to serve as the Administrator and verified that, as a condition of appointment, Phoenix Settlement Administrators agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
- 7.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports to state and federal tax authorities.
- 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation section 468B-1.
- 7.4 Notice to Class Members.
- 7.4.1 No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the

number of Class Members, PAGA Members, Workweeks, and Pay Periods in the Class Data.

7.4.2 Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service (“USPS”) mail, the Class Notice, with Spanish translation, substantially in the form attached to this Agreement as **Exhibit A**. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

7.4.3 Not later than three (3) business days after the Administrator’s receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

7.4.4 The deadlines for Class Members’ written objections, Challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional fourteen (14) days beyond the forty-five (45) days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

7.4.5 If the Administrator, Defense Counsel, or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith, in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than fourteen (14) days after receipt of Class Notice, or the deadline dates in the Class Notice, which ever are later.

7.5 Requests for Exclusion (Opt-Outs).

7.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than forty-five (45) days after the Administrator

mails the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her/their representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 5.2 and 5.3 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

7.6 Challenges to Calculation of Workweeks. Each Class Member shall have forty-five (45) days after the Administrator mails the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email, or mail, and must provide any supporting documentation to the Administrator. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct as long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The

Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination of the challenges.

7.7 Objections to Settlement.

7.7.1 Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Class Representative Service Payment.

7.7.2 Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than forty-five (45) days after the Administrator's mailing of the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice was re-mailed).

7.7.3 Non-Participating Class Members have no right to object to any of the class action components of the Settlement.

7.8 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

7.8.1 Website, Email Address, and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payment, the Final Approval and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes, and emails.

7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than five (5) days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion ("Exclusion List"); (b) the names and other identifying information of

Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).

- 7.8.3 Weekly Reports. The Administrator must, on a weekly basis provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments (“Weekly Report”). The Weekly Reports must include the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.
- 7.8.4 Workweek and/or Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or Pay Periods. The Administrator’s decision shall be final and not appealable or otherwise susceptible to challenge.
- 7.8.5 Administrator’s Declaration. Not later than fourteen (14) days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including but not limited to, its mailing of the Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Plaintiff is responsible for filing the Administrator’s declaration(s) in Court.
- 7.8.6 Final Report by Settlement Administrator. Within 10 days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least fifteen (15) days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator’s declaration in Court.

VIII. CLASS SIZE ESTIMATE and ESCALATOR CLAUSE. Based on its records to date of this Settlement Agreement, Defendant estimates that, (1) there are 2,946 Class Members and 153,000 Total Workweeks through the date of mediation, and 160,000 Total Workweeks during the Class Period. The Workweek Value shall be calculated by

dividing the Gross Settlement Amount by 153,000 workweeks. Workweeks shall be calculated using Class Members' hire dates, termination dates, and re-hire dates (as applicable), excluding any week of employment during which the Class Member did not perform any work for Defendant. If the number of Total Workweeks during the Class Period exceeds 153,000 by more than 10%, the Gross Settlement Amount will increase pro rata per additional Workweek over the 10% threshold, by the Workweek Value.

IX. DEFENDANT'S RIGHT TO WITHDRAW. If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 10% of the total of all Class Members, Defendant shall have the right, but not the obligation, exercised in Defendant's sole discretion, to cancel the Settlement and render it null and void. The Parties agree not to encourage any Settlement Class Member to attempt to object to or opt out of the Settlement. If Defendant elects to exercise this option to withdraw, Defendant shall be responsible for any settlement administration costs incurred to that point.

X. MOTION FOR FINAL APPROVAL. Not later than sixteen (16) court days before the calendared Final Approval Hearing, Plaintiff will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (1), a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiff shall provide drafts of these documents to Defense Counsel not later than seven (7) days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

10.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five (5) court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

10.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

10.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

10.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

10.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

XI. AMENDED JUDGMENT. If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit a proposed amended judgment.

XII. ADDITIONAL PROVISIONS.

12.1. No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does not grant Preliminary Approval, Final Approval or enter Judgment, Defendant reserves the right to contest certification of any class for any reasons, and Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds available and to contest Defendant's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

- 12.2. Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendant and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency or other entity except: (1) to the Parties' attorneys, accountants or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendant and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, any third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members, nor does it restrict Class Counsel from communicating with any potential settlement administrator for the purposes of securing a bid.
- 12.3. No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 12.4. Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 12.5. Attorney Authorization. The Parties separately warrant and represent that they have authorized their respective Counsel to take all appropriate action required or permitted to be taken pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 12.6. Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the

Court for resolution.

- 12.7. No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 12.8. No Tax Advice. Neither Plaintiff, Class Counsel, Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 12.9. Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 12.10. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 12.11. Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 12.12. Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 12.13. Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 12.14. Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 12.15. Use and Return of Class Data. Information provided to Class Counsel pursuant to Evidence Code section 1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute or California Rules of Court rule. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiff and Class Counsel shall destroy/delete all paper and electronic versions of Class Data received from Defendant and Defense Counsel unless, prior to the Court's discharge of the Administrator's obligation, Defendant/Defense Counsel makes a written request to

Class Counsel for the return, rather than the destruction, of the paper versions of the Class Data.

12.16. Calendar Days. Unless otherwise noted, all reference to “days” in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

12.17. Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff: D Law, Inc.
Emil Davtyan
David Yeremian
David Keledjian
Svetlana Hovhannisyan
emil@d.law
d.yeremian@d.law
d.keledjian@d.law
l.hovhannisyan@d.law
450 N. Brand Blvd., Suite 840
Glendale, California 91203

To Defendant: Littler Mendelson P.C.
Robert S. Blumberg
Ashley Brick
Donna Leung
RBlumberg@littler.com
ABrick@littler.com
DLeung@littler.com
2049 Century Park East, 5th Floor
Los Angeles, CA 90067-3107

12.18. Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically, (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterparts will be admissible in evidence to prove the existence and contents of this Agreement.

12.19. Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP

section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

- 12.20. Enforcement Action. In the event that one or more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorney's fees and costs, including expert witness fees in connection with any enforcement actions.

APPROVED:

Date: 2/12/2026

PLAINTIFF JOSHUA BARRANTES

Signed by:



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JOSHUA BARRANTES

Date: _____

**DEFENDANT ADIDAS AMERICA,
INC.**

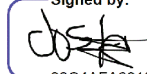
By: _____

Title: _____

APPROVED:

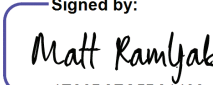
Date: 2/12/2026

PLAINTIFF JOSHUA BARRANTES

Signed by:

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JOSHUA BARRANTES

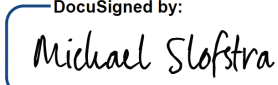
Date: _____

**DEFENDANT ADIDAS AMERICA,
INC.**

Signed by:

4E86D8FC5B81433...
Matt Ramljak

SVP Retail

14.02.2026

DocuSigned by:

103FC01588B545F...

By: Michael Slofstra

Title: 15/06/2023

14.02.2026

APPROVED AS TO FORM:

Date: 2/12/26

D. LAW, INC.



Emil Davtyan
David Yeremian
David Keledjian
Svetlana Hovhannisyan
Attorneys for Plaintiff

Date: _____

LITTLER MENDELSON P.C.

