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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES, CENTRAL DISTRICT**

YANLUY SANTOS, on behalf of himself and all
other aggrieved employees,

Plaintiff,

v.

R.J. ACQUISITION CORP d.b.a., THE AdArt
COMPANY, JOSEPH M. DEMARCO, and
DOES 1 -100, inclusive,

Defendants.

) Case No. 20STCV34717
) [Assigned for all purposes to the Hon. Mel
) Red Recana, Dept. 45]

) **[UNLIMITED CASE]**

) **DECLARATION OF STEPHEN M.**
) **HARRIS SUPPORTING MOTION FOR**
) **APPROVAL OF LABOR CODE**
) **PRIVATE ATTORNEYS GENERAL**
) **ACT SETTLEMENT PENALTIES,**
) **ADMINISTRATION COSTS, AND**
) **COSTS AND ATTORNEYS FEES**
) **INCURRED BY COUNSEL FOR**
) **PLAINTIFF**
) **[Proposed order submitted separately and**
) **concurrently herewith]**

Date: 3-28-23
Time: 8:30 a.m.
Dept.: 45

Date Filed: 9-10-20
TRIAL DATE: NONE

Reservation No.: 550050683234

DECLARATION OF STEPHEN M. HARRIS

I, Stephen M. Harris, declare as follows:

1. I am an attorney at law in good standing duly licensed to practice in all courts in the State of California. I am the owner and sole shareholder of the Law Offices of Stephen M. Harris, P.C., counsel of record for Plaintiff, individually and on behalf of the aggrieved employees in this action. As such, I have personal knowledge of the matters set forth below, and if called as a witness could and would competently testify as to all statements which follow.

2. True and correct copies of the PAGA notice to the Labor Workforce Development Agency ("LWDA") on January 7, 2020, and an amended notice on November 21, 2022, asserting various claims against defendants RJ Acquisition, Inc., d.b.a. The AdArt Company ("AdArt") and Joseph M. DeMarco ("DeMarco") (collectively "Defendants") are attached hereto as exhibit 1. A true and correct copy of the parties formal Settlement Agreement is attached hereto as exhibit 2. A true and correct copy of the cover letter to accompany the individual payments is attached hereto as exhibit 3.

3. The parties mediated this matter in September of 2022, before respected mediator Scott Markus. Although a settlement was not reached at the time of mediation, through further negotiations and with the assistance of Mr. Markus, the parties were able to reach an agreement to settle the PAGA claims, and documented the formal PAGA Settlement Agreement shortly after the mediation. (See, exhibit 2). Plaintiff Yanluy Santos ("Plaintiff" or "Santos") entered into a separate agreement embracing all his individual claims for relief.

4. Santos sent a PAGA notice to the LWDA on January 7, 2020, and an amended notice on November 21, 2022. (See, exhibit 1, referred to above.) The lawsuit was filed on September 10, 2020, while a first amended complaint was filed in January of 2023. The operative complaint contains causes of action for PAGA violations, asserting various California Labor Code violations, statutory violations of the California Labor Code based on an alleged failure to pay wages, meal and rest period violations, Unfair Competition, and wrongful termination of employment. The time period covered by the PAGA settlement is July 20, 2019 to December 31,

2022. The dates covered by the PAGA lawsuit embrace a time period after the dates included in a pending Labor Commissioner proceeding. The time period of this PAGA lawsuit is limited to July of 2019 to December of 2022, because the California Labor Commissioner has a pending PAGA claim which asserts similar violations and covers the time period of December 20, 2015 through July 20, 2019. Thus, this case cannot extend any further back than July 21, 2019, even though it was filed in January of 2020. The Parties affirmatively elected to negotiate a settlement through December 31, 2022 instead of through approval to ensure there was a defined number of pay periods covered by the settlement.

5. This is a PAGA and individual case, filed by Santos. The PAGA case requests penalties on behalf of approximately 223 exempt and non-exempt employees employed by AdArt, which manufactures displays and other signage for retailers for inside or outside advertising. AdArt maintains a warehouse where it designs, manufactures and ships product to customers. Santos worked as a Screen Department Supervisor for AdArt from approximately July 12, 2004, to December 13, 2019, when he contends he was terminated from his employment because he refused to sign a release of claims on account of wages owed, and because of his cooperation with the pending Labor Commissioner proceeding. The consideration for the release presented to Santos (which he refused to sign) is undisputed: One Dollar. In approximately the last six weeks of his employment for AdArt, Santos was classified as a non-exempt employee. At all other times during his employment with AdArt, Santos was paid a salary, and he contends he was misclassified as an exempt employee. There was a significant dispute between the parties concerning Santos' job duties and the number of hours he worked.

6. The penalties sought in the lawsuit are based on the following claimed wage and hour violations:

- Meal and Rest period violations, asserting meals and rest breaks were not provided, were short, and/or were interrupted, including resulting unpaid wages for time allegedly spent working through breaks and/or for the failure of AdArt to pay a meal or rest period premium when compliant breaks were not provided;
- Unreimbursed business expenses, including the cost of driving personal vehicles,

1 purchasing and maintaining uniforms, the cost of tools and safety equipment and
2 personal cell phone use;

- 3 • Unpaid wages, including minimum wage and overtime wages in connection with
4 work performed off the clock, the alleged failure to include all forms of
5 remuneration into the regular rate of pay, the alleged rounding or shaving of time,
6 the alleged failure to correctly pay vacation or other compensation;
- 7 • Untimely payment of wages due, including during and at the conclusion of
8 employment;
- 9 • Wage Statement Violations;
- 10 • Violation of notice requirements of Labor Code section 2810.5;
- 11 • Paid Sick Leave violations;
- 12 • Preventing employees from engaging in lawful conduct, thus violating state statutes
13 entitling employees to disclose wages, working conditions, and illegal conduct.

14 7. At the time of the mediation, there are approximately 11,050 pay periods for the 223
15 aggrieved employees in California during the period of time covered by this settlement, that is, July
16 of 2019 to December of 2022. The Labor Commissioner has a pending PAGA claim which asserts
17 similar violations and covers the time period of December 20, 2015 through July 20, 2019. Thus,
18 this case cannot extend any further back than July 21, 2019, even though it was filed in January of
19 2020.

20 8. Plaintiff served special interrogatories (two sets), form interrogatories, and demands to
21 produce (three sets). Santos also filed a discovery motion challenging the responses of AdArt to the
22 initial discovery, and in particular challenging the discovery responses related to Plaintiff's PAGA
23 claim. Before the discovery dispute was resolved by the Court, the Parties reached an agreement
24 and Defendants furnished supplemental responses. AdArt also furnished supplemental responses to
25 other discovery requests as a result of meet and confer efforts by Santos. The parties also
26 collectively produced hundreds of documents.

27 9. Prior to mediation, the Parties engaged in multiple depositions, including the deposition of
28 Plaintiff, Mr. DeMarco, Michael Duarte (human resources), Robin Duarte (human resources) and

1 Eddie Leon (the Plant Manager). Plaintiff was planning to depose Mr. De La Torre (his supervisor)
2 when the case settled, and intended on taking additional depositions as well if the matter did not
3 resolve at mediation. In addition to the discovery conducted in this case, the Parties also obtained
4 and exchanged discovery in connection with a citation issued by the Labor Commissioner against
5 AdArt. That citation alleged claims on behalf of both non-exempt and exempt employees for a time
6 period earlier than the time frame covered by the settlement in this matter. AdArt timely appealed
7 the citation and a multi-day hearing was held between December 2020 and January 2021 involving
8 numerous witnesses, including Santos. No decision has been rendered in that matter, but the Labor
9 Commissioner has twice reduced the amount of the citation and/or withdrew certain employees
10 from the citation.

11 10. At mediation, the Parties estimated there were approximately 11,050 pay periods at
12 issue. Thus, one statutory penalty in the amount of \$100 per pay period for all alleged violations
13 totals \$1,105,000 (\$100.00 x. 11,050.) Plaintiff uses the initial violation penalty, and does not
14 calculate penalties by stacking them for each individual claimed violation. As noted in the
15 memorandum, PAGA cases routinely settle for a per payroll period amount which ranges from
16 \$4.00 to \$5.50.

17 11. Santos' job title was the supervisor of the screen department. He asserts that eighty
18 percent of his time was spent performing physical tasks. He would count screens, move screens to
19 the emulsion area, wash screens, engrave them, and prepare them for use. He could also ask for
20 more inventory to permit work to continue. He had to fill out a request form for such materials and
21 give it to Adam De Marco. He contends that he did not hire, fire or give employees time off. And
22 he asserts that Enrique de la Torre was the manager of the department, and made all decisions on
23 important issues, including costs.

24 12. Santos was paid a salary based on a forty hour work-week, which did not fluctuate
25 based on his hours. (His wage statements reflect that this is the case.) Santos testified that he in
26 fact routinely performed uncompensated overtime, and did so off the clock. Santos states that De la
27 Torre advised Santos and another employee that it was cheaper to have the salaried employees
28 perform overtime. Santos further asserts that texts and phone calls from de la Torre (and records

1 relating to the operation of Santos' machine) substantiate Santos' contentions relating to
2 performing uncompensated overtime work. Moreover, Robin Duarte, an HR supervisory employee,
3 testified that she observed de la Torre at work on weekends with other employees.

4 13. Santos also claims to have observed other employees classified as exempt perform
5 physical tasks more than 50% of the time that they spent working.

6 14. Throughout this litigation, Defendants have maintained that Santos was correctly classified
7 as a salaried-exempt employee under both California's administrative and executive exemptions,
8 and even if Santos does not meet the duties test of the exemptions, he did not suffer any damages
9 since he did not work overtime. In support of their position, Defendants rely on the testimony and
10 declarations of other employees, as well as notes from an interview Santos gave to the DLSE.
11 Defendants claim Santos was responsible for overseeing the Screen Department and supervising
12 other employees. Another hotly contested issue in this litigation concerned the circumstances under
13 which Plaintiff's employment ended, and whether – as relevant here – there was an attempt to
14 preclude him from asserting or disclosing certain claims.

15 15. Santos was classified as non-exempt and paid hourly during approximately the last
16 six weeks of his employment.

17 16. I have reviewed some of the testimony provided in the Labor Commissioner
18 proceeding, which I believe supports Santos' version of events. For example, Sergio Pardo (during
19 2004 to 2020) was classified as a screen department supervisor, as was Santos. (AdArt had three
20 separate shifts.) Pardo testified that 70% of the time he performed physical tasks, could not fire
21 other employees, was paid by a salary, and his supervisor was Enrique de la Torre, the same
22 individual supervising Santos. Pardo did not schedule other departmental employees work, hire
23 them, or approve vacation. Pardo also worked uncompensated overtime.

24 17. Similarly, Juan Garcia was a salaried shipping coordinator who testified to working 5-
25 15 overtime hours a week. He did not supervise other employees, and would receive new orders,
26 locate items that had to do with production, prepared packing slips, and ordered supplies. If a label
27 or product had to be reprinted or if a product was damaged, he would have to discuss the issue with
28 his supervisor Mr. Puentes, who would then address the matter with De Marco. Garcia did not

1 negotiate pricing. The other salaried shipping coordinators would average working six hours of
2 overtime a week. Moreover, Jose Puentes (the plant manager) admitted that shipping coordinators
3 did not supervise, hire or fire anyone.

4 18. As noted above, Defendants filed an appeal from the citation issued by the Labor
5 Commissioner, and contend that the citation is unsupported by the evidence.

6 19. Further, Defendants contend that the DLSE interviewed only a limited number of
7 employees, and thus any extrapolation of their findings to other employees was improper.
8 Specifically, ten of the 28 employees who were interviewed were found to be exempt, but it was
9 assumed that all 32 employees not interviewed were misclassified as exempt. This same alleged
10 sampling error extended to the claimed damages, Defendants contend.

11 20. However, Plaintiff notes that there was evidence that AdArt encouraged employees not
12 to cooperate with the investigation.

13 21. In short, whether any employee was misclassified was a hotly contested issue between
14 the Parties, including whether any worked overtime. Defendants assert that they were prepared to
15 challenge the manageability of Plaintiff's claims if the matter did not settle.

16 22. Santos also asserts that he and other employees routinely missed meal and rest periods,
17 since they worked through them, or otherwise were not furnished such breaks. This point was
18 contested by Defendants, who relied on the existence of compliant policies and the fact that the
19 DLSE did not cite for the alleged violations following their investigation. Plaintiff further claims
20 that, under Labor Code Section 2802, he and the aggrieved employees are denied mileage
21 reimbursement for use of their personal vehicles and denied reimbursement of other expenses.
22 Santos testified in his deposition that he travelled to San Francisco and back during one day,
23 without any compensation beyond his regular salary. Whether and to what extent any expense was
24 reasonable and necessary was a contested point in this case, Defendants contend. Based on AdArt's
25 alleged failure to pay wages owed to employees, Santos also claims that it committed wage
26 statement violations and other similar violations supporting PAGA penalties. Further, Plaintiff
27 contends that since AdArt failed to pay all wages owed during or at conclusion of the employment
28 of the aggrieved employees no longer employed by it, PAGA penalties are owed based on this

1 dereliction as well.

2 23. As stated above, Santos states he routinely performed uncompensated overtime or
3 worked off the clock without pay. This was a significant point of contention not only for Plaintiff,
4 but for all aggrieved employees, Defendants assert. Further, Santos contends that AdArt committed
5 violations of PAGA relating to uniform deposits, sick leave, paid time off, and disclosure of
6 employment and wage information. Defendant disputed all these claimed violations.

7 24. Based on the foregoing, the parties have entered into a reasonable resolution of the
8 PAGA cause of action, which should be approved. The PAGA penalties are reasonable since they
9 are based on a settlement where liability is disputed, and Defendants presented arguments and
10 challenges to the manageability of the PAGA action. The settlement represents a reasonable
11 percentage of the potential gross value of the claim, in light of the challenges the defendants raised.
12 The parties have exchanged information informally, conducted discovery, and assessed the
13 strengths and weaknesses of the case, as well as the defenses thereto. The PAGA settlement arrived
14 at is reasonable in light of this discovery and analysis.

