

Armond M. Jackson, SBN 281547
ajackson@jacksonapc.com
Andrea M. Fernandez, SBN 295924
afernandez@jacksonapc.com
Anthony S. Filer Jr., SBN 337704
afiler@jacksonapc.com
JACKSON LAW, APC
2 Venture Parkway, Ste. 240
Irvine, California 92618
Phone (949) 281-6857
Fax (949) 777-6218

Attorneys for Plaintiff Daniel Carillo-Salazar,
individually, and on behalf of all other similarly
situated employees

SUPERIOR COURT OF STATE OF CALIFORNIA
FOR THE COUNTY ORANGE-CIVIL COMPLEX CENTER

In re WATERMARK WAGE AND HOUR
CASES

Coordination Proceedings Special Title
(C.R.C. Rule 3.550)

Included Actions:

*Daniel Carillo-Salazar v. Watermark Services
IV, LLC, et al.*
Orange County Superior Court
Case No. 30-2020-01126766-CU-OE-CXC

*Evanina Alaniz v. Watermark Retirement
Communities LLC, et al.,*
Los Angeles County Superior Court
Case No. 20STCV16386

*Katherine Greene v. Watermark Retirement
Properties, Inc., et al*
Monterey County Superior Court
Case No. 20CV002422

CASE NO.: JCCP No. 5176

Assigned for all purposes to: Judge William
Claster

Dept. CX 104

**DECLARATION OF ARMOND M.
JACKSON IN SUPPORT OF MOTION
FOR PRELIMINARY APPROVAL OF
CLASS ACTION SETTLEMENT**

Date: January 13, 2023

Time: 9:00 a.m.

Place: Department CX 104

Reservation ID: 73894745

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28

2

3
4
5
6

7
8
9
10
11
12

13

14
15
16
17
18
19
20

21
22
23
24
25
26
27
28

1 California Private Attorneys General Act; (8) unlawful business practices under Business and
2 Professions Code section 17200 et. seq.; and (9) successor corporation liability. On November 22,
3 2022, Plaintiff filed a First Amended Complaint alleging claims for; (1) failure to pay for minimum
4 wages; (2) failure to pay for overtime wages; (3) claim for failure to provide meal breaks; (4) claim
5 for failure to provide rest periods; (5) claim for failure to provide accurate itemized wage statements;
6 (6) claim for failure to pay for timely wages upon termination; (7) violation of the California Private
7 Attorneys General Act; (8) unlawful business practices under Business and Professions Code section
8 17200 et. seq.; (9) successor corporation liability; and (10) failure to reimburse for necessary
9 business expenses.

10 5. Thereafter, Plaintiff served the Complaint on Defendant. On September 8, 2020, Plaintiff
11 served six sets of discovery on Defendant. After several extensions, Defendants responded to
12 Plaintiff's written discovery on December 1, 2020. On December 18, 2020, Plaintiff initiated a
13 meeting and conferring with Defendant regarding its inadequate discovery responses. On December
14 22, 2020, Defendant responded to this meeting and conferring. The parties disputed the scope of
15 discovery and contemplated how to address the privacy issues raised by Defendant. In light of these
16 issues, Plaintiff continued to address Defendant's concerns and proposed to engage in the *Belaire*
17 *West* notice to mitigate privacy issues so the requested documents can be produced. Due to an
18 impasse, Plaintiff prepared motions to compel to seek court relief so that the issues may be resolved.
19 As the motion to compel issues were contemplated and being prepared for filing, the parties agreed
20 to an extension on Plaintiff's motion to compel deadline and presented the idea of considering a
21 mediation.

22 6. In preparation for mediation, the parties discussed informal production of documents so
23 that the class data may be evaluated for mediation. As a result of these discussions, the parties agreed
24 to a 25% sampling of class data and production of the policies and procedures for purposes of
25 evaluation in preparation of mediation. The parties ultimately agreed to appoint a well-respected
26 class action mediator Steven J. Rottman, Esq. to mediate the claims in this case. The original
27 mediation date was set for June 8, 2021. The parties agreed that the data would be presented to
28 Plaintiff on or before February 15, 2021. The data was comprised of clock-in and clock-out records

1 that reflected recorded time worked, pay data and records and relevant policies and procedures.
2 Plaintiff Carillo retained an expert to analyze this data and the results of the analysis was ultimately
3 extrapolated to the entire class.

4 7. Plaintiff alleges that Defendant failed to provide compliant meal periods by understaffing
5 its workforce in light of the work demands to allow them to take meal periods on time and for at
6 least 30 minutes.

7 8. Plaintiff alleges that Defendant failed to permit and authorize rest breaks for the same
8 reason they could not take their meal periods.

9 9. Plaintiff alleges that Defendant's practices of having employees perform work during
10 unpaid training at the beginning of their employment forced Class Members to work off-the-clock
11 which should have been paid at the minimum rate of pay or overtime rate of pay.

12 10. Plaintiff alleges that Defendant failed to provide complete and accurate itemized wage
13 statements in compliance with Labor Code section 226(a) by issuing wage statements to Plaintiff
14 and Class Members that failed to reflect the correct total number of hours worked and therefore, the
15 correct wages earned, on every wage statement.

16 11. Plaintiff alleges that Defendant failed to reimburse Plaintiff and Class Members for
17 necessary business expenses.

18 12. After litigating this case for some time, the parties agreed to mediate. Prior to the
19 mediation, Defendant provided me with Plaintiff's personnel file, Defendant's Employee
20 Handbook, the total number of Class Members, including those formerly employed during the class
21 period, and the total number of workweeks during the class period. I thoroughly reviewed the
22 foregoing documents prior to mediation.

23 13. On June 7, 2021, Defendant cancelled the mediation requiring the parties to reschedule
24 the mediation for January 4, 2022. On January 4, 2022, the parties participated in a full day of
25 mediation with mediator Steven J. Rottman, Esq., an experienced mediator of wage and hour class
26 actions. Mediator Rottman helped to manage the parties' expectations and provided a useful, neutral
27 analysis of the issues and risks to both sides. After the mediation, the Parties jointly drafted and
28 executed the Stipulation. A true and correct copy of the fully executed Stipulation of Class Action

1 and PAGA Settlement (hereinafter “Stipulation” or “Settlement”) is attached hereto as **Exhibit A**.
2 At all times, the Parties’ negotiations were adversarial and non-collusive, and the Stipulation thus
3 constitutes a fair, adequate, and reasonable compromise of the claims at issue.

4 **PLAINTIFF’S COUNSEL CONDUCTED A THOROUGH INVESTIGATION OF**
5 **THE FACTUAL AND LEGAL ISSUES AND WERE THUS ABLE TO OBJECTIVELY**
6 **ASSESS THE SETTLEMENT’S REASONABLENESS**

7 14. By engaging in a thorough investigation and evaluation of Plaintiff’s claims, I can opine
8 that the Settlement, for the consideration and on the terms set forth in the Stipulation, is fair,
9 reasonable, adequate, and is in the best interests of the Class Members in light of all known facts
10 and circumstances, including the risk of significant delay and uncertainty associated with litigation,
11 various defenses asserted by Defendant.

12 15. Prior to the outset of the litigation, Plaintiff provided me with detailed accounts of his
13 experience working for Defendant and the circumstances that gave rise to the alleged Labor Code
14 violations. In addition to informing my initial evaluation of the lawsuit, the information that Plaintiff
15 and other employees provided through my interviews with them also influenced my discovery
16 efforts.

17 16. Plaintiff’s request for discovery led to the production and analysis of considerable
18 information relied upon for the Settlement, including a statistically significant sampling of
19 thousands of excel cells of timekeeping and payroll records, and policies and practices directly
20 pertaining to the alleged Labor Code violations at issue, as well as Defendant’s written policies
21 provided in its Employee Handbook, and reviewed the data and documents produced by Defendant.
22 From this analysis, I was able to analyze Labor Code issues, theories and alleged violations that
23 would have provided direct evidence for use at trial in a class and PAGA action. I analyzed the
24 timekeeping and payroll data, in order to assess, *inter alia*, the incidence of meal and rest period
25 violations, and premiums paid for said violations, the overtime rates paid to Class Members, the
26 amount of underpaid wages, the accuracy of the wage statements, and the amount of waiting time
27 penalties under Cal. Labor Code § 203.

28 17. I interviewed Plaintiff who provided accounts of his own experience, which enabled me

1 to understand the theories explaining the respective frequencies of the alleged violations borne out
2 in the data and records produced and to learn more about the day-to-day circumstances giving rise
3 to the alleged violations. Overall, I performed a searching investigation into the claims at issue,
4 which included: (1) determining Plaintiff's suitability as a class representative through interviews,
5 background investigations, and analysis of his employment files and related records; (2) researching
6 similar wage and hour class actions as to the claims brought, the nature of the positions, and the type
7 of employer; (3) analyzing employee time and wage records; (4) analyzing Defendant's labor
8 policies and practices; (5) researching settlements in similar cases; (6) researching Plaintiff's novel
9 theories of liability; (7) evaluating Plaintiff's claims and estimating Defendant's liability for
10 purposes of settlement; (8) drafting the mediation brief; and (9) participating in the mediation.

11 **THE PARTIES SETTLED AT THE CONCLUSION OF MEDIATION**

12 18. On January 4, 2022, the parties participated in a mediation with mediator Steven J.
13 Rottman, Esq., who helped manage the parties' expectations and provided a useful, neutral analysis
14 of the issues and risks to both sides. At all times, the Parties' negotiations were adversarial and non-
15 collusive. After a full day of mediation, the Parties reached a settlement in principal and executed
16 a detailed long form Settlement.

17 **QUALIFICATIONS AND EXPERIENCE**

18 19. I have been a California licensed attorney since November 2011. I began my career
19 in law while still in law school when in I served as a law clerk for the Pedersen Law & Dispute and
20 Resolution Corporation ("PLDRC") handling employment related litigation matters. While clerking
21 for PLDRC I analyzed and organized discovery documents and researched employment litigation
22 issues such as Sexual Harassment, Race Discrimination and Wrongful Termination. I worked as an
23 associate attorney at Pedersen McQueen between March 2013 through January 2017 almost
24 exclusively engaging in employment matters representing employees. I have litigated several wage
25 and hour case to trial and currently litigating or have litigated cases valued in the six and seven
26 figure dollar range, including representative actions. I had primary responsibility for approximately
27 20 litigation matters on average throughout my employment at PLDRC and Pedersen McQueen and
28 Pedersen Law. I regularly practice in state court and sometimes federal court. As an associate, my

responsibilities included carrying primary case responsibility which includes tasks like taking depositions, conducting damages analysis, analyzing discovery documents, conducting client intake, developing discovery and litigation strategies, participating in mediations and arbitrations, engaging in settlement negotiations, trial preparation and trial work, as well as other responsibilities that commonly coincide with managing cases from start to finish.

20. I have been a member of local bar associations, including the Orange County Bar Association, as well as the State Bar of California and American Bar Association and served in a number of leadership roles at all levels. Most notably, I served as a Committee Member of the Orange County Bar Association Young Lawyers' Education Committee and Social Committee.

21. In January 2017, I officially started my own practice Jackson Law, APC. Throughout my career, I have currently litigated over approximately 70 Private Attorney General Act cases and/or class action cases to resolution by way of settlement or trial. Over the course of my career, I have litigated above 100 employment cases, including wage and hour representative actions to resolution by way of settlement, default or trial.

22. Below is a non-exhaustive list of prior wage and hour representative actions on which I have served as lead or co-counsel.

1. *Kim v. FNS, Inc.*, Los Angeles Superior Court, Case No. BC 578015

2. *Demery v. Pacific Rim Capital Alliance Corporation et al.*, San Diego Superior Court, Case No. 37-2017-00003415-CU-OE-CTL

3. *Goldbaum v. Dollarsmart et al.*, San Diego Superior Court, 30-2015-000077437-CU-WT-CLT

4. *Hernandez v. Personnel Staffing Group, LLC et al.*, Orange County Superior Court, Case No. 30-2017-00899277-CU-OE-CXC

5. *Sanchez, et al v. Pueblo Restaurant, Inc. dba Casa Torres*, Los Angeles Superior Court, Case No. BC697241

6. *Augusto v. HIOG Management Services, LLC, et al.*, San Bernardino Superior Court, Case No. CIVDS1610431

7. *Mendoza v. McNeal, Duckworth and McNeal, Inc.*, Orange County Superior Court, Case

1 No. 30-2017-00899290-CU-OE-CXC

2 8. *Ortiz v. Bayside Insurance Associates, Inc. et al*, Orange County Superior Court, Case No.
3 30-2016-00895669-CU-OE-CXC

4 9. *Paramo v. Quest Nutrition LLC et al.*, Los Angeles County Superior Court, Case No.
5 BC609306

6 10. *Luis v. Second Street Corporation dba Huntley House Hotel*, Los Angeles County
7 Superior Court, Case No. BC691018

8 11. *Venegas, at al. v. Bergen Shippers Corp, et al*, Los Angeles County Superior Court, Case
9 No. BC715217

10 12. *Bernal v. Bristol Equity Partners LP et al*, Orange County Superior Court, Case No. 30-
11 2016-00854699-CU-OE-CXC

12 13. *Rowe v. Rasier-CA, LLC*, Orange County Superior Court,
13 Case No. 30-2018-00989673-CU-OE-CXC

14 14. *Abarca v. Habit Restaurants, LLC, The et al*, Orange County Superior Court, Case No.
15 30-2016-00840385-CU-OE-CJC

16 15. *Radilla v. States Logistics Services, Inc.*, Orange County Superior Court,
17 Case No. 30-2018-00978231-CU-WT-CJC

18 16. *Rodriguez v. Lampson Sewing Incorporated et al*, Orange County Superior Court, Case
19 No. 30-2017-00900653-CU-OE-CJC

20 17. *January v. Discovery Management Inc. et al*, Los Angeles Superior Court,
21 Case No. BC635918

22 18. *Angel Hernandez v. Merchants Landscape Services, Inc. et al.*, Los Angeles Superior
23 Court, Case No. BC674131

24 19. *Quezada v. Garden Fresh Restaurant Corp. et al*, Orange County Superior Court, Case
25 No. 30-2016-00840321-CU-OE-CJC

26 20. *Munoz v. Batten Down, Inc. et al*, Los Angeles County Superior Court, Case No.
27 BC617880

28 21. *Salgado v. Resort at Pelican Hill, LLC et al*, Orange County Superior Court, Case No.

1 30-2016-00840386-CU-OE-CJC

2 22. *Darmawati v. Westview Services Inc.*, Orange County Superior Court, Case No. 30-2
3 015-00795449-CU-OE-CJC

4 23. *Escobar v. Westcoast Textiles, Inc. et al*, Orange County Superior Court,
5 Case No. 30-2018-00979111-CU-OE-CXC

6 24. *Chacon v. Express Fashion Operations, LLC*, Orange County Superior Court, Case No.
7 30-2017-00900648-CU-OE-CXC

8 25. *Chacon v. Express Fashion Operations, LLC*, Orange County Superior Court, Case No.
9 8:19-cv-00564

10 26. *Plascencia v. RM HQ, LLC, dba Real Mex Restaurants*, Orange County Superior Court,
11 Case No. 30-2017-00926015-CU-OE-CXC

12 27. *Casas v. PC Hospitality et al.*, Orange County Superior Court,
13 Case No. 30-2016-00877489-CU-OE-CXC

14 28. *Leon v. SWH Mimi's Café, LLC*, Orange County Superior Court,
15 Case No. 30-2018-00978815-CU-OE-CXC

16 29. *Quintanilla v. Southwest Wine & Spirits, LLC*, Los Angeles Superior Court, Case No.
17 BC653817

18 30. *Fabiola Rodriguez v. Second Floor Food, Drinks and Art, LLC*, Orange County Superior
19 Court, Case No. 30-2018-00981362-CU-WT-CXC

20 31. *Santisteban v. Rod Fraser Enterprises, Inc. et al*, Orange County Superior Court,
21 Case No. 30-2017-00904202-CU-OE-CXC

22 32. *Milano v. Lev Tambor dba Distractions Lounge*, Orange County Superior Court,
23 Case No. 30-2018-00966582-CU-WT-CXC

24 33. *Ajin v. Lymi, Inc, Los Angeles County Superior Court*, Case No. BC696168

25 34. *Recinos v. Pacific American Fish Co., et al*, Los Angeles Superior Court,
26 Case No. BC710735

27 35. *Valle-Valdez v. St. Jude Hospital Yorba Linda, et al*, Orange County Superior Court,
28 Case No. 30-2015-00795457-CU-OE-CJC

1 36. *Juarez v. Arakelian Enterprises, Inc., et al*, Los Angeles Superior Court,
2 Case No. BC710736

3 37. *Solarzano v. T&J Fresh Co. dba Chomp Sushi*, Orange County Superior Court,
4 Case No. 30-2018-00981299-CU-OE-CXC

5 38. *Taylor v. G.I. Trucking Company dba Estes West et al*, Los Angeles Superior Court, Case
6 No. BC722778

7 39. *Rendon v. L & L Foods Holdings, LLC, et al*, Orange County Superior Court, Case No.
8 30-2018-00982745-CU-OE-CXC

9 40. *Magana v. Zara USA, Inc., et al*, Orange County Superior Court,
10 Case No. 8:18-cv-02249-AG (ADSx)

11 41. *Flores v. ABM Industry Groups, LLC et al*, Orange County Superior Court,
12 Case No. 30-2018-00971152-CU-WT-CJC

13 42. *Diaz v. Macy's West Stores, Inc. dba Macy's*, Central District of California,
14 Case No. SACV19-00303 ODW (MAAx)

15 43. *Aguirre v. Shelfmaster el al*, Orange County Superior Court, 30-2015-00787557-CU-
16 OE-CJC

17 44. *Goldman v. Encore Energy, Inc.*, Los Angeles County Superior Court, BC606773

18 45. *Munoz v. 8947 Sunset Pizza, LLC et al.*, Los Angeles Superior Court,
19 Case No. BC646999

20 **THE SETTLEMENT IS REASONABLE IN LIGHT OF THE RISKS, EXPENSE,**
21 **AND DELAY OF CONTINUED LITIGATION AND DEFENDANT'S DEFENSES**

22 23. Based on the information and evidence provided by Defendant in discovery, the analysis
23 of the payroll data, and my own independent investigation, I determined an appropriate range of
24 recovery for settlement purposes by offsetting Defendant's maximum theoretical exposure by: (i)
25 the strength of Defendant's affirmative defenses; (ii) the risk of losing a motion for class certification
26 on some or all of the claims; (iii) the risk of the Court finding that a class and PAGA trial would be
27 unmanageable; (iv) the risk of losing on various dispositive or quasi-dispositive motions that
28 Defendant will bring before trial (e.g., motion to strike class and representative allegations, motion

to decertify a class action, and/or motions for summary judgment) which may eliminate all or some of Plaintiff's claims, or bar evidence necessary to prove such claims; (v) the risk of losing some or all of the claims at trial; (vi) the chances a Court may find Defendant did not willfully refuse to pay discharged or terminated employees (i.e. a good faith failure) under Cal. Lab. Code section 203; (vii) the chances a Court may find Defendant did not willfully and intentionally refuse to comply (i.e, a good faith failure) with the wage statement requirements under Cal. Labor Code section 226(e); (viii) the chances of the Court exercising its discretion to reduce PAGA penalties (see Cal. Lab. Code section 2699(e); (ix) the delay in payment to class members due to years of protracted litigation in certifying a class, obtaining a favorable verdict at trial, upholding that verdict on appeal, and administering class notice and payments to the class at that later stage instead of now; (x) the chances of a favorable verdict being reversed on appeal; and (xi) the difficulties attendant to collecting on a judgment (collectively, the "Discount Factors"). Based on the preceding and considering the aggregate value of the claims in light of the Discount Factors, I valued the claims for settlement purposes at **\$8,091,108.50 (50% probability on loss on the merits of a \$16,182,217.50 reasonable exposure analysis).**

24. The evaluation determined there to be approximately 241,725.47 workweeks. Based upon the evaluation, the following is a table of potential damages:

Claim	Highest Theoretical Damage Exposure	Reasonable Range of Damages and Penalties	
Failure to Provide Meal Breaks	\$1,799,521 (damages and interest) and \$1,879,900 (civil penalties) for a total of \$3,679,421	\$0	\$899,760.5 (damages) and \$939,950 (civil penalties) for a total of \$1,839,710.5 (50% discount)
Failure to Provide Rest Breaks	\$16,475,840 (damages) and \$4,991,600 (civil penalties) for a total of \$21,467,440	\$0	\$4,118,960 (damages) and \$1,247,900 (civil penalties) for a total of \$5,366,860 (75% discount)
Failure to Pay Off-the-Clock	\$ 431,422 (damages) and \$98,200 (civil penalties) for a total of	\$0	\$215,711 (damages) and \$49,100 (civil

	\$529,622		penalties) for a total of \$264,811 (50% discount)
Failure to Provide Accurate Wage Statements	\$3,928,000	\$0	\$1,964,000 (50% discount)
Waiting Time Penalties	\$7,293,444	\$0	\$3,646,722 (50% discount)
2802 Damages	\$1,208,627 (damages) and \$4,991,600 (civil penalties) for a total of \$6,200,227	\$0	\$604,313.50 (damages) and \$2,495,800 (civil penalties) \$3,100,113.50 (50% discount)
Total Damages (excluding attorneys' fees):	\$43,098,154	\$0	\$16,182,217.50 (Risk Analysis Discount Assessment)

Meal and Rest Periods

25. Plaintiff alleges that Defendant understaffed shifts and scheduled meal periods such that employees did not take their meal periods within the first five hours of a shift, were less than thirty minutes, or did not take a meal period at all, on some occasions. Similarly, Plaintiff alleges employees were not authorized to take rest periods due to understaffing.

26. Although Defendant's time records may create a rebuttable presumption that it did not provide meal periods on those occasions, in compliance with California law, *see, e.g., Donahue v. AMN Services, LLC* (2021) 11 Cal.5th 58, the claims are likely overwhelmed by individual inquiries, and substantial other evidence either rebuts the presumption or minimizes the potential value of the claims.

27. First, Defendant maintains an Employee Handbook, which sets forth meal and rest period policies. To the extent Plaintiff may allege he felt pressured by his duties or schedule, Defendant will argue this is not evidence that Defendant did not authorize or provide Plaintiff his meal and rest periods.

28. Second, analysis of the time and payroll data for workers revealed a 11.2% meal break violation rate for all 146,820 shifts analyzed amounting to 16,460 meal break violations in the sample. Furthermore, since employees are not required in California to record their rest periods times, it would be difficult to show rest break violations throughout the class period.

1 29. Third, the analysis revealed 93,684 potential meal break violations through extrapolation
2 extrapolated over the 835,643 shifts. Furthermore, in opposition to any motion for class certification,
3 it is anticipated that Defendant will present declarations from dozens of employees attesting to
4 Defendant's lawful meal and rest period policies and practices, and how employees personally chose
5 to skip, delay or shorten breaks on their own without any influence from Defendant.

6 30. Therefore, based on the foregoing and the "Discounted Factors" described above, these
7 claims should be discounted. After taking into account the foregoing considerations and the
8 Discount Factors, I have assessed the combined value of the meal and rest period claims, inclusive
9 of civil penalties, at between \$0 and \$3,603,285.25 (\$7,206,570.50 (including \$4,732,750 in PAGA
10 penalties) reasonable range of liability * 50% probability of prevailing on claims)

11 31. More specifically, the high end of the realistic range for the meal period claim accounts
12 for all the Discount Factors to consider the best scenario of a trier of fact finding for liability and
13 damages as half of the 11.2% violation rate. The analysis computed the following results:
14 \$1,799,521 inclusive of interest and PAGA penalties amounting to \$1,879,900 equating to
15 \$3,679,421. Given the issues concerning manageability for meal break violations, the total damages
16 number should be discounted by 50% equating to \$1,839,710.50. As for rest breaks, \$16,475,840
17 inclusive of interest and PAGA penalties amounting to \$4,991,600 equating to \$21,467,440. For
18 the rest periods, the risk to Plaintiff is greater due to the additional consideration of a lack of rest
19 period recordkeeping requirement. Given the lack of documentation and issues concerning
20 manageability, rest break damages should be discounted by 75% equating to \$5,366,860. In addition
21 to the liability discounts, a further discount of 50% to account for risk of loss of the entire claim at
22 trial or trial reduction based upon discretionary grounds under PAGA ultimately providing to a
23 realistic range of recovery for meal break claim in the amount of \$919,855.25 and rest break claim
24 in the amount of \$2,683,430 equating to \$3,603,285.25 as a combined number for meal break and
25 rest break claims.