Robert S. Blumberg
Ashley Brick
Donna Leung
Attorneys for Defendant

APPROVED AS TO FORM:

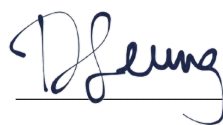
Date: _____

D. LAW, INC.

Emil Davtyan
David Yeremian
David Keledjian
Svetlana Hovhannisyan
Attorneys for Plaintiff

Date: 2/17/2026

LITTLER MENDELSON P.C.



Robert S. Blumberg
Ashley Brick
Donna Leung
Attorneys for Defendant

**COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING
DATE FOR FINAL COURT APPROVAL**

JOSHUA BARRANTES V. ADIDAS AMERICA, INC. | Case No. 24CV012723

The Superior Court for the State of California authorized this Notice.

*Read it carefully! It's not junk mail, spam, an advertisement,
or solicitation by a lawyer. You are not being sued.*

You may be eligible to receive money from an employee class action lawsuit (“Action”) entitled *Joshua Barrantes v. adidas America, Inc.*, for alleged wage and hour violations. The Action was filed by a former employee (“Plaintiff”) of adidas America, Inc. and seeks payment of (1) back wages and other relief for a class of hourly, non-exempt retail employees (“Class Members”) who worked for adidas America, Inc. during the Class Period from October 2, 2021, to November 30, 2025 and (2) penalties under the California Private Attorney General Act (“PAGA”) for all hourly, non-exempt retail employees who worked for adidas America, Inc. during the PAGA Period from May 22, 2023, to November 30, 2025 (“Aggrieved Employees”). For the purposes of this Notice, adidas America, Inc. shall be referred to here as the “Company.”

The proposed Settlement has two main parts: (1) a Class Settlement requiring Company to fund Individual Class Payments, and (2) a PAGA Settlement requiring Company to fund Individual PAGA Payments and pay penalties to the California Labor and Workforce Development Agency (“LWDA”).

Based on the Company’s records, and the Parties’ current assumptions, **your Individual Class Payment is estimated to be \$ [REDACTED] (less withholding) and your Individual PAGA Payment is estimated to be \$ [REDACTED]**. The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to the Company’s records you are not eligible for an Individual PAGA Payment under the Settlement because you didn’t work during the PAGA Period.)

The above estimates are based on the Company’s records showing that **you worked [REDACTED] workweeks** during the Class Period and **you worked [REDACTED] pay periods** during the PAGA Period. If you believe that you worked more workweeks or pay periods during either period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff’s attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires the Company to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against the Company.

If you worked for the Company during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

- (1) **Do Nothing.** You don’t have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against the Company.
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against the Company, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

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

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don’t Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against the Company that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is 	If you don’t want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. The Company must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).

Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by [REDACTED]	All Class Members who do not opt-out (“Participating Class Members”) can object to any aspect of the proposed Settlement. The Court’s decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section 7 of this Notice.
You Can Participate in the [REDACTED] Final Approval Hearing	The Court’s Final Approval Hearing is scheduled to take place on [REDACTED]. You don’t have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court’s virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by [REDACTED]	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number of Class Period Workweeks and number of PAGA Period Pay Periods you worked according to the Company’s records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by [REDACTED]. See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former employee of the Company. The Action accuses the Company of violating California labor laws for (1) Failure to Provide Meal Periods (Lab. Code §§ 204, 223, 226.7, 512 and 1198); (2) Failure to Provide Rest Periods (Lab. Code §§ 204, 223, 226.7 and 1198); (3) Failure to Pay Hourly Wages and Overtime (Lab. Code §§ 223, 510, 1194, 1194.2, 1197, 1997.1, and 1198); (4) Failure to Pay Proper Sick Pay (Lab. Code § 246); (5) Failure to Provide Accurate Written Wage Statements (Lab. Code §§ 226(a)); (6) Failure to Timely Pay All Final Wages (Lab. Code §§ 201, 202 and 203); (7) Failure to Pay Wages Due, Negotiable and Payable in Cash on Demand (Lab. Code §§ 212 and 213); (8) Failure to Indemnify (Lab. Code § 2802); (9) Failure to Pay Split-Shift Premiums (IWC Order 1-15, § 4); and (10) Unfair Competition (Bus. & Prof. Code §§ 17200 et seq.). Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) (“PAGA”).

The Company strongly denies violating any labor laws or failing to properly pay wages and contends it complied with all applicable laws.

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

The Court has made no determination whether the Company or Plaintiff is correct on the merits. In the meantime, Plaintiff and the Company hired an experienced, neutral mediator in an effort to resolve the Action by negotiating an end to the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement (“Agreement”) and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and the Company have negotiated a proposed Settlement that is subject to the Court’s Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, the Company does not admit any violations or concede the merit of any claims. To the contrary, the Company denies violating any labor laws or failing to properly pay wages.

Plaintiff and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) the Company has agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

- a. The Company Will Pay \$1,147,500.00 as the Gross Settlement Amount (Gross Settlement). The Company has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel’s attorney’s fees and expenses, the Administrator’s expenses, and penalties to be paid to the California Labor and Workforce Development Agency (“LWDA”). Assuming the Court grants Final Approval, the Company will fund the Gross Settlement not more than 30 days after the Judgment entered by the Court becomes final. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.
- b. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - i. Up to \$382,500.00 (One-Third of the Gross Settlement) to Class Counsel for attorneys’ fees and up to \$19,000.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.

- ii. Up to \$7,500.00 as a Class Representative Award for filing the Action, working with Class Counsel and representing the Class. A Class Representative Award will be the only monies Plaintiff will receive other than Plaintiff's Individual Class Payment and any Individual PAGA Payment.
- iii. Up to \$24,000.00 to the Administrator for services administering the Settlement.
- iv. Up to \$100,000.00 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.

Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.

- c. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement Amount (the "Net Settlement Amount") by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.
- d. Taxes Owed on Payments to Class Members. The Settlement shall be broken down as follows: 20% ("Wage Portion") of each Individual Class Payment to taxable wages and 80% ("Non-Wage Portion") to penalties and interest. The Wage Portion is subject to withholding and will be reported on IRS W-2 Forms. The Company will separately pay employer payroll taxes it owes on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

Although Plaintiff and the Company have agreed to these allocations, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any Payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

- e. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller's Unclaimed Property Fund in your name. If the monies represented by your check are sent to the Controller's Unclaimed Property, you should consult the rules of the Fund for instructions on how to retrieve your

money.

- f. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than [REDACTED], that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her/their representative setting forth the Class Member's name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments but will preserve their rights to personally pursue wage and hour claims against the Company.
- g. You cannot opt-out of the PAGA portion of the Settlement. If the Court grants final approval, Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against the Company based on the PAGA Period facts alleged in the Action.
- h. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiff and the Company have agreed that, in either case, the Settlement will be void: the Company will not pay any money and Class Members will not release any claims against the Company.
- i. Administrator. The Court has appointed a neutral company, Phoenix Settlement Administrators (the "Administrator") to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks and Pay Periods, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section 9 of this Notice.
- j. Participating Class Members' Release. After the Judgment is final and the Company has fully funded the Gross Settlement and separately paid all employer payroll taxes, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against the Company or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

The Participating Class Members will be bound by the following release:

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims that were pled, or reasonably could have been pled based on the facts alleged in the Operative Complaint against Defendant that accrued during the Class Period (the “Released Class Claims”). Except as set forth in Section 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or claims based on facts occurring outside the Class Period.