15 25. I am experienced in class actions, and PAGA claims, including wage and hour matters,
16 consumer matters, and other class actions. These actions include the following:

17 a. *Bacon v. County of Los Angeles*, Case No. BS058574; the settlement of
18 this case (filed in August of 1999) for up to 45 million dollars was approved by the County Board
19 of Supervisors after Plaintiffs succeeded in reversing denial of class certification on appeal and
20 prevailed in their individual test cases; final approval of this settlement was granted in August of
21 2011;

22 b. *Schneider v. First Union*, Case No. BC282338, class action litigation
23 concerning Financial Advisors promissory note bonuses;

24 c. *Clark v. First Union*, Case No. BC281734 (case asserting Financial
25 Advisors were misclassified as exempt which was removed to federal court and then settled (with
26 final approval occurring in October of 2009) along with other related litigation for 39 million
27 dollars; *see*, related court of appeal opinion, *Clark v. First Union*, 153 Cal.App.4th 1595 (2007));

28 d. *Arfat v. Déjà vu*, Case Number BC367362, wage and hour case which was

1 certified as a class action;

2 e. *Hills v. Déjà vu*, Case Number BC385610, class action on behalf of
3 dancers employed by Déjà vu which was certified as a class action in June of 2010;

4 f. *Cazares v. Pacific Shore and Cazares v. Household Finance*, Case Nos.
5 CV04-2548 DSF (SSx) and CV 04 6887 DSF (SSx), consolidated consumer class actions
6 involving, *inter alia*, Unfair Competition claims;

7 g. *Banks v. GMAC*, Case No. CV 04-02477 LGB (AJWx) [involving similar
8 claims to those of *Cazares*];

9 h. *Pacific Shore Funding v. Lozo*, 138 Cal.App.4th 1342 (2006) [litigation
10 related to *Cazares* which resulted in a published court of appeal decision];

11 i. *Marsikyan v. Mercedes*, Case Number CV08-04876 AHM (JTLx), a
12 consumer class action case which settled on a nationwide basis and which was finally approved in
13 May of 2010;

14 j. *Alvarado v. X-Ray, Inc.*, Case Number, BC387836, wage and hour case
15 which was certified as a class;

16 k. *Bruce v. Harley Davidson, Inc.*, Case Number CV09-6588 CAS(RZx)
17 [consumer class action litigation relating to defects in Harley-Davidson motorcycles];

18 l. *Perez v. Lewis, Marenstein*, Case Number, BC391313, wage and hour
19 case on behalf of a class of 60 employees which settled for \$750,000;

20 m. *Lewis v. The Gamekeeper, LLC*, Case Number BC307823 [wage and hour
21 class action resolved for \$970,000];

22 n. *Smith v. Oceanview Wireless, LLC*, BC388475 [wage and hour class
23 action relating to wage deductions];

24 o. *Poulson v. Dailey News, NO. CV 04-5254 JSL (Ex)*[unfair competition
25 claims premised on Fair Debt Collection Practices Act];

26 p. *Poulson v. Orkin* [similar to *Poulson v. Dailey News*];

27 q. *Poulson v. Time, Inc.*, BC 298697 [similar to *Poulson v. Dailey News*].

28 r. *Narouz v. Charter*, CV06-02914 DMG (MANx), assigned to the Hon.

1 Dolly Gee, who granted final approval of class action settlement after successful appeal of denial of
2 approval of settlement (see, *Narouz v. Charter*, 591 F.3d 1261 (9th Cir. 2010);

3 s. *Trauth v. Spearmint Rhino*, and *Omlor v. Spearmint Rhino*, related class
4 action litigation against Spearmint Rhino. The district court granted final approval to this
5 approximately \$12,000,000 settlement (also containing injunctive relief provisions) in November
6 of 2012;

7 t. *Vadura v. Paddy Murphy's*, Orange county superior court case. The court
8 granted final approval of a \$700,000 class action settlement on behalf of approximately 400 exotic
9 dancers. This settlement also required the defendant to reclassify its employees, cease imposing
10 financial penalties upon them, and refrain from continuing to charge them stage fees; and

11 u. *Doushkess v. Ruchel Enterprises*, BC436794, was a case seeking
12 relocation benefits on behalf of elderly residents of the Pasadena Manor. The \$300,000 settlement
13 of this case was granted final approval in October of 2012 by the Honorable John Shepard Wiley,
14 Jr.;

15 v. *Eisen v. Porsche*, CV11-9405 CAS (FFMx), involving
16 nationwide settlement of claims on behalf of owners/lessors of certain Porsche vehicles with
17 engines containing a claimed defective Intermediate Shaft which can fail, requiring repair of engine
18 damage or engine replacement. The honorable Christina Snyder granted Plaintiff's motion for final
19 approval on January 30, 2014. The value of this settlement is estimated to be approximately
20 \$6,000,000;

21 w. *Munoz v. Chipotle*, BC447232, Class Action relating to
22 employee wage deductions for the cost of Shoes for Crews slip resistant shoes;

23 x. *Lewings v. Chipotle*, BC496628, Class Action involving Chipotle
24 imposing workers compensation costs on employees, with California court of appeal reversing, in
25 July of 2015, trial court order granting summary judgment.

26 y. *Herremans v. BMW*, Case No. CV14-2363 MMM(PJWx). The nationwide
27 settlement of this case was granted final approval in November of 2016. Expert testimony
28 established that the value of the settlement was \$4,584,765.34 to \$6,728,768.83;

1 z. *Ababa v. Promise* Case No.: BC566121, Consolidated with
2 McGimpsey: BC575044; Cheney: BC579739; and Starks: BC581617, wage and hour case which
3 has been resolved for \$5,000,000.00 (with final approval motion granted in November of 2017);

4 aa. *Martinez v. Petaluma*, wage and hour class action. The \$500,000.00
5 class action settlement in *Martinez* was finally approved in December of 2018;

6 bb. *McGimpsey v. St. Joseph*, \$1,750,000 wage and hour class action filed in
7 Orange County, 30-2015-00775790-CU-OE-CXC with settlement finally approval in April of
8 2019.

9 26. A true and correct copy of a detailed break-down of my office's hours and costs is attached
10 hereto as exhibit 4. I recorded contemporaneously the time entries on the attached exhibit 4, as
11 well as the entries relating to costs incurred. I recorded the time entries and costs on a computer
12 program designed for this purpose, which I obtained from a vendor known as Abacus. As of
13 February 14, 2023, I have spent 195.20 hours, at the rate of \$750.00 per hour, while costs of
14 \$8,517.45, have been incurred. Smith & Benowitz (Louis Benowitz) has spent 38 hours to date, at
15 the rate of \$600.00 an hour, and incurred costs of \$4,562.72. Thus, the lodestar is approximately
16 \$169,200.00 to date, and does not include appearing at the final approval hearing or other
17 additional work which is anticipated to take place.

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

20 Executed this 21st day of February, 2023, at Woodland Hills, California.

21 /s/ Stephen M. Harris

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23 Stephen M. Harris
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I am employed in the County of Los Angeles, State of California. I am over the age of 18 and am not a party to the within action. My business address is 6320 Canoga Avenue, Suite 1500, Woodland Hills, California 91367. On February 21, 2023, I caused the foregoing document(s) described as HARRIS DECLARATION to be served on the interested parties in this action as follows:

8
9

BY ELECTRONIC SERVICE: (CCP § 1010.6; CRC Rule 2.251(g)): My electronic service address is stephen@smh-legal.com. I served the above listed document(s) described via electronic service on the designated recipients via electronic transmission through my electronic service address. The electronic service addresses of the persons served are listed below. Based on a court order or an agreement of the parties to accept electronic service, I caused the documents to be sent to the persons at the electronic service addresses listed below.

4

5

(Signature)

SERVICE LIST
Santos v. R.J. Acquisition
Case No. 20STCV34717

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individually, and on behalf of all other
aggrieved employees

EXHIBIT 1

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January 7, 2020

SENT VIA CERTIFIED U.S. MAIL/ONLINE SUBMISSION

RJ Acquisition Corporation
DBA The AdArt Company
3620 East 26th Street
Los Angeles, CA 90058

Joseph M. DeMarco
c/o The AdArt Company
3620 East 26th Street
Los Angeles, CA 90058

RE: *Yanluy Santos/RJ Acquisition Corporation, et al.*

To Whom It May Concern:

Pursuant to the Labor Code Private Attorneys General Act of 2004 (Labor Code § 2698 *et seq.*), Yanluy Santos (“Santos”) provides notice on behalf of himself and all other persons currently or formerly employed by RJ Acquisition Company DBA The AdArt Company and/or Joseph M. DeMarco (collectively, “AdArt”) in California during the applicable limitations period against whom one or more of the Labor Code violations alleged herein was committed (the “Aggrieved Employees”). As set forth herein, AdArt violated the rights of Santos and the Aggrieved Employees under Labor Code §§ 98.6, 201, 202, 203, 204, 206.5, 226(a), 226.7, 510, 512, 515, 1102.5, 1194, 1197, and 1198.

Santos is a former employee of AdArt who worked as a Screen Department Supervisor (a position which AdArt misclassified as exempt) from approximately July 12, 2004 to on or around December 13, 2019, when he was terminated from his employment because he refused to sign a release of claims on account of wages owed. At all relevant times, Santos has been a “person” within the meaning of Labor Code § 18. At all relevant times, AdArt has been an employer of Santos and the Aggrieved Employees within the meaning of Section 2(H) of Industrial Welfare Commission Order No. 4-2001 (the “Wage Order”) and in that it has exercised control over the wages, hours, and/or working conditions of Santos and the Aggrieved Employees and caused the alleged violations of the Labor Code and the Wage Order set forth herein to be committed. At all relevant times, Santos and the Aggrieved Employees have been “employees” of AdArt within the meaning of Section 2(F) of the Wage Order and “aggrieved employees” within the meaning of Labor Code § 2699(c).

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Failures to Pay Minimum Wages and Overtime Wages

Under Labor Code § 1194, any purported agreement to pay an employee less than the overtime wages required by law is unlawful and invalid.

Under Labor Code § 1197, it is unlawful to pay an employee less than the minimum wage required under the Wage Order.

Under Labor Code § 1198, “The employment of any employee for longer hours than those fixed by the [Wage Order] or under conditions of labor prohibited by the [Wage Order] is unlawful.”

Section 4 of the Wage Order requires an employer to pay a non-exempt employee at least the minimum wage for each hour worked.

In relevant part, Labor Code § 510(a) states,

Eight hours of labor constitutes a day's work. Any work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee. Any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee. In addition, any work in excess of eight hours on any seventh day of a workweek shall be compensated at the rate of no less than twice the regular rate of pay of an employee.

These same requirements are set forth in Section 3 of the Wage Order.

Labor Code § 515(d)(2) provides,

Payment of a fixed salary to a nonexempt employee shall be deemed to provide compensation only for the employee's regular, nonovertime hours, notwithstanding any private agreement to the contrary

In conjunction, these provisions of the Labor Code and the Wage Order require employers to pay their non-exempt employees no less than minimum, overtime, or agreed wage rates for *each* hour worked, to pay minimum and overtime wages to salaried non-exempt employees for hours worked beyond the employees' regular, nonovertime hours, and, unlike federal law, prohibit the use of an averaging method to determine whether these obligations have been met. (See *Armenta v. Osmose, Inc.* (2005) 135 Cal.App.4th 314, 321-324.) This standard applies to all time that the employees are either subject to the control of the employer and/or suffered or permitted to work.

At all relevant times, AdArt has violated the rights of Santos and the Aggrieved Employees under the above-referenced provisions of the Labor Code and Wage Order by, among other things, paying them on a salaried basis while requiring them to work in excess of eight hours in one workday, forty hours in one workweek, and/or on seven consecutive workdays in a workweek

without paying them any wages at legal rates (minimum or overtime) for any work performed outside of their regular, nonovertime hours, requiring them to record meal periods while requiring them to continue working, and/or requiring them to come in on an on-call basis without being paid for their time.

Failures to Provide Meal and Rest Periods

Under Labor Code § 1198, “The employment of any employee for longer hours than those fixed by the [Wage Order] or under conditions of labor prohibited by the [Wage Order] is unlawful.”

Under Labor Code § 512 and Section 11 of the Wage Order, an employer has a duty to provide its non-exempt employees with first meal periods of no less than thirty minutes after no more than five hours of work when they work shifts of at least five hours, and to provide its non-exempt employees with second meal periods of no less than thirty minutes after no more than ten hours of work when they work shifts of more than ten hours. In the absence of a valid on-duty meal period agreement, or a valid waiver, this duty requires an employer to affirmatively authorize said meal periods, completely relieve its employees of duty, allow them to come and go as they please, and to relinquish control over their activities. In addition, an employee may not waive a meal period unless the employer has already authorized the meal period. Further, Section 7 of the Wage Order requires the employer to keep accurate records of meal period start and stop times.

Under Section 12 of the Wage Order, an employer must authorize and permit net rest periods of at least ten minutes for each four-hour work period, or major fraction thereof, except for employees whose shifts do not exceed 3.5 hours. Said rest periods must be paid and must be counted as hours worked. Said rest periods also have to be completely duty-free. To comply with these requirements, employers must authorize and permit paid rest periods as follows based on shift length: (1) 3.50 to 6.00 hours – one rest period; (2) 6.01 to 10.00 hours – two rest periods; (3) 10.01 to 14.00 hours – three rest periods; and (4) 14.01 hours to 18.00 hours – four rest periods. In addition, an employee may not waive a rest period unless the employer has already authorized the rest period. Further, the employer must make good faith efforts to provide each rest period in the middle of each four-hour work period insofar as is practicable.

Under Labor Code § 226.7, and Sections 11 and 12 of the Wage Order, an employer cannot require an employee to work during a meal or rest period mandated under the Wage Order and must pay premium wages on each workday when the meal or rest period is not provided.

At all relevant times, AdArt violated these requirements by, among other things: (1) not scheduling Santos and the Aggrieved Employees in a manner that would allow them to consistently take timely and completely duty-free meal and rest periods; (2) not affirmatively authorizing and/or reasonably permitting all required meal and rest periods, including second meal periods and third rest periods for shifts of more than ten hours; (3) affirmatively requiring them to work without required meal and/or rest breaks; and/or (4) not paying them premium wages when a required meal or rest period is not provided or timely provided.

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Failures to Provide Accurate Wage Statements

Labor Code § 226(a) states in pertinent part,

An employer, semimonthly or at the time of each payment of wages, shall furnish to his or her employee, either 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 showing (1) gross wages earned, (2) total hours worked by the employee, except as provided in subdivision (j), (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer and, if the employer is a farm labor contractor, as defined in subdivision (b) of Section 1682, the name and address of the legal entity that secured the services of the employer, and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee and, beginning July 1, 2013, if the employer is a temporary services employer as defined in Section 201.3, the rate of pay and the total hours worked for each temporary services assignment.