26 **Minimum Wage and Overtime Claim**

27 32. After requesting Plaintiff's personnel record, the policy revealed that Plaintiff was
28 subjected to a policy that required training to be conducted off-the-clock as part of the onboarding

1 process. Based upon our analysis, there were a total of 19,640 hours with an average rate of pay at
2 \$16.93 resulting in an amount of \$332,599 with interest of \$98,823, and \$98,200 in PAGA penalties
3 equating to a total amount of \$431,328.20.

4 33. In this case, damages may be difficult to prove-up given the lack of documentation to
5 show off-the-clock work despite any written policy for purposes of commonality and superiority
6 (i.e. a manageable trial plan), as well as to demonstrate at trial for purposes of finding class-wide
7 liability and damages. As with the preceding claims, I had to discount the value of the minimum
8 wage claim to account for the risks of continued litigation and Defendant's affirmative defenses.

9 34. For example, Defendant will simply argue that Plaintiff will not be able to present any
10 evidence that the policy was actually implemented for all class members to work off-the-clock.

11 35. Analysis of the sampling, and extrapolation to all class members, revealed that, in the
12 aggregate, Defendant potentially underpaid workers by 19,640 hours equating to \$431,422 damages
13 and interest and \$98,200 in PAGA penalties totaling \$529,622.

14 36. However, based on certain Discount Factors (i.e. lack of common evidence such as time
15 records or confirmation of hours worked/trained), the lack of documentary evidence, and
16 Defendant's ability to garner numerous declarations in support of its defense to this claim creates
17 uncertainty. I estimate that a more realistic high end of exposure discounts the top end by at least
18 50% of the highest theoretical amount, leaving a more realistic range of recovery at \$264,811.

19 **Wage Statement Claim**

20 37. Plaintiff alleges that Defendant failed to provide Plaintiff with timely and accurate wage
21 statements as a result of failing to record all hours worked for off-the-clock work. Plaintiff also
22 alleges as a derivative claim of the foregoing allegations for failure to provide wages, breaks, pay
23 for all hours worked, and improper overtime premium pay. Plaintiff also alleges Labor Code section
24 226 damages. Plaintiff alleges that Defendant failed to provide Plaintiff with timely and accurate
25 wage statements as a derivative claim of the foregoing allegations for failure to provide wages,
26 breaks, pay for all hours worked, and improper overtime premium pay.

27 38. Defendant provided wage statements with the itemized information, as required under
28 Cal. Lab. Code section 226, to its workers, including Plaintiff, on a semi-monthly basis. To the

1 extent this claim is derivative of the claims set forth above - that Plaintiff's wage statements were
2 not accurate because Plaintiff was not paid an additional hour of pay when he was not provided meal
3 and rest periods, not paid for all hours worked, and not properly compensated for all overtime
4 premium pay - the claim bears the same risk for failure as the factual reasons discussed above.

5 39. Moreover, Labor Code section 204(b) permits employers to advance wages or pay for
6 excess hours worked in one pay period onto the next pay period.

7 40. Furthermore, to award statutory penalties under section 226(e), Defendant will argue
8 that Plaintiff would have had to show that Defendant knowingly and intentionally issued wage
9 statements with unlawful deficiencies which justifies a discount for this claim. [See Labor Code §
10 226; *Price v. Starbucks Corp.*, 192 Cal. App. 4th 1136, 1142–43 (2011); *see also Elliot v. Spherion*
11 *Pac. Work, LLC*, 572 F. Supp. 2d 1169, 1180–81 (2008).]

12 41. Defendant issued approximately 49,916 wage statements during relevant class period.
13 Assuming all wages statements dating back one year prior to the filing of the complaint are
14 inaccurate, then the Defendant is liable for no more than approximately \$3,928,000 based upon
15 approximately 982 employees being subjected to wage statement violations for the maximum
16 amount of \$4,000 per employee. Therefore, in light of these considerations and the Discount
17 Factors, Plaintiff assessed the settlement value of the wage statement claim at \$982,000.

18 **Waiting Time Penalties**

19 42. This claim is based on Plaintiff's allegations that an extra hour of pay was not provided
20 when meal or rest breaks were not provided, and that workers were not paid all overtime and/or
21 premium wages. On the assumption that all 1,795 formerly employed workers are owed some
22 unpaid wages, then the highest theoretical amount for potential waiting time penalties is calculated
23 as follows: 1795 former employees x 30 days x 8 hours per day x \$16.93 average hourly wage =
24 \$7,293,444. However, for the reasons discussed above, it will be difficult for Plaintiff to present
25 substantial common evidence that he and the putative class members were not paid all wages due at
26 the time of termination as to all formerly employed workers given that all formerly employees were
27 subjected to a Labor Code violation. Given the uncertainty of proving all violations and the risk of
28 losing the entire claim, Plaintiff assessed the settlement value of the wage time penalty claim at

1 \$1,823,361.

2 **2802 Business Reimbursement Claims**

3 43. Plaintiff alleged itself, aggrieved employees and class members were subjected to
4 California Labor Code section 2802 violations for failure to reimburse class members and
5 aggrieved employees. It was estimated that 241,725 workweeks amounting to \$1,208,627
6 (241,725 * \$5 per workweek) were subjected to potential 2802 Labor Code violations. Moreover,
7 49,916 pay periods that could have been subjected to Labor Code violations amounting to
8 \$4,991,600 in civil PAGA penalties. Given the risk of litigation, Plaintiff assessed the settlement
9 value of the 2802 Labor Code claims at \$302,156.84 in damages and \$1,247,900 in civil penalties
10 totaling \$1,550,056.84. Defendant maintained reimbursement policies that would make it difficult
11 to ultimately prove all Labor Code violations.

12
13 **Private Attorney General Act Claims Evaluation**

14
15 **Total PAGA Exposure:**

16 44. It should be noted that PAGA gives the Court wide latitude to reduce the amount of civil
17 penalties “based on the facts and circumstances of a particular case” when “to do otherwise would
18 result in an award that is unjust, arbitrary and oppressive, or confiscatory.” Cal. Lab. Code §
19 2699(h). In reducing PAGA penalties, courts have considered issues including whether the
20 employees suffered actual injury from the violations, whether the defendant was aware of the
21 violations, and the employer’s willingness to fix the violation. *Carrington v. Starbucks Corp.*, 30
22 Cal. App. 5th 504, 528 (2018) (awarding PAGA penalties of only 0.2% of the maximum); *see also*
23 *Cotter v. Lyft, Inc.*, 193 F. Supp. 3d 1030, 1037 (N.D. Cal. 2016); *Fleming v. Covidien Inc.*, No.
24 ED CV 10-01487 RGK (OPX), 2011 WL 7563047, at *4 (C.D. Cal. Aug. 12, 2011). For example,
25 during the penalty phase of trial in *Carrington*, the plaintiff requested PAGA penalties in the
26 amount of approximately \$70 million. The trial court instead awarded only \$150,000—**or 0.21%**
27 **of the maximum**—and stated that this reduction was warranted because imposing the maximum
28 penalty would be “unjust, arbitrary, and oppressive” based on Starbucks’s “good faith attempts” to
comply with meal period obligations and because the court found the violations were minimal.

1 *Carrington*, 30 Cal. App. 5th at 517. The Court of Appeal affirmed the lower court's reduced
2 award of a \$150,000 penalty under PAGA. *Id.* at 529. Likewise, in *Covidien*, the court reduced the
3 potential penalties by over 82%, awarding \$500,000 instead of maximum penalties of \$2.8
4 million. *Covidien*, 2011 WL 7563047 at *4; *see also Thurman v. Bayshore Transit Mgmt.*, 203
5 Cal. App. 4th 1112, 1135-36 (2012) (affirming 30% reduction under specified PAGA claim where
6 the employer produced evidence that it took its obligations seriously); *Elder v. Schwan Food Co.*,
7 No. B223911, 2011 WL 1797254, at *5-*7 (Cal. Ct. App. May 12, 2011) (reversing trial court
8 decision denying any civil penalties where violations had been proven, remanding for the trial
9 court to exercise discretion to reduce, but not wholly deny, civil penalties); *Li v. A Perfect Day*
10 *Franchise, Inc.*, No. 5:10-CV-01189-LHK, 2012 WL 2236752, at *17 (N.D. Cal. June 15, 2012)
11 (denying PAGA penalties for violation of California Labor Code section 226 as redundant with
12 recovery on a class basis pursuant to California Labor Code section 226, directly); *Aguirre v.*
13 *Genesis Logistics*, No. SACV 12-00687 JVS (ANx), 2013 WL 10936035 at *2-*3 (C.D. Cal. Dec.
14 30, 2013) (reducing penalty for past PAGA violations from \$1.8 million to \$500,000, after
15 rejecting numerous other PAGA claims).

16 45. Here, the total realistic PAGA penalties are estimated at \$4,732,750 in civil penalties that
17 are already included in the exposure analysis. Considering the issues, class claims, defenses, and
18 the risks of reduction, a \$24,000 settlement for a release of PAGA penalties while Defendants
19 paying more than \$2,400,000 in total value—is a fair and just result and furthers PAGA's
20 objectives, and is not "unjust, arbitrary, and oppressive." Moreover, in class action settlements,
21 courts have approved settlements where no allocation was made to PAGA claims. (*see, e.g.*
22 *Nordstrom Com. Cases*, 186 Cal. App. 4th 576, 579 (2010) ("[T]rial court did not abuse its
discretion in approving a settlement which does not allocate any damages to the PAGA claims.")).

23 46. On December 2, 2022, I gave notice to the Labor and Workforce Development Agency
24 of the proposed settlement. A true and correct copy of that notice is attached hereto as **Exhibit B**.

25 47. A true and correct copy of the Class Notice is attached hereto as **Exhibit C**.

26 48. A true and correct copy of the Objection Form is attached hereto as **Exhibit D**.

27 49. A true and correct copy of the administration bid is attached hereto as **Exhibit E**.

28 50. On January 17, 2020, Plaintiff submitted its claim notice to the California Labor and

1 Workforce Development Agency. A true and correct copy of that notice is attached hereto as
2 **Exhibit F.**

3 51. On April 30, 2020, Plaintiff submitted its amended claim notice to the California Labor
4 and Workforce Development Agency. A true and correct copy of that notice is attached hereto as
5 **Exhibit G.**

6 52. On September 13, 2022, Plaintiff submitted a second amended claim notice to the
7 California Labor and Workforce Development Agency. A true and correct copy of that notice is
8 attached hereto as **Exhibit H.**

9 53. A true and correct copy of the Exclusion Form is attached hereto as **Exhibit I.**

10
11 I declare under penalty of perjury, under the laws of the State of California, that the foregoing
12 is true and correct.

13
14 Executed this 2nd day of December 2022, in Irvine, California.

15
16 /s/ Armond M. Jackson
17 Armond M. Jackson
18
19
20
21
22
23
24
25
26
27
28

EXHIBIT A

AEGIS LAW FIRM, PC
SAMUEL A. WONG, State Bar No. 217104
KASHIF HAQUE, State Bar No. 218672
JESSICA L. CAMPBELL, State Bar
No.280626
jcampbell@aegislawfirm.com
KRISTY CONNOLLY, State Bar No.328477
kconnolly@aegislawfirm.com
9811 Irvine Center Drive, Suite 100
Irvine, California 92618
Telephone: (949) 379-6250
Facsimile: (949) 379-6251

JACKSON, APC

Armond M. Jackson, SBN 281547
ajackson@jacksonapc.com
Andrea M. Fernandez-Jackson, SBN 295924
afernandez@jacksonapc.com
Anthony S. Filer Jr., SBN 337704
afiler@jacksonapc.com
2 Venture Plaza, Ste. 240
Irvine, CA 92618
Phone (949) 281-6857
Fax (949) 777-6218

[Additional counsel listed on following page]

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF ORANGE**

In re WATERMARK WAGE AND HOUR
CASES

Judicial Counsel Coordination Proceedings No.
JCCP 5176

Coordination Proceedings Special Title
(C.R.C. Rule 3.550)

Assigned for all Purposes to the Honorable
William Claster, Dept. CX104

Included Actions:

JOINT STIPULATION OF SETTLEMENT

*Daniel Carillo-Salazar v. Watermark Services IV,
LLC, et al.*

Orange County Superior Court
Case No. 30-2020-01126766-CU-OE-CXC

*Evanina Alaniz v. Watermark Retirement
Communities LLC, et al.,*
Los Angeles County Superior Court
Case No. 20STCV16386

*Katherine Greene v. Watermark Retirement
Properties, Inc., et al*
Monterey County Superior Court
Case No. 20CV002422

1 **UNITED EMPLOYEES LAW GROUP**

Walter Haines, State Bar No. 71075

2 5500 Bolsa Avenue, Suite 201

3 Huntington Beach, California 92649

4 Telephone: (562) 256-1047

Facsimile: (562) 256-1006

5 Attorneys for Plaintiffs Daniel Carillo-Salazar and Evanina Alaniz,
6 individually and on behalf of all others similarly situated

7 **JACKSON LEWIS P.C.**

Michael A. Hood, State Bar No. 71258

8 Michael.Hood@jacksonlewis.com

Kelli M. Dreger, State Bar No. 267404

9 Kelli.Dreger@jacksonlewis.com

200 Spectrum Center Drive, Suite 500

10 Irvine, California 92618

11 Telephone: (949) 885-1360

Facsimile: (949) 885-1380

12 Attorneys for Defendants Watermark Retirement Communities, LLC;
13 Watermark Retirement Communities, Inc. and Watermark Services IV, LLC

1 It is stipulated and agreed by and among the undersigned Parties, subject to the approval of
2 the Court pursuant to the California Rules of Court, that the Settlement of these Actions shall be
3 effectuated upon and subject to the following terms and conditions. Capitalized terms used herein
4 shall have the meanings set forth in Article I or as defined elsewhere in this Joint Stipulation of
5 Settlement (“Agreement” or “Settlement”).

6 This Agreement is made by and between Named Plaintiffs Daniel Carillo-Salazar and
7 Evanina Alaniz (“Named Plaintiffs”) and the Class Members, on the one hand, and Defendants
8 Watermark Retirement Communities, LLC; Watermark Retirement Communities, Inc.; Watermark
9 Services IV, LLC (“Defendants”) and all of their respective entities, affiliate, subsidiaries, parent
10 corporations, *et al.* as set forth herein, on the other hand. Named Plaintiffs and Defendants
11 collectively are referred to in this Agreement as “the Parties.”

12 The Parties agree that the Actions shall be, and hereby are, ended, settled, resolved, and
13 concluded by agreement of Defendants to pay the settlement amount of Two Million Four Hundred
14 Thousand Dollars (\$2,400,000.00) as provided in Section 3.06(a) below (“Gross Settlement
15 Amount”) pursuant to the terms and conditions of this Agreement and for the consideration set forth
16 herein, including but not limited to, a release of all claims by Named Plaintiffs and the Class Members
17 as set forth herein.

18 **ARTICLE I**

19 **DEFINITIONS**

20 Unless otherwise defined herein, the following terms used in this Agreement shall have the
21 meanings ascribed to them as set forth below:

22 a. “Actions” means the actions described as follows:

- 23 i. *Daniel Carillo-Salazar individually and on behalf of all others similarly*
24 *situated v. Watermark Services IV, LLC*, a Delaware corporation, *Watermark*
25 *Retirement Communities, Inc.*, an Arizona corporation, and DOES 1 through
26 50, inclusive, Case No. 30-2020-01126766-CU-OE-CXC, commenced on
27 January 27, 2020 in the Superior Court of the State of California, County of
28 Orange; and

1 ii. *Evanina Alaniz, individually and on behalf of all others similarly situated v.*
2 *Watermark Retirement Communities, LLC, Watermark Retirement*
3 *Communities, Inc., Watermark Services IV, LLC, and DOES 1 through 20,*
4 inclusive, Case No. 20STCV16386, commenced on April 29, 2020, in the
5 Superior Court of the State of California for the County of Los Angeles,
6 pending as coordinated cases captioned *Watermark Wage and Hour Cases*, in
7 the Orange County Superior Court, Judicial Counsel Coordination
8 Proceedings No. JCCP 5176.

9 b. “Agreement” means this Joint Stipulation of Settlement, including the attached
10 Exhibit(s).

11 c. “Class” means all current and former non-exempt employees who are or were
12 employed by Defendants in California at any time during the Class Period.

13 d. “Class Counsel” means the attorneys for the Class and the Class Members, who are:

14 JACKSON LAW, APC
15 Armond M. Jackson
16 2 Venture Plaza, Ste. 240
17 Irvine, CA 92618
18 Phone: (949) 281-6857
19 Fax: (949) 777-6218

20 AEGIS LAW FIRM, PC
21 Kashif Haque
22 Samuel A. Wong
23 Jessica L. Campbell
24 Kristy R. Connolly
25 9811 Irvine Center Drive, Suite 100
26 Irvine, California 92618
27 Telephone: (949) 379-6250
28 Facsimile: (949) 379-6251

 UNITED EMPLOYEES LAW GROUP
 Walter Haines
 5500 Bolsa Avenue, Suite 201
 Huntington Beach, California 92649
 Telephone: (562) 256-1047
 Facsimile: (562) 256-1006

 e. “Class List” means a list based on Defendants’ business records that identifies each
Class Member’s name, last known home or mailing address, Social Security number or, as

1 applicable, other taxpayer identification number, dates of employment, and the number of Qualifying
2 Workweeks worked during the Class Period.

3 f. “Class Member(s)” means all members of the Class.

4 g. “Class Period” means January 27, 2016 through May 31, 2022.

5 h. “Court” means the California Superior Court for the County of Orange, where the
6 Actions are currently pending.

7 i. “Date of Finality” means the later of the following: (1) the date the Final Order is
8 signed if no objections are filed to the Settlement; (2) if objections are filed and overruled, and no
9 appeal is taken of the Final Order, sixty-five (65) days after the Final Order; (3) if an appeal or other
10 judicial review is taken from the Court’s overruling of objections to the settlement, ten (10) days
11 after the appeal is withdrawn or after an appellate decision affirming the Final Order becomes final;
12 or (4) July 1, 2023

13 j. “Defendants” means Defendants Watermark Retirement Communities, LLC;
14 Watermark Retirement Communities, Inc.; and Watermark Services IV, LLC.

15 k. “Defense Counsel” means counsel for Defendant:

16 **JACKSON LEWIS P.C.**

17 Michael A. Hood, State Bar No. 71258

18 Kelli M. Dreger, State Bar No. 267404

19 200 Spectrum Center Drive, Suite 500

20 Irvine, California 92618

21 Telephone: (562) 885-1360

22 Facsimile: (562) 885-1380

23 l. “Disposition” means the method by which the Court approves the terms of the
24 Settlement and retains jurisdiction over its enforcement, implementation, construction,
25 administration, and interpretation.

26 m. “Final Order Approving Settlement of Class Actions” or “Final Order” means the
27 final formal court order signed by the Court following the Final Fairness and Approval Hearing in
28 accordance with the terms herein, approving this Agreement.

n. “Gross Settlement Amount” means Two Million Four Hundred Thousand Dollars
(\$2,400,000.00) to be paid by Defendants as provided by this Agreement to settle these Actions. All

1 payments to the Class, administration costs, attorney's fees and costs, and Enhancement Awards,
2 pursuant to Section 3.07(a) below, shall be paid out of the Gross Settlement Amount. The employer's
3 share of payroll taxes arising from the payments made under this settlement shall be paid by
4 Defendants separate from and in addition to the Gross Settlement Amount. The Gross Settlement
5 Amount is subject to a pro rata increase pursuant to Section 3.04(e) below. No part of the Gross
6 Settlement Amount shall revert to Defendant.

7 o. "Incentive Awards" means a monetary amount of up to Ten Thousand Dollars
8 (\$10,000) for Plaintiff Daniel Carillo-Salazar and Five Thousand Dollars (\$5,000.00) for Plaintiff
9 Evanina Alaniz (\$15,000 total) subject to Court approval, in recognition of their effort and work in
10 prosecuting these Actions on behalf of Class Members, and for their general release of claims.

11 p. "Individual Settlement Payment(s)" means each Participating Class Member's
12 respective share of the Net Settlement Amount. Individual Settlement Payments will be determined
13 by the calculations provided in this Agreement.

14 q. "LWDA" means The State of California Labor and Workforce Development Agency.

15 r. "LWDA Payment" means 75% of the \$24,000 allocated to the settlement of PAGA
16 claims (or, \$18,000) which, subject to Court approval, will be paid to the LWDA pursuant to Section
17 3.07(e) of this Agreement, as provided for below.

18 s. "Motion for Final Approval" means Plaintiffs' submission of a written motion,
19 including any evidence as may be required for the Court to conduct an inquiry into the fairness of
20 the Settlement as set forth in this Agreement, to conduct a Final Fairness and Approval Hearing, and
21 to enter a Final Order in these Actions.

22 t. "Motion for Preliminary Approval" means Plaintiffs' submission of a written motion,
23 including any evidence as may be required for the Court to grant preliminary approval of the
24 Settlement as required by Rule 3.769 of the California Rules of Court.

25 u. "Named Plaintiffs" means Evanina Alaniz and Daniel Carillo-Salazar.

26 v. "Net Settlement Amount" means the Gross Settlement Amount less Court-approved
27 administration costs, Class Counsels' attorney's fees and costs, Enhancement Awards, and LWDA
28 Payment, pursuant to Section 3.07(a)-(f) below.

1 w. “Non-Participating Class Member(s)” means any Class Member(s) who submit to the
2 Settlement Administrator a valid and timely written request to be excluded from the Class pursuant
3 to Section 3.04(b) below.

4 x. “Notice Packet” means collectively and in a form substantially similar to, the Notice
5 of Class Action Settlement attached hereto as **Exhibit A** and the Dispute Form attached hereto as
6 **Exhibit B**, all subject to Court approval.

7 y. “PAGA” means the California Private Attorneys General Act of 2004, which is
8 codified in California Labor Code §§ 2698 *et seq.*

9 z. “PAGA Settlement Amount” means the portion of the Gross Settlement Amount
10 allocated to the resolution of PAGA Group Members’ claims arising under PAGA. The Parties have
11 agreed that the PAGA Settlement Amount is Twenty-Four Thousand Dollars (\$24,000), subject to
12 Court approval. Of the PAGA Settlement Amount, 75% will be considered the LWDA Payment,
13 and the remaining 25% will be added to the Net Settlement Amount and distributed to PAGA Group
14 Members.

15 aa. “PAGA Group Members” means all Class Members employed by Defendants at any
16 time between January 17, 2019 through May 31, 2022 (“PAGA Period”).

17 bb. “Participating Class Member(s)” is defined as a Class Member who does not timely
18 and validly exclude themselves from the Settlement and will therefore receive their share of the Net
19 Settlement Amount automatically without the need to return a claim form. Each Participating Class
20 Member will be paid his/her Individual Settlement Payment.

21 cc. “Preliminary Approval Date” means the date the Court preliminarily approves the
22 Settlement embodied in this Agreement.

23 dd. “Qualified Settlement Fund” or “QSF” means a fund within the meaning of Treasury
24 Regulation § 1.468B-1, 26 CFR § 1.468B-1 *et seq.*, that is established by the Settlement
25 Administrator for the benefit of Participating Class Members.

26 ee. “Qualifying Workweeks” means the number of weeks that Class Members worked
27 for Defendants as non-exempt employees during the Class Period.
28

1 ff. “Released Parties” means Defendants, including their parent corporation(s), direct or
2 indirect owners, affiliates (including, without limitation, Watermark Retirement Communities
3 Carmel, LLC), subsidiaries, divisions, predecessors, insurers, reinsurers, successors, and assigns, and
4 their current and former employees, attorneys, officers, directors, and agents thereof, both
5 individually and in their business capacities, and their employee benefit plans and programs and the
6 trustees, administrators, fiduciaries, and insurers of such plans and programs, both individually and
7 in their business capacities at any time during the Class Period.

8 gg. “Response Deadline” means the deadline by which Class Members must postmark or
9 fax to the Settlement Administrator requests for exclusion or written notices of objection. The
10 Response Deadline will be sixty (60) calendar days after the initial mailing of the Notice Packet by
11 the Settlement Administrator, unless the sixth (60th) calendar day falls on a Sunday or federal
12 holiday, in which case the Response Deadline will be extended to the next day on which the U.S.
13 Postal Service is open. The Response Deadline will be extended as set forth herein if there is a re-
14 mailing.

15 hh. “Settlement Administration Costs” means all costs incurred by the Settlement
16 Administrator in administration of the Settlement, including, but not limited to, mailing of notice to
17 the class, calculation of Individual Settlement Payments, generation of Individual Settlement
18 Payment checks and related tax reporting forms, administration of unclaimed checks, and generation
19 of checks to Class Counsel for attorneys’ fees and costs, to Named Plaintiffs for their Enhancement
20 Awards, and to the LWDA. The Settlement Administration Costs shall be paid from the Gross
21 Settlement Amount.