- k. Aggrieved Employees’ PAGA Release. After the Court’s judgment is final, and the Company has fully funded the Gross Settlement and separately paid all employer payroll taxes, all Aggrieved Employees will be barred from asserting PAGA claims against the Company, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against the Company or its related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement.

The Aggrieved Employees’ Releases for Participating and Non-Participating Class Members are as follows:

All Participating and Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for civil penalties or other remedies recoverable under Labor Code Section 2698, *et seq.* (“PAGA”), which were pled, or could have been pled based on the facts alleged in the PAGA Notice and PAGA Complaint, against Defendant that accrued during the PAGA Period (the “Released PAGA Claims”). The Released PAGA Claims include a release of civil penalties, attorneys’ fees and costs.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

- a. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.

- b. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$25,000.00 by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.
- c. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of Pay Periods you worked during the PAGA Period, as recorded in the Company's records, are stated on the first page of this Notice. You have until [REDACTED] to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept the Company's calculation of Workweeks and/or Pay Periods based on the Company's records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek and/or Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and the Company's Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

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

Your check will be sent to the same address as in this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Joshua Barrantes v. adidas America, Inc.*,

and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by [REDACTED], or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and the Company are asking the Court to approve. At least 16 court days before the [REDACTED] Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Award stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiff is requesting as a Class Representative Service Award. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website [REDACTED] or the Court's website [REDACTED].

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. **The deadline for sending written objections to the Administrator is [REDACTED].** Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action *Joshua Barrantes v. adidas America, Inc.* and include your name, current address, telephone number, and approximate dates of employment for the Company and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on [REDACTED] at [REDACTED] in Department 22 of the Sacramento Superior Court, located at 720 9th St, Sacramento, CA 95814. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff, and the Administrator. The Court will invite comments from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via the Sacramento Superior Court Website (<https://saccourt-ca.gov.zoomgov.com/my/sscdept22/>). Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website () beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything the Company and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to the Administrator's website at . You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below or consult the Superior Court website by going to <https://prod-portal-sacramento-ca.journaltech.com/public-portal/> and entering the Case Number for the Action, Case No. 24CV012723. You can also make an appointment to personally review court documents in the Clerk's Office at the Gordon D. Schaber Sacramento County Courthouse by calling (916) 874-5522.

DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.

The Contact information for the Settlement Administrator is as follows:

Email Address:

Mailing

Address:

Telephone:

Fax Number:

The addresses for the Parties' counsel are as follows:

Class Counsel	Counsel for Defendant
Emil Davtyan David Yeremian David Keledjian Svetlana Hovhannisyan D.Law, Inc. 450 N. Brand Blvd., Suite 840 Glendale, CA 91203 Tel.: (818) 962-6465 Fax: (818) 962-6469 E-Mail: emil@d.law d.yeremian@d.law d.keledjian@d.law l.hovhannisyan@d.law	Robert S. Blumberg Ashley J. Brick Donna Leung LITTLER MENDELSON, P.C. 2049 Century Park East 5th Floor Los Angeles, California 90067.3107 Telephone: 310.553.0308 Fax No.: 800.715.1330 E-mail: rblumberg@littler.com E-mail: abrick@littler.com E-mail: dleung@littler.com

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void you should consult the Unclaimed Property Fund for instructions on how to retrieve the funds.

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.

EXHIBIT 2

May 22, 2024

VIA ON-LINE SUBMISSION AND MAIL:

<https://dir.tfaforms.net/128> (copy by certified mail to all Defendants)

Private Attorneys General Act
Attn. PAGA Administrator
455 Golden Gate Avenue, 9th Floor
San Francisco, CA 94102

Adidas America, Inc.
United Agent Corp., Inc., Agent for Service of Process
5901 W. Century Blvd.
Los Angeles, CA 90045
Certified Mail Tracking Number: 9414 8112 0620 4139 9831 42

Adidas America, Inc.
5055 N. Greeley Ave.
Portland, OR 97217
Certified Mail Tracking Number: 9414 8112 0620 4139 9845 90

LWDA No.: LWDA-CM-987342-23

**Re: Labor Code § 2698, *et seq.* Penalties – PAGA Notice Letter to the LWDA
*Wilmer Hernandez, et al v. Adidas America, Inc., et al.***

Gentlepersons:

This office represents Plaintiffs Wilmer Hernandez and Joshua Barrantes (“Plaintiffs”) and other similarly situated aggrieved employees (collectively “Aggrieved Employees”) for violations of California Labor Code §§ 201, 202, 203, 204, 210, 212, 213, 226, 226.3, 226.7, 226.8, 246, 510, 512, 515, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1198, 1199, 2698, 2699, *et seq.*, and 2802; provisions of the Industrial Welfare Commission (IWC) Wage Order(s); and California Business & Professions Code § 17200 *et seq.*

The purpose of this letter is to comply with the Private Attorneys General Act of 2004, pursuant to California Labor Code § 2698 *et seq.* (“the Act”). Unless specified below, Plaintiffs would like to bring a representative action, pursuant to the Act, on behalf of themselves and all other similarly situated, Aggrieved Employees, and the State of California, against Defendants, Adidas America, Inc., and DOES 1 through 50 inclusive (all defendants being referred to herein collectively as “Defendants”).

We also set forth herein the facts and theories and the California Labor Code violations which Defendants engaged in with respect to Plaintiffs and all of their Aggrieved Employees in California. The Class Action Complaint provides the details of Plaintiffs’ class-wide claims and claims under the Act, and the applicable California law governing them. It, along with this Notice



Letter, addresses in detail numerous violations that subject Defendants to civil and statutory penalties under the Act.

Relevant Facts

Plaintiffs were employed by Defendants as non-exempt hourly employees in California. Aggrieved Employees include all non-exempt hourly employees of Defendants within the state of California from one year prior to the date of this letter and continuing through the present (Plaintiffs and Aggrieved Employees are collectively referred to herein as “Aggrieved Employees”).

Defendants had a common policy and practice of systemically failing to pay Aggrieved Employees proper wages and overtime for all hours worked, at the proper rates of pay.

Defendants had a common policy and practice of requiring Aggrieved Employees to work off-the-clock for which no wages were paid. Specifically, Aggrieved Employees were required to undergo mandatory security bag checks before clocking in for work and after clocking out for the day. Aggrieved Employees were also consistently required to perform work, including helping customers, after clocking out of their shift. The forgoing and uncompensated working time was under the direction and control of Defendants, for which no wages were paid.

This uncompensated time caused Aggrieved Employees to work in excess of eight (8), ten (10) and/or twelve (12) hours a day and/or forty (40) hours a week, entitling Aggrieved Employees to minimum and overtime wages, which they were systemically denied.

Defendants had a common policy and practice of systemically denying Aggrieved Employees the opportunity to take meal periods in compliance with California Law. Specifically, the uncompensated pre-shift hours, discussed herein, delayed Aggrieved Employees’ meal periods to commence after the completion of their fifth hour of work.

Defendants had a common policy and practice of systemically denying Aggrieved Employees the opportunity to take rest breaks in compliance with the California Law. Aggrieved Employees were not provided with rest periods of at least ten (10) minutes for each four (4) hour work period, or major fraction thereof, due to (1) Defendants’ policy of requiring employees to work during their rest breaks; (2) no formal compliant written rest period policy that encouraged employees to take their rest periods, or that properly advised Aggrieved Employees of their rest period rights.

