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CS Investigative Services, Inc. and

Sam El-Said

IN THE SUPERIOR COURT OF CALIFORNIA

COUNTY OF SAN BERNARDINO

RICHARD MACARIO SALAZAR, an
individual,

Plaintiff,

vs.

CS INVESTIGATIVE SERVICES, INC. AND
SAM EL-SAID,

Defendants.

Case No. CIVDS 2013046

Assigned to Hon. Janet M. Frangie in Dept. S29

**PLAINTIFF AND DEFENDANTS' JOINT
NOTICE OF MOTION AND MOTION FOR
APPROVAL OF PAGA SETTLEMENT;
MEMORANDUM OF POINTS &
AUTHORITIES; DECLARATION OF
BRUCE T. MURRAY**

Date: May 6, 2021

Time: 9:00 a.m.

Dept.: S29

Action Filed: June 23, 2020

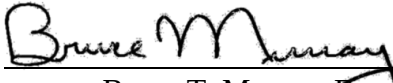
Trial Date: None

PLEASE TAKE NOTICE that on May 6, 2021 at 9:00 a.m. or as soon thereafter as the matter may be heard in department S29 of the above-entitled Court, located at 247 W. Third Street San Bernardino, California 92415, Plaintiff Richard Macario Salazar, and Defendants CS Investigative Services, Inc. and Sam El-Said, will and hereby do jointly move for an order approving settlement of the PAGA claims reached by and between the parties in this action.

1 This Motion will be based upon the attached memorandum of points and authorities, the
2 declaration of Bruce T. Murray, exhibits, all pleadings and records on file herein, all facts and other
3 matters of which this Court may take judicial notice, and such other oral and documentary evidence as
4 may be presented at hearing on this Motion.

5
6 **PIMENTEL LAW, P.C.**

7 Dated: April 5, 2021

8 By: 
Bruce T. Murray, Esq.
Attorney for Plaintiff

10
11 **Irvine Law Group, LLP**

12 Dated: April 5, 2021

13 By: 
Rod Bidgoli, Esq.
Attorneys for Defendants
CS Investigative Services, Inc.
and Sam El-Said

1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. INTRODUCTION**

3 Plaintiff's suit alleges causes of action for (1) failure to furnish itemized wage statements, (2)
4 civil penalties under the Private Attorneys General Act ("PAGA") and (3) retaliation under California
5 Labor Code § 1102.5. At its core, this is a retaliation case stemming from Plaintiff's opposition to
6 Defendants' alleged failure to pay overtime, as well as his complaints about various other alleged illegal
7 activities. However, Plaintiff included a PAGA cause of action for failure to pay overtime hours worked,
8 failure to timely pay wages, and failure to furnish proper wage statements in violation of Labor Code §§
9 226, 204 and 1197. The parties have reached separate settlements of both Plaintiff's PAGA and
10 individual (non-PAGA) causes of action. Thus, as required by the Labor Code, parties seek Court
11 approval of the PAGA settlement.

12 **II. FACTS**

13 **a. Plaintiff's Employment at CS Investigative Services**

14 Plaintiff Richard Macario Salazar worked as a Project Manager/Lead Technician for CS
15 Investigative Services, Inc. intermittently from on or about October 18, 2019 to on or about April 1,
16 2020. Technicians at CS Investigative Services are responsible for the installation of security systems
17 and cameras – as so ordered and purchased by clients and customers.

18 **b. The Unpaid Overtime Incident**

19 On November 15, 2019, Mr. Salazar and co-worker Mr. Ryan James Hirsch believed that their
20 pay checks failed to include certain overtime hours worked for that pay period. Thus, that same date,
21 they visited the office of CS Investigative Services to discuss with Mr. El-Said the alleged unpaid
22 overtime hours. At the meeting, Mr. El-Said told Mr. Salazar and Mr. Hirsch to write down the hours
23 that they claimed they were owed and to bring the documentation to him.

24 On November 18, 2019, Mr. Salazar and Mr. Hirsch returned to Mr. El-Said's office and turned
25 in their timecards documenting the alleged unpaid overtime hours that were worked. Mr. El-Said then
26 instructed his accountant to print their unpaid overtime checks, which failed to include itemized wage
27 statements. Mr. El-Said then handed the checks to Mr. Salazar and Mr. Hirsch.

1 **c. The End of Plaintiff's Employment**

2 On or about April 1, 2020, Plaintiff's employment with CS Investigative Services ended. There
3 is a dispute between the parties as to whether Plaintiff voluntarily resigned, or he was terminated for
4 cause.

5 **III. PROCEDURAL HISTORY**

6 On April 9, 2020, Plaintiff submitted Notice to the Labor & Workforce Development Agency
7 (LWDA) and Defendants of the overtime and wage statement violations Defendants allegedly
8 committed against Plaintiff and other alleged aggrieved employees. (Exhibit 1).

9 On November 6, 2020, the parties engaged in a full-day mediation with Hon. Michelle
10 Rosenblatt (Ret.) of ADR Services, Inc. The parties were unable to settle the case at that time. Over the
11 next several months, the parties engaged in further settlement discussions which, on December 30, 2020,
12 culminated in a settlement in principle of both the PAGA and individual (non-PAGA) claims.

13 On or about March 4, 2021 the parties executed two settlement agreements: one to settle the
14 PAGA causes of action, and one to settle the individual causes of action.

15 On April 5, 2021, Plaintiff submitted via electronic submission a copy of the PAGA Settlement
16 Agreement and this Motion for Approval of PAGA Settlement to the LWDA. (Exhibit 2).