22 ii. “Settlement Administrator” means ILYM Group, Inc., which the Parties have agreed
23 will be responsible for the administration of the Individual Settlement Payments to be made by
24 Defendants from the Gross Settlement Amount and related matters under this Agreement.

25 **ARTICLE II**

26 **CONTINGENT NATURE OF THE AGREEMENT**

27 **Section 2.01: Stipulation of Class Certification for Settlement Purposes**

1 Because the Parties have stipulated to the certification of the Class with respect to all causes
2 of action alleged in the Actions for settlement purposes only, this Agreement requires preliminary
3 and final approval by the Court. Accordingly, the Parties enter into this Agreement on a conditional
4 basis. This Agreement is contingent upon the approval and certification by the Court. If the Date of
5 Finality does not occur, the fact that the Parties were willing to stipulate for the purposes of this
6 Agreement to a Class shall have no bearing on, nor be admissible in connection with, the issue of
7 certification of the Class with respect to all causes of action alleged in the Actions. Defendants do
8 not consent to certification of the Class for any purpose other than to effectuate settlement of the
9 Actions. If the Date of Finality does not occur, or if Disposition of these Actions are not effectuated,
10 any certification of the Class as to Defendants will be vacated and Named Plaintiffs, Defendants, and
11 the Class will be returned to their positions with respect to the Actions as if the Agreement had not
12 been entered into. In the event that the Date of Finality does not occur: (a) any Court orders
13 preliminarily or finally approving certification of any class contemplated by this Agreement shall be
14 null, void, and vacated, and shall not be used or cited thereafter by any person or entity; and (b) the
15 fact of the settlement reflected in this Agreement, the fact that Defendants did not oppose the
16 certification of a Class under this Agreement, or that the Court preliminarily approved the
17 certification of the Class, shall not be used or cited thereafter by any person or entity, including in
18 any manner whatsoever, including without limitation any contested proceeding relating to the
19 certification of any class. If the Date of Finality does not occur, this Agreement shall be deemed null
20 and void, shall be of no force or effect whatsoever, and shall not be referred to or used for any purpose
21 whatsoever. Defendants expressly reserve the right to challenge the propriety of class certification in
22 the Actions for any purpose, if the Date of Finality does not occur.

23 The Parties and their respective counsel shall take all steps that may be requested by the Court
24 relating to the approval and implementation of this Agreement and shall otherwise use their
25 respective best efforts to obtain Court approval and implement this Agreement. If the Court does not
26 grant the Motion for Preliminary Approval and/or the Motion for Final Approval, the Parties agree
27 to meet and confer to address the Court's concerns. If the Parties are unable to agree upon a
28 resolution, the Parties agree to seek the assistance of mediator Steve Rottman to resolve the dispute.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

ARTICLE III

PROCEDURE FOR APPROVAL AND IMPLEMENTATION OF THE SETTLEMENT

The procedure for obtaining Court approval of and implementing this Agreement shall be as follows:

Section 3.01: Motion for Conditional Class Certification and Preliminary Approval

Named Plaintiffs will bring a motion before the Court for an order conditionally certifying the Class to include all claims pled in the Actions based on the preliminary approval of this Agreement. The date that the Court grants preliminary approval of this Agreement will be the “Preliminary Approval Date.”

Section 3.02: The Settlement Administrator

The Parties have chosen ILYM Group, Inc. to administer this Settlement and to act as the Settlement Administrator, including but not limited to distributing and responding to inquiries about the Notice Packet, determining the validity of exclusions/opt-outs, calculating the Net Settlement Amount and the Individual Settlement Payments, issuing the Individual Settlement Payment checks and distributing them to Participating Class Members, establishing and maintaining the QSF, and issuing the payment to Class Counsel for attorneys’ fees and costs, the Incentive Award checks to Named Plaintiffs, and the employer payroll taxes to the appropriate taxing authorities. The Settlement Administrator shall expressly agree to all of the terms and conditions of this Agreement.

All costs of administering the Settlement shall be paid to the Settlement Administrator from the Gross Settlement Amount. Those include, but are not limited to all costs and fees associated with:

- preparing, issuing and mailing any and all notices to Class Members and/or Participating Class Members;
- computing, processing, reviewing, and mailing the Individual Settlement Payments;
- preparing any tax returns and any other filings required by any governmental taxing authority or agency;
- preparing any other checks, notices, reports, or filings to be prepared in the course of administering disbursements from the Net Settlement Amount;

- and any other costs and fees incurred and/or charged by the Settlement Administrator in connection with the execution of its duties under this Agreement (“Settlement Administration Costs”).

Section 3.03: Notice to Class Members

No later than ten (10) business days after the Preliminary Approval Date, Defendants will provide the Settlement Administrator with a “Class List” in electronic format based on its business records, identifying the names of the Class Members, their last known home addresses, Social Security numbers or, as applicable, other taxpayer identification number, their dates of employment and weeks worked during the Class Period.

Within ten (10) business days of receiving a Class List from Defendants, the Settlement Administrator will send Class Members, by first-class mail, at their last known address, the Court approved Notice Packet, including notice of this Settlement and of the opportunity to opt out of the Settlement Class. The Notice Packet will include a calculation of the Class Member’s approximate share of the Net Settlement Amount. Class Members will have sixty (60) days from the date of mailing in which to postmark objections or requests for exclusion. Prior to the initial mailing, the Settlement Administrator will check all Class Member addresses against the National Change of Address database and shall update any addresses before mailing. The Settlement Administrator will skip trace and re-mail all returned, undelivered mail within five (5) days of receiving notice that a Notice Packet was undeliverable. If a Class Member’s notice is re-mailed, the Class Member shall have fifteen (15) calendar days from the re-mailing, or sixty (60) calendar days from the date of the initial mailing, whichever is later, in which to postmark objections or requests for exclusion. Class Members shall not be required to submit claim forms in order to receive a proportional share of the Net Settlement Amount.

If the Notice Packet is returned with a forwarding address, the Settlement Administrator shall re-mail the Notice Packet to the forwarding address. With respect to those Class Members whose Notice Packet is returned to the Settlement Administrator as undeliverable, the Settlement Administrator shall promptly attempt to obtain a valid mailing address by performing a skip trace or mass search on LexisNexis or comparable databases based on set criteria and, if another address is

1 identified, shall mail the Notice Packet to the newly identified address. It is the intent of the parties
2 that reasonable means be used to locate Class Members and that the Settlement Administrator be
3 given discretion to take steps in order to facilitate notice of the Settlement and delivery of the
4 Individual Settlement Payments to all Participating Class Members.

5 If the Notice Packet is re-mailed, the Settlement Administrator will note for its own records
6 and notify Class Counsel and Defense Counsel of the date of each such re-mailing as part of a weekly
7 status report provided to the Parties.

8 In the event a Class Member's Notice Packet remains undeliverable sixty (60) calendar days
9 after the Notice Packet was initially mailed, the Settlement Administrator will not mail the Class
10 Member's Individual Settlement Payment. The Settlement Administrator will hold the Class
11 Member's Individual Settlement Payment during the check cashing period on behalf of the Class
12 Member. If at the conclusion of the check cashing period the Class Member's Notice Packet and
13 Individual Settlement Payment remain undeliverable and/or unclaimed and uncashed, the Settlement
14 Administrator will distribute the funds from unclaimed/uncashed checks in accordance with the
15 procedures set forth in Section 3.07(g) below.

16 No later than twenty (20) court days prior to the Final Fairness and Approval Hearing, the
17 Settlement Administrator shall provide Defense Counsel and Class Counsel with a declaration
18 attesting to completion of the notice process, including any attempts to obtain valid mailing addresses
19 for and re-sending of any returned Notice Packets, as well as the number of valid requests for
20 exclusion and objections that the Settlement Administrator received.

21 **Section 3.04: Responses to Notice**

22 **a. Class Member Disputes**

23 If any Class Member disagrees with Defendants' records as to the number of their Qualifying
24 Workweeks during the Class Period as reflected in the Notice Packet, the Class Member shall set
25 forth in writing the number of Qualifying Workweeks they claim to have worked during the Class
26 Period and submit such writing to the Settlement Administrator by the Response Deadline, along
27 with any supporting documentation. The Notice Packet shall contain a Dispute Form substantially in
28 the form attached hereto as **Exhibit B**. The Notice of Class Action Settlement will also provide a

1 method for the Class Member to challenge the employment data on which their Individual Settlement
2 Payment is based. The Settlement Administrator shall contact the Parties regarding the dispute and
3 the Parties will work in good faith to resolve it. If the Parties are unable to resolve the dispute, the
4 Settlement Administrator will be the final arbiter of the Qualifying Workweeks for each Class
5 Member during the Class Period based on the information provided to it.

6 **b. Requests for Exclusion from Class**

7 In order for any Class Member to validly exclude himself or herself from the Class and this
8 Settlement (*i.e.*, to validly opt out), a written request for exclusion must be signed by the Class
9 Member or their authorized representative, and must be sent to the Settlement Administrator,
10 postmarked no later than the Response Deadline (or fifteen (15) days after the Settlement
11 Administrator re-mails the Notice to the Class Member, whichever is later) (“Exclusion Request”).
12 The Notice Packet shall contain instructions on how to validly exclude himself or herself from the
13 Class and this Settlement (*i.e.*, opt out), including the language to be used in a request for exclusion.
14 The date of the initial mailing of the Notice Packet, and the date the signed request for exclusion was
15 postmarked, shall be conclusively determined according to the records of the Settlement
16 Administrator. Any Class Member who timely and validly requests exclusion from the Class and this
17 Settlement will not be entitled to any Individual Settlement Payment, will not be bound by the terms
18 and conditions of this Agreement, and will not have any right to object, appeal, or comment thereon.

19 Any Class Member who fails to timely submit a valid request for exclusion shall
20 automatically be deemed a Class Member whose rights and claims with respect to the issues raised
21 in the Actions are determined by the Court’s Final Order Approving Settlement of Class Actions,
22 and by the other rulings in the Actions. Thus, said Class Member’s rights to pursue any claims
23 covered by the Actions and/or released in this Agreement will be extinguished.

24 **c. Objections to Settlement**

25 For any Class Member to object to this Agreement, or any term of it, the person making the
26 objection must not submit a request for exclusion (*i.e.*, must not opt out), and should send to the
27 Settlement Administrator, postmarked or faxed no later than the Response Deadline (or fifteen (15)
28 days after the Settlement Administrator re-mails the Notice to the Class Member, whichever is later),

1 a written statement of the grounds of objection, signed by the objecting Class Member or their
2 attorney, along with all supporting papers. The date of the initial mailing of the Notice Packet, and
3 the date the signed objection was postmarked, shall be conclusively determined according to the
4 records of the Settlement Administrator. The Settlement Administrator shall send any objections it
5 receives to Defense Counsel and Class Counsel within three (3) business days of receipt. Class
6 Members may also appear at the final approval hearing to object. The Court retains final authority
7 with respect to the consideration and admissibility of any Class Member objections.

8 **d. Encouragement of Class Members**

9 The Parties to this Agreement and the counsel representing such Parties shall not, directly or
10 indirectly, through any person, encourage or solicit any Class Member to exclude him or herself from
11 this Settlement (opt out), or to object to it. However, Class Counsel may respond to inquiries from
12 Class Members.

13 **e. Right of Plaintiff to Adjust Gross Settlement Amount**

14 Defendants have estimated that there were 241,725.47 Qualifying Workweeks from January
15 27, 2016 through December 31, 2021. If the number of Qualifying Workweeks increases by 10% or
16 more, as of the end of the Class Period (May 31, 2022), there will be a pro rata adjustment to the Net
17 Settlement Amount by the same proportion as the increase (e.g., if the number of workweeks
18 increases by 11%, the Net Settlement Amount shall increase 1%). In the event this clause is triggered
19 on or before May 31, 2022, Defendants shall have the ability to shorten the Class Period, at their sole
20 discretion, at any point prior to preliminary approval to limit the number of workweeks to
21 241,725.47.

22 **f. Termination for Lack of Sufficient Participation**

23 If five percent (5%) or more of the Class Members makes a valid request to be excluded from
24 the Class, Defendants will have the right, but not the obligation, to void the Agreement within
25 fourteen (14) days of the Response Deadline. If Defendants exercise that right to void the Agreement,
26 then the Parties will have no further obligations under the Agreement, including any obligation by
27 Defendants to pay the Gross Settlement Amount, or any amounts that otherwise would have been
28 owed under this Agreement, except that Defendants will be responsible for paying the Settlement

1 Administrator's reasonable fees and expenses incurred as of the date that Defendants exercise the
2 right to void the Agreement. Defendants will notify Class Counsel, in writing via email, if they
3 decide to exercise this right to void the Agreement.

4 **Section 3.05: Final Fairness and Approval Hearing**

5 On the date set forth in the Order for Preliminary Approval and Notice Packet, a Final
6 Fairness and Approval Hearing shall be held before the Court in order to (1) review this Agreement
7 and determine whether the Court should give it final approval, and (2) consider any objections made
8 and all responses by the Parties to such objections. At the Final Fairness and Approval Hearing, the
9 Parties shall ask the Court to grant final approval to this Agreement and shall submit to the Court a
10 Proposed Final Order Approving Settlement of Class Actions.

11 **Section 3.06: Settlement Payment Procedures**

12 **a. Settlement Amount**

13 In exchange for the Released Claims set forth in this Agreement, Defendants agree to pay the
14 Gross Settlement Amount in the amount of Two Million Four Hundred Thousand Dollars
15 (\$2,400,000), subject to a pro rata increase under the condition set forth in Section 3.04(e). The Gross
16 Settlement Amount includes all Individual Settlement Amounts to Participating Class Members, all
17 administration costs, Class Counsel's attorney's fees and costs, PAGA Settlement Amount, and the
18 Enhancement Payments.

19 If the settlement achieves final approval, Defendants shall not be obligated to fund the
20 settlement earlier than the later of (a) January 2, 2023 or (b) thirty (30) days after the Court signs the
21 Final Order. Defendants shall transfer the Gross Settlement Amount plus Defendants' share of
22 employer-side payroll taxes, as set forth herein, into a QSF established by the Settlement
23 Administrator either directly or by sending the funds to the Settlement Administrator to be deposited
24 and distributed. The Settlement Administrator will use these funds to fund payment of the Individual
25 Settlement Payments to Participating Class Members, Class Counsel's attorneys' fees and costs, the
26 Enhancement Awards, the LWDA Payment, and the Settlement Administration Costs.

27 Within ten (10) court days after receiving Defendants' final payment, funding the Gross
28 Settlement Amount in full, the Settlement Administrator will pay the Individual Settlement Payments

1 to Participating Class Members, Class Counsel's attorneys' fees and costs, LWDA Payment, the
2 Incentive Awards, and employer and employee tax withholdings applicable to the Net Settlement
3 Amount allocated to wages. Prior to this distribution, the Settlement Administrator will perform a
4 search based on the National Change of Address Database to update and correct for any known or
5 identifiable address changes.

6 **b. Payment of Attorneys' Fees and Costs**

7 Class Counsel shall submit an application for an award of attorneys' fees of up to one-third
8 of the Gross Settlement Amount, which, based on the current Gross Settlement Amount, is Eight
9 Hundred Thousand Dollars (\$800,000.00). In the same application for fees, Class Counsel shall
10 submit an application for actual costs not to exceed Thirty Thousand Dollars (\$30,000.00). Such
11 application for attorneys' fees and costs shall be heard by the Court at the Final Fairness and Approval
12 Hearing. Defendants shall not object to or oppose any such application in these amounts. Class
13 Counsel shall serve Defendants with copies of all documents submitted in support of their application
14 for an award of attorneys' fees and costs.

15 Any attorneys' fees and costs awarded to Class Counsel by the Court shall be paid from the
16 Gross Settlement Amount and shall not constitute payment to any Class Member(s). The attorneys'
17 fees and costs for Class Counsel approved by the Court shall encompass all work performed, costs,
18 and expenses related to the investigation, prosecution, and settlement of the Actions incurred through
19 the Date of Finality. To the extent that the Court approves less than the amount of attorney's fees
20 and/or costs that Class Counsel requests, the difference between the requested and awarded amounts
21 will be reallocated to the Net Settlement Amount.

22 **c. Payment of Settlement Administration Costs**

23 The Settlement Administration Costs shall be paid out of the Gross Settlement Amount and
24 shall not constitute payment to any Participating Class Member(s). The amount shall not exceed
25 Twenty-Five Thousand Dollars (\$25,000.00).

26 **d. Payment of Enhancement Award to Named Plaintiffs**

27 Subject to Court approval, the Named Plaintiffs shall each receive an Enhancement Award
28 of up to Ten Thousand Dollars (\$10,000) for Plaintiff Daniel Carillo-Salazar and Five Thousand

1 (\$5,000) for Plaintiff Evanina Alaniz, (\$15,000 total) the request for which Defendants will not object
2 to or oppose. The Enhancement Awards shall be paid out of the Gross Settlement Amount and shall
3 not constitute payment to any Participating Class Member(s) other than Named Plaintiffs. To the
4 extent that the Court approves less than the amount of incentive award that Class Counsel request,
5 the difference between the requested and awarded amounts will be reallocated to the Net Settlement
6 Amount.

7 Because it is the intent of the Parties that the Enhancement Awards represent payment to
8 Named Plaintiffs for their service to the Class Members, and not wages, the Settlement Administrator
9 will not withhold any taxes from the Enhancement Awards. The Enhancement Awards will be
10 reported on a Form 1099, which the Settlement Administrator will provide to Named Plaintiffs and
11 to the pertinent taxing authorities as required by law.

12 **e. Payment to the Labor and Workforce Development Agency**

13 In consideration of claims made under PAGA, Class Counsel will request that the Court
14 approve allocation of Twenty-Four Dollars (\$24,000) of the Gross Settlement Amount to these
15 claims. Seventy-five percent (75%) of this payment will be paid to the California Labor and
16 Workforce Development Agency (“LWDA Payment”), and twenty-five percent (25%) will be paid
17 to the Net Settlement Amount for distribution to PAGA Group Members. Defendants will not oppose
18 this request. The entire PAGA Settlement Amount will be paid out of the Gross Settlement Amount.
19 The Court’s adjustment, if any, of the amount allocated to Named Plaintiffs’ PAGA claim in the
20 Actions, will not invalidate this Agreement.

21 **f. Payment of Individual Settlement Payments to Participating Class Members**

22 The Parties agree that the Net Settlement Amount shall be used to fund Individual Settlement
23 Payments. The Parties agree that the Net Settlement Amount shall be divided between all
24 Participating Class Members in proportion to the number of individual Qualifying Workweeks for
25 each Class Member. To calculate the amount each Class Member will receive based on their
26 individual Qualifying Workweeks, the Net Settlement Amount will be divided by the total number
27 of Qualifying Workweeks by all Class Members during the Class Period and then allocated on a pro
28 rata basis. Qualifying Workweeks will be rounded up to the next whole integer. Each Class Member’s

1 approximate Individual Settlement Payment amount will be included in their Notice Packet. After
2 final approval by the Court, the Net Settlement Amount will be dispersed to Participating Class
3 Members (those who did not exclude themselves) on a pro rata basis based on the individual
4 Qualifying Workweeks worked during the Class Period by each Participating Class Member.

5 Each Individual Settlement Payment will represent wages and penalties allocated using the
6 following formula: 50% allocated to wages and 50% allocated to penalties and interest. The amounts
7 paid as wages shall be subject to all tax withholdings customarily made from an employee's wages
8 and all other authorized and required withholdings and shall be reported by W-2 forms. The
9 employer-side taxes will be paid separate from and in addition to the Gross Settlement Amount. The
10 amounts paid as penalties and interest shall be subject to all authorized and required withholdings
11 other than the tax withholdings customarily made from employees' wages and shall be reported by
12 IRS 1099 forms.

13 No later than ten (10) business days after receiving the Gross Settlement Amount from
14 Defendants, the Settlement Administrator shall prepare and mail the checks for the Individual
15 Settlement Payments to Participating Class Members. Individual Settlement Payments paid from the
16 Net Settlement Amount allocated to wages will be reduced by applicable employer and employee
17 tax withholdings, and the Settlement Administrator will issue a Form W-2 for the wage portion of
18 the Individual Settlement Payments. The Settlement Administrator will issue a Form 1099 to the
19 extent required by law for the interest and penalty portions of the Individual Settlement Payments.
20 Participating Class Members shall have 180 days from the date their Individual Settlement Payment
21 checks are dated to cash their Settlement checks. Any checks that are not cashed upon the expiration
22 of that 180-day time period will be void, and the uncashed funds shall be paid to the State Controller
23 Unclaimed Property Fund in the name of the Class Member for whom the funds are designated.

24 If a check is returned to the Settlement Administrator as undeliverable, the Settlement
25 Administrator shall promptly attempt to obtain a valid mailing address by performing a skip trace or
26 a mass search on LexisNexis or a comparable databases based on set criteria and, if another address
27 is identified, the Settlement Administrator shall mail the check to the newly identified address. If the
28 Settlement Administrator is unable to obtain a valid mailing address through this process, the

1 Settlement Administrator will tender the funds from the undeliverable checks to the State Controller
2 Unclaimed Property Fund in the name of the Class Member for whom the funds are designated.

3 **g. No Credit Toward Benefit Plans.**

4 The Individual Settlement Payments made to Participating Class Members under this
5 Agreement, as well as any other payments made pursuant to this Agreement, will not be utilized to
6 calculate any additional benefits under any benefit plans to which any Class Members may be
7 eligible, including, but not limited to: profit-sharing plans, bonus plans, 401(k) plans, stock purchase
8 plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties'
9 intention that this Agreement will not affect any rights, contributions, or amounts to which any Class
10 Members may be entitled under any benefit plans.

11 **ARTICLE IV**

12 **LIMITATIONS ON USE OF THIS SETTLEMENT**

13 **Section 4.01: No Admission**

14 Defendants dispute the allegations in the Actions and disputes that, but for this Settlement, a
15 Class should not have been certified in the Actions. This Agreement is entered into solely for the
16 purpose of settling highly disputed claims. Nothing in this Agreement is intended nor will be
17 construed as an admission of liability or wrongdoing by Defendants.

18 **Section 4.02: Non-Evidentiary Use**

19 Whether or not the Date of Finality occurs, neither this Agreement, nor any of its terms, nor
20 the Settlement itself, will be: (a) construed as, offered, or admitted in evidence as, received as, or
21 deemed to be evidence for any purpose adverse to Defendants or any other of the Released Parties,
22 including but not limited to, evidence of a presumption, concession, indication, or admission by any
23 of the Released Parties of any liability, fault, wrongdoing, omission, concession, or damage, or
24 (b) disclosed, referred to, or offered in evidence against any of the Released Parties in any further
25 proceeding in the Actions, except for the purposes of effectuating the Settlement pursuant to this
26 Agreement or for Defendants to establish that a Class Member has resolved any of their claims
27 released through this Agreement.
28

1 **Section 4.03: Nullification**

2 The Parties have agreed to the certification of the Class encompassing all claims alleged in
3 the Actions for the sole purpose of effectuating this Agreement. If the Court should for any reason
4 (a) fail to certify this Class for settlement, (b) fail to approve this Settlement, (c) fail to enter the
5 Final Order, (d) the Final Order is reversed, or declared or rendered void, or (e) fail to dispose of the
6 Actions in their entirety, then (i) this Agreement shall be considered null and void; (ii) neither this
7 Agreement nor any of the related negotiations or proceedings shall be of any force or effect; (iii) all
8 Parties to this Agreement shall stand in the same position, without prejudice, as if the Agreement had
9 been neither entered into nor filed with the Court; and (iv) the fact that the Parties were willing to
10 stipulate to class certification of all causes of action pled in the Actions as part of the Settlement will
11 have no bearing on, and will not be admissible in connection with, the issue of whether the Class
12 should be certified by the Court in a non-settlement context in this Actions or any other action, and
13 in any of those events, Defendants expressly reserve the right to oppose certification of the Class.

14 In the event of a timely appeal from the Final Order, the Final Order shall be stayed and the
15 Gross Settlement Amount shall not be distributed pending the completion of the appeal.

