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Attorneys for Defendants
R&B SALES AND MARKETING, INC; TECHTRONIC
INDUSTRIES NORTH AMERICA, INC. Inc.

Additional Counsel on Next Page

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

SERGIO ARELLANO and EDGAR
MURILLO, individually, and on behalf of
other members of the general public
similarly situated,

Plaintiffs,

vs.

R&B SALES AND MARKETING, INC., a
Delaware corporation; TECHTRONIC
INDUSTRIES NORTH AMERICA, INC., a
Delaware corporation; and DOES 1 through
10, inclusive,

Defendants.

Case No. 20STCV04112

**STIPULATION AND AGREEMENT TO
SETTLE CLASS ACTION**

Case Filed: January 31, 2020
Trial Date: Not Set.

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Attorneys for Plaintiffs
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Attorneys for Plaintiffs
JOHN HENRY and CURT UYEMURA

It is stipulated and agreed by and among the undersigned Parties, subject to the approval of the Court pursuant to section 382 of the California Code of Civil Procedure, that the settlement of this Litigation shall be effectuated upon and subject to the following terms and conditions. Capitalized terms used herein shall have the meanings set forth in Article I or elsewhere in this Stipulation and Agreement to Settle Class Action.

The Parties agree that the Litigation shall be ended, settled, resolved, and concluded by agreement of Defendants to pay the maximum total sum of Two Million, One Hundred and Twelve Thousand, Five Hundred Dollars and Zero Cents (\$2,112,500.00), as provided in Section III(A) below, upon the terms and conditions of this Agreement and for the consideration set forth herein, including but not limited to a release of claims by: 1) the California Settlement Class Members who do not timely request exclusion and opt out of this Settlement, 2) the Non-California Opt-In Plaintiffs and 3) the Class and Collective Action Representatives.

I. DEFINITIONS

The terms set forth below shall have the meanings defined herein wherever used in this Agreement (including its exhibits):

1. “Agreement,” “Settlement Agreement,” “Settlement,” or “Stipulation and Agreement” means this written Stipulation and Agreement to Settle Class, Collective, and Representative Action, which sets forth the terms of the settlement and final amicable resolution of this Litigation.

2. The “Second Amended Complaint” is the document attached hereto as ***Exhibit 1***.

3. “California Class Counsel” are:

Raul Perez (174687)
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 Bevin Allen Pike (221936)
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4. "California Class Period" shall mean any time between January 31, 2017 and March 21, 2021.

5. "California Covered Job Position" means a non-exempt, hourly position in California during the California Class Period.

6. The "California Settlement Class" and "California Settlement Class Members" means all individuals employed: (1) in California, (2) by either Defendant, (3) in a California Covered Job Position; and (4) during the California Class Period.

7. "California Settlement Fund" means the portion of the Settlement Sum equal to exactly One Million Five Hundred Sixty-Two Thousand Five Hundred Dollars (\$1,562,500.00) that will be allocated toward the settlement of the claims of the California Settlement Class.

8. "Class Counsel" are:

Raul Perez (174687)
Raul.Perez@capstonelawyers.com
Bevin Allen Pike (221936)
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Orlando Villalba (232165)
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9. "Class Notices" means, collectively, (i) the Notice of Class, Collective, and Representative Action Settlement, which will be issued to California Settlement Class Members

(attached hereto as **Exhibit 2**), and (ii) the Notice of Collective Action Settlement, which will be issued to Non-California Opt-in Eligible Plaintiffs (attached hereto as **Exhibit 3**).

10. “Class and Collective Action Representatives” or “Plaintiffs” refers to Plaintiffs Sergio Arellano, Edgar Murillo, John Henry and Curt Uyemura. John Henry and Curt Uyemura will be added as named plaintiffs in the Second Amended Complaint.

11. The “Court” means the Superior Court of California, County of Los Angeles located at 312 N. Spring Street, Los Angeles, California 90012. The Honorable Carolyn B. Kuhl, Department 12, presiding over the State Lawsuit.

12. “Defendants” are Techtronic Industries North America, Inc. and R&B Sales and Marketing, Inc.

13. “Defense Counsel” are:

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14. “Effective Date” is the date by which this Settlement is finally approved as provided herein and the Final Approval Order becomes binding. For purposes of this Settlement, the Final Approval Order becomes final upon the later of: (i) sixty-two (62) calendar days after entry of the Final Approval Order, and no appeal is filed within that period; (ii) if an appeal is filed, the date the Final Approval Order is affirmed on appeal, the date of dismissal of such appeal, or the expiration of the time to file a petition for writ of certiorari; or, (iii) if a petition for writ of certiorari is filed, the date of denial of the petition for a writ of certiorari, or the date the Judgment is affirmed pursuant to such petition.

1 15. The “Federal Court” means the United States District Court presiding over the
2 Federal Lawsuit.

3 16. The “Federal Lawsuit” means the case filed by Plaintiffs John Henry and Curt
4 Uyemura that was removed to the United States District Court for the Northern District of
5 California on November 25, 2020, entitled *John Henry and Curt Uyemura, individually and on*
6 *behalf of others similarly situated, v. Techtronic Industries of North America, Inc. and R&B*
7 *Sales and Marketing, Inc.*, Case No. 4:20-cv-08329-WHO.

8 17. “Final Approval Order” means the Judgment and Final Order Approving
9 Settlement of Class Action, substantially in the form attached hereto as ***Exhibit 4***, to be entered
10 by the Court after a hearing (“Final Fairness Hearing”) that (1) grants approval to the Fair Labor
11 Standards Act (“FLSA”) settlement described in this Agreement; (2) grants final approval to the
12 California Class settlement described in this Agreement; and (3) dismisses the State Lawsuit
13 with prejudice in accordance with the terms of this Agreement.

14 18. “Individual Payment Amount” is the amount of money, inclusive of the
15 employee’s share of payroll taxes withheld, that shall be paid to each Participating Class
16 Member or Non-California Opt-In Plaintiff. Individual Payment Amounts will be determined in
17 accordance with Section III(B)(65)(e) and III (C)(66)(c) herein.

18 19. The “Litigation” means, collectively, the State Lawsuit and the Federal Lawsuit.

19 20. “FLSA Collective Period” means the period from three years prior to Preliminary
20 Approval through March 21, 2021. If a Non-California Opt-In Eligible Plaintiff opts into the
21 Federal Lawsuit pursuant to 29 U.S.C. § 216(b) prior to preliminary approval, then, the “FLSA
22 Collective Period” means three years prior to the date their opt-in was filed in court.

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26 ///

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21. “Non-California FLSA Counsel” are:

Raul Perez (174687)
Raul.Perez@capstonelawyers.com
Bevin Allen Pike (221936)
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Orlando Villalba (232165)
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22. “Non-California FLSA Fund” means the portion of the Settlement Sum equal to exactly Five Hundred and Fifty Thousand Dollars (\$550,000.00) that will be allocated toward the settlement of the FLSA claims of the Non-California Opt-in Plaintiffs.

23. “Non-California FLSA Covered Job Position” means a non-exempt, hourly position in which the employee performed in-store sales at Home Depot Stores in any state other than California during the FLSA Collective Period.

24. “Non-California Opt-in Eligible Plaintiffs” means all individuals employed (1) in any state other than California, (2) by either Defendant, (3) in a Non-California FLSA Covered Job Position; and (4) during the FLSA Collective Period.

25. “Non-California Opt-in Plaintiffs” are all Non-California Opt-in Eligible Plaintiffs who elect to opt-in to this action pursuant to 29 U.S.C. § 216(b) in accordance with the terms of this Agreement.

26. “Opt-In Form” is the form that the Non-California Opt-In Eligible Plaintiffs must complete and return to the Settlement Administrator to become a Non-California Opt-in Plaintiff and obtain a recovery as a result of this settlement, attached as **Exhibit 5**, to this Agreement.

27. “PAGA Members” means all individuals employed: (1) in California, (2) by either Defendant, (3) in a California Covered Job Position; and (4) during the PAGA Period.

28. “PAGA Period” shall mean any time between January 31, 2019 and March 21, 2021.

29. “Participating Settlement Members” means all California Settlement Class Members who do not timely request exclusion from the California Class, and all Non-California Opt-in Plaintiffs.

30. “Parties” are the Plaintiffs (on behalf of themselves and all Participating Settlement Members), and Defendants.

31. “Preliminary Approval Order” means the order to be entered by the Court granting preliminary approval to the settlement described in this Agreement following submission to the Court of Plaintiffs’ motion for an order granting preliminary approval to the California Class action settlement described in this Agreement, certifying the California Class for settlement purposes only, authorizing notice of this Settlement to the California Class, conditionally certifying all Non-California Opt-in Eligible Plaintiffs as an FLSA collective for purposes of providing them notice of this Settlement and an Opt-in Form through which they can opt into the FLSA collective action, authorizing issuance of such notice, and setting a date and time for a Final Fairness Hearing. The proposed Preliminary Approval Order that will be submitted to the Court in substantially the same form with the Plaintiffs’ motion is attached hereto as **Exhibit 6**.

32. “Released California Claims” means all known and unknown claims which were asserted or could have been asserted at any time in the Lawsuits based on the facts alleged in the Lawsuits, including, but is not limited to, any claim for unpaid wages, unpaid penalties, failure to pay overtime, minimum wage or other hours worked, failure to pay overtime wages due based on the correct regular rate of pay, failure to provide compliant meal periods or rest breaks, failure to make premium payments in lieu of providing meal periods or rest breaks, failure to reimburse for expenses, failure to provide suitable seating, failure to pay reporting time pay, failure to provide timely payment of wages or wages at the time of termination, failure to

1 provide compliant wage statements, failure to maintain adequate payroll records, any alleged
2 civil and statutory penalty (including but not limited to Private Attorneys General Act claims),
3 and/or any other claims under the FLSA, California Labor Code, the applicable California Wage
4 Order, or federal law which were or could have been asserted in the Lawsuits at any time during
5 the Lawsuits based on the facts alleged in either of the Lawsuits, and/or any claim under
6 Business and Professions Code section 17200, *et seq.*, pertaining to such claims.

7 33. “Released Non-California FLSA Claims” means all claims arising under the FLSA,
8 both known and unknown which were asserted or could have been asserted at any time in the
9 Lawsuits based on the facts alleged in the Lawsuits, including, but is not limited to, any claim
10 for failure to pay overtime wages, minimum wages, unpaid wages, failure to pay overtime
11 wages at the regular rate of pay, penalties and liquidated damages.

12 34. “Released Parties” means Defendants and their past and present parents,
13 subsidiaries, related entities, and affiliates, and their respective present and former officers,
14 directors, stockholders, agents, employees, insurers, co-insurers, reinsurers, attorneys,
15 accountants, auditors, advisors, representatives, consultants, pension and welfare benefit plans,
16 plan fiduciaries, administrators, trustees, partners, predecessors, successors and assigns.

17 35. “Service Award” is the amount that shall be paid to Plaintiffs and Class
18 Representatives Sergio Arellano, Edgar Murillo, John Henry and Curt Uyemura pursuant to
19 Section II(B) (65) (c below).

20 36. “Settlement Administrator” means a third-party settlement administration firm
21 that will be selected by mutual agreement of the Parties, and that will be responsible for the
22 administration of the payments to be made by Defendants from the Settlement Sum and related
23 matters as set forth in this Agreement.

24 37. The “State Lawsuit” means the lawsuit entitled *Sergio Arellano and Edgar*
25 *Murillo, individually and on behalf of other members for the general public similarly situated,*
26 *v. R&B Sales and Marketing, inc. and Techtronic Industries North America Inc.*, Case No.
27 20STCV04112, filed on January 31, 2020 in the Superior Court of California for the County of
28 Los Angeles.

38. The “Stipulated Stay and, Pending Settlement Approval, Dismissal of the Federal Lawsuit” ” is the document attached hereto as ***Exhibit 7***.

II. APPROVAL AND NOTICE PROCEDURES

39. The Parties and their respective counsel shall take all steps that may be requested by the Courts presiding over the Federal Lawsuit and the State Lawsuit relating to the approval and implementation of this Agreement and shall otherwise use their respective best efforts to obtain Court approval and implement this Agreement. The procedure for obtaining Court approval of and implementing this Agreement shall be as follows:

A. Joint Stipulation to Stay the Federal Lawsuit.

40. Not later than fourteen (14) calendar days following the date on which this Agreement is executed by all Parties, the Parties will jointly submit to the Federal Court the Stipulated Stay and Pending Settlement Approval, Dismissal of the Federal Lawsuit. Pursuant to that document, the Federal Lawsuit will be stayed and held in abeyance pending approval of the Settlement; if and when the Effective Date occurs, the Parties will jointly request that the Federal Lawsuit be dismissed with prejudice. No payment shall be made by Defendants unless and until the Federal Lawsuit has been dismissed with prejudice in its entirety.

B. Stipulation for Leave to Amend the State Lawsuit.

41. Not later than fourteen (14) calendar days following the date on which this Agreement is executed by all Parties, the Parties will file a stipulation for leave to further amend the complaint in the State Lawsuit to (i) add the claims that were originally pleaded in the Federal Lawsuit, with an FLSA claim asserted to encompass a nationwide collective action, and (ii) add John Henry and Curt Uyemura as named plaintiffs, contingent on the Court issuing a Final Approval Order. The Second Amended Complaint is attached hereto as ***Exhibit 1***. The stipulation will be filed at the same time as the motion for entry of the Preliminary Approval Order. If a Final Approval Order is not granted for any reason, Plaintiffs agree to dismiss the Second Amended Complaint and make the First Amended Complaint filed in the State Lawsuit the operative complaint in the State Lawsuit.

1 **C. Preliminary Approval.**

2 42. Not later than fourteen (14) calendar days following the date on which this
3 Agreement is executed by all Parties, Plaintiffs will file an unopposed motion for Preliminary
4 Approval Order, which will be provided to Defendants' Counsel at least five (5) days prior to
5 filing for approval. The proposed Preliminary Approval Order, attached as ***Exhibit 6***, shall ask
6 the Court to: grant preliminary approval of this Agreement as fair and reasonable; certify the
7 California Class for settlement purposes only; appoint Class Counsel for settlement purposes
8 only; appoint the Settlement Administrator; set the date and time for a Final Fairness Hearing;
9 and approve the form and issuance of the Class Notices, substantially in the form as attached
10 hereto as ***Exhibits 2-3***.

11 **D. Notice to California Settlement Class Members and Non-California Opt-in**
12 **Eligible Plaintiffs.**

13 The Settlement Administrator shall disseminate the Class Notices as follows:

14 43. No later than ten (10) business days after the Court enters the Preliminary
15 Approval Order, Defendants will provide the Settlement Administrator with lists of all
16 California Settlement Class Members and all Non-California Opt-in Eligible Plaintiffs (the
17 "Settlement Class Lists").

18 44. The list of California Settlement Class Members shall state, for each employee:
19 (i) full name; (ii) social security number; (iii) last known home address and if known, phone
20 number; and (iv) dates of employment worked in a California Covered Job Position during the
21 California Class Period.

22 45. The list of Non-California Opt-in Eligible Plaintiffs shall state, for each
23 employee: (i) full name; (ii) social security number; (iii) last known home address; and (iv)
24 dates of employment worked in Non-California FLSA Covered Job Position during the FLSA
25 Collective Action Period.

26 46. Within fourteen (14) calendar days after Defendants produce the Settlement
27 Class Lists, the Settlement Administrator shall, via First Class United States mail, mail to the
28 California Settlement Class Members a Notice of Class, Collective, and Representative Action

1 Settlement, and mail to the Non-California Opt-in Eligible Plaintiffs a Notice of Collective
2 Action Settlement. The Settlement Administrator shall perform a national change of address
3 (“NCOA”) database review prior to mailing. If any Class Notice is returned as undeliverable,
4 the Settlement Administrator shall promptly notify Class Counsel and attempt to locate such
5 employee through one skip trace and, if a new address is identified, shall promptly mail an
6 additional Class Notice to such person. If the Settlement Administrator requests further
7 information from Defendants to perform a skip trace, Defendants will make reasonable efforts
8 to provide the information. In the case of any employee who is known to be deceased, the
9 Settlement Administrator shall mail the employee’s notice to the legal representative of the
10 estate.

11 47. The Settlement Administrator shall mail with the Class Notices, a Statement of
12 Weeks Worked and Estimated Individual Payment Amount. The Statement of Weeks Worked
13 and Estimated Individual Payment Amount will state the dates that the employee worked during
14 the applicable time period (either the California Class Period or the FLSA Collective Period, as
15 the case may be) as indicated in Defendants’ records and the estimated Individual Payment
16 Amount based on the formula set forth in Sections III(B)(65)(e) and III (C)(66)(c) below. The
17 Class Notice sent to the Non-California Opt-in Eligible Plaintiffs will include an Opt-In Form
18 by which they can opt in to the FLSA Collective Action Settlement.

19 48. The Class Notices shall include contact information for California Class Counsel
20 and Non-California FLSA Counsel (where applicable) to answer questions, and a URL to a
21 website maintained by the Settlement Administrator which will be publically available on the
22 date of the initial mailing of the Class Notices by the Settlement Administrator. The website
23 maintained by the Settlement Administrator shall include links to: the Class Notices; the
24 Second Amended Complaint; the Settlement Agreement; the Motion for Preliminary Approval;
25 the Preliminary Approval Order; the Motion for Final Approval and for Service Awards and
26 Attorneys’ Fees and Costs (once filed); and the Order Granting Final Approval (once entered).
27 The URL will not include any logos, trademarks, service marks, or other intellectual property
28 belonging to Defendants or any of their parents, subsidiaries, or related companies.

1 49. The Settlement Administrator shall provide an address and toll-free telephone
2 number to respond to inquiries about the Class Notices and determination of the estimated
3 Individual Payment Amounts. The Settlement Administrator shall provide weekly updates to
4 the Parties on the status of notice mailings, including the numbers of notices returned as
5 undeliverable, remailings to forwarding addresses, skip traces successfully and unsuccessfully
6 performed, disputes and resolutions concerning the Statement of Weeks Worked, Requests for
7 Exclusion, and objections.

8 **E. Declaration of Compliance.**

9 50. No later than ten (10) calendar days before the deadline to file the Motion for
10 Final Approval, the Settlement Administrator shall provide Defense Counsel and Class Counsel
11 with a declaration attesting to completion of the notice process and results (and to any ongoing
12 attempt to obtain valid mailing addresses for, and the re-sending of, any returned Class Notices),
13 including the steps that the Settlement Administrator is required to take under Section II(D),
14 which shall be filed with the Court by Class Counsel with the final approval motion.

15 51. Compliance with the procedures described in Sections II(D) (46)-(49) shall
16 constitute due and sufficient notice of this proposed Settlement and the Final Fairness Hearing,
17 shall not be subject to objection or collateral attack by any person or entity, and shall satisfy the
18 requirement of due process. Nothing else shall be required of the Parties, Class Counsel,
19 Defense Counsel, or the Settlement Administrator to provide notice of the proposed Settlement
20 and the Final Fairness Hearing.

21 **F. Requests for Exclusion from the California Class.**

22 52. Any California Settlement Class Member who does not wish to become a
23 Participating Class Member may request exclusion from the California Settlement Class by
24 submitting a request for exclusion (“Request for Exclusion” or “Opt Out Letter”), as explained
25 in the Notice of Class, Collective, and Representative Action Settlement. A Request for
26 Exclusion is valid if the California Settlement Class Member sends a letter to the Settlement
27 Administrator setting forth: i) his or her name, address, telephone number and last four digits of
28 the Social Security number and ii) a signed statement requesting to be excluded from the

California Class and from participation in the Settlement. Any such request will be timely and valid only if postmarked no later than sixty (60) days after the date of the initial mailing of the Class Notices by the Settlement Administrator. This response period may not be extended for any reason unless ordered by the Court. The Parties will not encourage California Settlement Class Members to exclude themselves.

G. Objections to Settlement.

53. Any California Settlement Class Member wishing to object to the approval of this Settlement (“Objecting California Settlement Class Members”) shall object in accordance with the terms set forth in the Notice of Class, Collective, and Representative Action Settlement, and the objection will be timely and valid only if postmarked no later than sixty (60) days after the date of the initial mailing of the Notice by the Settlement Administrator or if otherwise ordered by the Court. This response period may not be extended for any reason unless ordered by the Court. The Parties will not encourage California Settlement Class Members to object to the Settlement.

H. No Right to Exclusion from or Objections to the PAGA Portion of the Settlement by PAGA Members.

54. Because this settlement resolves claims and actions brought pursuant to PAGA by Plaintiffs acting as a proxy and as a Private Attorney General of, and for, the State of California and the LWDA, the Parties agree that no PAGA Member has the right to exclude himself or herself from the PAGA portion of the settlement. PAGA Members will be bound by the terms of the Settlement and the release of the PAGA claims contained herein, upon its approval by the Court, regardless of whether he or she cashes any payment received as a result of this Settlement. The Parties also agree that no PAGA Member has the right to object to the terms of the PAGA settlement.

I. Settlement Administrator’s Receipt of an Objection or Request for Exclusion.

55. The Settlement Administrator shall: (a) date stamp all original Requests for Exclusion and objections to the Settlement that it receives; (b) serve copies on Class Counsel

1 and Defense Counsel no later than five (5) business days after receipt, or immediately if
2 received within five (5) business days of the Final Fairness Hearing; and (c) file (or provide to
3 Class Counsel to file) the date-stamped originals with the Clerk of the Court no later than five
4 (5) business days prior to the deadline for filing the Motion for Final Approval or immediately if
5 received less than five (5) business days prior to the Final Fairness Hearing.

6 56. The Settlement Administrator shall also (a) date stamp all original rescission of
7 Request for Exclusions and withdrawal of objections it receives; (b) serve copies on Class
8 Counsel and Defense Counsel no later than five (5) business days after receipt, or immediately
9 if received within five (5) business days of the Final Fairness Hearing; and (c) file (or provide to
10 Class Counsel to file) the date-stamped originals with the Clerk of the Court no later than five
11 (5) business days prior to the deadline for filing the Motion for Final Approval or immediately if
12 received less than five (5) business days prior to the Final Fairness Hearing.

13 **J. Responses to Objections.**

14 57. Counsel for the Parties shall file any response to the objections submitted by
15 Objecting California Settlement Class Members at least five (5) court days before the date of the
16 Final Fairness Hearing or, if the objection is received less than five (5) business days prior to the
17 Final Fairness Hearing, Class Counsel may file a response within five (5) court days after
18 receiving the objection.

19 **K. Options Available to Non-California Opt-in Eligible Plaintiffs.**

20 58. Non-California Opt-in Eligible Plaintiffs shall have two options: either
21 participate in the Settlement by timely completing and returning the Opt-In Form that will be
22 mailed to them with the Notice of Collective Action Settlement or decline to participate in the
23 Settlement by not completing and/or returning the Opt-in Form. Any Non-California Opt-in
24 Eligible Plaintiffs who elect not to opt into the FLSA settlement will not release the Released
25 Non-California FLSA Claims and will not receive any settlement payment. Non-California
26 Opt-in Eligible Plaintiffs who do not wish to participate in the settlement do not need to submit
27 any exclusion request; they can exclude themselves simply by not timely completing and/or
28 returning the Opt-In Form. Non-California Opt-in Eligible Plaintiffs' only options are to

participate or not to participate; they shall not have the option of participating but submitting objections to the Settlement. Requests for Non-California Opt-in Eligible Plaintiffs to opt into the FLSA settlement will be timely and valid only if postmarked no later than sixty (60) days after the date of the initial mailing of the Class Notices by the Settlement Administrator. This response period may not be extended for any reason unless ordered by the Court. The Parties shall not encourage Non-California Opt-in Eligible Plaintiffs to exclude themselves by not opting into the FLSA settlement.

L. Final Fairness Hearing.

59. Pursuant to the Court or State Lawsuit motion filing deadlines, Class Counsel shall move the Court for entry of the Final Approval Order and, at the same time, move the Court for an award of attorneys' fees, litigation costs, and Service Awards.

60. A Final Fairness Hearing shall be held before the Court on the date specified in the Preliminary Approval Order, which shall be approximately ninety (90) calendar days after the mailing of the Notice of Class Settlement, or as soon thereafter as may be heard by the Court. At the Final Fairness Hearing, the Parties will ask the Court to consider the level of participation in the Settlement by California Settlement Class Members, as well as any valid and timely objections and all responses by the Parties to such objections. At the Final Fairness Hearing, the Parties shall ask the Court to give final approval to this Agreement. If the Parties' request for final approval is granted, the Final Approval Order shall be entered in the Litigation. Within three (3) business days of receipt of the signed Final Approval Order by Class Counsel, Class Counsel shall furnish a copy of the Final Approval Order to the Settlement Administrator.

III. SETTLEMENT PAYMENT PROCEDURES

A. Settlement Sum.

61. The maximum and all-inclusive Settlement Sum to be paid by the Defendants shall be limited to a total of Two Million One Hundred and Twelve Thousand Five Hundred Dollars and Zero Cents (\$2,112,500.00). Employer payroll taxes will be paid separately from, and in addition to, the Settlement Sum. As described in this Section, Defendants' monetary obligation under this Agreement shall be limited to the Settlement Sum and all payments shall

1 be paid from the Settlement Sum. All amounts to be paid by Defendants from the Settlement
2 Sum shall be paid to a qualified settlement fund ("Qualified Settlement Fund"), which shall be
3 administered by the Settlement Administrator. All amounts to be paid to anyone pursuant to
4 this Agreement ("Settlement Amounts") shall be paid out of the Qualified Settlement Fund.
5 Such Settlement Amounts, as set forth in detail below, shall include all amounts to be paid to
6 Plaintiffs, Participating Settlement Members; all amounts to be paid to Class Counsel as
7 attorneys' fees; all amounts to be paid to Class Counsel as litigation costs not to exceed \$20,000
8 (of which half will be deducted from the California Settlement Fund, and the other half will be
9 deducted from the Non-California FLSA Fund); all amounts to be paid as Service Awards to
10 Plaintiffs; all amounts to be paid as Settlement Administration Costs; all amounts required to be
11 paid as federal, state and local payroll taxes (not including the employer's share of payroll
12 taxes), with respect to the Participating Settlement Members' Individual Payment Amounts; the
13 payment to the Labor Workforce Development Agency ("LWDA") for its portion of the amount
14 paid to settle alleged PAGA claims; and any other Settlement Amounts to be paid under this
15 Agreement.

16 62. Within three (3) business days after the Effective Date, the Settlement
17 Administrator shall provide wiring instructions to Defendants to wire the Settlement Sum to the
18 Settlement Administrator for deposit into the Qualified Settlement Fund. Within fifteen (15)
19 business days after receiving the wiring instructions or five (5) business days after dismissal of
20 the Federal Lawsuit with prejudice, whichever is later, Defendants shall wire the Settlement
21 Amount to the Settlement Administrator. The Settlement Administrator shall issue and mail
22 checks for the Individual Payment Amounts to any California Settlement Class Members who
23 did not timely exclude themselves, and to all Non-California Opt-in Eligible Plaintiffs
24 (withholding the employee's share of payroll taxes) within seven (7) business days of receiving
25 the Settlement Amount from Defendants.

26 63. Any and all employer tax obligations on any amounts paid to Plaintiffs and
27 Participating Settlement Members under this Settlement (including any employer FICA or
28 FUTA taxes owed by Defendants or by the Qualified Settlement Fund) are to be paid by

Defendants separately and in addition to the Settlement Sum.