At all relevant times, AdArt has violated the rights of Santos and the Aggrieved Employees by: (1) providing them with written wage statements that do not accurately reflect their hours worked at each applicable wage rate or total hours worked by not paying them at legal wage rates for all hours worked; (2) not paying them at legal overtime wage rates for all overtime hours worked and providing them with pay stubs not reflecting overtime wage rates; and (3) providing them with written wage statements that do not accurately reflect the gross and net wages earned by not paying them for all hours worked and/or by not paying them earned premium wages when required meal and rest periods were not provided.

Failures to Timely Pay Wages

In relevant part, Labor Code § 201(a) states,

If an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately.

In relevant part, Labor Code § 202(a) states,

If an employee not having a written contract for a definite period quits his or her employment, his or her wages shall become due and payable not later than 72 hours thereafter, unless the employee has given 72 hours previous notice of his or her

intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

In relevant part, Labor Code § 203(a) states,

If an employer willfully fails to pay, without abatement or reduction, in accordance with Sections 201, 201.3, 201.5, 202, and 205.5, any wages of an employee who is discharged or who quits, the wages of the employee shall continue as a penalty from the due date thereof at the same rate until paid or until an action therefor is commenced; but the wages shall not continue for more than 30 days.

In relevant part, Labor Code § 204 states,

(a) All wages, other than those mentioned in Section 201, 201.3, 202, 204.1, or 204.2, earned by any person in any employment are due and payable twice during each calendar month, on days designated in advance by the employer as the regular paydays. Labor performed between the 1st and 15th days, inclusive, of any calendar month shall be paid for between the 16th and the 26th day of the month during which the labor was performed, and labor performed between the 16th and the last day, inclusive, of any calendar month, shall be paid for between the 1st and 10th day of the following month. However, salaries of executive, administrative, and professional employees of employers covered by the Fair Labor Standards Act, as set forth pursuant to Section 13(a)(1) of the Fair Labor Standards Act, as amended through March 1, 1969, in Part 541 of Title 29 of the Code of Federal Regulations, as that part now reads or may be amended to read at any time hereafter, may be paid once a month on or before the 26th day of the month during which the labor was performed if the entire month's salaries, including the unearned portion between the date of payment and the last day of the month, are paid at that time.

(b)(1) Notwithstanding any other provision of this section, all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period

By failing to pay earned minimum and premium wages, AdArt failed to timely pay earned wages to Santos and the Aggrieved Employees during employment in violation of Labor Code § 204. In addition, by failing to pay said wages, and by failing to do so willfully to Santos and other Aggrieved Employees who are now former employees, AdArt violated Labor Code §§ 201-203.

Illegal Retaliation and Conditioning of Wage Payments on Signing of Release

Labor Code § 206.5 states,

(a) An employer shall not require the execution of a release of a claim or right on account of wages due, or to become due, or made as an advance on wages to be earned, unless payment of those wages has been made. A release required or

executed in violation of the provisions of this section shall be null and void as between the employer and the employee. Violation of this section by the employer is a misdemeanor.

(b) For purposes of this section, execution of a release includes requiring an employee, as a condition of being paid, to execute a statement of the hours he or she worked during a pay period which the employer knows to be false.

Labor Code § 98.6(a) states,

A person shall not discharge an employee or in any manner discriminate, retaliate, or take any adverse action against any employee or applicant for employment because the employee or applicant engaged in any conduct delineated in this chapter, including the conduct described in subdivision (k) of Section 96, and Chapter 5 (commencing with Section 1101) of Part 3 of Division 2, or because the employee or applicant for employment has filed a bona fide complaint or claim or instituted or caused to be instituted any proceeding under or relating to his or her rights that are under the jurisdiction of the Labor Commissioner, made a written or oral complaint that he or she is owed unpaid wages, or because the employee has initiated any action or notice pursuant to Section 2699, or has testified or is about to testify in a proceeding pursuant to that section, or because of the exercise by the employee or applicant for employment on behalf of himself, herself, or others of any rights afforded him or her.

Labor Code § 1102.5 states,

(a) An employer, or any person acting on behalf of the employer, shall not make, adopt, or enforce any rule, regulation, or policy preventing an employee from disclosing information to a government or law enforcement agency, to a person with authority over the employee, or to another employee who has authority to investigate, discover, or correct the violation or noncompliance, or from providing information to, or testifying before, any public body conducting an investigation, hearing, or inquiry, if the employee has reasonable cause to believe that the information discloses a violation of state or federal statute, or a violation of or noncompliance with a local, state, or federal rule or regulation, regardless of whether disclosing the information is part of the employee's job duties.

(b) An employer, or any person acting on behalf of the employer, shall not retaliate against an employee for disclosing information, or because the employer believes that the employee disclosed or may disclose information, to a government or law enforcement agency, to a person with authority over the employee or another employee who has the authority to investigate, discover, or correct the violation or noncompliance, or for providing information to, or testifying before, any public body conducting an investigation, hearing, or inquiry, if the employee has reasonable cause to believe that the information discloses a violation of state or federal statute, or a violation of or noncompliance with a local, state, or federal rule

or regulation, regardless of whether disclosing the information is part of the employee's job duties.

(c) An employer, or any person acting on behalf of the employer, shall not retaliate against an employee for refusing to participate in an activity that would result in a violation of state or federal statute, or a violation of or noncompliance with a local, state, or federal rule or regulation.

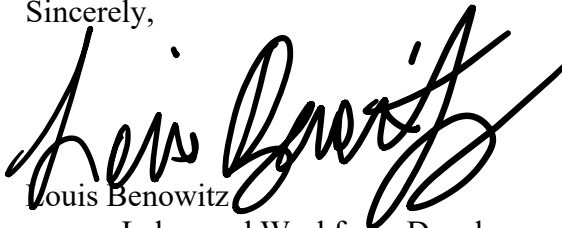
In December 2019, after AdArt had been cited by the Labor Commissioner's office, in part, based on information that Santos provided to the Labor Commissioner, AdArt demanded that Santos sign a release agreement on account of wages he was already owed based on the Labor Commissioner's citation as a condition of remaining employed by AdArt. The amount AdArt offered Santos in exchange for the release agreement was substantially less than the underlying wages he was owed at that time (and is still owed), without regard to any additional penalties or remedies to which he is also entitled. When Santos refused to sign this release agreement, and give up his rights to earned and unpaid wages, AdArt discharged him from its employment. In doing so, AdArt violated Santos' rights under Labor Code §§ 98.6, 206.5, and 1102.5.

Conclusion

As indicated above, this letter constitutes the notice required under Labor Code § 2699.3. Insofar as it is directed toward AdArt, please be advised that Santos intends to seek attorneys' fees and costs, in addition to the maximum civil penalties allowed by the Labor Code, in a civil action should the LWDA decline to investigate this matter.

Please do not hesitate to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Louis Benowitz", with a stylized, flowing script.

Louis Benowitz
cc: Labor and Workforce Development Agency
(via online submission)

Yanluy Santos
(via withheld email)

November 21, 2022

The Law Offices Of
Stephen M. Harris, P.C.
6320 Canoga Avenue, Suite 1500
Woodland Hills, California 91367
Telephone (818) 924-3103
Facsimile (818) 924-3079
stephen@smh-legal.com

Amended PAGA Letter

Via On-Line Filing

California Labor and Workforce Development Agency
Attn. PAGA Administrator

Via Certified Mail

RJ Acquisition Corporation
DBA The AdArt Company
3620 East 26th Street
Los Angeles, CA 90058

Joseph M. DeMarco
c/o The AdArt Company
3620 East 26th Street
Los Angeles, CA 90058

Re: Santos v. RJ Acquisition, et.al.
Our File No.: 01360-00001
PAGA Number LWDA-CM-767879-20

To Whom It May Concern:

Pursuant to the Labor Code Private Attorneys General Act of 2004 (Labor Code § 2698 *et seq.*), Yanluy Santos' ("Santos") provides this amended notice on behalf of himself and all other persons currently or formerly employed by RJ Acquisition Company DBA The AdArt Company and/or Joseph M. DeMarco (collectively, "AdArt") in California against whom one or more of the Labor Code violations alleged herein was committed (the "Aggrieved Employees"). As set forth herein, AdArt violated the rights of Santos and the Aggrieved Employees under Labor Code §§ 96, 98.6, 201, 202, 203, 204, 206.5, 210, 226(a), 226.3, 226.7, 227.3, 232, 232.5, 246, et seq., 404, 432, 510, 512, 515, 558, 1102.5, 1174, 1174.5, 1194, 1197, 1197.1, 1197.5, 2802, 2810.5, and 1198. This notice amends Santos' earlier PAGA notice to allege the following

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additional violations of the California Labor Code, in addition to those alleged within his January 7, 2020 PAGA Notice, which is attached hereto as Attachment A and incorporated fully herein by reference.

The \$75 filing fee for this amended PAGA Notice was paid at the time it was submitted online to the LWDA.

Santos is informed and believes, and based thereon alleges, that AdArt had and has a policy or practice of requiring its employees to work more than eight (8) hours per day, forty (40) hours per week, and/or seven (7) straight workdays in a workweek without paying them proper overtime wages, as a result of, without limitation, failing to accurately track and/or pay for all minutes actually worked; engaging, suffering, or permitting employees to work off the clock, including, without limitation, by requiring employees: to come early to work and leave late work without being able to clock in for all that time, to suffer under AdArt's control due to long lines for clocking in, to complete pre-shift tasks before clocking in and post-shift tasks after clocking out, to clock out for meal periods and continue working, to clock out for rest periods, to don and doff uniforms and/or safety equipment off the clock, to attend company meetings off the clock, to make phone calls or drive off the clock; failing to include all forms of remuneration, including non-discretionary bonuses, incentive pay, meal allowances, and other forms of remuneration into the regular rate of pay for the pay periods where overtime was worked and the additional compensation was earned for the purpose of calculating the overtime rate of pay; detrimental rounding of employee time entries, editing and/or manipulation of time entries to show less hours than actually worked, and for paying straight pay instead of overtime pay to the detriment of Santos and other aggrieved employees. Consequently, Santos is informed and believes, and based thereon alleges, that AdArt violated Labor Code sections 510, 1194, and applicable Wage Orders based on its practice of providing total compensation that is less than the required legal overtime compensation for the overtime worked, entitling Santos and other aggrieved employees to damages. AdArt would also be liable for civil penalties pursuant to Labor Code sections 558 and 2699.

Santos is informed and believes, and based thereon alleges, that AdArt had and has a practice or policy of failing to compensate Santos and other aggrieved employees with minimum wages for all hours worked or otherwise under AdArt's control as a result of, without limitation, failing to accurately track and/or pay for all minutes actually worked; engaging, suffering, or permitting employees to work off the clock, including, without limitation, by requiring employees: to come early to work and leave late work without being able to clock in for all that time, to suffer under AdArt's control due to long lines for clocking in, to complete pre-shift tasks before clocking in and post-shift tasks after clocking out, to clock out for meal periods and continue working, to clock out for rest periods, to don and doff uniforms and/or safety equipment off the clock, to

attend company meetings off the clock, to make phone calls or drive off the clock; detrimental rounding of employee time entries; editing and/or manipulation of time entries to show less hours than actually worked; failing to pay reporting time pay; and failing to pay split shift premiums. As such,

Santos is informed and believes, and based thereon alleges, that AdArt violated, without limitation, Labor Code section 1197 and applicable Wage Orders based on its continued failure to pay minimum wages for all hours worked, entitling Santos and other aggrieved employees to actual and liquidated damages under, without limitation, Labor Code sections 1194 and 1194.2. AdArt would also be liable for civil penalties pursuant to Labor Code sections 558, 1197.1, and 2699.

Santos is informed and believes, and based thereon alleges, that AdArt had and has a policy or practice of compelling its employees to work in excess of five (5) and ten (10) hours per day without being afforded uninterrupted, timely, and complete 30-minute meal periods or compensation in lieu thereof including, without limitation: by interrupting meal periods; not providing timely meal periods; failing to provide first and second meal periods; providing short meal periods; requiring that employees carry cellular telephones or walkie-talkies during meal periods; not permitting employees to leave the premises; otherwise requiring on-duty/on-call meal periods; and auto-deducting meal periods that could not be auto-deducted by law or during which employees worked. Consequently, Santos is informed and believes, and based thereon alleges, that AdArt violated Labor Code section 512, entitling Santos and other aggrieved employees to premium payments under Labor Code section 226.7. However, Santos is informed and believes that those premium payments under Labor Code section 226.7 were not made, either, for these non-compliant meal periods. AdArt would thus be liable for civil penalties pursuant to Labor Code sections 558 and 2699 for both failing to authorize the taking of compliant meal periods, as well as for failing to provide premium pay under Labor Code section 226.7.

Santos is informed and believes, and based thereon alleges, that AdArt maintains policies or practices of compelling its non-exempt employees, including, without limitation, Santos, to work over four-hour periods (or major fractions thereof) without authorizing and permitting Santos and other aggrieved employees to take uninterrupted, timely, and complete ten-minute rest periods in which the employees are completely relieved of all of their duties, including, without limitation: by failing to provide rest periods all together; requiring that they be bundled together and/or with meal periods; interrupting them; requiring that employees carry cellular telephones or walkie-talkies during rest periods not providing them in a timely fashion; and not permitting employees to leave the premises; and otherwise requiring on-duty/on-call rest periods. As such,

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Santos is informed and believes, and based thereon alleges, that Santos and other aggrieved employees are entitled to relief under, without limitation, Labor Code section 226.7. However,

Santos is informed and believes that those premium payments under Labor Code section 226.7 were not made, either, for these non-compliant rest periods. AdArt would thus be liable for civil penalties pursuant to Labor Code sections 558 and 2699 for both failing to authorize the taking of compliant rest periods, as well as for failing to provide premium pay under Labor Code section 226.7.