16 **ARTICLE V**

17 **RELEASES**

18 **Section 5.01: Released Claims by Plaintiff and Settlement Class Members**

19 Other than the rights created by this Settlement Agreement upon the Effective Date, Plaintiffs
20 and each Settlement Class Member who has not provided a timely and valid Exclusion Request, shall
21 fully release and discharge the Released Parties from any and all claims, causes of action, disputes,
22 debts, liabilities, demands, obligations, guarantees, costs, expenses, attorneys' fees, penalties, and
23 damages (including but not limited to liquidated, exemplary, punitive, and statutory damages),
24 whether suspected or unsuspected, contingent or accrued, known or unknown, that have been pled
25 or could have been pled based upon the factual allegations and issues set forth in the Actions, for any
26 acts occurring during the Class Period, including, claims for failure to pay minimum wages; failure
27 to pay overtime, double time or other premium pay; failure to provide meal periods; failure to provide
28 paid rest periods; failure to provide compliant pay stubs and itemized wage statements; failure to

1 timely pay wages to terminated and resigning employees; failure to maintain accurate records; failure
2 to properly pay all wages owed at the correct time; failure to include compliant notice of the employer
3 entity; claims for alleged violations of California Labor Code sections 201, 202, 203, 204, 210,
4 218.5, 218.6, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198,
5 and their subparts, and applicable IWC Wage Orders; derivative claims for civil penalties under the
6 Labor Code Attorneys General Act of 2004, Labor Code sections 2698, et seq.; derivative claims
7 for unfair, unlawful, and fraudulent business practices under the California Business and
8 Professions Code sections 17200, et seq., and/or any other unfair competition law; any other
9 state or federal statute, rule, or regulation that could have been pled based upon the factual
10 allegations and issues set forth in the Actions; and all related remedies of any nature whatsoever,
11 including claims for restitution and other equitable relief, injunctive relief, statutory damages,
12 liquidated damages, exemplary damages, punitive damages, waiting-time penalties, statutory
13 penalties, civil penalties, attorneys' fees, costs, and expenses ("Released Claims").

14 **Section 5.02: Released Claims by PAGA Group Members**

15 Upon entry of final judgment, all Aggrieved Employees release all PAGA claims based on
16 any and all Labor Code violations released in section 5.01 which occurred during the PAGA Period
17 , regardless of whether PAGA Group Members opt out of the Class Settlement.

18 **Section 5.03: Named Plaintiffs' Release of Unknown Claims**

19 Upon the date of funding the GSA, Named Plaintiffs (on behalf of themselves, and any heirs,
20 successors or assignees) waive, release, acquit, and forever discharge Defendants, the Released
21 Parties and their parent corporations, direct and indirect owners, affiliates, subsidiaries, divisions,
22 predecessors, insurers, reinsurers, successors, and assigns, and their current and former employees,
23 attorneys, officers, directors, and agents thereof, both individually and in their business capacities,
24 and their employee benefit plans and programs and the trustees, administrators, fiduciaries, and
25 insurers of such plans and programs, both individually and in their business capacities from any and
26 all claims, actions, charges, complaints, grievances, and causes of action, of any nature arising from
27 Named Plaintiffs' employment with Defendants, whether known or unknown, which exist or may
28 exist as of the Parties' execution of this Agreement.

1 Section 1542 of the California Civil Code provides as follows:

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

6 Thus, notwithstanding the provisions of section 1542, and to implement a full and complete
7 release and discharge of the Released Parties, Plaintiffs expressly acknowledge this Settlement
8 Agreement is intended to include in its effect, without limitation, all claims Plaintiffs do not know or
9 suspect to exist in their favor at the time of signing this Settlement Agreement and that this Settlement
10 Agreement contemplates the extinguishment of any such claims.

11 **ARTICLE VI**

12 **MISCELLANEOUS PROVISIONS**

13 **Section 6.01: Amendments or Modification**

14 The terms and provisions of this Agreement may be amended or modified only by an express
15 written agreement that is signed by all the Parties (or their successors-in-interest) and their counsel,
16 and approved by the Court.

17 **Section 6.02: Assignment**

18 None of the rights, commitments, or obligations recognized under this Agreement may be
19 assigned by any Party, Class Member, Class Counsel, or Defense Counsel without the express written
20 consent of each other Party and their respective counsel. The representations, warranties, covenants,
21 and agreements contained in this Agreement are for the sole benefit of the Parties under this
22 Agreement and shall not be construed to confer any right or to avail any remedy to any other person.

23 **Section 6.03: Governing Law**

24 This Agreement shall be governed, construed, and interpreted, and the rights of the Parties
25 shall be determined, in accordance with the laws of the State of California, without regard to conflicts
26 of laws.

1 **Section 6.04: No Publicity**

2 The Parties, Defense Counsel, and Class Counsel shall not issue any press release, contact
3 the press, respond to any press inquiry or have any communication with the press about the fact,
4 amount or terms of this Settlement. The Parties, Defense Counsel, and Class Counsel shall not
5 engage in any advertising or marketing relating to the settlement of these Actions in any manner that
6 identifies or that is suggestive of Defendants or the Released Parties (i.e., a manager of retirement
7 communities), including but not limited to any postings on any websites maintained by Class
8 Counsel. However, Class Counsel may identify this Settlement in court filings in other matters to
9 demonstrate their adequacy as counsel in connection with the prosecution or settlement of other class
10 actions. Nothing in this Section is intended to interfere with Class Counsel's duties and obligations
11 to faithfully discharge their duties as Class Counsel, including but not limited to, communicating
12 with Class Members regarding the Settlement.

13 **Section 6.05: Entire Agreement**

14 This Agreement, including the Exhibits referred to herein, which form an integral part hereof,
15 contains the entire understanding of the Parties with respect to the subject matter contained herein.
16 In case of any conflict between text contained in Articles I through VI of this Agreement and text
17 contained in the Exhibits to this Agreement, the former (i.e., Articles I through VI) shall be
18 controlling, unless the Exhibits are changed by or in response to a Court order. There are no
19 restrictions, promises, representations, warranties, covenants, or undertakings governing the subject
20 matter of this Agreement other than those expressly set forth or referred to herein. This Agreement
21 supersedes all prior agreements and understandings among the Parties with respect to the settlement
22 of the Actions, including correspondence between Class Counsel and Defense Counsel and drafts of
23 prior agreements or proposals.

24 **Section 6.06: Waiver of Compliance**

25 Any failure of any Party, Defense Counsel, or Class Counsel hereto to comply with any
26 obligation, covenant, agreement, or condition set forth in this Agreement may be expressly waived
27 in writing, to the extent permitted under applicable law, by the Party or Parties and their respective
28 counsel entitled to the benefit of such obligation, covenant, agreement, or condition. A waiver or

1 failure to insist upon strict compliance with any representation, warranty, covenant, agreement, or
2 condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

3 **Section 6.07: Counterparts and Fax/PDF Signatures**

4 This Agreement, and any amendments hereto, may be executed in any number of counterparts
5 and any Party and/or their respective counsel may execute any such counterpart, each of which when
6 executed and delivered shall be deemed to be an original. All counterparts taken together shall
7 constitute one instrument. A fax or PDF signature on this Agreement shall be as valid as an original
8 signature.

9 **Section 6.08: Meet and Confer Regarding Disputes**

10 Should any dispute arise among the Parties or their respective counsel regarding the
11 implementation or interpretation of this Agreement, a representative of Class Counsel and a
12 representative of Defense Counsel shall meet and confer in an attempt to resolve such disputes prior
13 to submitting such disputes to the Court.

14 **Section 6.09: Agreement Binding on Successors**

15 This Agreement will be binding upon, and inure to the benefit of, the successors in interest
16 of each of the Parties.

17 **Section 6.10: Cooperation in Drafting**

18 The Parties have cooperated in the negotiation and preparation of this Agreement. This
19 Agreement will not be construed against any Party on the basis that the Party, or the Party's counsel,
20 was the drafter or participated in the drafting of this Agreement.

21 **Section 6.11: Fair and Reasonable Settlement**

22 The Parties believe that this Agreement reflects a fair, reasonable, and adequate settlement of
23 the Actions and have arrived at this Agreement through arm's-length negotiation and in the context
24 of adversarial litigation, taking into account all relevant factors, current and potential. The Parties
25 further believe that the Settlement is and is consistent with public policy, and fully complies with
26 applicable law.

1 **Section 6.12: Headings**

2 The descriptive heading of any section or paragraph of this Agreement is inserted for
3 convenience of reference only and does not constitute a part of this Agreement and shall not be
4 considered in interpreting this Agreement.

5 **Section 6.13: Notice**

6 Except as otherwise expressly provided in the Agreement, all notices, demands, and other
7 communications under this Agreement must be in writing and addressed as follows:

8 *To Named Plaintiffs and the Class:*

9 Armond M. Jackson
10 JACKSON LAW, APC
11 2 Venture Plaza, Ste. 240
12 Irvine, CA 92618
13 Phone: (949) 281-6857
14 Fax: (949) 777-6218

15 Kashif Haque
16 Samuel A. Wong
17 Jessica L. Campbell
18 Kristy Connolly
19 AEGIS LAW FIRM, PC
20 9811 Irvine Center Drive, Suite 100
21 Irvine, California 92618
22 Telephone: (949) 379-6250
23 Facsimile: (949) 379-6251

24 Walter Haines
25 UNITED EMPLOYEES LAW GROUP
26 5500 Bolsa Avenue, Suite 201
27 Huntington Beach, California 92649
28 Telephone: (562) 256-1047
 Facsimile: (562) 256-1006

 And

To Defendants:

 Michael A. Hood
 Kelli M. Dreger
 JACKSON LEWIS P.C.
 200 Spectrum Center Drive, Suite 500
 Irvine, California 92618
 Telephone: (949) 885-1360
 Facsimile: (949) 885-1380

1 **Section 6.14: Enforcement of Settlement and Continuing Court Jurisdiction**

2 To the extent consistent with class action procedure, this Agreement shall be enforceable by
3 the Court pursuant to California Code of Civil Procedure section 664.6 and California Rule of Court
4 3.769(h). The Final Order entered by the Court will not adjudicate the merits of the Actions or the
5 liability of the Parties resulting from the allegations of the Actions. Its sole purpose is to adopt the
6 terms of the Settlement and to retain jurisdiction over its enforcement. To that end, the Court shall
7 retain continuing jurisdiction over this Actions and over all Parties and Class Members, to the fullest
8 extent to enforce and effectuate the terms and intent of this Agreement.

9 **Section 6.15: Mutual Full Cooperation**

10 The Parties agree fully to cooperate with each other to accomplish the terms of this
11 Agreement, including but not limited to the execution of such documents, and the taking of such
12 other action, as may reasonably be necessary to implement the terms of this Agreement. The Parties
13 to this Agreement shall use their best efforts, to effectuate and implement this Agreement and its
14 terms. In the event the Parties are unable to reach agreement on the form or content of any document
15 needed to implement the Settlement, or on any supplemental provisions that may become necessary
16 to effectuate the terms of the Settlement, the Parties agree to seek the assistance of mediator Steve
17 Rottman or the Court.

18 **Section 6.16: Authorization to Act**

19 Class Counsel warrants and represents that they are authorized by Named Plaintiffs, and
20 Defense Counsel warrants that they are authorized by Defendants, to take all appropriate action
21 required to effectuate the terms of this Agreement, except for signing documents, including but not
22 limited to this Agreement, that are required to be signed by the Parties themselves. Defendants
23 represent and warrant that the individual executing this Agreement on its behalf has the full right,
24 power, and authority to enter into this Agreement and to carry out the transactions contemplated
25 herein.

26 **Section 6.17: No Reliance on Representations**

27 The Parties have made such investigation of the facts and the law pertaining to the matters
28 described herein and to this Agreement as they deem necessary, and have not relied, and do not rely,

1 on any statement, promise, or representation of fact or law, made by any of the other parties, or any
2 of their agents, employees, attorneys, or representatives, with regard to any of their rights or asserted
3 rights, or with regard to the advisability of entering into and executing this Agreement, or with respect
4 to any other matters. No representations, warranties, or inducements, except as expressly set forth
5 herein, have been made to any party concerning this Agreement.

6 **EXECUTION BY PARTIES AND COUNSEL**

7 The Parties and their counsel hereby execute this Agreement.

8
9
10 Dated: August 3, 2022

DANIEL CARILLO-SALAZAR

11
12 By: *Daniel Carillo-Salazar*
Named Plaintiff

13
14
15 Dated: _____

EVANINA ALANIZ

16
17 By: _____
Named Plaintiff

18
19 Dated: _____
20
21 _____

WATERMARK RETIREMENT
COMMUNITIES, LLC; WATERMARK
RETIREMENT COMMUNITIES, INC.;
WATERMARK SERVICES IV, LLC

22 By: _____
(Signature)

23
24 _____
(Printed Name)

25 _____
(Title)

1 **APPROVED AS TO FORM ONLY:**

2
3
4 Dated: _____

AEGIS LAW FIRM, PC

5
6 By: _____

7 Kashif Haque
8 Jessica L. Campbell
9 Kristy Connolly

10 Attorneys for Named Plaintiffs Evanina Alaniz

11 Dated: _____
12 August 3, 2022

JACKSON LAW, APC

13 By: Armond M. Jackson
14 Armond M. Jackson

15 Attorneys for Plaintiff Daniel Carillo-Salazar

16
17 Dated: _____
18

JACKSON LEWIS PC

19 By: _____
20 Michael A. Hood
21 Kelli M. Dreger

22 Attorneys for Defendants Watermark
23 Retirement Communities, Inc.; Watermark
24 Retirement Communities, LLC and Watermark
25 Services IV, LLC

on any statement, promise, or representation of fact or law, made by any of the other parties, or any of their agents, employees, attorneys, or representatives, with regard to any of their rights or asserted rights, or with regard to the advisability of entering into and executing this Agreement, or with respect to any other matters. No representations, warranties, or inducements, except as expressly set forth herein, have been made to any party concerning this Agreement.

EXECUTION BY PARTIES AND COUNSEL

The Parties and their counsel hereby execute this Agreement.

Dated: _____

DANIEL CARILLO-SALAZAR

By: _____
Named Plaintiff

Dated: _____

EVANINA ALANIZ

By: _____
Named Plaintiff

Dated: _____

8/17/2022

WATERMARK RETIREMENT
COMMUNITIES, LLC; WATERMARK
RETIREMENT COMMUNITIES, INC.;
WATERMARK SERVICES IV, LLC

By:  _____
(Signature)

David Barnes
(Printed Name)

Authorized Signatory
(Title)

1 **APPROVED AS TO FORM ONLY:**

2

3

4 Dated: _____

AEGIS LAW FIRM, PC

5

6 By: _____

7

Kashif Haque

8

Jessica L. Campbell

9

Kristy Connolly

10

Attorneys for Named Plaintiffs Evanina Alaniz

11

12 Dated: _____

JACKSON LAW, APC

13

14 By: _____

15

Armond M. Jackson

16

Attorneys for Plaintiff Daniel Carillo-Salazar

17

18 Dated: August 18, 2022

JACKSON LEWIS PC

19

20 By:  _____

21

Michael A. Hood

22

Kelli M. Dreger

23

Attorneys for Defendants Watermark Retirement Communities, Inc.; Watermark Retirement Communities, LLC and Watermark Services IV, LLC

24

25

26

4853-6869-1244, v. 1

27

28

on any statement, promise, or representation of fact or law, made by any of the other parties, or any of their agents, employees, attorneys, or representatives, with regard to any of their rights or asserted rights, or with regard to the advisability of entering into and executing this Agreement, or with respect to any other matters. No representations, warranties, or inducements, except as expressly set forth herein, have been made to any party concerning this Agreement.

EXECUTION BY PARTIES AND COUNSEL

The Parties and their counsel hereby execute this Agreement.

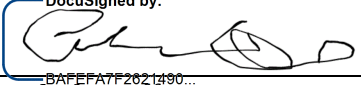
Dated: _____

DANIEL CARILLO-SALAZAR

By: _____
Named Plaintiff

Dated: 8/4/2022 _____

EVANINA ALANIZ

By:  _____
Named Plaintiff

Dated: _____

WATERMARK RETIREMENT
COMMUNITIES, LLC; WATERMARK
RETIREMENT COMMUNITIES, INC.;
WATERMARK SERVICES IV, LLC

By: _____
(Signature)

(Printed Name)

(Title)

1 **APPROVED AS TO FORM ONLY:**

2
3 Dated: August 4, 2022

AEGIS LAW FIRM. PC

4
5
6 By:  _____

Kashif Haque
Jessica L. Campbell
Kristy Connolly

7
8 Attorneys for Named Plaintiffs Evanina Alaniz

9
10
11 Dated: _____

JACKSON LAW, APC

12
13 By: _____

Armond M. Jackson

14 Attorneys for Plaintiff Daniel Carillo-Salazar

15
16
17 Dated: _____

JACKSON LEWIS PC

18
19 By: _____

Michael A. Hood
Kelli M. Dreger

20
21 Attorneys for Defendants Watermark
22 Retirement Communities, Inc.; Watermark
23 Retirement Communities, LLC and Watermark
24 Services IV, LLC

EXHIBIT A

NOTICE OF PROPOSED CLASS ACTION AND PAGA SETTLEMENT

SUPERIOR COURT OF CALIFORNIA FOR THE COUNTY OF ORANGE

**CARILLO-SALAZAR V. WATERMARK SERVICES IV, LLC ET AL
WAGE AND HOUR CASES, CASE NO. JCCP 5176**

A court authorized this notice. This is not a solicitation from a lawyer.

ATTENTION: IF YOU HAVE BEEN EMPLOYED BY WATERMARK SERVICES IV, LLC. AS A NON-EXEMPT EMPLOYEE IN CALIFORNIA DURING THE PERIOD BEGINNING JANUARY 27, 2016 AND ENDING ON MAY 31, 2022, YOU ARE ENTITLED TO A SHARE OF A PROPOSED CLASS ACTION SETTLEMENT.

TO UNDERSTAND YOUR RIGHTS, PLEASE READ THIS NOTICE CAREFULLY.

A proposed class action settlement (“the Settlement”) has been reached between Plaintiffs Daniel Carillo-Salazar and Evanina Alaniz (“Plaintiffs”), on behalf of themselves and the below-defined Class Members, and Defendants Watermark Retirement Communities, LLC; Watermark Retirement Communities, Inc.; Watermark Services IV, LLC. (“Defendants”).

The Settlement resolves the above class action lawsuit (the “Action”) about claims related to allegations that Defendants (1) failed to pay all minimum wages; (2) failed to pay overtime wages; (3) failed to provide required rest breaks; (4) failed to provide required meal breaks; (5) failed to furnish accurate itemized wage statements; (6) failed to pay all wages due to discharged and quitting employees; (7) failed to timely pay wages during employment; (8) engaged in unfair business practices. Plaintiffs also assert a claim for civil penalties under the Private Attorneys General Act (“PAGA”) based on the foregoing alleged violations by Defendants. Defendants deny and continue to deny all of Plaintiffs’ claims, and maintain that they have complied with all applicable laws and regulations. Defendants have entered into the Settlement solely for purposes of resolving this dispute.

The Settlement provides for Individual Settlement Payments based on the number of workweeks you performed work for Defendants in California as a non-exempt employee during the period from January 27, 2016 to May 31, 2022 as well as PAGA Payments based on the pay periods you performed work for Defendants in California as a non-exempt employee during the period from January 17, 2019 to May 31, 2022.

OVERVIEW OF YOUR LEGAL RIGHTS AND OPTIONS UNDER THE SETTLEMENT	
DO NOTHING	You will automatically receive an Individual Settlement Payment in exchange for which, whether or not you cash or deposit the payment, you will be bound by all terms of the Settlement and any Final Judgment entered in the Action if the Settlement receives final approval by the Court, and you will give up your rights to be part of any other lawsuit against Defendant and/or the Released Parties involving the same or similar legal

	claims as the ones in the Action for the period beginning on January 27, 2016 to May 31, 2022. If you are a PAGA Group Member, you will also receive a PAGA Payment. You will be mailed a settlement check at the address where this Notice was mailed (unless you timely provide a forwarding address to the Settlement Administrator).
EXCLUDE YOURSELF	The only way for you to be part of any other lawsuit against Defendants and/or the Released Parties involving the same or similar legal claims as the ones in the Action for the period beginning on January 27, 2016 to May 31, 2022 is to submit a valid Exclusion Form to the Settlement Administrator postmarked no later than [+60 days from date of mailing] . If you submit an Exclusion Form, you will <u>not</u> receive an Individual Settlement Payment, but you will receive a PAGA Payment if you are a PAGA Group Member.
OBJECT	If you wish to object to the Settlement, you must submit a written Objection, and supporting papers, to the Settlement Administrator that is postmarked or fax stamped no later than [+60 days from date of mailing] . This option is available only if you do <u>not</u> exclude yourself. Class members may also appear at the final approval hearing to object, this hearing will take place on [Final Approval Hearing Date and location].

These rights and options, and how to exercise them, are explained in more detail in this notice.

The Court handling this case has determined only that there is sufficient evidence to suggest that the proposed Settlement might be fair, adequate, and reasonable, and the Court still has to make a final determination of those issues at the Final Approval Hearing. Settlement payments will only be issued if the Court grants final approval of the Settlement.

Additional information regarding the Settlement is available through the Settlement Administrator or Class Counsel, whose contact information is provided in this notice.

BASIC INFORMATION

1. Why did I get this notice?

On **[insert preliminary approval date]**, the Superior Court of California, County of Orange (“the Court”) preliminarily approved a class action settlement of the Action on behalf of all persons who were employed by Defendants in California as non-exempt employees (“Class Members”) during the period beginning on January 27, 2016 to May 31, 2022 (the “Class Period”). According to Defendants’ records, you are a Class Member. This notice explains the Action, the Settlement, and your legal rights.

The Action is pending as coordinated cases captioned *Watermark Wage and Hour Cases*, Case No. JCCP 5176 and is pending in the Superior Court of California for the County of Orange (the “Action”). Daniel Carillo-Salazar and Evanina Alaniz are Plaintiffs, and the companies they

sued, Defendants Watermark Retirement Communities, LLC; Watermark Retirement Communities, Inc.; Watermark Services IV, LLC., are the Defendants.

2. What is the Action about?

The Action generally involves claims under California’s wage and hour laws. Plaintiffs are former non-exempt employees of Defendants. They allege that Defendants did not provide proper meal or rest breaks, failed to pay minimum wages and overtime wages, failed to timely pay wages, failed to pay all wages at termination, failed to provide compliant wage statements, and unlawfully received wages, and violated California’s Business and Professions Code. As a result, Plaintiffs alleges that they and the Class Members are entitled to recover unpaid straight time and overtime wages, meal and rest period premiums, interest, and statutory and civil penalties. Defendants deny that they engaged in any wrongful conduct or violated the law in any way, and believe Plaintiffs and the Class Members were properly and timely compensated and provided proper meal and rest breaks. However, both Plaintiffs and Defendants believe the Settlement is fair, adequate, and reasonable, and that it is in the best interest of the Class Members.

3. Why is this lawsuit a class action?

In a class action, one or more people called “Plaintiff(s)” (in this case, Daniel Carillo-Salazar and Evanina Alaniz) sue on behalf of people who have similar alleged claims. All of these people are a “class” or “class members.” The Court resolves the issues for all class members, except for those who exclude themselves from the class. On **[insert date]**, the Honorable William Claster issued an order conditionally certifying the Settlement Class for purposes of settlement only.

4. Who is in the Settlement Class?

“Class Members” or “Class” means all persons employed by Defendant in the State of California at any time during the period from on January 27 2016 to May 31, 2022 as a non-exempt employee. “PAGA Group Members” means all persons employed by Defendant in the State of California at any time during the period from January 17, 2019 to May 31, 2022 as a non-exempt employee.

5. Why is there a settlement?

After conducting substantial investigation, including review of Defendants’ policies, timekeeping records, and payroll records, both sides agreed to the Settlement to avoid the cost and risk of further litigation. The Settlement does not mean that any laws were broken. Defendants deny all of the claims asserted in the Action and deny that they have violated any laws. Plaintiffs and their lawyers think the Settlement is in the best interests of all Class Members.

THE SETTLEMENT BENEFITS—WHAT YOU GET

6. What does the settlement provide?

Under the terms of the Settlement, Defendant agrees to pay a Maximum Settlement Amount of Two Million, Four Hundred Thousand Dollars (\$2,400,000.00). Deducted from this Maximum Settlement Amount will be sums approved by the Court for attorneys' fees (not to exceed \$800,000.00), or 33.33% of the Maximum Settlement Amount, attorneys' litigation costs (not to exceed \$30,000.00), a Class Representative Service Award to Plaintiff Daniel Carillo-Salazar in the amount of (\$10,000) and to Plaintiff Evanina Alaniz in the amount of (\$5,000) for their services, the PAGA Settlement Amount (i.e., a payment of Eighteen Thousand Dollars (\$18,000.00) to the State of California Labor and Workforce Development Agency for alleged penalties and a Six Thousand Dollars (\$6,000.00) *pro rata* distribution to PAGA Group Members as their PAGA Payment), and the fees and expenses of the Settlement Administrator, **ILYM Group, Inc.** (estimated not to exceed \$25,000.00), which will result in a maximum amount payable by Defendants for distribution to Class Members who do not opt out (the "Net Settlement Amount"). Defendants' share of payroll taxes will be paid separately from and in addition to the Maximum Settlement Amount. No portion of the Maximum Settlement Amount shall revert to Defendants.