Furthermore, Defendants failed to pay Aggrieved Employees premium pay wages at their appropriate regular rates of pay for each meal and rest period denied.

Defendants had a common policy and practice of systemically failing to pay Aggrieved Employees the requisite sick time pay in accordance with California Law. Specifically, Aggrieved Employees worked for Defendants for more than 30 days, but were not paid at least one hour of sick pay for every 30 hours of work, or at least 3 days of sick time for every 12 month period of work. Furthermore, Aggrieved Employees were not able to use accrued paid sick days. Further, Aggrieved Employees were not able to use paid sick days for COVID sick leave, as required for any part-time employee with a variable work schedule that has worked for a company for more than seven (7) days.

Aggrieved Employees were not provided with accurate wage statements as mandated by law pursuant to Labor Code section 226. Specifically, Defendants failed to issue wage statements as



“a detachable part of the check, draft, or voucher paying the employee’s wages, or separately if wages are paid by personal check or cash, an accurate itemized statement in writing.” Additionally, the wage statements issued to Aggrieved Employees were not recorded in “ink or other indelible form.”

Defendants failed to comply with Labor Code section 226(a)(1) as “gross wages earned” were not accurately reflected in that: all hours worked, including overtime, were not included.

Defendants failed to comply with Labor Code section 226(a)(2) as “total hours worked by the employee” were not accurately reflected in that: all hours worked, including overtime, were not included.

Defendants failed to comply with Labor Code section 226(a)(5) as “net wages earned” were not accurately reflected in that: all hours worked, including overtime, were not included.

Defendants failed to comply with Labor Code section 226(a)(9) as “all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee” were not accurately reflected in that: all hours worked, including overtime, were not included.

Furthermore, Defendants failed to provide Aggrieved Employees with paper pay stubs as required by Labor Code § 226, applicable Wage Orders, and DLSE Opinion Letters. Plaintiffs’ and Aggrieved Employees’ wage statement were only provided in electronic format in violation of Labor Code § 226.

At all relevant times during the applicable limitations period, Defendants maintained a policy or practice of failing to pay premium wages to Aggrieved Employees when their schedules were interrupted by non-paid and non-working time periods established by the employer. The time periods between these shifts were longer than a bona fide meal or rest periods and were for the benefit of the employer. At no time did the Plaintiffs and Aggrieved Employees reside at the place of their employment.

Defendants failed to pay Aggrieved Employees with an order, check, draft, note, memorandum, or other acknowledgment of indebtedness that was payable on demand, without discount at some established place of business in the state. Defendants issued pay cards to Aggrieved Employees for wages earned. These pay cards were useable for a fee and did not have a provision for use and payment in California at no cost to the employee. Therefore, Defendants failed to provide Aggrieved Employees with checks, drafts, notes or other acknowledgements of indebtedness that were payable on demand without discount as required by Labor Code § 212, which required Aggrieved Employees to incur fees to use, was not fully cashable, and not usable at all financial institutions.

Aggrieved Employees were not reimbursed for business expenses incurred in executing their duties under Defendant’s employ. Specifically, Aggrieved Employees were required to wear a uniform with Defendant’s logo present, but were not provided reimbursement for the full cost of the uniform. Additionally, Aggrieved Employees were required to incur the costs of cleaning and maintaining their work uniforms Aggrieved Employees were never reimbursed for the value of the



purchases required to complete the uniform.

Defendants also failed to provide suitable seating to Aggrieved Employees. The operations at Defendant's facilities allowed for the presence and use of a stool or seat by Aggrieved Employees during the performance of their work duties. The nature of the effected job positions can reasonably be accomplished while using a seat or stool. However, Defendant failed to provide Aggrieved Employees suitable seating when the nature of these employees' work reasonably permitted sitting.

PAGA Claim Details, Legal Bases for Violations and Penalties:

As addressed above and in further detail in the Class Action Complaint, the Aggrieved Employees complain of the following violations committed by Defendants:¹

Failure to Pay Minimum Wages

Defendants violated the law by failing to pay Aggrieved Employees minimum wages for all hours worked. California Labor Code § 1197, entitled "Pay of Less Than Minimum Wage" states, "[t]he minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a less wage than the minimum so fixed is unlawful." The applicable minimum wages fixed by the commission for work during the relevant period is found in the Wage Orders.

In California, employees must be paid at least the then applicable state minimum wage for all hours worked, including under Labor Code § 1197, IWC Wage Order MW-2014, and paragraphs 2(K), 2(S), and 4(A)-4(C) of the applicable IWC Wage Orders. Paragraph 2(H) of the applicable IWC Wage Orders defines "Hours Worked" as "the time during which an employee is subject to the control of an employer and includes all the time the employee is suffered or permitted to work, whether or not required to do so." Additionally, pursuant to Labor Code § 204, other applicable laws and regulations, and public policy, an employer must timely pay its employees for all hours worked. Defendants failed to do so.

California Labor Code § 1197, entitled "Pay of Less Than Minimum Wage" states: "The minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a less wage than the minimum so fixed is unlawful." The minimum wage provisions of California Labor Code are enforceable by private civil action pursuant to Labor Code § 1194(a) which states: "Notwithstanding any agreement to work for a lesser wage, any employee receiving less than the legal minimum wage or the legal overtime compensation applicable to the employee is entitled to recover in a civil action the unpaid balance of the full amount of this minimum wage or overtime compensation, including interest thereon, reasonable attorney's fees and costs of suit."

¹ Plaintiff hereby reserves the right to seek penalties on behalf of all Aggrieved Employees, for Defendants' violations of the applicable provisions of the Labor Code, suffered by Aggrieved Employees, but not directly suffered by Plaintiff under *Huff v. Securitas Security Services USA, Inc.* (2018) 23 Cal.App.5th 745.



As described in California Labor Code §§ 1185 and 1194.2, any action for wages incorporates the applicable Wage Order of the California Industrial Welfare Commission. Also, California Labor Code §§ 1194, 1197, 1197.1 and those Industrial Welfare Commission Wage Orders entitle non-exempt employees to an amount equal to or greater than the minimum wage for all hours worked. All hours must be paid at the statutory or agreed rate, or at the minimum rate in the absence of a contractually agreed upon one. The underpayment of wages to Aggrieved Employees is and has been a direct consequence of Defendants' unlawful compensation policies and practices, which applied uniformly to the Aggrieved Employees working at locations and work sites throughout California.

Defendants had a common policy and practice of systemically failing to pay Aggrieved Employees proper wages and overtime for all hours worked, at the proper rates of pay.

Defendants had a common policy and practice of requiring Aggrieved Employees to work off-the-clock for which no wages were paid. Specifically, Aggrieved Employees were required to undergo mandatory security bag checks before clocking in for work and after clocking out for the day. Aggrieved Employees were also consistently required to perform work, including helping customers, after clocking out of their shift. The forgoing and uncompensated working time was under the direction and control of Defendants, for which no wages were paid.

Defendants have the ability to pay minimum and overtime wages for all time worked and have willfully refused to pay such wages with the intent to secure for Defendants a discount upon this indebtedness with the intent to annoy, harass, oppress, hinder, delay, or defraud Aggrieved Employees.

