

DAVID YEREMIAN & ASSOCIATES, INC.
David Yeremian (SBN 226337)
david@yeremianlaw.com
Natalie Haritounian (SBN 324318)
natalie@yeremianlaw.com
535 N. Brand Blvd., Suite 705
Glendale, California 91203
Telephone: (818) 230-8380
Facsimile: (818) 230-0308

UNITED EMPLOYEES LAW GROUP, PC
Walter Haines (SBN 71075)
walterhaines@yahoo.com
5500 Bolsa Ave., Suite 201
Huntington Beach, CA 92649
Telephone: (310) 652-2242

Attorneys for Plaintiff JULIETA MORALES,
on behalf of herself and others similarly situated

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN DIEGO**

JULIETA MORALES, an individual, on
behalf of herself and all others similarly
situated,

Plaintiff,

vs.

SAN DIEGO SUNRISE MANAGEMENT
COMPANY, a California corporation;
TRILAR MANAGEMENT GROUP, a
California corporation; and DOES 1 through
50, inclusive

Defendants.

Case No.: 37-2020-00015694-CU-OE-CTL

REPRESENTATIVE ACTION

Assigned for All Purposes To:
Hon. Timothy Taylor
Dept.: C-72

**DECLARATION OF DAVID YEREMIAN
IN SUPPORT OF PLAINTIFF'S
UNOPPOSED MOTION TO APPROVE
THE PRIVATE ATTORNEYS GENERAL
ACT SETTLEMENT AND RELEASE
UNDER CALIFORNIA LABOR CODE §§
2698 et. seq.**

*[filed concurrently with Plaintiff's Notice of
Motion and Motion; Memorandum of Points and
Authorities; Declaration of Natalie Haritounian;
Declaration of Walter Haines; [Proposed]
Order; and [Proposed] Judgment]*

Date: December 17, 2021
Time: 1:30 p.m.
Dept.: C-72

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

2

3
4
5

6
7
8
9
0

- 1
- 2
- 3
- 4
- 5
- 6

7

8
9
20
21
22
23
24
25

26
27
28

1 wages and overtime; (3) failure to provide meal breaks; (4) failure to provide rest breaks; (5)
2 failure to furnish accurate itemized wage statements; (6) failure to timely pay final wages upon
3 termination or separation; and (7) failure to reimburse necessary business expenses. On July 15,
4 2020, after 65 days from the mailing of the notice to the LWDA, Plaintiff filed a First Amended
5 Complaint for claims pursuant to the Private Attorneys General Act (“PAGA”) under Labor Code
6 § 2699 *et seq.* On November 6, 2020, Plaintiff filed a Second Amended Complaint which
7 dismissed the class claims.

8 6. Before filing the lawsuit, my firm investigated and researched the facts and
9 circumstances underlying the pertinent issues and the law applicable thereto. This required
10 thorough discussions and interviews between our firm and Plaintiff, as well as preliminary
11 research into the various legal issues involved in the case. After conducting our initial
12 investigation, we determined that Plaintiff’s claims were well-suited for representative action
13 adjudication owing to what appeared to be a common course of conduct affecting a similarly
14 situated group of employees.

15 7. After filing the lawsuit, my firm conducted a thorough investigation of the facts and
16 claims giving rise to the action, including: (1) conducting both formal and informal discovery,
17 and meeting and conferring with defense counsel about same; (2) reviewing and analyzing time
18 and pay records as well as employment handbooks, Plaintiff’s personnel files, relevant policies
19 and other documentation; (3) researching the applicable law and potential defenses; (4)
20 constructing damage models based on interpretations of California law; and (5) reviewing
21 information provided by Defendant at the mediation.

22 8. Defendant, for its part, vigorously contested liability, the amount of claimed damages.
23 In addition, informal discovery revealed that Plaintiff, as well as many other Aggrieved
24 Employees, signed an arbitration agreement during their employment with Defendant. The
25 arbitration agreement precludes Plaintiff, or any employee who signed the arbitration agreement,
26 from bringing class claims against Defendant.

27 9. Given the arbitration agreement signed by the Aggrieved Employees, Plaintiff
28 continued proceeding with the claims under Labor Code § 2699. After Plaintiff’s Counsel

1 analyzed the relevant documents and other gathered data, Counsel believed that this case was
2 appropriate for resolution via mediation. With the discovery in hand, the Parties were able to
3 engage in meaningful settlement discussions, in an attempt to resolve the claims remaining in the
4 Action.

5 **SETTLEMENT NEGOTIATIONS AND TERMS**

6 10. On March 11, 2021, the Parties mediated this case with Michael Young, a respected
7 and highly experienced mediator in wage and hour class and PAGA actions. During mediation,
8 the Parties discussed all aspects of the case, including the risks of litigation and exchanged further
9 information. The Parties recognized that the issues presented in the Action are likely only to be
10 resolved with extensive and costly pretrial and trial proceedings, and that further litigation will
11 lead to inconvenience, distraction, disruption, delay and expense disproportionate to the potential
12 benefits of litigation. The Parties took into account the risk and uncertainty of the outcome
13 inherent in any litigation.

14 11. As a result of the mediation, the Parties agreed to settle the lawsuit according to the
15 terms set forth in the Private Attorney General Act Settlement Agreement and General Release
16 (“Settlement Agreement” or “Settlement”), attached hereto as **Exhibit 2**.

17 12. For purposes of the Settlement, Aggrieved Employees are defined as: “all individuals
18 who are or were employed by Defendant as non-exempt employees within the State of California
19 from April 22, 2019 through April 30, 2021” In this case, there are 320 Aggrieved Employees,
20 and approximately 9,500 pay periods.

21 13. The Settlement Agreement requires Defendant to pay a total sum of One Hundred
22 Ninety Thousand Dollars and Zero Cents (\$190,000.00) (the “Gross Settlement Amount”) in
23 exchange for a release of Plaintiff’s Representative PAGA Claims asserted in the PAGA
24 Complaint. The Gross Settlement Amount will be allocated as follows, pending Court approval:

- 25 a) Attorneys’ fees of up to 40% of the Gross Settlement Amount which is Seventy
26 Six Thousand Dollars and Zero Cents (\$76,000.00) (“PAGA Counsel’s Fees”)
27 (see Exhibit 2, at ¶ 4(a)) and PAGA Counsel’s litigation costs incurred in this
28 matter which is Ten Thousand Two Hundred Twenty Five Dollars and Sixty

One Cents (\$10,225.61) (“PAGA Counsel’s Costs”) (*see* Exhibit 2, at ¶ 4(a) and Exhibit 3).

- b) Administration costs of no more than Six Thousand Seven Hundred Fifty Dollars and Zero Cents (\$6,750.00) to be paid to the Settlement Administrator (“Administration Costs”) for sending notices and for calculating settlement shares and preparing all checks and mailings (*see* Exhibit 2, ¶ at 4(b); Exhibit A to the settlement agreement);
- c) The remainder of the Gross Settlement Amount (the “PAGA Fund”) after deducting the above costs is approximately Ninety Seven Thousand Twenty Four Dollars and Thirty Nine Cents (\$97,024.39) and shall be designated as PAGA Penalties to be allocated between the LWDA and the Aggrieved Employees pursuant to Labor Code section 2699(i), with 75% of the PAGA Fund or the gross amount of Seventy Two Thousand Seven Hundred Sixty Eight Dollars and Twenty Nine Cents (\$72,768.29) paid to the LWDA (the “LWDA PAGA Portion”) and 25% of the PAGA Fund or the gross amount of Twenty Four Thousand Two Hundred Fifty Six Dollars and Ten Cents (\$24,256.10) paid to the Aggrieved Employees (the “Aggrieved Employees’ PAGA Portion”) on a pro-rata basis (*See* Exhibit 2 at ¶ 4(d)).

14. From PAGA Counsel’s review of the facts, strengths, and weaknesses of the case, the risks and delays posed by further litigation, and PAGA Counsel’s own prior litigation experience, PAGA Counsel believes that the recovery for each Aggrieved Employee is fair and reasonable taking into consideration the amounts received in other PAGA actions, the risks inherent in litigation of this genre, and the reasonable tailoring of each Aggrieved Employee’s claim to the settlement award he or she will receive. Further, and based on the settlement negotiations, which were extensive and conducted in good faith and at arm’s length between attorneys with substantial experience litigating PAGA actions, the Settlement Agreement was the product of a non-collusive settlement process in which the Parties were forced to make significant compromises in the interest of reaching a full and complete settlement of the lawsuit.

THE STRENGTH OF PLAINTIFF’S CASE
IN LIGHT OF THE SETTLEMENT AMOUNT

15. Plaintiff alleges that Defendant violated various provisions of California law and seeks civil penalties for the foregoing violations pursuant to Labor Code § 2699 *et seq.*

16. Under Labor Code § 2699, specifically, Plaintiff alleged that the Aggrieved Employees were not paid all wages they were owed, including for all work performed and for all overtime hours worked. Specifically, Aggrieved Employees were required to perform pre-shift and post-shift off the clock work and also were pressured into recording hours that conformed to their scheduled shifts as opposed to all hours actually worked. On top of these violations, Plaintiff alleged that Aggrieved Employees often were not allowed to take meal and rest breaks due to the demands of the job. Plaintiff alleged that to the extent they were able to take a break, it was often interrupted. Additionally, Plaintiff alleged that Aggrieved Employees were not reimbursed for their cellular phone expenses and internet usage despite incurring this expense in the course of performing their required job duties for Defendant.

17. Plaintiff also contend that Defendant failed to provide their employees with accurate, itemized wage statements, in writing, as required by California Labor Code § 226(a). Section 226(a) requires an employer to furnish each of his or her employees with an accurate, itemized statement in writing showing the gross and net earnings, total hours worked, and the corresponding number of hours worked at each hourly rate. Labor Code § 226(a). These statements must be appended to the detachable part of the check, draft, voucher, or whatever else serves to pay the employee’s wages, or, if wages are paid by cash or personal check, these statements may be given to the employee separately from the payment of wages. *Id.* In either case the employer must give the employee these statements twice a month or each time wages are paid. *Id.* As a direct and proximate cause of Defendant’s alleged violation of Labor Code § 226(a), employees allegedly suffered injuries, including not being paid their wages and overtime, confusion over whether they received all wages owed them, the difficulty and expense involved in reconstructing pay records, and forcing them to make mathematical computations to analyze whether the wages paid in fact compensated them for all hours worked. Specifically, the wage

1 statements allegedly failed to accurately account for unpaid wages and overtime due to the off the
2 clock work. Moreover, the wage statements allegedly failed to account for premium pay for
3 deficiently provided meal and rest periods. As a result, Defendant allegedly failed to provide
4 employees with accurate, itemized wage statements in writing, as required by the Labor Code.