The Net Settlement Amount will be distributed to Class Members who do not opt out of the Settlement ("Participating Class Members") on a *pro rata* basis, based on the number of workweeks that each Participating Class Member performed work for Defendants as a non-exempt employee in California during the Class Period ("Qualified Workweeks"). To determine a Participating Class Member's estimated settlement payment ("Individual Settlement Payment"), the Net Settlement Amount will be divided by the total number of Qualified Workweeks worked by all Participating Class Members during the Class Period, multiplied by the number of Qualified Workweeks worked by that Participating Class Member, according to the following formula:

$$\text{[Net Settlement Amount} \div \text{Total Qualified Pay Periods for all Participating Class Members]} \times \text{Participating Class Member's Individual Qualified Pay Periods} = \text{estimated Individual Settlement Payment}$$

Class Members' Individual Settlement Payments will be reduced by any required legal deductions. No benefit, including but not limited to pension benefits and/or 401(k), shall increase or accrue as a result of any payment made as a result of this Settlement.

The Parties recognize that the Class Members' Individual Settlement Payments are for wages, interest, and penalties. The Parties agree that 50% of the Individual Settlement Payments shall be reported as wages subject to all applicable tax withholdings on IRS Form W-2 and its state and local equivalents and 50% shall be reported as non-wage interest and penalties not subject to payroll tax withholdings on IRS Form 1099 and its state and local equivalents.

The Parties are neither providing tax nor legal advice, nor making representations regarding tax obligations or consequences, if any, related to any settlement amounts to be paid to the

Participating Class Members. Each Participating Class Member will assume any tax obligations or consequences that may arise from any settlement amount paid to him or her and should consult with a tax expert if he or she has any questions. Each Participating Class Member's pro rata distribution amount prior to legal deductions will be reduced by the amount of any required payroll-related deductions.

Class Members who were employed by Defendants in the State of California at any time during the PAGA Period as a non-exempt employee ("PAGA Group Members") will also receive a PAGA Payment. "PAGA Payment" means the amount payable from the PAGA Settlement Amount to each PAGA Group Member. "PAGA Settlement Amount" means the portion of the Maximum Settlement Amount allocated to the resolution of PAGA claims in the Action. The PAGA Settlement Amount is Twenty-Four Thousand Dollars (\$24,000.00). Eighteen Thousand Dollars (\$18,000.00) shall be paid by the Settlement Administrator directly to the LWDA. The remaining Six Thousand Dollars (\$6,000.00) shall be distributed to PAGA Group Members as their PAGA Payment. The "PAGA Period" is the period of time from January 17, 2019 through May 31, 2022. PAGA Payments shall be paid by the Settlement Administrator from the Maximum Settlement Amount. PAGA Payments shall be allocated as non-wage penalties not subject to payroll tax withholdings. The Settlement Administrator shall issue an IRS Form 1099 to each PAGA Group Member for their PAGA Payment. Each PAGA Group Member's PAGA Payment shall be calculated solely by the Settlement Administrator according to the following formula: Defendants shall provide the Settlement Administrator with the Total Qualified PAGA Pay Periods; the Settlement Administrator shall then (1) divide Six Thousand Dollars (\$6,000.00) by the Total Qualified PAGA Pay Periods and then (2) multiply each PAGA Group Member's number of Qualified PAGA Pay Periods by the result in (1) to obtain the amount of each PAGA Group Member's PAGA Payment. "Qualified PAGA Pay Periods" means the total number of pay periods during the PAGA Period that PAGA Group Members performed work for Defendants as a non-exempt employee.

To the extent any Participating Class Member or PAGA Group Member disputes any aspect of his or her payment, number of Qualified Workweeks, or number of Qualified PAGA Pay Periods, that Participating Class Member or PAGA Group Member may submit supporting evidence to the Settlement Administrator. Defendants' records will be presumed determinative.

7. What is my approximate Individual Settlement Payment?

According to payroll records maintained by Defendants, the total number of weeks you worked in California for Defendants as a non-exempt employee during the Class Period is . The total number of pay periods you worked in California for Defendants as a non-exempt employee during the PAGA Period is .

Based on information provided above, anticipated court-approved deductions, and preliminary calculations Qualified Workweeks, it is estimated your share of the settlement will be \$, less applicable taxes and withholdings. This amount includes your share of the PAGA Group Payment, which is estimated to be \$.

You do not need to do anything further to receive your Individual Settlement Payment, other than to ensure that the Settlement Administrator has an accurate mailing address for you. It is

important that you contact and inform the Settlement Administrator listed in Section 11, below, of any changes to your mailing address for timely payment.

8. What am I giving up in exchange for the settlement benefits?

In exchange for the consideration provided, and upon the Settlement Administrator's receipt of the total Maximum Settlement Amount from Defendants, Plaintiffs and each Participating Class Member who does not submit a valid Exclusion Form (defined in response to Question 11 below) will release all claims for civil penalties that could have been sought by the Labor Commissioner and all claims alleged in the Complaint, including but not limited to (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal periods (4) failure to permit rest breaks (5) failure to provide accurate itemized wage statements (6) failure to pay all wages due upon separation of employment (7) violation of California Business and Professions Code §§17200, *et seq.*, based on the preceding claims against Defendants, including their parent corporation(s), direct or indirect owners, affiliates (including, without limitation, Watermark Retirement Communities Carmel, LLC), subsidiaries, divisions, predecessors, insurers, reinsurers, successors, and assigns, and their current and former employees, attorneys, officers, directors, and agents thereof, both individually and in their business capacities, and their employee benefit plans and programs and the trustees, administrators, fiduciaries, and insurers of such plans and programs, both individually and in their business capacities at any time during the Class Period (the "Released Parties"). The PAGA Group Member will release PAGA claims regardless of whether they opt-out.

HOW TO GET A SETTLEMENT PAYMENT

9. How do I get a settlement payment?

You will automatically receive an Individual Settlement Payment in exchange for which, whether or not you cash or deposit the payment, you will be bound by all terms of the Settlement and any Final Judgment entered in the Action if the Settlement receives final approval by the Court, and you will give up your rights to be part of any other lawsuit against Defendants and/or the Released Parties involving the same or similar legal claims as the ones in the Action arising during the Class Period. You will be mailed a settlement check at the address where this notice was mailed (unless you timely provide a forwarding address to the Settlement Administrator).

Additionally, if you are a PAGA Group Member, you will also receive a PAGA Payment, regardless of whether you submit an Exclusion Form. Your Individual Settlement Payment and PAGA Payment will be issued in one check.

10. When will I get my check?

Checks will be mailed to Participating Class Members and PAGA Group Members eligible to receive benefits under the Settlement after the Court grants "final approval" of the Settlement. If the judge approves the settlement after a hearing on [insert date] (see "The Court's Final Approval Hearing" below), there may be appeals. If there are any appeals, resolving them could

take some time, so please be patient.

If the Court approves the settlement and if you do not opt out, your individual payment is expected to be distributed after Defendants make payment to the Settlement Administrator. Defendants shall fund the settlement no earlier than the later of (a) January 2, 2023 or (b) thirty (30) days after the Court signs the Final Order to make the full payment to the Settlement Administrator.

Please also be advised that you will only have 180 days from the date that the check is issued to cash it. If you do not cash your check within 180 days of the date of its mailing, your check shall be voided, and your share of the settlement proceeds will be distributed by the Settlement Administrator to the California State Controller's Office Unclaimed Property Fund in your name.

EXCLUDING YOURSELF FROM THE SETTLEMENT

11. How do I ask the Court to exclude me from the Settlement Class?

If you do not wish to participate in the Settlement, you must complete and send a timely Exclusion Form. The Exclusion Form must be completed, signed, dated and mailed by First Class U.S. Mail, or the equivalent, postmarked no later than **[+60 days from date of mailing]** to:

INSERT SETTLEMENT ADMIN INFO

Exclusion Forms that do not include all required information and/or that are not timely submitted will be deemed null, void, and ineffective, unless otherwise ordered by the Court. If you do not submit a valid and timely Exclusion Form on or before **[+60 days from date of mailing]**, you will be bound by all terms of the Settlement and any Final Judgment entered in the Action if the Settlement is approved by the Court.

12. If I exclude myself, can I get anything from the settlement?

Not unless you are also a PAGA Group Member. If you exclude yourself now you will not get anything from the Settlement unless you are a PAGA Group Member. If you ask to be excluded, you will not get an Individual Settlement Payment and you will not be bound by the Settlement, but you will still receive a PAGA Payment if you are a PAGA Group Member.

13. If I don't exclude myself, can I sue later?

No. Unless you exclude yourself, you give up the right to sue Defendants for the Released Claims arising during the Class Period. You must exclude yourself from the Settlement Class to start or continue your own lawsuit.

THE LAWYERS REPRESENTING YOU

14. Do I have a lawyer in this case?

The Court has appointed the following lawyers to serve as Class Counsel for the Class Members:

JACKSON LAW, APC
Armond M. Jackson
2 Venture Plaza, Suite 240
Irvine, CA 92618
Phone: (949) 281-6857
Fax: (949) 777-6218

Samuel A. Wong
Kashif Haque
Jessica L. Campbell
Kristy R. Connolly
AEGIS LAW FIRM, PC
9811 Irvine Center Drive, Suite 100
Irvine, CA 92618
Tel: 949-379-6250
kconnolly@aegislawfirm.com

15. How will the costs of the lawsuit and the settlement be paid?

Subject to court approval, Class Counsel has requested one-third (33 1/3%) of the sum of the Maximum Settlement Amount in attorneys' fees (currently equal to \$800,000) plus actual litigation costs and expenses (not to exceed \$30,000.00). The Court may award less than these amounts. If lesser amounts are awarded, the difference will be returned to the Net Settlement Amount.

In addition, and subject to Court approval, Defendants also agree to pay, as part of the Maximum Settlement Amount, up to Ten Thousand Dollars (\$10,000.00) to Plaintiff Daniel Carillo-Salazar and Five Thousand Dollars (\$5,000.00) to Plaintiff Evanina Alaniz as Enhancement Awards for their participation in the Action and for taking on the risk of litigation. Subject to Court approval, Defendant also agrees to pay Eighteen Thousand Dollars (\$18,000.00) to the State of California Labor and Workforce Development Agency for alleged civil penalties. Defendant also agrees to pay, as part of the Maximum Settlement Amount, the Settlement Administrator's costs and fees associated with administering the Settlement, estimated not to exceed Twenty-Five Thousand Dollars (\$25,000.00). The Court may award less than these amounts. If lesser amounts are awarded, the difference will be included in the Net Settlement Amount and will be available for distribution to Participating Class Members.

OBJECTING TO THE SETTLEMENT

16. How do I object to the Settlement?

If you do not submit an Exclusion Form, you may object to the proposed Settlement, or any portion thereof, by completing a written objection ("Objection Form"). The Objection Form must be signed and mailed by regular U.S. Mail, postmarked no later than **[+60 days from date of mailing]**, to the Settlement Administrator at the following address:

[Settlement Administrator]

[insert info]

The Objection Form must (1) state your full name; (2) be signed by you; (3) state the grounds for the objection; and (4) must be postmarked by [**+60 days from date of mailing**] and returned to the Settlement Administrator at the specified address above. If you wish to appear at the Court's Final Approval Hearing (see response to Question 17 below) and orally present your objection to the Court, you may do so whether or not you submitted an Objection Form to the Settlement Administrator. Any Class Member who submits an Objection Form or appears at the Final Approval Hearing to submit a verbal objection remains eligible to receive monetary compensation from the Settlement. A Class Member who submits an Exclusion Form may not object to the proposed Settlement.

17. What's the difference between objecting and asking to be excluded?

Objecting is simply telling the Court you do not like something about the Settlement. Excluding yourself is telling the Court that you do not want to be part of the Settlement Class.

THE COURT'S FINAL APPROVAL HEARING

The Court will hold a hearing to decide whether to approve the Settlement. You may attend the hearing and you may ask to speak, but you don't have to.

18. When and where will the Court decide whether to approve the settlement?

The Court will hold a Final Approval Hearing on [**insert time/date**] in Department CX104 of the **Orange County Superior Court, located at 751 W. Santa Ana, Blvd, Santa Ana, California 92701**. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court will also decide how much to pay Class Counsel. After the hearing, the Court will decide whether to approve the Settlement. We do not know how long these decisions will take.

19. Do I have to come to the hearing?

No. Class Counsel will answer any questions the judge may have. But you are welcome to come. If you submit an Objection Form to the Settlement Administrator, you do not have to come to Court to talk about it. You may also pay another lawyer to attend, but it is not required. Class Counsel will not represent you in connection with any objection. You may appear by audio or video at the final approval hearing. Please visit the Court's website for further instructions: <https://www.occourts.org/directory/civil/complex-civil/calendar-schedule/civil-panel-schedule.html>

20. May I speak at the hearing?

If you wish to appear at the Final Approval Hearing and orally present your objection to the Court, you may do so regardless of whether or not you submitted an Objection Form. Please adhere to the latest COVID-19 courthouse protocol.

IF YOU DO NOTHING

21. What happens if I do nothing at all?

If you do nothing, you will automatically receive an Individual Settlement Payment and PAGA Payment, if applicable, as described above and you will be bound by the release of Released Claims against the Released Parties.

GETTING MORE INFORMATION

22. How do I get more information?

This notice summarizes the Settlement. More details are in the Stipulation of Class Action and PAGA Settlement, which is attached as **Exhibit X** to the Declaration of Armond M. Jackson in Support of Plaintiffs Danial Carillo-Salazar and Evanina Alaniz's Motion for Preliminary Approval of Class Action and PAGA Settlement, filed on **[INSERT DATE]**. The case is assigned to Department CX104 of the Orange County Superior Court, located at 751 W. Santa Ana, Blvd, Santa Ana, California 92701. The case file may be viewed online at <https://www.occourts.org/online-services/case-access/> and select "Civil Case & Document Access."

You may also contact Class Counsel or the Settlement Administrator for more information.

[Settlement Administrator]

[insert info]

The Settlement Administrator has set up a settlement website where you may also obtain up-to-date information on the matter including any change of the date or location of any hearings in connection with this Settlement. The settlement website URL is **XXXXXX**

Please do not contact the Court for more information about the Settlement.

4874-5935-4924, v. 2

EXHIBIT B

**CARILLO-SALAZAR V. WATERMARK SERVICES IV, LLC ET AL.,
WATERMARK WAGE AND HOUR CASES, CASE NO. JCCP 5176**

OBJECTION FORM

IF YOU WANT TO PARTICIPATE IN THE SETTLEMENT, BUT YOU **OBJECT** TO THE TERMS OF THE SETTLEMENT, YOU MUST SIGN AND COMPLETE THIS FORM ACCURATELY AND IN ITS ENTIRETY, AND YOU MUST SUBMIT THIS FORM BY FIRST CLASS U.S. MAIL OR FAX TO THE SETTLEMENT ADMINISTRATOR AT THE ADDRESS OR FAX NUMBER BELOW SO THAT IT IS POSTMARKED OR FAX STAMPED ON OR BEFORE [REDACTED].

The Court will consider your objection at the Final Approval Hearing if you submit a timely and valid written statement of objection. All of the information on this form is required. If you do not provide all of the information below, your objection will be deemed null and void. **Even if you submit an objection, you will be bound by the terms of the Settlement, including the release of Released Claims, unless the Court does not approve the Settlement.** You cannot object to the Settlement if you request exclusion from the Settlement.

☐ I OBJECT to the *Daniel Carillo-Salazar et al. v. Watermark Services IV, LLC et al.*, Settlement on the following grounds:

(Attach additional pages if need.)

(Signature)

(Date)

(Print Name)

(Address)

(Telephone Number)

(City / State / Zip Code)

All Objection Forms must be postmarked or fax stamped no later than [REDACTED]. Mail or fax your fully completed and signed Objection Form to:

[Settlement Administrator] Re: <i>Daniel Carillo-Salazar et al. v.</i> <i>Watermark Services IV, LLC et al.</i> [Address]

[City, State, Zip]
[Telephone Number; Fax Number]

EXHIBIT B

EXHIBIT C

NOTICE OF PROPOSED CLASS ACTION AND PAGA SETTLEMENT

SUPERIOR COURT OF CALIFORNIA FOR THE COUNTY OF ORANGE

**CARILLO-SALAZAR V. WATERMARK SERVICES IV, LLC ET AL
WAGE AND HOUR CASES, CASE NO. JCCP 5176**

A court authorized this notice. This is not a solicitation from a lawyer.

ATTENTION: IF YOU HAVE BEEN EMPLOYED BY WATERMARK SERVICES IV, LLC. AS A NON-EXEMPT EMPLOYEE IN CALIFORNIA DURING THE PERIOD BEGINNING JANUARY 27, 2016 AND ENDING ON MAY 31, 2022, YOU ARE ENTITLED TO A SHARE OF A PROPOSED CLASS ACTION SETTLEMENT.

TO UNDERSTAND YOUR RIGHTS, PLEASE READ THIS NOTICE CAREFULLY.

A proposed class action settlement (“the Settlement”) has been reached between Plaintiffs Daniel Carillo-Salazar and Evanina Alaniz (“Plaintiffs”), on behalf of themselves and the below-defined Class Members, and Defendants Watermark Retirement Communities, LLC; Watermark Retirement Communities, Inc.; Watermark Services IV, LLC. (“Defendants”).

The Settlement resolves the above class action lawsuit (the “Action”) about claims related to allegations that Defendants (1) failed to pay all minimum wages; (2) failed to pay overtime wages; (3) failed to provide required rest breaks; (4) failed to provide required meal breaks; (5) failed to furnish accurate itemized wage statements; (6) failed to pay all wages due to discharged and quitting employees; (7) failed to timely pay wages during employment; (8) engaged in unfair business practices. Plaintiffs also assert a claim for civil penalties under the Private Attorneys General Act (“PAGA”) based on the foregoing alleged violations by Defendants. Defendants deny and continue to deny all of Plaintiffs’ claims, and maintain that they have complied with all applicable laws and regulations. Defendants have entered into the Settlement solely for purposes of resolving this dispute.

The Settlement provides for Individual Settlement Payments based on the number of workweeks you performed work for Defendants in California as a non-exempt employee during the period from January 27, 2016 to May 31, 2022 as well as PAGA Payments based on the pay periods you performed work for Defendants in California as a non-exempt employee during the period from January 17, 2019 to May 31, 2022.

OVERVIEW OF YOUR LEGAL RIGHTS AND OPTIONS UNDER THE SETTLEMENT	
DO NOTHING	You will automatically receive an Individual Settlement Payment in exchange for which, whether or not you cash or deposit the payment, you will be bound by all terms of the Settlement and any Final Judgment entered in the Action if the Settlement receives final approval by the Court, and you will give up your rights to be part of any other lawsuit against Defendant and/or the Released Parties involving the same or similar legal

	claims as the ones in the Action for the period beginning on January 27, 2016 to May 31, 2022. If you are a PAGA Group Member, you will also receive a PAGA Payment. You will be mailed a settlement check at the address where this Notice was mailed (unless you timely provide a forwarding address to the Settlement Administrator).
EXCLUDE YOURSELF	The only way for you to be part of any other lawsuit against Defendants and/or the Released Parties involving the same or similar legal claims as the ones in the Action for the period beginning on January 27, 2016 to May 31, 2022 is to submit a valid Exclusion Form to the Settlement Administrator postmarked no later than [+60 days from date of mailing] . If you submit an Exclusion Form, you will <u>not</u> receive an Individual Settlement Payment, but you will receive a PAGA Payment if you are a PAGA Group Member.
OBJECT	If you wish to object to the Settlement, you must submit a written Objection, and supporting papers, to the Settlement Administrator that is postmarked or fax stamped no later than [+60 days from date of mailing] . This option is available only if you do <u>not</u> exclude yourself. Class members may also appear at the final approval hearing to object, this hearing will take place on [Final Approval Hearing Date and location].

These rights and options, and how to exercise them, are explained in more detail in this notice.

The Court handling this case has determined only that there is sufficient evidence to suggest that the proposed Settlement might be fair, adequate, and reasonable, and the Court still has to make a final determination of those issues at the Final Approval Hearing. Settlement payments will only be issued if the Court grants final approval of the Settlement.

Additional information regarding the Settlement is available through the Settlement Administrator or Class Counsel, whose contact information is provided in this notice.

BASIC INFORMATION

1. Why did I get this notice?

On **[insert preliminary approval date]**, the Superior Court of California, County of Orange (“the Court”) preliminarily approved a class action settlement of the Action on behalf of all persons who were employed by Defendants in California as non-exempt employees (“Class Members”) during the period beginning on January 27, 2016 to May 31, 2022 (the “Class Period”). According to Defendants’ records, you are a Class Member. This notice explains the Action, the Settlement, and your legal rights.

The Action is pending as coordinated cases captioned *Watermark Wage and Hour Cases*, Case No. JCCP 5176 and is pending in the Superior Court of California for the County of Orange (the “Action”). Daniel Carillo-Salazar and Evanina Alaniz are Plaintiffs, and the companies they

sued, Defendants Watermark Retirement Communities, LLC; Watermark Retirement Communities, Inc.; Watermark Services IV, LLC., are the Defendants.

2. What is the Action about?

The Action generally involves claims under California’s wage and hour laws. Plaintiffs are former non-exempt employees of Defendants. They allege that Defendants did not provide proper meal or rest breaks, failed to pay minimum wages and overtime wages, failed to timely pay wages, failed to pay all wages at termination, failed to provide compliant wage statements, and unlawfully received wages, and violated California’s Business and Professions Code. As a result, Plaintiffs alleges that they and the Class Members are entitled to recover unpaid straight time and overtime wages, meal and rest period premiums, interest, and statutory and civil penalties. Defendants deny that they engaged in any wrongful conduct or violated the law in any way, and believe Plaintiffs and the Class Members were properly and timely compensated and provided proper meal and rest breaks. However, both Plaintiffs and Defendants believe the Settlement is fair, adequate, and reasonable, and that it is in the best interest of the Class Members.

3. Why is this lawsuit a class action?

In a class action, one or more people called “Plaintiff(s)” (in this case, Daniel Carillo-Salazar and Evanina Alaniz) sue on behalf of people who have similar alleged claims. All of these people are a “class” or “class members.” The Court resolves the issues for all class members, except for those who exclude themselves from the class. On **[insert date]**, the Honorable William Claster issued an order conditionally certifying the Settlement Class for purposes of settlement only.

4. Who is in the Settlement Class?

“Class Members” or “Class” means all persons employed by Defendant in the State of California at any time during the period from on January 27 2016 to May 31, 2022 as a non-exempt employee. “PAGA Group Members” means all persons employed by Defendant in the State of California at any time during the period from January 17, 2019 to May 31, 2022 as a non-exempt employee.

5. Why is there a settlement?

After conducting substantial investigation, including review of Defendants’ policies, timekeeping records, and payroll records, both sides agreed to the Settlement to avoid the cost and risk of further litigation. The Settlement does not mean that any laws were broken. Defendants deny all of the claims asserted in the Action and deny that they have violated any laws. Plaintiffs and their lawyers think the Settlement is in the best interests of all Class Members.

THE SETTLEMENT BENEFITS—WHAT YOU GET

6. What does the settlement provide?

Under the terms of the Settlement, Defendant agrees to pay a Maximum Settlement Amount of Two Million, Four Hundred Thousand Dollars (\$2,400,000.00). Deducted from this Maximum Settlement Amount will be sums approved by the Court for attorneys' fees (not to exceed \$800,000.00), or 33.33% of the Maximum Settlement Amount, attorneys' litigation costs (not to exceed \$30,000.00), a Class Representative Service Award to Plaintiff Daniel Carillo-Salazar in the amount of (\$10,000) and to Plaintiff Evanina Alaniz in the amount of (\$5,000) for their services, the PAGA Settlement Amount (i.e., a payment of Eighteen Thousand Dollars (\$18,000.00) to the State of California Labor and Workforce Development Agency for alleged penalties and a Six Thousand Dollars (\$6,000.00) *pro rata* distribution to PAGA Group Members as their PAGA Payment), and the fees and expenses of the Settlement Administrator, ILYM Group, Inc. (estimated not to exceed \$25,000.00), which will result in a maximum amount payable by Defendants for distribution to Class Members who do not opt out (the "Net Settlement Amount"). Defendants' share of payroll taxes will be paid separately from and in addition to the Maximum Settlement Amount. No portion of the Maximum Settlement Amount shall revert to Defendants.