17 **IV. ARGUMENT**

18 **a. The Proposed PAGA Settlement Allocation**

19 The total amount of the parties' PAGA settlement is \$2,500, which, subject to Court approval,
20 will be allocated as follows: (1) \$1,875 for payment of civil penalties to the LWDA and (2) \$625 to the
21 allegedly aggrieved employees that were the subject of Plaintiff's PAGA claims.

22 Within 30 days of Court approval of the parties' settlement, Defendants will distribute 25% of
23 the PAGA penalties equally to the aggrieved employees and deliver to the LWDA 75% of the PAGA
24 penalties.

25 **b. The Settlement Provides Fair, Reasonable, and Adequate Relief to Alleged**
26 **Aggrieved Employees in Light of the Risk and Expense of Further Litigation**

27 **i. Legal Standard for Determining Adequacy of Settlement**

28 Class action requirements "need not be met when an employee's representative action against

1 an employer is seeking civil penalties under the Labor Code Private Attorneys General Act of 2004.”
2 *Arias v. Superior Court*, 46 Cal.4th 969, 975 (2009). The reasonableness of a settlement is determined
3 with an “understanding of the amount that is in controversy and the realistic range of outcomes of the
4 litigation.” *Kullar v. Foot Locker Retail*, 168 Cal.App.4th 116, 120 (2008). A settlement is fair if the
5 “consideration being paid for the release of those claims represents a reasonable compromise.” *Munoz*
6 *v. BCI Coca-Cola Bottling Co.*, 186 Cal.App.4th 399, 408 (2010). “Ultimately, the trial court’s
7 determination is nothing more than an amalgam of delicate balancing, gross approximations and rough
8 justice.” *Dunk v. Ford Motor Co.*, 48 Cal.App.4th 1794, 1801 (1996). “Neither the trial court nor this
9 court is to reach any ultimate conclusions on the contested issues of fact and law which underlie the
10 merits of the dispute, for it is the very uncertainty of outcome in litigation and avoidance of wasteful
11 and expensive litigation that induce consensual settlements. In other words, the settlement or fairness
12 hearing is not to be turned into a trial or rehearsal for trial on the merits.” *7-Eleven Owners For Fair*
13 *Franchising v. Southland Corp.*, 85 Cal.App.4th at 1145 (2000). “The proposed settlement is not to be
14 judged against a hypothetical or speculative measure of what might have been achieved had plaintiffs
15 prevailed at trial.” *Wershba v. Apple Computer Inc.*, 91 Cal.App.4th 224, 246 (2001).

16 “The court must stop short of the detailed and thorough investigation that it would undertake if
17 it were actually trying the case.” *Clark v. American Residential Services LLC*, 175 Cal.App.4th 785, 799
18 (2009). “A settlement need not obtain 100 percent of the damages sought in order to be fair and
19 reasonable. (See *Rebney v. Wells Fargo Bank, supra*, 220 Cal.App.3d at p. 1139 [settlements found to
20 be fair and reasonable even though monetary relief provided was ‘relatively paltry’]; *City of Detroit v.*
21 *Grinnell Corp., supra*, 495 F.2d at p. 455 [settlement amounted to only ‘a fraction of the potential
22 recovery’].) Compromise is inherent and necessary in the settlement process.” *Wershba*, 91 Cal.App.4th
23 at 250.

24 **ii. The PAGA Allocation is Within the Range of Reasonableness**

25 California Labor Code § 2699.3 (c) authorizes an aggrieved employee to bring a representative
26 action for the collection of civil penalties on behalf of himself and other employees against an employer who
27 has committed Labor Code violations against them. “The civil penalty is one hundred dollars (\$100) for
28 each aggrieved employee per pay period for the initial violation and two hundred dollars (\$200) for each

1 aggrieved employee per pay period for each subsequent violation.” LAB. CODE § 2699 (f) (2). The statute
2 of limitations for collecting civil penalties is 12 months. CIV. PROC. CODE § 340 (a). “In any action by
3 an aggrieved employee seeking recovery of a civil penalty available under subdivision (a) or (f), a court
4 may award a lesser amount than the maximum civil penalty amount specified by this part if, based on
5 the facts and circumstances of the particular case, to do otherwise would result in an award that is unjust,
6 arbitrary and oppressive, or confiscatory.” LAB. CODE § 2699 (e) (2).

7 According to *Amaral v. Cintas Corp.*, 163 Cal.App.4th 1157, 1209 (2008), “a ‘subsequent’
8 violation (which carries a double penalty) must refer to something other than an underpayment that
9 occurs after the first pay period. Although common sense might suggest a ‘subsequent’ violation is
10 nothing more than a violation that occurs at a later point in time after an ‘initial’ violation, this definition
11 is inadequate because the statutes provide for multiple penalties for ‘each failure to pay each employee’
12 incurred in an initial violation. Until the employer has been notified that it is violating a Labor Code
13 provision (whether or not the commissioner or court chooses to impose penalties), the employer cannot
14 be presumed to be aware that its continuing underpayment of employees is a ‘violation’ subject to
15 penalties. However, after the employer has learned its conduct violates the Labor Code, the employer is
16 on notice that any future violations will be punished just the same as violations that are willful or
17 intentional — i.e., they will be punished at twice the rate of penalties that could have been imposed or
18 that were imposed for the initial violation.”

19 Here, there was no evidence that Defendants had been previously notified that they were
20 violating Labor Code §§ 510, 226, 201 or 204. As such, to the extent that the holding in the *Amaral*
21 decision, *supra*, applies to PAGA actions, Defendants’ alleged Labor Code violations could only subject
22 them to civil penalties at the \$100 rate. Assuming the “initial” violation penalty rate applies, Plaintiff’s
23 PAGA claim entitles him to recover a civil penalty of \$100 for every pay period in which a Labor Code
24 §§ 510, 226, 201 or 204 violation was committed against an aggrieved employee.