5 18. By allegedly failing to pay the Plaintiff and Aggrieved Employees their minimum
6 wages, overtime wages, and premium pay for deficiently provided meal periods, all discussed
7 above, Plaintiff and formerly employed Aggrieved Employees would be due all wages at the time
8 of termination or within seventy-two (72) hours of resignation, as required under Labor Code §
9 203.

10 19. Regarding the alleged “off-the-clock” work, contends that Aggrieved Employees were
11 instructed to clock in before attending to any duties and to stop all work after clocking out.
12 Accordingly, Defendant contends that they paid for all reported hours worked, that Aggrieved
13 Employees were trained to record all hours worked, and that it paid proper overtime and
14 minimum wages to Aggrieved Employees. Defendant further contends that given its written
15 policies and practices, any unrecorded hours are likely subject to individualized inquiry and are
16 not manageable as a representative action. Finally, Defendant contends that Aggrieved
17 Employees were provided the opportunity to timely take their meal periods. Defendant further
18 contends that Aggrieved Employees were provided the opportunity to timely take 10-minute rest
19 breaks for every four hours worked. As a result of Defendant’s arguments Plaintiff’s Counsel had
20 to apply appropriate discounts in light of the facts and law as discussed above.

21 **PAGA Penalties**

22 20. The Private Attorneys General Act, Labor Code § 2699 et seq., allows Plaintiff to
23 obtain civil penalties on behalf of herself and other aggrieved employees for Defendant’s
24 violation of any provision of the Labor Code enumerated under Labor Code § 2699.5. Where civil
25 penalties are provided in the statute, those civil penalties are recoverable; where no civil penalties
26 are recoverable, Labor Code § 2699(f) establishes civil penalties of one hundred dollars (\$100)
27 for each aggrieved employee per pay period for the initial violation and two hundred dollars
28 (\$200) for each aggrieved employee per pay period for each subsequent violation. Pursuant to

1 Labor Code § 2699(i), seventy-five (75) percent of the penalties recovered must be allocated to
2 the Labor and Workforce Development Agency (LWDA), with the remaining twenty-five (25)
3 percent allocated to the affected employees. The limitations period as for all penalties is one year
4 prior to the filing of the complaint. However, under *Amaral v. Cintas*, 163 Cal. App. 4th 1157,
5 1207-09 (2008) the Court held that a lower penalty amount of \$100 per violation applies in the
6 absence of a determination that a violation actually occurred.

7 21. Based on the foregoing facts and law, PAGA Class Counsel estimated Defendant's
8 maximum total exposure on the PAGA claim at approximately \$950,000. The provisions of the
9 Labor Code potentially triggering PAGA penalties in this case include but are not limited to
10 Labor Code §§ 201, 202, 203, 204, 218.6, 226, 226.7, 510, 512, 558, 1174, 1185, 1194, 1194.2,
11 1197, 2698, 2699, and 2802. Specifically, the total exposure on the PAGA claim was calculated
12 by multiplying the total number of pay periods (9,500) by 100 per violation. Plaintiff's
13 calculation of the total exposure on the PAGA claim is for one PAGA penalty per pay period (*i.e.*,
14 Plaintiff did not stack the penalties in their calculation). Plaintiff's claims giving rise to the
15 penalties include the following: (1) Defendant's alleged failure to pay minimum wages and
16 overtime due to off the clock work; (2) Defendant's alleged failure to provide all the legally
17 required unpaid, off-duty meal periods to the Aggrieved Employees; (3) Defendant's alleged
18 failure to provide all the legally required paid, off-duty rest periods; (4) Defendant's alleged
19 failure to provide accurate wage statements; (5) Defendant's alleged failure to timely pay
20 formerly employed Aggrieved Employees all wages due and certain at the time of termination or
21 within seventy-two hours of resignation as required by Labor Code §§ 201-203.; and (6)
22 Defendant's alleged failure to reimburse Aggrieved Employees for their alleged cellular phone
23 and internet expenses.

24 22. Case law supports the notion that it is inappropriate to "stack" penalties for multiple
25 violations, particularly when those violations all stem from the same alleged "injury" *Aguirre v.*
26 *Genesis Logistics*, 2015 U.S. Dist. LEXIS 78748 (citing *Villacres v. ABM Indus., Inc.*, 189
27 Cal.App.4th 562, 577 (2010)). ("One injury gives rise to only one claim for relief...The violation
28 of one primary right constitutes a single cause of action."; *Crowley v. Kattleman*, 8 Cal. 4th 666,

681-82) (1994); *Li v. A Perfect Day Franchise, Inc.*, 2012 WL 2236752, *17 (N.D. Cal.2012) (“There is no authority that “would permit double recovery of essentially the same penalties.”)

23. Defendant asserted that if PAGA penalties were mandatory, an employer’s PAGA liability would be huge because of the possibility of collecting multiple civil penalties for a single violation, and thus such penalties would almost always dwarf the damages available under the causes of action proper. However, PAGA penalties are not mandatory but permissive. Labor Code § 2699(e)(2) states that “a court may award a lesser amount than the maximum civil penalty amount specified by this part if, based on the facts and circumstances of the particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory.” (See *Thurman v. Bayshore* (2012) 203 Cal. App. 4th 1112 (*substantially* reducing PAGA penalties by 30% under this provision) (emphasis added); *see also Carrington v. Starbucks Corp.*, 30 Cal. App. 5th 504, 529 (2018) (affirming penalty reduction of 90% for practice that resulted in meal periods occasionally starting minutes after the fifth hour of work); *Sanchez v. McDonald’s Corp.* (2017), LASC Case No. No. BC 499888 (98% reduction from \$41 million to \$775,000); *Ghrdilyan v. RJ Financial* (2012), LASC Case No. BC430633 (94% reduction from \$5.4 million to \$325,000); *Fleming v. Covidien, Inc.* (2011), USDC Case No. ED CV 10-01487-RGK (OPx) (87% reduction from \$2.8 million to \$375,000).). Defendant maintains that it would be unjust to award maximum PAGA penalties.

REQUEST FOR ATTORNEYS’ FEES AND COSTS

24. Under the Settlement, the PAGA Counsel requests, without opposition from Defendant, an award of (1) attorneys fees of up to Seventy Six Thousand Dollars and Zero Cents (\$76,000) (“PAGA Counsel’s Fees) and (2) reimbursement of reasonable costs (“PAGA Counsel’s Costs) of Ten Thousand Two Hundred Twenty Five Dollars and Sixty One Cents (\$10,225.61) (See Exhibit 2, at ¶4). The total costs for Plaintiff’s counsel is \$10,225.61 (\$10,202.91 for my firm and \$22.70 for the United Employees Law Group, P.C.). (See Declaration of Walter Haines filed concurrently herewith (“Haines Decl.”) at ¶ 12) Attached hereto and incorporated herein as **Exhibit 3** is my firm’s cost log, showing total costs of \$10,202.91.

1 25. PAGA Counsel respectfully requests an order approving its attorneys' fees and costs
2 pursuant to the Settlement Agreement.

3 26. This request is fair, reasonable, and adequate to compensate PAGA Counsel for the
4 substantial work they have put into this case and, moreover, the risk they assumed by taking it in
5 the first place. The attorneys' fees award is intended to reimburse Counsel for all uncompensated
6 work that they have already done and for all the work they will continue to do in carrying out and
7 overseeing the notification to the Aggrieved Employees, communicating with Aggrieved
8 Employees regarding their claims, and assisting in the administration of the settlement if it is
9 approved.

10 27. My firm took this case on a contingent-fee basis against a business represented by a
11 reputable defense firm. When we take contingent cases, we must pay careful attention to the
12 economics involved or one bad case can destroy years of work. Accordingly, when we take
13 contingency cases, we anticipate that we shall, if successful, receive a fee that exceeds our normal
14 hourly rate; otherwise, the risk is often too great to bear. Even when we work long hours, the
15 number of hours in a day is limited. Because of this, when we take on one particular matter, we
16 are unable to take on other matters. When my firm became involved in this case, we realized the
17 time commitment that it would entail and we were forced to turn down matters that we otherwise
18 should have been able to handle.

19 28. Contingent-fee cases present the very real risk of working hundreds if not thousands of
20 hours that may never be entirely compensated. Moreover, while the case is being litigated,
21 counsel must pay overhead (salaries, rent, etc.), provide for their own expenses, and in most cases
22 pay the out-of-pocket expenses incurred on the plaintiff's behalf. And the prospect of a court-
23 awarded fee does not greatly reduce the risk posed by these cases. In many cases, the prospect is
24 nothing more than a potential that never materializes. First, you must win the case to get a court-
25 awarded fee; even those cases that seem strongest at the onset can be lost and sometimes are lost.
26 Second, there are always the pitfalls and unforeseen obstacles that arise along the way, such as
27 settlement offers that the client may accept without ensuring that we receive a reasonable fee or
28 changes in the law that substantially affect the merits of the case, or other uncertainties involving

1 the client. Finally, there is the great risk inherent in advancing tens if not hundreds of thousands
2 of dollars in out-of-pocket expenses. If that money were to be invested in some sort of financial
3 investment, one would expect a reasonable rate of return on that investment. Here, however, the
4 best we can hope to recover is our money, and then only if we are substantially successful; if we
5 are not, all or part of this “investment” can be lost.

6 29. PAGA Counsel is well acquainted with the contingent-fee market throughout
7 California, particularly as it pertains to PAGA and class-action litigation. PAGA Counsel has
8 negotiated numerous contingency-fee agreements with plaintiffs, both as individuals and as
9 representatives in class-action and PAGA suits. Many of those agreements required that counsel
10 receive a fee under certain scenarios that exceeds 40% of the recovery. PAGA Counsel’s recent
11 attorneys’ fees awards in similar wage-and-hour class and PAGA actions have been 40% of the
12 recovery.

13 30. Attorney’s fees payable from this settlement amount to our office in no way
14 undermined our fiduciary duties to the putative class.