Santos is informed and believes, and based thereon alleges, that AdArt maintains policies or practices of failing to permit Santos and other aggrieved employees from taking cooldown rest periods in the shade as required under California Code of Regulations, Title 8, Section 3395 and premium pay in lieu thereof under Labor Code section 226.7. As a result, AdArt would be liable for civil penalties under Labor Code sections 558 and 2699. In addition to the above,

Santos is informed and believes, and based thereon alleges that AdArt failed and continue to fail to keep adequate or accurate time records including wage statements and similar payroll documents under Labor Code section 226, documents signed to obtain or hold employment under Labor Code section 432, personnel records under Labor Code section 1198.5, and time records under Labor Code section 1174, making it difficult for Santos and other aggrieved employees to calculate their unpaid wages and/or premium payments. AdArt also failed to provide these documents to Santos and other aggrieved employees upon request. This would entitle Santos and other aggrieved employees to penalties prescribed by Labor Code sections 226 and 1198.5. AdArt would also be liable for civil penalties pursuant to Labor Code sections 558, 1174.5 and 2699. As a result of, among other things, AdArt's herein-described policy or practice of failing to: accurately record time; failing to pay overtime and minimum wages; provide meal periods; provide rest periods; and provide compensation in lieu of meal or rest periods; as described above,

Santos is informed and believes, and based thereon alleges, that AdArt also intentionally failed and continues to fail to furnish aggrieved employees, including, without limitation, Santos, with itemized wage statements that accurately reflect: gross wages earned; total hours worked by the employee; net wages earned; all deductions; all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee; the legal name and address of the other; and other such information as required by Labor Code section 226, subdivision (a). Specifically, AdArt intentionally failed to furnish employees with itemized wage statements that accurately reflect the hours worked by Santos and other aggrieved employees and the rates of pay at which they were or should have been paid, thus resulting in a failure to reflect gross and net wages earned and paid at each rate, as well. Consequently, since

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AdArt would have failed to comply with Labor Code section 226, subdivision (a), Santos and other aggrieved employees would be entitled to recover penalties under, without limitation, Labor Code section 226, subdivision (e). AdArt would also be liable for civil penalties pursuant to Labor Code sections 226.3, 558, and 2699.

Santos is informed and believes, and based thereon alleges, that AdArt also failed and refused, and continue to fail and refuse, to timely pay compensation to Santos and other terminated or resigned employees, including but not limited to, all overtime wages owed; all minimum wages owed; and all premium pay owed as set out above. Consequently, AdArt would be liable for waiting time penalties for having violated California Labor Code sections 201, 202, and 203. AdArt would also be liable for civil penalties pursuant to Labor Code sections 558 and 2699.

Santos is further informed and believes, and based thereon alleges that AdArt failed and refused, and continues to fail and refuse, to comply with the notice requirements of Labor Code section 2810.5 (i.e., the Wage Theft Protection Act of 2011) by, among other things, failing to provide Santos and other aggrieved employees with the rates of pay and overtime rates of pay applicable to their employment, allowances claimed as part of the minimum wage, the regular payday designated by AdArt, the name of the employer, including any "doing business as" names used, the name, address and telephone number of the workers' compensation insurance carrier, information regarding paid sick leave, and other pertinent information required to be disclosed by AdArt under Labor Code section 2810.5.

Santos is informed and believes that failure to provide such information, including rates of pay that are in effect, has permitted AdArt to pay employees at rates of pay that were not agreed upon and violate minimum wage and overtime wage laws in California. Among other relief, employees may collect from AdArt in connection with these violations' civil penalties pursuant to Labor Code sections 558 and 2699.

Santos is informed and believes, and based thereon alleges that AdArt also failed and refused, and continues to fail and refuse, to reimburse employees, including, without limitation, Santos and other aggrieved employees, with their costs incurred for driving personal vehicles (i.e., mileage and gas), purchasing uniforms, providing uniform and other deposits, separately laundering mandatory uniforms, for the purchase of tools and safety equipment and for the purchase and maintenance of cellular phones and cellular phone plans, in direct consequence of the discharge of their duties, or of their obedience to the directions of AdArt, as required by Labor Code section 2802, and other statutory and common law offenses. As a result, AdArt are liable to reimburse Santos and other aggrieved employees for these costs incurred in furtherance of work duties. In addition, AdArt would be liable for civil penalties pursuant to Labor Code sections 558 and 2699.

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Santos is further informed and believes, and based thereon alleges, that AdArt has or had a policy or practice of failing to reimburse deposits made, including uniform deposits together with all interest owed at the separation of employment in violation of Labor Code section 404, entitling Santos and other aggrieved employees to damages in the amount of the deposit and accrued interest. AdArt would also be liable for civil penalties under Labor Code sections 558 and 2699.

Santos is further informed and believes, and based thereon alleges, that AdArt has or had a policy or practice of failing to provide Santos and other aggrieved employees with the amount of paid sick leave required to be provided pursuant to California and local laws (including, without limitation, Labor Code section 246, et seq., and, when applicable, Los Angeles Municipal Code section 187.01 et seq.

Santos is further informed and believes that AdArt also did not permit its use upon request by Santos and other aggrieved employees as contemplated under California and local laws. As such, AdArt would be liable for civil penalties for violation of the paid sick leave regulations under Labor Code sections 558 and 2699.

Santos is informed and believes, and based thereon alleges that AdArt had and has a policy or practice of failing to pay aggrieved employees their paid time off and vacation time owed upon separation of employment as wages at their final rate of pay in violation of Labor Code section 227.3 and applicable Wage Orders. As such, AdArt would be liable for civil penalties for violation of Labor Code section 227.3 under Labor Code section 558 and 2699.

Santos is informed and believes, and based thereon alleges that AdArt had and has a policy or practice of failing to pay aggrieved employees their wages in accordance with Labor Code Section 204, which requires that: "[l]abor performed between the 1st and 15th days, inclusive, of any calendar month shall be paid for between the 16th and 26th day of the month during which the labor was performed, and labor performed between the 16th and the last day, inclusive of any calendar month, shall be paid for between the 1st and 10th day of the following month."

Santos is informed and believes and based thereon alleges that AdArt did not and do not pay Santos and other aggrieved employees in accordance with Labor Code Section 204. As such, Santos is informed and believes, and based thereon alleges that AdArt violated Labor Code section 204. AdArt would be liable for civil penalties pursuant to Labor Code sections 210, 558 and 2699. ·

Re: Santos v. RJ Acquisition
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Santos is informed and believes, and based thereon alleges that AdArt had and has a policy or practice of preventing Santos and/or other aggrieved employees from using or disclosing the skills, knowledge and experience they obtained at AdArt for purposes of competing with AdArt, including, without limitation, preventing Santos from disclosing their wages in negotiating a new job with a prospective employer, and from disclosing who else works at AdArt and under what circumstances that they might be receptive to an offer from a rival employer. As such, Santos is informed and believes that this violates Business and Professions Code sections 17200, 16600 and 16700, and, by virtue thereof, various provisions of the Labor Code, including Labor Code sections 232, 232.5, and 1197.5, subdivision (k). AdArt would be liable for civil penalties pursuant to Labor Code section 2699.

Santos is informed and believes, and based thereon alleges that AdArt had and has a policy or practice of preventing Santos and/or other aggrieved employees from disclosing violations of state and federal law, either within AdArt to their managers or outside AdArt to private attorneys or government officials, among others, in violation of Business and Professions Code section 17200, and, thus, in violation of Labor Code section 1102.5. In addition, Santos is informed and believes that these policies and/or practices prevent Santos and/or other aggrieved employees from disclosing information about unsafe or discriminatory working conditions, or about wage and hour violations in violation of Labor Code section 232 and 232.5. These violations of the Labor Code would expose AdArt to liability for civil penalties pursuant to Labor Code section 2699.

Santos is informed and believes, and based thereon alleges that AdArt had and has a policy or practice of preventing Santos and/or other aggrieved employees from engaging in lawful conduct during non-work hours, thus violating state statutes entitling employees to disclose wages, working conditions, and illegal conduct, including, without limitation, Labor Code sections 96, subdivision (k), 98.6, 232, 232.5, and 1197.5, subdivision (k). Santos is informed and believes that this lawful conduct includes the exercise of Santos and/or other aggrieved employee's constitutional rights of freedom of speech and economic liberty and would thus expose AdArt to liability for civil penalties pursuant to Labor Code section 2699.

Pursuant to Labor Code section 2699.3, subdivision (a)(2)(A), please advise within sixty-five (65) calendar days of the postmarked date of this notice whether the LWDA intends to investigate the violations alleged above. Our office understands that if we do not receive a response within sixty-five (65) calendar days of the postmark date of this PAGA Notice that the LWDA intends to investigate these allegations, Santos may immediately thereafter file an amended civil complaint against AdArt to allege causes of action for civil penalties under the Private Attorney General Act for the herein-described alleged violations of the Labor Code.

Re: Santos v. RJ Acquisition
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Thank you for your attention to this matter. If you have any questions, please contact me at the phone number, email, or address below:

Stephen M. Harris
stephen@smh-legal.com
LAW OFFICES OF STEPHEN M. HARRIS, P.C.
6320 Canoga Avenue, Suite 1500
Woodland Hills, California 91367
Telephone: (818) 924-3103
Facsimile: (818) 924-3079

Very truly yours,

LAW OFFICES OF STEPHEN M. HARRIS, P.C.

/s/ Stephen M. Harris

Stephen M. Harris

SMH:sh

ATTACHMENT A

SMITH & BENOWITZ

4515 VAN NUYS BOULEVARD, SUITE 302
SHERMAN OAKS, CA 91403
TEL: (818) 839-7800 FAX: (818) 839-9700
WWW.SMITHBENOWITZ.COM

January 7, 2020

SENT VIA CERTIFIED U.S. MAIL/ONLINE SUBMISSION

RJ Acquisition Corporation
DBA The AdArt Company
3620 East 26th Street
Los Angeles, CA 90058

Joseph M. DeMarco
c/o The AdArt Company
3620 East 26th Street
Los Angeles, CA 90058

RE: *Yanluy Santos/RJ Acquisition Corporation, et al.*

To Whom It May Concern:

Pursuant to the Labor Code Private Attorneys General Act of 2004 (Labor Code § 2698 *et seq.*), Yanluy Santos (“Santos”) provides notice on behalf of himself and all other persons currently or formerly employed by RJ Acquisition Company DBA The AdArt Company and/or Joseph M. DeMarco (collectively, “AdArt”) in California during the applicable limitations period against whom one or more of the Labor Code violations alleged herein was committed (the “Aggrieved Employees”). As set forth herein, AdArt violated the rights of Santos and the Aggrieved Employees under Labor Code §§ 98.6, 201, 202, 203, 204, 206.5, 226(a), 226.7, 510, 512, 515, 1102.5, 1194, 1197, and 1198.

Santos is a former employee of AdArt who worked as a Screen Department Supervisor (a position which AdArt misclassified as exempt) from approximately July 12, 2004 to on or around December 13, 2019, when he was terminated from his employment because he refused to sign a release of claims on account of wages owed. At all relevant times, Santos has been a “person” within the meaning of Labor Code § 18. At all relevant times, AdArt has been an employer of Santos and the Aggrieved Employees within the meaning of Section 2(H) of Industrial Welfare Commission Order No. 4-2001 (the “Wage Order”) and in that it has exercised control over the wages, hours, and/or working conditions of Santos and the Aggrieved Employees and caused the alleged violations of the Labor Code and the Wage Order set forth herein to be committed. At all relevant times, Santos and the Aggrieved Employees have been “employees” of AdArt within the meaning of Section 2(F) of the Wage Order and “aggrieved employees” within the meaning of Labor Code § 2699(c).

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Failures to Pay Minimum Wages and Overtime Wages

Under Labor Code § 1194, any purported agreement to pay an employee less than the overtime wages required by law is unlawful and invalid.

Under Labor Code § 1197, it is unlawful to pay an employee less than the minimum wage required under the Wage Order.

Under Labor Code § 1198, “The employment of any employee for longer hours than those fixed by the [Wage Order] or under conditions of labor prohibited by the [Wage Order] is unlawful.”

Section 4 of the Wage Order requires an employer to pay a non-exempt employee at least the minimum wage for each hour worked.

In relevant part, Labor Code § 510(a) states,

Eight hours of labor constitutes a day's work. Any work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee. Any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee. In addition, any work in excess of eight hours on any seventh day of a workweek shall be compensated at the rate of no less than twice the regular rate of pay of an employee.

These same requirements are set forth in Section 3 of the Wage Order.

Labor Code § 515(d)(2) provides,

Payment of a fixed salary to a nonexempt employee shall be deemed to provide compensation only for the employee's regular, nonovertime hours, notwithstanding any private agreement to the contrary

In conjunction, these provisions of the Labor Code and the Wage Order require employers to pay their non-exempt employees no less than minimum, overtime, or agreed wage rates for *each* hour worked, to pay minimum and overtime wages to salaried non-exempt employees for hours worked beyond the employees' regular, nonovertime hours, and, unlike federal law, prohibit the use of an averaging method to determine whether these obligations have been met. (See *Armenta v. Osmose, Inc.* (2005) 135 Cal.App.4th 314, 321-324.) This standard applies to all time that the employees are either subject to the control of the employer and/or suffered or permitted to work.

At all relevant times, AdArt has violated the rights of Santos and the Aggrieved Employees under the above-referenced provisions of the Labor Code and Wage Order by, among other things, paying them on a salaried basis while requiring them to work in excess of eight hours in one workday, forty hours in one workweek, and/or on seven consecutive workdays in a workweek

without paying them any wages at legal rates (minimum or overtime) for any work performed outside of their regular, nonovertime hours, requiring them to record meal periods while requiring them to continue working, and/or requiring them to come in on an on-call basis without being paid for their time.

Failures to Provide Meal and Rest Periods

Under Labor Code § 1198, “The employment of any employee for longer hours than those fixed by the [Wage Order] or under conditions of labor prohibited by the [Wage Order] is unlawful.”

Under Labor Code § 512 and Section 11 of the Wage Order, an employer has a duty to provide its non-exempt employees with first meal periods of no less than thirty minutes after no more than five hours of work when they work shifts of at least five hours, and to provide its non-exempt employees with second meal periods of no less than thirty minutes after no more than ten hours of work when they work shifts of more than ten hours. In the absence of a valid on-duty meal period agreement, or a valid waiver, this duty requires an employer to affirmatively authorize said meal periods, completely relieve its employees of duty, allow them to come and go as they please, and to relinquish control over their activities. In addition, an employee may not waive a meal period unless the employer has already authorized the meal period. Further, Section 7 of the Wage Order requires the employer to keep accurate records of meal period start and stop times.

Under Section 12 of the Wage Order, an employer must authorize and permit net rest periods of at least ten minutes for each four-hour work period, or major fraction thereof, except for employees whose shifts do not exceed 3.5 hours. Said rest periods must be paid and must be counted as hours worked. Said rest periods also have to be completely duty-free. To comply with these requirements, employers must authorize and permit paid rest periods as follows based on shift length: (1) 3.50 to 6.00 hours – one rest period; (2) 6.01 to 10.00 hours – two rest periods; (3) 10.01 to 14.00 hours – three rest periods; and (4) 14.01 hours to 18.00 hours – four rest periods. In addition, an employee may not waive a rest period unless the employer has already authorized the rest period. Further, the employer must make good faith efforts to provide each rest period in the middle of each four-hour work period insofar as is practicable.