In light of the forgoing, the Aggrieved Employees seek to recover wages and penalties. Aggrieved Employees are entitled to recover the unpaid minimum wages (including double minimum wages), liquidated damages in an amount equal to the minimum wages unlawfully unpaid, interest thereon and reasonable attorney's fees and costs of suit pursuant to California Labor Code § 1194(a). the other Aggrieved Employees further request recovery of all unpaid wages, according to proof, interest, statutory costs, as well as the assessment of any statutory and civil penalties against Defendants, in a sum as provided by the California Labor Code and/or other applicable statutes, including pursuant to Labor Code § 558, and Wage Order provisions. To the extent minimum wage compensation is determined to be owed to the Aggrieved Employees who have terminated their employment, Defendants' conduct also violates Labor Code §§ 201 and/or 202, and therefore these individuals are also be entitled to waiting time penalties under California Labor Code § 203, which penalties are sought herein on behalf of these Aggrieved Employees. Defendants' failure to timely pay all wages owed also violated Labor Code § 204 and resulted in violations of Labor Code § 226 because they resulted in the issuance of inaccurate wage statements. Defendants' conduct as alleged herein was willful, intentional and not in good faith. Further, other Aggrieved Employees are entitled to seek and recover statutory costs.

Under the PAGA, and following exhaustion of the notice period, Plaintiffs are seeking all civil and statutory penalties available and applicable under Labor Code §§ 510, 558, 1194.2, 1197.1, 1199, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).



Failure to Pay Wages and Overtime in Violation of Labor Code § 510

Defendants violated the law by failing to pay Aggrieved Employees earned wages and overtime. Specifically, Aggrieved Employees consistently worked in excess of eight (8), ten (10), and twelve (12) hours a day, and/or forty (40) hours a week. However, Aggrieved Employees were not paid overtime wages for hours worked in excess of 8 hours a day. Moreover, the uncompensated time, discussed above caused Aggrieved Employees to work in excess of eight (8), ten (10), and twelve (12) hours a day and/or 40 hours a week, further entitling Aggrieved Employees overtime wages which they were consistently denied, all in violation of Labor Code § 510 and applicable Wage Orders.

Defendants have violated Labor Code § 1194 and Labor Code § 510 (and paragraphs 2(K), 2(S), 3(A) and 4(A)-4(B) of the relevant orders of the Industrial Welfare Commission) by failing to pay Employees: (a) time and one-half their regular hourly rates for hours worked in excess of eight hours in a workday or in excess of forty hours in any workweek or for the first eight hours worked on the seventh day of work in any one workweek; or (b) twice their regular rate of pay for hours worked in excess of twelve hours in any one day or for hours worked in excess of eight hours on any seventh day of work in a workweek. Defendants had a consistent policy of not paying Employees wages for all hours worked, including by requiring off the clock work as addressed above and by under-reporting actual hours worked. With work shifts generally requiring eight hours or more of work on a given day, this unpaid off the clock work resulted in Aggrieved Employees working past eight hours on a shift or more than forty hours in a week, which required that they be paid at the correct overtime rate of 1.5 times their regular rate.

When considered in combination with the other wage violations addressed above, Aggrieved Employees were not properly compensated, nor were they paid overtime and double time rates for hours worked in excess of 8, 10, and 12 hours in a given day, and/or forty hours in a given week. Defendants did not make available to Employees a reasonable protocol for correcting time records when Employees worked overtime hours or to fix incorrect time entries or those that Defendants unlawfully under-recorded to the Employee's detriment. Defendants have also violated these provisions by requiring other similarly situated Aggrieved Employees to work through meal periods when they were required to be clocked out or to otherwise work off the clock to complete their daily job duties.

In light of the forgoing, Aggrieved Employees seek to recover wages and penalties pursuant to the California Labor Code, including Labor Code §§ 204, 510, 558, 1174, 1194, 1198, 1199, and the relevant paragraphs of the IWC Wage Orders, including paragraphs 2(K), 2(S), 3(A), 4, and 20. Defendants are liable to Employees for the full amount of all their unpaid wages and overtime compensation, with interest, plus their reasonable attorneys' fees and costs, as well as the assessment of any statutory penalties against Defendants, and each of them, and any additional sums as provided by the Labor Code and/or other statutes and Wage Order provisions.

Under the PAGA, and following exhaustion of the notice period, Plaintiffs are seeking all civil and statutory penalties available and applicable under Labor Code §§ 510, 558, 1194.2, 1197.1, 1199, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).



Meal-Period Liability Under Labor Code §§ 226.7 and 512 and Penalties

Defendants had a common policy and practice of systemically denying Aggrieved Employees the opportunity to take meal periods in compliance with California Law. Specifically, the uncompensated pre-shift hours, discussed herein, delayed Aggrieved Employees' meal periods to commence after the completion of their fifth hour of work.

Defendants also failed to pay Aggrieved Employees "premium pay," i.e. one hour of wages at each Aggrieved Employee's effective regular rate of pay, for each meal period that Defendants failed to provide or deficiently provided, including by miscalculating any premium payments they did make. Therefore, pursuant to Labor Code § 226.7 and paragraphs 11 and 20 of the applicable IWC Wage Order, Aggrieved Employees are entitled to damages in an amount equal to one hour of wages at their correctly calculated regular rate of compensation for each meal period not provided or deficiently provided, as well as the assessment of any statutory penalties against the Defendants, and each of them, in a sum as provided by the Labor Code, including Labor Code § 558 and other applicable statutes and Wage Order provisions.

Under the PAGA, and following exhaustion of the notice period, Plaintiffs are seeking all civil and statutory penalties and wages as available and applicable under Labor Code §§ 226.7, 512, 558, including sections 558(a)(1)-(3), 1199, 2699(f)(2) and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Rest-Break Liability Under Labor Code § 226.7 and Penalties

Defendants had a common policy and practice of systemically denying Aggrieved Employees the opportunity to take rest breaks in compliance with the California Law. Aggrieved Employees were not provided with rest periods of at least ten (10) minutes for each four (4) hour work period, or major fraction thereof, due to (1) Defendants' policy of requiring employees to work during their rest breaks; (2) no formal compliant written rest period policy that encouraged employees to take their rest periods, or that properly advised Aggrieved Employees of their rest period rights.

Defendants also failed to pay Aggrieved Employees premium pay for each day on which requisite rest breaks were not provided or were deficiently provided, or miscalculated any premiums paid. Therefore, pursuant to Labor Code § 226.7 and paragraphs 12 and 20 of the applicable IWC Wage Order, Aggrieved Employees are entitled to damages in an amount equal to one hour of wages at their correctly calculated regular rate of compensation for each rest period not provided or deficiently provided, as well as the assessment of any statutory penalties against the Defendants, and each of them, in a sum as provided by the Labor Code, including Labor Code § 558 and other applicable statutes and Wage Order provisions.

Under the PAGA, and following exhaustion of the notice period, Plaintiffs are seeking all civil and statutory penalties and wages as available and applicable under Labor Code §§ 226.7, 512, 558, including sections 558(a)(1)-(3), 1199, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Pay Proper Sick Time

Labor Code Section 246 affords an employee "who works in California for 30 or more days



within a year from the commencement of employment [] paid sick days . . . of not less than one hour per every 30 hours worked” and “no less than 24 hours of accrued sick leave or paid time off by the 120th calendar day of employment or each calendar year, or in each 12-month period.”

