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Attorneys for Plaintiff Joel Villalpando

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF ORANGE

JOEL VILLALPANDO, an individual,

Plaintiff,

v.

RED SPARROW SERVICES, INC., a
California Corporation; AVREK LAW FIRM,
a Professional Law Corporation; MARYAM
PARMAN, an individual; DOES 1-10,
business entities, forms unknown; DOES 11-
20, individuals; and DOES 21-30, inclusive,

Defendants.

Case No.: 30-2020-01140620-CU-OE-CXC

**DECLARATION OF CHANTAL PAYTON
IN SUPPORT OF PLAINTIFF'S
UNOPPOSED EX PARTE APPLICATION
FOR APPROVAL OF PAGA
SETTLEMENT**

Date: December 3, 2020

Time: 8:30 a.m.

The Hon. William Claster

Dept. CX104

[Complaint filed: May 26, 2020]

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I, Chantal Payton, Esq., hereby declare as follows:

1. I am an attorney at law, duly licensed to practice before all courts of the State of California. I am the principal attorney of the law firm Payton Employment Law, PC, counsel for Plaintiff in this action. In that capacity, I am familiar with the day to day handling of this matter. If called upon to testify, I could and would competently attest to the following, which is submitted of my own personal knowledge, except as to those matters that are stated upon information and belief.

I. NATURE OF THE ACTION

2. In this employment action, Plaintiff alleged that Defendants failed to compensate him for all hours worked, failed to provide meal and rest breaks, failed to timely pay wages upon separation, and failed to pay overtime. The operative complaint was filed on May 26, 2020, and alleged eleven substantive claims:

- a. Overtime Violations;
- b. Failure to Pay Minimum Wages;
- c. Rest Period Violations;
- d. Meal Period Violations;
- e. Failure to Provide Accurate Itemized Wage Statements;
- f. Failure to Pay Wages Due Upon Termination;
- g. Failure to Reimburse Business Expenses;
- h. Unfair Business Practices Pursuant to Business and Profession Code § 17200, *et seq.*;
- i. Breach of Contract; and
- j. Private Attorney General Act, Labor Code § 2698 *et seq.*

II. TERMS OF THE SETTLEMENT

3. On or about September 22, 2020, the Parties conducted a full day mediation and reached a confidential settlement. The Settlement Agreement was Finalized and Executed on or about

December 1, 2020. See Joint Stipulation Re PAGA Settlement, attached hereto **“Exhibit 1”** (herein the “PAGA Settlement” or “PAGA Agreement.”)

4. The PAGA Agreement provides that thirty-five thousand dollars (\$35,000.00) will be allocated to potential PAGA penalties. The agreement provides that the \$35,000.00 settlement amount will be distributed as follows:

- a. Counsel for Plaintiff and the State of California (Payton Employment Law, PC) shall be paid and receive an amount not to exceed Eleven Thousand Six Hundred Sixty-Six Dollars and Sixty-Six Cents (\$11,666.66) as reasonable attorneys’ fees under PAGA;
- b. Counsel for Plaintiff and the State of California shall be paid and receive as reasonable reimbursable costs under PAGA an amount not to exceed Six Thousand Nine Hundred Eighty Dollars and Zero Cents (\$6,980.00) to be distributed to Payton Employment Law, PC.
- c. The actual costs of administration, up to a maximum payment of \$1,500, shall be paid to the Settlement Administrator;
- d. Plaintiff Joel Villalpando shall receive not more than One Thousand Dollars and Zero Cents (\$1,000.00) as a PAGA service award (any amount not awarded to Plaintiff shall be included in the net proceeds, i.e., Net PAGA Settlement Amount); and
- e. The remainder of the Maximum Settlement Amount, once the amounts above have been deducted (the “Net PAGA Settlement Amount”), approximately Thirteen Thousand Eight Hundred and Fifty-Three Dollars and Thirty-Four Cents (\$13,853.34) will be distributed as required by Labor Code section 2699(i), and in accordance with the terms of this Settlement Agreement, subject to the Court’s approval, as follows:
 - i. Seventy-five percent (75%), approximately Ten Thousand Three Hundred Ninety Dollars and One Cents (\$10,390.01), shall be paid to and received by the LWDA, to settle the claims for PAGA penalties based on the alleged violations of the Labor Code as asserted in the Action; and

1 ii. Twenty-five percent (25%), approximately Three Thousand Four Hundred
2 Sixty-Three Dollars and Thirty-Four Cents (\$3,463.34), shall be paid to and
3 received by the Aggrieved Employees on a pro rata basis according to each
4 Aggrieved Employee's individual number of Pay Periods.

5 5. As required in the statute, Plaintiff submitted the proposed Settlement Agreement to the
6 LWDA, and the papers filed in support of this ex parte application, on the same day this ex parte
7 application was filed with the Court.

8 **III. THE PAGA SETTLEMENT IS REASONABLE, AND SHOULD BE**
9 **APPROVED BY THE COURT**

10 6. Based on the information received from Defendants, as well as through discussions with
11 Defendants' Counsel, Plaintiff's Counsel was able to (i) determine the total number of distinct
12 individuals falling within the definition of "Aggrieved Employee" for the relevant statutory
13 period, and (ii) construct a damage model that calculated the maximum realistic amount of
14 PAGA penalties that could be levied against Defendants within the PAGA Period. Defendants,
15 however, disputed Plaintiff's claims and disputed both the existence of, and extent of liability as
16 alleged by Plaintiff. Based on Plaintiff's Counsel's experience in litigating similar
17 "representative" wage and hour claims, the degree of investigation that was conducted, and the
18 amount of data that was obtained, was sufficient to determine the potential value of the PAGA
19 claim, and to evaluate the strength of this claim for purposes of settlement.

20 7. The proposed settlement was reached after an extensive full-day mediation and
21 negotiation discussions between experienced counsels. Counsel for all parties participated in a
22 number of telephone conferences, email exchanges and overall litigation related to the entirety
23 of Plaintiff's claims, including informal discovery and exchange of documentation, including
24 paystubs for aggrieved employees for analysis by Plaintiff's counsel. The parties remained
25 steadfast in their positions as to the merits of Plaintiff's specific PAGA claims. However, both
26 parties were persuaded that the ultimate uncertainty and cost attendant with proceeding to trial
27 weighed in favor of agreeing to a deal that would resolve the entirety of Plaintiff's claims.