Under Labor Code § 226.7, and Sections 11 and 12 of the Wage Order, an employer cannot require an employee to work during a meal or rest period mandated under the Wage Order and must pay premium wages on each workday when the meal or rest period is not provided.

At all relevant times, AdArt violated these requirements by, among other things: (1) not scheduling Santos and the Aggrieved Employees in a manner that would allow them to consistently take timely and completely duty-free meal and rest periods; (2) not affirmatively authorizing and/or reasonably permitting all required meal and rest periods, including second meal periods and third rest periods for shifts of more than ten hours; (3) affirmatively requiring them to work without required meal and/or rest breaks; and/or (4) not paying them premium wages when a required meal or rest period is not provided or timely provided.

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Failures to Provide Accurate Wage Statements

Labor Code § 226(a) states in pertinent part,

An employer, semimonthly or at the time of each payment of wages, shall furnish to his or her employee, either 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 showing (1) gross wages earned, (2) total hours worked by the employee, except as provided in subdivision (j), (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer and, if the employer is a farm labor contractor, as defined in subdivision (b) of Section 1682, the name and address of the legal entity that secured the services of the employer, and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee and, beginning July 1, 2013, if the employer is a temporary services employer as defined in Section 201.3, the rate of pay and the total hours worked for each temporary services assignment.

At all relevant times, AdArt has violated the rights of Santos and the Aggrieved Employees by: (1) providing them with written wage statements that do not accurately reflect their hours worked at each applicable wage rate or total hours worked by not paying them at legal wage rates for all hours worked; (2) not paying them at legal overtime wage rates for all overtime hours worked and providing them with pay stubs not reflecting overtime wage rates; and (3) providing them with written wage statements that do not accurately reflect the gross and net wages earned by not paying them for all hours worked and/or by not paying them earned premium wages when required meal and rest periods were not provided.

Failures to Timely Pay Wages

In relevant part, Labor Code § 201(a) states,

If an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately.

In relevant part, Labor Code § 202(a) states,

If an employee not having a written contract for a definite period quits his or her employment, his or her wages shall become due and payable not later than 72 hours thereafter, unless the employee has given 72 hours previous notice of his or her

intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

In relevant part, Labor Code § 203(a) states,

If an employer willfully fails to pay, without abatement or reduction, in accordance with Sections 201, 201.3, 201.5, 202, and 205.5, any wages of an employee who is discharged or who quits, the wages of the employee shall continue as a penalty from the due date thereof at the same rate until paid or until an action therefor is commenced; but the wages shall not continue for more than 30 days.

In relevant part, Labor Code § 204 states,

(a) All wages, other than those mentioned in Section 201, 201.3, 202, 204.1, or 204.2, earned by any person in any employment are due and payable twice during each calendar month, on days designated in advance by the employer as the regular paydays. Labor performed between the 1st and 15th days, inclusive, of any calendar month shall be paid for between the 16th and the 26th day of the month during which the labor was performed, and labor performed between the 16th and the last day, inclusive, of any calendar month, shall be paid for between the 1st and 10th day of the following month. However, salaries of executive, administrative, and professional employees of employers covered by the Fair Labor Standards Act, as set forth pursuant to Section 13(a)(1) of the Fair Labor Standards Act, as amended through March 1, 1969, in Part 541 of Title 29 of the Code of Federal Regulations, as that part now reads or may be amended to read at any time hereafter, may be paid once a month on or before the 26th day of the month during which the labor was performed if the entire month's salaries, including the unearned portion between the date of payment and the last day of the month, are paid at that time.

(b)(1) Notwithstanding any other provision of this section, all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period

By failing to pay earned minimum and premium wages, AdArt failed to timely pay earned wages to Santos and the Aggrieved Employees during employment in violation of Labor Code § 204. In addition, by failing to pay said wages, and by failing to do so willfully to Santos and other Aggrieved Employees who are now former employees, AdArt violated Labor Code §§ 201-203.

Illegal Retaliation and Conditioning of Wage Payments on Signing of Release

Labor Code § 206.5 states,

(a) An employer shall not require the execution of a release of a claim or right on account of wages due, or to become due, or made as an advance on wages to be earned, unless payment of those wages has been made. A release required or

executed in violation of the provisions of this section shall be null and void as between the employer and the employee. Violation of this section by the employer is a misdemeanor.

(b) For purposes of this section, execution of a release includes requiring an employee, as a condition of being paid, to execute a statement of the hours he or she worked during a pay period which the employer knows to be false.

Labor Code § 98.6(a) states,

A person shall not discharge an employee or in any manner discriminate, retaliate, or take any adverse action against any employee or applicant for employment because the employee or applicant engaged in any conduct delineated in this chapter, including the conduct described in subdivision (k) of Section 96, and Chapter 5 (commencing with Section 1101) of Part 3 of Division 2, or because the employee or applicant for employment has filed a bona fide complaint or claim or instituted or caused to be instituted any proceeding under or relating to his or her rights that are under the jurisdiction of the Labor Commissioner, made a written or oral complaint that he or she is owed unpaid wages, or because the employee has initiated any action or notice pursuant to Section 2699, or has testified or is about to testify in a proceeding pursuant to that section, or because of the exercise by the employee or applicant for employment on behalf of himself, herself, or others of any rights afforded him or her.

Labor Code § 1102.5 states,

(a) An employer, or any person acting on behalf of the employer, shall not make, adopt, or enforce any rule, regulation, or policy preventing an employee from disclosing information to a government or law enforcement agency, to a person with authority over the employee, or to another employee who has authority to investigate, discover, or correct the violation or noncompliance, or from providing information to, or testifying before, any public body conducting an investigation, hearing, or inquiry, if the employee has reasonable cause to believe that the information discloses a violation of state or federal statute, or a violation of or noncompliance with a local, state, or federal rule or regulation, regardless of whether disclosing the information is part of the employee's job duties.

(b) An employer, or any person acting on behalf of the employer, shall not retaliate against an employee for disclosing information, or because the employer believes that the employee disclosed or may disclose information, to a government or law enforcement agency, to a person with authority over the employee or another employee who has the authority to investigate, discover, or correct the violation or noncompliance, or for providing information to, or testifying before, any public body conducting an investigation, hearing, or inquiry, if the employee has reasonable cause to believe that the information discloses a violation of state or federal statute, or a violation of or noncompliance with a local, state, or federal rule

or regulation, regardless of whether disclosing the information is part of the employee's job duties.

(c) An employer, or any person acting on behalf of the employer, shall not retaliate against an employee for refusing to participate in an activity that would result in a violation of state or federal statute, or a violation of or noncompliance with a local, state, or federal rule or regulation.

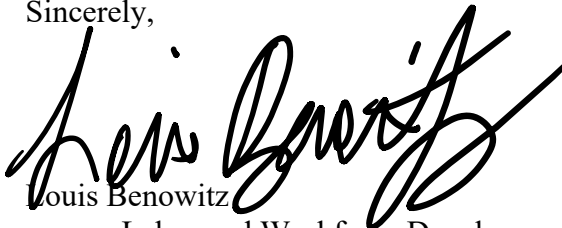
In December 2019, after AdArt had been cited by the Labor Commissioner's office, in part, based on information that Santos provided to the Labor Commissioner, AdArt demanded that Santos sign a release agreement on account of wages he was already owed based on the Labor Commissioner's citation as a condition of remaining employed by AdArt. The amount AdArt offered Santos in exchange for the release agreement was substantially less than the underlying wages he was owed at that time (and is still owed), without regard to any additional penalties or remedies to which he is also entitled. When Santos refused to sign this release agreement, and give up his rights to earned and unpaid wages, AdArt discharged him from its employment. In doing so, AdArt violated Santos' rights under Labor Code §§ 98.6, 206.5, and 1102.5.

Conclusion

As indicated above, this letter constitutes the notice required under Labor Code § 2699.3. Insofar as it is directed toward AdArt, please be advised that Santos intends to seek attorneys' fees and costs, in addition to the maximum civil penalties allowed by the Labor Code, in a civil action should the LWDA decline to investigate this matter.

Please do not hesitate to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Louis Benowitz", with a stylized, flowing script.

Louis Benowitz
cc: Labor and Workforce Development Agency
(via online submission)

Yanluy Santos
(via withheld email)

EXHIBIT 2

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

YANLUY SANTOS, on behalf of himself and
all other aggrieved employees,

Plaintiff,

v.

R.J. ACQUISITION CORP d.b.a., THE AdArt
COMPANY, JOSEPH M. DEMARCO, and
DOES 1-100, inclusive,

Defendants.

Case No. 20STCV34717

ASSIGNED FOR ALL PURPOSES TO
JUDGE MEL RED RECANA
DEPARTMENT 45 ____

PAGA SETTLEMENT AGREEMENT

WHEREAS, Plaintiff Yanluy Santos (“Plaintiff”) filed the Complaint for Relief Based on Violation of California Labor Code Sections 2698, et.seq. (“PAGA”) and Statutory Violations of California Labor Code for Failure to Pay Wages, Failure to Pay All Wages When Due, Failure to Provide Meal and Rest Periods, Unfair Competition, and Wrongful Termination of Employment (“Complaint”) against Defendants R.J. Acquisition Corp d.b.a. The AdArt Company and Joseph M. DeMarco (“Defendants”) (collectively with Plaintiff, the “Parties”) on September 10, 2020 in the action entitled *Santos v. R.J. Acquisition Corp d.b.a. The AdArt Company, et al.*, Case No. 20STCV34717 in the Superior Court of California, County of Los Angeles (the “Action”).

WHEREAS, the Complaint alleged the following causes of action: (1) Violation of the California Labor Code under PAGA; (2) Failure to Pay Overtime; (3) Failure to Minimum Wages; (4) Meal Period Violations; (5) Rest Period Violations; (6) Waiting Time Penalties; (7) Unfair Competition; and (8) Wrongful Termination of Employment.

WHEREAS, Plaintiff contends that on January 7, 2020, Plaintiff provided the Labor and Workforce Development Agency notice of their intent to pursue civil penalties against Defendant under PAGA for alleged violations of the California Labor Code and applicable Industrial Welfare Commission Wage Orders, including, inter alia, California Labor Code §§ 98.6, 201, 202, 203, 204, 206.5, 226(a), 226.7, 510, 512, 515, 1102.5, 1194, 1197, and 1198 and Industrial Welfare Commission Order No. 4-2001.

WHEREAS, Plaintiff, on behalf of himself and other alleged aggrieved employees, and Defendants attended mediation on September 22, 2022, using Scott Markus of Signature Resolution, a highly-regarded mediator who is experienced in mediating representative wage-and-hour lawsuits, including PAGA claims.

WHEREAS, prior to mediation, Plaintiff's counsel spoke with attorney Michael Smith, Attorney for the California Division of Labor Standards Enforcement ("DLSE"), regarding, and obtained documents and information relating to, the DLSE's investigation, conclusions, and evidence regarding alleged violations of the California Labor Code by Defendants which were first brought to the attention of the DLSE by way of another former employee's PAGA notice filing;

1 WHEREAS, prior to mediation, the Parties also exchanged significant additional information
2 pertaining to the DLSE's investigation, conclusions, and evidence with respect to Plaintiff's PAGA
3 allegations, Defendants' defenses thereto and the alleged aggrieved employees;

4 WHEREAS, at mediation, the Parties worked towards a separately negotiated, arm's-length
5 resolution of Plaintiff's PAGA claims alleged within the Action and Plaintiff's January 7, 2020 PAGA
6 Notice, as well as additional claims that Plaintiff sought to pursue through an anticipated amended
7 PAGA claim, including claims alleged within other PAGA notices filed subsequent to Plaintiff's January
8 7, 2020 PAGA Notice. Through further settlement discussions, and following a mediator's proposal
9 after mediation, the Parties reached the Agreement herein as to the resolution of a claim pursuant to
10 PAGA. The Parties agree that the terms and conditions of this Agreement are the result of lengthy,
11 intensive arms-length negotiations between the Parties supervised by an experienced employment law
12 mediator. The Parties agree that the Agreement is entered into in good faith as to each Aggrieved
13 Employee, and that the Settlement is fair, reasonable and adequate as to each Aggrieved Employee; and

14 WHEREAS, the Parties separately negotiated a settlement of Plaintiff's individual claims.

15 NOW THEREFORE, in consideration of the promises and warranties set forth below, and
16 intending to be legally bound and acknowledging the sufficiency of the consideration and undertakings
17 set forth here, the Plaintiff, individually and on behalf of himself and the Aggrieved Employees and the
18 LWDA, on the one hand, and Defendants, on the other hand, agree that a claim for civil penalties
19 pursuant to PAGA shall be, and is finally and fully compromised and settled on the following terms and
20 conditions.

21 DEFINITIONS

22 The following definitions are applicable to this Settlement Agreement. Definitions contained
23 elsewhere in this Settlement Agreement will also be effective:

24 1. "Action" means *Santos v. R.J. Acquisition Corp d.b.a. The AdArt Company, et al.*, Case
25 No. 20STCV34717 (Los Angeles County Superior Court).

26 2. "Aggrieved Employees" means all persons who were employed by Defendants in the
27 State of California at any time from July 20, 2019 through December 31, 2022, excluding DeMarco,
28 Mary Keech, Roger Keech, employees in the Controller position (Robin Duarte, Michael Duarte and

Deborah Neveux), employees in an outside sales role, and General Managers Jose Puentes and Eddie Leon.

3. "Court" means the Superior Court for the State of California, County of Los Angeles.

4. "Gross PAGA Settlement Amount" means the settlement amount of Fifty Thousand Dollars (\$50,000) to be paid by Defendant R.J. Acquisition Corp d.b.a. The AdArt Company in full satisfaction of all Settled PAGA Claims.

5. "LWDA" means the California Labor and Workforce Development Agency.

6. "PAGA Penalties Fund" means the Gross PAGA Settlement Amount less the Attorneys' Fees and Costs, and Settlement Administrator Costs.

7. "Pay Period" shall mean any bi-weekly pay period under Defendant R.J. Acquisition Corp d.b.a. The AdArt Company's usual payroll practice in which an Aggrieved Employee performed work for Defendant R.J. Acquisition Corp d.b.a. The AdArt Company on at least one day. The Parties agree that, for purposes of determining Pay Periods of Aggrieved Employees under this Agreement, Defendants may also calculate Pay Periods by calculating the number of days between an Aggrieved Employee's hire date(s) (or July 20, 2019, whichever is later) and termination date(s) or December 31, 2022, in the absence of a subsequent termination date based on a 360-day year (using Microsoft Excel's DATS360 function which returns the number of days between two dates based on a 360-day year (i.e., twelve 30-day months)) and dividing the result by 14 and then rounding that number up to the nearest whole number.