64. The Parties are mindful that the total consideration payable hereunder is comprised of a number of separate and distinct claims for damages and penalties by Plaintiffs and the other Participating Settlement Members. Accordingly, having considered the matter in detail, having performed their own separate and independent computations and estimation of the damages and penalties potentially awardable to Plaintiffs at trial or arbitration, and having done the foregoing with complete and satisfactory access to, and advice from, accounting and legal advisors, the Parties mutually consent and agree that the Participating Settlement Members' Individual Payment Amounts be apportioned among the Participating Settlement Members' various wage and non-wage claims in this Litigation as set forth below. Moreover, the Parties mutually consent and agree, and hereby represent to the Court in this judicially supervised settlement transaction, that the apportionment of the Participating Settlement Members' Individual Payment Amounts as stated above and below is a reasonable and arm's length determination of the character of the Individual Payment Amounts for all purposes, including for tax purposes. Counsel for the Parties are not tax attorneys and are not providing tax advice. All Parties to this Settlement are responsible for their own compliance with applicable tax laws.

B. California Settlement Fund.

65. The California Settlement Fund of \$1,562,500.00 will be allocated toward the settlement of the Released California Claims ("California Settlement"). The amount of the California Settlement Fund was negotiated with the understanding that California Settlement Class Members worked a total of approximately 27,277 workweeks from January 31, 2017 through October 3, 2020. The California Settlement Fund is inclusive of:

a. CA Settlement Administration Costs: All costs of administering the California Settlement, including but not limited to all tax obligations, custodial fees, and accounting fees incurred by the Settlement Administrator; all costs and fees associated with preparing, issuing and mailing any and all notices or reminders to California Settlement Class Members; all costs and fees associated with computing, processing, reviewing, issuing and paying the Service Awards, Settlement Amounts, interest, taxes, and any other payments to be

made out of or into the California Settlement Fund; all costs and fees associated with preparing any tax returns and any other filings required by any governmental taxing authority or agency; all costs and fees associated with preparing any other notices, reminders, reports, or filings to be prepared in the course of the settlement or in administering disbursements from the California Settlement Fund; and any other costs and fees incurred and/or charged by the Settlement Administrator in connection with the execution of its duties as part of the California Settlement (“CA Settlement Administration Costs”), which is estimated at \$7,000 and shall also be paid from the California Settlement Fund.

b. CA Class Counsel Attorneys’ Fees and Costs: Subject to Court approval, California Class Counsel will be paid up to one-third (1/3) of the California Settlement Fund, which equals \$520,833.33 for attorneys’ fees (“CA Attorneys’ Fees”). Subject to Court approval, California Class Counsel will also be paid reasonable and actual costs actually expended in prosecuting this Litigation (“CA Litigation Costs”) from the California Settlement Fund in a sum not to exceed \$10,000. Any amount not approved by the Court will revert to the CA Net Settlement Fund to be split pro rata among the California Settlement Class Members who do not opt out of the California Settlement Class. The Court-ordered California Class Counsel Attorneys’ Fees and Litigation Costs shall be due and payable no later than five (5) business days after the Settlement Administrator receives the funds from Defendants. California Class Counsel will divide the CA Attorneys’ Fees as follows: 2/3 to Capstone Law APC and 1/3 to Goldstein, Borgen, Dardarian & Ho.

c. Service Awards Payable to the California Class Representatives: Subject to Court approval, named Plaintiffs and Class Representatives shall each receive a Service Award of Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) from the California Settlement Fund. In order to receive said Service Award, Plaintiffs Sergio Arellano, Edgar Murillo, John Henry and Curt Uyemura must sign a Complete and General Release of all Claims (in substantially the form of **Exhibit 8**), known or unknown, suspected or unsuspected, that each of the Plaintiffs had, now have, or may hereafter claim to have against the Released Parties arising out of, or relating in any way to, their hiring by, employment with, separation of

1 employment with the Released Parties (“Class Representatives’ Released Claims”), arising or
2 accruing from the beginning of time up through the Preliminary Approval Order date (“Class
3 Representatives’ Released Period”). The Releases signed by Sergio Arellano, Edgar Murillo,
4 John Henry and Curt Uyemura will include an acknowledgment and voluntary release of
5 California Civil Code Section 1542. The Service Awards shall be due and payable no later than
6 five (5) business days after the Settlement Administrator receives the funds from Defendants.
7 The Settlement Administrator will report the Service Awards on Form 1099s, which it will
8 provide to Plaintiffs and to the pertinent taxing authorities as required by law.

9 d. Payment of PAGA Penalties to the LWDA and California Settlement

10 Class Members: The Parties agree to allocate One Hundred Thousand Dollars and Zero Cents
11 (\$100,000.00) (“PAGA Settlement Sum”) from the California Settlement Fund to the settlement
12 of the PAGA penalties alleged in the Lawsuits, which the Parties believe in good faith is a fair
13 and reasonable apportionment. The Settlement Administrator shall pay seventy-five percent
14 (75%), or \$75,000.00, of this amount to the LWDA, and twenty-five percent (25%), or
15 \$25,000.00 (“PAGA Fund”), of this amount to the PAGA Members calculated as a pro rata
16 share of the PAGA Fund based upon their workweeks in California during the PAGA Period in
17 a California Covered Position. Payment shall be made to the LWDA no later than five
18 (5) business days after the Settlement Administrator receives the funds from Defendants. All
19 PAGA Members will receive their shares of the PAGA Fund, regardless whether they opt out of
20 the California Settlement Class.

21 e. Individual Payment Amounts Payable to Participating Settlement

22 Members: After deducting the CA Settlement Administration Costs, CA Attorneys’ Fees, CA
23 Litigation Costs, Service Awards, and PAGA Settlement Sum, the balance of the California
24 Settlement Fund (“CA Net Settlement Fund”) will be allocated to California Settlement Class
25 Members who do not opt out, calculated as a pro rata share of the CA Net Settlement Fund
26 based upon their workweeks in California during the California Class Period in a California
27 Covered Position. Seventy-five percent (75%) of each Individual Payment Amount from the CA
28 Net Settlement Fund shall be allocated as interest, penalties, liquidated damages, and other non-

1 wage recovery (which shall not be subject to withholdings or deductions and shall be reported as
2 non-wage income), and twenty-five percent (25%) shall be allocated as wages. That portion of
3 each Participating Class Member's Individual Payment Amount constituting: (i) interest or
4 penalties will be reported on a Form 1099 provided to each Participating Class Member, with
5 the required copies of the Form 1099s provided to the pertinent taxing authorities; and (ii)
6 wages will be reported on a W-2 Form and provided to each Participating Class Member, with
7 the required copies of the Form W-2s provided to the pertinent taxing authorities.

8 f. No Spillover of Residuals for California Settlement Class Members: To
9 the extent there are any payments made to California Settlement Class Members that remain
10 uncashed one hundred and eighty (180) days after the initial mailing of the checks, all such
11 uncashed payments and interest from the date of entry of judgment shall be paid in equal shares
12 to Worksafe and California Rural Legal Assistance, subject to Court approval, or any other
13 recipient that the Court is willing to approve, in the names of the California Settlement Class
14 Members who did not cash their checks. The Parties agree that this disposition results in no
15 "unpaid residue" under California Code of Civil Procedure section 384, as the entire Net
16 Settlement Fund will be paid out to California Settlement Class Members, whether or not they
17 all cash their Settlement.

18 **C. Non-California FLSA Fund.**

19 66. The Non-California FLSA Fund of \$550,000.00 will be allocated toward the
20 settlement of the Released Non-California FLSA Claims ("Non-California FLSA Settlement").
21 The Non-California FLSA Fund is inclusive of:

22 a. Non-CA Settlement Administration Costs: All costs of administering the
23 Non-California FLSA Settlement, including but not limited to all tax obligations, custodial fees,
24 and accounting fees incurred by the Settlement Administrator; all costs and fees associated with
25 preparing, issuing and mailing any and all notices or reminders to Non-California Opt-In
26 Plaintiffs; all costs and fees associated with computing, processing, reviewing, issuing and
27 paying the Settlement Amounts, interest, taxes, and any other payments to be made out of or
28 into the Non-California FLSA Fund; all costs and fees associated with preparing any tax returns

1 and any other filings required by any governmental taxing authority or agency; all costs and fees
2 associated with preparing any other notices, reminders, reports, or filings to be prepared in the
3 course of the settlement or in administering disbursements from the Non-California FLSA Fund
4 including notice to the Attorney General and state attorneys general under the Class Action
5 Fairness Act; and any other costs and fees incurred and/or charged by the Settlement
6 Administrator in connection with the execution of its duties under this Agreement (“Non-CA
7 Settlement Administration Costs”), which is estimated at \$7,500 and shall also be paid from the
8 Non-California FLSA Fund.

9 b. Non-CA Attorneys’ Fees and Costs: Subject to Court approval, Non-
10 California FLSA Counsel will be paid up to one-third (1/3) of the Non-California FLSA Fund,
11 which equals \$183,333.33 for attorneys’ fees (“Non-CA Attorneys’ Fees”). Subject to Court
12 approval, Non-California FLSA Counsel will also be paid reasonable and actual costs actually
13 expended in prosecuting this Litigation (“Non-CA Litigation Costs”) from the Non-California
14 FLSA Fund in a sum not to exceed \$10,000. Any amount not approved by the Court will revert
15 to the Non-CA Net Settlement Fund. The Court-ordered Attorneys’ Fees and Litigation Costs
16 shall be due and payable no later than five (5) business days after the Settlement Administrator
17 receives the funds from Defendants. Non-California FLSA Counsel will divide the Non-CA
18 Attorneys’ Fees as follows: 2/3 to Capstone Law APC and 1/3 to Goldstein, Borgen, Dardarian
19 & Ho.

20 c. Individual Payment Amounts Payable to Non-California Opt-in Plaintiffs:
21 After deducting the Non-CA Settlement Administration Costs, Non-CA Attorneys’ Fees, and
22 Non-CA Litigation Costs, the balance of the Non-California FLSA Fund (“Non-CA Net
23 Settlement Fund”) will be allocated to Non-California Opt-in Plaintiffs, calculated as a pro rata
24 share of the Non-CA Net Settlement Fund based upon their workweeks in a Non-California
25 FLSA Covered Job Position during the FLSA Collective Period. Fifty percent (50%) of each
26 Non-California Opt-in Plaintiffs’ Individual Payment Amount shall be allocated as wages
27 (which shall be subject to required withholdings and deductions and reported as wage income),
28 and the remaining fifty percent (50%) shall be allocated as liquidated damages, interest and

other non-wage recovery (which shall not be subject to withholdings or deductions and shall be reported as non-wage income).

D. No Additional Contribution by Defendants.

67. Defendants' monetary obligations under this Agreement are limited to the amount as defined as the Settlement Sum, as well as the employer's share of payroll taxes. Defendants may not be called upon or required to contribute additional monies above the Settlement Sum under any circumstances whatsoever.

E. Disbursement of Funds.

68. The Settlement Administrator will administer disbursements from the Settlement Sum paid by Defendants into the Qualified Settlement Fund, including, but not limited to, calculating claims against the Qualified Settlement Fund, calculating interest owed, preparing and issuing all disbursements of the Settlement Amounts required to be paid to the Participating Settlement Members, Plaintiffs, Class Counsel, the LWDA, and the local state and federal payroll tax authorities, tracking whether California Settlement Class Members and Non-California Opt-in Eligible Plaintiffs have cashed issued checks, and handling inquiries about the calculation of the Individual Payment Amounts. The Settlement Administrator shall be responsible for the timely filing of all federal, state and local tax returns of the Qualified Settlement Fund and making the timely payment of any and all taxes and withholdings required with such returns.

69. All Settlement Administration Costs associated with administering disbursements from the Qualified Settlement Fund including, but not limited to, the fees and costs of the Settlement Administrator and the cost of the Class Notices, shall be paid entirely from the Settlement Sum paid by Defendants into the Qualified Settlement Fund. The Parties expect that the Settlement Administrator shall conduct all administration of all disbursements of the Settlement Sum.

F. Resolution of Disputes.

70. Any California Settlement Class Member or Non-California Opt-in Eligible Plaintiff who disputes the information shown on his or her Statement of Weeks Worked and

Estimated Individual Payment Amount may so indicate and explain such disagreement on the form and return it postmarked within sixty (60) calendar days of its initial mailing. Any such employee must submit any documentation relating to his or her dispute along with his or her completed Statement of Weeks Worked and Estimated Individual Payment Amount form. The Settlement Administrator shall notify Defense Counsel and Class Counsel of any such dispute no later than three (3) business days after receiving notice of the dispute. The Settlement Administrator shall attempt to resolve the disagreement and may request any information or assistance from Defense Counsel and/or Class Counsel that the Settlement Administrator, in its sole discretion, believes may assist it in resolving the disagreement. However, the Settlement Administrator shall have final and binding authority to resolve any disputes based on Defendants' records. The Parties and their counsel shall use their best efforts to ensure that any and all such disputes are resolved.

G. Payment of Individual Payment Amounts.

71. Within ten (10) business days after the Effective Date, the Settlement Administrator shall calculate the final Individual Payment Amount to be paid to each California Class Member and Non-California Opt-in Eligible Plaintiff and prepare a Final Statement of Individual Payment Amounts. The Settlement Administrator shall issue and mail the settlement checks within ten (10) business days after receiving the funds from the Defendants. The mailing shall be by First Class United States mail to the last known mailing address of each employee on the Class Lists.

H. Opt-In for FLSA Claims by California Settlement Class Members.

72. The cashing of the settlement check by a California Settlement Class Member shall be deemed to be an opt-in for purposes of the FLSA claims referred to in the Released California Claims. The Settlement Administrator shall include a recital on the settlement checks stating, "By cashing this check, I am opting into *Arellano v. R&B Sales, Corp. et al.* Case No. 20STCV04112, and releasing the Released California Claims defined in the Settlement Agreement, including but not limited to claims under the Fair Labor Standards Act.."

1 **IV. LIMITATIONS ON USE OF THIS SETTLEMENT**

2 **A. No Admission.**

3 73. Neither the acceptance nor the performance by Defendants of the terms of this
4 Agreement nor any of the related negotiations or proceedings is or shall be claimed to be,
5 construed as, or deemed to be an admission by Defendants of the truth of any of the allegations
6 in the Lawsuits, the representative character of the Litigation, the validity of any of the claims
7 that were or could have been asserted by Plaintiffs and/or Participating Settlement Members in
8 the Litigation, or of any liability or guilt of Defendants in the Litigation.

9 **B. Non-Evidentiary Use.**

10 74. Neither this Agreement nor any of its terms shall be offered or used as evidence
11 by any of the Parties, Participating Settlement Members, or their respective counsel in the
12 Litigation or in any other action or proceeding either as evidence or in discovery; provided,
13 however, that nothing contained in this section shall prevent this Agreement from being used,
14 offered, or received in evidence in any proceeding to enforce, construe, or finalize this
15 Agreement.

16 **C. No Public Comment.**

17 75. Plaintiffs and Class Counsel agree they will not make any public disclosure of
18 the Settlement or the previously signed Memorandum of Understanding until after this
19 Stipulation of Settlement filed with the Court. Class Counsel will take all steps necessary to
20 ensure Plaintiffs are aware of, and will encourage them to adhere to, the restriction against any
21 public disclosure of this Stipulation of Settlement or the previously signed Memorandum of
22 Understanding until after this Stipulation of Settlement is filed with the Court. Following the
23 filing of this Stipulation of Settlement, Plaintiffs and Class Counsel agree they will not have any
24 communications with the media, other than to direct the media to the public records of the
25 Lawsuits on file with the Court. Class Counsel will take all steps necessary to ensure the
26 Plaintiffs are aware of, and will adhere to, the restriction against any media comment on this
27 Stipulation of Settlement and its terms.
28

1 **D. No Collateral Attack.**

2 76. This Agreement shall not be subject to collateral attack by any Participating
3 Class Member or any recipient of the Class Notices after the Judgment and Final Order is
4 entered. Such prohibited collateral attacks shall include but not be limited to claims that the
5 number of work weeks attributed to the Participating Class Member was erroneous or that the
6 Participating Class Member failed for any reason to receive timely notice of the procedure for
7 disputing the calculation of his or her Individual Payment Amount.

8 **E. Nullification.**

9 77. If (a) the Court should for any reason fail to certify a class for settlement; or
10 (b) the Court should for any reason fail to approve this Settlement materially in the form agreed
11 to by the Parties; or (c) the Court should for any reason fail to enter the Judgment and Final
12 Order; or (d) the Judgment and Final Order is reversed, modified, or declared or rendered void,
13 then (i) this Agreement shall be considered null and void, (ii) neither this Agreement nor any of
14 the related negotiations or proceedings shall be of any force or effect, (iii) all Parties to this
15 Agreement shall stand in the same position, without prejudice, as if the Agreement had been
16 neither entered into nor filed with the Court, and (iv) Class Counsel shall make repayment of
17 any disbursements it received from the Settlement Sum.

18 78. If five percent (5%) or more of the California Settlement Class Members request
19 exclusion and opt out of this Settlement, then Defendants in their sole discretion may nullify and
20 void this Agreement in its entirety. Defendants shall have ten (10) calendar days after receiving
21 notice that five percent (5%) or more of the California Class has requested exclusion to inform
22 the Parties of its decision to nullify and void this Agreement. Defendants shall pay all
23 reasonable costs incurred by the Settlement Administrator should it exercise its rights under this
24 section.

25 79. Invalidation of any material term of this Agreement shall invalidate this
26 Agreement in its entirety unless the Parties shall subsequently agree in writing that the
27 remaining provisions shall remain in full force and effect.

28 80. In the event that for any reason final distribution of the Settlement Sum does not

1 occur (for example, because this Agreement and/or the Judgment and Final Order is materially
2 modified or reversed on appeal), the entire Settlement Sum shall remain the sole property of
3 Defendants and any sums previously paid or distributed shall be returned to Defendants (minus
4 any administrative expense and fees incurred by the Settlement Administrator).

5 81. In the event of a timely appeal from the Judgment and Final Order, the Judgment
6 and Final Order shall be stayed and the Settlement Sum shall not be distributed to Participating
7 Settlement Members pending the completion of the appeal.

8 **V. RELEASE**

9 **A. Released California Claims.**

10 82. Upon entry of the Judgment and Final Order in the Litigation, Plaintiffs and each
11 and every California Settlement Class Member who does not opt out shall be bound by this
12 Agreement and shall have recourse to the benefits, rights, and remedies exclusively as provided
13 hereunder, and shall be deemed to have, and by operation of the Judgment and Final Order shall
14 have fully, finally, and forever released, relinquished, and discharged each and all of the
15 Released Parties from any and all Released California Claims during the California Class
16 Period. California Settlement Class Members shall be deemed to have opted-in and to have, and
17 by operation of the Judgment and Final Order, shall have fully, finally, and forever released,
18 relinquished, and discharged each and all of the Released Parties from any and all FLSA claims
19 by cashing the settlement check.

20 83. In light of the payment by Defendants of all amounts due under this Agreement,
21 Plaintiff and each and every California Settlement Class Member who does not submit a timely
22 Request for Exclusion from the Class, shall be deemed to have acknowledged and agreed that
23 California Labor Code section 206.5 is not applicable to the Parties hereto. That section
24 provides in pertinent part as follows:

25 84. An employer shall not require the execution of any release of a release of a claim
26 or right on account of wages due, or to become due, or made as an advance on wages to be
27 earned, unless payment of those wages has been made.

28 85. Each and every California Settlement Class Member who does not submit a

timely Request for Exclusion from the Class in accordance with Section II(F) waives all rights and benefits afforded by section 1542 of the Civil Code of the State of California with respect to the Released Claims only, and they do so understanding the significance of that waiver. Section 1542 provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

86. They shall be deemed to have acknowledged that this Agreement is intended to include in its effect all Released California Claims that they do not know or suspect to exist in their favor at the time of the final approval of this Agreement. For the avoidance of doubt, the Parties agree that, with the exception of Plaintiffs' release as detailed in this Agreement, the California Settlement Class Members' waiver of rights and benefits afforded by section 1542 does not apply to claims not encompassed in the Released California Claims.

87. Each California Class Member who does not submit a timely Request for Exclusion from the Class and opt out of this Settlement shall be deemed to have made the foregoing release as if by manually signing it.

B. Released Non-California FLSA Claims.

88. Upon entry of the Judgment and Final Order in the Litigation, Plaintiffs and all Non-California Opt-in Plaintiffs shall be bound by this Agreement and shall have recourse to the benefits, rights, and remedies exclusively as provided hereunder, and shall be deemed to have, and by operation of the Judgment and Final Order shall have fully, finally, and forever released, relinquished, and discharged each and all of the Released Parties from any and all Released Non-California FLSA Claims during the FLSA Collective Period.

VI. MISCELLANEOUS PROVISIONS

A. Amendments.

89. The terms and provisions of this Agreement may be amended only by a written agreement that is both (a) signed by the Parties, Class Counsel, and Defense Counsel who

1 executed this Agreement and (b) approved by the Court.

2 **B. Assignment.**

3 90. None of the rights, commitments, or obligations recognized under this
4 Agreement may be assigned by any Party, Participating Class Member, Class Counsel, or
5 Defense Counsel without the express written consent of each Party and their respective counsel
6 hereto. The representations, warranties, covenants, and agreements contained in this Agreement
7 are for the sole benefit of the Parties under this Agreement and shall not be construed to confer
8 any right or to avail any remedy to any other person.

9 **C. Governing Law.**

10 91. This Agreement shall be governed, construed, and interpreted, and the rights of
11 the Parties shall be determined, in accordance with the laws of the State of California,
12 irrespective of the State of California's choice of law principles.

13 **D. Entire Agreement.**

14 92. This Agreement, including the Exhibits referred to herein, which form an integral
15 part hereof, contains the entire understanding of the Parties hereto with respect to the subject
16 matter contained herein. In case of any conflict between text contained in Sections I through VI
17 of this Agreement and text contained in *Exhibits 1-7* to this Agreement, the former shall be
18 controlling. There are no restrictions, promises, representations, warranties, covenants, or
19 undertakings governing the subject matter of this Agreement other than those expressly set forth
20 or referred to herein. This Agreement supersedes all prior agreements and understandings
21 among the Parties hereto with respect to the settlement of the Litigation.

22 **E. Waiver of Compliance.**

23 93. Any failure of any Party, Defense Counsel, and/or Class Counsel hereto to
24 comply with any obligation, covenant, agreement, or condition herein may be expressly waived
25 in writing, to the extent permitted under applicable law, by the Party or Parties and their
26 respective counsel hereto entitled to the benefit of such obligation, covenant, agreement, or
27 condition. A waiver or failure to insist upon strict compliance with any representation,
28 warranty, covenant, agreement, or condition shall not operate as a waiver of, or estoppel with

respect to, any subsequent or other failure.

F. Counterparts.

94. This Agreement, and any amendments hereto, may be executed in any number of counterparts and any Party and/or their respective counsel hereto may execute any such counterpart, each of which when executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument. It shall not be necessary in making proof of this Agreement or any counterpart hereof to produce or account for any of the other counterparts.

G. Meet and Confer Regarding Disputes.

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

H. Jurisdiction of the Court.

96. The Parties agree that this Settlement Agreement shall be enforceable by the Court pursuant to California Code of Civil Procedure section 664.6. The Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Agreement and all orders and judgments entered in connection therewith, and the Parties and their counsel submit to the jurisdiction of the Court for purposes of interpreting, implementing, and enforcing the settlement embodied in this Agreement and all orders and judgments entered in connection therewith.

IT IS SO STIPULATED.

Dated: 9/3/2021, 2021 PLAINTIFF

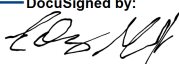
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Sergio Arellano

1 Dated: 9/3/2021, 2021

PLAINTIFF

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Edgar Murillo

7 Dated: _____, 2021

PLAINTIFF

John Henry

12 Dated: _____, 2021

PLAINTIFF

Curt Uyemura

17 Dated: _____, 2021

TECHTRONIC INDUSTRIES NORTH AMERICA, INC.

By: _____
Sean Dougherty
President

1 Dated: _____, 2021

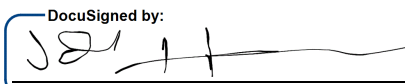
PLAINTIFF

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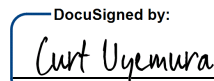
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PLAINTIFF

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17 Curt Uyemura

18 Dated: _____, 2021

TECHTRONIC INDUSTRIES NORTH AMERICA, INC.

19 By: _____

20 Sean Dougherty
21 President

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Dated: _____, 2021 PLAINTIFF

Edgar Murillo

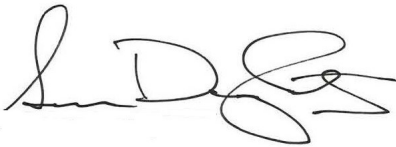
Dated: _____, 2021 PLAINTIFF

John Henry

Dated: _____, 2021 PLAINTIFF

Curt Uyemura

Dated: _____, 2021 TECHTRONIC INDUSTRIES NORTH AMERICA, INC.



By: _____
Sean Dougherty
President

1
2
3 **APPROVED AS TO FORM**

4 Dated: _____, 2021

PILLSBURY WINTHROP SHAW PITTMAN LLP

5
6
7 

8 By: _____

9 Paula M. Weber

10 Kimberly Y. Higgins

11 Attorneys for Defendants

12 TECHTRONIC INDUSTRIES NORTH AMERICA, INC.

13 and R&B SALES & MARKETING INC.
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APPROVED AS TO FORM

Dated: _____, 2021

PILLSBURY WINTHROP SHAW PITTMAN LLP

By: _____

Paula M. Weber

Kimberly Y. Higgins

Attorneys for Defendants

TECHTRONIC INDUSTRIES NORTH AMERICA, INC.

and R&B SALES & MARKETING INC.

Dated: September 3, 2021

CAPSTONE LAW APC

By:  _____

Raul Perez

Bevin Allen Pike

Orlando Villalba

Attorneys for Plaintiffs SERGIO ARELLANO and

EDGAR MURILLO

Dated: _____, 2021

GOLDSTEIN, BORGEN, DARDARIAN & HO

By: _____

Laura L. Ho

Byron Goldstein

Attorneys for Plaintiffs JOHN HENRY and CURT

UYEMURA

APPROVED AS TO FORM

Dated: _____, 2021

PILLSBURY WINTHROP SHAW PITTMAN LLP

By: _____

Paula M. Weber
Kimberly Y. Higgins
Attorneys for Defendants
TECHTRONIC INDUSTRIES NORTH AMERICA, INC.
and R&B SALES & MARKETING INC.

Dated: _____, 2021

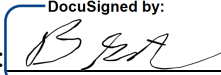
CAPSTONE LAW APC

By: _____

Raul Perez
Bevin Allen Pike
Orlando Villalba
Attorneys for Plaintiffs SERGIO ARELLANO and
EDGAR MURILLO

Dated: September, 2021

GOLDSTEIN, BORGEN, DARDARIAN & HO

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By:  _____
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Exhibit 1

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and Edgar Murillo

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

SERGIO ARELLANO, EDGAR
MURILLO, JOHN HENRY, and CURT
UYEMURA, individually, and on behalf of
other members of the general public
similarly situated,

Plaintiffs,

vs.

R&B SALES AND MARKETING, INC., a
Delaware corporation; TECHTRONIC
INDUSTRIES NORTH AMERICA, INC., a
Delaware corporation; and DOES 1 through
10, inclusive,

Defendants.