25 Based on the November 15, 2019 overtime incident, wherein Plaintiff and Mr. Hirsch brought
26 to El-Said’s attention his failure to include certain overtime hours on one of their paychecks, Plaintiff
27 had reason to believe that Defendants similarly failed to pay other employees for overtime. As such, he
28 brought a PAGA action alleging that Defendants failed to pay other employees for overtime hours

1 worked. He also included a derivative non-compliant wage statement claim because a failure to pay
2 overtime would necessarily result in a misreporting of the number of hours worked on the wage
3 statements of those employees, in violation of Labor Code § 226 (a) (2). Lastly, Plaintiff's PAGA action
4 included another derivative claim for willful failure to timely pay wages in violation of Labor Code §§
5 201 and 204, which would make Defendants liable for additional PAGA penalties if they failed to pay
6 the aggrieved employees for those unpaid overtime hours upon their discharge.

7 In the course of the litigation, Plaintiff's counsel investigated whether Defendants' failure to pay
8 Plaintiff and Mr. Hirsch for overtime hours worked was merely an isolated incident, or part of a larger
9 unlawful practice of failing to pay other employees' overtime. Plaintiff's counsel interviewed various
10 witnesses about the overtime allegations and was unable to find evidence that any other employees failed
11 to receive overtime pay for overtime hours worked. Indeed, one of the persons interviewed was a
12 Supervisor at the company at the time of Plaintiff's employment who claimed to provide support to the
13 Human Resources and IT departments. According to this employee, he/she¹ assisted HR in reviewing
14 timecards to make corrections when employees missed punches, and that he/she did not observe and
15 was not aware of any unpaid overtime to employees, him/herself included. Further, apart from Mr.
16 Hirsch, the other employees interviewed denied any nonpayment of overtime.

17 Thus, based upon Plaintiff's investigation and discovery, there were a total of two employees—
18 Plaintiff Richard Macario Salazar and Ryan James Hirsch—who each failed to receive overtime pay in
19 one pay period, for a total aggregate of two pay periods. This overtime violation resulted in an
20 underreporting of the number of overtime hours worked on the wage statements of Plaintiff and Mr.
21 Hirsch in the pay period that the overtime violation occurred. Thus, Plaintiff and Mr. Hirsch each failed
22 to receive a compliant wage statement in one pay period. Since both employees were paid the unpaid
23 overtime hours at the time of their employment, Defendant could not be liable for additional PAGA
24 penalties under Labor Code §§ 201 and 204.

25 CS Investigative Services may have allegedly issued at least one check with either a non-
26 compliant wage statement or no wage statement at all, to some other employees. This allegation is
27 disputed, but in order to resolve all matters between the parties, Defendants have agreed to settle the
28

¹ Gender pronouns are intentionally concealed to protect the identity of the witness.

1 PAGA claims, which include all claims for alleged failure(s) to issue wage statements or non-compliant
2 wage statements. The maximum number of employees that may have received non-compliant wage
3 statements, or no wage statements at all for a single pay period, including plaintiff and Mr. Hirsch is
4 178 employees. As such the maximum PAGA civil penalties would be 178 x \$100 - \$17,800.

5 The parties have allocated \$2,500 to civil penalties under the PAGA, which represents
6 approximately 14% of the maximum penalties recoverable. *See Nordstrom Commi. Cases*, 186
7 Cal.App.4th 576, 580, 589 (2010) (no abuse discretion in approving settlement of class action that
8 allocated \$6.405 million to class members and zero to PAGA claim). Pursuant to the PAGA settlement,
9 25% of the \$2,500 will be distributed to the allegedly aggrieved employees. Based on the total number
10 of employees of 178, each allegedly aggrieved employee will receive \$3.51 as their portion of the PAGA
11 penalties, while the LWDA will receive \$1875.00.

12 **iii. Amount Allocated to Non-PAGA Claims**

13 Plaintiff's non-PAGA claims for retaliation and failure to furnish itemized wage statements (first
14 and third causes of action), which are not subject to court approval, have been settled by way of a
15 separate confidential settlement agreement and release. A copy of the non-PAGA settlement release will
16 be lodged with the Court for in camera viewing in the event that the Court believes that release has any
17 relevance to the Court's determination of reasonableness of the PAGA settlement. Of note, the non-
18 PAGA claims settled for 15% of the amount demanded at mediation.

19 To the extent that the Court places any relevance on the amount allocated to Plaintiff's non-
20 PAGA claims, which are not subject to court approval, the Court should note that the PAGA claim
21 settled for nearly 14% of its potential maximum value, whereas the non-PAGA claims settled for 15%
22 of their potential maximum value. As such, parties did not divert any settlement funds away from the
23 PAGA claims that could have otherwise been allocated towards PAGA penalties. To the contrary, at
24 defense counsel's urging, more funds than were actually necessary were diverted away from Plaintiff's
25 non-PAGA claims and to Plaintiff's PAGA claims so as to ensure a finding of reasonableness of the
26 PAGA settlement.

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DECLARATION OF BRUCE T. MURRAY

I, Bruce T. Murray, declare as follows:

1. I am the attorney for the plaintiff in this action, and am a member in good standing with the State Bar of California.

2. I have personal knowledge of all facts contained in this declaration, and if called to do so, I could and would testify thereto.

3. On April 9, 2020, Plaintiff submitted Notice to the Labor & Workforce Development Agency (LWDA) and Defendants of the overtime and wage statement violations Defendants allegedly committed against Plaintiff and other alleged aggrieved employees. A true and correct copy of the Notice is attached hereto as Exhibit 1.