8. "Plaintiff's Counsel" means Stephen M. Harris of The Law Offices Of Stephen M. Harris, P.C. and Louis Benowitz of Benowitz Law Corporation.

9. "Released Parties" means Defendants and each of their officers, directors, members, partners, owners, shareholders, employees (excluding Aggrieved Employees), former employees, agents, servants, attorneys, assigns, affiliates, independent contractors, volunteers, predecessors, successors, parent companies and organizations, insurers, and any and all other persons, firms and corporations in which Defendants may have an interest.

10. "Settlement Approval" means when the Court has approved this Agreement with respect to the Settled PAGA Claims.

11. "Settled PAGA Claims" means all claims, charges, complaints, liens, demands, causes of action, obligations, and liabilities, whether known or unknown, for PAGA civil penalties predicated on any of the alleged violations of the California Labor Code, Industrial Welfare Commission Wage Orders, regulations, and/or other provisions of law that were alleged or asserted in the Action or any initial and amended PAGA notice filed by Plaintiff, or that reasonably could have been asserted in the Action or based any initial or amended PAGA notice filed by Plaintiff based on any facts or allegations therein, including claims alleged within other PAGA notices filed subsequent to Plaintiff's January 7, 2020 PAGA Notice, with respect to Aggrieved Employees during the Settlement Period, to the greatest extent permitted by the Court.

12. "Settlement Period" means July 20, 2019 through December 31, 2022.

TERMS

13. Amended PAGA Notice and Amended Complaint. Plaintiff shall promptly file an amended PAGA Notice with the LWDA (satisfying all procedural requirements such as certified mailing to Defendants and payment of any necessary filing fee(s)), alleging (with supporting facts and theories) additional violations of the California Labor Code and California Industrial Welfare Commission Wage Orders that were the subject of the Parties arm's-length and adversarial negotiations during and after mediation, including, but not limited to, violations of Labor Code sections 96, 210, 226.3, 227.3, 232, 232.5, 246, et seq., 404, 432, 558, 1174, 1174.5, 1194.2, 1197.1, 1197.5, 1198.5, 2802, and 2810.5. The Parties shall further stipulate to permit the filing of, and Plaintiff will thereafter file, an amended complaint that amends Plaintiff's PAGA cause of action to include any and all California Labor Code and California Industrial Welfare Commission Wage Orders alleged within Plaintiff's amended PAGA notice.

14. Statute of Limitations. For purposes of this Settlement only, Defendants shall not assert, whether in response to court approval of the Settled PAGA Claims or the enforcement of this Agreement, an affirmative defense to any amended PAGA notice filed by Plaintiff pursuant to this Agreement; however, Defendants reserve the right to raise any and all defenses to any amended PAGA notice filed by Plaintiff in the event that court approval of the Settled PAGA Claims is not obtained.

15. Gross PAGA Settlement Amount. In consideration for Plaintiff's promises and

1 representations described in this Settlement Agreement, and subject to all of the conditions of the
2 Settlement being met, Defendant R.J. Acquisition Corp d.b.a. The AdArt Company will pay Fifty
3 Thousand Dollars (\$50,000) ("Gross PAGA Settlement Amount") to settle the Settled PAGA Claims.
4 The Gross PAGA Settlement Amount includes Plaintiff's attorneys' fees, litigation costs and expenses,
5 Settlement Administration Costs, and payments to Aggrieved Employees and the LWDA for their share
6 of the PAGA Penalties Fund. No portion of the Gross PAGA Settlement Amount will be retained by, or
7 revert to, Defendants.

8 16. PAGA Penalties Fund. The PAGA Penalties Fund will be paid to Aggrieved Employees
9 and the LWDA in full satisfaction of the Settled PAGA Claims. Pursuant to PAGA, after deduction of
10 attorneys fees, costs, and administrative expenses, Seventy-Five Percent (75%) of the PAGA Penalties
11 Fund will be paid to the LWDA, and the remaining Twenty-Five Percent (25%) will be paid to all
12 Aggrieved Employees according to the following formula:

13 16(a) Defendants will calculate: (i) the total number of Pay Periods worked by
14 each Aggrieved Employee during the Settlement Period, and (ii) the total
15 number of Pay Periods worked by all Aggrieved Employees during the
16 Settlement Period.

17 16(b) To determine each Aggrieved Employee's payment from the PAGA
18 Penalties Fund, Defendants will use the following formula: Settlement
19 Payment = 25% of PAGA Penalties Fund × [Pay Periods Worked by
20 Individual Aggrieved Employee During the Settlement Period ÷ Total Pay
21 Periods Worked by All Aggrieved Employees during the Settlement
22 Period].

23 17. Attorneys' Fees and Costs. Defendants agree not to oppose or impede any application or
24 motion by Plaintiff's Counsel for attorneys' fees and costs not to exceed sixteen-thousand six-hundred
25 sixty-six Dollars and sixty-six cents (\$16,666.66), plus the reimbursement of all out-of-pocket costs and
26 expenses associated with Plaintiff's Counsel's litigation and settlement of the PAGA claims in the
27 Action (including expert/consultant fees, investigations costs, etc.), not to exceed six-thousand eight-
28 hundred and thirty seven dollars and seventy eight cents (\$6,837.78), both of which will be paid from the

1 Gross PAGA Settlement Amount. Any portion of the attorneys' fees and costs not awarded to Plaintiff's
2 Counsel will be added to the PAGA Penalties Fund.

3 18. Settlement Administration Costs. The Parties will retain a third-party settlement
4 administrator known as ILYM ("Settlement Administrator"). The Settlement Administrator will be
5 responsible for establishing a qualified settlement fund ("QSF") and issuing payments and appropriate
6 tax forms to Aggrieved Employees, the LWDA, Plaintiff, and Plaintiff's Counsel. The Settlement
7 Administration Costs will be paid from the Gross PAGA Settlement Amount. Settlement Administration
8 Costs are capped at FiveThousand Dollars (\$5,000).

9 19. Court Approval of the Settlement and Distribution of Settlement Payments. The Parties
10 will present this Settlement Agreement to the Court and the LWDA. The Parties will request that the
11 Court issue an order and judgment of Settlement Approval, approving and incorporating by reference the
12 terms and conditions of the Settlement Agreement (the "Order and Judgment") to the extent necessary to
13 effectuate this Settlement Agreement. The Parties agree to work cooperatively, in good faith, and
14 providing their best efforts to ensure this Settlement Agreement receives all necessary Court approval,
15 including, but not limited to, filing or defending against any motions, appeals, or orders that would seek
16 to invalidate this Settlement Agreement or any portion thereof.

17 20. List of Aggrieved Employees. Within fourteen (14) calendar days after entry of the
18 Order and Judgment, Defendants will provide the Settlement Administrator a complete list of all
19 Aggrieved Employees ("Aggrieved Employee List"). The Aggrieved Employee List will be formatted in
20 Microsoft Office Excel or other format acceptable to the Settlement Administrator and will include each
21 Aggrieved Employees' full name; most recent mailing address and telephone number known to
22 Defendants; Social Security number; the respective number of Pay Periods for each Aggrieved
23 Employee worked during the Settlement Period; and any other relevant information needed to calculate
24 settlement payment distributions. Defendant has represented that the total number of aggrieved
25 employees is approximately 223 and the total number of pay periods is approximately 11,050, as of
26 December 31, 2022.

27 21. Funding of the Settlement. Within fourteen (14) calendar days after Defendants receive
28 notice of entry of the Order and Judgment, Defendant will deposit the Gross PAGA Settlement Amount

1 into the QSF to be established by the Settlement Administrator. Within fourteen (14) calendar days of the
2 funding of the Settlement, the Settlement Administrator will issue payments to: (a) Aggrieved
3 Employees; (b) the Labor and Workforce Development Agency; (c) Plaintiff; (d) Plaintiff's Counsel;
4 and (e) itself. The Settlement Administrator, and not Defendants, will issue the appropriate tax forms for
5 all payments issued under this Settlement.

6 22. Settlement Payments to Aggrieved Employees. The Settlement Administrator will issue
7 each Aggrieved Employee one check for his or her share of the PAGA Penalties Fund along with an
8 explanatory letter in a form substantially similar to that attached as **Exhibit A**. Prior to mailing, the
9 Settlement Administrator will perform a search based on the National Change of Address Database for
10 information to update and correct for any known or identifiable address changes. Any checks returned as
11 non-deliverable on or before the check cashing deadline will be sent promptly via regular First-Class
12 U.S. Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement
13 Administrator will promptly attempt to determine the correct address using a skip-trace, or other search
14 using the name, address or Social Security number of the Aggrieved Employee involved, and will then
15 perform a single re-mailing. Checks will remain negotiable for 180 days. Any un-cashed checks which
16 remain outstanding 180 days after the mailing of the Settlement checks by the Settlement Administrator
17 will be tendered to the State Controller's Unclaimed Property Fund. All settlement payments to
18 Aggrieved Employees will be treated as miscellaneous income for which a 1099 will be issued.

19 23. Settled PAGA Claims. Upon entry of the Order and Judgment, Plaintiff, individually
20 and as a representative for the State of California, and all Aggrieved Employees will be forever barred
21 from pursuing against Released Parties any and all Settled PAGA Claims during the Settlement Period.
22 Aggrieved Employees, except for Plaintiff as provided for herein, will not be deemed to have released
23 any non-PAGA individual wage and hour claims by virtue of this Settlement.

24 24. No Right to Exclusion or Objections by Representative Action Members. Because this
25 settlement resolves claims and actions brought pursuant to PAGA by Plaintiff acting as a proxy and as a
26 Private Attorney General of, and for, the State of California and the LWDA, the Parties agree that no
27 Aggrieved Employee has the right to exclude himself or herself from the Settlement. Aggrieved
28 Employees will be bound by the terms of the Settlement Agreement, upon its approval by the Court,

1 regardless of whether he or she cashes any payment received as a result of this Settlement. The Parties
2 also agree that no Aggrieved Employee has the right to object to the terms of the Settlement Agreement.

3 25. No Credit Toward Benefit Plans. Payments to Aggrieved Employees as referenced
4 herein will not be utilized to calculate any additional benefits under any benefit plans to which any
5 Aggrieved Employee may be eligible, including, but not limited to profit-sharing plans, bonus plans,
6 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit
7 plan. Rather, it is the Parties' intention that this Settlement Agreement will not affect any rights,
8 contributions, or amounts to which any Aggrieved Employee may be entitled under any benefit plans.

9 26. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant
10 that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign,
11 transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of
12 action or right herein released and discharged.

13 27. Nullification of Settlement Agreement. In the event that: (i) the Court does not approve
14 the Settlement as provided herein, except as provided below; or (ii) the Settlement does not become final
15 for any other reason, then this Settlement Agreement, and any documents generated to bring it into
16 effect, will be null and void and the Parties will be returned to their original respective positions. A
17 request by the Court for additional brief, or a preliminary denial pending additional briefing, shall not be
18 deemed to trigger (i), above.

19 28. Judgment and Continued Jurisdiction. After entry of the Order and Judgment, the Court
20 will have continuing jurisdiction solely for purposes of addressing: (i) the interpretation and enforcement
21 of the terms of the Settlement, (ii) settlement administration matters, and (iii) such post-Judgment matters
22 as may be appropriate under court rules or as set forth in this Settlement.

23 29. Entire Agreement. This Settlement Agreement constitutes the entirety of the Parties'
24 settlement terms as to a claim for civil penalties under PAGA. No other prior or contemporaneous
25 written or oral agreements may be deemed binding on the Parties.

26 30. Amendment or Modification. This Settlement Agreement may be amended or modified
27 only by a written instrument, signed by either the Parties or their successors-in-interest or counsel for all
28 Parties.

1 31. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant and
2 represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement
3 Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant
4 to this Settlement Agreement to effectuate its terms and to execute any other documents required to
5 effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each
6 other and use their best efforts to affect the implementation of the Settlement. If the Parties are unable to
7 reach agreement on the form or content of any document needed to implement the Settlement, or on any
8 supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties
9 may seek the assistance of the Court to resolve such disagreement.

10 32. Binding on Successors and Assigns. This Settlement Agreement will be binding upon,
11 and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

12 33. California Law Governs. All terms of this Settlement Agreement will be governed by
13 and interpreted according to the laws of the State of California.

14 34. Execution and Counterparts. This Settlement Agreement is subject only to the execution
15 of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All
16 executed counterparts and each of them, including electronic signatures (e.g., DocuSign), facsimiles, and
17 scanned copies of the signature pages, will be deemed to be one and the same instrument.

18 35. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this
19 Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at this
20 Settlement after arm's-length and adversarial negotiations by experienced counsel and with the
21 assistance of a skilled and experienced mediator. The Parties further acknowledge that they are each
22 represented by competent counsel and that they have had an opportunity to consult with their counsel
23 regarding the fairness and reasonableness of this Settlement.

24 36. Waiver of Certain Appeals. The Parties agree to waive appeals; except, however, that
25 Plaintiff may appeal any reduction to the attorneys' fees and costs below the amount they request from
26 the Court, and either party may appeal any court order that materially alters the Settlement's terms.

27 37. Invalidity of Any Provision. Before declaring any provision of this Settlement
28 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent

possible consistent with applicable precedents so as to define all provisions of this Settlement Agreement valid and enforceable.

38. Captions. The captions and section numbers in this Settlement Agreement are inserted for the reader's convenience, and in no way define, limit, construe or describe the scope or intent of the provisions of this Settlement Agreement.

39. Waiver. No waiver of any condition or covenant contained in this Settlement Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such party of the same or any other condition, covenant, right or remedy.

40. 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 attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

41. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed more strictly against one party merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arm's-length and adversarial negotiations between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

42. Representation By Counsel. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and that this Settlement Agreement has been executed with the consent and advice of counsel, and reviewed in full.

43. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement.

44. Binding Agreement. The Parties warrant that they understand and have full authority to enter into this Settlement, and further intend that this Settlement Agreement will be fully enforceable and binding on all parties, and agree that it will be admissible and subject to disclosure in any proceeding to

1 enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply
2 under federal or state law.