The Net Settlement Amount will be distributed to Class Members who do not opt out of the Settlement ("Participating Class Members") on a *pro rata* basis, based on the number of workweeks that each Participating Class Member performed work for Defendants as a non-exempt employee in California during the Class Period ("Qualified Workweeks"). To determine a Participating Class Member's estimated settlement payment ("Individual Settlement Payment"), the Net Settlement Amount will be divided by the total number of Qualified Workweeks worked by all Participating Class Members during the Class Period, multiplied by the number of Qualified Workweeks worked by that Participating Class Member, according to the following formula:

$$\text{[Net Settlement Amount} \div \text{Total Qualified Pay Periods for all Participating Class Members]} \times \text{Participating Class Member's Individual Qualified Pay Periods} = \text{estimated Individual Settlement Payment}$$

Class Members' Individual Settlement Payments will be reduced by any required legal deductions. No benefit, including but not limited to pension benefits and/or 401(k), shall increase or accrue as a result of any payment made as a result of this Settlement.

The Parties recognize that the Class Members' Individual Settlement Payments are for wages, interest, and penalties. The Parties agree that 50% of the Individual Settlement Payments shall be reported as wages subject to all applicable tax withholdings on IRS Form W-2 and its state and local equivalents and 50% shall be reported as non-wage interest and penalties not subject to payroll tax withholdings on IRS Form 1099 and its state and local equivalents.

The Parties are neither providing tax nor legal advice, nor making representations regarding tax obligations or consequences, if any, related to any settlement amounts to be paid to the

Participating Class Members. Each Participating Class Member will assume any tax obligations or consequences that may arise from any settlement amount paid to him or her and should consult with a tax expert if he or she has any questions. Each Participating Class Member's pro rata distribution amount prior to legal deductions will be reduced by the amount of any required payroll-related deductions.

Class Members who were employed by Defendants in the State of California at any time during the PAGA Period as a non-exempt employee ("PAGA Group Members") will also receive a PAGA Payment. "PAGA Payment" means the amount payable from the PAGA Settlement Amount to each PAGA Group Member. "PAGA Settlement Amount" means the portion of the Maximum Settlement Amount allocated to the resolution of PAGA claims in the Action. The PAGA Settlement Amount is Twenty-Four Thousand Dollars (\$24,000.00). Eighteen Thousand Dollars (\$18,000.00) shall be paid by the Settlement Administrator directly to the LWDA. The remaining Six Thousand Dollars (\$6,000.00) shall be distributed to PAGA Group Members as their PAGA Payment. The "PAGA Period" is the period of time from January 17, 2019 through May 31, 2022. PAGA Payments shall be paid by the Settlement Administrator from the Maximum Settlement Amount. PAGA Payments shall be allocated as non-wage penalties not subject to payroll tax withholdings. The Settlement Administrator shall issue an IRS Form 1099 to each PAGA Group Member for their PAGA Payment. Each PAGA Group Member's PAGA Payment shall be calculated solely by the Settlement Administrator according to the following formula: Defendants shall provide the Settlement Administrator with the Total Qualified PAGA Pay Periods; the Settlement Administrator shall then (1) divide Six Thousand Dollars (\$6,000.00) by the Total Qualified PAGA Pay Periods and then (2) multiply each PAGA Group Member's number of Qualified PAGA Pay Periods by the result in (1) to obtain the amount of each PAGA Group Member's PAGA Payment. "Qualified PAGA Pay Periods" means the total number of pay periods during the PAGA Period that PAGA Group Members performed work for Defendants as a non-exempt employee.

To the extent any Participating Class Member or PAGA Group Member disputes any aspect of his or her payment, number of Qualified Workweeks, or number of Qualified PAGA Pay Periods, that Participating Class Member or PAGA Group Member may submit supporting evidence to the Settlement Administrator. Defendants' records will be presumed determinative.

7. What is my approximate Individual Settlement Payment?

According to payroll records maintained by Defendants, the total number of weeks you worked in California for Defendants as a non-exempt employee during the Class Period is . The total number of pay periods you worked in California for Defendants as a non-exempt employee during the PAGA Period is .

Based on information provided above, anticipated court-approved deductions, and preliminary calculations Qualified Workweeks, it is estimated your share of the settlement will be \$, less applicable taxes and withholdings. This amount includes your share of the PAGA Group Payment, which is estimated to be \$.

You do not need to do anything further to receive your Individual Settlement Payment, other than to ensure that the Settlement Administrator has an accurate mailing address for you. It is

important that you contact and inform the Settlement Administrator listed in Section 11, below, of any changes to your mailing address for timely payment.

8. What am I giving up in exchange for the settlement benefits?

In exchange for the consideration provided, and upon the Settlement Administrator's receipt of the total Maximum Settlement Amount from Defendants, Plaintiffs and each Participating Class Member who does not submit a valid Exclusion Form (defined in response to Question 11 below) will release all claims for civil penalties that could have been sought by the Labor Commissioner and all claims alleged in the Complaint, including but not limited to (1) failure to pay minimum wages; (2) failure to pay overtime wages; (3) failure to provide meal periods (4) failure to permit rest breaks (5) failure to provide accurate itemized wage statements (6) failure to pay all wages due upon separation of employment (7) violation of California Business and Professions Code §§17200, *et seq.*, based on the preceding claims against Defendants, including their parent corporation(s), direct or indirect owners, affiliates (including, without limitation, Watermark Retirement Communities Carmel, LLC), subsidiaries, divisions, predecessors, insurers, reinsurers, successors, and assigns, and their current and former employees, attorneys, officers, directors, and agents thereof, both individually and in their business capacities, and their employee benefit plans and programs and the trustees, administrators, fiduciaries, and insurers of such plans and programs, both individually and in their business capacities at any time during the Class Period (the "Released Parties"). The PAGA Group Member will release PAGA claims regardless of whether they opt-out.

HOW TO GET A SETTLEMENT PAYMENT

9. How do I get a settlement payment?

You will automatically receive an Individual Settlement Payment in exchange for which, whether or not you cash or deposit the payment, you will be bound by all terms of the Settlement and any Final Judgment entered in the Action if the Settlement receives final approval by the Court, and you will give up your rights to be part of any other lawsuit against Defendants and/or the Released Parties involving the same or similar legal claims as the ones in the Action arising during the Class Period. You will be mailed a settlement check at the address where this notice was mailed (unless you timely provide a forwarding address to the Settlement Administrator).

Additionally, if you are a PAGA Group Member, you will also receive a PAGA Payment, regardless of whether you submit an Exclusion Form. Your Individual Settlement Payment and PAGA Payment will be issued in one check.

10. When will I get my check?

Checks will be mailed to Participating Class Members and PAGA Group Members eligible to receive benefits under the Settlement after the Court grants "final approval" of the Settlement. If the judge approves the settlement after a hearing on [insert date] (see "The Court's Final Approval Hearing" below), there may be appeals. If there are any appeals, resolving them could

take some time, so please be patient.

If the Court approves the settlement and if you do not opt out, your individual payment is expected to be distributed after Defendants make payment to the Settlement Administrator. Defendants shall fund the settlement no earlier than the later of (a) January 2, 2023 or (b) thirty (30) days after the Court signs the Final Order to make the full payment to the Settlement Administrator.

Please also be advised that you will only have 180 days from the date that the check is issued to cash it. If you do not cash your check within 180 days of the date of its mailing, your check shall be voided, and your share of the settlement proceeds will be distributed by the Settlement Administrator to the California State Controller's Office Unclaimed Property Fund in your name.

EXCLUDING YOURSELF FROM THE SETTLEMENT

11. How do I ask the Court to exclude me from the Settlement Class?

If you do not wish to participate in the Settlement, you must complete and send a timely Exclusion Form. The Exclusion Form must be completed, signed, dated and mailed by First Class U.S. Mail, or the equivalent, postmarked no later than **[+60 days from date of mailing]** to:

INSERT SETTLEMENT ADMIN INFO

Exclusion Forms that do not include all required information and/or that are not timely submitted will be deemed null, void, and ineffective, unless otherwise ordered by the Court. If you do not submit a valid and timely Exclusion Form on or before **[+60 days from date of mailing]**, you will be bound by all terms of the Settlement and any Final Judgment entered in the Action if the Settlement is approved by the Court.

12. If I exclude myself, can I get anything from the settlement?

Not unless you are also a PAGA Group Member. If you exclude yourself now you will not get anything from the Settlement unless you are a PAGA Group Member. If you ask to be excluded, you will not get an Individual Settlement Payment and you will not be bound by the Settlement, but you will still receive a PAGA Payment if you are a PAGA Group Member.

13. If I don't exclude myself, can I sue later?

No. Unless you exclude yourself, you give up the right to sue Defendants for the Released Claims arising during the Class Period. You must exclude yourself from the Settlement Class to start or continue your own lawsuit.

THE LAWYERS REPRESENTING YOU

14. Do I have a lawyer in this case?

The Court has appointed the following lawyers to serve as Class Counsel for the Class Members:

JACKSON LAW, APC
Armond M. Jackson
2 Venture Plaza, Suite 240
Irvine, CA 92618
Phone: (949) 281-6857
Fax: (949) 777-6218

Samuel A. Wong
Kashif Haque
Jessica L. Campbell
Kristy R. Connolly
AEGIS LAW FIRM, PC
9811 Irvine Center Drive, Suite 100
Irvine, CA 92618
Tel: 949-379-6250
kconnolly@aegislawfirm.com

15. How will the costs of the lawsuit and the settlement be paid?

Subject to court approval, Class Counsel has requested one-third (33 1/3%) of the sum of the Maximum Settlement Amount in attorneys' fees (currently equal to \$800,000) plus actual litigation costs and expenses (not to exceed \$30,000.00). The Court may award less than these amounts. If lesser amounts are awarded, the difference will be returned to the Net Settlement Amount.

In addition, and subject to Court approval, Defendants also agree to pay, as part of the Maximum Settlement Amount, up to Ten Thousand Dollars (\$10,000.00) to Plaintiff Daniel Carillo-Salazar and Five Thousand Dollars (\$5,000.00) to Plaintiff Evanina Alaniz as Enhancement Awards for their participation in the Action and for taking on the risk of litigation. Subject to Court approval, Defendant also agrees to pay Eighteen Thousand Dollars (\$18,000.00) to the State of California Labor and Workforce Development Agency for alleged civil penalties. Defendant also agrees to pay, as part of the Maximum Settlement Amount, the Settlement Administrator's costs and fees associated with administering the Settlement, estimated not to exceed Twenty-Five Thousand Dollars (\$25,000.00). The Court may award less than these amounts. If lesser amounts are awarded, the difference will be included in the Net Settlement Amount and will be available for distribution to Participating Class Members.

OBJECTING TO THE SETTLEMENT

16. How do I object to the Settlement?

If you do not submit an Exclusion Form, you may object to the proposed Settlement, or any portion thereof, by completing a written objection ("Objection Form"). The Objection Form must be signed and mailed by regular U.S. Mail, postmarked no later than **[+60 days from date of mailing]**, to the Settlement Administrator at the following address:

[Settlement Administrator]

[insert info]

The Objection Form must (1) state your full name; (2) be signed by you; (3) state the grounds for the objection; and (4) must be postmarked by [**+60 days from date of mailing**] and returned to the Settlement Administrator at the specified address above. If you wish to appear at the Court's Final Approval Hearing (see response to Question 17 below) and orally present your objection to the Court, you may do so whether or not you submitted an Objection Form to the Settlement Administrator. Any Class Member who submits an Objection Form or appears at the Final Approval Hearing to submit a verbal objection remains eligible to receive monetary compensation from the Settlement. A Class Member who submits an Exclusion Form may not object to the proposed Settlement.

17. What's the difference between objecting and asking to be excluded?

Objecting is simply telling the Court you do not like something about the Settlement. Excluding yourself is telling the Court that you do not want to be part of the Settlement Class.

THE COURT'S FINAL APPROVAL HEARING

The Court will hold a hearing to decide whether to approve the Settlement. You may attend the hearing and you may ask to speak, but you don't have to.

18. When and where will the Court decide whether to approve the settlement?

The Court will hold a Final Approval Hearing on [**insert time/date**] in Department CX104 of the **Orange County Superior Court, located at 751 W. Santa Ana, Blvd, Santa Ana, California 92701**. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. If there are objections, the Court will consider them. The Court will also decide how much to pay Class Counsel. After the hearing, the Court will decide whether to approve the Settlement. We do not know how long these decisions will take.

19. Do I have to come to the hearing?

No. Class Counsel will answer any questions the judge may have. But you are welcome to come. If you submit an Objection Form to the Settlement Administrator, you do not have to come to Court to talk about it. You may also pay another lawyer to attend, but it is not required. Class Counsel will not represent you in connection with any objection. You may appear by audio or video at the final approval hearing. Please visit the Court's website for further instructions: <https://www.occourts.org/directory/civil/complex-civil/calendar-schedule/civil-panel-schedule.html>

20. May I speak at the hearing?

If you wish to appear at the Final Approval Hearing and orally present your objection to the Court, you may do so regardless of whether or not you submitted an Objection Form. Please adhere to the latest COVID-19 courthouse protocol.

IF YOU DO NOTHING

21. What happens if I do nothing at all?

If you do nothing, you will automatically receive an Individual Settlement Payment and PAGA Payment, if applicable, as described above and you will be bound by the release of Released Claims against the Released Parties.

GETTING MORE INFORMATION

22. How do I get more information?

This notice summarizes the Settlement. More details are in the Stipulation of Class Action and PAGA Settlement, which is attached as **Exhibit X** to the Declaration of Armond M. Jackson in Support of Plaintiffs Danial Carillo-Salazar and Evanina Alaniz's Motion for Preliminary Approval of Class Action and PAGA Settlement, filed on **[INSERT DATE]**. The case is assigned to Department CX104 of the Orange County Superior Court, located at 751 W. Santa Ana, Blvd, Santa Ana, California 92701. The case file may be viewed online at <https://www.occourts.org/online-services/case-access/> and select "Civil Case & Document Access."

You may also contact Class Counsel or the Settlement Administrator for more information.

[Settlement Administrator]

[insert info]

The Settlement Administrator has set up a settlement website where you may also obtain up-to-date information on the matter including any change of the date or location of any hearings in connection with this Settlement. The settlement website URL is **XXXXXX**

Please do not contact the Court for more information about the Settlement.

4874-5935-4924, v. 2

**CARILLO-SALAZAR V. WATERMARK SERVICES IV, LLC ET AL.,
WATERMARK WAGE AND HOUR CASES, CASE NO. JCCP 5176**

OBJECTION FORM

IF YOU WANT TO PARTICIPATE IN THE SETTLEMENT, BUT YOU **OBJECT** TO THE TERMS OF THE SETTLEMENT, YOU MUST SIGN AND COMPLETE THIS FORM ACCURATELY AND IN ITS ENTIRETY, AND YOU MUST SUBMIT THIS FORM BY FIRST CLASS U.S. MAIL OR FAX TO THE SETTLEMENT ADMINISTRATOR AT THE ADDRESS OR FAX NUMBER BELOW SO THAT IT IS POSTMARKED OR FAX STAMPED ON OR BEFORE [REDACTED].

The Court will consider your objection at the Final Approval Hearing if you submit a timely and valid written statement of objection. All of the information on this form is required. If you do not provide all of the information below, your objection will be deemed null and void. **Even if you submit an objection, you will be bound by the terms of the Settlement, including the release of Released Claims, unless the Court does not approve the Settlement.** You cannot object to the Settlement if you request exclusion from the Settlement.

☐ I OBJECT to the *Daniel Carillo-Salazar et al. v. Watermark Services IV, LLC et al.*, Settlement on the following grounds:

(Attach additional pages if need.)

(Signature)

(Date)

(Print Name)

(Address)

(Telephone Number)

(City / State / Zip Code)

All Objection Forms must be postmarked or fax stamped no later than [REDACTED]. Mail or fax your fully completed and signed Objection Form to:

[Settlement Administrator] Re: <i>Daniel Carillo-Salazar et al. v.</i> <i>Watermark Services IV, LLC et al.</i> [Address]

[City, State, Zip]
[Telephone Number; Fax Number]

EXHIBIT D

**CARILLO-SALAZAR V. WATERMARK SERVICES IV, LLC ET AL.,
WATERMARK WAGE AND HOUR CASES, CASE NO. JCCP 5176**

OBJECTION FORM

IF YOU WANT TO PARTICIPATE IN THE SETTLEMENT, BUT YOU **OBJECT** TO THE TERMS OF THE SETTLEMENT, YOU MUST SIGN AND COMPLETE THIS FORM ACCURATELY AND IN ITS ENTIRETY, AND YOU MUST SUBMIT THIS FORM BY FIRST CLASS U.S. MAIL OR FAX TO THE SETTLEMENT ADMINISTRATOR AT THE ADDRESS OR FAX NUMBER BELOW SO THAT IT IS POSTMARKED OR FAX STAMPED ON OR BEFORE [REDACTED].

The Court will consider your objection at the Final Approval Hearing if you submit a timely and valid written statement of objection. All of the information on this form is required. If you do not provide all of the information below, your objection will be deemed null and void. **Even if you submit an objection, you will be bound by the terms of the Settlement, including the release of Released Claims, unless the Court does not approve the Settlement.** You cannot object to the Settlement if you request exclusion from the Settlement.

☐ I OBJECT to the *Daniel Carillo-Salazar et al. v. Watermark Services IV, LLC et al.*, Settlement on the following grounds:

(Attach additional pages if need.)

(Signature)

(Date)

(Print Name)

(Address)

(Telephone Number)

(City / State / Zip Code)

All Objection Forms must be postmarked or fax stamped no later than [REDACTED]. Mail or fax your fully completed and signed Objection Form to:

[Settlement Administrator] Re: <i>Daniel Carillo-Salazar et al. v.</i> <i>Watermark Services IV, LLC et al.</i> [Address]

[City, State, Zip]
[Telephone Number; Fax Number]

EXHIBIT E

ILYM | GROUP, Inc.

SETTLEMENT ADMINISTRATION EXPERTS

Case Name: Carillo-Salazar vs. Watermark Services, IV, LLC

Tuesday, July 19, 2022

Requesting Law Firm:	Jackson APC
Law Firm Contact:	Maria Ocampo
E-Mail	mocampo@jacksonapc.com
ILYM Contact	Lisa Mullins
E-Mail	Lisa@ilymgroup.com
Contact Number	714.878.8836

ESTIMATE FOR ADMINISTRATION SOLUTIONS

ASSUMPTIONS	
Total Number of Class Members	2,700
Estimated Mail Returned as Undeliverable	20%
NCOA	Yes
Certified Spanish Translation	Yes
Case Duration (Year(s))	1

Activity	Rate Type	Unit Cost	Volume	Amount
----------	-----------	-----------	--------	--------

CASE STARTUP				
Initial Setup - Import and Formatting of Data*	Hourly	\$150.00	4	\$600.00
Programming of Class Database	Hourly	\$175.00	4	\$700.00

*ILYM assumes that data will be in a standard format. Client will be notified immediately if not in standard format to correct data or ILYM can convert to standard format @ \$150.00 per hour.

Subtotal \$1,300.00

PROJECT MANAGEMENT				
Project Manager (Case notification and maintenance)	Hourly	\$120.00	8	\$960.00
Staff Hours for Processing Returned Mail	Hourly	\$70.00	4	\$280.00
Staff Hours for Processing Opt-Outs, Disputes & Objection(s)	Hourly	\$70.00	5	\$350.00
Report Processing	Hourly	\$70.00	4	\$280.00
NCOA	Flat Rate	\$394.00	1	\$394.00
Certified Spanish Translation	Flat Fee	\$1,250.00	1	\$1,250.00
Toll Free Customer Service Representative	Flat Fee	\$750.00	1	\$750.00
Weekly Reports	Flat Rate	\$750.00	1	Waived

Subtotal \$4,264.00

ILYM | GROUP, Inc.

SETTLEMENT ADMINISTRATION EXPERTS

Activity	Rate Type	Unit Cost	Volume	Amount
----------	-----------	-----------	--------	--------

NOTIFICATION/MAILING				
Fulfillment of Notice, English and Spanish	Per Piece	\$1.50	2,700	\$4,050.00
USPS First Class Postage Postage	Per Piece	\$0.76	2,700	\$2,052.00
Re-Mails (Forward/Skip trace Undeliverables)	Per Piece	\$2.00	540	\$1,080.00
Storage, Photocopies, Deliveries	Flat Fee	\$300.00	1	\$300.00

Subtotal \$7,482.00

DISTRIBUTION (Includes EIN, Bank Acct * /QSF Setup)				
Distribution Setup & Management	Hourly	\$150.00	10	\$1,500.00
Account Reconciliation & Distribution Reporting	Hourly	\$125.00	10	\$1,250.00
Check, Stub & Release - Print & Mail (W-2/1099)	Per Check	\$1.50	2,700	\$4,050.00
USPS First Class Postage	Per Piece	\$0.55	2,700	\$1,485.00
Re-Mails (Forward/Skip trace Undeliverables up to 10%)	Per Piece	\$2.00	77	\$154.00
Preparation of Taxes	Hourly	\$120.00	15	\$1,800.00
Annual Filing of Tax Return	Per Year	\$1,500.00	1	\$1,500.00

**Additional Bank fees may apply*

Subtotal \$11,739.00

CASE CONCLUSION				
Data Manager Final Reporting	Hourly	\$100.00	4	\$400.00
Project Manager Final Reporting	Hourly	\$120.00	5	\$600.00
Declaration	Hourly	\$125.00	4	\$500.00

Subtotal \$1,500.00

TOTAL CASE ESTIMATE: \$26,285.00

DISCOUNTED TOTAL CASE ESTIMATE: \$22,550.00

Terms and Conditions

All services to be provided by ILYM Group, Inc. (hereinafter, "ILYM") to Client shall be subject to the following terms and conditions:

Services: Subject to the terms hereof, ILYM agrees to provide the Client with Administration Services (hereinafter, "services") as specified in the Proposal provided to Client to which these Terms and Conditions are attached. The estimate is in good faith and does not cover any applicable taxes and fees. The estimate does not make provision for any services or class members/size not delineated in the request for proposal or stipulations. Such services do not in any way constitute legal services or advice. ILYM is performing its services as an Independent Contractor and neither it nor its employees shall be deemed to be employees of the Client.

Mailing and Data Conversion: ILYM's database administration assumes the Client will provide complete data that includes all information required to send notifications and complete the administration process. Data must be provided in a complete, consistent, standardized electronic format. ILYM's standard format is Microsoft Excel, however, ILYM may accept other formats at its discretion. Further developments or enhancements to non-standardized data will be billed to Client by ILYM on a time and materials basis, according to ILYM's Standard Rates.

Charges for Services: Charges to the Client for services shall be on a time and materials basis at our prevailing rates, as the same may change from time to time. Any fee estimates set forth in the proposal are estimates only, based on information provided by Client to ILYM. Actual fees charged by ILYM to Client may be greater or less than such estimate, and Client shall be responsible for the payment of all such charges and expenses in accordance with Section 5 hereof. Charges incurred related to resolving post distribution withholdings and related corrective files due to voids and re-issues of payments and related correspondence with state and federal taxing authorities will not be charged to the Client to the extent that funds are received from the taxing authorities offset these charges. ILYM may derive financial benefits from financial institutions in connection with the deposit and investment of settlement funds with such institutions, including without limitation, discounts on eligible banking services and fees, and loans at favorable rates.

Indemnification: Client will indemnify and hold ILYM (and the officers, employees, affiliates and agents harmless against any Losses incurred by ILYM, arising out of, in connection with, or related to (i) any breach of the terms by Client; (ii) the processing and handling of any payment by ILYM in accordance with Client's instructions, including without limitation, the imposition of any stop payment or void payment on any check or the wrongful dishonor of a check by ILYM pursuant to Client's instructions.

Payment of Charges: ILYM reserves the right to request payment of postage charges and 50% of the final administration charges at the start of the case. ILYM bills are due upon receipt unless otherwise negotiated and agreed to with the Client. In the event settlement terms provide that ILYM is to be paid out of the Settlement Fund, ILYM will request that Counsel endeavor to make alternate payment arrangements for ILYM charges that are due at the onset of the case. The entire remaining balance is due and payable at the time the Settlement Account is funded by, or no later than the time of disbursement. Decisions of the court and actions of the parties, including disapproval or withdrawal of a settlement, do not affect the Client's liability to ILYM for payment of services. Services are not provided on a contingency fee basis.

Confidentiality: ILYM maintain reasonable and appropriate security measures and safeguards to protect the security and confidentiality of Client data provided to ILYM by Client in connection herewith. Should ILYM ever be notified of any judicial order or other proceedings in which a third party seeks to obtain access to the confidential data created by or for the Client, ILYM will promptly notify the Client, unless prohibited by applicable law. The Client shall have the option to (1) provide legal representation at the Client's expense to avoid such access or (2) promptly reimburse ILYM for any of its costs, including attorneys' fees, reasonably incurred in avoiding, attempting to avoid or providing such access and not paid by the entity seeking the data. If ILYM is required, pursuant to a court order, to produce documents, disclose data, or otherwise act in contravention of the obligations imposed by this Agreement, or otherwise, with respect to maintaining the confidentiality, proprietary nature and secrecy of the produced documents or disclosed data, ILYM will not be liable for breach of said obligation.