1 8. The value achieved by the Settlement may be gleaned from the fact that the LWDA and
2 the approximately 71 Aggrieved Employees encompassed by the Settlement during the “PAGA
3 period” (i.e., April 7, 2019 through the date the settlement is approved by the court) will receive
4 no less than \$13,853.35 under the terms of the Settlement, which, pursuant to the operative
5 statute, shall be allocated “75 percent to the Labor and Workforce Development Agency . . . and
6 25 percent to the aggrieved employees.” *See Cal. Lab. Code* § 2699(i). This is a reasonable
7 recovery, not only because further litigation may have resulted in a net-zero recovery based on
8 the defenses asserted by Defendants, but because the amount secured by Plaintiff is sizable and
9 in line with similar settlements of these types of claims under PAGA. It is also important to
10 underscore that all penalty amounts paid to Aggrieved Employees will be an unexpected
11 windfall, as employees typically do not bring individual lawsuits asserting only PAGA penalties.

12 9. Plaintiff’s counsel estimated that Defendant’s maximum theoretical exposure in this
13 action totals between April 7, 2019 through September 22, 2020 (the date the mediation) was
14 approximately \$5,026,171.33 (only \$293,057.91 of which pertained to intake specialists) with
15 stacking computed by multiplying the total aggregate wage statements by the civil penalty for
16 each pay period associated with every Labor Code violation. Without stacking, the maximum
17 exposure to Defendant would be approximately \$283,548.26. These numbers, however, assume
18 that a violation occurred each and every pay period, which Defendant has strongly disputed. *Id.*
19 Defendants contend they acted within the requirements of California law at all times as to all
20 Aggrieved Employees. Moreover, they maintained that even if the Court did award penalties,
21 the Court could and would *substantially* reduce the penalties awarded based on the discretionary
22 factors contained in Labor Code § 2699(e)(2) (“In action by an aggrieved employee . . . , a court
23 may award a lesser amount than the maximum civil penalty amount specified by this part if,
24 based on the facts and circumstances of the particular case, to do otherwise would result in an
25 award that is unjust, arbitrary and oppressive, or confiscatory.”). The parties believe that an
26 award of the maximum penalties would be unjust, arbitrary and oppressive, or confiscatory
27 within the meaning of Labor Code section 2699 (e)(2) for the following reasons:
28

- 1 a. Defendant Avrek and Defendant Red Sparrow are two separate corporate entities.
2 Consequently, the number of Aggrieved Employees, as well as the relevant covered
3 PAGA group for the instant matter, is small.
- 4 b. Even within the subgroup of employees that held the “intake specialist” title as
5 Plaintiff did, there existed an even smaller subset that worked the same hours as
6 Plaintiff. Hence, Plaintiff’s work conditions were not common to most intake
7 specialists. On the contrary, Plaintiff’s employment experience for Defendants was
8 extremely unique to him and represented the circumstances of a small group of
9 Defendants’ employees.
- 10 c. Additionally, in his role as an Intake Specialist, Plaintiff had access to confidential
11 information that many other non-exempt employees lacked. Given the specific duties
12 and responsibilities that Plaintiff held, the claims he alleged against Defendants
13 represent an individual experience that is particular to him and Plaintiff’s core causes
14 of action are appropriately alleged on an individual basis.
- 15 d. This was not a wage and hour case where PAGA penalties represented a significant
16 portion of the amount of damage in dispute. In total, there were only 9 aggrieved
17 employees of Defendants who either held the same job as Plaintiff or who Plaintiff
18 contends were subjected to similar violations during the covered period. This is not
19 a wage and hour case where PAGA penalties represented a significant portion of the
20 amount of damage in dispute. Indeed, no more than nine individuals from
21 Defendants’ workforce, which includes at least 100 individuals, held the same title
22 as Plaintiff or had work hours similar to his. Rather, Plaintiff’s claims are individual-
23 basis labor claims that give rise to unpaid minimum, overtime, and double-time
24 wages, unpaid commissions and bonuses, liquidated damages, meal and rest break
25 premiums, wage statement penalties, waiting-time penalties, unreimbursed expenses,
26 and statutory attorneys’ fees.
- 27
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1 e. Defendants presented evidence against the PAGA action, including informal
2 discovery responses before mediation that swore only nine employees were subject
3 to the Labor Code violations alleged in Plaintiff's Complaint: and

4 f. In light of the insignificant number of Aggrieved employees, especially in
5 comparison to Plaintiff's overwhelming estimated damages from the violations he
6 was personally subjected to, it is likely the Court would exercise discretion to reduce
7 PAGA penalties awarded.

8 In light of these circumstances, a significant recovery under PAGA was unlikely.

9 10. The relative strength of the PAGA claim brought by Plaintiff weighs in favor of the Court
10 finding that the settlement is fair, adequate, and reasonable, as Defendant maintained numerous
11 defenses to the theories of penalty-liability put forward by Plaintiff that, if successful, had the
12 potential to completely eliminate any recovery.

13 11. In light of the above, the parties believe that a settlement amount of \$35,000.00 in PAGA
14 penalties is a fair compromise that furnishes the state with a payment while avoiding the cost
15 and burden to the parties and the Court of litigating this case through trial.

16 **IV. THE INDIVIDUAL SETTLEMENT BETWEEN PLAINTIFF AND**
17 **DEFENDANTS IS ALSO REASONABLE, AND SHOULD BE APPROVED BY**
18 **THE COURT**

19 12. The parties negotiated and resolved all of Plaintiff's individual non-representative claims
20 in exchange for a mutual generally release with a Civil Code section 1542 waiver. The terms of
21 this settlement agreement including the settlement amount is confidential, thus, the agreement
22 will be lodged with the court under seal at the time of filing this Ex Parte Application. The
23 consideration paid to Plaintiff pursuant to this settlement agreement was only for his individual
24 claims; no additional consideration was paid to Plaintiff for resolving the representative PAGA
25 claims and the PAGA claims were separately negotiated among counsel during the mediation.

26 13. It is Plaintiff's counsel view that settlement payment for Plaintiff's individual wages was
27 fair and reasonable under the circumstances and constituted a significant discount from the true
28 damages that he suffered. Plaintiff's core claims in this action alleged misclassification and

individual labor claims. As a person who held the position of “Intake Specialist” for Defendants, Plaintiff filled a unique role and had an employment experience that was markedly different and distinct from other aggrieved employees. As further detailed above, in his capacity as an Intake Specialist, Plaintiff held an experience that was extremely different from other non-exempt employees that worked for Defendants. Unlike most of Defendants’ hourly non-exempt employees, Plaintiff had to be on call seven days per week, and regularly complete work obligations, included client intake calls, outside of office hours. Accordingly, the individual damages that Plaintiff contends he suffered would be significantly higher than other non-exempt employees, and even other Intake Specialists. Plaintiff’s counsel estimated Plaintiff’s damages to be in the high six-figures (approximately \$823,038.63).