3 45. Denial of Liability. The Parties expressly recognize that the making of this agreement
4 does not in any way constitute an admission or concession of wrongdoing on the part of Defendants.
5 Nothing in this Settlement, nor any action taken in implementation thereof, nor any statements,
6 discussions or communications, nor any materials prepared, exchanged, issued or used during the
7 pendency of the Action, is intended by the Parties to, nor will any of the foregoing constitute, be
8 introduced, be used or be admissible in any way in any other judicial, arbitral, administrative,
9 investigative or other forum or proceeding, as evidence of any violation of any federal, state, or local law,
10 statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity.
11 Notwithstanding the foregoing, this agreement may be used in any proceeding in the Court that has as its
12 purpose the interpretation, implementation, or enforcement of the Settlement or any orders or judgments
13 of the Court entered into in connection therewith.

14 **READ CAREFULLY BEFORE SIGNING**

15 **PLAINTIFF**

16
17 Dated: _____

Yanluy Santos

18
19 **DEFENDANT**

20 Dated: 11/11/2022
21 _____

Joseph DeMarco

Joseph M. DeMarco, on behalf of
R. J. Acquisition Corp. d.b.a. The AdArt
Company

22
23
24 **DEFENDANT**

25 Dated: 11/11/2022
26 _____

Joseph DeMarco

Joseph M. DeMarco

ons that preceded the execution of this Settlement Agreement, and that this Settlement Agreement has been executed with the consent and advice of counsel, and reviewed in full.

43. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement.

44. Binding Agreement. The Parties warrant that they understand and have full authority to enter into this Settlement, and further intend that this Settlement Agreement will be fully enforceable and binding on all parties, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

45. Denial of Liability. The Parties expressly recognize that the making of this agreement does not in any way constitute an admission or concession of wrongdoing on the part of Defendants. Nothing in this Settlement, nor any action taken in implementation thereof, nor any statements, discussions or communications, nor any materials prepared, exchanged, issued or used during the pendency of the Action, is intended by the Parties to, nor will any of the foregoing constitute, be introduced, be used or be admissible in any way in any other judicial, arbitral, administrative, investigative or other forum or proceeding, as evidence of any violation of any federal, state, or local law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity. Notwithstanding the foregoing, this agreement may be used in any proceeding in the Court that has as its purpose the interpretation, implementation, or enforcement of the Settlement or any orders or judgments of the Court entered into in connection therewith.

READ CAREFULLY BEFORE SIGNING

PLAINTIFF

Dated: 11/9/22

Yanluy Santos



DEFENDANT

Dated: _____

Joseph M. DeMarco, on behalf of
R. J. Acquisition Corp. d.b.a. The AdArt
Company

DEFENDANT

Dated: _____

Joseph M. DeMarco

EXHIBIT 3

<<DATE>>

<<FIRST_NAME>> <<LAST_NAME>>

<<ADDRESS 1>>

<<ADDRESS 2>>

Re: Payment From *Santos v. R.J. Acquisition Corp d.b.a. The AdArt Company, et al.*, Case No. 20STCV34717 (Los Angeles County Superior Court)

Dear <<FIRST_NAME>> <<LAST_NAME>>:

Enclosed you will find a check made payable to you. This is your payment from the settlement of the lawsuit entitled *Santos v. R.J. Acquisition Corp d.b.a. The AdArt Company, et al.*, Case No. 20STCV34717 (Los Angeles County Superior Court) (the “Action”).

The Action was filed against Defendants R.J. Acquisition Corp d.b.a. The AdArt Company and Joseph M. DeMarco (“Defendants”) pursuant to the California Private Attorneys General Act of 2004, Cal. Lab. Code § 2698 *et seq.* (called “PAGA”). The Action was brought by a former employee of the Company on behalf of the State of California and all allegedly “aggrieved employees” of Defendants. You have been identified as one of the allegedly aggrieved employees on whose behalf the case was brought.

The Plaintiff in the Action claimed that Defendants owed civil penalties recoverable under PAGA for alleged violations of the California Labor Code and California Wage Orders. Defendants deny that they violated the Labor Code or California Wage Orders, and Defendant Joseph M. DeMarco additionally denied having employed the Plaintiff. In agreeing to this settlement, Defendants do not admit that they are liable in any way for any penalties.

The Court has not ruled on the merits of the Action but it has approved the settlement of PAGA civil penalties. By statute, 75% will be paid to the California Labor and Workforce Development Agency, and the remaining 25% will be paid to the allegedly aggrieved employees. Pursuant to the settlement, enclosed is a check for your share of a portion of the civil penalties.

The Settlement includes a release of Defendants from civil penalties recoverable under PAGA for any violations of the California Labor Code and California Wage Orders that were or could have been alleged in the Action or in any PAGA notice(s) filed with the California Labor and Workforce Development Agency by Plaintiff based on the facts or allegations therein.

You are not a party to this lawsuit, but you and the government will be bound by the settlement in this matter and the release of claims. If you have any questions, you can contact the settlement administrator (whose contact information is at the top of this letter).

Very Truly Yours,

[Administrator]

EXHIBIT 4

PRE-BILL

The Law Offices of Stephen M. Harris, P.C.

Yanluy Santos
, CA

Date: 2/21/2023
Time: 2:18PM
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Client: 353	Yanluy Santos	Originating Timekeeper: SMH
Matter: 1356	Santos v. RJ Acquisition dba the adart company	Responsible Timekeeper: SMH
Matter Type: WA Wage and Hour		Billing Format Code: GEN
File Open Date: 7/27/2020		Fees/Costs Cut Date: 2/21/2023
Billing Mode: Contingency	Bill Date: 2/21/2023	Payments Cut Date: 2/21/2023
Contingency Percent: 0%	Start Date: 1/1/1900	Type of Bill: Regular
Billing Frequency: End of Matter	Last Bill:	
Remarks:		

Comments:

ACCOUNT AGING	Current	30 - 59 Days	60 - 89 Days	90 Days and Over
	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Fees Billed to Date:	\$0.00	Costs Billed to Date:	\$0.00	

Fees

Ticket Number	Date	Timekeeper	Description	Hours		
1	8/13/2020	SMH	Review / Analyze file materials and prepare complaint	5.10	\$0.00	BL
2	8/14/2020	SMH	Draft / revise complaint	3.10	\$0.00	BL
3	8/14/2020	SMH	Communicate (with client) re status	0.40	\$0.00	BL
4	9/10/2020	SMH	Draft / revise complaint, finalize same, prepare cover sheet, addendum and summons and arrange to file with court	2.40	\$0.00	BL
5	9/28/2020	SMH	Other-arrange for service	0.40	\$0.00	BL
6	10/2/2020	SMH	Communicate (with client) re status	0.30	\$0.00	BL
7	10/13/2020	SMH	Communicate (other outside counsel) with def counsel re service	0.40	\$0.00	BL
8	10/13/2020	SMH	Draft / revise notice and acknowledgment and comm re service with def counsel	0.50	\$0.00	BL
9	12/2/2020	SMH	Review / Analyze answer to complaint	0.50	\$0.00	BL
10	12/29/2020	SMH	Draft / revise request to produce to defs, employment form interrogatories to defs and special interrogatories to defs	3.60	\$0.00	BL
11	1/29/2021	SMH	Review / Analyze discovery to plaintiff	0.40	\$0.00	BL
12	2/2/2021	SMH	Review / Analyze defs responses to discovery	1.40	\$0.00	BL
13	2/3/2021	SMH	Communicate (other outside counsel) with separate plaintiff attorney re rj; communicate with client and cocounsel re status	0.50	\$0.00	BL

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The Law Offices of Stephen M. Harris, P.C.

Client: 353

Yanluy Santos

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14	2/4/2021	SMH	Communicate (with client) re factual background and communicate re deficiencies in discovery responses with defense counsel	1.80	\$0.00	BL
15	2/5/2021	SMH	Communicate (with client) re status	0.40	\$0.00	BL
16	2/10/2021	SMH	Communicate (other outside counsel) with def counsel re discovery issues	0.30	\$0.00	BL
17	2/10/2021	SMH	Review / Analyze def document production	1.10	\$0.00	BL
18	2/10/2021	SMH	Review / Analyze and research re issue of propriety of paga claim and correspond re same with defense counsel re their continued resistance	0.90	\$0.00	BL
19	2/24/2021	SMH	Communicate (other outside counsel) with def counsel re status of discovery issues and cmc statement	0.70	\$0.00	BL
20	2/24/2021	SMH	Review / Analyze def supplemental responses	0.60	\$0.00	BL
21	2/25/2021	SMH	Appear for / attend meeting with client	0.50	\$0.00	BL
22	2/25/2021	SMH	Draft / revise cmc statement	0.50	\$0.00	BL
23	2/25/2021	SMH	Review / Analyze subpoena for employment records; comm re same with def counsel	0.50	\$0.00	BL
24	2/26/2021	SMH	Communicate (with client) and def counsel re records sought from hotel irwin	0.40	\$0.00	BL
25	2/26/2021	SMH	Draft / revise detailed meet and confer letter re paga claim related discovery; research re same	1.90	\$0.00	BL
26	2/26/2021	SMH	Communicate (other outside counsel) with def counsel re subpoena of employment records from previous employer; comm re same with client	0.40	\$0.00	BL
27	2/26/2021	SMH	Draft / revise responses to special interrogatories	1.50	\$0.00	BL
28	3/1/2021	SMH	Draft / revise responses to defs discovery requests	4.70	\$0.00	BL
29	3/9/2021	SMH	Draft / revise motion to compel further responses	4.20	\$0.00	BL
30	3/10/2021	SMH	Draft / revise discovery motion and separate statement supporting it	3.10	\$0.00	BL
31	3/16/2021	SMH	Draft / revise harris decl supporting the motion to compel	0.50	\$0.00	BL
32	3/17/2021	SMH	Appear for / attend cmc	0.70	\$0.00	BL
33	3/17/2021	SMH	Communicate (other outside counsel) def counsel re discovery responses	0.30	\$0.00	BL
34	3/19/2021	SMH	Draft / revise response to def counsel email re discovery issues	0.40	\$0.00	BL
35	3/22/2021	SMH	Draft / revise and finalize motion papers	2.00	\$0.00	BL

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Client: 353

Yanluy Santos

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36	3/23/2021	SMH	Review / Analyze depo notice for client and comm re same with client and def counsel	0.40	\$0.00	BL
37	3/24/2021	SMH	Communicate (other external) with def counsel and client re interpreter needed	0.20	\$0.00	BL
38	3/25/2021	SMH	Appear for / attend cmc	0.60	\$0.00	BL
39	3/26/2021	SMH	Communicate (other outside counsel) with def counsel re doc production	0.30	\$0.00	BL
40	4/1/2021	SMH	Communicate (other outside counsel) and client re deposition of client	0.40	\$0.00	BL
41	4/6/2021	SMH	Review / Analyze employment records re client housekeeping job subpoenaed by def	1.10	\$0.00	BL
42	5/7/2021	SMH	Communicate (with client) re status	0.30	\$0.00	BL
43	5/12/2021	SMH	Communicate (with client) re response to second demand	0.50	\$0.00	BL
44	5/20/2021	SMH	Draft / revise responses to request to produce	1.40	\$0.00	BL
45	6/17/2021	SMH	Draft / revise protective order	0.50	\$0.00	BL
46	6/23/2021	SMH	Draft / revise ex parte app to advance and research re same; prepare declaration and proposed order	3.20	\$0.00	BL
47	6/24/2021	SMH	Communicate (other outside counsel) with def counsel and court re ex parte	0.40	\$0.00	BL
48	6/24/2021	SMH	Draft / revise ex parte app and related papers	2.40	\$0.00	BL
49	6/28/2021	SMH	Communicate (with client) re status	0.50	\$0.00	BL
50	6/28/2021	SMH	Draft / revise responses to judicial council form interrogatories	1.30	\$0.00	BL
51	7/1/2021	SMH	Plan and prepare for and attend ex parte application in dept 45 via court call	1.40	\$0.00	BL
52	7/13/2021	SMH	Plan and prepare for client meeting	3.20	\$0.00	BL
53	7/14/2021	SMH	Appear for / attend pre depo meeting with client	2.20	\$0.00	BL
54	7/14/2021	SMH	Communicate (other external) with labor commissioner re status	0.40	\$0.00	BL
55	7/15/2021	SMH	Appear for / attend deposition of client in downtown los angeles	8.50	\$0.00	BL
56	7/20/2021	SMH	Review / Analyze discovery responses and communicate with client re same and depo testimony	0.40	\$0.00	BL
57	7/20/2021	SMH	Draft / revise second request to produce	0.70	\$0.00	BL
58	7/20/2021	SMH	Draft / revise supplemental responses to judicial council, employment form and special interrogatories.	2.80	\$0.00	BL
59	7/21/2021	SMH	Draft / revise second set of special interrogatories	3.30	\$0.00	BL

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Yanluy Santos
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60	7/21/2021	SMH	Communicate (other outside counsel) def counsel re status	0.30	\$0.00	BL
61	7/22/2021	SMH	Draft / revise third request to produce	1.30	\$0.00	BL
62	7/22/2021	SMH	Communicate (with client) and co-counsel re status	0.50	\$0.00	BL
63	8/9/2021	SMH	Communicate (other outside counsel) with def counsel re status	0.50	\$0.00	BL
64	8/16/2021	SMH	Review / Analyze santos deposition, pages 1-111	2.20	\$0.00	BL
65	8/19/2021	SMH	Communicate (other outside counsel) with defense counsel re status	0.40	\$0.00	BL
66	9/9/2021	SMH	Communicate (other external) lwda, co-counsel and def counsel re requested information relating to communications with lwda	0.40	\$0.00	BL
67	9/9/2021	SMH	Communicate (other outside counsel) with def counsel re lwda notice; lwda; and co-counsel	0.50	\$0.00	BL
68	9/9/2021	SMH	Review / Analyze material provided by defense counsel and analyze client damages	0.50	\$0.00	BL
69	9/17/2021	SMH	Communicate (other outside counsel) def counsel re discovery	0.30	\$0.00	BL
70	9/17/2021	SMH	Review / Analyze deposition of client	1.10	\$0.00	BL
71	9/20/2021	SMH	Communicate (other outside counsel) def counsel and client re status	0.50	\$0.00	BL
72	9/21/2021	SMH	Draft / revise changes to deposition of client	0.90	\$0.00	BL
73	9/21/2021	SMH	Draft / revise emails to defense counsel re settlement and information needed re misclassification claim	0.80	\$0.00	BL
74	10/6/2021	SMH	Review / Analyze information relating to exemption claim raised on behalf of account managers; communicate re same with co-counsel	0.70	\$0.00	BL
75	10/13/2021	SMH	Communicate (other external) with labor commissioner re depo of santos	0.50	\$0.00	BL
76	11/8/2021	SMH	Review / Analyze settlement communication from def counsel and comm re same with co counsel	0.50	\$0.00	BL
77	11/10/2021	SMH	Communicate (other outside counsel) with def counsel re status	0.30	\$0.00	BL
78	11/12/2021	SMH	Communicate (other outside counsel) re resolution and co-counsel re status	0.40	\$0.00	BL
79	11/18/2021	SMH	Communicate (other outside counsel) def counsel and client re settlement	0.90	\$0.00	BL
80	12/2/2021	SMH	Review / Analyze privilege log issue and respond thereto	0.90	\$0.00	BL