Additionally, Subsection (l) of Section 246 provides:

For the purposes of this section, an employer shall calculate paid sick leave using any of the following calculations:

(1) Paid sick time for nonexempt employees shall be calculated in the same manner as the regular rate of pay for the workweek in which the employee uses paid sick time, whether or not the employee actually works overtime in that workweek.

Defendants had a common policy and practice of systemically failing to pay Aggrieved Employees the requisite sick time pay in accordance with California Law. Specifically, Aggrieved Employees worked for Defendants for more than 30 days, but were not paid at least one hour of sick pay for every 30 hours of work, or at least 3 days of sick time for every 12 month period of work. Furthermore, Aggrieved Employees were not able to use accrued paid sick days. Further, Aggrieved Employees were not able to use paid sick days for COVID sick leave, as required for any part-time employee with a variable work schedule that has worked for a company for more than seven (7) days.

Under the PAGA, and following exhaustion of the notice period, Plaintiffs assert PAGA claims for failure to timely pay all wages owed, including at least semi-monthly and upon separation or termination, under Labor Code §§ 203, 204, 246, 2926, 2927, and 2699.5 seeking all civil penalties available and applicable under Labor Code §§ 204, 210, 246, 558, 1197, 1198, 1199 and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Orders, and also for attorneys’ fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Pay Split-Shift Premiums Under IWC Order 1-15, § 4

Section 4 of the applicable Industrial Welfare Commission Wage Order imposes an affirmative obligation on employers to pay non-exempt employees one (1) hour’s pay at the minimum wage in addition to the minimum wage for that workday when an employee works a split shift.

Defendants maintained a policy or practice of failing to pay premium wages to Aggrieved Employees when their schedules were interrupted by non-paid and non-working time periods established by the employer. The time periods between these shifts were longer than a bona fide meal or rest periods and were for the benefit of the employer.

Under the PAGA, and following exhaustion of the notice period, Plaintiffs assert PAGA claims for failure to timely pay all split-shift premiums and seeking penalties available under applicable IWC Wage Orders, and also for attorneys’ fees and costs.

Failure to Pay Wages Due, Negotiable and Payable in Cash on Demand Under Labor Code §§ 212 and 213



Labor Code § 212 states that no employer “shall issue in payment of wages due” by “order, check, draft, note, memorandum, or other acknowledgment of indebtedness, unless it is negotiable and payable in cash, on demand, without discount, at some established place of business in the state.”

Defendants failed to pay Plaintiffs and Aggrieved Employees with an order, check, draft, note, memorandum, or other acknowledgment of indebtedness that was payable on demand, without discount at some established place of business in the state. Defendants issued pay cards to Plaintiffs and Aggrieved Employees for wages earned. These pay cards were useable for a fee and did not have a provision for use and payment in California at no cost to the employee. Therefore, Defendants failed to provide Plaintiffs and Aggrieved Employees with checks, drafts, notes or other acknowledgements of indebtedness that were payable on demand without discount as required by Labor Code § 212, which required Plaintiffs and Aggrieved Employees to incur fees to use, was not fully cashable, and not usable at all financial institutions.

Failure to Reimburse for Necessary Business Expenditures in Violation of Labor Code § 2802

Defendants have consistently required Aggrieved Employees to incur necessary business expenses in the execution of their duties under Defendants’ employ. Specifically, Aggrieved Employees were required to wear a uniform with Defendant’s logo present, but were not provided reimbursement for the full cost of the uniform. Additionally, Aggrieved Employees were required to incur the costs of cleaning and maintaining their work uniforms. Aggrieved Employees were never reimbursed for the value of the purchases required to complete the uniform. Aggrieved Employees were not reimbursed for these necessary work-related expenses in violation of Labor Code § 2802.

Defendants systematically and uniformly failed to reimburse those lawful and necessary work related expenses or losses incurred in direct discharge of their job duties during employment with Defendants and at the direction of the Defendants pursuant to Labor Code § 2802(a) and the applicable IWC Wage Orders, paragraph 9. Defendants are liable for PAGA penalties resulting from their failure to reimburse necessary business expenses incurred by the Aggrieved Employees. Accordingly, Aggrieved Employees are entitled to recover, and hereby seek through this Representative Action, all civil and statutory penalties authorized for violations of California Labor Code §§ 1198 and 2802, and Section 9(B) of the applicable IWC Wage Orders, and Plaintiffs seek all civil and statutory penalties available and applicable under Labor Code §§ 2802 and 2699(f)(2), and also attorneys’ fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Issue Accurate and Itemized Wage Statements in Violation of Labor Code § 226

California Labor Code § 226(a) requires an employer to furnish each employee with an accurate, itemized wage statements in writing. These statements must be appended to the detachable part of the check, draft, voucher, or whatever else serves to pay the employee’s wages; or, if wages are paid by cash or personal check, these statements may be given to the employee separately from the payment of wages; in either case the employer must give the employee these statements twice a month or each time wages are paid. As a direct and proximate cause of Defendants’ violation of Labor Code § 226(a), Aggrieved Employees suffered injuries, including among other things confusion over whether they received all wages owed them, the difficulty and expense involved in



reconstructing pay records, and forcing them to make mathematical computations to analyze whether the wages paid in fact compensated them correctly for all hours worked.

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Defendants failed to provide Aggrieved Employees with accurate itemized wage statements in writing, as required by the Labor Code. Specifically, Defendants failed to provide Employees with accurate itemized wage statements in writing, as required by the Labor Code. The wage statements given to Aggrieved Employees failed to accurately account for unpaid wages, overtime, premium pay for deficiently provided meal periods and rest breaks.

Additionally, for the purposes of Subsection (a)(9), Plaintiffs seek to expand the scope of the Aggrieved Employees she seeks to represent to extend to all individuals employed by Defendants during the applicable period. The wage statements issued to Aggrieved Employees failed to state all applicable hourly rates for which Aggrieved Employees were paid as required by Labor Code § 226(a)(9).

In light of these violations, and pursuant to Labor Code §§ 226(a) and 226(e) and paragraphs 4(b), 7, and 20 of the applicable IWC Wage Orders, Aggrieved Employees are entitled to recover the greater of all actual damages or fifty dollars (\$50) for the initial pay period in which a violation occurs and one hundred dollars (\$100) for each violation in a subsequent pay period, not exceeding an aggregate penalty of four thousand dollars (\$4,000). They are also entitled to an award of costs and reasonable attorneys' fees.

Under the PAGA, and following exhaustion of the notice period, Plaintiffs assert PAGA claims for failure to provide Aggrieved Employees with accurate, itemized wage statements and failure to maintain employment records for Aggrieved Employees under Labor Code §§ 226, 1174, and 1198.5, and Sections 7(A), 7(B), and 7(C) of the applicable IWC Wage Order(s) seeking all civil and statutory penalties and wages available and applicable under Labor Code §§ 226(e), 226.3, 558, 1174.5, 1199, and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Order, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1). More specifically, by providing inaccurate wage statements and failing to maintain records as required under Labor Code § 226(a), Defendants committed ongoing violations giving rise to civil penalties under Labor Code § 226.3, which in addition to other penalties provided by law, subjects Defendants to "a penalty in the amount of two hundred fifty dollars (\$250) per employee per violation in an initial citation and one thousand dollars (\$1,000) per employee for each violation in a subsequent citation, ..."