V. GOOD CAUSE EXISTS TO GRANT THIS RELIEF

14. Good cause exists to grant this application because: (a) approval of the settlement of the PAGA claims will fully and entirely resolve this case; (b) waiting further will simply delay the resolution of the case; and (c) the parties are operating under the expectation that the matter has been resolved and thus, are not taking action that otherwise would need to be taken (e.g., discovery, depositions, etc.) if this case is not resolved. As set forth herein, the proposed Settlement embodies all of the features of a settlement that is fair, reasonable, and adequate, as it is the product of (1) arms-length negotiations, (2) negotiated by attorneys experienced in wage and hour issues, (3) subsequent to undertaking sufficient investigation necessary to evaluate the relative strength and value of the PAGA claim, and (4) it reflects a reasoned compromise based directly on the relative strength and value of the PAGA claim, as well as the risks, expense, complexity and likely duration of further litigation.

VI. NOTICE AND COMPLIANCE WITH CALIFORNIA RULES OF COURT:

15. In compliance with California Rule of Court, Rules 3.724(a), between September 22, 2020 and December 2, 2020, Plaintiff’s counsel met and conferred with counsel for Defendants (Matthew Sgnilek, Esq. and Jonathan Stilz, Esq.) regarding the Plaintiff’s unopposed ex parte application that is currently set for December 3, 2020 and agreed that Plaintiff would move for an order approving settlement of the PAGA claims through an ex parte appearance on December

1 3, 2020 at 8:30 a.m. in Department CX104 of this Court. Defendants' counsel reviewed a draft
2 of Plaintiff's ex parte application and has indicated that they do not oppose it.

3 16. In compliance with California Rule of Court, Rule 3.1202(a), the following are the
4 names, addresses and telephone numbers of the attorneys for the parties to this action:

5 a. Shalini Dogra, Esq. of Dogra Law Group PC, 4065 Glencoe Ave., Ste. 107, Marina
6 Del Rey, CA 90292, (747) 234-6673 and Chantal Payton, Esq. and Robert Torres,
7 Esq. of Payton Employment Law, PC, 3807 West Sierra Highway, Suite 206, Acton,
8 California 93510, (661) 434-1144, Attorneys for Plaintiff.

9 b. Matthew C. Sgnilek, Esq., Jonathan Stilz, Esq., and Andrea Rosenkranz, Esq. of
10 O'Hagan Meyer, 4695 MacArthur Court, Ste. 210, Newport Beach, California 92660,
11 (949) 942-8500, Attorneys for Defendants.

12
13 I declare under the penalty of perjury under the laws of the State of California that the
14 foregoing is true and correct. Executed on December 2, 2020 in Los Angeles, California.

15
16
17 By: _____


Chantal McCoy Payton

EXHIBIT 1

JOINT STIPULATION RE PAGA SETTLEMENT

This Settlement Agreement is made and entered into by and between Representative Plaintiff Joel Villalpando (“Plaintiff”) and Defendants Red Sparrow Services, Inc., Avrek Law Firm, APLC, and Maryam Parman (collectively “Defendants”) (and together, the “Parties”). The Parties hereby agree that this action shall be settled on the terms and conditions set forth in this Joint Stipulation re PAGA Settlement (“Settlement Agreement”), subject to the approval of the Court pursuant to the California Private Attorneys General Act of 2004, Labor Code sections 2698 *et seq.* (“PAGA”).

INTRODUCTION

1. On February 13, 2020, pursuant to PAGA, Plaintiff provided notice, via online submission, to the State of California’s Labor and Workforce Development Agency (“LWDA”) and via certified mail to Defendants regarding various alleged California Labor Code violations.

2. On May 26, 2020, Plaintiff filed this representative action alleging Defendants violated California Labor Code sections (a) 1194, 1194.2, 1197, 1197.1, 204, 510, and Wage Order 4-2001 (failure to pay wages and overtime wages); (b) 226(a) and Wage Order 4-2001 (non-compliant wage statements); (c) 202-203 (wages not timely paid on termination); and (d) 226.7, 512, and Wage Order 4 (failure to provide meal and rest breaks) (the “Action”).

3. Defendants answered the Action denying all allegations asserted in the Action, including that it had not violated any provision of the Labor Code, and further asserting various affirmative defenses to the claims.

4. The Parties actively participated in an extended information gathering process over the next several months, involving detailed negotiations regarding the nature, scope and amount of information and records concerning work performed by Defendants’ affected nonexempt employees, to prepare for mediation of this action. Ultimately, Defendants produced several thousands of pages of data including its employee time and wage records for a sample of the aggrieved employees Plaintiff seeks to represent. Counsel for both Parties have conducted the necessary investigation and performed thorough analyses of the law and facts relating to the claims

asserted in the Action.

5. On September 22, 2020, the Parties participated in an all-day mediation with Steve Rottman, a well-respected employment law class and representative action mediator. Prior to mediation, the parties agreed on an informal production of documents that resulted in Defendants producing hundreds of pages of data including time and wage records, and project billing records, for a sample of the aggrieved employees Plaintiff seeks to represent. Counsel for both Parties have conducted the necessary investigation and analyses of the law and facts relating to the claims asserted in the Action. Based on Plaintiff's investigation, and analysis of information obtained, and after taking into account the defenses that Defendants raised in connection with both liability on the merits and the amount of any civil penalty that might be imposed by the Court pursuant to Labor Code section 2699(e)(2), the expense and time necessary to pursue the Action through trial, the risks and costs of further prosecution of the Action, the uncertainties of complex litigation and developing law, and the benefits that will accrue to the State of California's LWDA and the Aggrieved Employees, Plaintiff and his counsel believe that a settlement with Defendants on the terms set forth herein is fair, reasonable, adequate, and in the best interests of the State of California (LWDA), the Aggrieved Employees, and Plaintiff.