4. On November 6, 2020, the parties engaged in a full-day mediation with Hon. Michelle Rosenblatt (Ret.) of ADR Services, Inc. The parties were unable to settle the case at that time. Over the next several months, the parties engaged in various further settlement discussions which, on December 30, 2020, culminated in a settlement of both the PAGA and non-PAGA claims.

5. On or about March 4, 2021 the parties executed two settlement agreements: one to settle the PAGA causes of action, and one to settle the individual causes of action.

6. On April 5, 2021, Plaintiff submitted via electronic submission a copy of this Motion for Approval of PAGA Settlement to the LWDA. A true and correct copy of the submission confirmation is attached hereto as Exhibit 2.

7. The total amount of the parties' PAGA settlement is \$2,500, which, subject to Court approval, will be allocated as follows: (1) \$1,875 for payment of civil penalties to the LWDA and (2) \$625 to the 109 allegedly aggrieved employees that were the subject of Plaintiff's PAGA suit. A true and correct copy of the parties' PAGA release is attached hereto as Exhibit 3.

8. Within 30 days of Court approval of the parties' settlement, Defendants will distribute 25% of the PAGA penalties equally to the allegedly aggrieved employees and deliver to the LWDA 75% of the PAGA penalties.

9. Here, there was no evidence that Defendants had been previously notified that they were violating Labor Code §§ 510, 226, 201 or 204.

1 10. Based on the November 15, 2019 overtime incident, wherein Plaintiff and Mr. Hirsch
2 brought to Mr. El-Said's attention his failure to include certain overtime hours on one of their paychecks,
3 Plaintiff had reason to believe that Defendants similarly failed to pay other employees for overtime. As
4 such, he brought a PAGA action alleging that Defendants failed to pay other employees for overtime
5 hours worked. He also included a derivative non-compliant wage statement claim because a failure to
6 pay overtime would necessarily result in a misreporting of the number of hours worked on the wage
7 statements of those employees, in violation of Labor Code § 226 (a) (2). Lastly, Plaintiff's PAGA action
8 included another derivative claim for willful failure to timely pay wages in violation of Labor Code §§
9 201 and 204, which would make Defendants liable for additional PAGA penalties if they failed to pay
10 the aggrieved employees for those unpaid overtime hours upon their discharge.

11 11. During the discovery process, I investigated whether Defendants' failure to pay Plaintiff
12 and Mr. Hirsch for overtime hours worked was merely an isolated incident, or part of a larger unlawful
13 practice of failing to pay other employees' overtime. I hired a private investigator to interview various
14 witnesses about the overtime allegations and based on those interviews, I was unable to find evidence
15 that any other employees failed to receive overtime pay for overtime hours worked. Indeed, one of the
16 persons interviewed was a Supervisor at the company at the time of Plaintiff's employment who claimed
17 to provide support to the Human Resources and IT departments. According to this employee, he/she
18 assisted HR in reviewing timecards to make corrections when employees missed punches, and that
19 he/she did not observe and was not aware of any unpaid overtime to employees, him/herself included.
20 Further, apart from Mr. Hirsch, the other employees interviewed denied any nonpayment of overtime.

21 12. Thus, based upon my investigation and discovery, there were a total of two employees—
22 Plaintiff Richard Macario Salazar and Ryan James Hirsch—who each failed to receive overtime pay on
23 one pay period. This overtime violation resulted in an underreporting of the number of overtime hours
24 worked on the wage statements of Plaintiff and Mr. Hirsch on the pay period that the overtime violation
25 occurred. Thus, Plaintiff and Mr. Hirsch each failed to receive a compliant wage statement on one pay
26 period. Since both employees were paid the unpaid overtime hours at the time of their employment,
27 Defendant could not be liable for additional PAGA penalties under Labor Code §§ 201 and 204.

28 13. Based on the PAGA theories plead in Plaintiff's PAGA Notice, and the evidence adduced

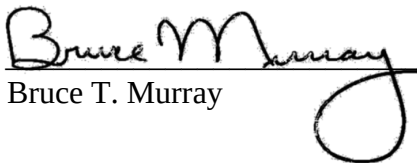
1 in this litigation, the maximum total PAGA penalties recoverable in this case is \$17,800. Despite that,
2 the parties have allocated \$2,500 to civil penalties under the PAGA. Because Plaintiff's settlement has
3 allocated more to PAGA penalties than otherwise may have been recoverable at trial, the settlement
4 necessarily represents a reasonable and fair compromise of Plaintiff's PAGA claims.

5 14. Plaintiff's non-PAGA claims for retaliation and failure to furnish itemized wage statements
6 (first and third causes of action), which are not subject to court approval, have been settled by way of a
7 separate confidential settlement release. A copy of the Individual Settlement Agreement will be lodged
8 with the court for its in camera viewing in the event that it believes that release has any relevance to the
9 Court's determination of reasonableness of the PAGA settlement. Of note, the non-PAGA claims settled
10 for 15% of the amount demanded at mediation.

11 15. To the extent that the Court places any relevance on the amount allocated to Plaintiff's
12 non-PAGA claims, which are not subject to court approval, the Court should note that the PAGA claim
13 settled for 14% of its potential maximum value, whereas the non-PAGA claims settled for 15% of their
14 potential maximum value. As such, Plaintiff did not divert any settlement funds away from the PAGA
15 claim that could have otherwise been allocated towards PAGA penalties. To the contrary, at defense
16 counsel's urging, more funds than were actually necessary were diverted away from Plaintiff's non-
17 PAGA claims and to Plaintiff's PAGA claim so as to ensure a finding of reasonableness of the PAGA
18 settlement.