Failure to Issue Semimonthly Payments in Violation of Labor Code § 204

In failing to pay Aggrieved Employees wages, overtime, premium pay, etc., and failing to provide them with checks and wage statements, Defendants failed to timely pay Aggrieved Employees wages on a semimonthly basis as required under Labor Code § 204. Defendants failed to maintain records showing accurate hours worked daily and the wages paid to Aggrieved Employees, as well as the meal and rest periods taken by Aggrieved Employees, as required by Labor Code § 1174 and the applicable IWC wage orders.



Defendants also required Aggrieved Employees to work hours off the clock for which they were not compensated, including during interrupted or otherwise on-duty meal and rest periods. Defendants also failed to pay all overtime premium wages owed for work conducted on a work shift and a workday or miscalculated these premiums by not including all forms of remuneration in the regular rate, as addressed above. Therefore, when Aggrieved Employees received wage statements and pay checks, they did not compensate all hours worked on a timely basis, resulting in Defendants' systematic failure to pay all wages owed to Aggrieved Employees twice monthly in accordance with the requirements of Labor Code § 204. Additionally, by not providing wage statements as required under section 204, Defendants systematically violated Labor Code § 204 and § 226.

Given the above described off the clock work, Plaintiffs were not paid at the correct overtime rate for all hours he worked after eight hours into a shift or over forty in a work week and that he was not paid all double time owed either. Defendants' uniformly applied payroll policies and practices thus resulted in further systematic and ongoing violations of the requirements of Labor Code § 204.

In light of the foregoing, Aggrieved Employees seek to recover wages and penalties, interest, fees and costs pursuant to Labor Code §§ 201.3, 210, 218.5, 558, and 1194. In failing to pay Aggrieved Employees minimum wages and overtime, off the clock work, by not providing proper meal and rest periods, failing to provide accurate itemized wage statements, and failing to pay Employees wages upon termination or timely upon resignation, all discussed above, Defendants failed to timely pay Aggrieved Employees wages on a semimonthly basis as required under Labor Code § 204. Defendants also failed to maintain records showing accurate hours worked daily and the wages paid to Aggrieved Employees, as required by Labor Code § 1174 and paragraph 7 of the applicable IWC Wage Orders, entitling Aggrieved Employees to recover penalties pursuant to paragraph 20 of the applicable IWC Wage Orders.

Under the PAGA, and following exhaustion of the notice period, Plaintiffs assert PAGA claims for failure to timely pay all wages owed, including at least semi-monthly and upon separation or termination, under Labor Code §§ 203, 204, 2926, 2927, and 2699.5 seeking all civil penalties available and applicable under Labor Code §§ 204, 210, 558, 1197, 1198, 1199 and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Orders, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Keep Records In Accordance With Labor Code §§ 1174

Labor Code § 1174 requires employers to keep records showing payroll data and the hours worked daily by and the wages paid to employees. By failing to pay Aggrieved Employees proper wages, overtime, double time, premium pay, etc., and by not recording meal period start and end times, all discussed herein, Defendants failed to maintain proper employment records in accordance with Section 1174. In light of the foregoing, Aggrieved Employees seek to recover penalties pursuant to Labor Code §§ 1174.5 and 2699, *et seq.* Defendants have also failed to comply with paragraph 7 of the applicable California IWC Wage Orders by failing to maintain time records showing when the employee begins and ends each work period, meal periods, wages earned pursuant to Labor



Code § 226.7, and total daily hours worked by itemizing in wage statements all deductions from payment of wages and accurately reporting total hours worked by the Aggrieved Employees, and they are entitled to recover penalties pursuant to paragraph 20 of the applicable IWC Wage Orders.

Under the PAGA, and following exhaustion of the notice period, Plaintiffs assert PAGA claims for failure to provide the Aggrieved Employees with accurate, itemized wage statements and failure to maintain employment records for Aggrieved Employees under Labor Code §§ 226, 1174, 1198, and 1198.5, and Sections 7(A), 7(B), and 7(C) of the applicable IWC Wage Order(s) seeking all civil and statutory penalties and wages available and applicable under Labor Code §§ 558, 1174.5, 1199, and 2699(f)(2), 2699.5, and paragraph 20 of the applicable IWC Wage Order, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Waiting Time Penalties Pursuant to Labor Code § 203

Some Aggrieved Employees no longer work for Defendants; they either resigned or were terminated from Defendants' employ. Based on the forgoing, Defendants have had a consistent policy of failing to pay all wages earned by and owed to Aggrieved Employees at the time of their termination of within seventy-two hours of their resignation, as required by California under Labor Code § 203. In light of the forgoing, Aggrieved Employees seek to recover wages and penalties pursuant to Labor Code § 558 and further specifically seek penalties and wages under Labor Code § 203, which provides that an employee's wages shall continue until paid for up to thirty (30) days from the date they were due.

Under the PAGA, and following exhaustion of the notice period, Plaintiffs assert PAGA claims for failure to timely pay all wages owed, including at least semi-monthly and upon separation or termination, under Labor Code §§ 201, 201, 203, 204, 1197.5, 2926, and 2927 seeking all civil penalties available and applicable under Labor Code §§ 201, 202, 203, 210, 558, 1197, 1198, 1199, 2699(f)(2), 2699.5, and paragraph 20 of the applicable IWC Wage Orders, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Provide Suitable Seating

Plaintiffs also allege that operations at Defendants' facilities allowed for the presence and use of a stool or seat by the Aggrieved Employees during the performance of their work duties. The nature of the effected job positions can reasonably be accomplished while using a seat or stool. California Labor Code § 1198 requires that "... the standard conditions of labor fixed by the commission shall be the ... standard conditions of labor for employees. The employment of any employee ... under conditions of labor prohibited by the order is unlawful." Paragraph (14)(A) of the applicable IWC Wage Orders provides that "[a]ll working employees shall be provided with suitable seats when the nature of the work reasonably permits the use of seats." Paragraph 14(B) of the applicable IWC Wage Orders provides that "[w]hen employees are not engaged in the active duties of their employment and the nature of the work requires standing, an adequate number of suitable seats shall be placed in reasonable proximity to the work area and employees shall be permitted to use such seats when it does not interfere with the performance of their duties.



In violation of the applicable sections of the California Labor Code and the requirements of the applicable IWC Wage Order, Defendants failed to provide Aggrieved Employees suitable seating when the nature of these employees' work reasonably permitted sitting. Defendants knew or should have known that Aggrieved Employees were entitled to suitable seating and/or were entitled to sit when it did not interfere with the performance of their duties, and that Defendants did not provide suitable seating and did not allow them to sit when it did not interfere with the performance of their duties.

their conduct, Defendants have violated California Labor Code § 1198 and Paragraph 14 of the applicable IWC Wage Orders by failing to provide suitable seating to Aggrieved Employees. Defendants have violated the California Labor Code, including Section 1198, and regulations promulgated thereunder as herein alleged, including Paragraph 14 of the applicable IWC Wage Orders.

Unfair Competition Under Business and Professions Code § 17200, et seq.

Consequently, Defendants' conduct has been and continues to be unfair, unlawful, and harmful to Aggrieved Employees and the general public in violation of Business & Professions Code § 17200 *et seq.*

Plaintiffs' PAGA Claim under Labor Code § 2698 et seq. and Recovery Bases:

After complying with the notice procedures of Labor Code § 2699.3 and the running of the notice period after the filing of the Class Action Complaint, Plaintiffs will file an amended Complaint asserting, as a representative action on behalf of the California Attorney General and the other similarly Aggrieved Employees, a PAGA claim for violations of the above addressed underlying claims and seeking penalties as specified by the applicable corresponding provisions.