6. By entering into this Settlement Agreement, Defendants are not admitting to any liability whatsoever, including that the imposition of any PAGA civil penalties in connection with the Action is proper or warranted, and Defendants maintain all of their defenses. The Parties have entered into this Settlement Agreement solely to avoid the expense, risk, and burden of continued litigation. The Parties agree that an express condition of this settlement is that there has been no finding of liability on the merits, and that this Settlement Agreement and ensuing judgment therefore cannot be a basis for a derivative finding that Defendants violated any provision of the Labor Code.

7. Defendants deny liability and Plaintiff acknowledges that neither this Settlement Agreement, nor promises made pursuant to the Settlement Agreement, shall be taken or construed to be an admission or concession of any kind with respect to liability or alleged wrongdoing by

Defendants.

8. The settlement set forth in this Settlement Agreement requires Defendants to pay up to the gross maximum amount of Thirty-Five Thousand Dollars and Zero Cents (\$35,000.00) (“Maximum Settlement Amount”) to settle the claims for PAGA penalties based on the alleged violations of the Labor Code as asserted or could have been asserted in the Action based on the operative facts alleged in Plaintiff’s Complaint and/or PAGA exhaustion letter to the LWDA, on behalf of Defendants’ current and former non-exempt employees who worked in California for Defendants at any time during the PAGA Period (“Aggrieved Employees”). The Maximum Settlement Amount shall be used to cover all payments to the LWDA, Aggrieved Employees, settlement administration costs, attorneys’ fees, interest and costs, and payment to Plaintiff as a service award.

DEFINITIONS

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

9. “Action” means the lawsuit entitled *Villalpando v. Red Sparrow Services, Inc. et al.*, filed on May 26, 2020, Case No. 30-2020-01140620-CU-OE-CJC, in the Superior Court of the State of California, County of Orange.

10. “Attorneys’ Fees and Costs” means attorneys’ fees agreed upon by the Parties and approved by the Court for Plaintiff’s Counsel’s litigation and resolution of the Action, and all costs incurred and to be incurred by Plaintiff’s Counsel in the Action, including, but not limited to, costs associated with documenting the Settlement, providing any notices required as part of the Settlement or Court order through a third party administrator (“TPA”), securing the Court’s approval of the Settlement, administering the Settlement, obtaining entry of the Judgment terminating the Action, and expenses for any experts. The Parties have agreed to, and Defendants will not oppose, an application to the Court for Attorneys’ Fees in an amount not to exceed Eleven Thousand Six Hundred Sixty-Six Dollars and Sixty-Six Cents (\$11,666.66).

11. “Plaintiff’s Counsel” means Payton Employment Law, PC, on behalf of Plaintiff

Joel Villalpando and the State of California.

12. “Aggrieved Employee” means all current and former non-exempt employees who worked directly for Defendants in California during the PAGA Period (or if any such person is incompetent, deceased, or unavailable due to military service, the person’s legal representative or successor in interest evidenced by reasonable verification).

13. “Employee List” means a complete list of all Aggrieved Employees that Defendants will provide to the Settlement Administrator in an electronic database within thirty (30) calendar days after Court approves this Settlement. The Employee List shall contain each Aggrieved Employee’s full name, Social Security Number, last known home address, and the number of pay periods each Aggrieved Employee worked at least one shift as a non-exempt employee for Defendants in California during the PAGA Period.

14. “PAGA Period” shall be from April 7, 2019, through the date this settlement is approved by the Court.

15. “Service Award Payment” or “PAGA Service Award Payment” means the amount to be paid to Plaintiff in recognition of his effort and work in prosecuting the Action on behalf of Aggrieved Employees and the State of California, and in exchange for his general release of all claims. The Service Award Payment is separate and apart from any money Plaintiff is entitled to as an Aggrieved Employee. Defendants will not oppose Plaintiff’s application to the Court for a Service Award Payment not to exceed One Thousand Dollars and Zero Cents (\$1,000.00) for Plaintiff.

16. “Maximum Settlement Amount” means the gross maximum settlement amount of Thirty-Five Thousand Dollars and Zero Cents (\$35,000.00), to be paid by Defendants in full satisfaction of all Released Claims arising from the Action, which include all Individual Settlement Payments to Aggrieved Employees, Attorneys’ Fees and Costs to Plaintiff’s Counsel, the Service Award Payment to Plaintiff, the Labor and Workforce Development Agency Payment, and Settlement Administration Costs to the Settlement Administrator. In no event will Defendants be liable for more than the Maximum Settlement Amount except as otherwise explicitly set forth

herein.

17. “Complaint” means the complaint filed in the Action for civil penalties for violations of California Labor Code, pursuant to the Private Attorneys General Act of 2004, Labor Code sections 2699, *et seq.*

18. “Court” means the Superior Court of the State of California for the County of Orange, or any other court taking jurisdiction of the Action.

19. “Defendants” means Defendant Red Sparrow Services, Inc., Defendant Avrek Law Firm, APLC, and Defendant Maryam Parman.

20. “Effective Date” shall be the later of the following dates: (i) the date the Court signs the Order for Approval of Settlement under Labor Code section 2699 and Judgment by Court, if no objection to the settlement has been made; or (ii) the resolution of any appeal related to the settlement, including the time to exhaust all appeals (“Order and Judgment”).

21. “Individual Settlement Payment” means each Aggrieved Employee’s share of the Net PAGA Settlement Amount, to be distributed to the Aggrieved Employees.

22. “Labor and Workforce Development Agency Payment” or “LWDA Payment” means the amount to be paid to the California Labor and Workforce Development Agency (“LWDA”) in connection with the Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698, *et seq.*, “PAGA”). Seventy-five percent (75%) of the net proceeds shall be payable to the LWDA.

23. “Net PAGA Settlement Amount” means the portion of the Maximum Settlement Amount remaining after deduction of the approved Service Award Payment, Settlement Administration Costs, and Plaintiff’s Attorneys’ Fees and Costs. Of the Net PAGA Settlement Amount, seventy-five percent (75%) shall be distributed to the LWDA and twenty-five percent (25%) shall be distributed to the Aggrieved Employees (“PAGA Penalties”).

24. “Notice” means the Notice of PAGA Settlement (in English and Spanish), substantially in the form attached as Exhibit A.

25. “Parties” means Plaintiff and Defendants together.