15 31. PAGA counsel in contingency-fee cases typically receive attorneys’ fees equal to or
16 greater than forty percent of the gross settlement amount. *See Crandall v. U-Haul* (Los Angeles
17 County Super. Ct., Case No. BC178775), the Honorable Steven Czuleger awarded a 40% attorney
18 fee request in an overtime-exemption class action; in *Bushnell v. Cremar, Inc.* (Orange County
19 Super. Ct., Case No. 657778), the Honorable Donald E. Smallwood awarded attorneys’ fees in
20 the amount of 38%; in *Abzug v. Kerkorian* CA000981 (Los Angeles County Super. Ct.,
21 November 1990), the Honorable R. William Schoettler awarded a 45% fee; in *Haitz v. Meyer, et*
22 *al.*, Alameda County Super. Court, 8-20-1990 No. 572968-3, the court awarded a 40% fee; in
23 *Elliott v. Clothestime* (Orange County Super. Ct., Case No. 01-CC00333) the Honorable Jonathan
24 Cannon awarded a 40% fee in a wage-and-hour class action which had not yet proceeded to the
25 class certification stage; in both *Rippee v. Boston Market Corporation*, Case No.: 05 CV 1359
26 BTM (JMA) and *Barile v. Boston Market Corporation*, Case No.: 05 CV 1360 BTM (JMA), the
27 Honorable Judge Barry T. Moskowitz awarded a 40% fee to plaintiffs’ counsel in wage-and-hour
28 class actions that had not proceeded to the class-certification stage.

1 32. Moreover, PAGA Counsel spent substantial time on this matter. Aside from drafting
2 the initial complaint, PAGA Counsel conducted informal discovery, formal discovery, reviewed
3 and analyzed time and pay records, employment handbooks, Plaintiff's personnel file, relevant
4 policies and other documentation, researched the applicable law and potential defenses,
5 constructed damage models based on interpretations of California law, reviewed information
6 provided by Defendant at the mediation, engaged in meet and confer efforts with Defendant, and
7 ultimately drafted and revised the settlement agreement. PAGA Counsel conservatively estimates
8 that it invested over 151.4 hours of attorney time in this matter. My billing rate is \$750.00 per
9 hour (18 years out of law school and is less than the Laffey Matrix rate of \$759.00), and I spent
10 38 hours on this matter. Attached hereto as **Exhibit 4** is a true and correct copy of the detailed
11 summary of the hours I have invested in this matter. Jason Rothman's billing rate is \$450.00 (4
12 years out of law school and is less than the Laffey Matrix rate of \$465.00), and he spent 57 hours
13 on this matter. Attached hereto as **Exhibit 5** is a true and correct copy of the detailed summary of
14 the hours Mr. Rothman invested in this matter. Natalie Haritounian's billing rate is \$450.00 (4
15 years out of law school and is less than the Laffey Matrix rate of \$465.00), and she spent 44 hours
16 on this matter. *See* Declaration of Natalie Haritounian filed concurrently herewith ("Haritounian
17 Decl."), at ¶ 5). Walter Haines' billing rate is \$675 per hour and he spent 12.4 hours on this
18 matter. (Haines Decl. at ¶¶ 8-10) The lodestar for Plaintiff's counsel is \$82,320 (\$28,500 for my
19 time on the case, \$25,650 for Jason Rothman's time on the case; \$19,800 for Natalie
20 Haritounian's time on the case; and \$8,370 for Walter Haines' time on the case). *See* **Exhibit 6**
21 attached hereto (Laffey Matrix). The fee request of \$76,000 results in a multiplier of
22 approximately 0.92 further evidencing the reasonableness of the request.

23 33. In light of the foregoing, the fee request in an amount equal to forty percent of the
24 settlement in this case is well within the bounds that have been established by the above-cited
25 authority. Defendant has no objection to an award of fees in the amount requested.

26 **EXPERIENCE AND VIEWS OF COUNSEL**

27 34. I have been practicing law since 2003. During my career I have represented employees
28 in over 150 wage-and-hour class and/or representative actions as lead or co-lead counsel

1 (including in the Central, Southern, Eastern and Northern Districts of California), and I have
2 obtained six and seven figure settlements against a range of defendants, including Fortune 500
3 companies.

4 35. My firm is well qualified because of our experience, knowledge, and resources to act as
5 counsel and represent Plaintiff and the Aggrieved Employees in this action. A substantial
6 percentage of our practice is devoted to litigating wage, hour, and working-conditions violations,
7 and the bulk of these cases are class and PAGA actions.

8 36. I am experienced in prosecuting employment matters, particularly class and
9 representative PAGA actions. In addition to the present case, I am also class or PAGA counsel for
10 other wage-and-hour class-action lawsuits pending in various counties throughout California
11 (including in federal courts). There follows a list of some of our recent class-action settlements
12 that have received preliminary or final approval: *Galavis v. Patina Restaurant Group, LLC*
13 (LASC BC375225; class size approx. 10,000; co-counsel); *Milford v. ADT Security Services, Inc.*
14 (CACD CV08-2236; class size approx. 2,000; lead counsel); *Carreon v. Wolfgang Puck Catering*
15 *and Events, LLC* (LASC BC398569; class size approx. 1,400; lead counsel); *Fluke v. RFG Oil,*
16 *Inc.* (LASC BC403354; class size approx. 1,400; lead counsel); *Urena v. Camachos Restaurant*
17 (LASC BC365913; class size approx. 887; lead counsel); *Smith v. Rio Rancho Pontiac GMC*
18 *Buick Inc.* (LASC BC391187; class size approx. 860; lead counsel); *Callela v. Dolce Group*
19 (LASC BC364711; class size approx. 600; lead counsel); *Vasquez v. The Hollywood Pig n*
20 *Whistle LP* (LASC BC335075; class size approx. 600; lead counsel); *Goldman v. Aorta*
21 *Restaurant Operating LP* (LASC BC379688; class size approx. 300; lead counsel); *Sink-Crilly v.*
22 *Centex Homes* (CACD CV09-2476; class size approx. 250; lead counsel); *Utley v. Cranbrook*
23 *Partners Inc.* (LASC BC392813; class size approx. 200; lead counsel); *Garcia v. California*
24 *Credits Group* (LASC BC353213; class size approx. 160; lead counsel); *Afanasyev v. Miller*
25 *Infiniti, Inc.* (LASC BC350788; class size approx. 160; lead counsel); *Morris v. Gymboree, Inc.*
26 (LASC BC393270; class size approx. 150; lead counsel); *Ortega v. AJC Sandblasting, Inc.*
27 (LASC BC378806; class size approx. 140; lead counsel); *Lulejyan v. Jim Falk Motors of Beverly*
28 *Hills, Inc.* (LASC BC398459; class size approx. 72; lead counsel); *Rylko v. The Griddle Café,*

1 *Inc.* (LASC BC386126; class size approx. 70; lead counsel); *Healy v. Siemens IT Solutions and*
2 *Services, Inc.* (Santa Clara Superior Court 108CV113479; class size approx. 60; lead counsel).

3 37. This experience is helpful in assessing the reasonableness of settlements such as the
4 one at issue here, and from this experience Plaintiff's Counsel concluded that this lawsuit could
5 not have been settled on better terms than provided under the present settlement agreement given
6 the financial limitations of Defendant.

7 38. In sum, Plaintiff's Counsel is experienced in employment class and PAGA action
8 litigation and is adequate to represent the Aggrieved Employees in the instant action.

9 **SUMMARY**

10 39. If the Court approves each of the foregoing payments, approximately (\$97,024.39)
11 remains in the net settlement fund. Of that 75% (approximately \$72,768.29) must be paid to the
12 Labor and Workforce Development Agency per Labor Code § 2699 et seq. and 25%
13 (approximately \$24,256.10) shall be shared by the Aggrieved Employees.

14 40. Concurrently with the filing of the Settlement Agreement with this Court, Plaintiff's
15 counsel will submit the Stipulation to the LWDA.

16 41. Plaintiff has not served notice on the unnamed Aggrieved Employees and Plaintiff's
17 counsel is unaware of anyone who has relied upon the existence of this action in lieu of pursuit of
18 her individual or PAGA Claims against Defendant.

19 42. On November 23, 2021, my office submitted the proposed PAGA Settlement to the
20 LWDA in connection with the PAGA case opened by Plaintiff. Attached hereto as **Exhibit 7** is a
21 true and correct copy of the confirmatory email my office received from the LWDA after
22 submission of the PAGA Settlement.

23 43. I declare under penalty of perjury under the laws of the State of California that the
24 foregoing is true and correct.

25 Executed this 23rd day of November, 2021, at Glendale, California.

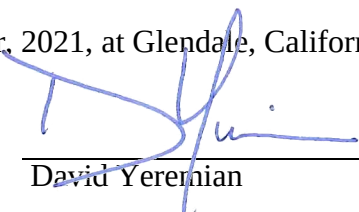
26 
27 _____
28 David Yeremian

EXHIBIT 1

THE LAW OFFICES OF

**DAVID YEREMIAN
& ASSOCIATES INC**

535 N BRAND BLVD STE 705
GLENDALE CA 91203

818 230 8380

818 230 0308 FAX

DAVID@YEREMIANLAW.COM; JASON@YEREMIANLAW.COM

April 22, 2020

VIA ON-LINE SUBMISSION ONLY TO:

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

San Diego Sunrise Management Company

Agent for Service of Process – Joseph S. Greenblatt

255 W. Julian St. #301

San Jose, CA 95110

Certified Mail Tracking Number: 7019 2970 0001 5087 7980

Trilar Management Group

Agent for Service of Process – Richard P. Wenrick

2101 Camino Vida Roble Ste A

Carlsbad, CA 92011

Certified Mail Tracking Number: 7019 2970 0001 5087 7973

**Re: Labor Code § 2698, et seq. Penalties – PAGA Notice Letter
*Julieta Morales v San Diego Sunrise Management Company., et al.***

Gentlepersons:

This office represents Plaintiff Julieta Morales (“Plaintiff”) and other aggrieved employees (Plaintiff and aggrieved employees are collectively hereinafter referred to as “Aggrieved Employees”) for, *inter alia*, violations of California Labor Code §§ 201, 202, 203, 204, 218.6, 221, 226, 226.7, 510, 512, 558, 1174, 1185, 1194, 1194.2, 1197, 2802, 2698 and 2699, *et seq.*; and provisions of the Industrial Welfare Commission (IWC) Wage Order(s).

The purpose of this letter is to comply with the Private Attorneys General Act of 2004, pursuant to California Labor Code § 2698 *et. seq.* (“the Act”). Plaintiff wishes to bring a representative action, pursuant to the Act, on behalf of herself and all other similarly situated Aggrieved Employees, and the State of California, against Defendants SAN DIEGO SUNRISE MANAGEMENT COMPANY, a California corporation (“SUNRISE”); TRILAR MANAGEMENT GROUP, a California corporation (“TRILAR”), and DOES 1 through 50 inclusive (defendants being referred to herein collectively as “Defendants”).

Relevant Facts

Plaintiff was employed by Defendants as a non-exempt hourly employee. She was employed as a property manager. Aggrieved Employees include all of Defendants’ non-exempt hourly employees in the state of California from one year prior to the date of this letter and continuing through the present.

Aggrieved Employees consistently worked at Defendants' behest, under their control, and subject to their policies and practices without being paid all wages due.