The Aggrieved Employees seek penalties under Labor Code §§ 2698 and 2699 for Defendants' violation of Labor Code provisions included under Labor Code § 2699.5, including the penalty provisions, without limitation, based, *inter alia*, on the following California Labor Code sections: §§ 201, 202, 203, 204, 210, 212, 213, 226, 226.3, 226.7, 246, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1198, 1199, 2698, 2699, *et seq.*, and 2802, including as follows:

(a) **Wage Claims:** For failure to provide the Aggrieved Employees all earned regular pay and minimum wages for regular hours worked and for failure to pay overtime premium wages for overtime hours worked, failure to pay proper reporting time and sick pay under Labor Code §§ 510, 1194(a), 1197, and 1198, and paragraphs 2(K), 3(A), 4(A), 4(B) and 20 of the applicable IWC Wage Order(s) seeking all civil and statutory penalties available and applicable under Labor Code §§ 246, 227.3, 510, 558, 1194.2, 1197.1, 1198, 1199, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(b) **Meal and Rest Period Claims:** For failure to provide the Aggrieved Employees off-duty, timely, and unpaid meal periods and failure to authorize and permit them to take off-duty, timely, and paid rest periods, or pay one hour of regular pay in lieu thereof, under Labor Code §§ 512, 1198, and 226.7, and Sections 11, 12(A), and 12(B) of the applicable IWC Wage



Order(s) seeking all civil and statutory penalties available and applicable, including under paragraph 20 of the applicable IWC Wage Orders, and wages under Labor Code §§ 226.7, 512, 558, including sections 558(a)(1)-(3), 1199 and 2699(f)(2), and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(c) Inaccurate Wage Statements and Failure to Maintain Records: For failure to provide the Aggrieved Employees with wage statements or with accurate, itemized wage statements and failure to maintain employment records for Aggrieved Employees under Labor Code §§ 226, 1174, and 1198.5, and Sections 7(A), 7(B), and 7(C) of the applicable IWC Wage Order(s) seeking all civil and statutory penalties and wages available and applicable under Labor Code §§ 226(e), 226.3, 558, 1174.5, 1199, and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Order, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1). More specifically, by providing inaccurate wage statements and failing to maintain records as required under Labor Code § 226(a), Defendants committed ongoing violations giving rise to civil penalties under Labor Code § 226.3, which in addition to other penalties provided by law, subjects Defendants to "a penalty in the amount of two hundred fifty dollars (\$250) per employee per violation in an initial citation and one thousand dollars (\$1,000) per employee for each violation in a subsequent citation, ...";

(d) Failure to Timely Pay Wages: For failure to timely pay all wages owed, including at least semi-monthly and upon separation or termination, under Labor Code §§ 201, 201, 203, 204, 1197.5, 2926, and 2927 seeking all civil penalties available and applicable under Labor Code §§ 201, 202, 203, 210, 558, 1197, 1198, 1199 and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Orders, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(e) Failure to Reimburse Business Expenses: For Defendants' failure to reimburse the necessary work related expenses incurred under Labor Code §§ 1197, 1197.1, 1198, and 2802, and Sections 2(K), 4, 9, and 20 of the applicable IWC Wage Order(s), seeking civil penalties available and applicable under Labor Code §§ 1197, 1197.1, 1198, 2802, 2699.5, and 2699(f)(2) and paragraph 9 and 20 of the IWC Wage Orders, and also attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(f) All Alleged Violations of the IWC Wage Orders: For any above addressed violation of the applicable provisions of the IWC Wage Orders constituting violations of Labor Code § 1198 and Labor Code § 2699.5 and seeking penalties available and applicable under Labor Code § 2699(f)(2) and paragraph 20 of the applicable IWC Wage Orders, and for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

We have been constrained to initially move forward with the filing of this Complaint, alleging the causes of action discussed herein, without the PAGA claim. Thus, any action by the LWDA would not resolve the entirety of the case, and the interest of judicial economy will be served by allowing the case to proceed as a cohesive whole.

This letter and the attached Complaint therefore provide the requisite notice under the Act to the LWDA and Defendants by setting forth the specific provisions of the Labor Code and related



provisions Plaintiffs allege have been violated, including the facts and relevant theories alleged against Defendants and joint employers. To prevent the violations described in the Complaint and herein from occurring, and to remedy past violations, Plaintiffs respectfully request that the LWDA conduct an investigation into Defendants' employment practices in accordance with the Act.

Wherefore we request that you advise us, by certified mail within sixty days of the postmark on this letter, whether you intend to proceed with these claims or whether the Aggrieved Employees should include them in an amended Labor Code § 2698 *et seq.* claim under the Act in an amended Complaint.

Regards,

D.LAW, INC.

A handwritten signature in blue ink, appearing to read 'David Yerejian', written over the printed name.

David Yerejian

Cc: **Adidas America, Inc.**, by Certified Mail



Private Attorneys General Act (PAGA) - Filing

Amended PAGA Claim Notice

PAGA Number (LWDA-CM-) : *

Please enter only the numbers after "LWDA-CM-" in the following format, "XXXXXXXXXX-XX".

[Search for PAGA Case number](#)

Your Information (Attorney or Employee – Whoever is Filing)

Your First Name *

Your Last Name *

Your Email Address *

Your Street Name, Number and Suite/Apt *

Your Mobile Phone Number

Your City *

Your Work Phone Number

Your State *

Your Zip/Postal Code *

Amended Notice Detail

Please provide the details of the amendments to the original notice. *

- ☐ Adding additional claims
- ☐ Adding additional corporate defendants
- ☐ Adding additional Individual/Sole proprietor defendants
- ☒ Adding additional plaintiffs
- ☐ Other (please specify)

Please enter additional plaintiff names *

[Add Additional Plaintiff Names](#)

Amended Notice

Amended Notice * Revised PAGA...) 5-22-24.pdf**Other Attachment (if any) (must be a .pdf)** No file chosen[Add Another Attachment](#)

Should you have questions regarding this online form, please contact PAGAInfo@dir.ca.gov

IMPORTANT NOTICE OF REDACTION RESPONSIBILITY: All filers must redact: Social Security or taxpayer identification numbers; personal addresses, personal telephone numbers, personal email addresses, dates of birth; names of minor children; & financial account numbers. This requirement applies to all documents, including attachments.

☒ **I understand that, if I file, I must comply with the redaction rules consistent with this notice.**

EXHIBIT 3

Barrantes v. Adidas America, Inc.

Litigation Costs

Service Date		Details		Provider		Amount
6/26/24		Summons and Complaint		Rapid Legal		\$ 1,492.42
7/8/24		Process of Service - Adidas America, Inc.		Rapid Legal		\$ 87.55
7/9/24		POS of Summons		Rapid Legal		\$ 14.37
9/19/24		Notice of Change of Address		Rapid Legal		\$ 14.94
9/24/25		Deposition Transcript (2.24.25)		AMK Reporting		\$ 1,556.45
9/24/25		Mediation (9.24.25)		Giamela, Esq., Lonnie D.		\$ 5,000.00
11/10/25		Expert Analysis		Berger Consulting Group		\$ 7,020.00

Total	\$ 15,185.73
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EXHIBIT 4