26. “Released Claims” means any and all claims for civil penalties that were or could have been asserted in the Action based on the operative facts alleged in Plaintiff’s PAGA Complaint and/or PAGA exhaustion letter to the LWDA, including but not limited to allegations for alleged unpaid wages under various potential theories, including but not limited to reporting time pay, rounding, off-the-clock work, and auto-deduction; minimum wages, overtime, and double-time; alleged meal and rest periods violations; failure to reimburse business expenses; alleged non-compliant wage statements; alleged failure to produce personnel files; alleged failure to provide written notice; alleged waiting time penalties; and all derivative civil and PAGA penalties, specifically PAGA civil penalties for violations for: (i) failure to pay all regular wages, minimum wages and overtime wages due; (ii) failure to provide complete, accurate wage statements; and (iii) failure to pay wages timely at time of termination or resignation.

27. “Released Parties” means Defendants and any of their former and current officers, directors, temporary placement agencies, owners, shareholders, current employees, former employees, servants, attorneys, including but not limited to O’Hagan Meyer LLP, predecessors, successors, legal representatives, parent/subsidiary companies, and insurers.

28. “Settlement Administrator” means Phoenix, the third-party settlement administrator chosen by the Parties and approved by the Court for the purposes of administering this Settlement.

29. “Settlement Administration Costs” means the costs payable from the Settlement Amount to the Settlement Administrator for administering this Settlement, including, but not limited to, printing, distributing, and tracking documents for this Settlement, calculating estimated amounts per Aggrieved Employee, tax reporting, distributing the PAGA Settlement Amount, and providing necessary reports and declarations, and other duties and responsibilities set forth herein in order to process this Settlement, and as reasonably requested by the Parties or the Court. All of the costs, fees and expenses incurred by the Settlement Administrator in performing these functions shall be paid and deductible from the Maximum Settlement Amount. The Settlement Administration Costs are estimated not to exceed \$1,500.00.

30. "Pay Periods" means the number of pay periods of employment for each Aggrieved Employee during the PAGA Period in which the Aggrieved Employee received a paycheck. The Pay Periods shall not include any pay periods of employment during which an Aggrieved Employee worked outside the state of California, performed no work for Defendants, or performed work in a position that was not non-exempt. All Aggrieved Employees shall be credited with at least one Pay Period.

TERMS OF SETTLEMENT

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

a. It is agreed by and between Plaintiff and Defendants that the Action and any claims and causes of action which were or are the subject of the Action be settled and compromised as between Plaintiff, on behalf of himself, the State of California (the LWDA), and each and every Aggrieved Employee, Defendants, and the Released Parties (as defined in Paragraph 31 above), subject to the terms and conditions set forth in this Settlement Agreement and the approval of the Court.

b. Consideration: In consideration for this Settlement Agreement, Defendants agree to pay up to the gross Maximum Settlement Amount of Thirty-Five Thousand Dollars and Zero Cents (\$35,000.00) to cover all payments to the LWDA, Aggrieved Employees, Plaintiff as a service award, Settlement Administration costs, and Attorneys' Fees and Costs. This Settlement is non-reversionary. Defendants maintain no reversionary right to any portion of the Settlement Amount. The Maximum Settlement Amount shall be distributed as follows:

i. Counsel for Plaintiff and the State of California (Payton Employment Law, PC and Dogra Law Group, PC) shall be paid and receive an amount not to exceed Eleven Thousand Six Hundred Sixty-Six Dollars and Sixty-Six Cents (\$11,666.66) as reasonable attorneys' fees under PAGA;

ii. Counsel for Plaintiff and the State of California shall be paid and receive as reasonable reimbursable costs under PAGA an amount not to exceed Six Thousand Nine

Hundred Eighty Dollars and Zero Cents (\$6,980.00) to be distributed to Payton Employment Law, PC and Dogra Law Group, PC.

iii. The actual costs of administration, up to a maximum payment of \$1,500, shall be paid to the Settlement Administrator;

iv. Plaintiff Joel Villalpando shall receive not more than One Thousand Dollars and Zero Cents (\$1,000.00) as a PAGA service award (any amount not awarded to Plaintiff shall be included in the net proceeds, i.e., Net PAGA Settlement Amount); and

v. The remainder of the Maximum Settlement Amount, once the amounts above have been deducted (the “Net PAGA Settlement Amount”), approximately Thirteen Thousand Eight Hundred and Fifty-Three Dollars and Thirty-Four Cents (\$13,853.34) will be distributed as required by Labor Code section 2699(i), and in accordance with the terms of this Settlement Agreement, subject to the Court’s approval, as follows:

1. Seventy-five percent (75%), approximately Ten Thousand Three Hundred Ninety Dollars and One Cents (\$10,390.01), shall be paid to and received by the LWDA, to settle the claims for PAGA penalties based on the alleged violations of the Labor Code as asserted in the Action; and

2. Twenty-five percent (25%), approximately Three Thousand Four Hundred Sixty-Three Dollars and Thirty-Four Cents (\$3,463.34), shall be paid to and received by the Aggrieved Employees on a *pro rata* basis according to each Aggrieved Employee’s individual number of Pay Periods; and

a. Notice to Aggrieved Employees. Aggrieved Employees will receive the Notice attached as Exhibit A along with their settlement checks. Settlement checks mailed out to Aggrieved Employees shall be valid for One Hundred and Eighty (180) days from the date of issuance. Ninety days after the checks are mailed, the Settlement Administrator will mail reminder postcards to Aggrieved Employees whose checks remain uncashed. Funds represented by

settlement checks returned as undeliverable and those settlement checks remaining un-cashed for more than One Hundred and Eighty (180) days after issuance shall be voided and then shall be transmitted to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Code of Civil Procedure section 1500, *et seq.* in the names of those Aggrieved Employees who did not cash their settlement checks until such time they claim their property. The Settling Parties agree that this disposition results in no “unpaid residue” under California Civil Procedure Code § 384, as the entire PAGA Representative Payment will be paid out to Settlement Class Members, whether or not they all cash their settlement checks. Therefore, Defendants will not be required to pay any interest on such amounts.