Case No.: 20STCV04112

**SECOND AMENDED CLASS AND
COLLECTIVE ACTION COMPLAINT &
ENFORCEMENT ACTION UNDER THE
PRIVATE ATTORNEYS GENERAL ACT,
CALIFORNIA LABOR CODE §§ 2698, ET
SEQ.**

- (1) Violation of California Labor Code §§ 510 and 1198 (Unpaid Overtime);
- (2) Violation of California Labor Code §§ 1182.12, 1194, 1197, 1197.1, and 1198 (Unpaid Minimum Wages);
- (3) Violation of California Labor Code §§ 226.7, 512(a), 516, and 1198 (Failure to Provide Meal Periods);
- (4) Violation of California Labor Code §§ 226.7, 516, and 1198 (Failure to Authorize and Permit Rest Periods);
- (5) Violation of California Labor Code §§

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- 226(a), 1174(d), and 1198 (Non-Compliant Wage Statements and Failure to Maintain Payroll Records);
- (6) Violation of California Labor Code §§ 201 and 202 (Wages Not Timely Paid Upon Termination);
 - (7) Violation of California Labor Code § 204 (Failure to Timely Pay Wages During Employment);
 - (8) Violation of Labor Code § 1198 and California Code of Regulations Title 8, Section 11070 Subdivision 5(A) (Failure to Provide Reporting Time Pay);
 - (9) Violation of California Labor Code § 2802 (Unreimbursed Business Expenses);
 - (10) Civil Penalties for Violations of California Labor Code, Pursuant to PAGA, §§ 2698, *et seq.*;
 - (11) Violation of California Business & Professions Code §§ 17200, *et seq.* (Unlawful Business Practices); and
 - (12) Violation of California Business & Professions Code §§ 17200, *et seq.* (Unfair Business Practices)
 - (13) Violation of Fair Labor Standards Act (Unpaid Overtime)

Jury Trial Demanded

1 Plaintiffs Sergio Arellano, Edgar Murillo, John Henry, and Curt Uyemura individually
2 and on behalf of all other members of the public similarly situated, and as aggrieved
3 employees and on behalf of all other aggrieved employees, allege as follows:

4 JURISDICTION AND VENUE

5 1. This class action is brought pursuant to California Code of Civil Procedure
6 section 382 and California Labor Code sections 2698, *et seq.* (“PAGA”) to recover civil
7 penalties and any other available relief on behalf of Plaintiffs, the State of California, and
8 other current and former employees who worked for Defendants in California as non-exempt,
9 hourly paid employees and received at least one wage statement and against whom one or
10 more violations of any provision in Division 2 Part 2 Chapter 1 of the Labor Code or any
11 provision regulating hours and days of work in the applicable Industrial Welfare Commission
12 (“IWC”) Wage Order were committed, as set forth in this complaint.

13 2. This is also a collective action brought pursuant to the Fair Labor Standards Act
14 (“FLSA”), 29 U.S.C. § 216(b) to recover unpaid wages, liquidated damages, and other
15 available relieve on behalf of Plaintiffs and all others employed by Defendants in the United
16 States as Field Representatives, Field Sales and Marketing Representatives, Single Store
17 Representative, or Multi Store Representatives and who covered one or more Home Depot
18 stores at any time from three years prior to the Preliminary Approval Order of this action
19 through March 21, 2021.

20 3. The monetary damages, penalties, and restitution sought by Plaintiffs exceed
21 the minimal jurisdiction limits of the Superior Court and will be established according to
22 proof at trial. This Court has jurisdiction over this action pursuant to the California
23 Constitution, Article VI, section 10. The statutes under which this action is brought do not
24 specify any other basis for jurisdiction. Plaintiffs’ share of damages, penalties, and other
25 relief sought in this action does not exceed \$75,000.

26 4. This Court has jurisdiction over Defendants because Defendants are either
27 citizens of California, have sufficient minimum contacts in California, or otherwise
28 intentionally avail themselves of the California market so as to render the exercise of

1 jurisdiction over them by the California courts consistent with traditional notions of fair play
2 and substantial justice.

3 5. Venue is proper in this Court because Defendants employ persons in this county,
4 and employed Plaintiffs this county, and thus a substantial portion of the transactions and
5 occurrences related to this action occurred in this county.

6 THE PARTIES

7 6. Plaintiff Sergio Arellano is a resident of Pico Rivera, in Los Angeles County,
8 California. Defendants employed Plaintiff Arellano as an hourly paid, non-exempt Single
9 Store Sales Representative from approximately October 2013 to September 2019. Plaintiff
10 Arellano worked for Defendants out of a Home Depot store location in Whittier, California.
11 During his employment, Plaintiff Arellano typically worked eight (8) hours or more per day,
12 five (5) days per week, from 7:00 a.m. to 3:30 p.m. Plaintiff Arellano's primary job duties
13 included, without limitation, selling Defendants' products to Home Depot customers by
14 answering customer questions at a sales table and demonstrating products; training Home
15 Depot associates about the products; communicating with Home Depot managers about the
16 brand and how to sell product; installing, moving, and rearranging product displays; and
17 picking up, analyzing, and transporting product shipments.

18 7. Plaintiff Edgar Murillo is a resident of Los Angeles, in Los Angeles County,
19 California. Defendants employed Plaintiff Murillo as an hourly paid, non-exempt Single
20 Store Representative from approximately August 2010 to June 2019. Plaintiff Murillo worked
21 for Defendants out of a Home Depot store location in Marina del Rey, California. During his
22 employment, Plaintiff Murillo typically worked eight (8) hours or more per day, five (5) days
23 per week, from 6:00 a.m. to 2:30 p.m. Plaintiff Murillo's primary job duties included, without
24 limitation, picking up product shipments (opening boxes, reviewing contents, loading them
25 into his truck, and transporting product to the store), organizing inventory at the store in
26 product displays, planning and holding sales events, manning the sales table, and providing
27 customer service and outreach.

28 8. Plaintiff John Henry was employed as a Multi-Store Representative from

1 approximately July 2011 or July 2012 through February 2020. Mr. Henry is a resident of
2 Desert Hot Springs, California. He worked for Techtronic in Riverside County, San
3 Bernardino County, and Yuma County. Mr. Henry was assigned to a Home Depot store in
4 Arizona until about October 2019.

5 9. Plaintiff Curt Uyemura was employed as a Field Representative from
6 approximately January 2013 through September 1, 2020. Mr. Uyemura is a resident of
7 Orange County, California. He worked for Techtronic in Orange County.

8
9 10. R&B SALES AND MARKETING, INC. was and is, upon information and
10 belief, a Delaware corporation, and at all times hereinafter mentioned, an employer whose
11 employees are engaged throughout this county, the State of California, or the various states of
12 the United States of America.

13 11. TECHTRONIC INDUSTRIES NORTH AMERICA, INC. was and is, upon
14 information and belief, a Delaware corporation, and at all times hereinafter mentioned, an
15 employer whose employees are engaged throughout this county, the State of California, or the
16 various states of the United States of America.

17 12. Plaintiffs are unaware of the true names or capacities of the Defendants sued
18 herein under the fictitious names DOES 1 through 10, but will seek leave of this Court to
19 amend the complaint and serve such fictitiously named Defendants once their names and
20 capacities become known.

21 13. Plaintiffs are informed and believe, and thereon allege, that DOES 1 through 10
22 were the partners, agents, owners, or managers of R&B SALES AND MARKETING, INC.
23 and TECHTRONIC INDUSTRIES NORTH AMERICA, INC. at all relevant times.

24 14. Plaintiffs are informed and believe, and thereon allege, that each and all of the
25 acts and omissions alleged herein was performed by, or is attributable to, R&B SALES AND
26 MARKETING, INC.; TECHTRONIC INDUSTRIES NORTH AMERICA, INC. and/or DOES
27 1 through 10 (collectively, "Defendants" or "R&B"), each acting as the agent, employee, alter
28 ego, and/or joint venturer of, or working in concert with, each of the other co-Defendants and

1 was acting within the course and scope of such agency, employment, joint venture, or
2 concerted activity with legal authority to act on the others' behalf. The acts of any and all
3 Defendants were in accordance with, and represent, the official policy of Defendants.

4 15. At all relevant times, Defendants, and each of them, ratified each and every act
5 or omission complained of herein. At all relevant times, Defendants, and each of them, aided
6 and abetted the acts and omissions of each and all the other Defendants in proximately causing
7 the damages herein alleged.

8 16. Plaintiffs are informed and believe, and thereon allege, that each of said
9 Defendants is in some manner intentionally, negligently, or otherwise responsible for the acts,
10 omissions, occurrences, and transactions alleged herein.

11 17. Under California law, Defendants are jointly and severally liable as employers
12 for the violations alleged herein because they have each exercised sufficient control over the
13 wages, hours, working conditions, and employment status of Plaintiffs and class members.
14 Each Defendant had the power to hire and fire Plaintiffs and class members, supervised and
15 controlled their work schedule and/or conditions of employment, determined their rate of pay,
16 and maintained their employment records. Defendants suffered or permitted Plaintiffs and
17 class members to work and/or "engaged" Plaintiffs and class members so as to create a
18 common law employment relationship. As joint employers of Plaintiffs and class members,
19 Defendants are jointly and severally liable for the civil penalties and all other relief available
20 to Plaintiffs and class members under the law.

21 18. Plaintiffs are informed and believe, and thereon allege, that at all relevant
22 times, Defendants, and each of them, have acted as joint employers with respect to Plaintiffs
23 and class members because Defendants have:

- 24 (a) jointly exercised meaningful control over the work performed by
25 Plaintiffs and class members;
- 26 (b) jointly exercised meaningful control over Plaintiffs' and class members'
27 wages, hours, and working conditions, including the quantity, quality
28 standards, speed, scheduling, and operative details of the tasks

performed by Plaintiffs and class members;

(c) jointly required that Plaintiffs and class members perform work which is an integral part of Defendants' businesses; and

(d) jointly exercised control over Plaintiffs and class members as a matter of economic reality in that Plaintiffs and class members were dependent on Defendants, who shared the power to set the wages of Plaintiffs and class members and determine their working conditions, and who jointly reaped the benefits from the underpayment of their wages and noncompliance with other statutory provisions governing their employment.

19. Plaintiffs are informed and believe, and thereon allege, that at all relevant times there has existed a unity of interest and ownership between Defendants such that any individuality and separateness between the entities has ceased.

20. R&B SALES AND MARKETING, INC.; TECHTRONIC INDUSTRIES NORTH AMERICA, INC.; and DOES 1-10 are therefore alter egos of each other.

21. Adherence to the fiction of the separate existence of Defendants would permit an abuse of the corporate privilege, and would promote injustice by protecting Defendants from liability for the wrongful acts committed by them under the name R&B.

22. Plaintiffs further allege, upon information and belief, that Defendants are alter egos of each other for the additional following reasons:

(a) On information and belief, R&B SALES AND MARKETING, INC. is a subsidiary of TECHTRONIC INDUSTRIES NORTH AMERICA, INC., which is a subsidiary of Techtronic Industries;

(b) On information and belief, Lee Sowell served as President of R&B SALES AND MARKETING, INC. and has served as President/Group President of the Outdoor Products Group of TECHTRONIC INDUSTRIES NORTH AMERICA, INC. since 2006;

(c) On the Delaware Division of Corporations website

(<https://corp.delaware.gov/>), R&B SALES AND MARKETING, INC. and TECHTRONIC INDUSTRIES NORTH AMERICA, INC. list their agent for service of process as “Corporation Service Company;” and

(d) On information and belief, R&B SALES AND MARKETING, INC. and TECHTRONIC INDUSTRIES NORTH AMERICA, INC. utilize the same standardized employment forms and issue the same employment policies.

GENERAL ALLEGATIONS

23. Defendants are a leader in quality consumer and professional products marketed to the home improvement and construction industries. Defendants’ brand portfolio includes Milwaukee, AEG, Ryobi, Homelite, Empire, Stiletto, Hoover US, Hart, Oreck, Vax, and Dirt Devil. Upon information and belief, Defendants maintain a single, centralized Human Resources (“HR”) department at their company headquarters in Fort Lauderdale, Florida, which is responsible for recruiting and hiring of new employees, and communicating and implementing Defendants’ company-wide policies, including timekeeping policies and meal and rest period policies, to employees throughout California.

24. In particular, Plaintiffs and class members, on information and belief, received the same standardized documents and/or written policies. Upon information and belief, the usage of standardized documents and/or written policies, including new-hire documents, indicate that Defendants dictated policies at the corporate level and implemented them company-wide, regardless of their employees’ assigned locations or positions. Upon information and belief, Defendants set forth uniform policies and procedures in several documents provided at an employee’s time of hire.

25. Upon information and belief, Defendants maintain a centralized Payroll department at their company headquarters in Fort Lauderdale, Florida, which processes payroll for all non-exempt, hourly paid employees working for Defendants at their various locations and jobsites in California, including Plaintiffs and class members. Based upon information and belief, Defendants issue the same formatted wage statements to all non-

1 exempt, hourly paid employees in California, irrespective of their work locations. Upon
2 information and belief, Defendants process payroll for departing employees in the same
3 manner throughout the State of California, regardless of the manner in which each employee's
4 employment ends.

5 26. Defendants continue to employ non-exempt or hourly paid employees in
6 California.

7 27. Plaintiffs are informed and believe, and thereon allege, that at all times herein
8 mentioned, Defendants were advised by skilled lawyers and other professionals, employees
9 and advisors knowledgeable about California labor and wage law, employment and personnel
10 practices, and about the requirements of California law.

11 28. Plaintiffs are informed and believe, and thereon allege, that Plaintiffs and class
12 members were not paid for all hours worked because all hours worked were not recorded.

13 29. Plaintiffs are informed and believe, and thereon allege, that Defendants knew or
14 should have known that Plaintiffs and class members were entitled to receive certain wages
15 for overtime compensation and that they were not receiving certain wages for overtime
16 compensation.

17 30. Plaintiffs are informed and believe, and thereon allege, that Defendants knew or
18 should have known that Plaintiffs and class members were entitled to be paid at a regular rate
19 of pay, and corresponding overtime rate of pay, that included as eligible income all income
20 derived from incentive pay, nondiscretionary bonuses, and/or other forms of compensation.

21 31. Plaintiffs are informed and believe, and thereon allege, that Defendants knew or
22 should have known that Plaintiffs and class members were entitled to receive at least
23 minimum wages for compensation and that they were not receiving at least minimum wages
24 for work that was required to be done off-the-clock. In violation of the California Labor
25 Code, Plaintiffs and class members were not paid at least minimum wages for work done off-
26 the-clock.

27 32. Plaintiffs are informed and believe, and thereon allege, that Defendants knew
28 or should have known that Plaintiffs and class members were entitled to meal periods in

1 accordance with the Labor Code or payment of one (1) additional hour of pay at their regular
2 rates of pay when they were not provided with timely, uninterrupted, thirty (30) minute meal
3 periods and that Plaintiffs and class members were not provided with all meal periods or
4 payment of one (1) additional hour of pay at their regular rates of pay when they did not
5 receive a timely, uninterrupted, thirty (30) minute meal period.

6 33. Plaintiffs are informed and believe, and thereon allege, that Defendants knew
7 or should have known that Plaintiffs and class members were entitled to rest periods in
8 accordance with the Labor Code and applicable IWC Wage Order or payment of one (1)
9 additional hour of pay at their regular rates of pay when they were not authorized and
10 permitted to take a compliant rest period. In violation of the California Labor Code, Plaintiffs
11 and class members were not authorized and permitted to take compliant rest periods, nor did
12 Defendants provide Plaintiffs and class members with payment of one (1) additional hour of
13 pay at their regular rates of pay when they were not authorized and permitted to take a
14 compliant rest period.

15 34. Plaintiffs are informed and believe, and thereon allege, that Defendants knew or
16 should have known that Plaintiffs and class members were entitled to receive complete and
17 accurate wage statements in accordance with California law. In violation of the California
18 Labor Code, Plaintiffs and class members were not provided complete and accurate wage
19 statements.

20 35. Plaintiffs are informed and believe, and thereon allege, that Defendants knew or
21 should have known that they had a duty to maintain accurate and complete payroll records in
22 accordance with the Labor Code and applicable IWC Wage Order, but willfully, knowingly,
23 and intentionally failed to do so.

24 36. Plaintiffs are informed and believe, and thereon allege, that Defendants knew or
25 should have known that Plaintiffs and class members were entitled to timely payment of all
26 wages earned upon termination of employment. In violation of the California Labor Code,
27 Plaintiffs and class members did not receive payment of all wages due, including, but not
28 limited to, overtime wages, minimum wages, meal and rest period premiums, and/or reporting

1 time pay, within permissible time periods.

2 37. Plaintiffs are informed and believe, and thereon allege, that Defendants knew or
3 should have known that Plaintiffs and class members were entitled to timely payment of
4 wages during their employment. In violation of the California Labor Code, Plaintiffs and
5 class members did not receive payment of all wages, including, but not limited to, overtime
6 wages, minimum wages, meal and rest period premiums, and/or reporting time pay, within
7 permissible time periods.

8 38. Plaintiffs are informed and believe, and thereon allege, that Defendants knew or
9 should have known that Plaintiff Arellano and class members were entitled to receive all
10 reporting time pay when Defendants required Plaintiff Arellano and class members were
11 required to report to work but were put to work for less than half of their regular scheduled
12 shift. In violation of the California Labor Code, Plaintiff Arellano and class members were
13 not paid all reporting time pay.

14 39. Plaintiffs are informed and believe, and thereon allege, that Defendants knew or
15 should have known that Plaintiffs and/or class members were entitled to suitable seating
16 and/or were entitled to sit when it did not interfere with the performance of their duties and
17 also have seats nearby to use during a lull in tasks that do require moving about or standing.

18 40. Plaintiffs are informed and believe, and thereon allege, that Defendants knew or
19 should have known that they had a duty to cover the costs and expenses other non-party
20 aggrieved employees incurred undergoing mandatory physical examinations and/or drug
21 testing, but willfully, knowingly, and intentionally failed to do so

22 41. Plaintiffs are informed and believe, and thereon allege, that Defendants knew or
23 should have known that Plaintiffs and class members were entitled to receive full
24 reimbursement for all business-related expenses and costs they incurred during the course and
25 scope of their employment and that they did not receive full reimbursement of applicable
26 business-related expenses and costs incurred.

27 42. Plaintiffs are informed and believe, and thereon allege, that at all times herein
28 mentioned, Defendants knew or should have known that they had a duty to compensate

1 Plaintiffs and class members for all hours worked, and that Defendants had the financial
2 ability to pay such compensation, but willfully, knowingly, and intentionally failed to do so,
3 and falsely represented to Plaintiffs and class members that they were properly denied wages,
4 all in order to increase Defendants' profits.

5 **PAGA REPRESENTATIVE ALLEGATIONS**

6 43. At all times herein set forth, PAGA provides that any provision of law under
7 the Labor Code and applicable IWC Wage Order that provides for a civil penalty to be
8 assessed and collected by the LWDA for violations of the California Labor Code and
9 applicable IWC Wage Order may, as an alternative, be recovered by aggrieved employees in a
10 civil action brought on behalf of themselves and other current or former employees pursuant
11 to procedures outlined in California Labor Code section 2699.3.

12 44. PAGA defines an "aggrieved employee" in Labor Code section 2699(c) as "any
13 person who was employed by the alleged violator and against whom one or more of the
14 alleged violations was committed."

15 45. Plaintiffs and other current and former employees of Defendants are "aggrieved
16 employees" as defined by Labor Code section 2699(c) in that they are all Defendants' current
17 or former employees and one or more of the alleged violations were committed against them.

18 46. Pursuant to California Labor Code sections 2699.3 and 2699.5, aggrieved
19 employees, including Plaintiffs, may pursue a civil action arising under PAGA after the
20 following requirements have been met:

21 (a) The aggrieved employee or representative shall give written notice by
22 online filing with the LWDA and by certified mail to the employer of
23 the specific provisions of the California Labor Code alleged to have
24 been violated, including the facts and theories to support the alleged
25 violation.

26 (b) An aggrieved employee's notice filed with the LWDA pursuant to
27 2699.3(a) and any employer response to that notice shall be
28 accompanied by a filing fee of seventy-five dollars (\$75).

1 (c) The LWDA shall notify the employer and the aggrieved employee or
2 representative by certified mail that it does not intend to investigate the
3 alleged violation (“LWDA’s Notice”) within sixty (60) calendar days of
4 the postmark date of the aggrieved employee’s notice. Upon receipt of
5 the LWDA Notice, or if no LWDA Notice is provided within sixty-five
6 (65) calendar days of the postmark date of the aggrieved employee’s
7 notice, the aggrieved employee may commence a civil action pursuant
8 to California Labor Code section 2699 to recover civil penalties.

9 47. Pursuant to California Labor Code sections 2699.3(c), aggrieved employees,
10 through Plaintiffs, may pursue a civil action arising under PAGA for violations of any
11 provision other than those listed in Section 2699.5 after the following requirements have been
12 met:

- 13 (a) The aggrieved employee or representative shall give written notice by
14 online filing with the LWDA and by certified mail to the employer of
15 the specific provisions of the California Labor Code alleged to have
16 been violated (other than those listed in Section 2699.5), including the
17 facts and theories to support the alleged violation.
- 18 (b) An aggrieved employee’s notice filed with the LWDA pursuant to
19 2699.3(c) and any employer response to that notice shall be
20 accompanied by a filing fee of seventy-five dollars (\$75).
- 21 (c) The employer may cure the alleged violation within thirty-three (33)
22 calendar days of the postmark date of the notice sent by the aggrieved
23 employee or representative. The employer shall give written notice
24 within that period of time by certified mail to the aggrieved employee or
25 representative and by online filing with the LWDA if the alleged
26 violation is cured, including a description of actions taken, and no civil
27 action pursuant to Section 2699 may commence. If the alleged violation
28 is not cured within the 33-day period, the aggrieved employee may

1 commence a civil action pursuant to Section 2699.

2 48. On February 21, 2020, Plaintiff Arellano provided written notice by online
3 filing to the LWDA and by Certified Mail to Defendants of the specific provisions of the
4 California Labor Code alleged to have been violated, including facts and theories to support
5 the alleged violations, in accordance with California Labor Code section 2699.3. Plaintiff
6 Arellano’s written notice was accompanied with the applicable filing fee of seventy-five
7 dollars (\$75). The LWDA PAGA Administrator confirmed receipt of Plaintiff Arellano’s
8 written notice and assigned Plaintiff Arellano PAGA Case Number LWDA-CM-774058-20.
9 A true and correct copy of Plaintiff Arellano’s written notice to the LWDA and Defendants is
10 attached hereto as “Exhibit 1.”

11 49. On February 21, 2020, Plaintiff Murillo provided written notice by online filing
12 to the LWDA and by Certified Mail to Defendants of the specific provisions of the California
13 Labor Code alleged to have been violated, including facts and theories to support the alleged
14 violations, in accordance with California Labor Code section 2699.3. Plaintiff Murillo’s
15 written notice was accompanied with the applicable filing fee of seventy-five dollars (\$75).
16 The LWDA PAGA Administrator confirmed receipt of Plaintiff Murillo’s written notice and
17 assigned Plaintiff Murillo PAGA Case Number LWDA-CM-774063-20. A true and correct
18 copy of Plaintiff Murillo’s written notice to the LWDA and Defendants is attached hereto as
19 “Exhibit 2.”

20 50. As of the filing date of this complaint, over 65 days have passed since Plaintiffs
21 sent the notices described above to the LWDA, and the LWDA has not responded that it
22 intends to investigate Plaintiffs’ claims and Defendants have not cured the violations.

23 51. Thus, Plaintiffs have satisfied the administrative prerequisites under California
24 Labor Code section 2699.3(a) and 2699.3(c) to recover civil penalties against Defendants for
25 violations of California Labor Code sections 201, 202, 203, 204, 222.5, 226(a), 226.7, 510,
26 512(a), 516, 1174(d), 1182.12, 1194, 1197, 1197.1, 1198, and 2802.

27 52. Labor Code section 558(a) provides “[a]ny employer or other person acting on
28 behalf of an employer who violates, or causes to be violated, a section of this chapter or any

1 provision regulating hours and days of work in any order of the Industrial Welfare
2 Commission shall be subject to a civil penalty as follows: (1) For any initial violation, fifty
3 dollars (\$50) for each underpaid employee for each pay period for which the employee was
4 underpaid (2) For each subsequent violation, one hundred dollars (\$100) for each
5 underpaid employee for each pay period for which the employee was underpaid” Labor
6 Code section 558(c) provides “[t]he civil penalties provided for in this section are in addition
7 to any other civil or criminal penalty provided by law.”

8 53. Defendants, at all times relevant to this complaint, were employers or persons
9 acting on behalf of an employer(s) who violated Plaintiffs’ and other aggrieved employees’
10 rights by violating various sections of the California Labor Code as set forth above.

11 54. As set forth below, Defendants have violated numerous provisions of both the
12 Labor Code sections regulating hours and days of work as well as the applicable IWC Wage
13 Order.

14 55. Pursuant to PAGA, and in particular, California Labor Code sections 2699(a),
15 2699.3(a), 2699.3(c), and 2699.5, and section 558, Plaintiffs, acting in the public interest as
16 private attorneys general, seek assessment and collection of civil penalties for themselves, all
17 other aggrieved employees, and the State of California against Defendants for violations of
18 California Labor Code sections 201, 202, 203, 204, 222.5, 226(a), 226.7, 510, 512(a), 516,
19 1174(d), 1182.12, 1194, 1197, 1197.1, 1198, and 2802.

20 **CLASS ACTION ALLEGATIONS**

21 56. Plaintiffs bring this action on their own behalf, as well as on behalf of each and
22 all other persons similarly situated, and thus seek class certification under California Code of
23 Civil Procedure section 382.

24 57. All claims alleged herein arise under California law for which Plaintiffs seek
25 relief authorized by California law.

26 58. Plaintiffs’ proposed class consists of and is defined as follows:

27 All persons who worked for Defendants as non-exempt, hourly
28 paid employees in California, within four years prior to the filing
of the initial complaint until the date of trial (“Class”).

1 59. Plaintiffs’ proposed subclass consists of and is defined as follows:

2 All persons who worked for Defendants as non-exempt, hourly
3 paid employees in California and who received at least one wage
4 statement within one (1) year prior to the filing of the initial
 complaint until the date of trial (“Subclass”).

5 60. Members of the Class and Subclass are referred to herein as “class members.”

6 61. Plaintiffs reserve the right to redefine the Class and Subclass and to add
7 additional subclasses as appropriate based on further investigation, discovery, and specific
8 theories of liability.

9 62. There are common questions of law and fact as to class members that
10 predominate over questions affecting only individual members, including, but not limited to:

- 11 (a) Whether Defendants required Plaintiffs and class members to work over
12 eight (8) hours per day, over twelve (12) hours per day, or over forty
13 (40) hours per week and failed to pay all legally required overtime
14 compensation to Plaintiffs and class members;
- 15 (b) Whether Defendants failed to properly calculate the “regular rate” of
16 pay on which Plaintiffs’ and class members’ overtime rate of pay was
17 based;
- 18 (c) Whether Defendants failed to pay Plaintiffs and class members at least
19 minimum wages for all hours worked;
- 20 (d) Whether Defendants failed to provide Plaintiffs and class members with
21 meal periods;
- 22 (e) Whether Defendants failed to authorize and permit Plaintiffs and class
23 members to take rest periods;
- 24 (f) Whether Defendants provided Plaintiffs and class members with
25 complete and accurate wage statements as required by California Labor
26 Code section 226(a);
- 27 (g) Whether Defendants maintained accurate payroll records as required by
28 California Labor Code section 1174(d);

- 1 (h) Whether Defendants failed to pay earned overtime wages, minimum
2 wages, meal and rest period premiums, and/or reporting time pay due to
3 Plaintiffs and class members upon their discharge;
- 4 (i) Whether Defendants failed timely to pay overtime wages, minimum
5 wages, meal and rest period premiums, and/or reporting time pay to
6 Plaintiffs and class members during their employment;
- 7 (j) Whether Defendants required Plaintiff Arellano and class members to
8 report to work, but failed to provide them with work or provided them
9 with less than half their scheduled day's work, without properly
10 compensating them as required by California Code of Regulations, Title
11 8, section 11070, subsection 5;
- 12 (k) Whether Defendants failed to provide Plaintiffs and class members with
13 suitable seating;
- 14 (l) Whether Defendants failed to reimburse Plaintiffs and class members
15 for necessary and required business-related expenditures and/or losses
16 incurred by them in the scope of their employment;
- 17 (m) Whether Defendants engaged in unlawful and unfair business practices
18 in violation of California Business & Professions Code sections 17200,
19 *et seq.*; and
- 20 (n) The appropriate amount of damages, restitution, or monetary penalties
21 resulting from Defendants' violations of California law.