Defendants' employment practices resulted in (i) Aggrieved Employees performing off-the-clock pre-shift and post-shift work, (ii) the under-recording of hours worked, all while under the control of Defendants, (iii) failure to provide timely, uninterrupted meal and rest breaks, (iv) failure to pay minimum wages for all hours worked, (v) failure to furnish accurate wage statements, and (vi) failure to reimburse all necessary incurred business related expenses. Defendants conduct thus violated various provisions of the California Labor Code and applicable Wage Orders, including IWC Wage Order No. 5-2001 regulating the wages, hours and working conditions in the public housekeeping industry ("Wage Order No. 5").

The work performed by Aggrieved Employees consisted of performing property management and maintenance related services, including, but not limited to, collecting rent, responding to time sensitive issues, overall maintenance, and handling tenant complaints. Plaintiff began working for TRILAR in October of 2015. In May of 2017 SUNRISE took over management for the properties which Plaintiff was employed as property manager for. Plaintiff alleges that she and Aggrieved Employees were subject to the same wage and hour violations, detailed below, as they pertained to both Defendants

Plaintiff was scheduled to work, on average, five (5) days per week, from 8:00 a.m. to 5:00 p.m. (Monday – Friday), though Plaintiff was required to remain on-call and under Defendants' control 24 hours a day in order to be able to address time sensitive problems after hours. In order to accomplish the tasks required of her, Defendants would require Plaintiff to respond to time sensitive e-mails and telephone calls at all times of the day. More specifically, regardless of the time of day when a tenant needed assistance with property related problems, which happened after business hours on a regular basis, Plaintiff had to respond in as short of a time as possible. Defendants management would also contact Plaintiff at all hours of the day, sometimes as late as 11:00 p.m. or as early in the morning as 3:00 a.m., in order to assist with property related problems which often had to be handled immediately. Plaintiff was not afforded the ability to wait until her scheduled shift began. Thus Plaintiff would typically start and end her shift before and after her scheduled shift start time, all off the clock and uncompensated for.

Plaintiff also engaged in off the clock pre-shift work, to her detriment. Due to demands placed upon her once her schedule shift began, Plaintiff would arrive to work up to twenty (20) to fifteen (15) minutes early each day in order to schedule tours, discuss property related issues with maintenance personnel, and schedule tenant move-outs and/or move-ins, to name a few items

Furthermore, if Aggrieved Employees left Defendants premises and their services were needed by either management or a tenant, then she would have to drive back to Defendants premises immediately. This employment requirement prevented Aggrieved Employees from ever truly being off the clock as she was required to be available 24 hours per day.

Thus Aggrieved Employees were regularly performing pre-shift and post-shift work related functions for Defendants, all off the clock and uncompensated for, to their detriment. While the amount of pre-shift and post-shift work Aggrieved Employees engaged in varied on a day to day basis, Plaintiff estimates that she worked, on average, four (4) to seven (7) hours off the clock and uncompensated for per week. This off-the-clock work also resulted in overtime hours accruing earlier than when Defendants started paying them in a work shift.

To the extent that Defendants paid overtime to Aggrieved Employees, they began doing so well after eight (8) hours into a work shift, as Defendants' corresponding time records and paystubs show. Therefore, from one (1) year prior to the filing of this lawsuit and continuing to the present, Defendants had a consistent policy or practice of failing to pay Employees for all hours worked, and failing to pay minimum wages, overtime wages, and double time wages for all time worked as required by California Law and in violation of the Labor Code § 1197, IWC Wage Order MW-2014, and paragraphs 2(K), 2(S), and 4(A)-4(C) of the applicable IWC Wage Orders. Defendants' willful actions resulted in the systematic underpayment of wages to Aggrieved Employees, including underpayment of overtime and double time pay to Aggrieved Employees over a period of time.

Defendants also unlawfully deducted wages earned by and owed to the Aggrieved Employees, in violation of Labor Code § 221. Defendants' common policy and/or practice of understating the hours worked by Aggrieved Employees has given rise to further ongoing violations of Labor Code § 221.

As a result of Defendants' unlawful policies and practices, Aggrieved Employees incurred overtime hours worked for which they were not adequately and completely compensated for, in addition to the hours they were required to work off-the-clock. To the extent applicable, Defendants also failed to pay Aggrieved Employees at an overtime rate of 1.5 times the regular rate for the first eight hours of the seventh consecutive work day in a week and overtime payments at the rate of two (2) times the regular rate for hours worked over eight (8) on the seventh consecutive work day, as required under the Labor Code and applicable IWC Wage Orders.'

Due to the work demands and pressure from managers and supervisors, Defendants have regularly required Aggrieved Employees to work shifts in excess of five (5) hours without providing them with uninterrupted meal periods of not less than thirty (30) minutes, and shifts in excess of ten (10) hours without providing them with second meal periods of not less than thirty minutes; nor did Defendants pay Aggrieved Employees "premium pay," i.e. one hour of wages at each Employee's effective hourly rate of pay, for each meal period that Defendants failed to provide or deficiently provided.

Defendants placed the current job needs over Aggrieved Employees' lawful meal breaks, forcing Aggrieved Employees to take on duty meal periods in order to keep up with the demands of the job. For example, not only was Plaintiff unable to take timely meal breaks before the fifth hour worked, Plaintiff was also required to carry her cellular phone with her at all times and remain on-call throughout her supposed off-duty thirty (30) minute meal breaks. Thus, Aggrieved

Employees meal breaks were often interrupted and cut short by either Defendants or Defendants tenants/clients. Moreover, Aggrieved Employees were unable to leave Defendants premises during meal breaks.

Upon information and belief, on the occasions when the Aggrieved Employees worked more than ten (10) hours in a shift, Defendants failed to provide them with a second, uninterrupted, timely and duty-free meal period, as Defendants time records will show. As a result, Defendants' failure to provide Aggrieved Employees with all the legally required off-duty, unpaid meal periods and all the legally required off-duty, paid rest periods, all in violation of the Labor Code and applicable Wage Orders, is and will be evidenced by Defendants' business records, or lack thereof.

Aggrieved Employees were regularly required by Defendants to work through or during their rest breaks, and were not provided with one hour's wages in lieu thereof as required by Labor Code and IWC Wage Orders. Aggrieved Employees were also restricted in their ability to take their full ten (10) minutes net rest time or were otherwise not authorized and permitted to take duty-free rest periods. For example, not only was Plaintiff unable to take timely rest breaks before the fourth hour worked, Plaintiff was also required to carry her cellular phone with her at all times and remain on-call throughout her supposed off-duty ten (10) minute rest breaks.. Moreover, Aggrieved Employees were unable to leave Defendants premises during rest breaks.

On occasions when the Aggrieved Employees worked over ten (10) hour shifts, they were, upon information and belief, not authorized and permitted to take a third timely and uninterrupted, duty-free rest break.

As a result of the above described requirements to work off the clock, under recording of hours worked, the failure to calculate and pay wages at the correct rates, and the other wage violations they endured at Defendants' hands, Aggrieved Employees were not properly paid all wages earned and all wages owed to them by Defendants for all hours they worked and were under Defendants' control, including when working more than eight (8) hours in any given day and/or more than forty (40) hours in any given week. The Aggrieved Employees were therefore entitled to receive overtime wages from Defendants, which they were consistently denied in violation of the Labor Code and applicable paragraphs of the IWC Wage Orders.

Defendants also consistently failed to issue accurate itemized wage statements as required by Labor Code § 226(a), and Defendants failed to pay Aggrieved Employees all wages owed, as detailed above, at the time of their termination or within seventy-two (72) hours of their resignation, as required under Labor Code § 203.

Defendants' management also did not reimburse Aggrieved Employees for all necessarily incurred expenses in performance of their job duties. Plaintiff incurred personal cellular phone expenses in the performance of her job duties that were uncompensated for. For example, Defendants management and Defendants tenants would regularly contact Plaintiff on her personal cell phone for work related matters during all times of the day. Plaintiff estimates that

35% of her personal cellular phone usage was incurred as a result of these work-related calls and messages.

As addressed above, Aggrieved Employees complain of the following violations committed by Defendants:

Failure to Pay Minimum Wages

Defendants violated the law by failing to pay Aggrieved Employees minimum wages for all hours worked. California Labor Code § 1197, entitled “Pay of Less Than Minimum Wage” states, “[t]he minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a less wage than the minimum so fixed is unlawful.” Due to Defendants policy of under recording hours worked, Aggrieved Employees were required to work pre-shift and post-shift hours off the clock without being paid minimum wages, regular wages, and applicable overtime at their required rates.

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

In light of the forgoing, the Aggrieved Employees seek to recover wages and penalties. Aggrieved Employees are entitled to recover their unpaid minimum wages (including double minimum wages), liquidated damages in an amount equal to the minimum wages unlawfully unpaid, interest thereon and reasonable attorney’s fees and costs of suit pursuant to California Labor Code § 1194(a). Aggrieved Employees further request recovery of all unpaid wages, according to proof, interest, statutory costs, as well as the assessment of any statutory penalties against Defendants, in a sum as provided by the California Labor Code and/or other applicable statutes, including pursuant to Labor Code § 558 and applicable Wage Order provisions.

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

Defendants violated the law by failing to pay Aggrieved Employees earned wages and overtime for all hours worked and during which they were under the control of Defendants. Aggrieved Employees were not paid overtime wages for hours worked in excess of eight (8) hours a day. Additionally, Defendants failed to pay Aggrieved Employees for all hours worked and failed to pay overtime compensation at premium overtime rates. Moreover, the uncompensated time, discussed above, was worked by Aggrieved Employees in excess of 8 hours a day and/or 40 hours a week, further entitling Aggrieved Employees overtime wages which they were consistently denied, all in violation of Labor Code § 510 and applicable Wage Order provisions.

In light of the forgoing, Aggrieved Employees seek to recover wages and penalties pursuant to the California Labor Code, including Labor Code §§ 204, 510, 558, and 1194 (and the relevant orders of the Industrial Welfare Commission). Defendants are liable to Employees for the full amount of all their unpaid wages and overtime compensation, with interest, plus their reasonable attorneys’ fees and costs, as well as the assessment of any statutory penalties against Defendants,

and each of them, and any additional sums as provided by the Labor Code and/or other statutes and Wage Order provisions.