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Client: 353

Yanluy Santos

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81	12/2/2021	SMH	Review / Analyze discovery responses and prepare meet and confer letter	1.40	\$0.00	BL
82	1/4/2022	SMH	Communicate (other outside counsel) with counsel for labor commissioner re status	0.80	\$0.00	BL
83	1/4/2022	SMH	Communicate (other outside counsel) with def counsel re discovery and issues re exemption claim to state	0.70	\$0.00	BL
84	1/6/2022	SMH	Communicate (other outside counsel) def counsel re discovery	0.40	\$0.00	BL
85	1/7/2022	SMH	Communicate (other outside counsel) with def counsel re discovery issues	0.90	\$0.00	BL
86	1/14/2022	SMH	Communicate (other outside counsel) with def counsel re status	0.30	\$0.00	BL
87	1/17/2022	SMH	Communicate (other outside counsel) re status	0.40	\$0.00	BL
88	1/17/2022	SMH	Review / Analyze further responses to interrogatories 7-9 and comm re same with def counsel	0.50	\$0.00	BL
89	1/20/2022	SMH	Review / Analyze further discovery responses by def; comm re status with def counsel	0.90	\$0.00	BL
90	1/21/2022	SMH	Communicate (other outside counsel) with def counsel re depositions	0.40	\$0.00	BL
91	1/24/2022	SMH	Review / Analyze (further review and analyze) defendants responses to discovery and evaluate need to file motion to compel further responses	0.90	\$0.00	BL
92	1/24/2022	SMH	Communicate (other outside counsel) re case status and settlement; communicate with labor commissioner re status of claims	0.80	\$0.00	BL
94	1/24/2022	SMH	Communicate (with client) re resolution	0.40	\$0.00	BL
93	1/25/2022	SMH	Communicate (other outside counsel) with def counsel re resolution	0.30	\$0.00	BL
95	1/26/2022	SMH	Draft / revise notice of taking of depositions	0.50	\$0.00	BL
96	1/28/2022	SMH	Appear for / attend TSC	0.60	\$0.00	BL
97	2/3/2022	SMH	Communicate (other outside counsel) with state of california attorney re status	0.30	\$0.00	BL
98	2/18/2022	SMH	Communicate (other outside counsel) with defense counsel re outstanding depositions	0.30	\$0.00	BL
99	2/18/2022	SMH	Communicate (with client) re status	0.20	\$0.00	BL
100	2/23/2022	SMH	Communicate (other outside counsel) re deposition scheduling and addresses of former employees	0.70	\$0.00	BL
101	2/25/2022	SMH	Communicate (with client) re status	0.30	\$0.00	BL

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Client:	353	Yanluy Santos					
Matter:	1356	Santos v. RJ Acquisition dba the adart company					
102	2/25/2022	SMH	Communicate (other outside counsel) with def counsel re status	0.30	\$0.00	BL	
103	3/4/2022	SMH	Appear for / attend tsc	0.90	\$0.00	BL	
104	3/8/2022	SMH	Review / Analyze status and fsc and msc procedures	0.40	\$0.00	BL	
105	3/8/2022	SMH	Communicate (other outside counsel) pending depositions	0.40	\$0.00	BL	
106	3/16/2022	SMH	Communicate (other external) re duarte depos with their attorney	0.40	\$0.00	BL	
107	3/21/2022	SMH	Communicate (other outside counsel) with counsel for duarte's re deposition dates	0.30	\$0.00	BL	
108	3/29/2022	SMH	Draft / revise notice of deposition and subpoena	0.50	\$0.00	BL	
109	3/29/2022	SMH	Communicate (other outside counsel) re status with def counsel	0.30	\$0.00	BL	
110	3/31/2022	SMH	Draft / revise depo notice of robin duarte and subpoena	0.30	\$0.00	BL	
111	4/6/2022	SMH	Review / Analyze case status; comm with client; prepare for deposition of duarte	1.50	\$0.00	BL	
112	4/7/2022	SMH	Appear for / attend deposition of michael duarte	1.00	\$0.00	BL	
113	4/7/2022	SMH	Communicate (with client) re status	0.30	\$0.00	BL	
114	4/19/2022	SMH	Communicate (other outside counsel) with def counsel re depositions	0.30	\$0.00	BL	
115	5/24/2022	SMH	Plan and prepare for and attend Leon deposition; comm re status with client	3.30	\$0.00	BL	
116	5/31/2022	SMH	Plan and prepare for and attend deposition of de marco and communicate with client re same	2.70	\$0.00	BL	
117	6/4/2022	SMH	Plan and prepare for duarte depo (robin) and discuss re same with client	2.10	\$0.00	BL	
118	6/6/2022	SMH	Communicate (other external) with labor commissioner re status of proceeding	0.30	\$0.00	BL	
119	6/22/2022	SMH	Review / Analyze and outline depo of robin duarte	2.20	\$0.00	BL	
120	6/23/2022	SMH	Review / Analyze DEPO OF MICHAEL DUARTE AND OUTLINE SAME	1.60	\$0.00	BL	
121	6/24/2022	SMH	Communicate (other outside counsel) re depo of de la torre and depo of yanci	0.40	\$0.00	BL	
122	6/29/2022	SMH	Communicate (other outside counsel) with def counsel re mediation, summ judg and discovery	0.40	\$0.00	BL	
123	6/30/2022	SMH	Communicate (other outside counsel) and client re mediation and proposed mediators	0.40	\$0.00	BL	
124	7/1/2022	SMH	Review / Analyze labor commissioner brief	0.70	\$0.00	BL	

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The Law Offices of Stephen M. Harris, P.C.

Client: 353

Yanluy Santos

Matter: 1356

Santos v. RJ Acquisition dba the adart company

125	7/5/2022	SMH	Draft / revise page line summary of de marco	2.50	\$0.00	BL
126	7/6/2022	SMH	Review / Analyze and outline leon deposition	2.90	\$0.00	BL
127	7/7/2022	SMH	Communicate (other outside counsel) with labor commissioner re req for exhibits	0.40	\$0.00	BL
128	7/30/2022	SMH	Communicate (with client) and def counsel re mediation	0.40	\$0.00	BL
129	8/12/2022	SMH	Communicate (other outside counsel) with def counsel re mediation	0.30	\$0.00	BL
130	8/12/2022	SMH	Communicate (other external) mediator re status	0.40	\$0.00	BL
131	8/12/2022	SMH	Communicate (other external) mediator re details of date and time and start	0.50	\$0.00	BL
132	9/7/2022	SMH	Plan and prepare for pre-mediation conv with mediator	0.90	\$0.00	BL
133	9/8/2022	SMH	Review / Analyze labor commissioner proceedings setting forth testimony of santos, pardo and other witnesses	4.30	\$0.00	BL
134	9/9/2022	SMH	Review / Analyze file materials in order to prepare mediation brief	4.40	\$0.00	BL
135	9/13/2022	SMH	Draft / revise mediation brief	4.20	\$0.00	BL
136	9/14/2022	SMH	Draft / revise mediation brief	4.70	\$0.00	BL
137	9/15/2022	SMH	Draft / revise mediation brief	4.40	\$0.00	BL
138	9/15/2022	SMH	Communicate (other outside counsel) with mediator and def counsel as well as co-counsel re settlement related issues and upcoming mediation	0.90	\$0.00	BL
139	9/20/2022	SMH	Communicate (with client) re premediation discussion	0.50	\$0.00	BL
140	9/20/2022	SMH	Draft / revise mou	0.50	\$0.00	BL
141	9/20/2022	SMH	Review / Analyze brief of def (mediation related)	1.20	\$0.00	BL
142	9/21/2022	SMH	Plan and prepare for mediation	6.20	\$0.00	BL
143	9/22/2022	SMH	Appear for / attend mediation	7.80	\$0.00	BL
144	10/4/2022	SMH	Communicate (other outside counsel) def counsel re status and client re status	0.40	\$0.00	BL
145	10/19/2022	SMH	Communicate (other outside counsel) with co-counsel and def counsel re status	0.30	\$0.00	BL
146	10/26/2022	SMH	Draft / revise settlement agreements	1.20	\$0.00	BL
147	10/31/2022	SMH	Draft / revise and finalze agreements; comm re same with client and def counsel	0.60	\$0.00	BL
148	11/4/2022	SMH	Communicate (other outside counsel) and client re agreement	0.30	\$0.00	BL
149	11/18/2022	SMH	Draft / revise paga letter (amended)	1.10	\$0.00	BL

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PRE-BILL

The Law Offices of Stephen M. Harris, P.C.

Client: 353
Matter: 1356

Yanluy Santos
Santos v. RJ Acquisition dba the adart company

Date: 2/21/2023
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150	11/22/2022	SMH	Draft / revise amended paga letter	0.90	\$0.00	BL
151	11/22/2022	SMH	Communicate (other outside counsel) with def counsel and co-counsel re status (multiple communications) including re paga approval motion and other procedural issues	0.50	\$0.00	BL
152	11/29/2022	SMH	Draft / revise notice of settlement	0.40	\$0.00	BL
153	12/22/2022	SMH	Draft / revise stipulation and order	0.30	\$0.00	BL
154	12/23/2022	SMH	Draft / revise first amended complaint	2.40	\$0.00	BL
155	1/18/2023	SMH	Draft / revise motion for paga approval	0.90	\$0.00	BL
156	1/19/2023	SMH	Draft / revise motion for approval	1.50	\$0.00	BL
157	1/20/2023	SMH	Draft / revise harris decl; motion and comm re status with labor commissioner and def counsel	1.30	\$0.00	BL
158	1/20/2023	SMH	Draft / revise santos decl and proposed order	0.90	\$0.00	BL
159	1/25/2023	SMH	Draft / revise motion for paga approval and declarations	1.50	\$0.00	BL
160	2/9/2023	SMH	Draft / revise motion for approval	0.90	\$0.00	BL
161	2/14/2023	SMH	Draft / revise and finalize motion papers and harris decl	2.20	\$0.00	BL

Total Hours: 195.20
Billable Hours: 195.20

This Matter Will Be Billed On A Contingency Basis

Timekeeper Summary

Timekeeper SMH worked 195.20 hours.

Costs

<u>ID</u>	<u>Date</u>	<u>Description</u>	<u>Amount</u>	<u>Check No.</u>
2691	9/10/2020	Clerk of Court--initial lawsuit filing fees	\$454.22	
2702	10/7/2020	Attorney Service Charge-service of summons and complaint two defs	\$110.00	
2708	10/13/2020	Attorney Service Charge-service of summons and complaint on 2 defs	\$105.00	
2745	12/29/2020	Postage	\$2.00	
2780	2/25/2021	Court Call Charge	\$15.00	
2781	2/25/2021	Electronic Filing Service	\$7.26	
2783	2/25/2021	Postage	\$0.75	
2788	2/26/2021	Parking or Validation-for client meeting	\$7.50	
2791	3/18/2021	Court Call Charge	\$15.00	
2793	3/22/2021	Filing Fee	\$61.65	
2794	3/23/2021	Filing Fee--e-filing and service	\$10.17	

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PRE-BILL

The Law Offices of Stephen M. Harris, P.C.

Client: 353 Yanluy Santos
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2795	3/25/2021	Photocopies-and number documents to be produced	\$326.86
2796	3/25/2021	Postage	\$8.10
2825	5/3/2021	Photocopies-client's employment records from other employer	\$76.60
2855	6/29/2021	Filing Fee	\$68.91
2856	6/30/2021	Court Call Charge	\$15.00
2865	7/15/2021	Parking or Validation	\$18.00
2866	7/15/2021	Meal	\$11.99
2888	9/29/2021	Clerk of Court-charge to access arb ruling in related case	\$7.60
3017	6/20/2022	Court Reporting	\$479.32
3020	6/30/2022	Court Reporting	\$578.87
3021	6/30/2022	Court Reporting	\$502.97
3051	8/15/2022	Mediation Services	\$3,225.00
3057	8/30/2022	Court Reporting	\$476.25
3063	9/7/2022	Court Reporting--santos	\$714.72
3068	9/15/2022	Postage	\$22.00
3070	9/20/2022	Postage	\$3.12
3071	9/21/2022	Court Reporting-santos depo	\$1,010.92
3108	11/22/2022	Filing Fee	\$122.00
3109	11/22/2022	Postage	\$18.34
3120	11/29/2022	Electronic Filing Service	\$7.26
3147	1/4/2023	Electronic Filing Service	\$27.81
3164	1/23/2023	Filing Fee	\$7.26

Total Costs: \$8,517.45

Prior Balance:	\$0.00
Payments Received:	\$0.00
Current Fees:	\$0.00
Sales Tax on Fees:	\$0.00
Advanced Costs:	\$8,517.45
Sales Tax on Costs:	\$0.00
Administrative Cost:	\$0.00
Late Charges:	\$0.00
Additional Retainer Due:	\$0.00
TOTAL AMOUNT DUE:	\$8,517.45

Fees and Costs [☐] Fees Only [☐] Costs Only [☐] Don't Bill [☐]



Court Reservation Receipt

Reservation

Reservation ID:
550050683234

Status:
RESERVED

Reservation Type:
Motion for Order (Approving Labor Code Private
Attorneys General Act Settlement)

Number of Motions:
1

Case Number:
20STCV34717

Case Title:
YANLUY SANTOS vs R.J. ACQUISITION CORP, et al.

Filing Party:
Yanluy Santos (Plaintiff)

Location:
Stanley Mosk Courthouse - Department 45

Date/Time:
March 28th 2023, 8:30AM

Confirmation Code:
CR-VUVSFDWAEMBMHJHQD

Fees

Description	Fee	Qty	Amount
Motion for Order (name extension)	60.00	1	60.00
Credit Card Percentage Fee (2.75%)	1.65	1	1.65
TOTAL			\$61.65

Payment

Amount:
\$61.65

Type:
Visa

Account Number:
XXXX7915

Authorization:
09330G

Payment Date:
2022-11-22

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