Data Rights: ILYM does not convey nor does the Client obtain any right in the programs, system data, or materials utilized or provided by ILYM in the ordinary course of business in the performance of this Agreement.

Document Retention: Unless directed otherwise in writing by Client, ILYM will destroy undeliverable mail on the effective date of the settlement or the date that the disposition of the case is no longer subject to appeal or review, whichever is later. ILYM will maintain claim forms and other correspondence for one year after final distribution of funds or benefits, or until the date that the disposition of the case is no longer subject to appeal or review, whichever is later.

Limitation of damages: ILYM is not responsible to the Client for any special, consequential or incidental damages incurred by Client. Any liability of ILYM to the Client shall not exceed the total amount billed to the Client for the particular services that give rise to any loss.

Termination: The services to be provided under this Agreement may be terminated, at will by the Client upon at least 30 calendar days' prior written notice to ILYM. The Client's obligation to pay for services or projects in progress at the time of notice of withdrawal shall continue throughout that 30 day period. ILYM may terminate this Agreement (i) with 10 calendar days' prior written notice, if the Client is not current in payment of charges or (ii) in any event, upon at least 3 months' prior written notice to the Client.

Notice: Any notice required or permitted hereunder shall be in writing and shall be delivered personally, or sent by registered mail, postage prepaid, or overnight courier service to the responsible officer or principal of ILYM or the Client, as applicable, and shall be deemed given when so delivered personally, or, if mailed, five days after the date of deposit in United States mail, or, if sent by courier, one business day after delivery to such courier service.

Force Majeure: To the extent performance by ILYM of any of its obligations hereunder is substantially prevented by reason of any act of God or by reason of any other matter beyond ILYM's reasonable control, then such performance shall be excused and this Agreement, at ILYM's option, be deemed suspended during the continuation of such condition and for a reasonable time thereafter.

Waiver of Rights: No failure or delay on the part of a party in exercising any right hereunder will operate as a waiver of, or impair, any such right. No single or partial exercise of any such right will preclude any other or further exercise thereof or the exercise of any other right. No waiver of any such right will be effective unless given in a signed writing.

Jurisdiction: The parties hereto submit to the jurisdiction of the Court of the applicable case for purposes of any suit, action or proceeding to enforce any provision of, or based on any right arising out of, this Agreement. The parties hereto hereby waive any objection to the laying of venue of any such suit, action or proceeding in the Court.

Entire Agreement: These terms and conditions and the proposal embody the entire agreement between the parties with respect to the subject matter hereof, and cancels and supersedes all prior negotiations, representations, and agreements related thereto, either written or oral, except to the extent they are expressly incorporated herein. No changes in, additions to, or waivers of, the terms and conditions set forth herein will be binding upon any party, unless approved in writing by such party's authorized representative.

EXHIBIT F

JACKSON LAW, P.C.

Armond M. Jackson
ajackson@jlaw-pc.com

January 17, 2020

Sent By Certified Mail to Watermark Services, IV, LLC and Watermark Retirement Communities, Inc.

Submitted Via Online to Labor and Workforce Development Agency

Watermark Services, IV, LLC
2020 W. Rudasill Road,
Tucson, Arizona 85704

**CT Corporation and Corporate Creations
Network, Inc. Agent for Service of Process
for Watermark Services, IV, LLC**
4640 Admiralty Way, 5th Floor
Marina Del Rey, California 90292

**Labor and Workforce Development
Agency**
Attn. PAGA Administrator
455 Golden Gate Avenue, 9th Floor
San Francisco, CA 94102
(415) 703-4810

Watermark Retirement Communities, Inc.
2020 W. Rudasill Road,
Tucson, Arizona 85704

**Surrendered Corporation Agent for Service of Process
California Secretary of State**
1500 11th Street
Sacramento, California 95814
Forwarding Address 2020 W. Rudasill Road, Tucson, Arizona 85704

**PRIVATE ATTORNEY GENERAL ACT (PAGA) NOTICE
PURSUANT TO LABOR CODE § 2699**

Re: Notice Pursuant to California Labor Code Section 2699
Violations of California Labor Code Sections 226(a) 1-2, 4-5, 8-9, 226.3, 226.7, 510, 512, 558, 1194
Violations of California Labor Code Section 1198 (Industrial Welfare Commission Order No. 5-2001 (“Wage Order 5”), Sections 3, 7, 11, 12 and 14
Labor and Workforce Development Agency Right to Investigate and Issue a Citation (Lab. Code § 2699.3)
Daniel Carillo-Salazar v. Watermark Retirement Communities, Inc. et al.

Dear Watermark Retirement Communities, Inc., Watermark Services, IV, LLC, CT Corporation and PAGA Administrator:

This letter is issued pursuant to Labor Code § 2698, et seq. (Specifically Labor Code § 2699(f), which provides notice to the PAGA Administrator Watermark Retirement Communities, Inc., Watermark Services, IV, LLC, CT Corporation, California Secretary of State by Daniel Carillo-Salazar (“Mr. Carillo-Salazar”) (collectively referred to herein as “Mr. Carillo-Salazar”) on behalf of all California aggrieved current and aggrieved former similarly situated employees of Watermark Retirement Communities, Inc., Watermark Services, IV, LLC (collectively referred to herein as “WRC”), a private right of action under the Private Attorney General Act (PAGA) of 2004.

As a prerequisite to prosecuting this private action in superior court, Mr. Carillo-Salazar is required to provide notice by certified mail to the Labor and Workforce Development Agency and the employers regarding each violation, along with facts and theories supporting each violation as mentioned below. (Labor Code § 2699.3) If you have any questions regarding this letter, please contact Armond M. Jackson, Esq. at Jackson Law, APC at 949-281-6857 or via email at ajackson@jlaw-pc.com.

Facts and Theories

WRC is a retirement community housing business that employs workers.

This letter encompasses violations for all of WRC’s nonexempt California employees.

Mr. Carillo-Salazar worked for WRC. Mr. Carillo-Salazar worked as a dishwasher, cleaner, general laborer and performed many duties in a stationary position. Throughout Mr. Carillo-Salazar’s shifts, they were not provided with all 10 minute duty-free uninterrupted rest breaks during their working shifts that were at or above 7.5 hours.

Furthermore, Mr. Carillo-Salazar were not provided with all proper 30 minute duty-free uninterrupted meal periods each five hours of their working shifts that they were entitled to when they worked over five and ten hour shifts.

The WRC have violated California Labor Code sections 226.7, 512, and Wage Orders 5, Sections 7, 11 and 12 and any other applicable wage orders. Other similarly situated employees at the WRC were under the same conditions as Mr. Carillo-Salazar.

Moreover, the WRC failed to incorporate Mr. Carillo-Salazar' premium wages and hours worth of work, actual name of the legal entity of the employer and applicable rates for all hours worked on their wage statements as required by California Labor Code section 226(a) 1-2, 4-5, 8 and 9. All other similarly situated employees were subjected to the same working conditions as Mr. Carillo-Salazar, such as not being provided with their entitled meal breaks and rest breaks and recording their actual hours worked, net wages earned, gross wages earned, applicable hourly rates for all hours worked and actual hours worked or premium wages earned on their wage statements and actual name of the legal entity of the employer.

Furthermore, although Mr. Carillo-Salazar could have performed his work while being in a suitable seat especially when performing his cleaning tasks including dishwashing in a stationary position, WRC never provided Plaintiff or any aggrieved employees with any suitable seating. Mr. Carillo-Salazar while performing his general tasks, including but not limited to dishwashing, could have performed those duties seated.

By virtue of not authorizing or permitting Mr. Carillo-Salazar and all other similarly situated employees to take their entitled meal breaks and rest breaks, failing to incorporate hours worked and wages earned on the itemized wage statements disclosing total hours worked, total gross wages earned, net wages earned, hours worked at the applicable hourly rate and deductions that should have been taken out, and failing to include the name and address of the legal entity employer, and failing to provide suitable seating, the WRC is violating California Labor Code Sections 226(a) 1-2, 4-5, 8, 9, 226(a), 226.3, and 226.7, 512, and Wage Order 5, Sections 7, 11, 12 and 14.

Violation of California Labor Code § 226(a)

Labor Code § 226 (a) requires employers to provide "accurate itemized statement in writing" each pay period that includes nine categories of information. These categories include (1) gross wages earned, (2) total hours worked, (4) deductions taken, (5) net wages earned, (8) name and address of the legal entity 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. (See Labor Code §226, subsection (a)) Any employer who has violated California Labor Code Section 226(a) will also be subject to penalties under California Labor Code Section 226.3. These records must be maintained for a period of at least three years. It is Mr. Carillo-Salazar' contention that WRC are in violation of the following California Labor Codes:

Violation of 226 (a)(1)

Section a (1) requires gross wages to be inserted on an employee's paystubs. Mr. Carillo-Salazar and other similarly situated employees' paystubs did not accurately reflect their gross wages earned by virtue of excluding hours worked and wages earned because Mr. Carillo-Salazar and other similarly situated employees worked during their entitled meal periods and rest periods but WRC did not accurately depict compensation as it failed to disclose and compensate them for that the extra hour worth of gross wages earned on their paystubs for failing to pay for all hours worked and provide the entitled meal breaks and rest breaks.

Violation of 226 (a)(2)

Section a (2) requires the total hours worked by the employee to be inserted on an employee's paystubs. Mr. Carillo-Salazar and other similarly situated employees' paystubs did not accurately reflect their total hours worked by virtue of excluding hours worked because Mr. Carillo-Salazar and other similarly situated employees worked during their meal periods and rest periods but WRC did not accurately depict compensation as it failed to disclose and compensate them for that recorded the extra hour worth of total hours worked on their paystub for failing to compensate for all hours worked and provide their entitled uninterrupted rest periods and meal periods.

Violation of 226 (a)(4)

Section a (4) requires all deductions out of the employees' wages to be inserted on an employee's paystubs. Mr. Carillo-Salazar and other similarly situated employees' paystubs did not accurately reflect all deductions taken out of their paychecks by virtue of excluding hours worked and wages earned because Mr. Carillo-Salazar and other similarly situated employees were required to work during their rest periods and meal periods but WRC did not accurately depict compensation as it failed to disclose and compensate them for that extra hours' worth of work nor disclosed or recorded the extra hour worth of total hours worked on their paystub for failing to pay for all hours worked and provide their entitled uninterrupted meal breaks and rest periods therefore inaccurately depicting deductions that were taken out on Mr. Carillo-Salazar' and other similarly situated employees' paystubs.

Violation of 226 (a)(5)

Section a (5) requires net wages to be inserted on an employee's paystubs. Mr. Carillo-Salazar' and other similarly situated employees' paystubs did not accurately reflect their net wages earned by virtue of excluding hours worked and wages earned because Mr. Carillo-Salazar and other similarly situated employees worked during their entitled rest breaks and meal periods but

WRC did not accurately depict compensation as it failed to disclose and compensate them for the extra hour worth of work nor disclosed or recorded the extra hour worth of net wages earned on their paystub for failing to provide them an uninterrupted rest periods and meal periods.

Violation of 226 (a)(8)

Section a (8) requires the name and address of the legal entity that is the employer. Mr. Carillo-Salazar and other similarly situated employees' paystubs did not reflect the name and address of the legal entity that is the employer and instead another name that was not the employer.

Violation of 226 (a)(9)

Section a (9) requires all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. Mr. Carillo-Salazar and other similarly situated employees' paystubs did not reflect their applicable hourly rate because WRC excluded hours worked and wages earned because Mr. Carillo-Salazar and other similarly situated employees were required to work during their rest periods and meal periods but WRC did not accurately depict compensation as it failed to disclose and compensate them for that the extra hour worth of gross and net wages earned as well as the additional hour worth of work on their paystub for failing to provide their uninterrupted rest periods and meal periods.

Violation of California Labor Code Sections 226.7, 512, 1198 and Wage Order 5, Sections 7, 11 and 12

An employer must provide rest period pursuant to an applicable order of the Industrial Welfare Commission. (See Lab. Code §226.7)

Under Labor Code § 1198 an employer is required to comply with the standard conditions of labor required in the orders set by the Industrial Welfare Commission. Industrial Welfare Commission Order No. 5-2001 (hereinafter "Wage Order 5") covering the "Housekeeping Industry" employees.

Under these circumstances, Mr. Carillo-Salazar' position at WRC falls within Wage Order 5 as WRC employed Mr. Carillo-Salazar as a non-exempt employees classified as an employee in the "Housekeeping" industry. Thus, below all sections and subsections that pertain to California Wage Order 5 are applicable to Mr. Carillo-Salazar and all similarly situated aggrieved employees within the "Housekeeping Industry" that were employed or remain employed by WRC.

California Labor Code sections 226.7, 512 and Wage Order 5, Section 11, requires employers to provide employees with uninterrupted meal breaks for 30 minutes every 5 hours

unless waived by mutual consent and the work shift is not above 6 hours. California Labor Code sections 226.7, 512 and Wage Order 5, Section 11 requires every employer to provide its employees with uninterrupted meal breaks for 30 minutes every 5 hours if the employee works more than a 6 hour shift. Mr. Carillo-Salazar and other similarly situated employees regularly worked above five, six and ten hour shifts and were not provided meal breaks every five hours nor were they compensated premium wages for working through their meal breaks.

California Labor Code sections 226.7 and Wage Order 5, Section 12 states every employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period. The authorized rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof. However, a rest period need not be authorized for employees whose total daily work time is less than three and one-half (3 1/2) hours. Authorized rest period time shall be counted as hours worked for which there shall be no deduction from wages. (B) If an employer fails to provide an employee a rest period in accordance with the applicable provisions of this order, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of compensation for each workday that the rest period is not provided.

Mr. Carillo-Salazar and other similarly situated employees did not receive their entitled uninterrupted rest periods and meal breaks during their employment at WRC while regularly working above 6 and 7.5 hour shifts.

Wage Order 5, Section -7- Records

Section 7 sets out the requirements for the maintenance of employee records by an employer. Subsection (A) requires employers to "keep accurate information with respect to each employee" regarding identification information, including their "[f]ull name, home address, occupation and social security number," "[time records showing when the employee begins and ends each work period," "[m]eal periods," and [t]otal hours worked in the payroll period and applicable rates of pay."

Subsection (B) requires an employer to provide accurate, itemized statements showing deductions and the dates of the pay period. Subsection (C) requires such records to be kept for three (3) years and made available on request.

As discussed above, WRC failed to record "meal periods" as Mr. Carillo-Salazar and other similarly situated employees were not provided with proper meal periods. Furthermore, WRC failed to incorporate the extra hour's worth of work when Mr. Carillo-Salazar and other similarly situated employees worked through their entitled meal breaks and rest breaks without being paid premium wages. The extra hours worth of work at the applicable rate of pay and work were not disclosed on the itemized wage statements in violation of Wage Order 5, Section -7- Record.

California Labor Code Section 1198, Wage Order 5, Section 14

As stated above, Wage Order 5, Section 14, required WRC to provide Mr. Carillo-Salazar and aggrieved employees with suitable seating. As stated above, Mr. Carillo-Salazar performed cleaning tasks in connection to dishwashing and could have performed such tasks while seated but was not provided any suitable seating. At no time did WRC provide suitable seating to all working employees although the nature of the work reasonably permitted use of seats. Furthermore, WRC failed to provide Mr. Carillo-Salazar and the similarly situated employees with suitable seating when they were not engaged in the active duties of their employment. Lastly, if the nature of the work required standing, The WRC failed to place an adequate number of suitable seats in reasonable proximity to the work area and employees and permit the use of such seats when it did not interfere with the performance of their duties. Instead, Mr. Carillo-Salazar and the similarly situated employees were required to stand and walk around at all times.

Violation of California Labor Code Section 558

Any employer or other person acting on behalf of an employer who violates, or causes to be violated, a section of this chapter or any provision regulating hours and days of work in any order of the Industrial Welfare Commission shall be subject to a civil penalty in addition to recover unpaid wages. (See Lab. Code §558)

As a consequence of the WRC's violation of California Labor Code Sections 226(a) 1-2, 4-5, 8, 9, 226(a), 226.3, 226.7, 512, 558, and Wage Order 5, Sections 3, 7, 11, 12, and 14, Mr. Carillo-Salazar are due penalties for each violation as an individual and on behalf of all aggrieved employees at WRC.

Conclusion

Pursuant to the above stated facts, it is Mr. Carillo-Salazar' theory that WRC are in violation of Labor Code Labor Code Sections 226(a) 1-2, 4-5, 8, 9, 226(a), 226.3, 226.7, 512, 558, and Wage Order 5, Sections 3, 7, 11, 12, and 14. It is Mr. Carillo-Salazar contention that all similarly situated employees at WRC are subjected to all of the above mentioned violations as WRC employees.

Sincerely,

Jackson Law, APC

Armond M. Jackson

Armond M. Jackson

EXHIBIT G

JACKSON LAW, P.C.

Armond M. Jackson
ajackson@jlaw-pc.com

April 30, 2020

Sent By Certified Mail to Watermark Services, IV, LLC and Watermark Retirement Communities, Inc.

Submitted Via Online to Labor and Workforce Development Agency

Watermark Services, IV, LLC
2020 W. Rudasill Road,
Tucson, Arizona 85704

**CT Corporation and Corporate Creations
Network, Inc. Agent for Service of Process
for Watermark Services, IV, LLC**
4640 Admiralty Way, 5th Floor
Marina Del Rey, California 90292

**Labor and Workforce Development
Agency**
Attn. PAGA Administrator
455 Golden Gate Avenue, 9th Floor
San Francisco, CA 94102
(415) 703-4810

Watermark Retirement Communities, Inc.
2020 W. Rudasill Road,
Tucson, Arizona 85704

**Surrendered Corporation Agent for Service of Process
California Secretary of State**
1500 11th Street
Sacramento, California 95814
Forwarding Address 2020 W. Rudasill Road, Tucson, Arizona 85704

Watermark Retirement Communities, LLC
2020 W. Rudasill Road,
Tucson, Arizona 85704

Corporate Creations Network, Inc. Agent for Service of Process for Watermark Retirement Communities, LLC
4640 Admiralty Way, 5th Floor
Marina Del Rey, California 90292

**PRIVATE ATTORNEY GENERAL ACT (PAGA) NOTICE
PURSUANT TO LABOR CODE § 2699**

Re: Amended Notice Pursuant to California Labor Code Section 2699
Violations of California Labor Code Sections 226(a) 1-2, 4-5, 8-9, 226.3, 226.7, 510, 512, 558, 1194
Violations of California Labor Code Section 1198 (Industrial Welfare Commission Order No. 5-2001 (“Wage Order 5”), Sections 3, 7, 11, 12 and 14
Labor and Workforce Development Agency Right to Investigate and Issue a Citation (Lab. Code § 2699.3)
Daniel Carillo-Salazar v. Watermark Retirement Communities, Inc. et al.

Dear Watermark Retirement Communities, Inc., Watermark Services, IV, LLC, CT Corporation and PAGA Administrator:

This letter is issued pursuant to Labor Code § 2698, et seq. (Specifically Labor Code § 2699(f), which provides notice to the PAGA Administrator Watermark Retirement Communities, Inc., Watermark Services, IV, LLC, CT Corporation, California Secretary of State and Watermark Retirement Communities, LLC by Daniel Carillo-Salazar (“Mr. Carillo-Salazar”) (collectively referred to herein as “Mr. Carillo-Salazar”) on behalf of all California aggrieved current and aggrieved former similarly situated employees of Watermark Retirement Communities, Inc., Watermark Services, IV, LLC and Watermark Retirement Communities, LLC (collectively referred to herein as “WRC” or “Defendants”)), a private right of action under the Private Attorney General Act (PAGA) of 2004.

As a prerequisite to prosecuting this private action in superior court, Mr. Carillo-Salazar is required to provide notice by certified mail to the Labor and Workforce Development Agency and the employers regarding each violation, along with facts and theories supporting each violation as mentioned below. (Labor Code § 2699.3) If you have any questions regarding this letter, please contact Armond M. Jackson, Esq. at Jackson Law, APC at 949-281-6857 or via email at ajackson@jlaw-pc.com.

Facts and Theories

WRC is a retirement community housing business that employs workers.

This letter encompasses violations for all of WRC's nonexempt California employees.

Mr. Carillo-Salazar worked for WRC. Mr. Carillo-Salazar worked as a dishwasher, cleaner, general laborer and performed many duties in a stationary position. Throughout Mr. Carillo-Salazar's shifts, they were not provided with all 10 minute duty-free uninterrupted rest breaks during their working shifts that were at or above 7.5 hours.

Furthermore, Mr. Carillo-Salazar were not provided with all proper 30 minute duty-free uninterrupted meal periods each five hours of their working shifts that they were entitled to when they worked over five and ten hour shifts.

The WRC have violated California Labor Code sections 226.7, 512, and Wage Orders 5, Sections 7, 11 and 12 and any other applicable wage orders. Other similarly situated employees at the WRC were under the same conditions as Mr. Carillo-Salazar.

Moreover, the WRC failed to incorporate Mr. Carillo-Salazar's premium wages and hours worth of work, actual name of the legal entity of the employer and applicable rates for all hours worked on their wage statements as required by California Labor Code section 226(a) 1-2, 4-5, 8 and 9. All other similarly situated employees were subjected to the same working conditions as Mr. Carillo-Salazar, such as not being provided with their entitled meal breaks and rest breaks and recording their actual hours worked, net wages earned, gross wages earned, applicable hourly rates for all hours worked and actual hours worked or premium wages earned on their wage statements and actual name of the legal entity of the employer.

Furthermore, although Mr. Carillo-Salazar could have performed his work while being in a suitable seat especially when performing his cleaning tasks including dishwashing in a stationary position, WRC never provided Plaintiff or any aggrieved employees with any suitable seating. Mr. Carillo-Salazar while performing his general tasks, including but not limited to dishwashing, could have performed those duties seated.

By virtue of not authorizing or permitting Mr. Carillo-Salazar and all other similarly situated employees to take their entitled meal breaks and rest breaks, failing to incorporate hours worked and wages earned on the itemized wage statements disclosing total hours worked, total gross wages earned, net wages earned, hours worked at the applicable hourly rate and deductions that should have been taken out, and failing to include the name and address of the legal entity employer, and failing to provide suitable seating, the WRC is violating California Labor Code Sections 226(a) 1-2, 4-5, 8, 9, 226(a), 226.3, and 226.7, 512, and Wage Order 5, Sections 7, 11, 12 and 14.

Violation of California Labor Code § 226(a)

Labor Code § 226 (a) requires employers to provide "accurate itemized statement in writing" each pay period that includes nine categories of information. These categories include (1)

gross wages earned, (2) total hours worked, (4) deductions taken, (5) net wages earned, (8) name and address of the legal entity 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. (See Labor Code §226, subsection (a)) Any employer who has violated California Labor Code Section 226(a) will also be subject to penalties under California Labor Code Section 226.3. These records must be maintained for a period of at least three years. It is Mr. Carillo-Salazar's contention that WRC are in violation of the following California Labor Codes:

Violation of 226 (a)(1)

Section a (1) requires gross wages to be inserted on an employee's paystubs. Mr. Carillo-Salazar and other similarly situated employees' paystubs did not accurately reflect their gross wages earned by virtue of excluding hours worked and wages earned because Mr. Carillo-Salazar and other similarly situated employees worked during their entitled meal periods and rest periods but WRC did not accurately depict compensation as it failed to disclose and compensate them for that the extra hour worth of gross wages earned on their paystubs for failing to pay for all hours worked and provide the entitled meal breaks and rest breaks.

Violation of 226 (a)(2)

Section a (2) requires the total hours worked by the employee to be inserted on an employee's paystubs. Mr. Carillo-Salazar and other similarly situated employees' paystubs did not accurately reflect their total hours worked by virtue of excluding hours worked because Mr. Carillo-Salazar and other similarly situated employees worked during their meal periods and rest periods but WRC did not accurately depict compensation as it failed to disclose and compensate them for that recorded the extra hour worth of total hours worked on their paystub for failing to compensate for all hours worked and provide their entitled uninterrupted rest periods and meal periods.

Violation of 226 (a)(4)

Section a (4) requires all deductions out of the employees' wages to be inserted on an employee's paystubs. Mr. Carillo-Salazar and other similarly situated employees' paystubs did not accurately reflect all deductions taken out of their paychecks by virtue of excluding hours worked and wages earned because Mr. Carillo-Salazar and other similarly situated employees were required to work during their rest periods and meal periods but WRC did not accurately depict compensation as it failed to disclose and compensate them for that extra hours' worth of work nor disclosed or recorded the extra hour worth of total hours worked on their paystub for failing to pay for all hours worked and provide their entitled uninterrupted meal breaks and rest periods therefore inaccurately depicting deductions that were taken out on Mr. Carillo-Salazar's and other similarly situated employees' paystubs.