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

21 Dated: April 5, 2021

22 By: 
Bruce T. Murray

1 **PROOF OF SERVICE**

2 **STATE OF CALIFORNIA, COUNTY OF LOS ANGELES**

3 I am employed in the County of Los Angeles, State of California. I am over the age of 18 and
4 not a party to the within action. My business address is 30 N. Raymond Ave., Ste. 210 Pasadena, CA
5 91103.

6 On April 5, 2021, I served the foregoing document described as **PLAINTIFF AND**
7 **DEFENDANTS' JOINT NOTICE OF MOTION AND MOTION FOR APPROVAL OF PAGA**
8 **SETTLEMENT; MEMORANDUM OF POINTS & AUTHORITIES; DECLARATION OF**
9 **BRUCE T. MURRAY** on the interested parties in this action as follows:

10 ☐ By placing true copies enclosed in a sealed envelope addressed to each addressee as
11 follows:

12 ☒ Electronically to from my email address, BTM@PimentelLaw.com on the persons
13 identified below at the following electronic service address:
14 RBidgoli@IrvineLawGroup.com

15
16 Irvine Law Group
17 Rod Bidgoli, Esq.
18 2090 N. Tustin Avenue, Suite 250A
19 Santa Ana, CA 92705

*Counsel for Defendants CS Investigative
Services, Inc. and Sam El-Said*

20 ☐ BY MAIL:

21 ☐ I deposited each envelope in the mail at Pasadena, California, with postage thereon fully
22 prepaid.

23 ☐ I enclosed the documents in an envelope or package provided by an overnight delivery
24 carrier and addressed to the persons at the addresses above. I placed the envelope or
25 package for collection and overnight delivery at an office or regularly utilized drop box
26 of the overnight delivery carrier.

27 ☒ STATE I declare under penalty of perjury under the laws of the State of California
28 that the foregoing is true and correct.

29 Bruce T. Murray



Executed on April 5, 2021 at Pasadena, California.

EXHIBIT 1

April 9, 2020

Via Electronic Filing

PAGA Administrator
Labor & Workforce Development Agency
1515 Clay Street, Ste. 801
Oakland, CA 94612

Re: PAGA Notice

PAGA Administrator:

Please allow this letter to serve as notice pursuant to California Labor Code § 2699, et seq. of Labor Code violations committed by CS Investigative Services, Inc. and Sam El-Said (collectively, "Respondents") against Richard Salazar and other current and former employees of the company. The facts and theories that support this claim are as follows:

Richard Salazar worked as a Project Manager/Lead Technician for CS Investigative Services, Inc. and Sam El-Said from approximately October 18, 2019 to April 2, 2020. CS Investigative Services, Inc. is located at 8628 Utica Ave., Ste. 700, Rancho Cucamonga, CA 91730. Technicians at CS Investigative Services are responsible for the installation of security systems and cameras at various customer locations.

California Labor Code section 510, along with the Industrial Welfare Commission Order No. 4-2001, mandate overtime payment to employees, in specified circumstances, by a particular formula. Respondents failed to pay Salazar and other employees for their overtime, in violation of the Labor Code and IWC order. On November 15, 2019, Salazar and co-worker Ryan "James" Hiersc complained to Gale Cruz, CS Investigative Services accountant and human resources representative, regarding the missing overtime pay. Gale replied, "that's what Sam told me to do. He doesn't pay his employees overtime or double time and Sam told me to remove those hours." She then showed them their time cards – which had their overtime and double time hours scratched out. Respondents later terminated Ms. Cruz for her resistance to their orders to deny overtime pay. Salazar alleges that Respondents routinely denied overtime payment to other employees, in violation of Cal. Lab. Code § 510 and IWC Order No. 4-2001. The failure to make payments for work in excess of

the normal work period also violates the timely pay requirements of Cal. Lab. Code § 204 because it constitutes a failure to pay all wages due within the time required by that Code section.

California Labor Code, section 226, requires all employers to provide employees with an itemized statement of wages, including gross wages earned and total hours worked by the employee. By failing to pay overtime during the last 12 months, CS Investigative Services, Inc. and Sam El-Said have also failed to furnish fully itemized wage statements, in violation of Cal. Lab. Code § 226. Mr. Salazar alleges that Respondents have failed to provide such statements reflecting overtime payments not just to him but to other employees of CS Investigative Services who have not been paid overtime, in violation of Labor Code § 226. Because Respondents failed to provide proper wage statements, not only to Mr. Salazar, but to all CS Investigative Services employees, Mr. Salazar asserts remedies available under Cal. Lab. Code § 2699 as to all other employees who have been subjected to this violation.

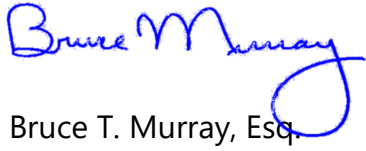
According to the Section 201 of the California Labor Code, "If an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately." If an employer willfully fails to pay a discharged employee's final wages immediately, "the wages of the employee shall continue as a penalty from the due date thereof at the same rate until paid or until an action therefor is commenced ..." Cal. Lab. Code § 203. Mr. El-Said terminated Mr. Salazar's employment on April 1, 2020. However, he was not furnished with his final paycheck at the time of his termination. Mr. Salazar alleges that this violation is standard practice at CS Investigative Services, and therefore makes this claim on behalf of himself and other former employees who have also failed to receive their final paycheck immediately upon discharge, in the case of terminations or within 72 hours of these employees' resignations.