Meal-Period Liability Under Labor Code § 226.7

Defendants have regularly required Aggrieved Employees to work shifts in excess of five (5) hours without providing them with timely and uninterrupted meal periods of not less than thirty (30) minutes, as required under Labor Code §§ 226.7 and 512 and applicable Wage Orders. Specifically, meal periods Aggrieved Employees were provided were consistently less than 30 minutes or were taken after their fifth consecutive hour of work, or interrupted by job requirements, all in violation of the Labor Code and applicable Wage Orders. On shifts over ten hours, second meal periods were not provided. Defendants also failed to pay Aggrieved Employees “premium pay,” i.e. one hour of wages at each Aggrieved Employee’s effective regular rate of pay, for each meal period that Defendants failed to provide or deficiently provided. In light of the forgoing, Aggrieved Employees seek to recover wages and penalties pursuant to Labor Code § 558.

Rest-Break Liability Under Labor Code § 226.7

Defendants have consistently failed to provide Aggrieved Employees with paid rest breaks of not less than ten (10) minutes for every work period of four (4) or more consecutive hours, or major fraction thereof, as required under Labor Code § 226.7. Defendants also failed to pay Aggrieved Employees premium pay for each day on which requisite rest breaks were not provided or were deficiently provided. In light of the forgoing, Aggrieved Employees seek to recover wages and penalties pursuant to Labor Code § 558.

Unlawfully Collecting or Receiving Wages in Violation of Labor Code § 221

Labor Code § 221 provides, “It shall be unlawful for any employer to collect or receive from an employee any part of wages theretofore paid by said employer to said employee.” As discussed above, Defendants unlawfully received and/or collected wages from Aggrieved Employees by understating their hours worked and automatically deducting time for unlawfully provided meal periods. In light of the forgoing, Aggrieved Employees seek to recover wages and penalties pursuant to Labor Code § 558.

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

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

///

Therefore, Defendants failed to provide Aggrieved Employees with accurate itemized wage statements in writing, as required by the Labor Code. Specifically, the wage statements given to Aggrieved Employees failed to accurately account for unpaid wages, overtime, premium pay for deficiently provided meal periods and rest breaks, and unlawfully received or collected wages, as discussed above. In light of these violations, and pursuant to Labor Code §§ 226(a) and 226(e), Aggrieved Employees are entitled to recover the greater of all actual damages or fifty dollars (\$50) for the initial pay period in which a violation occurs and one hundred dollars (\$100) for each violation in a subsequent pay period, not exceeding an aggregate penalty of four thousand dollars (\$4,000). They are also entitled to an award of costs and reasonable attorneys' fees.

Labor Code § 226.3 provides that “[a]ny employer who violates subdivision (a) of Section 226 shall be subject to a civil penalty in the amount of two hundred fifty dollars (\$250) per employee per violation in an initial violation and one thousand dollars (\$1,000) per employee for each violation in a subsequent citation, for which the employer fails to provide the employee a wage deduction statement or fails to keep the required in subdivision (a) of Section 226.” To the extent that Labor Code § 226.3 applies, Plaintiff also seeks such penalties on behalf of herself and the other Aggrieved Employees.

Waiting Time Penalties Pursuant to Labor Code § 203

Some Aggrieved Employees no longer work for Defendants; they either resigned or were terminated from Defendants' employ. Based on the forgoing, Defendants have followed a consistent policy of failing to pay all wages earned and owed to Aggrieved Employees at the time of their termination or within seventy-two (72) hours of their resignation, as required by California under Labor Code § 203. In light of the forgoing, Aggrieved Employees seek to recover wages and penalties pursuant to Labor Code § 558 and further specifically seek penalties and wages under Labor Code § 203, which provides that an employee's wages shall continue until paid for up to thirty (30) days from the date they were due.

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

In failing to pay Aggrieved Employees wages, overtime, premium pay, etc., Defendants failed to timely pay Aggrieved Employees wages on a semimonthly basis, as required under Labor Code § 204. Defendants failed to maintain records showing accurate hours worked daily and the wages paid to Aggrieved Employees, as well as the meal and rest periods taken by Aggrieved Employees, as required by Labor Code § 1174 and the applicable IWC wage orders. In light of the forgoing, Aggrieved Employees seek to recover wages and penalties pursuant to Labor Code § 558.

Reimbursement of Necessary Expenditures Under Labor Code § 2802

Under Labor Code § 2802(a) an employer must indemnify its employees for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her obedience to the directions of the employer.

In the present case, as discussed above, Aggrieved Employees incurred necessary expenditures in the performance of their job duties for Defendants, in the form of personal cellular phone usage. Thus Aggrieved Employees were not reimbursed for those lawful and necessary work related

expenses or losses incurred in direct discharge of their job duties during employment with Defendants and at the direction of the Defendants pursuant to Labor Code § 2802(a) and the applicable IWC Wage Orders, paragraph 9.

Failure to Keep Records In Accordance With Labor Code § 1174

Labor Code § 1174 requires employers to keep records showing payroll data and the daily hours worked by employees and the wages paid to them. By failing to pay Aggrieved Employees proper wages, overtime, premium pay, etc., all discussed herein, Defendants failed to maintain proper employment records in accordance with Section 1174. In light of the forgoing, Aggrieved Employees seek to recover penalties pursuant to Labor Code §§ 1174.5 and 2699, *et seq.*

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

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

Conclusion

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

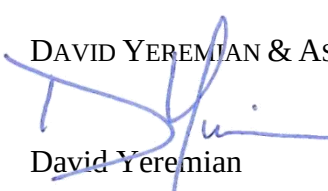
We have been constrained to initially move forward with the filing of this Complaint, alleging the causes of action discussed herein, without the PAGA claim. Thus, any action by the LWDA would not resolve the entirety of the case, and the interest of judicial economy will be served by allowing the case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

This letter provides the requisite notice under the Act to the LWDA and SAN DIEGO SUNRISE MANAGEMENT COMPANT and TRILAR MANAGEMENT GROUP by setting forth the specific provisions of the Labor Code and related provisions. To prevent the violations described in the Complaint and herein from occurring, and to remedy past violations, Plaintiff respectfully requests that the LWDA conduct an investigation into Defendants' employment practices in accordance with the Act.

Wherefore we request that you advise us, by certified mail within sixty (60) days of the postmark on this letter, whether you intend to proceed with these claims or whether Plaintiff and Aggrieved Employees should include them as a Labor Code § 2698 claim under the Act in an amended Complaint.

Regards,

DAVID YEREMIAN & ASSOCIATES, INC.



David Yeremian

Cc: Defendant by Certified Mail

EXHIBIT 2

PRIVATE ATTORNEYS' GENERAL ACT
SETTLEMENT AGREEMENT AND RELEASE

This Private Attorneys General Act Settlement Agreement and Release (“Agreement”) is made by and between Plaintiff Julieta Morales (“Plaintiff”), on behalf of the other aggrieved employees (the “Aggrieved Employees,” as described below), and as a private attorney general on behalf of the State of California pursuant to Labor Code section 2699, *et seq.*, the Private Attorneys’ General Act (“PAGA”) on the one hand, and Defendant San Diego Sunrise Management Company (“Defendant”) on the other hand. Plaintiff and Defendant are collectively referred to herein as “the Parties.”

This Agreement, and the settlement embodied herein, shall be binding on Plaintiff, the Aggrieved Employees she represents, and Defendant subject to the approval of the Court.

WHEREAS, on April 22, 2020, Plaintiff sent notice to the Labor and Workforce Development Agency (“LWDA”) of her intent to pursue a representative action pursuant to the Private Attorneys General Act of 2004, as codified in California Labor Code §2698 *et seq.* (“PAGA”), on behalf of herself and the State of California as well as on behalf of a group of aggrieved employees (the “PAGA Notice”).

WHEREAS, On May 26, 2020, Plaintiff filed a Class Action Complaint in the Superior Court of California County of San Diego entitled *Julieta Morales vs. San Diego Sunrise Management Company, et al.*, Case No. 37-2020-00015694-CU-OE-CTL alleging ten causes of action against Defendant for: (1) Failure to Pay Minimum Wages, (2) Failure to Pay Wages and Overtime Under Labor Code § 510, (3) Meal Period Liability Under Labor Code § 226.7, (4) Rest-Break Liability Under Labor Code § 226.7, (5) Violation of Labor Code §226(a); (6) Failure to Keep Required Payroll Records under Labor Code §§ 1174 and 1174.5; (7) Violation of Labor Code § 221; (8) Violation of Labor Code § 203; (9) Failure to Reimburse Necessary Business Expenditures Under Labor Code § 2802, and (10) Violation of Business & Professions Code § 17200, *et seq.* On July 15, 2020, Plaintiff filed a first amended complaint adding a cause of action for penalties pursuant to the Private Attorneys General Act (“PAGA”). On November 6, 2020, Plaintiff filed a second amended complaint which dismissed the class claims without prejudice. (“PAGA Action” or Plaintiff’s “Representative PAGA Claims”)

WHEREAS, the Parties have agreed to settle Plaintiff’s individual claims as well as the Plaintiff’s Representative PAGA Claims, and Plaintiff intends on filing a request for dismissal of the class claims without prejudice at the time the Court grants approval of the PAGA settlement.

WHEREAS, On March 11, 2021, the Parties attended an all-day mediation with experienced wage-and-hour mediator Michael D. Young. At the mediation, the Parties agreed to settle Plaintiff’s Representative PAGA Claims in light of all known facts and circumstances – including the difficulty of proving some of Plaintiff’s claims, potential defenses asserted by Defendant, the uncertainty associated with litigation, the risks of significant delay, the financial condition of Defendant, and numerous potential appellate issues. The Parties also agree to settle Plaintiff’s individual claims separately.

WHEREAS, for purposes of this settlement, the Aggrieved Employees are defined as: “All individuals who are or were employed by Defendant as non-exempt employees within the State of California from April 22, 2019 through April 30, 2021.”

WHEREAS, Defendants represent that there are approximately 320 Aggrieved Employees and approximately 9,500 pay periods.

WHEREAS, the Parties understand, acknowledge, and agree that this PAGA settlement constitutes a compromise of Plaintiff’s Representative PAGA Claims, and that it is the desire and intention of the Parties to effect a final and complete resolution of the Representative PAGA Claims that Plaintiff and the Aggrieved Employees have against Defendant and Defendant’s past or present parents, subsidiaries, and affiliates, and/or any officers, directors, employees, partners, agents, insurers, and/or any other individual or entity that could be liable for the acts of omissions of Defendant. The Parties further acknowledge that this Agreement is a compromise of disputed claims and that nothing in this Agreement shall be construed as an admission by Defendant of any wrongdoing or liability. Specifically, Defendant denies any liability or wrongdoing of any kind associated with the claims alleged in the Complaint. Defendant, among other things, contends that it has complied at all times with the California Labor Code and all applicable California laws.

WHEREAS, the Parties believe and agree that this Agreement provides for a fair, adequate, and reasonable resolution of the Representative PAGA Claims, and have arrived at the settlement in extensive, arms-length negotiations, taking into account all relevant factors, present and potential.