Violation of 226 (a)(5)

Section a (5) requires net wages to be inserted on an employee's paystubs. Mr. Carillo-Salazar' and other similarly situated employees' paystubs did not accurately reflect their net wages earned by virtue of excluding hours worked and wages earned because Mr. Carillo-Salazar and other similarly situated employees worked during their entitled rest breaks and meal periods but WRC did not accurately depict compensation as it failed to disclose and compensate them for the extra hour worth of work nor disclosed or recorded the extra hour worth of net wages earned on their paystub for failing to provide their an uninterrupted rest periods and meal periods.

Violation of 226 (a)(8)

Section a (8) requires the name and address of the legal entity that is the employer. Mr. Carillo-Salazar and other similarly situated employees' paystubs did not reflect the name and address of the legal entity that is the employer and instead another name that was not the employer.

Violation of 226 (a)(9)

Section a (9) requires all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. Mr. Carillo-Salazar and other similarly situated employees' paystubs did not reflect their applicable hourly rate because WRC excluded hours worked and wages earned because Mr. Carillo-Salazar and other similarly situated employees were required to work during their rest periods and meal periods but WRC did not accurately depict compensation as it failed to disclose and compensate them for that the extra hour worth of gross and net wages earned as well as the additional hour worth of work on their paystub for failing to provide their uninterrupted rest periods and meal periods.

Violation of California Labor Code Sections 226.7, 512, 1198 and Wage Order 5, Sections 7, 11 and 12

An employer must provide rest period pursuant to an applicable order of the Industrial Welfare Commission. (See Lab. Code §226.7)

Under Labor Code § 1198 an employer is required to comply with the standard conditions of labor required in the orders set by the Industrial Welfare Commission. Industrial Welfare Commission Order No. 5-2001 (hereinafter "Wage Order 5") covering the "Housekeeping Industry" employees.

Under these circumstances, Mr. Carillo-Salazar' position at WRC falls within Wage Order 5 as WRC employed Mr. Carillo-Salazar as a non-exempt employees classified as an employee in the "Housekeeping" industry. Thus, below all sections and subsections that pertain to California Wage Order 5 are applicable to Mr. Carillo-Salazar and all similarly situated aggrieved employees within the "Housekeeping Industry" that were employed or remain employed by WRC.

California Labor Code sections 226.7, 512 and Wage Order 5, Section 11, requires employers to provide employees with uninterrupted meal breaks for 30 minutes every 5 hours unless waived by mutual consent and the work shift is not above 6 hours. California Labor Code sections 226.7, 512 and Wage Order 5, Section 11 requires every employer to provide its employees with uninterrupted meal breaks for 30 minutes every 5 hours if the employee works more than a 6 hour shift. Mr. Carillo-Salazar and other similarly situated employees regularly worked above five, six and ten hour shifts and were not provided meal breaks every five hours nor were they compensated premium wages for working through their meal breaks. Defendants had a policy, pattern or practice of requiring or pressuring its employees to take late, short, interrupted 30-minute meal breaks at a reasonably practicable time. Defendants would not compensate Plaintiff for all of their missed, short, late or interrupted meal breaks throughout their employment nor were they paid all of premium wages for the missed, short, late or interrupted meal breaks that should have been paid.

California Labor Code sections 226.7 and Wage Order 5, Section 12 states every employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period. The authorized rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof. However, a rest period need not be authorized for employees whose total daily work time is less than three and one-half (3 1/2) hours. Authorized rest period time shall be counted as hours worked for which there shall be no deduction from wages. (B) If an employer fails to provide an employee a rest period in accordance with the applicable provisions of this order, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of compensation for each workday that the rest period is not provided. Defendants had a policy, pattern or practice of requiring or pressuring its employees to take late, short, interrupted, or no 10-minute rest breaks at a reasonably practicable time. Defendants would not compensate Plaintiff for all of their missed, short, late or interrupted rest periods throughout their employment nor were they paid all of premium wages for the missed, short, late or interrupted rest periods that should have been paid.

Mr. Carillo-Salazar and other similarly situated employees did not receive their entitled uninterrupted rest periods and meal breaks during their employment at WRC while regularly working above 6 and 7.5 hour shifts.

Wage Order 5, Section -7- Records

Section 7 sets out the requirements for the maintenance of employee records by an employer. Subsection (A) requires employers to “keep accurate information with respect to each employee” regarding identification information, including their “[f]ull name, home address, occupation and social security number,” “[time records showing when the employee begins and ends each work period,” “[m]eal periods,” and [t]otal hours worked in the payroll period and applicable rates of pay.”

Subsection (B) requires an employer to provide accurate, itemized statements showing deductions and the dates of the pay period. Subsection (C) requires such records to be kept for three (3) years and made available on request.

As discussed above, WRC failed to record “meal periods” as Mr. Carillo-Salazar and other similarly situated employees were not provided with proper meal periods. Furthermore, WRC failed to incorporate the extra hour’s worth of work when Mr. Carillo-Salazar and other similarly situated employees worked through their entitled meal breaks and rest breaks without being paid premium wages. The extra hours worth of work at the applicable rate of pay and work were not disclosed on the itemized wage statements in violation of Wage Order 5, Section -7- Record.

California Labor Code Section 1198, Wage Order 5, Section 14

As stated above, Wage Order 5, Section 14, required WRC to provide Mr. Carillo-Salazar and aggrieved employees with suitable seating. As stated above, Mr. Carillo-Salazar performed cleaning tasks in connection to dishwashing and could have performed such tasks while seated but was not provided any suitable seating. At no time did WRC provide suitable seating to all working employees although the nature of the work reasonably permitted use of seats. Furthermore, WRC failed to provide Mr. Carillo-Salazar and the similarly situated employees with suitable seating when they were not engaged in the active duties of their employment. Lastly, if the nature of the work required standing, The WRC failed to place an adequate number of suitable seats in reasonable proximity to the work area and employees and permit the use of such seats when it did not interfere with the performance of their duties. Instead, Mr. Carillo-Salazar and the similarly situated employees were required to stand and walk around at all times.

Violation of California Labor Code Section 558

Any employer or other person acting on behalf of an employer who violates, or causes to be violated, a section of this chapter or any provision regulating hours and days of work in any order of the Industrial Welfare Commission shall be subject to a civil penalty in addition to recover unpaid wages. (See Lab. Code §558)

As a consequence of the WRC’s violation of California Labor Code Sections 226(a) 1-2, 4-5, 8, 9, 226(a), 226.3, 226.7, 512, 558, and Wage Order 5, Sections 3, 7, 11, 12, and 14, Mr.

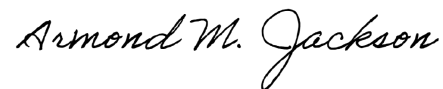
Carillo-Salazar are due penalties for each violation as an individual and on behalf of all aggrieved employees at WRC.

Conclusion

Pursuant to the above stated facts, it is Mr. Carillo-Salazar' theory that WRC are in violation of Labor Code Labor Code Sections 226(a) 1-2, 4-5, 8, 9, 226(a), 226.3, 226.7, 512, 558, and Wage Order 5, Sections 3, 7, 11, 12, and 14. It is Mr. Carillo-Salazar contention that all similarly situated employees at WRC are subjected to all of the above mentioned violations as WRC employees.

Sincerely,

Jackson Law, APC

A handwritten signature in black ink that reads "Armond M. Jackson". The signature is written in a cursive, flowing style.

Armond M. Jackson

EXHIBIT H

JACKSON LAW, P.C.

Armond M. Jackson
ajackson@jlaw-pc.com

September 13, 2022

Sent By Certified Mail to Watermark Services, IV, LLC and Watermark Retirement Communities, Inc. and Watermark Retirement Communities, LLC

Submitted Via Online to Labor and Workforce Development Agency

Watermark Services, IV, LLC
2020 W. Rudasill Road,
Tucson, Arizona 85704

**CT Corporation and Corporate Creations
Network, Inc. Agent for Service of Process
for Watermark Services, IV, LLC**
4640 Admiralty Way, 5th Floor
Marina Del Rey, California 90292

**Labor and Workforce Development
Agency**
Attn. PAGA Administrator
455 Golden Gate Avenue, 9th Floor
San Francisco, CA 94102
(415) 703-4810

Watermark Retirement Communities, Inc.
2020 W. Rudasill Road,
Tucson, Arizona 85704

**Surrendered Corporation Agent for Service of Process
California Secretary of State**
1500 11th Street
Sacramento, California 95814
Forwarding Address 2020 W. Rudasill Road, Tucson, Arizona 85704

Watermark Retirement Communities, LLC
2020 W. Rudasill Road,
Tucson, Arizona 85704

Corporate Creations Network, Inc. Agent for Service of Process for Watermark Retirement Communities, LLC
4640 Admiralty Way, 5th Floor
Marina Del Rey, California 90292

**PRIVATE ATTORNEY GENERAL ACT (PAGA) NOTICE
PURSUANT TO LABOR CODE § 2699**

Re: Second Amended Notice Pursuant to California Labor Code Section 2699
Violations of California Labor Code Sections 226(a) 1-2, 4-5, 8-9, 226.3, 226.7, 510, 512, 558, 1194, 2800, 2802
Violations of California Labor Code Section 1198 (Industrial Welfare Commission Order No. 5-2001 (“Wage Order 5”), Sections 3, 7, 11, 12 and 14
Labor and Workforce Development Agency Right to Investigate and Issue a Citation (Lab. Code § 2699.3)
Daniel Carillo-Salazar v. Watermark Retirement Communities, Inc. et al.

Dear Watermark Retirement Communities, Inc., Watermark Services, IV, LLC, CT Corporation and PAGA Administrator:

This letter is issued pursuant to Labor Code § 2698, et seq. (Specifically Labor Code § 2699(f), which provides notice to the PAGA Administrator Watermark Retirement Communities, Inc., Watermark Services, IV, LLC, CT Corporation, California Secretary of State and Watermark Retirement Communities, LLC by Daniel Carillo-Salazar (“Mr. Carillo-Salazar”) (collectively referred to herein as “Mr. Carillo-Salazar”) on behalf of all California aggrieved current and aggrieved former similarly situated employees of Watermark Retirement Communities, Inc., Watermark Services, IV, LLC and Watermark Retirement Communities, LLC (collectively referred to herein as “WRC” or “Defendants”)), a private right of action under the Private Attorney General Act (PAGA) of 2004.

As a prerequisite to prosecuting this private action in superior court, Mr. Carillo-Salazar is required to provide notice by certified mail to the Labor and Workforce Development Agency and the employers regarding each violation, along with facts and theories supporting each violation as mentioned below. (Labor Code § 2699.3) If you have any questions regarding this letter, please contact Armond M. Jackson, Esq. at Jackson Law, APC at 949-281-6857 or via email at ajackson@jacksonapc.com.

Facts and Theories

WRC is a retirement community housing business that employs workers.

This letter encompasses violations for all of WRC's nonexempt California employees.

Mr. Carillo-Salazar worked for WRC. Mr. Carillo-Salazar worked as a dishwasher, cleaner, general laborer and performed many duties in a stationary position. Throughout Mr. Carillo-Salazar's shifts, they were not provided with all 10 minute duty-free uninterrupted rest breaks during their working shifts that were at or above 7.5 hours.

Furthermore, Mr. Carillo-Salazar were not provided with all proper 30 minute duty-free uninterrupted meal periods each five hours of their working shifts that they were entitled to when they worked over five and ten hour shifts.

The WRC have violated California Labor Code sections 226.7, 512, and Wage Orders 5, Sections 7, 11 and 12 and any other applicable wage orders. Other similarly situated employees at the WRC were under the same conditions as Mr. Carillo-Salazar.

Moreover, the WRC failed to incorporate Mr. Carillo-Salazar's premium wages and hours worth of work, actual name of the legal entity of the employer and applicable rates for all hours worked on their wage statements as required by California Labor Code section 226(a) 1-2, 4-5, 8 and 9. All other similarly situated employees were subjected to the same working conditions as Mr. Carillo-Salazar, such as not being provided with their entitled meal breaks and rest breaks and recording their actual hours worked, net wages earned, gross wages earned, applicable hourly rates for all hours worked and actual hours worked or premium wages earned on their wage statements and actual name of the legal entity of the employer.

Furthermore, although Mr. Carillo-Salazar could have performed his work while being in a suitable seat especially when performing his cleaning tasks including dishwashing in a stationary position, WRC never provided Plaintiff or any aggrieved employees with any suitable seating. Mr. Carillo-Salazar while performing his general tasks, including but not limited to dishwashing, could have performed those duties seated.

Lastly, WRC failed to reimburse Mr. Carillo-Salazar and aggrieved employees in violation of California Labor Code sections 2800 and 2802 as it required employees to pay for business-related expenses and costs but failed to reimburse these aggrieved employees for such business related expenses and costs.

By virtue of not authorizing or permitting Mr. Carillo-Salazar and all other similarly situated employees to take their entitled meal breaks and rest breaks, failing to incorporate hours worked and wages earned on the itemized wage statements disclosing total hours worked, total gross wages earned, net wages earned, hours worked at the applicable hourly rate and deductions

that should have been taken out, and failing to include the name and address of the legal entity employer, and failing to provide suitable seating, the WRC is violating California Labor Code Sections 226(a) 1-2, 4-5, 8, 9, 226(a), 226.3, and 226.7, 512, 2800, 2802, and Wage Order 5, Sections 7, 11, 12 and 14.

Violation of California Labor Code § 226(a)

Labor Code § 226 (a) requires employers to provide “accurate itemized statement in writing” each pay period that includes nine categories of information. These categories include (1) gross wages earned, (2) total hours worked, (4) deductions taken, (5) net wages earned, (8) name and address of the legal entity 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. (See Labor Code §226, subsection (a)) Any employer who has violated California Labor Code Section 226(a) will also be subject to penalties under California Labor Code Section 226.3. These records must be maintained for a period of at least three years. It is Mr. Carillo-Salazar’s contention that WRC are in violation of the following California Labor Codes:

Violation of 226 (a)(1)

Section a (1) requires gross wages to be inserted on an employee’s paystubs. Mr. Carillo-Salazar and other similarly situated employees’ paystubs did not accurately reflect their gross wages earned by virtue of excluding hours worked and wages earned because Mr. Carillo-Salazar and other similarly situated employees worked during their entitled meal periods and rest periods but WRC did not accurately depict compensation as it failed to disclose and compensate them for that the extra hour worth of gross wages earned on their paystubs for failing to pay for all hours worked and provide the entitled meal breaks and rest breaks.

Violation of 226 (a)(2)

Section a (2) requires the total hours worked by the employee to be inserted on an employee’s paystubs. Mr. Carillo-Salazar and other similarly situated employees’ paystubs did not accurately reflect their total hours worked by virtue of excluding hours worked because Mr. Carillo-Salazar and other similarly situated employees worked during their meal periods and rest periods but WRC did not accurately depict compensation as it failed to disclose and compensate them for that recorded the extra hour worth of total hours worked on their paystub for failing to compensate for all hours worked and provide their entitled uninterrupted rest periods and meal periods.

Violation of 226 (a)(4)

Section a (4) requires all deductions out of the employees’ wages to be inserted on an employee’s paystubs. Mr. Carillo-Salazar and other similarly situated employees’ paystubs did not

accurately reflect all deductions taken out of their paychecks by virtue of excluding hours worked and wages earned because Mr. Carillo-Salazar and other similarly situated employees were required to work during their rest periods and meal periods but WRC did not accurately depict compensation as it failed to disclose and compensate them for that extra hours' worth of work nor disclosed or recorded the extra hour worth of total hours worked on their paystub for failing to pay for all hours worked and provide their entitled uninterrupted meal breaks and rest periods therefore inaccurately depicting deductions that were taken out on Mr. Carillo-Salazar' and other similarly situated employees' paystubs.

Violation of 226 (a)(5)

Section a (5) requires net wages to be inserted on an employee's paystubs. Mr. Carillo-Salazar' and other similarly situated employees' paystubs did not accurately reflect their net wages earned by virtue of excluding hours worked and wages earned because Mr. Carillo-Salazar and other similarly situated employees worked during their entitled rest breaks and meal periods but WRC did not accurately depict compensation as it failed to disclose and compensate them for the extra hour worth of work nor disclosed or recorded the extra hour worth of net wages earned on their paystub for failing to provide their an uninterrupted rest periods and meal periods.

Violation of 226 (a)(8)

Section a (8) requires the name and address of the legal entity that is the employer. Mr. Carillo-Salazar and other similarly situated employees' paystubs did not reflect the name and address of the legal entity that is the employer and instead another name that was not the employer.

Violation of 226 (a)(9)

Section a (9) requires all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. Mr. Carillo-Salazar and other similarly situated employees' paystubs did not reflect their applicable hourly rate because WRC excluded hours worked and wages earned because Mr. Carillo-Salazar and other similarly situated employees were required to work during their rest periods and meal periods but WRC did not accurately depict compensation as it failed to disclose and compensate them for that the extra hour worth of gross and net wages earned as well as the additional hour worth of work on their paystub for failing to provide their uninterrupted rest periods and meal periods.

Violation of California Labor Code Sections 226.7, 512, 1198 and Wage Order 5, Sections 7, 11 and 12

An employer must provide rest period pursuant to an applicable order of the Industrial Welfare Commission. (See Lab. Code §226.7)

Under Labor Code § 1198 an employer is required to comply with the standard conditions of labor required in the orders set by the Industrial Welfare Commission. Industrial Welfare Commission Order No. 5-2001 (hereinafter “Wage Order 5”) covering the “Housekeeping Industry” employees.

Under these circumstances, Mr. Carillo-Salazar’ position at WRC falls within Wage Order 5 as WRC employed Mr. Carillo-Salazar as a non-exempt employees classified as an employee in the “Housekeeping” industry. Thus, below all sections and subsections that pertain to California Wage Order 5 are applicable to Mr. Carillo-Salazar and all similarly situated aggrieved employees within the “Housekeeping Industry” that were employed or remain employed by WRC.

California Labor Code sections 226.7, 512 and Wage Order 5, Section 11, requires employers to provide employees with uninterrupted meal breaks for 30 minutes every 5 hours unless waived by mutual consent and the work shift is not above 6 hours. California Labor Code sections 226.7, 512 and Wage Order 5, Section 11 requires every employer to provide its employees with uninterrupted meal breaks for 30 minutes every 5 hours if the employee works more than a 6 hour shift. Mr. Carillo-Salazar and other similarly situated employees regularly worked above five, six and ten hour shifts and were not provided meal breaks every five hours nor were they compensated premium wages for working through their meal breaks. Defendants had a policy, pattern or practice of requiring or pressuring its employees to take late, short, interrupted 30-minute meal breaks at a reasonably practicable time. Defendants would not compensate Plaintiff for all of their missed, short, late or interrupted meal breaks throughout their employment nor were they paid all of premium wages for the missed, short, late or interrupted meal breaks that should have been paid.

California Labor Code sections 226.7 and Wage Order 5, Section 12 states every employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period. The authorized rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof. However, a rest period need not be authorized for employees whose total daily work time is less than three and one-half (3 1/2) hours. Authorized rest period time shall be counted as hours worked for which there shall be no deduction from wages. (B) If an employer fails to provide an employee a rest period in accordance with the applicable provisions of this order, the employer shall pay the employee one (1) hour of pay at the employee’s regular rate of compensation for each workday that the rest period is not provided. Defendants had a policy, pattern or practice of requiring or pressuring its employees to take late, short, interrupted, or no 10-minute rest breaks at a reasonably practicable time. Defendants would not compensate Plaintiff for all of their missed, short, late or interrupted rest periods throughout their employment nor were they paid all of premium wages for the missed, short, late or interrupted rest periods that should have been paid.

Mr. Carillo-Salazar and other similarly situated employees did not receive their entitled uninterrupted rest periods and meal breaks during their employment at WRC while regularly working above 6 and 7.5 hour shifts.

Wage Order 5, Section -7- Records

Section 7 sets out the requirements for the maintenance of employee records by an employer. Subsection (A) requires employers to “keep accurate information with respect to each employee” regarding identification information, including their “[f]ull name, home address, occupation and social security number,” “[time records showing when the employee begins and ends each work period,” “[m]eal periods,” and [t]otal hours worked in the payroll period and applicable rates of pay.”

Subsection (B) requires an employer to provide accurate, itemized statements showing deductions and the dates of the pay period. Subsection (C) requires such records to be kept for three (3) years and made available on request.

As discussed above, WRC failed to record “meal periods” as Mr. Carillo-Salazar and other similarly situated employees were not provided with proper meal periods. Furthermore, WRC failed to incorporate the extra hour’s worth of work when Mr. Carillo-Salazar and other similarly situated employees worked through their entitled meal breaks and rest breaks without being paid premium wages. The extra hours worth of work at the applicable rate of pay and work were not disclosed on the itemized wage statements in violation of Wage Order 5, Section -7- Record.

California Labor Code Section 1198, Wage Order 5, Section 14

As stated above, Wage Order 5, Section 14, required WRC to provide Mr. Carillo-Salazar and aggrieved employees with suitable seating. As stated above, Mr. Carillo-Salazar performed cleaning tasks in connection to dishwashing and could have performed such tasks while seated but was not provided any suitable seating. At no time did WRC provide suitable seating to all working employees although the nature of the work reasonably permitted use of seats. Furthermore, WRC failed to provide Mr. Carillo-Salazar and the similarly situated employees with suitable seating when they were not engaged in the active duties of their employment. Lastly, if the nature of the work required standing, The WRC failed to place an adequate number of suitable seats in reasonable proximity to the work area and employees and permit the use of such seats when it did not interfere with the performance of their duties. Instead, Mr. Carillo-Salazar and the similarly situated employees were required to stand and walk around at all times.

Violation of California Labor Code Section 558

Any employer or other person acting on behalf of an employer who violates, or causes to be violated, a section of this chapter or any provision regulating hours and days of work in any order of the Industrial Welfare Commission shall be subject to a civil penalty in addition to recover unpaid wages. (See Lab. Code §558)

As a consequence of the WRC's violation of California Labor Code Sections 226(a) 1-2, 4-5, 8, 9, 226(a), 226.3, 226.7, 512, 558, 2800, 2802, and Wage Order 5, Sections 3, 7, 11, 12, and 14, Mr. Carillo-Salazar are due penalties for each violation as an individual and on behalf of all aggrieved employees at WRC.

Violation of California Labor Code Sections 2800 and 2802

Under California Labor Code §§ 2800 and 2802, an employer shall indemnify his or her employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her obedience to the directions of the employer. In violation of Lab. Code §§ 2800 and 2802, Defendants required Mr. Carillo-Salazar to make business related expenses for work at Defendants without any reimbursement in violation of California Labor Code sections 2800 and 2802.

Conclusion

Pursuant to the above stated facts, it is Mr. Carillo-Salazar' theory that WRC are in violation of Labor Code Labor Code Sections 226(a) 1-2, 4-5, 8, 9, 226(a), 226.3, 226.7, 512, 558, 2800, 2802, and Wage Order 5, Sections 3, 7, 11, 12, and 14. It is Mr. Carillo-Salazar contention that all similarly situated employees at WRC are subjected to all of the above mentioned violations as WRC employees.

Sincerely,

Jackson Law, APC

/s/ Armond M. Jackson

Armond M. Jackson

EXHIBIT I

REQUEST FOR EXCLUSION FROM CLASS ACTION SETTLEMENT

***CARILLO-SALAZAR V. WATERMARK SERVICES IV, LLC ET AL.,
WATERMARK WAGE AND HOUR CASES, CASE NO. JCCP 5176***

**IF YOU WANT TO BE INCLUDED IN THIS CLASS ACTION SETTLEMENT AND BE ELIGIBLE
TO RECEIVE YOUR PORTION OF THE SETTLEMENT AMOUNT,
DO NOT FILL OUT THIS FORM.**

**IF YOU DO NOT WANT TO BE INCLUDED IN THE
SETTLEMENT, YOU MUST SIGN THIS DOCUMENT AND MAIL IT TO THE
ADDRESS BELOW, POSTMARKED NO LATER THAN _____.**

CARILLO-SALAZAR V. WATERMARK SERVICES IV, LLC ET AL., ADMINISTRATOR

(Administrator's Address)

(Administrator's Telephone Number)

(Administrator's Facsimile Number)

I declare as follows:

I have received notice of the proposed class action settlement in this action and wish to be **excluded** from the class and **not** to participate in the proposed class action settlement. I understand this means that I will not be bound by the settlement and also **will not receive any settlement payments**. I also understand that I will be bound by the agreement concerning PAGA claims and cannot exclude myself from the PAGA settlement. I will also receive a payment for the resolution of the PAGA claims even if I exclude myself from the class claims.

Dated: _____, 2023.

(Signature)

(Typed or Printed Name)

(Address)

(City, State, Zip Code)

(Telephone Number, Including Area Code)

(Last four digits of Social Security Number)