The Labor Code Private Attorneys General Act of 2004 provides that "any provision of this code that provides for a civil penalty to be assessed and collected by the Labor and Workforce Development Agency ... may, as an alternative, be recovered through a civil action brought by an aggrieved employee on behalf of himself or herself and other current or former employees." Cal. Lab. Code § 2699.

The Labor Code's PAGA provision enumerates remedies specifically: "If, at the time of the alleged violation, the person employs one or more employees, the civil penalty is one hundred dollars (\$100) for each aggrieved employee per pay period for the initial violation and two hundred dollars (\$200) for each aggrieved employee per pay period for each subsequent violation." Cal. Lab. Code § 2699. Mr. Salazar seeks such remedies for himself and for all CS Investigative Services employees who were denied overtime pay.

Mr. Salazar seeks all other remedies available at law.

Regards,

A handwritten signature in blue ink that reads "Bruce Murray". The signature is written in a cursive style with a large, looped "M" and a trailing flourish.

Bruce T. Murray, Esq.

EXHIBIT 2

EXHIBIT 3

PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT
AGREEMENT AND LIMITED RELEASE OF CLAIMS

This Labor Code Private Attorneys General Act of 2004 ("PAGA") Settlement Agreement and Limited Release of Claims ("PAGA Settlement Agreement") is entered into by and between RICHARD MACARIO SALAZAR ("Plaintiff"), on behalf of himself, all other allegedly Aggrieved Employees (as defined below), and the State of California on the one hand, and CS INVESTIGATIVE SERVICES, INC., ("CSIS") and SAM EL-SAID ("EL-SAID") (collectively "Defendants") on the other hand. The term "Party" or "Parties" as used herein shall refer to Plaintiff, Defendants, or both, as may be appropriate.

1. **Recitals.** This PAGA Settlement Agreement is made with reference to the following facts:

(a) Plaintiff is a former employee of CSIS. Plaintiff was employed by CSIS from approximately October 2019 to approximately March 27, 2020;

(b) On or about April 9, 2020, Plaintiff filed a PAGA complaint letter (pursuant to Cal. Labor Code 2699, et seq.) with the California Labor and Workforce Development Agency ("LWDA") with a copy to Defendants, thereby alleging various violations of Labor Code during Plaintiff's employment with Defendants ("LWDA Letter"). Aggrieved Employees as used herein shall mean any employee of Defendants who has worked for Defendants at any time between April 9, 2019 to the Effective Date and who was alleged to have not been paid overtime, not furnished an accurate wage statement or not paid all wages immediately upon discharge during that time period.

(c) On June 23, 2020, Plaintiff brought an action concerning Plaintiff's employment with CSIS, including the termination of that employment which is pending as RICHARD MACARIO SALAZAR v. CS INVESTIGATIVE SERVICES, INC.; SAM EL-SAID, and Does 1 through 20 inclusive, San Bernardino County Superior Court Case No. CIVDS2013046 (the "Action"). In the Action, Plaintiff asserts claims for (i) FAILURE TO FURNISH ITEMIZED WAGE STATEMENTS IN VIOLATION OF LAB. CODE §226 (ii) CIVIL PENALTIES IN VIOLATION OF LAB. CODE §2699 ET SEQ, and (iii) RETALIATION IN VIOLATION OF LAB. CODE §1102.5; Defendants dispute and deny any and all wrongdoing, liability, and damages;

(d) There has been no determination on the merits of the Action but, in order to avoid additional cost and the uncertainty of litigation, the Parties desire to resolve all claims, including PAGA claims for recovery of penalties against the Defendants, both known and unknown, as of the date of execution of this PAGA Settlement Agreement.

(e) The Parties have entered into two separate Settlement Agreements – the first, this instant PAGA Settlement Agreement to be submitted via Motion for approval by the Court, and the second Individual Settlement Agreement to dispose of Plaintiff's individual claims as asserted in the Action.

(f) In order to facilitate final settlement of this matter, the Parties agree to cooperate in preparation for filing a Joint Motion by the Parties for Approval of PAGA Settlement Agreement, the [Proposed] Order ("PAGA Joint Motion and Order"), and supporting declarations with the San Bernardino County Superior Court. Plaintiff shall file a dismissal with prejudice of the entire Action in the Court following the Court's approval of the PAGA Joint Motion and Order, and Defendants making all required payments under this PAGA Settlement Agreement and the associated Individual Settlement Agreement.

(g) The Parties understand, acknowledge, and agree that the PAGA Settlement Agreement constitutes a compromise of Plaintiff's PAGA representative claims, including claims for penalties, and that it is the desire and intention of the Parties to affect a final and complete resolution of the Action including all representative claims pursuant to the PAGA that Plaintiff, State of California, and/or the alleged Aggrieved Employees may have against Defendants for PAGA penalties. The Parties acknowledge that Plaintiff has no capacity to resolve individual claims on behalf of the other alleged Aggrieved Employees and that neither this PAGA Settlement Agreement nor the associated Individual Settlement Agreement resolve any claims the Aggrieved Employees may have on an individual basis.

(h) The Parties believe, agree and thereon allege that this PAGA Settlement Agreement provides for a reasonable resolution of the PAGA Claims that accomplishes the deterrent purposes of the PAGA, and have arrived at the settlement in extensive, arms-length negotiations, taking into account all relevant factors, present and potential.