22 63. There is a well-defined community of interest in the litigation and the class
23 members are readily ascertainable:

- 24 (a) Numerosity: The class members are so numerous that joinder of all
25 members would be unfeasible and impractical. The membership of the
26 entire class is unknown to Plaintiffs at this time; however, the class is
27 estimated to be greater than one hundred (100) individuals and the
28 identity of such membership is readily ascertainable by inspection of

Defendants' employment records.

- (b) Typicality: Plaintiffs are qualified to, and will, fairly and adequately protect the interests of each class member with whom they have a well-defined community of interest, and Plaintiffs' claims (or defenses, if any) are typical of all class members as demonstrated herein.
- (c) Adequacy: Plaintiffs are qualified to, and will, fairly and adequately protect the interests of each class member with whom they have a well-defined community of interest and typicality of claims, as demonstrated herein. Plaintiffs acknowledge that they have an obligation to make known to the Court any relationship, conflicts or differences with any class member. Plaintiffs' attorneys, the proposed class counsel, are versed in the rules governing class action discovery, certification, and settlement. Plaintiffs have incurred, and throughout the duration of this action, will continue to incur costs and attorneys' fees that have been, are, and will be necessarily expended for the prosecution of this action for the substantial benefit of each class member.
- (d) Superiority: The nature of this action makes the use of class action adjudication superior to other methods. A class action will achieve economies of time, effort, and expense as compared with separate lawsuits, and will avoid inconsistent outcomes because the same issues can be adjudicated in the same manner and at the same time for the entire class.
- (e) Public Policy Considerations: Employers in the State of California violate employment and labor laws every day. Current employees are often afraid to assert their rights out of fear of direct or indirect retaliation. Former employees are fearful of bringing actions because they believe their former employers might damage their future endeavors through negative references and/or other means. Class

actions provide the class members who are not named in the complaint with a type of anonymity that allows for the vindication of their rights while simultaneously protecting their privacy.

64. **COLLECTIVE ACTION ALLEGATIONS** Plaintiffs also bring this action on behalf of themselves and other employees similarly situated as a collective action under the FLSA, 29 U.S.C. § 216(b). The employees similarly situated are:

All Field Representatives, Field Sales and Marketing Representatives, Single Store Representative, or Multi Store Representatives who covered one or more Home Depot stores and who were employed by Defendants in the United States at any time from three years prior to the Preliminary Approval Order in this action through March 21, 2021 (“Collective Class”).

65. Defendants suffered and permitted Reps to work more than forty hours per week without appropriate overtime compensation.

66. Defendants’ unlawful conduct has been widespread, repeated, and consistent.

67. Upon information and belief, Defendants knew that Plaintiffs and the Collective Class performed work that required overtime pay. Defendants have operated under a scheme to deprive these employees of appropriate overtime compensation owed.

68. Defendants’ conduct was willful and in bad faith, and has caused significant damages to Plaintiffs and the Collective Class.

69. Notice should be sent to the Collective Class informing them of this lawsuit and their opportunity to affirmatively join and stop the statute of limitations from running. There are numerous similarly situated current and former Reps who have been denied overtime pay in violation of the FLSA who would benefit from the issuance of such Notice. The names and addresses of the proposed collective class members are available from Defendants.

FIRST CAUSE OF ACTION

Violation of California Labor Code §§ 510 and 1198—Unpaid Overtime (Against all Defendants)

70. Plaintiffs incorporate by reference and re-allege as if fully stated herein each and every allegation set forth above.

1 71. Labor Code section 1198 makes it illegal to employ an employee under
2 conditions of labor that are prohibited by the applicable wage order. California Labor Code
3 section 1198 requires that “. . . the standard conditions of labor fixed by the commission shall
4 be the . . . standard conditions of labor for employees. The employment of any employee . . .
5 under conditions of labor prohibited by the order is unlawful.”

6 72. California Labor Code section 1198 and the applicable IWC Wage Order
7 provide that it is unlawful to employ persons without compensating them at a rate of pay
8 either time-and-one-half or two-times that person’s regular rate of pay, depending on the
9 number of hours worked by the person on a daily or weekly basis.

10 73. Specifically, the applicable IWC Wage Order provides that Defendants are and
11 were required to pay Plaintiffs and class members working more than eight (8) hours in a day
12 or more than forty (40) hours in a workweek, at the rate of time and one-half (1½) for all
13 hours worked in excess of eight (8) hours in a day or more than forty (40) hours in a
14 workweek.

15 74. The applicable IWC Wage Order further provides that Defendants are and were
16 required to pay Plaintiffs and class members working more than twelve (12) hours in a day,
17 overtime compensation at a rate of two (2) times their regular rate of pay. An employee’s
18 regular rate of pay includes all remuneration for employment paid to, or on behalf of, the
19 employee, including nondiscretionary bonuses and incentive pay.

20 75. California Labor Code section 510 codifies the right to overtime compensation
21 at one and one-half (1½) times the regular rate of pay for hours worked in excess of eight (8)
22 hours in a day or forty (40) hours in a week or for the first eight (8) hours worked on the
23 seventh (7th) day of work, and to overtime compensation at twice the employee’s regular rate
24 of pay for hours worked in excess of twelve (12) hours in a day or in excess of eight (8) hours
25 in a day on the seventh (7th) day of work.

26 76. During the relevant time period, Defendants willfully failed to pay all overtime
27 wages owed to Plaintiffs and class members. During the relevant time period, Plaintiffs and
28 class members were not paid overtime premiums for all of the hours they worked in excess of

1 eight (8) hours in a day, in excess of twelve (12) hours in a day, and/or in excess of forty (40)
2 hours in a week, because all hours worked were not recorded.

3 77. First, during the relevant time period, Defendants had a policy and/or practice
4 of discouraging and impeding Plaintiffs and class members from recording hours worked that
5 were outside of their scheduled shifts in order to limit the amount of overtime employees
6 could accrue. On information and belief, this limitation on overtime accrual was based on a
7 company-wide policy of staffing job sites or locations strictly based on the labor hours or
8 labor budget set by corporate. This policy of limiting overtime, coupled with Defendants'
9 single-staffing and/or understaffing policy (*see infra*) and assigning strict deadlines and heavy
10 workloads, led Plaintiffs and class members to work off-the-clock before and after their
11 scheduled shift times in order to complete their assigned tasks. Defendants discouraged
12 Plaintiffs and class members from earning overtime wages by requiring and then denying
13 approval of overtime hours, but made them to finish "re-sets" or other projects within a single
14 eight-hour shift. Thus, Plaintiffs would clock out at their designated shift end-time and would
15 continue working to finish their assignments, such as performing "re-sets" and preparing
16 product displays. As a result of this restriction on overtime accrual, Defendants also forced
17 Plaintiffs to perform work off-the-clock outside of their scheduled shifts, such as preparing
18 "re-sets" of store displays, including receiving packages at home, organizing product boxes,
19 and loading company vehicles with inventory; filling their company vehicles with gas, taking
20 them in for maintenance or service, and getting car washes; responding to phone calls and
21 texts on their company cellular phones; and traveling to and from Defendants' meetings or
22 other Home Depot store locations to assist other employees. Defendants failed to track this
23 time spent working before and after scheduled shifts, and Plaintiffs and class members
24 received no compensation for this time.

25 78. Second, during the relevant time period, on information and belief, Defendants
26 had a policy of improperly adjusting Plaintiffs' and class members' clock-in and clock-out
27 duration times in their Kronos timekeeping system. Defendants' time-shaving policy resulted
28 in the failure to compensate Plaintiffs and class members fully for all hours worked, causing

1 Plaintiffs and class members to not be paid overtime wages for all of the overtime hours they
2 actually worked. Upon information and belief, Defendants' time-shaving policy is, and
3 continues to be, unfair and has, over time, resulted in the underpayment of wages to Plaintiffs
4 and class members. To the extent Defendants' policy has taken away time worked that was
5 eligible for overtime, Plaintiffs and class members were denied overtime pay for all hours
6 worked.

7 79. Third, Defendants have systematically, and on a company-wide basis,
8 understaffed their posts by adopting a single-staffing model for their job sites, pursuant to
9 their labor budget practices, thereby failing to provide adequate meal period coverage to
10 permit employees to take compliant meal periods. Because Defendants understaff their job
11 sites, there is no one available to relieve Plaintiffs and class members needing meal period
12 coverage. For example, Plaintiffs' meal periods were missed or interrupted due to customer
13 demand, contractors asking questions, and calls from Defendants' management on company
14 cellular phones.

15 80. Fourth, during the relevant period, as stated above, Defendants had, and
16 continue to have, a company-wide policy and/or practice of understaffing their worksites
17 while assigning heavy workloads and/or strict deadlines for re-sets, resulting in a failure to
18 provide Plaintiffs and class members with adequate meal period coverage. As a result of this
19 lack of meal period coverage, Plaintiffs and class members were not always afforded
20 uninterrupted 30-minute meal periods during shifts when they were entitled to receive a meal
21 period. For example, Plaintiffs and class members were required to perform their duties, such
22 as working at promotional events, manning product displays, or responding to work-related
23 calls from Defendants' management during unpaid meal periods, or would have their meal
24 periods interrupted to complete such work-related tasks.

25 81. Additionally, Defendants, on a company-wide basis, had a practice of failing to
26 schedule (or adhere to a schedule of) meal periods, which further caused Plaintiffs and class
27 members to not be relieved of their duties for compliant meal periods. Thus, Plaintiffs and
28 class members missed or had meal periods interrupted in order to complete their assigned

workloads. Defendants did not pay Plaintiffs and class members for the time they continued to perform tasks during meal periods. Further, on information and belief, because Defendants frowned upon employees accruing meal period penalties, when Plaintiffs and class members failed to clock themselves out at designated meal period start times, they were subject to Defendants altering their time records and deducting time for meal periods that were not taken. Alternatively, Defendants' supervisors adjusted employee time records to show compliant meal periods, even if none were taken. Consequently, Plaintiffs and class members performed work during meal periods for which they were not paid.

82. Defendants knew or should have known that as a result of these company-wide practices and/or policies, Plaintiffs and class members were performing assigned duties during their meal periods and performing work off-the-clock before or after their shifts, and were suffered or permitted to perform work for which they were not paid. Because Plaintiffs and class members worked shifts of eight (8) hours a day or more or forty (40) hours a week or more, some of this off-the-clock work qualified for overtime premium pay. Therefore, Plaintiffs and class members were not paid overtime wages for all of the overtime hours they actually worked.

83. Furthermore, on information and belief, Defendants did not pay Plaintiffs and class members the correct overtime rate for the recorded overtime hours that they generated. In addition to an hourly wage, Defendants paid Plaintiffs and class members incentive pay, nondiscretionary bonuses, and/or other forms of remuneration. For example, Defendants paid Plaintiffs and class members nondiscretionary bonuses and incentive pay, such as sales bonuses (based on a percentage of a store's total sales). However, in violation of the California Labor Code, Defendants failed to incorporate all compensation, including incentive pay, nondiscretionary bonuses, and/or other forms of remuneration, into the calculation of the regular rate of pay for purposes of calculating the overtime wage rate. Therefore, during times when Plaintiffs and class members worked overtime and received these other forms of pay, Defendants failed to pay all overtime wages by paying a lower overtime rate than required.

84. Defendants' failure to pay Plaintiffs and class members the balance of overtime compensation as required by California law, violates the provisions of California Labor Code sections 510 and 1198. Pursuant to California Labor Code section 1194, Plaintiffs and class members are entitled to recover their unpaid overtime compensation, as well as interest, costs, and attorneys' fees.

SECOND CAUSE OF ACTION

**Violation of California Labor Code §§ 1182.12, 1194, 1197, 1197.1, and 1198—Unpaid
Minimum Wages
(Against all Defendants)**

85. Plaintiffs incorporate by reference and re-allege as if fully stated herein each and every allegation set forth above.

86. At all relevant times, California Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198 provide that the minimum wage for employees fixed by the IWC is the minimum wage to be paid to employees, and the payment of a wage less than the minimum so fixed is unlawful. Compensable work time is defined in Wage Order No. 7 as “the time during which an employee is subject to the control of an employer, and includes all the time the employee is suffered or permitted to work, whether or not required to do so.” Cal. Code. Regs. tit. 8, § 11070(2)(G) (defining “Hours Worked”).

87. As stated, during the relevant time period, as a result of Defendants' policy of limiting the amount of overtime employees could accrue by discouraging and impeding Plaintiffs and class members from recording hours worked that were outside of their scheduled shifts, Plaintiffs and class members were required to work off-the-clock before and after their scheduled shift start and end times to complete their assigned job duties. Furthermore, as stated, Defendants had, and continue to have, a company-wide policy of adjusting or shaving down Plaintiffs' and class members' hourly clock-in and clock-out times in their Kronos timekeeping system, resulting in the failure to compensate Plaintiffs and class members fully for all hours worked and the failure to pay Plaintiffs and class members minimum wages for all hours actually worked.

88. As also stated above, due to Defendants' policy and/or practice of understaffing or single-staffing while assigning heavy workloads and strict deadlines, and failure to schedule (or adhere to a schedule of) meal periods, Plaintiffs and class members were forced to forego meal periods, have their meal periods interrupted, and/or were otherwise not relieved of all duties during meal periods.

89. Defendants did not pay minimum wages for off-the-clock hours that Plaintiffs and class members worked through that qualified for overtime premium payment. To the extent that these off-the-clock hours did not qualify for overtime premium payment, Defendants did not pay at least minimum wages for those hours worked off-the-clock in violation of California Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198.

90. Defendants' failure to pay Plaintiffs and class members minimum wages violates California Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198. Pursuant to California Labor Code section 1194.2, Plaintiffs and class members are entitled to recover liquidated damages in an amount equal to the wages unlawfully unpaid and interest thereon.

THIRD CAUSE OF ACTION

Violations of California Labor Code, §§ 226.7, 512(a), 516, and 1198—Meal Period

Violations

(Against all Defendants)

91. Plaintiffs incorporate by reference and re-allege as if fully stated herein each and every allegation set forth above.

92. At all relevant times herein set forth, California Labor Code section 512(a) provides that an employer may not require, cause, or permit an employee to work for a period of more than five (5) hours per day without providing the employee with a meal period of not less than thirty (30) minutes, except that if the total work period per day of the employee is not more than six (6) hours, the meal period may be waived by mutual consent of both the employer and the employee. Under California law, first meal periods must start after no more than five hours. *Brinker Rest. Corp. v. Superior Court*, 53 Cal. 4th 1004, 1041-1042 (Cal. 2012).

1 93. At all relevant times herein set forth, California Labor Code sections 226.7,
2 512(a), 516, and 1198 provide that no employer shall require an employee to work during any
3 meal period mandated by an applicable order of the IWC.

4 94. At all relevant times herein set forth, Labor Code sections 226.7 and 512(a) and
5 the applicable IWC Wage Order also require employers to provide a second meal period of
6 not less than thirty (30) minutes if an employee works over ten (10) hours per day or to pay an
7 employee one (1) additional hour of pay at the employee's regular rate, except that if the total
8 hours worked is no more than twelve (12) hours, the second meal period may be waived by
9 mutual consent of the employer and the employee only if the first meal period was not waived.

10 95. First, during the relevant time period, as stated, Defendants had, and continue
11 to have, a uniform policy and/or practice of single-staffing and understaffing pursuant to a
12 labor budget, which resulted in a lack of meal period coverage and prevented Plaintiffs and
13 class members from taking all timely, uninterrupted meal periods to which they were entitled.
14 Because Defendants understaff their job sites, there is no one available to relieve Plaintiffs
15 and class members needing meal period coverage.

16 96. Additionally, as stated, Defendants on a company-wide basis, have
17 systematically discouraged and impeded Plaintiffs and class members from taking meal
18 periods by failing to schedule (or failing to adhere to a schedule of) meal periods, while
19 assigning strict deadlines and heavy workloads, even though they are aware and know that
20 employees are entitled to such meal periods. As a result of this uniform failure to schedule (or
21 failure to adhere to a schedule of) meal periods, Plaintiffs and class members have not been
22 provided timely, uninterrupted 30-minute meal periods during their shifts in which they were
23 entitled to receive a meal period. Additionally, Defendants required Plaintiffs and class
24 members to respond to phone calls to their company cellular phones at all times, which further
25 caused Plaintiffs and class members to not be relieved of their duties for compliant meal
26 periods. As a result of Defendants' practices and/or policies, Plaintiffs and class members
27 had to work through part or all of their meal periods, have their meal periods interrupted,
28 and/or wait extended periods of time before taking meal periods.

1 97. Furthermore, because Defendants frowned upon employees accruing meal
2 period penalties, Defendants' management would adjust Plaintiffs' and class members' time
3 records to reflect compliant meal periods, regardless of whether they had received a compliant
4 meal period or not, in order to strictly limit meal penalties that would need to be paid by
5 Defendants. However, Plaintiffs and class members worked through meal periods or had their
6 meal periods interrupted, because there were not enough employees on duty to handle the
7 heavy workload and tend to customers.

8 98. As a result of Defendants' company-wide practices and/or policies, Plaintiffs
9 and class members would be forced to work in excess of five (5) hours before taking a meal
10 period and, at times, had their meal periods interrupted and/or had to forgo their meal periods
11 altogether. For example, during their employment, Plaintiffs would start their meal periods
12 late or would have their meal periods interrupted by Defendants' supervisors calling about
13 status updates on projects or to assist with customer inquiries. As a further example, Plaintiffs
14 would also miss their meal periods due to the heavy workload and deadlines for completing
15 re-sets and other projects in one eight-hour shift on their own. Plaintiffs and class members
16 did not sign valid meal period waivers on days that they were entitled to meal periods and
17 were not relieved of all duties.

18 99. At all times herein mentioned, Defendants knew or should have known that, as
19 a result of these policies, Plaintiffs and class members were prevented from being relieved of
20 all duties and required to perform some of their assigned duties during meal periods.
21 Defendants further knew or should have known that Defendants did not pay Plaintiffs and
22 class members meal period premium wages when meal periods were late, interrupted,
23 shortened, or missed because Defendants adjusted employee time records to reflect compliant
24 meal periods, even if none were taken.

25 100. Moreover, Defendants engaged in a company-wide practice and/or policy of
26 not paying all meal period premiums owed when compliant meal periods are not provided.
27 Because of Defendants' practices and/or policies, Plaintiffs and class members have not
28 received premium pay for all missed, late, and interrupted meal periods. Alternatively, to the

1 extent that Defendants did pay Plaintiffs and class members premium pay for missed, late, and
2 interrupted meal periods, Defendants did not pay Plaintiffs and class members at the correct
3 rate of pay for premium wages because Defendants systematically failed to include all forms
4 of compensation, such as incentive pay, nondiscretionary bonuses, and/or other forms of
5 remuneration, in the regular rate of pay. As a result, Defendants failed to provide Plaintiffs
6 and class members compliant meal periods in violation of California Labor Code sections
7 226.7, 512, and 516 and failed to pay the full meal period premiums due.

8 101. Defendants' conduct violates the applicable IWC Wage Order, and California
9 Labor Code sections 226.7, 512(a), 516, and 1198. Plaintiffs and class members are therefore
10 entitled to recover from Defendants one (1) additional hour of pay at the employee's regular
11 rate of compensation for each work day that the meal period was not provided.

12 //

13 //

14 **FOURTH CAUSE OF ACTION**

15 **Violation of California Labor Code §§ 226.7, 516, and 1198—Rest Period Violations** 16 **(Against all Defendants)**

17 102. Plaintiffs incorporate by reference and re-allege as if fully stated herein each
18 and every allegation set forth above.

19 103. At all relevant times herein set forth, the applicable IWC Wage Order and
20 California Labor Code sections 226.7, 516, and 1198 were applicable to Plaintiffs and class
21 members' employment by Defendants.

22 104. At all relevant times, the applicable IWC Wage Order provides that "[e]very
23 employer shall authorize and permit all employees to take rest periods, which insofar as
24 practicable shall be in the middle of each work period" and that the "rest period time shall be
25 based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4)
26 hours or major fraction thereof" unless the total daily work time is less than three and one-half
27 (3½) hours.

28 105. At all relevant times, California Labor Code section 226.7 provides that no

1 employer shall require an employee to work during any rest period mandated by an applicable
2 order of the California IWC. To comply with its obligation to authorize and permit rest
3 periods under California Labor Code section 226.7 and the applicable IWC Wage Order, an
4 employer must “relinquish any control over how employees spend their break time, and
5 relieve their employees of all duties — including the obligation that an employee remain on
6 call. A rest period, in short, must be a period of rest.” *Augustus v. ABM Security Services,*
7 *Inc.*, 2 Cal. 5th 257, 269-270 (2016). Pursuant to the applicable IWC Wage Order and
8 California Labor Code section 226.7(b), Plaintiffs and class members are entitled to recover
9 from Defendants one (1) additional hour of pay at their regular rates of pay for each work day
10 that a required rest period was not authorized and permitted.

11 106. During the relevant time period, Defendants regularly failed to authorize and
12 permit Plaintiffs and class members to take a ten (10) minute rest period per each four (4)
13 hour period worked or major fraction thereof. As with meal periods, Defendants’ company-
14 wide practices, including assigning deadlines and heavy workloads, prevented Plaintiffs and
15 class members from being relieved of all duty to take their rest periods. For example,
16 Defendants actively discouraged Plaintiff Murillo from taking rest periods by threatening him
17 with discipline or write-ups. Additionally, Defendants failed schedule rest periods, which,
18 coupled with Defendants’ failure to provide adequate rest period coverage, further led to
19 Plaintiffs and class members not being authorized and permitted to take compliant rest
20 periods. Moreover, Plaintiffs and class members were assigned company-issued cellular
21 phones and were expected to carry and respond to them at all times, including during rest
22 periods. As a result of Defendants’ practices and policies, Plaintiffs and class members
23 worked shifts in excess of 3.5 hours, in excess of 6 hours, and/or in excess of 10 hours without
24 receiving all uninterrupted 10-minute rest periods to which they were entitled.

25 107. Furthermore, upon information and belief, during the relevant time period,
26 Defendants maintained implemented a company-wide on-premises rest period policy, which
27 mandated that Plaintiffs and class members remain on the work premises during their rest
28 periods. Upon information and belief, Defendants’ company-wide on-premises rest period

1 policy prevented Plaintiffs and class members from being relieved of all duties for rest periods
2 and caused them to perform work during rest periods.

3 108. Defendants have also engaged in a systematic, company-wide practice and/or
4 policy of not paying rest period premiums owed when rest periods are not authorized and
5 permitted. As a result, Defendants denied Plaintiffs and class members rest periods and failed
6 to pay them rest period premium wages due, in violation of Labor Code section 226.7 and the
7 applicable IWC Wage Order.

8 109. Defendants have also engaged in a systematic, company-wide practice and/or
9 policy of not paying rest period premiums owed when rest periods are not authorized and
10 permitted. Alternatively, to the extent that Defendants did pay Plaintiffs and class members
11 one (1) additional hour of premium pay for missed rest periods, Defendants did not pay
12 Plaintiffs and class members at the correct rate of pay for premium wages because Defendants
13 failed to include all forms of compensation, such as incentive pay, nondiscretionary bonuses,
14 and/or other forms of remuneration, in the regular rate of pay. As a result, Defendants denied
15 Plaintiffs and class members rest periods and failed to pay them rest period premium wages
16 due, in violation of Labor Code section 226.7, 516, and the applicable IWC Wage Order.

17 110. Defendants' conduct violates the applicable IWC Wage Order and California
18 Labor Code sections 226.7, 516, and 1198. Plaintiffs and class members are therefore entitled
19 to recover from Defendants one (1) additional hour of pay at the employee's regular rate of
20 compensation for each work day that a compliant rest period was not authorized and
21 permitted.

22 **FIFTH CAUSE OF ACTION**

23 **Violation of California Labor Code §§ 226(a), 1174(d), and 1198—Non-Compliant Wage** 24 **Statements and Failure to Maintain Accurate Payroll Records** 25 **(Against all Defendants)**

26 111. Plaintiffs incorporate by reference and re-allege as if fully stated herein each
27 and every allegation set forth above.

28 112. At all relevant times herein set forth, California Labor Code section 226(a)

1 provides that every employer shall furnish each of his or her employees an accurate and
2 complete itemized wage statement in writing, including, but not limited to, the name and
3 address of the legal entity that is the employer, the inclusive dates of the pay period, total
4 hours worked, and all applicable rates of pay.

5 113. At all relevant times, Defendants have knowingly and intentionally provided
6 Plaintiffs and Subclass members with uniform, incomplete, and inaccurate wage statements.
7 For example, Defendants issued uniform wage statements to Plaintiffs and Subclass members
8 that fail to correctly list: gross wages earned; total hours worked; net wages earned; the
9 correct name of the legal entity that is the employer; and all applicable hourly rates in effect
10 during the pay period, including overtime rates of pay, and the corresponding number of hours
11 worked at each hourly rate. Specifically, Defendants violated sections 226(a)(1), 226(a)(2),
12 226(a)(5), 226(a)(8), and 226(a)(9).

13 114. First, because Defendants did not record the time Plaintiffs and Subclass
14 members spent working off the clock and underreported Plaintiffs' and Subclass members'
15 hourly clock-in and clock-out times in their timekeeping system, Defendants did not list the
16 correct amount of gross wages and net wages earned by Plaintiffs and Subclass members in
17 compliance with section 226(a)(1) and 226(a)(5). For the same reason, Defendants failed to
18 accurately list the total number of hours worked by Plaintiffs and Subclass members in
19 violation of section 226(a)(2), and failed to list the applicable hourly rates of pay in effect
20 during the pay period and corresponding accurate number of work hours worked at each
21 hourly rate in violation of section 226(a)(9).

22 115. Second, because Defendants did not calculate Plaintiffs' and Subclass
23 members' regular rate of pay correctly for purposes of paying overtime, Defendants did not
24 list the correct amount of gross wages earned by Plaintiffs and Subclass members in
25 compliance with section 226(a)(1). For the same reason, Defendants failed to list the correct
26 amount of net wages earned by Plaintiffs and Subclass members in violation of section
27 226(a)(5). Defendants also failed to correctly list all applicable hourly rates in effect during
28 the pay period, namely, correct overtime rates of pay and correct rates of pay for premium

1 wages, in violation of section 226(a)(9).

2 116. Third, and separate from these violations, Defendants issued uniform wage
3 statements to Plaintiffs and Subclass members that failed to correctly list the name of the legal
4 entity of the actual employer in violation of 226(a)(8). The purpose of section 226(a)(8) is to
5 provide California employees with transparency as to the true identity of their employer, to
6 allow the employee to contact their employer during employment in the future for various
7 reasons, including, filing an administrative claim, judicial claim, or other action to seek relief
8 against their employer, to obtain unemployment benefits, etc.

9 117. Defendants systematically, and on a company-wide basis, issued wage
10 statements to Plaintiffs and Subclass members that incorrectly list the employing entity's
11 name. Plaintiffs' wage statements list the entity "R & B SALES AND MARKETING INC,"
12 but, according to the California Secretary of State's website, there is no such entity by that
13 name.