- b. Tax Treatment of the Aggrieved Employee Payments: The entirety of PAGA Penalties paid to individual Aggrieved Employees shall be considered a penalty/miscellaneous income and shall not be subject to withholdings. The Settlement Administrator shall be responsible for timely issuing an appropriate IRS Form 1099 to each Aggrieved Employee.
- c. Costs of Settlement Administrator: The Settlement Administrator is expected to perform all necessary administration duties for no more than One Thousand Five Hundred Dollars and Zero Cents (\$1,500.00). These administration duties shall include, without limitation, the calculation, processing, and mailing of all settlement checks, tax forms, and notices to all Aggrieved Employees, the LWDA, Plaintiff’s counsel and any tax authorities, performing address updates and verifications as necessary prior to the mailing,

and performing an address follow up on any returned mail. The Settlement Administrator will also be responsible for establishing a qualified settlement fund (“QSF”). All administration costs approved by the Court shall be paid out of the Maximum Settlement Amount. If the actual costs of administration are less than One Thousand Five Hundred Dollars and Zero Cents (\$1,500.00), the difference shall be reallocated by the Settlement Administrator to the Net PAGA Settlement Amount.

- d. Funding the Settlement and Timing of Payment. Defendants shall make a one-time deposit of the Maximum Settlement Amount of Thirty-Five Thousand Dollars (\$35,000) into a Qualified Settlement Account (to be established by the Settlement Administrator) within thirty (30) calendar days after the Court’s signature of the Order and Judgment. Within seven (7) calendar days of the deposit, the Settlement Administrator will issue payments to: (a) Aggrieved Employees, along with the Notice; (b) the LWDA; (c) Plaintiff; (d) Plaintiff’s counsel; and (e) itself. Plaintiff’s counsel will provide Defendants’ counsel with fully executed W-9 forms within five (5) calendar days of the Effective Date.
- e. Within ten (10) calendar days after either (1) the Settlement is approved or (2) entry of order denying the Settlement if the Court does not approve the Settlement, Plaintiff’s Counsel will provide a copy of the superior court’s judgment or order to the LWDA pursuant to Labor Code section 2698(l)(3). In addition, concurrent with the filing for approval of the Settlement Agreement, Plaintiff’s Counsel shall also take all necessary steps to inform the LWDA of the Settlement Agreement.

36. Non-Approval of the Settlement Agreement: If the Court should, for any reason, not approve the settlement as set forth in this Settlement Agreement, then this Settlement Agreement shall be considered null and void, and neither this Settlement Agreement, nor any of the related negotiations or proceedings shall be of any force or effect, shall be inadmissible for any purpose in any proceeding, and all Parties to this Settlement Agreement shall stand in the same position, without prejudice, as if the Settlement Agreement and/or the prior Memorandum of Understanding had been neither entered into nor filed with the Court. The exception to the preceding is that the terms and conditions embodied within the Parties' prior Memorandum of Understanding shall remain conditionally binding to require the Parties, in the event the Court initially declines to approve the settlement based on the terms set forth in this Settlement Agreement, to work together in the spirit of compromise to address and correct any issues or concerns addressed by the Court in not initially approving the Settlement Agreement, and shall work to incorporate the changes requested by the Court including any changes consistent with the prior Memorandum of Understanding, into a revised Settlement Agreement to submit to the Court for approval. Provided, however, that notwithstanding the Parties' prior execution of the Memorandum of Understanding, neither the Memorandum of Understanding nor any of its terms therein shall become enforceable until and unless such terms are approved by the Court. Conversely, the Court's disapproval of the Settlement Agreement based upon a disapproval of a material term of Memorandum of Understanding that cannot be addressed or corrected by the Parties shall operate to render the parties' Memorandum of Understanding null and void.

37. Invalidation: Invalidation of any material portion of this Settlement Agreement shall invalidate this Settlement Agreement in its entirety, unless the Parties subsequently agree in writing that the remaining provisions of the Settlement Agreement are to remain in full force and effect.

38. Taxes: Plaintiff, Defendants, and their respective counsel make no representations as to the tax consequences or characterization of the nature of any payment made pursuant to this Settlement Agreement.

39. Attorneys' Fees and Costs: Except as provided in Paragraphs 35.b.i. and b.ii, above, Plaintiff, on the one hand, and Defendants, on the other, each agree to bear their own costs and attorneys' fees (including any costs including filing and appearance fees the Court may require any of the parties to pay in connection with entry of this order and judgment even if in excess of the Maximum Amount) and waive any statute, rule of court, provision or legal proposition which might otherwise be relied upon to obtain costs, fees or expenses in connection with Plaintiff's allegations and causes of action released herein. Each Party agrees that it is not a prevailing party within the meaning of the Labor Code, Wage Orders, or any other statute applicable to Plaintiff's legal claims. Plaintiff's counsel acknowledges that if this settlement is approved, they will have no claim for or legal right to attorneys' fees or costs except as provided for herein.

40. Liens: Plaintiff acknowledges that he is solely responsible for the resolution, waiver, satisfaction, and/or discharge of any equitable or contractual claims, subrogation claims or liens, known or unknown, past or future, asserted against the settlement proceeds of this settlement by any person or entity that provided benefits or payments of any kind to Plaintiff. Plaintiff agrees to indemnify Defendants and the Released Parties from and against any and all claims, judgments, or suits for any such claims, subrogation claims or liens.

41. Release of Claims by the State and Aggrieved Employees: Upon the approval by the Court of this Settlement Agreement, and except as to such rights or claims as may be created by this Settlement Agreement, the State of California and each and every Aggrieved Employee (which includes any legal heirs and/or successors-in-interest of each and every Aggrieved Employee), fully releases and discharges the Released Parties from the Released Claims (as defined in paragraph 26) during the PAGA period. Aggrieved Employees, other than Plaintiff, will not be deemed to have released any individual wage and hour claims based on alleged violations of the Labor Code or of a California Wage Order, for which they have a private right of action, by virtue of this Settlement Agreement during the PAGA period. This release shall expressly exclude all claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, claims while classified as exempt, and claims outside of the

PAGA Period.

42. Complete And General Release of Claims by Plaintiff: In consideration for receiving the PAGA Service Award Payments described above, Plaintiff hereby binds himself, and all of his respective heirs, beneficiaries, trustees, administrators, executors, assigns, agents and legal representatives, and hereby releases, waives and forever discharges Defendants and the Released Parties from, and hereby acknowledges full accord and satisfaction of, any and all claims, demands, causes of action, and liabilities of any kind whatsoever (upon any legal or equitable theory, whether contractual, common law or statutory, under federal, state or local law or otherwise), whether known or unknown, asserted or unasserted, by reason of any act, omission, transaction, agreement or occurrence, that he has ever had, now has or hereafter may have against Defendants and the Released Parties up to and including the date the Court approves this Settlement (“Plaintiff’s Released Claims”). Notwithstanding any other provision of this Settlement Agreement, this general release does not release any claims that cannot lawfully be released. This general release is not intended to limit Plaintiff from filing a charge with, or participating in an investigation conducted by, the Equal Employment Opportunity Commission; provided, however, that Plaintiff expressly waives and relinquishes any rights he might have to recover damages, monetary or other relief, whether equitable or legal, in any such proceeding concerning events or actions that arose on or before the date that he signs this Settlement Agreement.