2. **Non-admission of Wrongdoing.** The Parties agree that neither this PAGA Settlement Agreement, nor the Individual Settlement Agreement, nor the furnishing of the consideration for this PAGA Settlement Agreement shall not in any way be construed as an admission by Defendants that they, or any of the Released Parties, acted wrongfully or failed to act lawfully with respect to Plaintiff or any other person, or that Plaintiff has any rights whatsoever against Defendants or any of the Released Parties. Rather, Defendants, on behalf of themselves and the Released Parties, specifically deny and disclaim any liability for any alleged wrongful acts or omissions against Plaintiff or any other person. Neither this PAGA Settlement Agreement nor anything in it shall be admissible in any proceeding as evidence of any unlawful or wrongful conduct by Defendants or any of the Released Parties. The Parties agree that this PAGA Settlement Agreement is the result of a compromise within the provisions of California Evidence Code Sections 1152 and 1154 and Rule 408 of the Federal Rules of Evidence

3. **Consideration.**

(a) In consideration of claims made under the California Private Attorneys General Act of 2004 ("PAGA"), Cal. Labor Code §§ 2698 *et seq.*, parties will jointly request that the Court approve allocation of TWO THOUSAND FIVE-HUNDRED DOLLARS (\$2,500.00) ("PAGA Settlement Sum") to the PAGA claims. Seventy-five percent (75%) of this payment will be paid to the California Labor and Workforce Development Agency ("LWDA") and twenty-five percent (25%) will be distributed to alleged Aggrieved Employees. Plaintiff will not oppose this request.

Defendants shall make payment of PAGA Settlement Sum within 30 days of Court's approval of the PAGA Settlement.

The foregoing amount shall be distributed by Defendants as follows:

- A. 75% to the LWDA; and
- B. 25% distributed to all Aggrieved Employees proportionately based on the number of pay periods that they were subjected to a violation of either Labor Code section 510, 226(a) or 201, *et seq.* Defendants shall also mail notice of settlement along with the settlement checks to all Aggrieved Employees who are eligible to receive payment pursuant to the terms of the instant PAGA Settlement Agreement. Defendants shall notify and confirm to the Court and Plaintiff's counsel in writing within five (5) days of submitting the 75% to LWDA and mailing the settlement checks to Aggrieved Employees that said checks have been submitted.
- C. In the event that any government agency (including without limitation IRS, or Franchise Tax Board) determines that additional taxes, interest and/or penalties are owed with respect to the payments made pursuant to this Agreement, then such taxes, interest and/or penalties typically assessed against an employer shall be borne by Defendants and taxes, interest and/or penalties typically borne by an employee shall be borne by the aggrieved employees who have actually received funds hereunder. Any liability for taxes, interest and/or penalties attributed to the Aggrieved Employees shall be several and based only on the amount of money each such Aggrieved Employee has actually received hereunder.

(b) This PAGA Settlement Agreement is conditioned on the Court approving the Parties' PAGA Joint Motion and executing the Order proposed therewith.

The Parties agree that the Action shall be, and hereby is, ended, settled, resolved, and concluded by Defendants paying the PAGA Settlement Sum pursuant to the terms and conditions

of this PAGA Settlement Agreement and for the consideration set forth herein, and the additional consideration paid to Plaintiff pursuant to the Parties' separate Individual Settlement Agreement.

NOW, THEREFORE, in consideration of the covenants herein set forth, the Parties hereto agree as follows:

1. Effective Date:

The effective date of the release of Claims in the Action shall be the date the Court approves this PAGA Settlement Agreement ("Effective Date").

2. Limited Release

Upon the Effective Date, Plaintiff, individually and on behalf LWDA, and all other allegedly Aggrieved Employees, hereby voluntarily and knowingly releases and forever discharges any and all claims seeking civil penalties under the California Labor Code predicated on the PAGA Claims asserted in the Action, during the PAGA Timeframe against Defendants, including, but not limited to claims asserted under California Labor Code Sections 98.6, 201, 202, 203, 212, 221 et seq., 226, 226.7, 432, 510, 512, 558, 1174, 1194, 1198, 1198.51, 2698 et seq., 6310, Cal. Code Regs Section 11050 et seq. and Cal. Bus & Professions Code Sec. 17200 et seq. The "PAGA Timeframe" is defined as the period of April 9, 2019 to the Effective Date.

The releases herein shall not apply to any subsequent breach of the provisions of this PAGA Settlement Agreement.

3. Court Approval

Should the Court not approve this PAGA Settlement Agreement, the Parties shall request leave of court, engage in further settlement negotiations to resolve the Action, and work jointly to attempt to remedy the PAGA Settlement Agreement to obtain the Court's approval. In such a case, this Agreement shall be automatically null and void, and a new agreement shall be negotiated by the Parties.

4. Assignment of Claims

Plaintiff hereby represents and warrants that he has not heretofore assigned or transferred or purported to assign or transfer to anyone or any entity, any claims, assertions of claims, demands, actions, causes of action, or suits based upon, arising out of, pertaining to, concerning or connected with any matters herein released, specifically the PAGA Claims.

5. Voluntary Agreement

The Parties expressly declare and represent that they have read this PAGA Settlement Agreement and have consulted with counsel, or had the opportunity to consult with counsel, regarding the meaning of the provisions, terms, and conditions contained herein. The Parties

further expressly declare and represent that they fully understand the content and effect of the PAGA Settlement Agreement, and that they approve and accept the terms and conditions contained herein, and that the PAGA Settlement Agreement is executed freely and voluntarily.

6. Binding Effect

The PAGA Settlement Agreement shall be binding upon and inure to the benefit of the respective Parties hereto, LWDA, and the allegedly Aggrieved Employees, and their respective legal successors, heirs, administrators, executors, assigns, and each of them.

7. Attorney's Fees and Costs

Each Parties shall bear their own attorney's fees and costs, unless otherwise specified herein.