14 118. The wage statement deficiencies also include, without limitation, failing to list
15 the number of piece-rate units earned and any applicable piece rate if the employee is paid on
16 a piece-rate basis; failing to list all deductions; failing to list the name of the employee and
17 only the last four digits of his or her social security number or an employee identification
18 number other than a social security number; failing to list the address of the legal entity that is
19 the employer; failing to list the inclusive dates of the period for which class members were
20 paid; and/or failing to state all hours worked as a result of not recording or stating hours
21 worked off-the-clock.

22 119. California Labor Code section 1198 provides that the maximum hours of work
23 and the standard conditions of labor shall be those fixed by the Labor Commissioner and as
24 set forth in the applicable IWC Wage Orders. Section 1198 further provides that "[t]he
25 employment of any employees for longer hours than those fixed by the order or under
26 conditions of labor prohibited by the order is unlawful." Pursuant to the applicable IWC
27 Wage Order, employers are required to keep accurate time records showing when the
28 employee begins and ends each work period and meal period. During the relevant time

1 period, Defendants failed, on a company-wide basis, to keep accurate records of work period
2 and meal period start and stop times for Plaintiffs and Subclass members, in violation of
3 section 1198. Also, as stated, Defendants engaged in a company-wide practice and/or policy
4 of falsifying Plaintiffs' and Subclass members' time records by recording that compliant meal
5 periods were taken regardless of if or when meal periods were actually taken, and thereby
6 failed to keep accurate records of meal start and end times for Plaintiffs and Subclass
7 members.

8 120. California Labor Code section 1174(d) provides that "[e]very person employing
9 labor in this state shall ... [k]eep a record showing the names and addresses of all employees
10 employed and the ages of all minors" and "[k]eep, at a central location in the state or at the
11 plants or establishments at which employees are employed, payroll records showing the hours
12 worked daily by and the wages paid to, and the number of piece-rate units earned by and any
13 applicable piece rate paid to, employees employed at the respective plants or establishments . .
14 . ." At all relevant times, and in violation of Labor Code section 1174(d), Defendants
15 willfully failed to maintain accurate payroll records for Plaintiffs and Subclass members
16 showing the daily hours they worked and the wages paid thereto as a result of failing to record
17 the off-the-clock hours that they worked and underreporting Plaintiffs' and Subclass
18 members' hourly clock-in and clock-out times in their timekeeping system.

19 121. Plaintiffs and Subclass members are entitled to recover from Defendants the
20 greater of their actual damages caused by Defendants' failure to comply with California Labor
21 Code section 226(a), or an aggregate penalty not exceeding four thousand dollars (\$4,000) per
22 employee.

23 **SIXTH CAUSE OF ACTION**

24 **Violation of California Labor Code §§ 201 and 202—Wages Not Timely Paid**

25 **Upon Termination**

26 **(Against all Defendants)**

27 122. Plaintiffs incorporate by reference and re-allege as if fully stated herein each
28 and every allegation set forth above.

123. This cause of action is dependent upon, and wholly derivative of, the overtime wages, minimum wages, meal and rest period premium wages, and/or reporting time pay that were not timely paid to Plaintiffs and those class members no longer employed by Defendants upon their termination.

124. At all times relevant herein set forth, Labor Code sections 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and that if an employee voluntarily leaves his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

125. Defendants willfully failed to pay Plaintiffs and class members who are no longer employed by Defendants the earned and unpaid wages set forth above, including but not limited to, overtime wages, minimum wages, meal and rest period premium wages, and/or reporting time pay, either at the time of discharge, or within seventy-two (72) hours of their leaving Defendants' employ.

126. Defendants' failure to pay Plaintiffs and class members who are no longer employed by Defendants their wages earned and unpaid at the time of discharge, or within seventy-two (72) hours of their leaving Defendants' employ, violates Labor Code sections 201 and 202. Plaintiffs and class members are therefore entitled to recover from Defendants the statutory penalty wages for each day they were not paid, at their regular rate of pay, up to a thirty (30) day maximum pursuant to California Labor Code section 203.

SEVENTH CAUSE OF ACTION

**Violation of California Labor Code § 204—Failure to Timely Pay Wages During
Employment
(Against all Defendants)**

127. Plaintiffs incorporate by reference and re-allege as if fully stated herein each and every allegation set forth above.

1 128. This cause of action is dependent upon, and wholly derivative of, the overtime
2 wages, minimum wages, meal and rest period premium wages, and/or reporting time pay that
3 were not timely paid to Plaintiffs class members during their employment.

4 129. At all times relevant herein set forth, Labor Code section 204 provides that all
5 wages earned by any person in any employment between the first (1st) and the fifteenth (15th)
6 days, inclusive, of any calendar month, other than those wages due upon termination of an
7 employee, are due and payable between the sixteenth (16th) and the twenty-sixth (26th) day of
8 the month during which the labor was performed.

9 130. At all times relevant herein, Labor Code section 204 provides that all wages
10 earned by any person in any employment between the sixteenth (16th) and the last day,
11 inclusive, of any calendar month, other than those wages due upon termination of an
12 employee, are due and payable between the first (1st) and the tenth (10th) day of the following
13 month.

14 131. At all times relevant herein, Labor Code section 204 provides that all wages
15 earned for labor in excess of the normal work period shall be paid no later than the payday for
16 the next regular payroll period. Alternatively, at all times relevant herein, Labor Code section
17 204 provides that the requirements of this section are deemed satisfied by the payment of
18 wages for weekly, biweekly, or semimonthly payroll if the wages are paid not more than
19 seven (7) calendar days following the close of the payroll period.

20 132. During the relevant time period, Defendants willfully failed to pay Plaintiffs
21 and class members all wages due including, but not limited to, overtime wages, minimum
22 wages, meal and rest period premium wages, and/or reporting time pay, within the time
23 periods specified by California Labor Code section 204.

24 133. Defendants' failure to pay Plaintiffs and class members all wages due violates
25 Labor Code section 204. Plaintiffs and class members are therefore entitled to recover from
26 Defendants the statutory penalty wages pursuant to California Labor Code section 210.

27 **EIGHTH CAUSE OF ACTION**

28 **Violation of Labor Code § 1198 and California Code of Regulations Title 8, Section**

11070 Subdivision 5(A)—Failure to Provide Reporting Time Pay
(By Plaintiff Arellano on behalf of all other persons similarly situated, against all
Defendants)

134. Plaintiff Arellano incorporates by reference and re-alleges as if fully stated herein each and every allegation set forth above.

135. California Labor Code section 1198 dictates that no employer may employ an employee under conditions of labor that are prohibited by the applicable IWC wage order. California Labor Code section 1198 further requires that “. . . the standard conditions of labor fixed by the commission shall be the . . . standard conditions of labor for employees. The employment of any employee . . . under conditions of labor prohibited by the order is unlawful.”

136. The applicable IWC wage order, California Code of Regulations, Title 8, section 11070(5)(A), provides that “[e]ach workday an employee is required to report for work and does report, but is not put to work or is furnished less than half said employee’s usual or scheduled day’s work, the employee shall be paid for half the usual or scheduled day’s work, but in no event for less than two (2) hours nor more than four (4) hours, at the employee’s regular rate of pay, which shall not be less than the minimum wage.”

137. During the relevant time period, Defendants violated California Labor Code section 1198 and California Code of Regulations, Title 8, section 11070(5)(A), because Defendants failed to pay Plaintiff Arellano and class members reporting time pay when they reported to work for their scheduled shift but were put to work for less than half of the regularly scheduled day’s work.

138. Defendants had a company-wide practice of sending Plaintiff Arellano and class members home early from their shifts, including before they had worked at least half of their regular shift, but would not pay Plaintiff Arellano and class members for half of their scheduled shift, due to Defendants’ labor budget. For example, Plaintiff Arellano would report to work the day after a quarterly meeting, but would be sent home early by Defendants’ management after being told he had accrued too much overtime. Although Plaintiff Arellano

1 and class members would report to work based on the schedule that Defendants provided to
2 them, Defendants would send them home before they had worked at least half of their
3 scheduled shifts without giving them reporting time pay.

4 139. Accordingly, Plaintiff Arellano and class members were not properly
5 compensated with reporting time pay in violation of California Labor Code section 1198.

6 **NINTH CAUSE OF ACTION**

7 **Violation of California Labor Code § 2802—Unpaid Business-Related Expenses**

8 **(Against all Defendants)**

9 140. Plaintiffs incorporate by reference and re-allege as if fully stated herein each
10 and every allegation set forth above.

11 141. At all times herein set forth, California Labor Code section 2802 provides that
12 an employer must reimburse employees for all necessary expenditures and losses incurred by
13 the employee in the performance of his or her job. The purpose of Labor Code section 2802 is
14 to prevent employers from passing off their cost of doing business and operating expenses on
15 to their employees. *Cochran v. Schwan's Home Service, Inc.*, 228 Cal. App. 4th 1137, 1144
16 (2014). The applicable wage order, IWC Wage Order 7-2001, provides that: “[w]hen tools or
17 equipment are required by the employer or are necessary to the performance of a job, such
18 tools and equipment shall be provided and maintained by the employer, except that an
19 employee whose wages are at least two (2) times the minimum wage provided herein may be
20 required to provide and maintain hand tools and equipment customarily required by the trade
21 or craft.”

22 142. First, during the relevant time period, Defendants had a company-wide policy
23 of requiring Plaintiffs and class members to utilize their own personal vehicles for work
24 purposes, but failed to reimburse them for the costs of travel, including mileage. For example,
25 Plaintiff Arellano was required to take his company vehicle for maintenance at a service
26 station that was 30 miles from his home, and pick up the vehicle later using his wife’s vehicle,
27 but was not reimbursed for travel expenses or mileage from using his personal vehicle.
28 Additionally, while Plaintiff Murillo’s company vehicle was being serviced for a flat tire, he

1 was required to utilize his personal vehicle to drive to and from the job site, but was not
2 reimbursed for his travel or mileage. Although Defendants required Plaintiffs and class
3 members to use their own vehicles or obtain alternate transportation to carry out their work-
4 related responsibilities, Defendants never reimbursed them for all their travel expenses.

5 143. Second, Defendants, on a company-wide basis, expected Plaintiffs and class
6 members to maintain clean and presentable company vehicles. Plaintiffs and class members
7 were required to take their vehicles to car washes at least once a week and incur expenses in
8 doing so. Although Defendants required Plaintiffs and class members to maintain their
9 company vehicles as part of their work-related responsibilities, Defendants never reimbursed
10 them for all their expenses.

11 144. Third, Defendants, on a company-wide basis, expected Plaintiffs and class
12 members to report to work in clean and presentable uniforms, including a uniform polo shirt
13 emblazoned with one of Defendants' brand logos (e.g. Milwaukee, Ryobi, or Empire), which
14 forced Plaintiffs and class members to wash their uniforms more frequently than they would
15 otherwise do laundry, and incur expenses for doing so. For example, Plaintiffs were only
16 provided two (2) uniform shirts each, but were scheduled to work five (5) days in a week, and
17 thus incurred laundry expenses for the upkeep of their uniforms, as the nature of their work
18 resulted in their uniforms becoming sweaty and/or dirty. As a further example, Plaintiff
19 Arellano was required to dry-clean his uniform shirts in order to prevent wear and tear,
20 incurring a cost of approximately \$50.00 per month on dry-cleaning, and was also required to
21 purchase replacement uniforms at a cost of \$60.00 per shirt.

22 145. Defendants could have provided Plaintiffs and class members with the actual
23 tools for use on the job, such as company-provided transportation to get to and from vehicle
24 maintenance/service appointments, and with an adequate number of uniform shirts or access
25 to a cleaning service. Or, Defendants could have reimbursed employees for the costs of their
26 travel, mileage, maintenance of company vehicles, and laundry or dry-cleaning expenses.
27 Instead, Defendants passed these operating costs off onto Plaintiffs and class members.

28 146. Defendants' company-wide policy and/or practice of passing on their operating

costs to Plaintiffs and class members violates California Labor Code section 2802. Defendants have intentionally and willfully failed to reimburse Plaintiffs and other class members for necessary business-related expenses and costs.

147. Plaintiffs and class members are entitled to recover from Defendants their business-related expenses incurred during the course and scope of their employment, plus interest.

TENTH CAUSE OF ACTION

For Civil Penalties Pursuant to California Labor Code §§ 2698, *et seq.*

(Against all Defendants)

148. Plaintiffs incorporate by reference and re-allege as if fully stated herein each and every allegation set forth above.

149. California Labor Code §§ 2698, *et seq.* (“PAGA”) permits Plaintiffs to recover civil penalties for the violation(s) of the Labor Code sections enumerated in Labor Code section 2699.5. Section 2699.5 enumerates Labor Code sections 201, 202, 203, 204, 222.5, 226(a), 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, and 2802. Labor Code section 2699.3(c) permits aggrieved employees, including Plaintiffs, to recover civil penalties for violations of those Labor Code sections not found in section 2699.5, including sections 516 and 1182.12.

150. Defendants’ conduct, as alleged herein, violates numerous sections of the California Labor Code, including, but not limited to, the following:

- (a) Violation of Labor Code sections 510, 1198, and the applicable IWC wage order for Defendants’ failure to compensate Plaintiffs and other aggrieved employees with all required overtime and failure to properly calculate the overtime rates paid to Plaintiffs and other aggrieved employees, as alleged herein;
- (b) Violation of Labor Code sections 1182.12, 1194, 1197, 1197.1, 1198, and the applicable IWC wage order for Defendants’ failure to compensate Plaintiffs and other aggrieved employees with at least

- 1 minimum wages for all hours worked, as alleged herein;
- 2 (c) Violation of Labor Code sections 226.7, 512, 516, 1198, and the
- 3 applicable IWC wage order for Defendants' failure to provide Plaintiffs
- 4 and other aggrieved employees with meal periods, as alleged herein;
- 5 (d) Violation of Labor Code sections 226.7, 516, 1198, and the applicable
- 6 IWC wage order for Defendants' failure to authorize and permit
- 7 Plaintiffs and other aggrieved employees to take rest periods, as alleged
- 8 herein;
- 9 (e) Violation of Labor Code sections 226(a), 1198, and the applicable IWC
- 10 wage order for failure to provide accurate and complete wage statements
- 11 to Plaintiffs and other aggrieved employees, as alleged herein;
- 12 (f) Violation of Labor Code sections 1174(d), 1198, and the applicable
- 13 IWC wage order for failure to maintain payroll records as alleged
- 14 herein;
- 15 (g) Violation of Labor Code sections 201, 202, and 203 for failure to pay all
- 16 earned wages upon termination as alleged herein;
- 17 (h) Violation of Labor Code section 204 for failure to pay all earned wages
- 18 during employment, as alleged herein;
- 19 (i) Violation of Labor Code section 1198 and the applicable IWC wage
- 20 order for failure to pay reporting time pay when Plaintiffs and other
- 21 aggrieved employees were put to work for less than half of their regular
- 22 scheduled shifts, as alleged herein;
- 23 (j) Violation of Labor Code section 1198 for failing to provide suitable
- 24 seating to Plaintiffs and other aggrieved employees, as set forth below;
- 25 (k) Violation of Labor Code section 222.5 for failing to pay the costs of
- 26 mandatory drug tests and/or physical examinations as set forth below;
- 27 and
- 28 (l) Violation of Labor Code section 2802 for failure to reimburse Plaintiffs

1 and other aggrieved employees for all business expenses necessarily
2 incurred, as alleged herein.

3 151. At all relevant times herein, California Labor Code section 1198 makes it
4 illegal to employ an employee under conditions of labor that are prohibited by the applicable
5 wage order. California Labor Code section 1198 requires that “. . . the standard conditions of
6 labor fixed by the commission shall be the . . . standard conditions of labor for employees.
7 The employment of any employee . . . under conditions of labor prohibited by the order is
8 unlawful.”

9 152. California Code of Regulations, Title 8, section 11070(14)(A) provides that
10 “[a]ll working employees shall be provided with suitable seats when the nature of the work
11 reasonably permits the use of seats.”

12 153. Plaintiffs allege that Defendants’ California job sites are generally similar in
13 their layout and design and there is space behind sales/demonstration tables to allow for the
14 presence and use of a seat or stool by Plaintiffs and other aggrieved employees during the
15 performance of their work duties. Defendants could have provided Plaintiffs and other
16 aggrieved employees with a seat or stool at their sales/demonstration tables, with reasonable
17 or no modification to these work areas, but instead denies employees seating and forces
18 Plaintiffs and other aggrieved employees to stand throughout the day.

19 154. Plaintiffs and other aggrieved employees have spent a substantial portion of
20 their day at or behind these sales/demonstration tables. The nature of the work of an
21 employee performing sales representative duties at sales/demonstration tables can reasonably
22 be accomplished from a seated position. However, Defendants systematically, and on a
23 company-wide basis, did not provide seats or stools at or near the sales/demonstration tables,
24 forcing Plaintiffs and other aggrieved employees to stand throughout their work shifts.

25 155. During the relevant time period, Defendants violated California Labor Code
26 section 1198 and California Code of Regulations, Title 8, section 11070(14)(A), because
27 Plaintiffs and other aggrieved employees were not allowed to sit, even when the nature of
28 their work would reasonably permit the use of seats, nor were they provided with suitable

1 seats.

2 156. A substantial portion of Plaintiffs' and other aggrieved employees' duties were
3 performed from and connected to sales/demonstration tables and could have been performed
4 from a seated position. For example, Plaintiffs and other aggrieved employees could have
5 performed their sales representative duties, while seated without interference to their ability to
6 complete these duties.

7 157. Defendants could have placed seats or stools near each sales/demonstration
8 table for use by Plaintiffs and other aggrieved employees with reasonable or no modification
9 to these work areas. However, on a company-wide basis, Defendants did not provide seats or
10 stools at their sales/demonstration tables. Defendants' management did not inform Plaintiffs
11 and other aggrieved employees that they were allowed to sit down, provide any means for
12 them to sit down, or mention any policy regarding sitting.

13 158. As a result of Defendants' company-wide policy and/or practice prohibiting
14 employees from sitting during their shifts and failure to provide suitable seating to these
15 employees, Plaintiffs and other aggrieved employees were forced to stand during shifts and
16 denied seats. Defendants' failure to provide suitable seating to Plaintiffs and other aggrieved
17 employees violated and continues to violate California Labor Code section 1198 and IWC
18 Wage Order 7-2001, Section 14(A). Plaintiffs and other aggrieved employees are therefore
19 entitled to recover civil penalties pursuant to Labor Code sections 2699(a), (f), and (g).

20 159. At all relevant times herein, California Labor Code section 1198 makes it
21 illegal to employ an employee under conditions of labor that are prohibited by the applicable
22 wage order. California Labor Code section 1198 requires that "... the standard conditions of
23 labor fixed by the commission shall be the ... standard conditions of labor for employees.
24 The employment of any employee ... under conditions of labor prohibited by the order is
25 unlawful."

26 160. California Code of Regulations, Title 8, section 11070(14)(B) provides that
27 "[w]hen employees are not engaged in the active duties of their employment and the nature of
28 the work requires standing, an adequate number of suitable seats shall be placed in reasonable

1 proximity to the work area and employees shall be permitted to use such seats when it does
2 not interfere with the performance of their duties.”

3 161. During the relevant time period, Defendants violated California Labor Code
4 section 1198 and California Code of Regulations, Title 8, section 11070(14)(B), because
5 Plaintiffs and other aggrieved employees are not allowed to sit, even during lulls in their work
6 duties, nor are they provided with suitable seats in reasonable proximity to their work areas.

7 162. Defendants did not provide Plaintiffs and other aggrieved employees with seats
8 or stools in reasonable proximity to their work area to allow them to use seats when it would
9 not interfere with the performance of their duties for times when they were not engaged in
10 active duties that require standing. In other words, to the extent Plaintiffs and other aggrieved
11 employees have engaged in duties in which the nature of the work required standing,
12 Defendants denied them the use of seats nearby when they were not engaged in those duties.
13 Even though the layout of Defendants’ workplaces could accommodate seats or stools with
14 reasonable or no modification to these work areas, Defendants have, on a company-wide
15 basis, denied Plaintiffs and other aggrieved employees suitable seating altogether.

16 163. As a result of Defendants’ company-wide policy and/or practice prohibiting
17 employees from sitting at any time, even when they are not engaged in active duties requiring
18 standing, and company-wide failure to provide seats in reasonable proximity to their work
19 areas, Plaintiffs and other aggrieved employees were forced to stand during shifts and denied
20 seats. Defendants’ failure to provide suitable seating to Plaintiffs and other aggrieved
21 employees violated and continues to violate California Labor Code section 1198 and IWC
22 Wage Order 7-2001, Section 14(B). Plaintiffs and other aggrieved employees are therefore
23 entitled to recover civil penalties pursuant to Labor Code sections 2699(a), (f), and (g).

24 164. In addition, during the relevant time period, Defendants maintained and
25 implemented a company-wide policy of requiring newly-hired employees to undergo a
26 mandatory drug test. At all times, Defendants were in control of scheduling the date and time
27 for the exam, selecting the provider/facility where the exam was to take place, and
28 determining the scope of the exam. Defendants gave other non-party aggrieved employees

1 strict instructions to obtain a drug test and other non-party aggrieved employees underwent the
2 drug testing for the sole benefit of Defendants. However, Defendants did not compensate
3 other non-party aggrieved employees for the time they spent traveling to and from the drug
4 testing facility, for the time they spent undergoing drug testing, or for the travel expenses they
5 incurred getting to and from the medical and/or testing facility.

6 165. Defendants' company-wide policy and/or practice of not paying for all costs
7 other non-party aggrieved employees incurred obtaining mandatory drug tests and/or physical
8 examinations is in violation of California Labor Code section 222.5. In addition, Defendants'
9 company-wide policy and/or practice of passing its operating costs on to non-party aggrieved
10 employees is in violation of California Labor Code section 2802. Defendants have
11 intentionally and willfully failed to fully reimburse other non-party aggrieved employees for
12 necessary business-related expenses and costs.

13 166. Other non-party aggrieved employees are therefore entitled to recover
14 penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code section 2699(a),
15 (f)-(g).

16 **ELEVENTH CAUSE OF ACTION**

17 **Violation of California Business & Professions Code §§ 17200, *et seq.* –**

18 **Unlawful Business Practices**

19 **(Against all Defendants)**

20 167. Plaintiffs incorporate by reference and re-allege as if fully stated herein each
21 and every allegation set forth above.

22 168. Defendants are "persons" as defined by California Business & Professions
23 Code sections 17201, as they are corporations, firms, partnerships, joint stock companies,
24 and/or associations.

25 169. Defendants' conduct, as alleged herein, has been, and continues to be, unfair,
26 unlawful and harmful to Plaintiffs, class members, and to the general public. Plaintiffs have
27 suffered injury in fact and has lost money as a result of Defendants' unlawful business
28 practices. Plaintiffs seek to enforce important rights affecting the public interest within the

1 meaning of Code of Civil Procedure section 1021.5.

2 170. Defendants' activities, as alleged herein, are violations of California law, and
3 constitute unlawful business acts and practices in violation of California Business &
4 Professions Code sections 17200, *et seq.*

5 171. A violation of California Business & Professions Code sections 17200, *et seq.*
6 may be predicated on the violation of any state or federal law. In the instant case, Defendants'
7 policies and practices have violated state law in at least the following respects:

- 8 (a) Requiring non-exempt, hourly paid employees, including Plaintiffs and
9 class members, to work overtime without paying them proper
10 compensation in violation of California Labor Code sections 510 and
11 1198 and the applicable IWC Order, and paying Plaintiffs and class
12 members overtime at a lower rate than required by law by failing to
13 properly calculate the regular rate of pay for purposes of overtime, as
14 alleged herein;
- 15 (b) Failing to pay at least minimum wage to Plaintiffs and class members in
16 violation of California Labor Code sections 1182.12, 1194, 1197,
17 1197.1, and 1198 and the applicable IWC Order, as alleged herein;
- 18 (c) Failing to provide uninterrupted meal periods to Plaintiffs and class
19 members in violation of California Labor Code sections 226.7, 512(a),
20 516, 1198, and the applicable IWC Order, as alleged herein;
- 21 (d) Failing to authorize and permit Plaintiffs and class members to take
22 uninterrupted rest periods in violation of California Labor Code sections
23 226.7, 516, 1198, and the applicable IWC Order, as alleged herein;
- 24 (e) Failing to provide Plaintiffs and class members with accurate wage
25 statements and failing to maintain accurate payroll records in violation
26 of California Labor Code sections 226(a), 1174(d), 1198, and the
27 applicable IWC Order, as alleged herein;
- 28 (f) Failing timely to pay all earned wages to Plaintiffs and class members in

violation of California Labor Code section 204 and the applicable IWC Order, as alleged herein;

(g) Failing to pay reporting time pay in violation of California Labor Code section 1198 and the applicable Industrial Welfare Commission Order, as alleged herein; and

(h) Failing to reimburse Plaintiffs and class members for all business expenses necessarily incurred in violation of California Labor Code sections 2802, as alleged herein.

172. As a result of the violations of California law herein described, Defendants unlawfully gained an unfair advantage over other businesses. Plaintiffs and class members have suffered pecuniary loss by Defendants' unlawful business acts and practices alleged herein.

173. Pursuant to California Business & Professions Code sections 17200 *et seq.*, Plaintiffs and class members are entitled to restitution of the wages withheld and retained by Defendants during a period that commences four years prior to the filing of this complaint; a permanent injunction requiring Defendants to pay all outstanding wages due to Plaintiffs and class members; and an award of attorneys' fees pursuant to California Code of Civil Procedure section 1021.5 and other applicable laws; and an award of costs.

TWELFTH CAUSE OF ACTION

Violation of California Business & Professions Code §§ 17200, *et seq.* –

Unfair Business Practices

(Against all Defendants)

174. Plaintiffs incorporate by reference and re-allege as if fully stated herein each and every allegation set forth above.

175. Defendants are "persons" as defined by California Business & Professions Code sections 17201, as they are corporations, firms, partnerships, joint stock companies, and/or associations.

176. Defendants' conduct, as alleged herein, has been, and continues to be, unfair,

1 and harmful to Plaintiffs, class members, and to the general public. Plaintiffs have suffered
2 injury in fact and has lost money as a result of Defendants' unfair business practices.
3 Plaintiffs seek to enforce important rights affecting the public interest within the meaning of
4 Code of Civil Procedure section 1021.5.

5 177. Defendants' activities, namely Defendants' company-wide practice and/or
6 policy of not paying Plaintiffs and class members all meal and rest period premium wages due
7 to them under Labor Code section 226.7, deprived Plaintiffs and class members of the
8 compensation guarantee and enhanced enforcement implemented by section 226.7. The
9 statutory remedy provided by section 226.7 is a "dual-purpose" remedy intended primarily to
10 compensate employees, and secondarily to shape employer conduct. *Safeway, Inc. v. Superior*
11 *Court*, 238 Cal. App. 4th 1138, 1149 (2015). The statutory benefits of section 226.7 were
12 guaranteed to Plaintiffs and class members as part of their employment with Defendants, and
13 thus Defendants' practice and/or policy of denying these statutory benefits constitutes an
14 unfair business practice in violation of California Business & Professions Code sections
15 17200, *et seq.* (Id.)

16 178. A violation of California Business & Professions Code sections 17200, *et seq.*
17 may be predicated on any unfair business practice. In the instant case, Defendants' policies
18 and practices have violated the spirit of California's meal and rest break laws and constitute
19 acts against the public policy behind these laws.

20 179. Pursuant to California Business & Professions Code sections 17200 *et seq.*,
21 Plaintiffs and class members are entitled to restitution for the class-wide loss of the statutory
22 benefits implemented by section 226.7 withheld and retained by Defendants during a period
23 that commences four years prior to the filing of this complaint; a permanent injunction
24 requiring Defendants to pay all statutory benefits implemented by section 226.7 due to
25 Plaintiffs and class members; an award of attorneys' fees pursuant to California Code of Civil
26 Procedure section 1021.5 and other applicable laws; and an award of costs.

27 **THIRTEENTH CAUSE OF ACTION**

28 **Violation of Fair Labor Standards Act 29 U.S.C. § 207—Unpaid Overtime**

(Against all Defendants)

180. Plaintiffs, on behalf of themselves and others similarly situated, re-allege and incorporate by reference the allegations contained in the paragraphs above as if fully set forth herein.

181. Plaintiffs consent in writing to be a party to this action, pursuant to 29 U.S.C. § 216(b). Plaintiffs' written consent forms are attached hereto as Exhibit A. Plaintiffs anticipate that other individuals will sign consent forms and join as plaintiffs.

182. At all relevant times, Techtronic has been, and continues to be, an "employer" engaged in interstate commerce, within the meaning of the FLSA, 29 U.S.C. § 203. Within the relevant time-period, Techtronic employed Plaintiffs, and employed and continues to employ members of the proposed collective class. At all relevant times, upon information and belief, Techtronic has had gross operating revenues in excess of \$500,000.

183. The FLSA requires that each covered employer, such as Techtronic, compensate all non-exempt employees at a rate of not less than one and one-half times the regular rate of pay for work performed in excess of forty hours per week.

184. By failing to accurately record, report, and/or preserve records of hours worked by Plaintiffs and the collective class, Techtronic has failed to make, keep, and preserve records with respect to each of its employees sufficient to determine their wages, hours, and other conditions and practice of employment, in violation of the FLSA, 29 U.S.C. § 201 et seq.

185. The foregoing conduct, as alleged, constitutes a willful violation of the FLSA, within the meaning of 29 U.S.C. § 255(a).

186. Plaintiffs, on behalf of themselves and the collective class, seek damages in the amount of their and each class member's unpaid overtime compensation, liquidated damages from three years immediately preceding the filing of this action, plus interest and costs as allowed by law, pursuant to 29 U.S.C. §§ 216(b) and 255(a), and such other legal and equitable relief as the Court deems just and proper.

187. Plaintiffs, on behalf of themselves and the collective class, seek recovery of

1 their attorneys' fees and costs to be paid by Defendants, as provided by the FLSA, 29, U.S.C.
2 § 216(b).

3 **REQUEST FOR JURY TRIAL**

4 Plaintiffs request a trial by jury.

5 **PRAYER FOR RELIEF**

6 Plaintiffs, on behalf of all others similarly situated, pray for relief and judgment
7 against Defendants, jointly and severally, as follows:

8 1. For damages, unpaid wages, penalties, liquidated damages, injunctive relief,
9 and attorneys' fees in excess of twenty-five thousand dollars (\$25,000), exclusive of interest
10 and costs. Plaintiffs reserve the right to amend their prayer for relief to seek a different
11 amount.

12 //

13 **Class Certification**

14 2. That this case be certified as a class action;

15 3. That Plaintiffs be appointed as the representatives of the Class and Subclass;

16 4. That counsel for Plaintiffs be appointed as class counsel.

17 **As to the First Cause of Action**

18 5. That the Court declare, adjudge, and decree that Defendants violated California
19 Labor Code sections 510 and 1198 and applicable IWC Wage Orders by willfully failing to
20 pay all overtime wages due to Plaintiffs and class members;

21 6. For general unpaid wages at overtime wage rates and such general and special
22 damages as may be appropriate;

23 7. For pre-judgment interest on any unpaid overtime compensation commencing
24 from the date such amounts were due, or as otherwise provided by law;

25 8. For reasonable attorneys' fees and for costs of suit incurred herein pursuant to
26 California Labor Code section 1194(a); and

27 9. For such other and further relief as the Court may deem equitable and
28 appropriate.

1 **As to the Second Cause of Action**

2 10. That the Court declare, adjudge and decree that Defendants violated California
3 Labor Code sections 1182.12, 1194, 1197, 1197.1, and 1198 by willfully failing to pay
4 minimum wages to Plaintiffs and class members;

5 11. For general unpaid wages and such general and special damages as may be
6 appropriate;

7 12. For pre-judgment interest on any unpaid compensation from the date such
8 amounts were due, or as otherwise provided by law;

9 13. For reasonable attorneys' fees and for costs of suit incurred herein pursuant to
10 California Labor Code section 1194(a);

11 14. For liquidated damages pursuant to California Labor Code section 1194.2; and

12 15. For such other and further relief as the Court may deem equitable and
13 appropriate.

14 **As to the Third Cause of Action**

15 16. That the Court declare, adjudge, and decree that Defendants violated California
16 Labor Code sections 226.7, 512(a), 516, and 1198 and applicable IWC Wage Order(s) by
17 willfully failing to provide all meal periods to Plaintiffs and class members;

18 17. That the Court make an award to the Plaintiffs and class members of one (1)
19 hour of pay at each employee's regular rate of pay for each workday that a meal period was
20 not provided;

21 18. For all actual, consequential, and incidental losses and damages, according to
22 proof;

23 19. For premiums pursuant to California Labor Code section 226.7(b);

24 20. For pre-judgment interest on any unpaid meal period premiums from the date
25 such amounts were due, or as otherwise provided by law;

26 21. For attorneys' fees pursuant to California Code of Civil Procedure section
27 1021.5, or as otherwise provided by law; and

28 22. For such other and further relief as the Court may deem equitable and

1 appropriate.

2 **As to the Fourth Cause of Action**

3 23. That the Court declare, adjudge and decree that Defendants violated California
4 Labor Code sections 226.7, 516, and 1198 and applicable IWC Wage Orders by willfully
5 failing to authorize and permit Plaintiffs and class members to take all rest periods;

6 24. That the Court make an award to the Plaintiffs and class members of one (1)
7 hour of pay at each employee's regular rate of pay for each workday that a rest period was not
8 authorized and permitted;

9 25. For all actual, consequential, and incidental losses and damages, according to
10 proof;

11 26. For premiums pursuant to California Labor Code section 226.7(b);

12 27. For pre-judgment interest on any unpaid rest period premiums from the date
13 such amounts were due, or as otherwise provided by law;

14 28. For attorneys' fees pursuant to California Code of Civil Procedure section
15 1021.5, or as otherwise provided by law; and

16 29. For such other and further relief as the Court may deem equitable and
17 appropriate.

18 **As to the Fifth Cause of Action**

19 30. That the Court declare, adjudge and decree that Defendants violated the
20 recordkeeping provisions of California Labor Code section 226(a) and applicable IWC Wage
21 Orders as to Plaintiffs and Subclass members, and willfully failed to provide accurate itemized
22 wage statements thereto;

23 31. For all actual, consequential, and incidental losses and damages, according to
24 proof;

25 32. For injunctive relief pursuant to California Labor Code section 226(h);

26 33. For statutory penalties pursuant to California Labor Code section 226(e);

27 34. For attorneys' fees and costs pursuant to California Labor Code section
28 226(e)(1); and

1 35. For such other and further relief as the Court may deem equitable and
2 appropriate.

3 **As to the Sixth Cause of Action**

4 36. That the Court declare, adjudge and decree that Defendants violated California
5 Labor Code sections 201 and 202 by willfully failing to pay overtime wages, minimum wages,
6 meal and rest period premiums, and/or reporting time pay owed at the time of termination of
7 the employment of Plaintiffs and other terminated class members;

8 37. For all actual, consequential and incidental losses and damages, according to
9 proof;

10 38. For waiting time penalties according to proof pursuant to California Labor
11 Code section 203 for all employees who have left Defendants' employ;

12 39. For pre-judgment interest on any unpaid wages from the date such amounts
13 were due, or as otherwise provided by law;

14 40. For attorneys' fees pursuant to California Code of Civil Procedure section
15 1021.5, or as otherwise provided by law; and

16 41. For such other and further relief as the Court may deem equitable and
17 appropriate.

18 **As to the Seventh Cause of Action**

19 42. That the Court declare, adjudge and decree that Defendants violated California
20 Labor Code section 204 by willfully failing to timely pay Plaintiffs and class members
21 overtime wages, minimum wages, meal and rest period premiums, and/or reporting time pay
22 during their employment;

23 43. For all actual, consequential and incidental losses and damages, according to
24 proof;

25 44. For statutory penalties according to proof pursuant to California Labor Code
26 section 210;

27 45. For pre-judgment interest on any unpaid wages from the date such amounts
28 were due, or as otherwise provided by law;

1 46. For attorneys' fees pursuant to California Code of Civil Procedure section
2 1021.5, or as otherwise provided by law; and

3 47. For such other and further relief as the Court may deem equitable and
4 appropriate.

5 **As to the Eighth Cause of Action**

6 48. That the Court declare, adjudge and decree that Defendants violated California
7 Labor Code section 1198 and California Code of Regulations, Title 8, section 11070(5)(A) by
8 failing to provide Plaintiff Arellano and class members with reporting time pay;

9 49. For all actual, consequential and incidental losses and damages, according to
10 proof;

11 50. For pre-judgment interest on any unpaid wages from the date such amounts
12 were due, or as otherwise provided by law; and

13 51. For such other and further relief as the Court may deem equitable and
14 appropriate.

15 **As to the Ninth Cause of Action**

16 52. That the Court declare, adjudge and decree that Defendants violated California
17 Labor Code section 2802 by willfully failing to reimburse and/or indemnify all business-
18 related expenses and costs incurred by Plaintiffs and class members;

19 53. For unpaid business-related expenses and such general and special damages as
20 may be appropriate;

21 54. For pre-judgment interest on any unpaid business-related expenses from the
22 date such amounts were due, or as otherwise provided by law;

23 55. For all actual, consequential, and incidental losses and damages, according to
24 proof;

25 56. For attorneys' fees and costs pursuant to California Labor Code
26 section 2802(c), or as otherwise provided by law; and

27 57. For such other and further relief as the Court may deem equitable and
28 appropriate.

1 **As to the Tenth Cause of Action**

2 58. That the Court declare, adjudge and decree that Defendants violated the
3 following California Labor Code provisions as to Plaintiffs and/or other aggrieved employees:
4 510 and 1198 (by failing to pay all overtime compensation); 1182.12, 1194, 1197, 1197.1, and
5 1198 (by failing to pay at least minimum wages for all hours worked); 226.7, 512, 516, and
6 1198 (by failing to provide all meal periods); 226.7, 516, and 1198 (by failing to authorize and
7 permit all rest periods); 222.5 (by failing to pay for mandatory drug testing); 226(a), 1174(d)
8 and 1198 (by failing to provide accurate wage statements and maintain accurate payroll
9 records); 201, 202, 203 (by failing timely to pay all earned wages upon termination); 204 (by
10 failing timely to pay all earned wages during employment); 1198 (by failing to pay reporting
11 time pay); 1198 (by failing to provide suitable seating); and 2802 (by failing to reimburse
12 business expenses);

13 59. For civil penalties pursuant to California Labor Code sections 210, 226.3, 256,
14 558, 1174.5, 1197.1, and/or 2699(a), (f) and (g), for violations of California Labor Code
15 sections 201, 202, 203, 204, 222.5, 226(a), 226.7, 510, 512(a), 516, 1174(d), 1182.12, 1194,
16 1197, 1197.1, 1198, and 2802;

17 60. For attorneys' fees and costs pursuant to California Labor Code section
18 2699(g)(1), and any and all other relevant statutes, for Defendants' violations of California
19 Labor Code sections 201, 202, 203, 204, 222.5, 226(a), 226.7, 510, 512(a), 516, 1174(d),
20 1182.12, 1194, 1197, 1197.1, 1198, and 2802;

21 61. For pre-judgment and post-judgment interest as provided by law; and

22 62. For such other and further relief as the Court may deem equitable and
23 appropriate.

24 **As to the Eleventh Cause of Action**

25 63. That the Court declare, adjudge and decree that Defendants' conduct of failing
26 to provide Plaintiffs and class members all overtime wages due to them, failing to provide
27 Plaintiffs and class members all minimum wages due to them, failing to provide Plaintiffs and
28 class members all meal periods, failing to authorize and permit Plaintiffs and class members to

1 take all rest periods, failing to provide Plaintiffs and class members accurate and complete
2 wage statements, failing to maintain accurate payroll records for Plaintiffs and class members,
3 failing timely to pay Plaintiffs and class members all earned wages during employment,
4 failing to pay Plaintiffs and class members reporting time pay, and failing to reimburse
5 Plaintiffs and class members for business-related expenses, constitutes an unlawful business
6 practice in violation of California Business and Professions Code sections 17200, *et seq.*;

7 64. For restitution of unpaid wages to Plaintiffs and all class members and
8 prejudgment interest from the day such amounts were due and payable;

9 65. For the appointment of a receiver to receive, manage and distribute any and all
10 funds disgorged from Defendants and determined to have been wrongfully acquired by
11 Defendants as a result of violations of California Business & Professions Code sections 17200
12 *et seq.*;

13 66. For reasonable attorneys' fees and costs of suit incurred herein pursuant to
14 California Code of Civil Procedure section 1021.5; and

15 67. For such other and further relief as the Court may deem equitable and
16 appropriate.

17 **As to the Twelfth Cause of Action**

18 68. That the Court declare, adjudge and decree that Defendants' conduct of denying
19 Plaintiffs and class members the statutory benefits guaranteed under section 226.7 constitutes
20 an unfair business practice in violation of California Business and Professions Code sections
21 17200, *et seq.*;

22 69. For restitution of the statutory benefits under section 226.7 unfairly withheld
23 from Plaintiffs and class members and prejudgment interest from the day such amounts were
24 due and payable;

25 70. For the appointment of a receiver to receive, manage and distribute any and all
26 funds disgorged from Defendants and determined to have been wrongfully acquired by
27 Defendants as a result of violations of California Business & Professions Code sections 17200
28 *et seq.*;

1 71. For reasonable attorneys' fees and costs of suit incurred herein pursuant to
2 California Code of Civil Procedure section 1021.5;

3 72. For pre-judgment and post-judgment interest as provided by law; and

4 73. For such other and further relief as the Court may deem equitable and
5 appropriate.

6 **As to the Thirteenth Cause of Action**

7 74. Plaintiffs, on behalf of themselves and the collective class, seek damages in the
8 amount of their and each class member's unpaid overtime compensation, liquidated damages
9 from three years immediately preceding the filing of this action, plus interest and costs as
10 allowed by law, pursuant to 29 U.S.C. §§ 216(b) and 255(a), and such other legal and
11 equitable relief as the Court deems just and proper.

12 75. A determination that this action may be maintained as a collective action on
13 behalf of all similarly situated employees in the United States under the FLSA, 29 U.S.C. §
14 216(b), and issuance of notice to proposed collective class members under that section;

15 76. Plaintiffs, on behalf of themselves and the collective class, seek recovery of
16 their attorneys' fees and costs to be paid by Defendants, as provided by the FLSA, 29, U.S.C.
17 § 216(b).

18 Dated: __, 2021

19 Respectfully submitted,

20 Capstone Law APC

21 By: _____

22 Bevin Allen Pike
23 Orlando Villalba
24 Joseph Hakakian

25 Goldstein, Borgen, Dardarian & Ho

26 By: _____

27 Laura L. Ho
28 Byron Goldstein

Attorneys for Plaintiffs Sergio Arellano
Edgar Murillo, John Henry, and Curt Uyemura
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Exhibit 2

**PLEASE READ THIS NOTICE CAREFULLY. YOU MAY BE ENTITLED
TO MONEY FROM A CLASS ACTION SETTLEMENT.**

SUPERIOR COURT OF CALIFORNIA
COUNTY OF LOS ANGELES

If you worked in California for R&B Sales and Marketing, Inc. or Techtronic Industries North America, Inc. in an hourly position at any time between January 31, 2017 and March 21, 2021, a class action settlement may affect your rights.

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

Plaintiffs Sergio Arellano, Edgar Murillo, John Henry, and Curt Uyemura, former non-exempt employees for R&B Sales and Marketing, sued R&B Sales and Marketing, Inc. and Techtronic Industries North America, Inc. (collectively “R&B Sales” or “Defendants”) alleging that Defendants violated various provisions of the California Labor Code, California Business and Professions Code, and the federal Fair Labor Standards Act. The Honorable Carolyn B. Kuhl, Judge of the Los Angeles County Superior Court, presides over this case. The lawsuit is known as *Arellano, et al. v. R&B Sales and Marketing, et al.*, Case No. 20STCV04112.

The purpose of this Notice is to inform you of a proposed settlement (the “Settlement”) of the case. The Settlement is on behalf of two groups of Defendants’ non-exempt employees. One group consists of non-exempt, hourly employees who worked in California at any time between January 31, 2017 and March 21, 2021, (“California Settlement Class”). The other group consists of non-exempt, hourly employees of either Defendant who performed in-store sales at Home Depot stores in any state other than California at any time between [REDACTED], 2018 and March 21, 2021 (“Non-California Opt-In Eligible Plaintiffs”).

Because the Defendants’ records show that you qualify as a California Settlement Class Member, you will receive money from the Settlement if the Court grants final approval of the Settlement, unless you decide to “opt out” of the Settlement.

Your legal rights may be affected whether you act or do not act. Read this Notice carefully. If you have questions, you can contact the lawyers for the Plaintiffs (listed at the end of this Notice).

Notwithstanding the terms of this settlement, R&B Sales and Marketing, Inc. or Techtronic Industries North America, Inc. both continue to deny any wrongdoing.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
DO NOTHING	You WILL be mailed a Settlement payment in the approximate amount stated on <u>Attachment A</u> to this Notice unless the Court decides not to grant “final approval” of the Settlement. By receiving a payment, you will be bound by the terms of the Settlement.
OBJECT	If you want to object to the Settlement for any reason, you must send the Settlement Administrator your objection in writing. Your objection must

	be post marked by [60 DAYS AFTER INITIAL MAILING]. If you wish to present your objection at the Final Fairness and Approval Hearing, you must state that you will appear in your written objection. If you submit an objection, you will still be deemed a California Class Member, covered by the Settlement's terms, and you will receive money from the Settlement.
ASK TO BE EXCLUDED	If you do not wish to participate in the Settlement, you must send a letter requesting exclusion. You will get no payment in the Settlement. You will keep the right to sue the Defendants on your own about the claims resolved by this Settlement. Your request for exclusion must be post marked by [60 DAYS AFTER INITIAL MAILING].

This Notice explains your rights and options in detail. **To ask to be excluded (opt out) or to object to the settlement, you must follow the steps described in this Notice no later than [60 DAYS AFTER INITIAL MAILING], 2022.**

YOUR ESTIMATED SETTLEMENT AMOUNT: Enclosed with this Notice is an individualized Statement of Weeks Worked Form ("Attachment A"), which will state your estimated settlement amount. The amount is calculated based on the number of weeks you worked in California as a non-exempt, hourly employee at any time between January 31, 2017 and March 21, 2021. **If there are errors on the form, you can follow the steps on the form to submit corrections. Any corrections must be submitted no later than [60 days after initial mailing], 2022.**

* * *

MORE DETAILED INFORMATION

I. WHAT IS THIS CASE ABOUT?

The purpose of this Notice is to inform you that your rights may be affected by the proceedings in a class and collective action lawsuit pending before Judge Carolyn B. Kuhl of the Superior Court of California for the County of Los Angeles (the "Court") entitled *Sergio Arellano, Edgar Murillo, John Henry and Curt Uyemura, individually and on behalf of other members for the general public similarly situated, v. R&B Sales and Marketing, Inc. and Techtronic Industries North America Inc.*, Case No. 20STCV04112, ("Litigation"). This Notice is given by Order of the Court.

Sergio Arellano, Edgar Murillo, John Henry and Curt Uyemura ("Class and Collective Action Representatives") bring this Litigation on behalf of all California Settlement Class Members (all individuals employed: (1) in California, (2) by either Defendant, (3) in a non-exempt-hourly job position; and (4) at any time between January 31, 2017 and March 21, 2021 ("California Class Period")). The Class and Collective Action Representatives also bring this Litigation on behalf of Non-California Opt-In Eligible Plaintiffs (all individuals employed (1) in any state other than California; (2) by either Defendant; (3) in a non-exempt, hourly position in which the employee performed in-store sales at Home Depot Stores; (4) at any time between [REDACTED], 2018 and March 21, 2021 ("Non-California FLSA Period")).

The Litigation alleges that Defendants failed to pay overtime wages to the California Settlement Class Members and the Non-California Opt-In Eligible Plaintiffs in violation of the federal Fair Labor Standards Act. The Litigation also alleges violations of California laws with respect to the California Class Members only, which are that Defendants (1) failed to pay overtime wages due for overtime hours worked under California law; (2) failure to pay minimum wages for all hours worked; (3) failed to provide legally required meal periods or pay premium pay due for such failure; (4) failed to provide legally required rest periods or pay premium pay due for such failure; (5) failed to furnish timely wage statements or failed to maintain adequate payroll records; (6) failed to timely pay wages or pay all wages due upon termination of employment; (7) failed to reimburse for business expenses; (8) failure to provide reporting time pay; (9) violated the unfair competition laws (Business & Professions Code §§17200, et seq.); and (10) violated the California Labor Code Private Attorney's General Act ("PAGA").

Defendants do not admit engaging in any unlawful conduct as alleged in this Litigation and continue to deny the claims and charges of wrongdoing and liability.

II. WHAT ARE THE TERMS OF THE SETTLEMENT?

Defendants deny that they owe money related to any of the allegations listed above. Defendants are settling the matter as a compromise and to avoid incurring unnecessary legal expense defending the matter. Defendants reserve the right to object to any claim if for any reason the Settlement fails. Defendants further deny that there was any joint employer relationship between Defendants or that Techtronic Industries North America, Inc. employed the California Settlement Class Members or the Non-California Opt-In Eligible Plaintiffs.

The Settlement applies to all California Settlement Class Members who do not timely submit a correctly completed Opt Out Letter. The determination of how much each California Settlement Class Member will receive as part of this Settlement depends on the number of weeks worked within the California Class Period during which he or she worked as an in-store sales representative ("Qualifying Work Weeks").

The parties reached a Settlement in which Defendants' total maximum liability, will not exceed Two Million, One Hundred and Twelve Thousand, Five Hundred Dollars and Zero Cents (\$2,112,500.00) ("Settlement Sum") plus the employer's share of tax liabilities. The Settlement Sum allocates \$1,562,500.00 for California Class Members and \$550,000.00 for Non-California Opt-In Eligible Plaintiffs. All amounts to be paid by Defendants from the Settlement Sum shall be paid to a qualified settlement fund ("Qualified Settlement Fund"), which shall be administered by [Administrator], the Settlement Administrator.

California Settlement Class Members will participate in the Settlement if they do not Opt Out. California Settlement Class Members will not pay any out-of-pocket costs.

There was a hearing on [Date of preliminary approval hearing] in the Superior Court of California for the County of Los Angeles. The Court conditionally granted preliminary approval of the California class action settlement and nationwide FLSA settlement against Defendants and directed that you receive this Notice.

A. Additional Payments from the Maximum Settlement Amount

The “California Settlement Fund” is the portion of the Settlement Sum allocated toward the settlement of the claims of the California Settlement Class Members. That total amount is equal to \$1,562,500.00. All payments to the California Settlement Class Members shall be made from this Fund, minus the payments below, which are subject to final approval from the Court.

1. Fee and Cost Award for Class Counsel

Settlement Class Counsel filed the Litigation on behalf of Plaintiffs and all other similarly situated individuals. Settlement Class Counsel conducted informal discovery and negotiated the settlement of this matter. Settlement Class Counsel will request attorneys’ fees in an amount of up to \$520,833.33 which represents 33 1/3% of the California Settlement Fund. Class Counsel will also request reimbursement of litigation costs and expenses in the amount of up to \$. If approved by the Court, this amount will be paid from the California Settlement Fund. These attorneys’ fees and costs shall compensate Settlement Class Counsel for the work they have performed and will perform, and the expenses they have incurred and will incur, through any approved distribution of the California Settlement Fund. Neither Non-California Opt-In Eligible Plaintiffs nor California Settlement Class Members will be personally responsible for any of Settlement Class Counsel’s attorneys’ fees and costs.

2. Service Award to the Class Representatives

Settlement Class Counsel will also seek an enhanced recovery of no more than \$7,500.00 each for Sergio Arellano, Edgar Murillo, John Henry and Curt Uyemura (“Service Awards”) for serving as representative plaintiffs on behalf of the Settlement Class. This will be in addition to whatever payment they are otherwise entitled to as a Settlement Class Member. If approved by the Court, this amount will be paid from the California Settlement Fund.

3. Settlement Administration Costs

Settlement Administration Costs, estimated at \$.00, will be paid to the Settlement Administrator, [Name of administrator], for its services, including but not limited to distributing Class Notices to California Settlement Class Members (collectively “Participating Claimants”), processing Opt-Out Letters, calculating Settlement payments, and distributing Settlement payments to the Participating Claimants.

4. Payroll Taxes - Employer and Employee Tax Obligations

Once the amount of payment for each Participating Claimant is determined, the Settlement Administrator will calculate the total amount of employee withholding taxes for the portion of the Settlement payment designated as wages as required by law. This total amount will be deducted from the California Settlement Fund. Defendants will separately pay the employer withholding taxes on the Settlement payment designated as wages.

5. PAGA Penalties

Defendants shall pay \$100,000.00 for settlement of claims brought under the Private Attorneys’ General Act (“PAGA”) from the California Settlement Fund. The PAGA payment shall be allocated as follows: \$75,000.00 (75%) to the California Labor & Workforce Development

Agency (“LWDA”), and \$25,000.00 (25%) to the California Settlement Class Members who: (i) worked any time between January 31, 2019 and March 21, 2021 and (ii) do not properly submit and complete an Opt Out Letter.

B. Release of Claims

The proposed settlement is intended to settle all claims and causes of action of any nature and description whatsoever, whether known or unknown, that are or which could have been asserted at any time in the Litigation based on the facts alleged in the Litigation.

The Released Claims for California Class Members who do not timely request exclusion and opt out of this Settlement include all known and unknown claims which were asserted or could have been asserted at any time in the Litigation based on the facts alleged in the Litigation, including, but is not limited to, any claim for unpaid wages, unpaid penalties, failure to pay overtime, minimum wage or other hours worked, failure to pay overtime wages due based on the correct regular rate of pay, failure to provide compliant meal periods or rest breaks, failure to make premium payments in lieu of providing meal periods or rest breaks, failure to reimburse for business expenses, failure to provide suitable seating, failure to pay reporting time pay, failure to provide timely payment of wages during employment or at the time of termination, failure to provide accurate wage statements, failure to maintain adequate payroll records, any alleged civil and statutory penalties (including but not limited to Private Attorneys General Act claims), or any other claims under the Fair Labor Standards Act (“FLSA”), California Labor Code, the applicable California Wage Order, or federal law which were or could have been asserted in the Litigation at any time during the Litigation based on the facts alleged in the Litigation, or any claim under Business and Professions Code section 17200 *et al.* pertaining to such claims. (“Released Claims”). The effect of the Settlement extends to Defendants and their respective parents, subsidiaries, affiliates, predecessors, successors, directors, officers, employees and others, as more fully described in the Settlement Agreement (“Released Parties”).

By signing the settlement check that will be mailed to you by the Settlement Administrator, California Settlement Class Members shall be deemed to have opted-in for purposes of the Fair Labor Standards Act claims referred to in the Released Claims and release all Fair Labor Standards Act claims.

III. IF I CHOOSE TO PARTICIPATE, HOW IS MY SHARE OF THE SETTLEMENT CALCULATED?

The California Settlement Class Members who do not submit a correctly completed Opt Out Letter shall receive an amount based on the number of Qualifying Work Weeks, which is the number of weeks worked as an in-store sales representative during the Class Period in California.

To determine the value for each Qualifying Work Week, the Settlement Administrator will divide the California Settlement Fund (after all applicable deductions for fees, costs and awards) by the total number of Qualifying Work Weeks worked by all California Class Members. That dollar amount equals the weekly recovery value (“Weekly Recovery”) for each Qualifying Work Week. Next, for each California Class Member, the Settlement Administrator shall compute the

California Class Member's Individual Payment Amount by multiplying the California Class Member's total Qualifying Work Weeks by the Weekly Recovery.

Your estimated Individual Settlement Class Member payment is included on Attachment A.

IV. TAXABLE PORTION OF SETTLEMENT PAYMENTS

For purposes of tax payment obligations, 25% of each Individual Payment Amount to each California Settlement Class Member shall be treated as wages (subject to all required withholdings), and 75% shall be treated as interest, penalties, liquidated damages, and other non-wage recovery. The allocations for interest, penalties, liquidated damages, and other non-wage recovery shall not be subject to withholdings or deductions and shall be reported as non-wage income.

An IRS Tax Form W-2 will be issued to each California Settlement Class Member with regard to the portion of the Settlement payments attributable to wages and any required IRS Tax Form 1099 will be issued with regard to the remaining portion of the Settlement payments. California Settlement Class Members should consult with their tax advisors concerning the tax consequences of the payments that they receive under the Settlement.

V. EFFECT OF ENDORSING AND CASHING THE SETTLEMENT CHECK

By signing the settlement check that will be mailed to you by the Settlement Administrator, as a California Settlement Class Member, you shall be deemed to have opted-in to the Settlement Class for purposes of the Fair Labor Standards Act claims referred to in the Released Claims.

VI. WHAT ARE MY RIGHTS AND OPTIONS AS A SETTLEMENT CLASS MEMBER?

You have three options under this Settlement, discussed below: (A) opt out from the Settlement, (B) object to the Settlement, or (C) do nothing.

A. If You Want To Request Exclusion From The Settlement

If you do not wish to participate in the Settlement, you must send an Opt Out Letter bearing a postmark no later than [60 days after initial mailing]. The Opt Out Letter must be sent to [Settlement Administrator's Address]. The Opt Out Letter must: (1) legibly state your name, (2) state that you do not wish to participate in the Settlement, and (3) that you request exclusion from the Settlement. Opt Out Letters must be made individually and cannot be made on behalf of a group of employees or on behalf of other California Settlement Class Members. If you choose to opt out of the Settlement, you will not receive any money from the Settlement. Any such person, at his/her own expense, may pursue any claims he/she may have against Defendants. However, there are deadlines to pursuing such claims known as statutes of limitation. Please consult an attorney of your choice to ensure you are not forever barred from pursuing any individual claims you might have if you decide to opt out of the Settlement.

The judgment will bind all California Settlement Class Members who do not properly submit and complete an Opt Out Letter.

B. If You Want To Object To The Settlement

You may object, personally or through an attorney at your own expense, to the proposed Settlement by submitting in writing your objection to the Settlement Administrator no later than [60 days after initial mailing]. You may appear, but are not required to appear, at Final Fairness and Approval Hearing where your objection will be heard and considered by the Court. Included in your objection must be a written notice of whether you desire to appear at the Final Fairness and Approval Hearing and briefly indicating the nature of your comments or objection.

If you do not comply with this procedure, you may not be entitled to be heard at the Final Fairness and Approval Hearing or to otherwise contest the approval of the Settlement, or to appeal from any related orders or judgments of the Court. If you submit a valid and timely Opt Out Letter, you cannot object to the Settlement.

California Settlement Class Members are hereby notified that even if they object, they will still be deemed as California Settlement Class Members and will receive money from the Settlement if approved by the Court. You will be covered by the Settlement unless you opt out.

C. If You Choose To Do Nothing

If you do nothing, and the Court approves the Settlement, you will be bound by the terms of the Settlement and the release and you will receive money under the Settlement in the form of a check mailed by the Settlement Administrator.

D. What If The Statement Of Weeks Worked Is Incorrect?

If the weeks worked information or contact information on the Statement of Weeks Worked Form is incorrect, you should correct this information by completing and signing the enclosed Statement of Weeks Worked Form under penalty of perjury and mail it to the Settlement Administrator, with any supporting documents, no later than [60 days from mailing of Notice]. If the information is correct, you do not need to do anything with the form. If you lose, misplace, or need another Statement of Weeks Worked Form, you should contact the Settlement Administrator.

VII. WHEN AND WHERE IS THE FINAL APPROVAL HEARING?

The Court will conduct a Final Fairness and Approval Hearing on [Date of final approval hearing] in Department 21 of the Superior Court of California, County of Los Angeles located at 312 N. Spring Street, Los Angeles, California 90012. At that hearing, the Court will determine whether the Settlement should be finally approved. The Court also will be asked to approve Class Counsel's request for attorneys' fees and costs, and the Service Award to be paid to the Class Representatives, and other payments discussed above. The Final Fairness and Approval Hearing may be continued without further notice.

VIII. WHAT IF I NEED MORE INFORMATION?

The foregoing is only a summary of the Litigation and the proposed Settlement and does not purport to be comprehensive. The pleadings and other records in this litigation, including the Settlement Agreement, may be examined online on the Los Angeles County Superior Court's

website at <https://www.lacourt.org/documentimages/civilImages/SearchByCaseNumber.aspx>. After arriving at the website, enter 20STCV04112 as the case number and click “SEARCH.” Images of every document filed in the case may be viewed for a minimal charge.

In addition, you can find a copy of this Notice, the Complaint, the Settlement Agreement, the Motion for Preliminary Approval, the Order Granting Preliminary Approval, and when available, the Motion for Final Approval, the Motion for Service Awards and Attorneys’ Fees and Costs, and, the Order Granting Final Approval at the following website [[URL for website maintained by Administrator](#)].

If you have any questions, you can call the Settlement Administrator at 1-800-XXX-XXXX, toll free. You may also contact Class Counsel to ask about the Class Action Settlement. Class Counsel’s contact information is as follows:

Raul Perez (174687)
Bevin Allen Pike (221936)
Orlando Villalba (232165)
Capstone Law APC
1875 Century Park East, Suite 1000
Los Angeles, California 90067
[[Case-specific email address](#)]
[[Case-specific phone number](#)]

Laura L. Ho (173179)

Byron Goldstein (289306)

GOLDSTEIN, BORGES, DARDARIAN & HO
300 Lakeside Drive, Suite 1000
Oakland, CA 94612

[[Case-specific email address](#)]
[[Case-specific phone number](#)]

**PLEASE DO NOT CONTACT THE CLERK OF THE COURT OR THE JUDGE WITH
INQUIRIES ABOUT THE SETTLEMENT.**

Attachment A

STATEMENT OF WEEKS WORKED FORM

Arellano, et al. v. R&B Sales and Marketing, et al.,

Superior Court for the State of California, County of Los Angeles

Case No. 20STCV04112

THIS FORM IS FOR YOUR INFORMATION ABOUT YOUR ESTIMATED SETTLEMENT SHARE. YOU DO NOT NEED TO DO ANYTHING WITH THIS FORM UNLESS THE INFORMATION ABOUT YOU ON THE FORM IS INCORRECT.

This Statement of Weeks Worked Form includes information based on the records of R&B Sales and Marketing, Inc. and Techtronic Industries North America, Inc. (collectively “R&B Sales” or “Defendants”). IT IS IMPORTANT THAT YOU CAREFULLY CHECK THE INFORMATION PERTAINING TO YOUR CONTACT INFORMATION IN PART I BELOW AND CORRECT ANY INACCURACIES. NOTE: If you wish to make any corrections, this Statement of Weeks Worked Form must be postmarked no later than [60 days after initial mailing] and received by the Settlement Administrator to be processed.

This Statement of Weeks Worked Form is to provide you with an opportunity to verify your name and contact information and to correct any information regarding the timeframe you worked for either Defendant in California as a non-exempt, hourly employee.

YOU DO NOT NEED TO COMPLETE THIS FORM TO SHARE IN AND RECEIVE THE SETTLEMENT PROCEEDS IN THIS LAWSUIT. IF YOU WANT TO CORRECT THE INFORMATION ON THIS FORM, YOUR COMPLETED AND SIGNED STATEMENT OF WEEKS WORKED FORM MUST BE POSTMARKED ON OR BEFORE [60 DAYS AFTER INITIAL MAILING]. YOU MUST SEND IT BY FIRST-CLASS UNITED STATES MAIL, OR THE EQUIVALENT, TO THE FOLLOWING ADDRESS:

Arellano, et al. v. R&B Sales and Marketing, et al.,

Settlement Administrator

[Insert name and address of administrator]

You should keep a copy of the completed Statement of Weeks Worked Form and record the date on which you mailed it for your records. If you would like an acknowledgment of receipt for these documents, please send them certified mail, return receipt requested. If you move, please send your new address to the Settlement Administrator at the address listed above.

Only California Settlement Class Members or their legal representatives may submit a Statement of Weeks Worked Form. Any executor, administrator, guardian, conservator, or trustee who submits a Statement of Weeks Worked Form on behalf of a California Settlement Class Member

or his or her estate must (1) sign the Statement of Weeks Worked Form on the California Settlement Class Member's behalf; (2) indicate his or her title as representative (i.e., executor, trustee, etc.); and (3) submit proof of his or her authority to act on the California Settlement Class Member's behalf.

If you have questions about your claim or how to complete this Statement of Weeks Worked Form, you may call the Settlement Administrator at [Administrator's phone #].

**ACCURATE CLAIMS PROCESSING TAKES A SIGNIFICANT AMOUNT OF TIME.
THANK YOU FOR YOUR PATIENCE.**

[Remainder of this page intentionally left blank]

PART I: CLAIMANT IDENTIFICATION

[Pre-Printed Class Member First and Last Name]

[Pre-Printed Class Member Address]

If any of the above contact information is inaccurate, please provide the correct information below:

Name (First, Middle, Last)

Name Used While Employed by either Defendant [if different from current name - First, Middle, Last]

Street Address: _____

City: _____ State: _____ Zip Code: _____

Telephone: home: (____) ____ - ____ Telephone: work/cell: (____) ____ - ____

PART II: EMPLOYMENT

Section A: Claim Based on Defendants' Records

Defendants' records indicate that between January 31, 2017 and March 21, 2021 ("Class Period") you were employed in California by Defendant in a non-exempt, hourly job position:

From <<STARTDATE>> to <<ENDDATE>>
[And from <<STARTDATE2>> to <<ENDDATE2>>]

Based on the number of weeks worked above, your estimated Individual Payment Amount is \$ _____.

This Individual Payment Amount is based on the number of weeks worked by you as an in-store sales representative in California and the Weekly Recovery Value of those weeks as described in the attached Notice.

Section B: Claim Based on Information Provided by Settlement Class Member.

Complete this section only if you believe that the information set forth in Section A above is not accurate. When you return this Statement of Weeks Worked Form to the Settlement Administrator, you must also send any documentation that supports or relates to the information

that you provide in this Section B. Please do not include any time periods (1) before January 31, 2017 or (2) after March 21, 2021.

These are the dates I was employed as a non-exempt, hourly employee in California:

From ___ / ___ / ___ to ___ / ___ / ___

From ___ / ___ / ___ to ___ / ___ / ___ (If employed more than once)

Please attach any records which document or support the dates you were employed by either Defendant as a non-exempt hourly employee in California.

DECLARATION AND SIGNATURE

I declare under penalty of perjury under the laws of the State of California and the United States that the foregoing information is true and correct to the best of my knowledge, including during the period of my employment occurring within the time period of January 31, 2017 and March 21, 2021.

DATED: ___ / ___ / 2021

SIGNATURE

PRINT NAME

Exhibit 3

PLEASE READ THIS NOTICE CAREFULLY. YOU MAY BE ENTITLED TO MONEY FROM A COLLECTIVE ACTION SETTLEMENT IF YOU TIMELY SUBMIT THE ENCLOSED OPT-IN FORM.

SUPERIOR COURT OF CALIFORNIA
COUNTY OF LOS ANGELES

If you worked for R&B Sales and Marketing, Inc. or Techtronic Industries North America, Inc. as an in-store sales representative at The Home Depot at any time between [REDACTED], 2018 and March 21, 2021, a collective action lawsuit may affect your rights.

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

Plaintiffs Sergio Arellano, Edgar Murillo, John Henry, and Curt Uyemura, former in store sales representatives employed by R&B Sales and Marketing, Inc., who worked at The Home Depot stores, sued R&B Sales and Marketing, Inc. and Techtronic Industries North America, Inc. (collectively “R&B Sales” or “Defendants”) alleging that Defendants violated the Fair Labor Standards Act (“FLSA”) for allegedly failing to pay overtime wages. The Honorable Carolyn B. Kuhl, Judge of the Los Angeles County Superior Court, presides over this case. The lawsuit is known as *Arellano, et al. v. R&B Sales and Marketing, et al.*, Case No. 20STCV04112.

The purpose of this Notice is to inform you of a proposed settlement (the “Settlement”) of the case. The Settlement is on behalf of two groups of Defendants’ non-exempt employees. One group consists of non-exempt, hourly employees who worked in California at any time between January 31, 2017 and March 21, 2021, (“California Settlement Class”). The other group consists of non-exempt, hourly employees who performed in-store sales at Home Depot stores who worked in any state other than California at any time between [REDACTED], 2018 and March 21, 2021 (“Non-California Opt-In Eligible Plaintiffs”).

Because the Defendants’ records show that you qualify as a Non-California Opt-In Eligible Plaintiff, you are being provided notice of your right to opt into the collective action and receive a payment from the Settlement if the Court grants final approval of the Settlement. Your payment will be, at a minimum, in the amount stated on **Attachment A** to this Notice.

Your legal rights may be affected. Read this Notice carefully. If you have questions, you can contact the lawyers for the Plaintiffs (listed at the end of this Notice).

Notwithstanding the terms of this settlement, R&B Sales and Marketing, Inc. or Techtronic Industries North America, Inc. both continue to deny any wrongdoing.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
OPT-IN TO THE COLLECTIVE ACTION	If you wish to participate in the Settlement, and receive a Settlement payment, you must complete and timely return the Opt-In Form enclosed with this Notice. If you complete and timely return the Opt-In Form you will receive, at a minimum, the amount stated on

AND PARTICIPATE IN SETTLEMENT	Attachment A to this Notice, unless the Court decides not to grant “final approval” of the Settlement. By opting in, you will be bound by the terms of the Settlement.
DO NOT OPT-IN/DO NOTHING AND DO NOT PARTICIPATE IN SETTLEMENT	If you do not wish to participate in the Settlement, you do not need to take any further action. You will not be bound by the terms of the Settlement if you do not affirmatively opt into the collective action.

This Notice explains your rights and options in detail.

YOUR ESTIMATED MINIMUM SETTLEMENT AMOUNT: Enclosed with this Notice is an individualized Statement of Weeks Worked Form (“Attachment A”), which will state your estimated minimum settlement amount. The amount is calculated based on the number of weeks you were employed by either Defendant and worked as an in-store sales representative at a Home Depot store in a state other than California during the period from [REDACTED], 2018 to March 21, 2021. The amount to be paid may increase based on the number of Non-California Opt-In Eligible Plaintiffs who decide not to opt-in. If there are errors on the form, you can follow the steps on the form to submit corrections. Any corrections must be submitted no later than [60 days after initial mailing], 2022.

* * *

MORE DETAILED INFORMATION

I. WHAT IS THIS CASE ABOUT?

The purpose of this Notice is to inform you that your rights may be affected by the proceedings in a class and collective action lawsuit pending before Judge Carolyn B. Kuhl of the Superior Court of California for the County of Los Angeles (the “Court”) entitled *Sergio Arellano, Edgar Murillo, John Henry and Curt Uyemura, individually and on behalf of other members for the general public similarly situated, v. R&B Sales and Marketing, Inc. and Techtronic Industries North America Inc.*, Case No. 20STCV04112, (“Litigation”). The Litigation asserts the same causes of action as alleged in *John Henry and Curt Uyemura, individually and on behalf of others similarly situated, v. Techtronic Industries of North America, Inc. and R&B Sales and Marketing, Inc.*, Case No. 4:20-cv-08329-WHO (“Henry Action”), which is pending in the Northern District of California. The Litigation along with the Henry Action is referred to as the “Lawsuits.” This Notice is given by Order of the Court.

Sergio Arellano, Edgar Murillo, John Henry and Curt Uyemura (“Class and Collective Action Representatives”) bring this Litigation on behalf of all California Settlement Class Members (all individuals employed: (1) in California, (2) by either Defendant, (3) in a non-exempt-hourly job position; and (4) at any time between January 31, 2017 and March 21, 2021 (“California Class Period”)). Class and Collective Action Representatives also bring this Litigation on behalf of Non-California Opt-In Eligible Plaintiffs (all individuals employed (1) in any state other than California; (2) by either Defendant; (3) in a non-exempt, hourly position in which the employee

performed in-store sales at Home Depot stores; (4) at any time between [REDACTED], 2018 and March 21, 2021 (“Non-California FLSA Period”).

The Litigation alleges that Defendants failed to pay overtime wages to the California Settlement Class Members and the Non-California Opt-In Eligible Plaintiffs in violation of the federal FLSA. The Litigation also alleges violations of California laws with respect to the California Class Members only, which are that Defendants (1) failed to pay overtime wages due for overtime hours worked under California law; (2) failure to pay minimum wages for all hours worked; (3) failed to provide legally required meal periods or pay premium pay due for such failure; (4) failed to provide legally required rest periods or pay premium pay due for such failure; (5) failed to furnish timely wage statements or failed to maintain adequate payroll records; (6) failed to timely pay wages or pay all wages due upon termination of employment; (7) failed to reimburse for business expenses; (8) failure to provide reporting time pay; (9) violated the unfair competition laws (Business & Professions Code §§17200, et seq.); and (10) violated the California Labor Code Private Attorney’s General Act (“PAGA”).

Defendants do not admit engaging in any unlawful conduct as alleged in this Litigation and continue to deny the claims and charges of wrongdoing and liability.

II. WHAT ARE THE TERMS OF THE SETTLEMENT?

Defendants deny that they owe money related to any of the allegations listed above. Defendants are settling the matter as a compromise and to avoid incurring unnecessary legal expense defending the matter. Defendants reserve the right to object to any claim if for any reason the Settlement fails. Defendants further deny that there was any joint employer relationship between Defendants or that Techtronic Industries North America, Inc. employed the California Settlement Class Members or the Non-California Opt-In Eligible Plaintiffs.

The parties reached a Settlement in which Defendants’ total maximum liability, will not exceed Two Million, One Hundred and Twelve Thousand, Five Hundred Dollars and Zero Cents (\$2,112,500.00) (“Settlement Sum”) plus the employer’s share of tax liabilities. The Settlement Sum allocates \$1,562,500.00 for California Class Members and \$550,000.00 for Non-California Opt-In Eligible Plaintiffs. All amounts to be paid by Defendants from the Settlement Sum shall be paid to a qualified settlement fund (“Qualified Settlement Fund”), which shall be administered by CPT Group, the Settlement Administrator.

Neither the California Settlement Class Members nor the Non-California Opt-In Plaintiffs will pay any out-of-pocket costs.

The determination of how much each Non-California Opt-In Eligible Plaintiff can receive as part of this Settlement depends on the number of weeks worked within the Non-California FLSA Period during which the individual worked as an in-store sales representative at a Home Depot store outside of California (“Qualifying Work Weeks”), the number of Non-California Opt-In Eligible Plaintiffs who opt-in to the Settlement and the number of Qualifying Work Weeks worked by those individuals. The Estimated Minimum Settlement amount set forth in **Attachment A** is calculated based on the assumption that 100% of Non-California Opt-In Eligible Plaintiffs will opt-in to the Settlement.

Non-California Opt-In Eligible Plaintiffs may participate in the Settlement. Non-California Opt-In Eligible Plaintiffs will not pay any out-of-pocket costs.

There was a hearing on [Date of preliminary approval hearing] in the Superior Court of California for the County of Los Angeles. The Court conditionally granted preliminary approval of the California class action settlement and nationwide FLSA settlement against Defendants and directed that you receive this Notice.

A. Additional Payments from the Maximum Settlement Amount

The “Non-California FLSA Fund” is the portion of the Settlement Sum allocated toward the settlement of the FLSA claims of the Non-California Opt-in Plaintiffs. That total amount is equal to \$550,000.00. All payments to Non-California Opt-in Plaintiffs shall be made from this Fund, minus the payments below, which are subject to final approval from the Court.

1. Fee and Cost Award for Class Counsel

Class Counsel filed the Litigation on behalf of Plaintiffs and all other similarly situated individuals. Class Counsel conducted formal and informal discovery, extensive motion practice, and negotiated the settlement of this matter. Class Counsel will request attorneys’ fees in an amount of up to \$183,333.33, which represents 33 1/3% of the Non-California FLSA Fund. Class Counsel will also request reimbursement of litigation costs and expenses in the amount of up to \$10,000. If approved by the Court, this amount will be paid from the Non-California FLSA Fund. These attorneys’ fees and costs shall compensate Class Counsel for the work they have performed and will perform, and the expenses they have incurred and will incur, through any approved distribution of the Non-California FLSA Fund. Neither Non-California Opt-In Eligible Plaintiffs nor California Class Members are personally responsible for any of Class Counsel’s attorneys’ fees and costs.

2. Settlement Administration Costs

Settlement Administration Costs, which will not exceed \$7,500.00, will be paid to the Settlement Administrator, CPT Group, for its services, including but not limited to distributing Notices to Non-California Opt-In Eligible Plaintiffs, processing Opt-in Forms from Non-California Opt-In Eligible Plaintiffs, calculating Settlement payments, and distributing Settlement payments to the Non-California Opt-in Plaintiffs.

3. Employer and Employee Tax Obligations

Once the amount of payment for each Non-California Opt-in Plaintiff is determined, the Settlement Administrator will calculate the total amount of the employee withholding taxes for the portion of the Settlement payment designated as wages as required by law. This total amount will be deducted from the Non-California FLSA Fund. Defendants will separately pay the employer withholding taxes on the Settlement payment designated as wages.

III. RELEASE OF CLAIMS

By opting into the FLSA Collective Action and thereby participating in the settlement, you will release all claims arising under the Fair Labor Standards Act, both known and unknown which were

asserted or could have been asserted at any time in the Lawsuits based on the facts alleged in the Lawsuits, including, but is not limited to, any claim for failure to pay overtime wages, minimum wages, unpaid wages, failure to pay overtime wages at the regular rate of pay, penalties and liquidated damages.

IV. IF I CHOOSE TO PARTICIPATE AND OPT-IN TO THIS ACTION, HOW IS MY SHARE OF THE SETTLEMENT CALCULATED?

To determine the value for each Qualifying Work Week, the Settlement Administrator will divide the Non-California FLSA Fund (after all applicable deductions for fees, costs and awards) by the total number of Qualifying Work Weeks worked by all Non-California Opt-In Eligible Plaintiffs. That dollar amount equals the weekly recovery value (“Weekly Recovery”) for each Qualifying Work Week. Next, for each Non-California Opt-In Eligible Plaintiff, the Settlement Administrator shall compute the Non-California Opt-In Eligible Plaintiff’s Individual Payment Amount by multiplying the Non-California Opt-In Eligible Plaintiff’s total Qualifying Work Weeks by the Weekly Recovery. All amounts allocated to Non-California Opt-In Eligible Plaintiffs who do not opt-in to the collective action, will be reallocated on a pro rata basis to the Non-California Opt-in Plaintiffs by increasing the Weekly Recovery value. As a result, the amount paid to each Non-California Opt-in Plaintiff will be greater than the minimum amount set forth in **Attachment A** if any Non-California Opt-in Eligible Plaintiff fails to opt-in to this action.

Your estimated minimum Individual Non-California Opt-In Plaintiff payment is included on Attachment A.

V. TAXABLE PORTION OF SETTLEMENT PAYMENTS

For purposes of tax payment obligations, fifty percent (50%) of each Individual Payment Amount to each Non-California Opt-In Plaintiff shall be allocated as wages (which shall be subject to required withholdings and deductions and reported as wage income), and the remaining fifty percent (50%) shall be allocated as liquidated damages, interest and other non-wage recovery (which shall not be subject to withholdings or deductions and shall be reported as non-wage income).

An IRS Tax Form W-2 will be issued to each Non-California Opt-In Plaintiff with regard to the portion of the Settlement payments attributable to wages and any required IRS Tax Form 1099 will be issued with regard to the remaining portion of the Settlement payments. Non-California Opt-In Plaintiffs should consult with their tax advisors concerning the tax consequences of the payments that they receive under the Settlement.

VI. WHAT IF THE STATEMENT OF WEEKS WORKED IS INCORRECT?

If the weeks worked information or contact information on the Statement of Weeks Worked Form is incorrect, you should correct this information by completing and signing the enclosed Statement of Weeks Worked Form under penalty of perjury and mail it to the Settlement Administrator, with any supporting documents, no later than **[60 days from mailing of Notice]**. If the information is correct, you do not need to do anything with the form. If you lose, misplace, or need another Statement of Weeks Worked Form, you should contact the Settlement Administrator.

VII. WHEN AND WHERE IS THE FINAL APPROVAL HEARING?

The Court will conduct a Final Fairness and Approval Hearing on [Date of final approval hearing] in Department 12 of the Superior Court of California, located at 312 N. Spring Street, Los Angeles, California 90012. At that hearing, the Court will determine whether the Settlement should be finally approved. The Court also will be asked to approve Class Counsel's request for attorneys' fees and costs, and other payments discussed above. The Final Fairness and Approval Hearing may be continued without further notice.

VIII. WHAT IF I NEED MORE INFORMATION?

The foregoing is only a summary of the Litigation and the proposed Settlement and does not purport to be comprehensive. The pleadings and other records in this litigation, including the Settlement Agreement, may be examined online on the Los Angeles County Superior Court's website at <https://www.lacourt.org/documentimages/civilImages/SearchByCaseNumber.aspx>. After arriving at the website, enter 20STCV04112 as the case number and click "SEARCH." Images of every document filed in the case may be viewed for a minimal charge. You may also view images of every document filed in the case free of charge by using one of the computer terminal kiosks available at each court location that has a facility for civil filings.

In addition, you can find a copy of this Notice, the Complaint, the Settlement Agreement, the Motion for Preliminary Approval, the Order Granting Preliminary Approval, and when available, the Motion for Final Approval, the Motion for Attorneys' Fees and Costs, and the Order Granting Final Approval at the following website [URL for website maintained by Administrator].

If you have any questions, you can call the Settlement Administrator at 1-800-XXX-XXXX, toll free. You may also contact Class Counsel to ask about the Class Action Settlement. Class Counsel's contact information is as follows:

Raul Perez (174687)
Bevin Allen Pike (221936)
Orlando Villalba (232165)
CAPSTONE LAW APC
1875 Century Park East, Suite 1000
Los Angeles, California 90067
[Case-specific email address]
[Case-specific phone number]

Laura L. Ho (173179)
Byron Goldstein (289306)
GOLDSTEIN, BORGES, DARDARIAN & HO
300 Lakeside Drive, Suite 1000
Oakland, CA 94612
[Case-specific email address]
[Case-specific phone number]

**PLEASE DO NOT CONTACT THE CLERK OF THE COURT OR THE JUDGE WITH
INQUIRIES ABOUT THE SETTLEMENT.**

Attachment A

STATEMENT OF WEEKS WORKED FORM

*Sergio Arellano, Edgar Murillo, John Henry, and Curt Uyemura, individually and on behalf of all those similarly situated v. R&B Sales and Marketing, Inc., et al.,
Superior Court for the State of California, County of Los Angeles
Case No. 20STCV04112*

THIS FORM IS FOR YOUR INFORMATION ABOUT YOUR ESTIMATED SETTLEMENT SHARE. YOU DO NOT NEED TO DO ANYTHING WITH THIS FORM UNLESS THE INFORMATION ABOUT YOU ON THE FORM IS INCORRECT.