WHEREAS, California Labor Code § 2699(k)(2) requires Court review and approval of any settlement of a civil action filed pursuant to PAGA.

WHEREAS, based on their own independent investigations and evaluations, Defendant and Plaintiff and their respective counsel are of the opinion that the amount and terms of the settlement are fair, reasonable, and adequate and are in the best interests of the Plaintiff, the Aggrieved Employees, and Defendant in light of all known facts and circumstances – including the difficulty of proving some of Plaintiff’s claims, potential defenses asserted by Defendant, the uncertainty associated with litigation, the risks of significant delay, the financial condition of Defendant, and numerous potential appellate issues. Further, counsel for Plaintiff, David Yeremian of David Yeremian & Associates Inc. and Walter Haines of United Employees Law Group, P.C. (“Plaintiff’s Counsel” or “PAGA Counsel”), believes that the settlement amount entered into is in the best interests of the Aggrieved Employees and that the settlement for each Aggrieved Employee is fair, reasonable, and adequate, given the inherent risk of litigation.

WHEREAS, the Parties: (1) believe and agree that this Agreement provides for a fair, adequate, and reasonable resolution of the Representative PAGA Claims, (2) have investigated the facts relevant to this settlement and this Agreement, and all matters pertaining thereto, to the full extent that each Party deems necessary, and (3) have arrived at the settlement in extensive, arms-length negotiations, taking into account all relevant factors, present and potential.

WHEREAS, the Parties recognize that in accordance with Labor Code section 2699(l), Court approval is required in the event of a settlement of a PAGA action on a representative basis. However, as explained in *Arias v. Superior Court*, 46 Cal. 4th 969 (2009), the Parties are not obligated to follow the class action procedural rules in PAGA cases and therefore need not obtain approval of the PAGA settlement through a motion for preliminary or final approval. *See also Mendoza v. Nordstrom, Inc.*, 2 Cal. 5th 1074 (2017) (“PAGA authorizes a representative action without the need for class certification.”); *Baumann v. Chase Inv. Servs. Corp.*, 747 F.3d 1117, 1123 (9th Cir. 2014) (“a PAGA suit is fundamentally different than a class action” in that PAGA has no notice requirements for unnamed aggrieved employees, nor may such employees opt out of a PAGA action); *Williams v. Sup. Ct.*, 3 Cal. 5th 531, 546-47 (2017) (“PAGA does not make other potentially aggrieved employees parties or clients of plaintiff’s counsel, does not impose on a plaintiff or counsel any express fiduciary obligations, and does not subject a plaintiff or counsel to scrutiny with respect to the ability to represent a large class.”).

Therefore, in consideration of the promises and agreements contained herein, and to avoid the uncertainty, risks, costs, and delays associated with further litigation, the Parties agree and covenant as follows:

1. **Effective Date.** The effective date (“Effective Date”) of this Agreement shall mean the following: (a) the date of service of notice of entry of the order approving this Agreement and the PAGA settlement if no objections are filed to this settlement or if all objections are withdrawn prior to the Court ruling on them; or, (b) sixty-one (61) days after the date of service of notice of entry of the settlement approval order if objections are filed and overruled and no appeal is taken from the order approving the settlement; or (c) if a timely appeal is made, ten (10) business days after the final resolution of that appeal if the appeal is rejected, the settlement is upheld, and the settlement approval order is no longer subject to further judicial review.

2. **Released Claims/Effect of Judgment on Aggrieved Employees and LWDA:** The Parties agree and acknowledge that, to the maximum extent permitted by law, the final judgment entered pursuant to this settlement will bind all those who would be bound by a judgment if the action had been brought by the California Labor & Workforce Development Agency (“LWDA”), including Plaintiff, the LWDA, and the Aggrieved Employees, with respect to the recovery of civil penalties under the California Private Attorneys General Act, California Labor Code § 2698, *et. seq.* only, against Defendant and its past or present parents, subsidiaries, and affiliates, officers, directors, employees, partners, agents, insurers, and/or any other individual or entity that could be liable for the acts or omissions of Defendant (“Released Parties”). It is expressly understood and agreed that this settlement only includes a full release of the PAGA claim for penalties the period of April 22, 2019 through April 30, 2021 for violations of Labor Code §§ 201, 202, 203, 204, 218.6, 226, 226.7, 510, 512, 558, 1174, 1185, 1194, 1194.2, 1197, 2802, 2698, and 2699 as well as the applicable provisions of the Industrial Wage Orders and for any other PAGA violations that could have been asserted in the action based on the factual assertions and legal assertions in the Complaint. This settlement agreement shall not impact Aggrieved Employees ability to assert Labor Code claims other than PAGA claims specifically identified herein.

3. **Notice to LWDA.** Pursuant to California Labor Code § 2699(k)(2), the Parties shall submit to the LWDA a copy of this Agreement at the same time that the Parties submit it to the Court for approval.

4. **Total Settlement Amount.** Defendant agrees to pay, in accordance with the terms set forth herein, the total sum of One Hundred Ninety Thousand Dollars and Zero Cents (\$190,000.00) (the “Gross Settlement Amount”) in full settlement of this Lawsuit. The Gross Settlement Amount will be allocated as follows:

- a. PAGA Counsel’s attorneys’ fees request of up to 40% of the Gross Settlement Amount which is Seventy Six Thousand Dollars and Zero Cents (\$76,000.00) (“PAGA Counsel’s Fees”) and PAGA Counsel’s separate request for reasonable litigation costs incurred in this matter of up to Twelve Thousand Dollars and Zero Cents (\$12,000.00) (“PAGA Counsel’s Costs”). Defendant will not oppose these requests. To the extent that the Court approves less than the amount of attorney’s fees and costs that Plaintiff’s counsel requests, any reduced amount shall be allocated to the settlement fund for the Aggrieved Employees;
- b. Administration costs of no more than Six Thousand Seven Hundred Fifty Dollars and Zero Cents (\$6,750) to be paid to the Settlement Administrator (“Administration Costs”);
- c. The remainder of the Gross Settlement Amount (the “PAGA Fund”) after deducting items (a) and (b) is approximately Ninety Five Thousand Two Hundred Fifty Dollars and Zero Cents (\$95,250), and shall be designated as PAGA Penalties to be allocated between the LWDA and the Aggrieved Employees pursuant to Labor Code section 2699(i), with 75% (\$71,437.50) paid to the LWDA (the “LWDA PAGA Portion”) and 25% (\$23,812.50) paid to the Aggrieved Employees (the “Aggrieved Employees’ PAGA Portion”) on a pro-rata basis.

5. **Allocation and Calculation of the PAGA Penalties.** Each Aggrieved Employee shall receive a portion of the PAGA Penalties on a pro-rata basis. The allocation among the Aggrieved Employees shall be determined by dividing the entire PAGA Fund allocated to the Aggrieved Employees (i.e. approximately \$23,812.50 by dividing the number of paychecks each individual Aggrieved Employee received during the applicable time period by the total number of paychecks received by all Aggrieved Employees during the applicable time period. All Individual Settlement Payments made to Aggrieved Employees will be reported on an IRS Form 1099.

6. **Tax Treatment of Settlement Amounts.** With regard to settlement payments to Aggrieved Employees, IRS Form 1099s will be issued, if applicable. Nothing in this Settlement is intended to constitute legal advice regarding federal, state, and/or local tax obligations. Plaintiff acknowledges that they have obtained no tax advice from Defendant and that neither Defendant nor its attorneys have made any representation concerning the tax consequences, if any, of the Settlement Amount in this Agreement or any payment to be made pursuant to this Agreement. To the extent that this Settlement or any of its attachments is interpreted to contain or constitute advice regarding any state or federal tax issue, such advice is not intended or written to be used, and cannot be used, by any person for the purpose of avoiding penalties under the Internal Revenue Code. Defendant is not responsible for any

employee tax obligations regarding the allocation of the settlement payments. Payment of the portion allocated to PAGA Counsel's fees and costs will be reflected in a Form 1099 to counsel who shall assume full responsibility and liability for the payment of taxes due on such payments.

7. **Circular 230 Disclaimer.** EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR SHALL ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER, OR ITS OWN, INDEPENDENT LEGAL AND TAX ADVISERS FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

8. **PAGA Settlement Payment Procedures.**

- a. Within 30 days of the Effective Date, Defendant shall deposit the Gross Settlement Amount with the Settlement Administrator.
- b. Within 10 business days of the Effective Date, Defendant shall also provide the Settlement Administrator with a list of all Aggrieved Employees with each listed employee's full name, last known mailing address, social security number, and number of qualifying paystubs in the PAGA period which is from April 22, 2019 through April 30, 2021. The Settlement Administrator shall run all the addresses of Aggrieved Employees through the United States Postal Service NCOA database to obtain current address information.

Within 10 business days of Defendant depositing the Gross Settlement Amount with the Settlement Administrator, the Settlement Administrator shall:

- i. Remit a total of Twenty-Five percent (25%) of the PAGA Fund to the Aggrieved Employees, along with the employee letter (attached hereto as **Exhibit A**). Aggrieved Employees shall not be required to make claims, but shall simply be delivered a check for their share of the PAGA settlement. The payment checks shall be sent to each Aggrieved Employee by U.S. First Class mail to the Aggrieved Employee's address with directions to the Postmaster to forward the payment checks and return all undeliverable payment checks to the Settlement Administrator. If Settlement Checks are returned to the administrator, either within 30 days from the mailing, or thereafter, the Settlement Administrator will attempt to locate an updated address for the Aggrieved Employee and re-mail the check if an updated address is located.
- ii. Remit PAGA Counsel's Fees and PAGA Counsel's Costs, as approved by the Court.
- c. Settlement Checks issued to Aggrieved Employees pursuant to this Agreement will expire one hundred and eighty (180) days from the date they are mailed by the Settlement Administrator. Any amounts from the Settlement Checks that remain uncashed and otherwise unclaimed shall be tendered to the State of California Controller Unclaimed Property Fund.
- d. Neither Defendant nor Plaintiff shall bear any liability for lost or stolen checks, forged signatures on checks, or unauthorized negotiation of checks. Unless responsible by its own acts of omission or commission, the same is true for the Settlement Administrator.

9. Settlement Administrator. As set forth in Paragraph 9, the Settlement Administrator shall be responsible for sending notices and for calculating Settlement Shares and preparing all checks and mailings and comply with all requirements set forth in Paragraph 9. The costs of the Settlement Administrator shall be paid out of the Gross Settlement Amount. The Parties agree to use CPT Group, Inc. as Settlement Administrator. Defendant is not responsible or liable for any errors in the calculation of paystubs or settlement amount to be awarded to each Aggrieved Employee. Defendant is also not liable or responsible for any errors made by the Settlement Administrator in the administration of the settlement.

10. Duties of the Parties Prior to Approval. Promptly upon execution of this Settlement, Plaintiff shall apply to the Court for approval of the proposed Settlement. Plaintiff shall apply to the Court for the entry of an order approving this Settlement as required by Labor Code section 2699(l). The Approval Stipulation will request Court approval of the following: (1) the terms of this Agreement, (2) the amount of fees and costs to Plaintiff's counsel, (3) final Judgment, and (4) request dismissal of the class action claims without prejudice pursuant to California Rules of Court Rule 3.770. In conjunction with the Motion for Approval, Plaintiff shall submit a proposed Final Judgment requesting the entry of judgment.

11. Non-Admission of Wrongdoing. The Parties agree that this Agreement does not constitute an admission by Defendant or any Released Party, of any of the matters alleged in the Lawsuit or of any violation by any of them of any federal, state or local law, ordinance or regulation, or of any violation of any policy or procedure, or of any liability or wrongdoing whatsoever. Neither this Agreement nor anything in this Agreement shall be construed to be or shall be admissible in any proceeding as evidence of liability or wrongdoing

by Plaintiff, Defendant, or Defendant's parents, subsidiaries, divisions, affiliated corporations, trustees, directors, officers, shareholders, agents, attorneys, insurers, or employees.

12. Waiver and Amendment. The Parties may not waive, amend, or modify any provision of this Agreement except by a written agreement signed by all of the Parties, and subject to any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision.

13. Communications. All communications to be provided concerning this Settlement Agreement shall be in writing and delivered by receipted delivery and by e-mail at the addresses set forth below, or such other addresses as either Party may designate in writing from time to time:

To Defendant: Tracy A. Warren and Matthew T. Drenan, Buchalter APC, 655 W. Broadway Ste. 1600, San Diego, CA, 92101.

To Plaintiff: David Yeremian, David Yeremian & Associates Inc., 535 N. Brand Blvd., Suite 705, Glendale, CA 91203.

14. Entire Agreement. This Settlement Agreement contains the entire agreement between the Parties with respect to the transactions contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts and writings prior to the date hereof relating to the subject matters hereof. Any representation, promise or agreement not specifically included in this Agreement shall not be binding upon or enforceable against either Party. This is a fully integrated agreement. No other promises or agreements shall be binding or shall modify this Agreement unless in writing and signed by the Parties.

15. Severability. If any provision of this Agreement or the application thereof is held invalid, the invalidity shall not affect other provisions or applications of the Settlement Agreement which can be given effect without the invalid provisions or application and to this end the provisions of this Agreement are declared to be severable. Notwithstanding the foregoing, no portion of any release contained herein may be deemed severed or deleted from this Agreement, except upon waiver in writing by the applicable Released Party.

16. No Construction Against the Drafter. Each Party has cooperated in the drafting and preparation of this Agreement. Hence, in any construction to be made of this Agreement, the same shall not be construed against any Party on the basis that the Party was the drafter.

17. Choice of Law. This Agreement shall be deemed to have been executed and delivered within the State of California, and the rights and obligations of the parties hereunder shall be construed and enforced in accordance with, and governed by, the laws of the State of California without regard to principles of conflict of laws.

18. Counterparts. This Agreement may be executed by one or more of the Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

19. Enforcement of Settlement. This Agreement is admissible and subject to disclosure for purposes of enforcing this Agreement pursuant to California Code of Civil Procedure Section 664.6, or any other procedure permitted by law. The Parties agree that, under California Code of Civil Procedure Section 664.6, the Court shall retain jurisdiction to enforce the terms of this Settlement Agreement, specifically including the acceleration and stipulated judgment in Section 4(c), *supra*.

20. Cooperation. Each Party, on behalf of themselves, and their respective business entities, heirs, executors, and assigns, agrees that they will abide by this Agreement and will do all such acts, and prepare, execute, and deliver all such documents, as may be reasonably required to carry out the stated objectives of this Agreement.

Dated: November 22, 2021

DocuSigned by:

11E53C0F91A24BB...

Julieta Morales, PAGA Representative

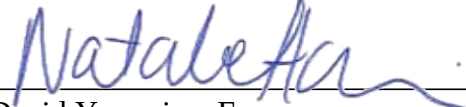
Dated: November __, 2021

San Diego Sunrise Management Company
By: _____
Its: _____

APPROVED AS TO FORM AND CONTENT:

Dated: November 22, 2021

DAVID YEREMIAN & ASSOCIATES, INC.



David Yeremian, Esq.
Natalie Haritonian, Esq.
Attorneys for Plaintiff Julieta Morales

Dated: November __, 2021

BUCHALTER

Tracy A. Warren, Esq.
Matthew T. Drenan, Esq.
Attorneys for Defendant San Diego Sunrise
Management Company

18. Counterparts. This Agreement may be executed by one or more of the Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

19. Enforcement of Settlement. This Agreement is admissible and subject to disclosure for purposes of enforcing this Agreement pursuant to California Code of Civil Procedure Section 664.6, or any other procedure permitted by law. The Parties agree that, under California Code of Civil Procedure Section 664.6, the Court shall retain jurisdiction to enforce the terms of this Settlement Agreement, specifically including the acceleration and stipulated judgment in Section 4(c), *supra*.

20. Cooperation. Each Party, on behalf of themselves, and their respective business entities, heirs, executors, and assigns, agrees that they will abide by this Agreement and will do all such acts, and prepare, execute, and deliver all such documents, as may be reasonably required to carry out the stated objectives of this Agreement.

Dated: November __, 2021

Julieta Morales, PAGA Representative

Dated: November 23, 2021



San Diego Sunrise Management Company
By: Joseph Greenblatt
Its: CEO and President

APPROVED AS TO FORM AND CONTENT:

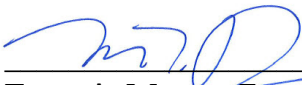
Dated: November __, 2021

DAVID YEREMIAN & ASSOCIATES, INC.

David Yeremian, Esq.
Natalie Haritounian, Esq.
Attorneys for Plaintiff Julieta Morales

Dated: November 22, 2021

BUCHALTER



Tracy A. Warren, Esq.
Matthew T. Drenan, Esq.
Attorneys for Defendant San Diego Sunrise Management Company

EXHIBIT A

Check

[DATE]

Dear [NAME]:

The enclosed check is your proportional share of the California Private Attorneys General Act ("PAGA") settlement payment in the case entitled *Morales v. San Diego Sunrise Management Company*, (San Diego County Superior Court Case No. 37-2020-00015694-CU-OE-CTL). As relevant to the enclosed check, the lawsuit alleged that San Diego Sunrise Management Company failed to pay for all time worked, failed to pay all overtime wages, failed to provide appropriate meal and rest breaks, failed to provide accurate itemized wage statements, failed to timely pay upon termination, and failed to reimburse necessary business expenses. San Diego Sunrise Management Company denied the allegations, but reached a settlement to avoid the expense and disruption of further litigation. You are receiving this check because you worked for San Diego Sunrise Management Company as a non-exempt employee within the State of California at some point between April 22, 2019 and April 30, 2021. The settlement includes a full release of the PAGA claim for (1) violations of Labor Code §§ 201, 202, 203, 204, 218.6, 226, 226.7, 510, 512, 558, 1174, 1185, 1194, 1194.2, 1197, 1199, 2698, 2699, and 2802; and (2) as well as the applicable provisions of the Industrial Wage Orders. The only individual claims that have been released are those of Plaintiff Julieta Morales; no other individual claims are released.

Enclosed you will also find an IRS Form 1099 for 100% of this payment. San Diego Sunrise Management Company will report this payment to the IRS through form 1099 and you are responsible for tax payments, if any, that result from this payment. Please cash or deposit the check on or before its printed void date. Checks will not be re-issued after the void date. If you have any questions about this payment, contact the Settlement Administrator at (____). Please note that the Settlement Administrator cannot provide tax advice. If you have questions about the tax treatment of this payment, we suggest that you consult your tax advisor or accountant.

Regards,

CPT Group, Inc., Settlement Administrator for *Morales v. San Diego Sunrise Management Company*

EXHIBIT 3

Cost report for **MORALES v. SAN DIEGO SUNRISE MANAGAMENT CO.**

<i>Date</i>	<i>TaskCode</i>	<i>Payee</i>	<i>Description</i>	<i>Cost</i>	<i>Acct/Check No</i>
4/22/2020		LWDA	PAGA LETTER	\$75.00	PAGA LETTER
5/28/2020		One Legal	SUMMONS & COMPLAINT - filing fee and complex fee advanced	\$1,492.31	Filing
6/9/2020		Rapid Legal	PROCESS OF SERVICE - additional address attempted	\$160.04	SERVICE
7/6/2020		Rapid Legal	PROOF OF SERVICE OF SUMMONS	\$9.95	Filing
7/16/2020		One Legal	AMENDED COMPLAINT	\$9.95	Filing
7/31/2020		Rapid Legal	PROCESS OF SERVICE - TRILAR MANAGEMENT GROUP	\$108.41	SERVICE
8/27/2020		One Legal	NAR - TRILAR MANAGEMENT GROUP - FAC; POS OF SUMMONS	\$9.95	Filing
9/2/2020		One Legal	NAR - SAN DIEGO SUNRISE MANAGEMENT COMPANY	\$9.95	Filing
10/21/2020		One Legal	CMS (11.6.20)	\$9.95	Filing
10/30/2020		Courtcall	CMC (11.6.20)	\$94.00	COURTCALL
11/9/2020		One Legal	COURT NTC OF TSC (10.29.21)	\$30.61	Filing
11/9/2020		One Legal	NTC OF POSTING JURY FEES - jury fees advanced	\$164.90	Filing
1/13/2021		JUDICATE WEST	MEDIATION (3.11.21)	\$6,250.00	MEDIATION 4407
3/29/2021		BERGER CONSULTIN	EXPERT MEDIATION ANALYSIS	\$1,350.00	EXPERT ANALYSIS A
5/17/2021		One Legal	NTC OF APPEARANCE & WITHDRAWAL OF COUNSEL	\$12.35	Filing
8/27/2021		One Legal	STIP TO VACATE TRC AND TRIAL; [P]O - stip fee advanced	\$32.94	Filing
10/28/2021		One Legal	DEC OF NH RE MTN FOR APPROVAL	\$12.35	Filing
11/12/2021		One Legal	JOINT STATEMENT IN ADV OF OSC RE SANCTIONS	\$12.35	Filing
11/23/2021		Courtcall	HRNG ON MTN FOR PAGA APPROVAL	\$94.00	COURTCALL
11/23/2021		Courtcall	COMPLIANCE HRNG RE DISBURSEMENT - futute hrng	\$94.00	COURTCALL
11/23/2021		One Legal	MTN FOR PAGA SETTLEMENT - mtn fee advanced	\$150.00	Filing
11/23/2021		One Legal	NTC OF ENTRY OF ORDER AND JUDGMENT	\$9.95	Filing
11/23/2021		One Legal	DEC OF CLAIMS ADM RE DISBURSEMENT OF FUNDS - future filing	\$9.95	Filing

TOTAL COST **\$10,202.91**

Total Cost By Account

COURTCALL	\$282.00
EXPERT ANALYSIS	\$1,350.00
Filing	\$1,977.46
MEDIATION	\$6,250.00
PAGA LETTER	\$75.00
SERVICE	\$268.45

EXHIBIT 4

Detailed Time and Task Summary – David Yeremian

Tasks Performed	Atty Hours Est.	Date range
<u>1. Pre-Filing and Investigation Tasks –</u> - Complaint research and research case law and other cases, and research Defendant and its operations and prior litigations. - Set up file and documents, including attorney client agreement, responsibilities of a class representative, and wage statements and personnel file documents. - Research California Secretary of State filings for Defendant. - Conduct factual and legal research into the merits of Plaintiff’s claims - Review client documents and personnel file	3	Mar – Apr 2020
<u>2. Drafting and Filing the Complaint</u> - Conduct further research regarding Defendant and its policies and practices and confer with client. - Review and revise PAGA letter and complaint.	2	Apr 2020
<u>3. Initial conferences and correspondence with Defendant’s counsel, Initial scheduling conference and case initiation requirements</u> - Review case initiation documents and conformed copies and review initial Case Management Conference order and draft notice of CMC. - Continue compiling case documents from client and case research regarding the applicable authorities and claims and Defendant’s policies and operations. - Review answer from defendant. - Conduct teleconferences and exchange correspondence regarding claims and Defendant’s operations and the case and claims.	2	Apr 2020 – Aug 2020
<u>4. Potential ADR Discussions and formal and informal discovery requests</u> - Confer and correspond with Defendant and mediators regarding mediator selection and availability and scheduling. - Agree upon mediator and draft multiple e-mails and respond regarding scheduling. - Book mediation and begin preparation after finalizing scheduling based on parties and counsel schedules and availability and that of the mediator. - Confer with associate re: mediation scheduling, informal discovery and other case management issues. - Review discovery propounded.	3	Aug 2020 – Oct 2020
<u>5. Complete Initial Informal and Formal Discovery, Mediation Preparation, and Conduct Mediation and further discovery meet and</u>	20	Nov 2021 – March 2021

Detailed Time and Task Summary – David Yeremian

<u>confer –</u> • Draft correspondence with Defendant’s counsel and mediator regarding mediation and scheduling. • Review all production and file documents and policy documents and compile key exhibits and documents for mediation. • Confer and correspond with Defendant’s counsel regarding Class Member’s data and numbers agreed upon and extrapolated for mediation. • Review calculations of Defendant’s potential liability exposure and summarize defenses to each and alleged bases for reduction in calculated numbers. • Review mediation brief addressing background and procedure, discovery completed, and each of Plaintiffs’ claims, and the facts and law supporting them, and research and calculate potential estimated damages and penalties exposure. • Participate in full day mediation. • Complete conferences with defense counsel regarding Settlement and general terms.		
<u>6. Drafting Settlement Agreement and Terms –</u> • Review and revise Memorandum of Agreement. • Review notice of settlement. • Review and revise long form Settlement Agreement. • Review Notice to Aggrieved Employees. • Review the final Settlement Agreement.	5	Mar 2021 – Nov 2021
<u>7. Motion for Approval, Hearing, and Begin Administration:</u> • Review and revise motion for approval of the Settlement and supporting documents and declarations.	3	Oct 2021 – Nov 2021
TOTAL:	38 Hrs.	

EXHIBIT 5

Detailed Time and Task Summary – Jason Rothman

Tasks Performed	Atty Hours Est.	Date range
<u>1. Pre-Filing and Investigation Tasks</u> – • Complaint research and research case law and other cases, and research Defendant and its operations and prior litigations. • Set up file and documents, including attorney client agreement, responsibilities of a class representative, and wage statements and personnel file documents. • Research California Secretary of State filings for Defendant. • Conduct factual and legal research into the merits of Plaintiff’s claims • Review client documents and personnel file	3	April 2020
<u>2. Drafting and Filing the Complaint</u> • Conduct further research regarding Defendant and its policies and practices and confer with client. • Review and revise PAGA letter and complaint.	5	April 2020
<u>3. Initial conferences and correspondence with Defendant’s counsel, Initial scheduling conference and case initiation requirements</u> • Review case initiation documents and conformed copies and review initial Case Management Conference order and draft notice of CMC. • Continue compiling case documents from client and case research regarding the applicable authorities and claims and Defendant’s policies and operations. • Review answer from defendant. • Conduct teleconferences and exchange correspondence regarding claims and Defendant’s operations and the case and claims. • Draft and file first amended complaint.	5	Apr 2020 – Aug 2020
<u>4. Potential ADR Discussions and formal and informal discovery requests</u> • Confer and correspond with Defendant and mediators regarding mediator selection and availability and scheduling. • Agree upon mediator and draft multiple e-mails and respond regarding scheduling. • Book mediation and begin preparation after finalizing scheduling based on parties and counsel schedules and availability and that of the mediator. • Confer with associate re: mediation scheduling, informal discovery and other case management issues. • Review discovery propounded. • Draft and file second amended complaint.	10	Aug 2020 – Oct 2020

Detailed Time and Task Summary – Jason Rothman

<u>5. Complete Initial Informal and Formal Discovery, Mediation Preparation, and Conduct Mediation and further discovery meet and confer –</u> • Draft correspondence with Defendant’s counsel and mediator regarding mediation and scheduling. • Review all production and file documents and policy documents and compile key exhibits and documents for mediation. • Confer and correspond with Defendant’s counsel regarding Class Member’s data and numbers agreed upon and extrapolated for mediation. • Review calculations of Defendant’s potential liability exposure and summarize defenses to each and alleged bases for reduction in calculated numbers. • Review mediation brief addressing background and procedure, discovery completed, and each of Plaintiffs’ claims, and the facts and law supporting them, and research and calculate potential estimated damages and penalties exposure. • Participate in full day mediation. • Complete conferences with defense counsel regarding Settlement and general terms. • Draft and revise MOU. Several conferences with opposing counsel re: same.	34	Nov 2020 – March 2021
TOTAL:	57 Hrs.	

EXHIBIT 6

LAFFEY MATRIX

[History](#)
[Case Law](#)
[Expert Opinions](#)
[See the Matrix](#)
[Contact us](#)
[Home](#)
[Links](#)

<tr>

			Years Out of Law School *				
Year	Adjustmt Factor**	Paralegal/ Law Clerk	1-3	4-7	8-10	11-19	20 +
6/01/19- 5/31/20	1.0049	\$203	\$372	\$458	\$661	\$747	\$899
6/01/18- 5/31/19	1.0350	\$202	\$371	\$455	\$658	\$742	\$894
6/01/17- 5/31/18	1.0463	\$196	\$359	\$440	\$636	\$717	\$864
6/01/16- 5/31/17	1.0369	\$187	\$343	\$421	\$608	\$685	\$826
6/01/15- 5/31/16	1.0089	\$180	\$331	\$406	\$586	\$661	\$796
6/01/14- 5/31/15	1.0235	\$179	\$328	\$402	\$581	\$655	\$789
6/01/13- 5/31/14	1.0244	\$175	\$320	\$393	\$567	\$640	\$771
6/01/12- 5/31/13	1.0258	\$170	\$312	\$383	\$554	\$625	\$753
6/01/11- 5/31/12	1.0352	\$166	\$305	\$374	\$540	\$609	\$734
6/01/10- 5/31/11	1.0337	\$161	\$294	\$361	\$522	\$589	\$709
6/01/09- 5/31/10	1.0220	\$155	\$285	\$349	\$505	\$569	\$686
6/01/08- 5/31/09	1.0399	\$152	\$279	\$342	\$494	\$557	\$671
6/01/07-5/31/08	1.0516	\$146	\$268	\$329	\$475	\$536	\$645
6/01/06-5/31/07	1.0256	\$139	\$255	\$313	\$452	\$509	\$614
6/1/05-5/31/06	1.0427	\$136	\$249	\$305	\$441	\$497	\$598
6/1/04-5/31/05	1.0455	\$130	\$239	\$293	\$423	\$476	\$574
6/1/03-6/1/04	1.0507	\$124	\$228	\$280	\$405	\$456	\$549
6/1/02-5/31/03	1.0727	\$118	\$217	\$267	\$385	\$434	\$522
6/1/01-5/31/02	1.0407	\$110	\$203	\$249	\$359	\$404	\$487
6/1/00-5/31/01	1.0529	\$106	\$195	\$239	\$345	\$388	\$468
6/1/99-5/31/00	1.0491	\$101	\$185	\$227	\$328	\$369	\$444
6/1/98-5/31/99	1.0439	\$96	\$176	\$216	\$312	\$352	\$424
6/1/97-5/31/98	1.0419	\$92	\$169	\$207	\$299	\$337	\$406
6/1/96-5/31/97	1.0396	\$88	\$162	\$198	\$287	\$323	\$389

6/1/95-5/31/96	1.032	\$85	\$155	\$191	\$276	\$311	\$375
6/1/94-5/31/95	1.0237	\$82	\$151	\$185	\$267	\$301	\$363

The methodology of calculation and benchmarking for this Updated Laffey Matrix has been approved in a number of cases. See, e.g., McDowell v. District of Columbia, Civ. A. No. 00-594 (RCL), LEXSEE 2001 U.S. Dist. LEXIS 8114 (D.D.C. June 4, 2001); Salazar v. Dist. of Col., 123 F.Supp.2d 8 (D.D.C. 2000).

* "Years Out of Law School" is calculated from June 1 of each year, when most law students graduate. "1-3" includes an attorney in his 1st, 2nd and 3rd years of practice, measured from date of graduation (June 1). "4-7" applies to attorneys in their 4th, 5th, 6th and 7th years of practice. An attorney who graduated in May 1996 would be in tier "1-3" from June 1, 1996 until May 31, 1999, would move into tier "4-7" on June 1, 1999, and tier "8-10" on June 1, 2003.

** The Adjustment Factor refers to the nation-wide Legal Services Component of the Consumer Price Index produced by the Bureau of Labor Statistics of the United States Department of Labor.

EXHIBIT 7