8. Severability

If any non-material provision, term, section, or paragraph of the PAGA Settlement Agreement shall be found to be invalid, illegal or unenforceable, all remaining provisions, terms, sections, or paragraphs shall continue in full force and effect and remain binding on all parties. If any provision, term, section or paragraph of the PAGA Settlement Agreement is determined to be unenforceable, such provision, term, section or paragraph shall be modified so that the unenforceable provision, term, section or paragraph is enforceable to the greatest extent possible while maintaining the objective intent of the PAGA Settlement Agreement.

9. Modifications

The PAGA Settlement Agreement may be amended only by a written instrument executed by all Parties hereto.

10. Governing Law

The PAGA Settlement Agreement is made and entered into in the State of California and shall in all respects be interpreted and enforced in accordance with California law. The Superior Court of California, San Bernardino County shall retain jurisdiction over the PAGA Settlement Agreement. This shall not be deemed a waiver of Defendants' position that the forum selection clause in Plaintiff's employment contract is binding and enforceable as to Plaintiff.

11. Counterparts and Execution

The PAGA Settlement Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute but one and the same instrument. Parties' signatures sent via PDF through email shall be considered original signatures and enforceable for all purposes, including but not limited to a motion to enforce the PAGA Settlement Agreement pursuant to California Code of Civil Procedure Section 664.6.

12. Enforceability

The Parties specifically agree that (i) the PAGA Settlement Agreement is subject to disclosure in enforcement proceedings; (ii) the PAGA Settlement Agreement is binding and enforceable; (iii) all the material terms of the PAGA Settlement Agreement are set forth herein; (iv) the PAGA Settlement Agreement is enforceable under California Code of Civil Procedure section 664.6, and the Superior Court of California, San Bernardino County, upon motion of either party, Court may enter judgment pursuant to the terms hereof; (v) neither party shall oppose a motion under California Code of Civil Procedure section 664.6 to enter judgment pursuant to the terms of the PAGA Settlement Agreement on the grounds that the PAGA Settlement Agreement is confidential or otherwise privileged; and (vi) all Parties specifically waive any confidentiality privilege that may apply to the PAGA Settlement Agreement. The Parties agree and jointly request that the Court presiding over the Action retain continuing jurisdiction over the Parties to enforce the terms of the PAGA Settlement Agreement and carry its provisions into effect.

13. Integration Clause

The PAGA Settlement Agreement sets forth the entire understanding of the Parties in connection with the resolution of the PAGA Claims. None of the Parties hereto has made any statement, representation, or warranty related to the PAGA Claims, except as expressly set forth herein, which has been relied upon by the other Party or which served as an inducement for the other Party to enter into the PAGA Settlement Agreement. The Parties acknowledge that they have concurrently entered into a separate Individual Settlement Agreement that resolves claims other than the PAGA Claims. Nothing in the PAGA Settlement Agreement may be altered or amended in any respect except by a writing executed by all of the Parties hereto.

IN WITNESS WHEREOF, the Parties knowingly and voluntarily execute the PAGA Settlement Agreement and Release as of the date set forth below.

RICHARD MACARIO SALAZAR, Plaintiff

Executed on February Feb 26, 2021, 2021


Richard Salazar (Feb 26, 2021 10:31 PST)
RICHARD MACARIO SALAZAR

ADDITIONAL SIGNATURE PAGE TO FOLLOW

CS INVESTIGATIVE SERVICES, INC.,
Defendant

Executed on February ____, 2021

By: _____
Name: SAM EL-SAID
Title: President

SAM EL-SAID, Defendant

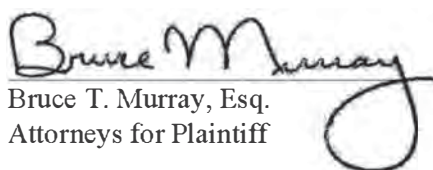
Executed on February ____, 2021

By: _____
SAM EL-SAID, individually

Following counsel have reviewed the foregoing Agreement, but shall have no obligations or liabilities under the terms of the foregoing Agreement, and are not considered Parties thereto.

PIMENTEL LAW, P.C.

Executed on February 26, 2021

By:  _____
Bruce T. Murray, Esq.
Attorneys for Plaintiff

IRVINE LAW GROUP, LLP

Executed on February ____, 2021

By: _____
Rod Bidgoli, Esq.
Attorneys for Defendants

PAGA SETTLEMENT AGREEMENT

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CS INVESTIGATIVE SERVICES, INC.,
Defendant

Executed on February 28, 2021

By:


Name: SAM EL-SAID
Title: President

SAM EL-SAID, Defendant

Executed on February 28, 2021

By:

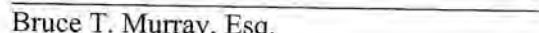

SAM EL-SAID, individually

Following counsel have reviewed the foregoing Agreement, but shall have no obligations or liabilities under the terms of the foregoing Agreement, and are not considered Parties thereto.

PIMENTEL LAW, P.C.

Executed on February ____, 2021

By:


Bruce T. Murray, Esq.
Attorneys for Plaintiff

IRVINE LAW GROUP, LLP

Executed on ~~February~~ XXXXX 3/4, 2021

By:


Rod Bidgoli, Esq.
Attorneys for Defendants

PAGA Settlement Agreement (2-24-21)

Final Audit Report

2021-02-26

Created:	2021-02-25
By:	Bruce Murray (btm@pimentellaw.com)
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-  Document created by Bruce Murray (btm@pimentellaw.com)
2021-02-25 - 9:44:35 PM GMT - IP address: 24.180.55.149
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-  Document e-signed by Richard Salazar (rickyprince2013@gmail.com)
Signature Date: 2021-02-26 - 6:31:50 PM GMT - Time Source: server- IP address: 47.150.188.73
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