This Statement of Weeks Worked Form includes information based on the records of R&B Sales and Marketing, Inc. and Techtronic Industries North America, Inc. (collectively or “Defendants”). IT IS IMPORTANT THAT YOU CAREFULLY CHECK THE INFORMATION PERTAINING TO YOUR CONTACT INFORMATION IN PART I BELOW AND CORRECT ANY INACCURACIES. NOTE: If you wish to make any corrections, this Statement of Weeks Worked Form must be postmarked no later than [60 days after initial mailing] and received by the Settlement Administrator to be processed.

IF YOU WISH TO PARTICIPATE IN THE SETTLEMENT, YOU MUST COMPLETE AND RETURN THE OPT-IN FORM ENCLOSED WITH THE NOTICE. IF YOU DO NOT COMPLETE AND RETURN THE OPT-IN FORM, YOU CANNOT PARTICIPATE IN THE SETTLEMENT. COMPLETING THIS WORKWEEK FORM ALONE WILL NOT CONSTITUTE OPTING INTO THE COLLECTIVE ACTION IN ORDER TO PARTICIPATE IN THE SETTLEMENT.

INSTRUCTIONS

This Statement of Weeks Worked Form is to provide you with an opportunity to verify your name and contact information and to correct any information regarding the timeframe you worked for either Defendant in a state other than California as a “in-store sales representative” at The Home Depot.

YOU DO NOT NEED TO COMPLETE THIS FORM TO SHARE IN AND RECEIVE THE SETTLEMENT PROCEEDS IN THIS LAWSUIT. IF YOU WANT TO CORRECT THE INFORMATION ON THIS FORM, YOUR COMPLETED AND SIGNED STATEMENT OF WEEKS WORKED FORM MUST BE POSTMARKED ON OR BEFORE [60 DAYS AFTER INITIAL MAILING]. YOU MUST SEND IT BY FIRST-CLASS UNITED STATES MAIL, OR THE EQUIVALENT, TO THE FOLLOWING ADDRESS:

Arellano, et al. v. R&B Sales and Marketing, Inc., et al.
Settlement Administrator
[Insert name and address of administrator]

You should keep a copy of the completed Statement of Weeks Worked Form and record the date on which you mailed it for your records. If you would like an acknowledgment of receipt for these

documents, please send them certified mail, return receipt requested. If you move, please send your new address to the Settlement Administrator at the address listed above.

Only Non-California Opt-In Eligible Plaintiffs Members or their legal representatives may submit a Statement of Weeks Worked Form. Any executor, administrator, guardian, conservator, or trustee who submits a Statement of Weeks Worked Form on behalf of a Non-California Opt-In Eligible Plaintiff or his or her estate must (1) sign the Statement of Weeks Worked Form on the Non-California Opt-In Eligible Plaintiff's behalf; (2) indicate his or her title as representative (i.e., executor, trustee, etc.); and (3) submit proof of his or her authority to act on the Non-California Opt-In Eligible Plaintiff's behalf.

If you have questions about your claim or how to complete this Statement of Weeks Worked Form, you may call the Settlement Administrator at [Administrator's phone #].

**ACCURATE CLAIMS PROCESSING TAKES A SIGNIFICANT AMOUNT OF
TIME. THANK YOU FOR YOUR PATIENCE.**

[Remainder of this page intentionally left blank]

PART I: CLAIMANT IDENTIFICATION

[Pre-Printed Class Member First and Last Name]

[Pre-Printed Class Member Address]

**If any of the above contact information is inaccurate,
please provide the correct information below:**

Name (First, Middle, Last)

Name Used While Employed by either Defendant [if different from current name - First, Middle, Last]

Street Address:

City: _____ State: _____ Zip Code: _____

Telephone: home: (____) ____-____ Telephone: work/cell: (____) ____-____

PART II: EMPLOYMENT

Section A: Claim Based on Defendants' Records

Defendants' records indicate that between _____, 2018 and March 21, 2021 ("FLSA Collective Period") you were employed in a state other than California by Defendant as an "in-store sales representative" at The Home Depot:

From <<STARTDATE>> to <<ENDDATE>>
[And from <<STARTDATE2>> to <<ENDDATE2>>]

Based on the number of weeks worked above, your estimated Individual Payment Amount is \$ _____.

This Individual Payment Amount is based on the number of weeks worked by you as an in-store sales representative in a state other than California and the Weekly Recovery value of those weeks as described in the attached Notice.

Section B: Claim Based on Information Provided by Settlement Class Member

Complete this section only if you believe that the information set forth in Section A above is not accurate. When you return this Statement of Weeks Worked Form to the Settlement Administrator, you must also send any documentation that supports or relates to the information that you provide in this Section B. Please do not include any time periods (1) before _____, 2018 or (2) after March 21, 2021.

These are the dates I was employed as an in-store sales representative in a state other than California:

From __/__/ to / /

From __/__/ to / / (If employed more than once)

Please attach any records which document or support the dates you were employed as an in-store sales representative in a state other than California.

DECLARATION AND SIGNATURE

I declare under penalty of perjury under the laws of the State of California and the United States that the foregoing information is true and correct to the best of my knowledge, including during the period of my employment occurring within the time period of [REDACTED], 2018 and March 21, 2021.

DATED: / / 2021

SIGNATURE

PRINT NAME

Exhibit 4

1 Raul Perez (SBN 174687)
Raul.Perez@capstonelawyers.com
2 Bevin Allen Pike (SBN 221936)
Bevin.Pike@capstonelawyers.com
3 Orlando Villalba (SBN 232165)
Orlando.Villalba@capstonelawyers.com
4 Trisha K. Monesi (SBN 303512)
Trisha.Monesi@capstonelawyers.com
5 CAPSTONE LAW APC
1875 Century Park East, Suite 1000
6 Los Angeles, California 90067
Telephone: (310) 556-4811
7 Facsimile: (310) 943-0396

8 Attorneys for Plaintiffs Sergio Arellano and Edgar Murillo

9 Laura L. Ho (SBN 173179)
lho@gbdhlegal.com
10 Byron Goldstein (SBN 289306)
brgoldstein@gbdhlegal.com
11 GOLDSTEIN, BORGES, DARDARIAN & HO
155 Grand Ave, Suite 900
12 Oakland, CA 94612
Telephone: (510) 763-9800
13 Facsimile: (510) 835-1417

14 Attorneys for Plaintiffs John Henry and Curt Uyemura

15 SUPERIOR COURT OF THE STATE OF CALIFORNIA

16 FOR THE COUNTY OF LOS ANGELES COUNTY

17 SERGIO ARELLANO, EDGAR MURILLO,
18 JOHN HENRY, and CURT UYEMURA,
individually, and on behalf of other members of
19 the general public similarly situated,

20 Plaintiffs,

21 vs.

22 R&B SALES AND MARKETING, INC., a
Delaware corporation; TECHTRONIC
23 INDUSTRIES NORTH AMERICA, INC., a
Delaware corporation; and DOES 1 through 10,
24 inclusive,

25 Defendants.

Case No.: 20STCV04112

Assigned to the Hon. Carolyn B. Kuhl
Spring Street Courthouse; Department 12

**[PROPOSED] ORDER GRANTING MOTION
FOR FINAL APPROVAL OF CLASS AND
COLLECTIVE ACTION SETTLEMENT
AND MOTION FOR ATTORNEYS' FEES,
COSTS AND EXPENSES, AND SERVICE
AWARDS AND JUDGMENT**

Date: TBD
Time: TBD
Place: Department 12

1 **ORDER**

2 This matter came before the Court for a hearing on the Motion for Final Approval of the Class
3 and Collective Action Settlement and Motion for Attorneys' Fees, Costs and Expenses, and Service
4 Awards (collectively, the "Motions"). Due and adequate notice having been given as required by the
5 Court's Preliminary Approval Order, and the Court having reviewed the Motions, and determining that
6 the settlement is fair, adequate and reasonable, and otherwise being fully informed and **GOOD CAUSE**
7 appearing therefore, it is hereby **ORDERED AS FOLLOWS**:

8 1. For the reasons set forth in the Preliminary Approval Order, which are adopted and
9 incorporated herein by reference, this Court finds that the requirements of California Code of Civil
10 Procedure section 382 and rule 3.769 of the California Rules of Court have been satisfied.

11 2. This Order hereby adopts and incorporates by reference the terms and conditions of the
12 Stipulation and Agreement to Settle Class Action (collectively, "Settlement Agreement" or
13 "Settlement"), together with the definitions and terms used and contained therein.

14 3. The Court finds that it has jurisdiction over the subject matter of the action and over all
15 parties to the action, including all Participating Settlement Members.

16 4. The Notice of Class, Collective, and Representative Action Settlement fully and
17 accurately informed California Settlement Class Members of all material elements of the proposed
18 settlement and of their opportunity to opt out or object; was the best notice practicable under the
19 circumstances; was valid, due, and sufficient notice to all California Settlement Class Members; and
20 complied fully with the laws of the State of California and due process. The Notice of Class, Collective,
21 and Representative Action fairly and adequately described the settlement and provided California
22 Settlement Class Members with adequate instructions and a variety of means to obtain additional
23 information.

24 5. Notice of Collective Action Settlement issued to Non-California Opt-In Eligible
25 Plaintiffs fully and accurately informed Non-California Opt-In Eligible Plaintiffs of all material elements
26 of the proposed settlement and of their opportunity to opt in to the collective action settlement. A total of
27 _ such individuals opted in to the collective action, and will be bound to this Order and Judgment.

28 6. California Settlement Class Members were given a full opportunity to participate in the

1 Final Approval hearing, and all California Settlement Class Members and other persons wishing to be
2 heard have been heard. Accordingly, the Court determines that all California Settlement Class Members
3 who did not timely and properly opt out of the settlement are bound by this Order.

4 7. The Court has considered all relevant factors for determining the fairness of the
5 settlement and has concluded that all such factors weigh in favor of granting final approval. In particular,
6 the Court finds that the settlement was reached following meaningful discovery and investigation
7 conducted by Plaintiffs' Counsel; that the settlement is the result of serious, informed, adversarial, and
8 arm's-length negotiations between the Parties; and that the terms of the settlement are in all respects fair,
9 adequate, and reasonable.

10 8. In so finding, the Court has considered all evidence presented, including evidence
11 regarding the strength of Plaintiffs' case; the risk, expense, and complexity of the claims presented; the
12 likely duration of further litigation; the amount offered in settlement; the extent of investigation and
13 discovery completed; and the experience and views of counsel. The Parties have provided the Court with
14 sufficient information about the nature and magnitude of the claims being settled, as well as the
15 impediments to recovery, to make an independent assessment of the reasonableness of the terms to
16 which the Parties have agreed.

17 9. Accordingly, the Court hereby approves the settlement as set forth in the Settlement
18 Agreement and expressly finds that the settlement is, in all respects, fair, reasonable, adequate, and in the
19 best interests of all Participating Settlement Members and hereby directs implementation of all remaining
20 terms, conditions, and provisions of the Settlement Agreement. The Court also finds that settlement now
21 will avoid additional and potentially substantial litigation costs, as well as delay and risks if the Parties
22 were to continue to litigate the case. Additionally, after considering the monetary recovery provided by
23 the settlement in light of the challenges posed by continued litigation, the Court concludes that the
24 settlement provides Participating Settlement Members with fair and adequate relief.

25 10. The Settlement Agreement is not an admission by Defendants or by any other released
26 party, nor is this Order a finding of the validity of any allegations or of any wrongdoing by Defendants or
27 any other released party. Neither this Order, the Settlement Agreement, nor any document referred to
28 herein, nor any action taken to carry out the Settlement Agreement, may be construed as, or may be used

as, an admission of any fault, wrongdoing, omission, concession, or liability whatsoever by or against Defendants or any of the other released parties.

11. The Court hereby awards Plaintiffs Sergio Arellano, Edgar Murillo, John Henry and Curt Uyemura Service Awards of \$7,500, each, for their service on behalf of Participating Settlement Members, and for agreeing to general releases of all claims arising out of their employment with Defendants.

12. The settlement of civil penalties under PAGA in the amount of \$100,000 is hereby approved. Seventy-Five Percent (75%), or \$75,000, shall be paid to the California Labor and Workforce Development Agency. The remaining Twenty-Five Percent (25%), or \$25,000, will be paid to all California Settlement Class Members who worked any time between January 31, 2019 and March 21, 2021.

13. The Court hereby awards \$_____ attorneys' fees and \$_____ in costs and expenses to Capstone Law APC and Goldstein, Borgen, Dardarian & Ho. The Court finds that the requested award of attorneys' fees is reasonable for a contingency fee in a class action such as this, and that the requested litigation costs were reasonably incurred.

14. The Court approves settlement administration costs and expenses in the combined amount of \$_____ to CPT Group, Inc.

15. All Class Members were given a full and fair opportunity to participate in the Approval Hearing, and all members of the Settlement Class wishing to be heard have been heard. Members of the Settlement Class also have had a full and fair opportunity to exclude themselves from the proposed settlement and the class. Accordingly, the terms of the Settlement Agreement and of the Court's Order shall be forever binding on all Class Members who did not timely and properly opt out of the settlement. These Class Members have released and forever discharged the Defendants for any and all Released Claims.

16. Judgment in this matter is entered in accordance with the above findings.

17. Without affecting the finality of the Judgment, the Court shall retain exclusive and continuing jurisdiction over the above-captioned action and the parties, including all Participating Settlement Members, for purposes of enforcing the terms of the Judgment entered herein.

1 18. This document shall constitute a judgment (and separate document constituting said
2 judgment) for purposes of California Rules of Court, Rule 3.769(h).

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4 **IT IS SO ORDERED, ADJUDGED, AND DECREED.**

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6 Dated: _____

7 Hon. Carolyn B. Kuhl
8 Los Angeles County Superior Court Judge
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Exhibit 5

OPT-IN FORM

Arellano, et al. v. R&B Sales and Marketing, et al., Case No. 20STCV04112

In order to opt in and participate in the FLSA collective action and receive a share of the settlement sum allocated to non-exempt, hourly employees of R&B Sales and Marketing or Techtronic Industries North America, Inc. (collectively or “Defendants”) who performed in-store sales at Home Depot stores in any state other than California at any time between [REDACTED], 2018 and March 21, 2021 (“Non-California Opt-In Eligible Plaintiffs”), you must complete and return this Op-In Form to the Settlement Administrator at the following address so that it is received by the Settlement Administrator no later than [insert date: 60 days from mailing].

Completed and signed Opt-in Forms may be submitted by mail, facsimile, or scanned and e-mailed to:

[insert SA address, fax, email]

Only Non-California Opt-In Eligible Plaintiffs or their legal representatives may submit Opt-in Forms. Any executor, administrator, guardian, conservator, or trustee who submits an Opt-in Form on behalf of a Non-California Opt-In Eligible Plaintiff or his or her estate must (1) sign the Opt-in Form on the FLSA Class Member’s behalf; (2) indicate his or her title as representative (i.e., executor, trustee, etc.); and (3) submit proof of his or her authority to act on the Non-California Opt-In Eligible Plaintiff’s behalf.

If you are a Non-California Opt-In Eligible Plaintiff and you timely submit this Opt-in Form, you will be bound by the terms of any judgment or final order entered in the Litigation, and you shall fully and finally release and discharge all Released Parties of all claims arising under the Fair Labor Standards Act, both known and unknown which were asserted or could have been asserted at any time based on the facts alleged in the Lawsuits, including, but is not limited to, any claim for failure to pay overtime wages, minimum wages, unpaid wages, failure to pay overtime wages at the regular rate of pay, penalties and liquidated damages.

“Released Parties” shall mean Defendants and their past and present parents, subsidiaries, related entities, and affiliates, and their respective present and former officers, directors, stockholders, agents, employees, insurers, co-insurers, reinsurers, attorneys, accountants, auditors, advisors, representatives, consultants, pension and welfare benefit plans, plan fiduciaries, administrators, trustees, partners, predecessors, successors and assigns.

To qualify for a share of the settlement proceeds allocated to the Non-California Opt-In Eligible Plaintiffs you must sign below:

DECLARATION

I wish to claim a share in the settlement proceeds allocated to the Non-California Opt-In Eligible Plaintiffs and declare that the foregoing information and information below is true and correct: I worked as a non-exempt, hourly employee of R&B Sales and Marketing or Techtronic Industries North America, Inc. and performed in-store sales at Home Depot stores in any state other than California at any time between [REDACTED], 2018 and March 21, 2021.

Name: _____

Social Security Number: _____

Address: _____

Phone: _____

Email: _____

_____, 2021
(Signature) (Date)

Exhibit 6

1 Raul Perez (SBN 174687)
Raul.Perez@capstonelawyers.com
2 Bevin Allen Pike (SBN 221936)
Bevin.Pike@capstonelawyers.com
3 Orlando Villalba (SBN 232165)
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6 Los Angeles, California 90067
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7 Facsimile: (310) 943-0396

8 Attorneys for Plaintiffs Sergio Arellano and Edgar Murillo

9 Laura L. Ho (SBN 173179)
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11 GOLDSTEIN, BORGES, DARDARIAN & HO
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12 Oakland, CA 94612
Telephone: (510) 763-9800
13 Facsimile: (510) 835-1417

14 Attorneys for Plaintiffs John Henry and Curt Uyemura

15 SUPERIOR COURT OF THE STATE OF CALIFORNIA

16 FOR THE COUNTY OF LOS ANGELES COUNTY

17 SERGIO ARELLANO, EDGAR MURILLO,
18 JOHN HENRY, and CURT UYEMURA,
individually, and on behalf of other members of
19 the general public similarly situated,

20 Plaintiffs,

21 vs.

22 R&B SALES AND MARKETING, INC., a
Delaware corporation; TECHTRONIC
23 INDUSTRIES NORTH AMERICA, INC., a
Delaware corporation; and DOES 1 through 10,
24 inclusive,

25 Defendants.

Case No.: 20STCV04112

Assigned to the Hon. Carolyn B. Kuhl
Spring Street Courthouse; Department 12

**[PROPOSED] ORDER GRANTING MOTION
FOR PRELIMINARY APPROVAL OF
CLASS AND COLLECTIVE ACTION
SETTLEMENT**

Date: January 13, 2022
Time: 10:30 a.m.
Place: Department 12

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1 6. The Court also finds that settlement now will avoid additional and potentially substantial
2 litigation costs, as well as delay and risks if the Parties were to continue to litigate the action.

3 7. The Court preliminarily approves the Settlement Agreement, including all the terms and
4 conditions set forth therein and the Settlement Sum and allocation of payments.

5 8. The rights of any potential California Settlement Class Member dissenters to the
6 proposed Settlement are adequately protected in that they may exclude themselves from the Settlement
7 and proceed with any alleged claims they may have against Defendants, or they may object to the
8 Settlement and appear before this Court. However, to do so they must follow the procedures outlined in
9 the Settlement Agreement and Notice of Class Action Settlement.

10 9. The Court approves, as to form and content, the proposed: (i) Notice of Class,
11 Collective, and Representative Action Settlement which will be issued to California Settlement Class
12 Members; and (ii) Notice of Collective Action Settlement, which will be issued to Non-California Opt-In
13 Eligible Plaintiffs (collectively, "Notice Packets").

14 10. The Court directs the mailing, by First-Class U.S. mail, of the Notice Packets in
15 accordance with the schedule set forth below and the other procedures described in the Settlement
16 Agreement. The Court finds that the method selected for communicating the preliminary approval of the
17 Settlement Agreement, is the best notice practicable under the circumstances, constitutes due and
18 sufficient notice to all persons entitled to notice, and thereby satisfies due process.

19 11. The Court appoints Plaintiffs Sergio Arellano, Edgar Murillo, John Henry and Curt
20 Uyemura as the Class and Collective Action Representatives.

21 12. The Court appoints Capstone Law APC and Goldstein, Borgen, Dardarian & Ho as
22 Class Counsel. The Court finds that counsel have demonstrable experience litigating, certifying, and
23 settling class actions, and will serve as adequate counsel for California Settlement Class Members and
24 Non-California Opt-In Eligible Plaintiffs.

25 13. The Court approves and appoints CPT Group, Inc. as the Settlement Administrator.
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14. The following dates shall govern for purposes of this Settlement:

Date	Event
February 3, 2022 (or not later than 10 business days after the Court grants preliminary approval of the Settlement Agreement, if later)	Last day for Defendants to produce the Settlement Class Lists to the Settlement Administrator.
February 17, 2022 (or not later than 14 calendar days after Defendants produce the Settlement Class Lists, if later)	Last day for the Settlement Administrator to mail Notice Packets to all California Settlement Class Members and Non-California Opt-In Eligible Plaintiffs.
April 18, 2022 (or not later than 60 calendar days after the Settlement Administrator mails the Notice Packets, if later)	Last day for California Settlement Class Members to submit Requests for Exclusion or Objections to the Settlement, and for Non-California Opt-In Eligible Plaintiffs to return the Opt-In Forms.
May 6, 2022	Last day for Plaintiffs to file the Motion for Final Approval of Class and Collective Action Settlement and Motion for Attorneys' Fees, Costs, and Service Awards.
May 31, 2022 at 10:30 a.m.	Hearing on Motion for Final Approval of Class Action Settlement and Motion for Attorneys' Fees, Costs, and Service Awards.

15. The Court expressly reserves the right to continue or adjourn the final approval hearing without further notice to the Class Members.

IT IS SO ORDERED.

Dated: _____

Hon. Carolyn B. Kuhl
Los Angeles County Superior Court Judge

Exhibit 7

Exhibit 8

COMPLETE AND GENERAL RELEASE OF ALL CLAIMS
BY CLASS AND COLLECTIVE ACTION REPRESENTATIVES

In consideration for the Service Award, as defined in the “Stipulation and Agreement to Settle Class, Collective, and Representative Action,” (“Settlement Agreement”) Sergio Arellano, Edgar Murillo, John Henry and Curt Uyemura (“Class and Collective Action Representatives” or “Plaintiffs”) provide this Complete and General Release of all Claims known or unknown, suspected or unsuspected, that each Class and Collective Action Representatives had, now have, or may hereafter claim to have against the Released Parties arising out of, or relating in any way to, his hiring by, employment with, separation of employment with the Released Parties (“Plaintiffs’ Released Claims”).

The award of a Service Award by the Court in the Final Approval Order of this Litigation, as defined in the Settlement Agreement, is a condition precedent to Class Representative’s performance under this Complete and General Release of All Claims by Class and collective Representatives. As a result, if the Court does not award any Service Award to Class Representative, then the Class and Collective Action Representative and Defendants, as defined in the Settlement Agreement, agree that this Complete and General Release of All Claims is void.

Each Class and Collective Action Representative, individually and on behalf of Class Representative’s heirs, executors, administrators, representatives, attorneys, successors and assigns knowingly and voluntarily releases and forever discharges R&B Sales and Marketing, Inc. and Techtronic Industries North America, Inc. (“Defendants”), including Defendants’ parent corporation, subsidiaries, successors and assigns, and their current and former employees, officers, and directors, both individually and in their business capacities (collectively, the “Released Parties”), to the full extent permitted by law, of and from any and all claims, known and unknown, asserted and unasserted, which each Class and Collective Action Representative has or may have against the Released Parties as of the date of this General Release Agreement.

Without limiting the generality of the foregoing, the Plaintiffs Released Claims released herein include any claims arising out of, based upon, or in any way related to (i) claims of discrimination, harassment, and retaliation; (ii) any tort claims, including wrongful discharge, intentional or negligent infliction of emotional distress, intentional or negligent misrepresentation, invasion of privacy, defamation, loss of consortium, breach of fiduciary duty, assault, battery, sexual battery, violation of public policy, or any other common law claim of any kind; (iii) any other violation or alleged violation of Title VII of the Civil Rights Act of 1964, as amended, the Equal Pay Act, as amended, the Fair Labor Standards Act, the Employee Retirement Income Security Act, the Americans With Disabilities Act, the Family and Medical Leave Act, the California Family Rights Act, the California Fair Employment and Housing Act, the Fair Credit Reporting Act, any provisions of California Labor Code Division 2, Part 1, Chapter 1, the Civil Rights Act of 1866, and the Consolidated Omnibus Budget Reconciliation Act; and (iv) any claim relating to or arising under any other local, state or federal statute, regulation or principle of common law governing the employment of individuals and/or discrimination in employment, to the extent permitted by law. This release extends to any and all administrative charges whether before the Equal Employment and Opportunity Commission or the Department of Fair Employment and Housing or any other court or agency to the extent permitted by law. Should any Plaintiff ever become a party to any such proceeding against the Released Parties, as a result

of claims released in the agreement, he shall immediately ask any such administrative agency or court to withdraw any such charge as to him or her.

To affect a full and complete General Release as described above, each Plaintiff expressly waives and relinquishes all rights and benefits of § 1542 of the Civil Code of the State of California, except as described in paragraph 6 above, and does so understanding and acknowledging the significance and consequence of specifically waiving §1542. Section 1542 of the Civil Code of the State of California states as follows:

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

Thus, notwithstanding the provisions of § 1542, and to implement a full and complete release and discharge of the Released Parties, each Class and Collective Action Representative expressly acknowledges this Settlement Agreement is intended to include in its effect, without limitation, all claims each Class and Collective Action Representative does not know or suspect to exist in each Class and Collective Representative's favor at the time of signing this Settlement Agreement, and that this Settlement Agreement contemplates the extinguishment of any such claims. Each Class and Collective Action Representative warrants he has read this Settlement Agreement, including this waiver of California Civil Code § 1542, and that he has consulted with or had the opportunity to consult with counsel of his choosing about this Settlement Agreement and specifically about the waiver of § 1542, and that each Class and Collective Action Representative understands this Settlement Agreement and the § 1542 waiver, and so he freely and knowingly enters into this Settlement Agreement. Each Class and Collective Action Representative further acknowledges that he later may discover facts different from or in addition to those he now knows or believes to be true regarding the matters released or described in this Settlement Agreement, and even so each Class and Collective Action Representative agrees that the releases and agreements contained in this Settlement Agreement shall remain effective in all respects notwithstanding any later discovery of any different or additional facts. Each Class and Collective Action Representative expressly assumes any and all risk of any mistake in connection with the true facts involved in the matters, disputes or controversies released or described in this Settlement Agreement or with regard to any facts now unknown to him relating thereto.

Each Class and Collective Action Representative is not waiving any rights he may have to: (i) Class and Collective Action Representative's own vested accrued employee benefits under Defendant's health, welfare or retirement benefits plans as of the date of execution of this Settlement Agreement; (ii) benefits or rights to seek benefits under applicable workers' compensation (except as to claims under California Labor Code §§ 132a and 4553) or unemployment insurance or indemnification statutes; (iii) waive Class and Collective Action Representative's right to file an application for an award for original information submitted pursuant to Section 21F of the Securities Exchange Act of 1934. (iv) pursue claims which by law

cannot be waived by signing this Settlement Agreement; (v) enforce this Settlement Agreement; or (vi) challenge the validity of this Settlement Agreement.

Executed on _____, 2021

Sergio Arellano

Executed on _____, 2021

Edgar Murillo

Executed on _____, 2021

John Henry

Executed on _____, 2021

Curt Uyemura