43. Waiver of Unknown Claims by Plaintiff: With respect to Plaintiff’s Complete and General Release, Plaintiff acknowledges the language of Section 1542 of the California Civil Code, which 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.

Plaintiff expressly waives the protection of Section 1542. Plaintiff understands and agrees that claims or facts in addition to or different from those which are now known or believed by him to exist may hereafter be discovered. It is Plaintiff's intention to settle fully and release all of the claims Plaintiff now has against Defendants and the Released Parties whether known or unknown, suspected or unsuspected, except as to claims that cannot lawfully be released.

44. Standing and No Transfer of Claims: Plaintiff expressly represents and warrants that he has standing to dismiss any and all claims he has or may have against Defendants and the Released Parties, and that he is not a "debtor" within the meaning of the federal bankruptcy statutes. Plaintiff further represents and warrants that he has not assigned, transferred or conveyed to any person or entity any claim, demand, liability, obligation or cause of action released by this Settlement Agreement. Plaintiff agrees to indemnify, defend and hold harmless Defendants and the Released Parties from any claims which may be asserted against them based on, or arising out of, any such assignment, transfer, or conveyance.

45. Within thirty (15) calendar days after the Court's signature of the Order and Judgment, Defendants will compile and provide to the Settlement Administrator information containing the Employee List including each Aggrieved Employee's: (1) full name; (2) last known home address; (3) number of Pay Periods as an Aggrieved Employee during the PAGA Period; and (4) Social Security Number. The Settlement Administrator shall run all the addresses of Aggrieved Employees through the United States Postal Service National Change of Address database (which provides updated addresses for any individual who has moved in the previous four years who has notified the U.S. Postal Service of a forwarding address) to obtain current address information. Within seven (7) calendar days after receipt of the list of Aggrieved Employees (and of the deposit), the Settlement Administrator will mail a settlement Notice (in the form attached as Exhibit A) and check to each Aggrieved Employee by first class mail. The Settlement Administrator will perform an address follow-up on returned mail and will re-mail the Notice and check to an updated address (if any) within ten (10) calendar days of receipt of the returned mail. The Parties intend that reasonable, but not extraordinary, means are to be used to

locate Aggrieved Employees. If no other address is found, no further action is required except as provided in Paragraph 35.c. If a current address for an Aggrieved Employee cannot be found by the Settlement Administrator, said Aggrieved Employee will nevertheless be bound by the terms of the Release in this Settlement Agreement, whether or not he or she receives actual notice from the Settlement Administrator.

46. The Settlement Administrator shall also be responsible for taking care of all required tax reporting and issuing IRS Form 1099s with the settlement payments. Upon completion of its calculation of payments, the Settlement Administrator shall provide Defendants' counsel with a report listing the amount of all payments made to each Aggrieved Employee. Upon completion of its calculation of payments, the Settlement Administrator shall provide Plaintiff's counsel with a report listing only each Aggrieved Employee's (i) employee ID or last four digits of the Aggrieved Employee's Social Security Number and (ii) individual settlement payment. Plaintiff's counsel shall not receive any identifying information, including but not limited to names, addresses, and Social Security Numbers, for any of the Aggrieved Employees, except for Plaintiff.

ADDITIONAL PROVISIONS

47. Confidentiality: The Parties and their respective counsel agree to keep the terms and amounts of the Settlement confidential, except as necessary for Court filings and for purposes of the approval process. Thereafter, the Parties will agree to make no comments to the media or otherwise publicize the terms of the settlement, including on websites or other marketing materials.

48. Non-Disparagement: Plaintiff and his agents (including his counsel, who will agree by the same) agrees not to make any untruthful, malicious, disparaging or defamatory statements, allegations, comments or communications, regardless of form (whether written, oral, electronic, including but not limited to Glassdoor, Yelp, or otherwise), regarding Defendants, their employees, other past and current employees or Defendants' subsidiaries, divisions, affiliates, or services. Plaintiff further agrees not to encourage, authorize or permit any such statements, allegations, comments or communications to be made by others on his behalf. To the extent Plaintiff has posted

any negative comments about Defendants on Glassdoor, Yelp, or other websites, Plaintiff agrees to request that these comments be removed and to provide a copy of such request within 30 days of the execution of this Agreement.

49. Construction: The Parties agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive arm's-length negotiations between the Parties, and that this Settlement Agreement shall not be construed in favor of or against any Party by reason of the extent to which any Party or his, her, or its counsel participated in the drafting of this Settlement Agreement.

50. Choice of Law: This Settlement Agreement shall in all respects be interpreted, enforced and governed by and under the laws of the State of California.

51. Captions and Interpretations: Paragraph titles or captions contained herein are inserted as a matter of convenience and for reference only and in no way define, limit, extend, or describe the scope of this Settlement Agreement or any provision hereof. Each term of this Settlement Agreement is contractual and not merely a recital.

52. Modification: This Settlement Agreement may not be changed, altered, or modified, except in a writing signed by counsel for all Parties. Any material changes, alternations, or modifications to the provisions of this Settlement Agreement must be approved by the Court.

53. Integration Clause: This Settlement Agreement contains the entire agreement among the Parties relating to the settlement and transaction contemplated hereby, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a Party or that Party's legal counsel, are merged herein. In entering into this Settlement Agreement, none of the Parties have relied on any representation or promise not expressly set forth in this Settlement Agreement.

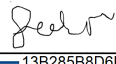
54. Counterparts: This Settlement Agreement may be executed in counterparts with the same force and effect as if all signatures were obtained in one document. Execution of a facsimile copy shall have the same force and effect as execution of an original, and a facsimile signature shall be deemed an original and valid signature.

55. Enforcement of Settlement Agreement: Pursuant to Labor Code section 2699, this Settlement Agreement must be approved by the Court and will be enforceable by the Court pursuant to Code of Civil Procedure section 664.6. Even after the entry of judgment, the Parties jointly request and reserve the Court's continuing jurisdiction under section 664.6.

56. Effect of Signatures & Electronic Signatures: By their signatures, the Parties acknowledge and warrant that their respective counsel will abide by and adhere to the specific obligations and actions required of them in this Settlement Agreement. This Settlement Agreement may be signed in counterparts, each of which shall be deemed an original, but all of which, taken together shall constitute the same instrument. A signature made on a faxed or electronically mailed copy of the Settlement Agreement or a signature transmitted by facsimile or electronic mail shall have the same effect as the original signature. The Parties agree that they may use DocuSign, an electronic signature technology, to expedite the execution of this Agreement. Electronic signatures shall be deemed originals.

ACCEPTED AND AGREED:

Plaintiff Joel Villalpando:

Signature:  DocuSigned by:
13B285B8D6FD484...
Date: 11/23/2020

Defendant Red Sparrow Services, Inc.

Signature:  DocuSigned by:
14806A1803F449F...
Name: Maryam Parman
President
Its: _____
Date: 12/1/2020

Defendant Maryam Parman

Signature:  DocuSigned by:
14806A1803F449F...
Date: 12/1/2020

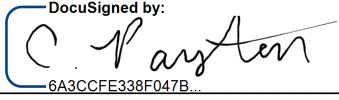
Defendant Avrek Law Firm, APLC

Signature:  DocuSigned by:
14806A1803F449F...
Name: Maryam Parman
President
Its: _____
Date: 12/1/2020

APPROVED AS TO FORM:

Attorneys for Plaintiff and the Putative Class:

PAYTON EMPLOYMENT LAW, PC

Signature: 
Name: Chantal M. Payton
Date: 11/23/2020

Attorneys for Defendants:

O'HAGAN MEYER LLP

Signature: 
Name: Matt Sgnilek
Date: 11/23/2020

EXHIBIT “A”

Notice of PAGA Settlement and Release of Claims

Joel Villalpando v. Red Sparrow Services, Inc., Avrek Law Firm, APLC and Maryam Parman

O.C.S.C. 30-2020-01140620-CU-OE-CJC

I. NOTICE OF PAGA SETTLEMENT

The Orange County Superior Court (the “Court”) has approved a settlement in the above-captioned action filed by Joel Villalpando on behalf of himself and all other aggrieved employees.

In this lawsuit, Plaintiff claims non-compliance with requirements of the California Labor Code relating to wages including overtime Plaintiff claims he was owed and the wage statements that he received. Specifically, Plaintiff alleged that Red Sparrow Services, Inc. and Avrek Law Firm, APLC (collectively “Defendants”) failed to pay employees for all time worked including overtime, meal periods, and rest breaks; failed to accurately record and pay for all time worked in employee wage statements; and failed to timely pay employees all wages owed upon his or his leaving Defendants’ employment. Plaintiff is solely seeking civil penalties on behalf of the California Labor and Workforce Development Agency (“LWDA”) and other aggrieved employees under the Private Attorneys General Act (“PAGA”).

Defendants maintain that they were in compliance with the California Labor Code at all times and enters into this Settlement with no admission of liability and solely for the purposes of compromising and settling the action to avoid the cost and operational burden of continued litigation.

You are receiving this Notice because you are in one or more of the following groups of “Aggrieved Employees” who worked at any time directly for Red Sparrow Services, Inc. from April 7, 2019 through the date of approval of this settlement (“PAGA Period”), and which are further defined as follows:

- a) Red Sparrow Services, Inc. Aggrieved Employees - employees who were part of the intake team during the PAGA Period.

II. CALCULATION OF INDIVIDUAL PAGA PAYMENT

You worked ____ pay periods during the PAGA Period as a ____
[and also ____ pay periods as a ____]. The total amount of
pay periods worked by all Red Sparrow Services, Inc. Aggrieved Employees during the
PAGA period is ____ .

Your individual PAGA payment is estimated to be ____.

Each individual PAGA payment was calculated on a pro rata basis (i.e., proportional)
based on the number of pay periods worked in the PAGA Period divided by the total
number of pay periods worked by all Aggrieved Employees during the PAGA period.

III. RELEASE

“Released Parties” means Defendants (as defined herein), and its former, present and
future owners, parents, and subsidiaries, including but not limited to all of their
current, former, and future officers, directors, members, managers, employees,
consultants, partners, shareholders, joint venturers, agents, successors, assigns,
accountants, insurers, or legal representatives.

The Court has approved the parties’ Settlement Agreement (“Settlement”). By
operation of the Settlement’s terms, all Aggrieved Employees will release the Released
Parties from any and all claims under the PAGA which arose during the PAGA Period
and (i) were asserted in the LWDA Letter and Plaintiff’s Complaint; and/or (ii)
reasonably could have been asserted in the Action based upon the facts alleged in the
LWDA Letter and Plaintiff’s Complaint (“PAGA Released Claims”) including but not
limited to allegations for alleged unpaid wages under various potential theories,
including but not limited to reporting time pay, rounding, off-the-clock work, and auto-
deduction; minimum wages and overtime; alleged meal and rest periods violations;
failure to reimburse business expenses; alleged non-compliant wage statements; alleged
failure to produce personnel files; alleged failure to provide written notice; alleged
waiting time penalties; and all derivative civil and PAGA penalties, specifically PAGA
civil penalties for violations for: (i) failure to pay all regular wages, minimum wages and
overtime wages due; (ii) failure to provide complete, accurate wage statements; and (iii)
failure to pay wages timely at time of termination or resignation. This release does not
include any individual claims which any Aggrieved Employees may have based on any
alleged violations of the California Labor Code or of a California Wage Order, and also
expressly excludes and does not affect any employee’s individual claims for vested
benefits, wrongful termination, unemployment insurance, disability, Social Security,
workers compensation, claims while classified as exempt, and claims outside of the
PAGA period.

Upon entry of the Order approving the Settlement, any Aggrieved Employee covered by this Agreement will be barred from proceeding with any claim released by this Settlement.

IV. SETTLEMENT ADMINISTRATOR

PLEASE DO NOT CALL THE COURT ABOUT THIS NOTICE

You may call the Settlement Administrator, _____, toll free at _____ with any questions. You must inform the Settlement Administrator of any change of address to ensure receipt of your settlement payment.

Settlement checks will be null and void 180 days after issuance if not deposited or cashed. In such event, the Settlement Administrator shall direct all unclaimed funds to the California Department of Industrial Relations Unpaid Wage Fund in the name of the Aggrieved Employee to whom the check was issued. If your check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement.