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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF ORANGE

JULIO OCHOA, individually and on behalf of all others similarly situated, Plaintiff, v. SPEECH AND LANGUAGE DEVELOPMENT CENTER, INC.; and DOES 1 through 25, inclusive Defendants.	Case No. 30-2020-01143577-CU-OE-CXC ASSIGNED FOR ALL PURPOSES TO: The Honorable Lon F. Hurwitz Department CX103 **CLASS ACTION** **NOTICE OF FILING FULLY-EXECUTED AMENDED SETTLEMENT AGREEMENT AND RELEASE OF CLASS AND REPRESENTATIVE ACTION** Complaint filed: June 18, 2020 Trial date: Not set

PLEASE TAKE NOTICE Plaintiff Julio Ochoa ("Plaintiff") is filing the fully-executed Amended Settlement Agreement and Release of Class and Representative Action, ("Settlement Agreement"), with its exhibits, attached to this Notice as Attachment "1."

The attached Settlement Agreement supersedes and replaces the partially-executed Settlement Agreement filed March 6, 2023, attached as Exhibit 1 to the Supplemental Declaration of Jeff Geraci [ROA #122]. No changes were made to the Settlement Agreement.

Two typographical errors were corrected in Paragraph 12 of the Class Notice to make references to released claims consistent: "The release of these claims shall be effective ~~for the Class Period~~ from April 6, 2016 through July 19, 2021 ("Released Class Claims"). PAGA Members will release claims for PAGA civil penalties for failure to provide all wages, meal periods, rest periods, accurate wage statements, and final wages from April 6, 2019 to July 19, 2021, ("Released PAGA Claims ~~Period~~") whether or not they submit a Request for Exclusion."

The only additions to the Settlement Agreement are signatures of (1) Plaintiff Julio Ochoa, (2) Adrienne Kessler, CEO of Defendant Speech and Language Development Center, Inc., and (3) Counsel for Defendant, William Browning.

Respectfully submitted,

LEBE LAW, APLC
COHELAN KHOURY & SINGER

Dated: June 6, 2023

By: Jeff Geraci
Jeff Geraci
Attorneys for Plaintiff Julio Ochoa, individually and on behalf of all others similarly situated

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ATTACHMENT 1

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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF ORANGE

JULIO OCHOA, individually and on behalf of all others similarly situated, Plaintiff, v. SPEECH AND LANGUAGE DEVELOPMENT CENTER, INC.; and DOES 1 through 25, inclusive Defendants.	**Case No. 30-2020-01143577-CU-OE-CXC** AMENDED SETTLEMENT AGREEMENT AND RELEASE OF CLASS AND REPRESENTATIVE ACTION <u>Exhibits</u>: A. Notice of Class Action Settlement B. Change of Address Form C. Request for Exclusion Form D. Objection Form E. Letter to LWDA ("PAGA Notice") Complaint filed: June 18, 2020 Trial date: Not set

IT IS STIPULATED, by Plaintiff Julio Ochoa, individually, and on behalf of all others similarly-situated and aggrieved, and Defendant Speech and Language Development Center, Inc., subject to the approval of the Court, this class action is compromised and settled pursuant to the terms and conditions set forth below in this Amended Settlement Agreement and Release of Class and Representative Action Claims, ("Settlement Agreement"):

DEFINITIONS

1. "Action" means the putative class action entitled *Julio Ochoa v. Speech and Language Development Center, Inc.,* filed on June 18, 2020 and amended on July 20, 2020 by a First Amended Complaint, in the Superior Court for the State of California, County of Orange, Case No. 30-2020-011443577-CU-OE-CXC, and assigned to the Honorable James J. DiCesare.

2. "Aggrieved Employee" means all persons employed by Defendant in California as a non-exempt employee at any time from April 6, 2019 through March 13, 2020. Due to the COVID-19 Pandemic, Defendant was shut down by order of the Governor March 13, 2020. Before Defendant re-opened, Plaintiff's PAGA notice was received, and Defendant took steps to ensure that any alleged payroll process errors were corrected. The March 13, 2020 date is referred to as the "COVID Closure Date."

3. "Agreement," or "Settlement Agreement," or "Settlement" means this Settlement Agreement and Release of Class and Representative Action Claims.

4. "Attorneys' Fees and Costs Payment" means payment of attorneys' fees and litigation costs awarded to Class Counsel by the Court for services rendered to Plaintiff and the Class and expenses incurred in prosecuting the Action, including, but not limited to, costs of documenting the Settlement, providing notices required as part of the Settlement or Court order, and securing Court approval of the Settlement. The Attorneys' Fees and Costs Payment will be paid out of—and will not increase—the Gross Settlement Amount. Any portion of the Attorneys' Fees and Costs Payment not awarded shall remain with the Maximum Settlement Amount and made available for payments to Participating Class Members.

5. "Class Member(s)" means: all persons employed by Defendant in California as non-exempt employees at any time from April 6, 2016 through March 13, 2020. (the "COVID

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Closure Date.")

6. "Class" means the collective group of those individuals who are Class Members.

7. "Class Counsel" means Cohelan Khoury & Singer and Lebe Law, APLC.

8. "Class Notice" (or "Notice") means the Court-approved Notice of Class Action Settlement to be mailed to Class Members to inform them of the terms of the proposed Settlement, substantially in the form attached as Exhibit "A." The Notice will be mailed together with a Change of Address Form, attached as Exhibit "B", Request for Exclusion Form, attached as Exhibit "C", an Objection Form, attached as Exhibit "D", and pre-printed return envelope ("Notice Packet").

9. "Class Period" means April 6, 2016 through March 13, 2020. Defendant represents there are 268 Class Members with an estimated 18,516 workweeks during the period April 6, 2016 through the COVID Closure Date. Class Members were paid twice per month, and had two "Pay Periods" per month.

10. "Complaint" means the First Amended Complaint ("FAC") filed July 20, 2020 which alleges the following claims on behalf of Plaintiff and the putative Class: failure to provide (1) minimum wages for all hours worked; (2) overtime wages (3) compliant rest breaks or pay in lieu of breaks; (4) compliant meal breaks or pay in lieu of breaks; (5) accurate wage statements; (6) timely payment of earned wages; and based on these alleged violations, (7) violation of the Unfair Competition Law; and (8) PAGA penalties for failure to provide minimum, overtime, and final wages, rest and meal periods, and accurate wage statements.

11. "Court" means the Superior Court of the State of California County of Orange.

12. "Defendant" (or "SDLC") means Speech Language Development Center, Inc.

13. "Defendant's Counsel" means William K. Browning, Esq., Browning|Hocker.

14. "Employer Tax Obligations" means Defendant's share of payroll taxes, including, but not limited to, FICA, Medicare, ETT, FUTA, and SUTA, for the portion of the Gross Settlement Amount treated as wages. The Tax Obligations shall be paid by Defendant in addition to the Gross Settlement Amount. The Parties agreed to allocate the Settlement Payment, 10% percent as wages for which an IRS Form W-2 will be issued, and 45% as

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penalties, and 45% as interest for which IRS Forms 1099 will be issued.

15. "Effective Date of Settlement" means the earlier of (a) if any timely objection is filed and not subsequently withdrawn, the 65th day after the Court enters an order granting final approval of the Agreement; or, (b) if any timely appeal is filed, the date it is resolved (or withdrawn), or; (c) if no timely objection is filed, or if all objections are withdrawn, the date which the Court enters an order granting Final Approval and entering Judgment.

16. "Final Approval" is the date a Final Approval Order and Judgment are entered.

17. "Final Approval Hearing" means a Court hearing to consider Final Approval of the Settlement, award of attorneys' fees and litigation costs to Class Counsel, Service Payment to the Class Representative Julio Ochoa, and the merits of any objections to the Settlement.

18. "General Release" means the release in which Plaintiff releases his individual claims only, and agrees to release the Released Parties from all claims, demands, liabilities, and causes of action of every kind, known or unknown, asserted or unasserted, whether in tort, contract, or any state or federal statute, rule or regulation arising out of, relating to, or in connection with any act or omission by any Released Parties during the Class Period, including a waiver of Civil Code §1542.

> Section 1542. A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, that if known to him or her must have materially affected his or her settlement with the debtor or released party.

19. "Gross Settlement Amount" (or "GSA") means the total amount Defendant will pay under this Settlement in full satisfaction of all claims arising from the Action, and includes all Payments to Participating Class Members, Class Representative Service Payment, Settlement Administration Costs, PAGA Payment to the Labor and Workforce Development Agency ("LWDA"), and Attorneys' Fees and Costs. The GSA is equal to and shall not exceed $750,000. No portion of the GSA may revert to Defendant under any circumstances. Defendant shall be required to pay only the GSA and the Employer Tax Obligation in paragraph 14.

20. "Individual Settlement Payment" or "Settlement Payments" means the payment to Participating Class Members based upon the formula set forth in this Agreement.

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21. “Net Settlement Amount” (or “NSA”) means the amount remaining after Court-approved deductions from the GSA for the Settlement Administration Payment, Attorneys’ Fees and Costs Payment, Class Representative Service Payment, and the PAGA Payment. The NSA will be distributed to all Participating Class Members.

22. “Notice Packet” means the Notice of Class Action Settlement (**Exhibit “A**”), Change of Address Form (**Exhibit “B”**), Request for Exclusion Form (**Exhibit “C”**), Objection Form **(Exhibit “D”**), and the pre-printed return envelope mailed by the Settlement Administrator.

23. “PAGA Notice” means the May 13, 2020 letter Plaintiff sent to the LWDA and Defendant informing them of Plaintiff’s intention to file a representative action on behalf of all other similarly aggrieved employees (**Exhibit “E”**).

24. “PAGA Payment” means $25,000 paid from the GSA of which 75% ($18,750) will be paid to the LWDA for all PAGA civil penalties and 25% ($6,250) will be distributed to Aggrieved Employees based on the number of Pay Periods worked during the PAGA Period.

25. “PAGA Period” means that period from April 6, 2019 through March 13, 2020. Defendant represents there are 155 Aggrieved Employees with an estimated 1,971 Pay Periods during the period April 6, 2019 through the COVID Closure Date. Aggrieved Employees were paid twice per month, and had two “Pay Periods” per month.

26. “Participating Class Members” means Class Members who do not postmark a request to Opt Out by the Response Deadline. Upon the Effective Date of Settlement, all Participating Class Members will be mailed an “Individual Settlement Payment.”

27. “Parties” means Plaintiff and Defendant collectively.

28. “Plaintiff” or “Class Representative” means Julio Ochoa.

29. “Preliminary Approval” means entry of a court Order preliminarily approving the Settlement terms, notice to the Class, and setting a Final Approval Hearing.

30. “Preliminary Approval Order” means the order issued by the Court preliminarily approving the terms and conditions of this Settlement, including the form and manner of providing notice to the Class.

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31. “Released Class Claims” means all claims, debts, liabilities, demands, obligations, damages, or causes of action of any kind alleged in the Complaint, or that could have been alleged based on the same operative facts alleged in the Complaint, and including claims under California Labor Code sections, 203, 204, 210, 226(a), 226.2(a)(2), 226.7, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1198, 2699(f), 2699.3, the corresponding Wage Orders; and Business & Professions Code section 17200 *et seq.,* from April 6, 2016 through July 19, 2021. The Released Class Claims specifically exclude claims for workers' compensation, unemployment and state disability insurance, claims under the Employment Retirement Income Security Act of 1974, and claims for previously vested benefits under Employer-sponsored benefits plan.

32. “Released PAGA Claims” means all claims, debts, liabilities, demands, obligations, damages, or causes of action of any kind alleged in the Complaint, or that could have been alleged based on the same operative facts alleged in the Complaint, and including claims under California Labor Code sections, 203, 204, 210, 226(a), 226.2(a)(2), 226.7, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1198, 2699(f), 2699.3, the corresponding Wage Orders; and Business & Professions Code section 17200 *et seq.,* from April 6, 2019 through July 19, 2021. The Released PAGA Claims specifically exclude claims for workers' compensation, unemployment and state disability insurance, claims under the Employment Retirement Income Security Act of 1974, and claims for previously vested benefits under Employer-sponsored benefits plan.

33. “Released Parties” means Defendant and its past, present, and future owners, officers, directors, principals, joint employers, employees, agents, representatives, accountants, auditors, attorneys, consultants, insurers, reinsurers, partners, investors, shareholders, parent companies, subsidiaries, affiliates, predecessors, successors, assigns, and joint venturers.

34. “Response Deadline” means the date by which Class Members postmark and return a valid Opt Out request, written objection, or written dispute of information on which their Settlement Payment is based. The Response Deadline will be 45 calendar days from the initial mailing of the Notice Packet by the Settlement Administrator, unless the 45th day falls

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on a Sunday or Federal holiday, in which case the Response Deadline will be the next day the U.S. Postal Service is open. The Response Deadline will be extended fifteen (15) calendar days for any Class Member who is re-mailed a Notice Packet by the Settlement Administrator, unless the 15th day falls on a Sunday or Federal holiday, in which case the Response Deadline will be the next day the U.S. Postal Service is open. The Response Deadline may also be extended by express agreement between Class Counsel and Defendant. The Settlement Administrator will not have the authority to unilaterally extend these deadlines.

35. "Service Payment" means the amount the Court authorizes to be paid to Plaintiff in addition to his Individual Settlement Payment, in recognition of his efforts in obtaining benefits for the Class, for policy changes benefitting current and future employees, for undertaking the risk of a judgment for costs if this matter had not successfully resolved, and for providing a General Release of all claims against Released Parties. Defendant will not oppose Plaintiff's request for a $5,000 Service Payment paid from the GSA.

36. "Settlement" means the terms and conditions in this Settlement Agreement.

37. "Settlement Administrator" means Simpluris, Inc. the third-party the Parties mutually agree shall serve as Settlement Administrator.

38. "Settlement Administration Payment" means the payment to the Settlement Administrator for the actual and direct costs reasonably charged by the Administrator for its services in administering the Settlement. The Settlement Administration expenses are expected not to exceed $6,000. The Settlement Administration Payment shall be paid from the GSA.

39. "Workweeks" means any week in which a Class Member worked at least one (1) day in that week as shown in Defendant's employment records. Defendant has represented there are 18,516 Workweeks worked by the 268 members of the Class from April 6, 2016 through the COVID Closure Date. If the aggregate number of Workweeks increases by more than 10%, the GSA will increase by a proportionate percentage for all additional Workweeks exceeding 10%.

PROCEDURAL HISTORY AND INVESTIGATION OF CLAIMS

40. On May 13, 2020, Plaintiff served his PAGA Notice on the LWDA and SLDC

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informing them of his intention to file a representative action on behalf of himself and all other aggrieved employees for civil penalties for violation of various Labor Code provisions. Exh. C.

41. On June 18, 2020, Plaintiff filed a complaint initiating this Action. The LWDA did not provide notice it intended to investigate the charges in the PAGA Notice and Plaintiff filed a First Amended Complaint ("FAC") on July 20, 2020 adding claims for PAGA penalties.

42. After receiving Plaintiff's May 13, 2020 PAGA Notice, SLDC retained a new payroll company and revised its policies and procedures to, among other things, automatically pay meal period premiums for noncompliant meal periods, and to correctly calculate all overtime wages.

43. SLDC asked for an opportunity to explore a class-wide settlement. Counsel for the Parties agreed to mediate and in preparation for mediation, Plaintiff requested and Defendant informally produced its written policies and procedures covering the Class Period, the number of Class Members and Aggrieved Employees during the Class and PAGA Periods, the number of workweeks and pay periods during those Periods, the average aggregate rate of pay, and a 10% random sample of all time and wage data for class members.

44. Plaintiff's consultant analyzed the information and data produced by SLDC and prepared Class-wide damage model for mediation. On April 20, 2021, the Parties attended mediation with Hon. Carl J. West (Ret.), of JAMS, a respected and experienced wage and hour mediator, who facilitated serious and informed negotiations. By the end of the day, the Parties reached agreement on the Gross Settlement Amount, and other material terms and entered a written Memorandum of Understanding.

PLAINTIFF'S CLAIMS

45. Plaintiff claimed and continues to claim the Released Claims have merit and give rise to Released Parties' liability. Neither this Agreement nor any documents referred to, or any action taken to carry out this Agreement is, or may be construed as, or may be used as, an admission by or against the Class Members or Class Counsel or any Party or Counsel as to the merit or lack of merit of claims asserted, except to show resolution of the Released Claims.

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NO ADMISSION OF LIABILITY

46. SLDC denies all Plaintiff's allegations and contends it complied with all wage and hour laws at all times. This Agreement represents a compromise and settlement of the Action. Neither this Agreement, nor any document referred to or contemplated, nor any action taken to carry out this Agreement may be construed as an admission or concession by or against Released Parties that Plaintiff's claims in the Action have merit or that they have any fault, wrongdoing, or liability to Plaintiff or the Class on those claims whatsoever, including any concession that certification of a class continues to be appropriate in this case.

47. This Agreement is made for the sole purpose of settling all causes of action contained in the First Amended Complaint. By entering into this Agreement, the Parties do not admit the allegations or contentions of the other Party, and each Party is entering into this Agreement for the sole purpose of resolving this matter and avoiding the time and expense of litigation. The Released Parties specifically deny all of Plaintiff's claims, as well as Plaintiff's class and representative allegations, and expressly reserve all rights to challenge all such claims and allegations upon all procedural and substantive grounds, including the assertion of any and all defenses if this Settlement is not approved by the Court.

INADMISSIBILITY OF SETTLEMENT AGREEMENT

48. Whether or not the Settlement is finally approved, neither the Settlement, nor its terms, nor any document, statement, proceeding, or conduct related to this Agreement, shall be:

A. Offered as or admitted in evidence as, or construed to be evidence for any purpose adverse to Released Parties, including, but not limited to, evidence of a presumption, concession, or admission of any liability, fault, or wrongdoing; or

B. Disclosed, referred to or offered or received in evidence against any Released Party, in any further proceeding in the Action, or in any other civil, criminal, or administrative action or proceeding except for purposes of enforcing the terms of this Agreement or enforcing the release of the Released Claims.

FAIRNESS AND BENEFITS OF SETTLEMENT TO THE CLASS

49. Plaintiff and Class Counsel recognize the expense and length of continued

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proceedings necessary to continue the litigation against Defendant through trial and through any possible appeals. Plaintiff has also considered the uncertainty and risk of the outcome of further litigation, and the difficulties and delays inherent in such litigation, including those involved in the maintenance of class certification. Plaintiff is also aware of the burdens of proof necessary to establish liability for the claims asserted in the Action, Defendant's affirmative defenses, and the difficulties in establishing damages for the Class. Plaintiff has also considered the information exchanged at the mediation facilitated by Judge West to reach agreement on all material terms of this Settlement Agreement. Based on the foregoing, Plaintiff, Class Counsel, Defendant, and Defendant's Counsel have determined that the Settlement set forth in this Agreement, and its terms, are fair, adequate, equitable and reasonable, the product of good faith, arms'-length negotiations between the Parties, are consistent with public policy, and fully comply with applicable provisions of law, and in the best interests of all Class Members.

RELEASE AS TO ALL CLASS MEMBERS

50. Plaintiff agrees that upon the Effective Date, the General Release shall be effective and he shall have no further claims against the Released Parties. Upon the Effective Date, all Participating Class Members shall be deemed to have, and by operation of the Final Approval Order and Judgment shall have, released the Released Parties from the Released Claims. The Settlement Payments shall be paid to Participating Class Members specifically in exchange for the release of the Released Parties from the Released Claims. However, the releases shall be effective as to all Class Members who have not opted out, regardless of whether they subsequently refuse their portion of the Settlement Payment, claim not to have received it, or fail to negotiate the settlement check(s) from the Claims Administrator.

FUNDING AND DISTRIBUTION OF GROSS SETTLEMENT AMOUNT

51. Within five days (5) days of the Effective Date, Defendant shall pay the $750,000 Gross Settlement Amount to the Settlement Administrator and the Employer Tax Obligations as calculated by the Administrator.

52. Following Court-approved deductions for Attorneys' Fees of one-third of the GSA ($250,000), and Costs (up to $12,500), Service Payment ($5,000), PAGA payment to the

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LWDA and Aggrieved Employees ($18,750/$6,250, 75%/25% of $25,000), and Settlement Administration expenses ($6,000), the remaining sum, the Net Settlement Amount estimated at $451,500 will be distributed to Participating Class Members on a proportionate basis using the number of Workweeks worked during the Class Period in relation to the aggregate number of Workweeks worked by all Participating Class Members during the Class Period.

53. The amount of $6,250 (25% of the $25,000 PAGA payment) will be distributed to Class Members who worked during the PAGA Period, "Aggrieved Employees," based on the number of Pay Periods they worked during the PAGA Period, whether they opt out or not.

54. Within ten (10) business days of the receipt of the GSA, the Settlement Administrator shall distribute the Settlement Payments to Participating Class Members, the PAGA Payment to the LWDA, the Court-approved sums for Attorneys' Fees and Litigation Costs, the Service Payment, and the Settlement Administration Payment.

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NOTICE AND APPROVAL OF SETTLEMENT AND IMPLEMENTATION

55. The Parties agree to the following procedures for obtaining Preliminary Approval of the Settlement, and providing notice of the Settlement to the Class:

A. Preliminary Approval Hearing. Class Counsel shall move the Court for Preliminary Approval of the Settlement, and will submit this Agreement with that motion.

B. Information Regarding Class. Within fourteen (14) calendar days of Preliminary Approval, Defendant shall provide the Settlement Administrator with a list showing for each member of the Class the following information: name, most current or last known mailing address, telephone number(s) and email address as indicated in Defendant's records, social security number, dates of employment, and the aggregate number of Workweeks, and aggregate number of Pay Periods (the "Class Data List").

C. Notice to Class Members. The Settlement Administrator shall mail the Court-approved Notice Packet by U.S. First Class Mail to all Class Members within ten (10) business days of receipt of the Class Data List.

D. Settlement Administrator. The Settlement Administrator shall (a) print and mail Notice Packets as directed by the Court; (b) establish a toll-free number and postoffice box for Class Member communications; (c) receive and review all actual or potential Class Member communications; (d) consult with the Parties' counsel as needed concerning data, resolution of disputes, and status of the settlement process, (e) receive and track Class Member communications; (f) provide weekly status reports; (g) calculate and inform Defendant of its Employer Tax Obligations; (h) calculate Individual Settlement Payments, including taxes and withholdings; (i) distribute Individual Settlement Payments; (j) submit tax documents to taxing authorities; (k) handle uncashed checks; (l) cooperate with counsel for the Parties as necessary to prepare declarations in support of motions for preliminary and final Settlement approval; and, (m) perform such other tasks set forth in this Agreement, or as the Parties mutually agree, or the Court orders be performed. The Parties each represent they have no financial interest in the Settlement Administrator or any relationship that could create a conflict of interest. The Parties agree to cooperate in the settlement administration process and make all reasonable efforts to control and minimize the Settlement Administration Payment.

CLASS NOTICE

56. The Parties agree to give notice of this Settlement to the Class as follows:

A. Before mailing the Notice Packets, the Settlement Administrator will update all Class Member addresses using the National Change of Address database and other suitable resources. For former employee Class Members, the Settlement Administrator shall verify addresses using Accurint, or similar skip tracing. If this yields an updated address, that address shall be used to mail Notice Packet and all Settlement mailings. After updating addresses, the Settlement Administrator shall mail a Notice Packet to each Class Member by first class U.S. Mail within ten (10) business days of receipt of the Class Data List. The envelope containing the Notice shall include the following language on the exterior:

<u>IMPORTANT LEGAL DOCUMENT</u>:
You may get Money from a Class Action Settlement; your prompt reply to correct a BAD address is required.

B. Notice Packets returned to the Settlement Administrator with a forwarding address shall be re-mailed by the Administrator within five (5) business days of

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receipt. All Notice Packets returned to the Settlement Administrator as non-deliverable shall be researched by the Administrator using the Class Member's social security number to determine a possible new address, and if a new address is located, the Notice Packet shall be re-mailed within five (5) business days of receipt of the returned Notice Packet. Class Members who received a re-mailed Notice Packet shall have their Response Deadline extended fifteen (15) calendar days from the original Response Deadline. If a Notice Packet to a currently employed Class Member is returned as undeliverable, the Settlement Administrator will notify the Parties and Defendant shall confirm the most recent address they have and provide it to the Administrator for remailing within five (5) business days of receipt of the updated address.

C. Class Members will be responsible for keeping the Settlement Administrator apprised of any changes of address.

PROCEDURE FOR OBJECTING TO
OR REQUESTING EXCLUSIONFROM THE SETTLEMENT

57. Class Members who wish to object to the Settlement or exclude themselves from the Class shall use the following procedures:

A. Objecting. The Class Notice shall state any Class Member who wishes to object to the Settlement may return to the Settlement Administrator,a completed Objection Form (attached as Exhibit "D"). Class Members may also appear at the time of the Final Approval Hearing without first submitting a written objection.

B. Requesting Exclusion from the Settlement. Class Members must return a Request For Exclusion Form (as directed by the Notice, and attached as Exhibit "C") which is dated, signed, and postmarked no later than the Response Deadline. A valid Opt Out should include the Class Member's name, address, telephone number, and the last four (4) digits of the social security number, and be signed. In the event the postmark on the return envelope is illegible, the Opt Out will be deemed untimely unless it is received within five (5) calendar days of the Response Deadline. Any Class Member who properly opts out of the Class will not receive any payment from the Net Settlement Amount, will not be bound by the Settlement or have any right to object or appeal. Class Members who do not submit a valid and timely

Request for Exclusion, shall receive an Individual Settlement Payment and be bound by all Settlement terms and any Judgment entered in this Action. If a Class Member who Opts Out, is also an Aggrieved Employee, they will receive their share of the PAGA Payment.

NO SOLICITATION OF OBJECTIONS OR EXCLUSIONS

58. The Parties agree to use their best efforts to carry out the terms of this Agreement. At no time shall any Party or their counsel seek to solicit or otherwise encourage anyone to object to, or request exclusion from, the Settlement, nor encourage anyone to appeal from the Court's Judgment.

CALCULATION OF INDIVIDUAL SETTLEMENT PAYMENTS AND TAX OBLIGATIONS PAYMENT

59. The Settlement Administrator shall have the authority and obligation to calculate the Individual Settlement Payments in accordance with the methodology in this Agreement and orders of the Court. Participating Class Members will receive an Individual Settlement Payment based upon their number of Workweeks in relation to the aggregate number of Workweeks worked by all Participating Class Members during the Class Period. Aggrieved Employees will also receive a proportionate share of the $6,250 PAGA Payment based on their number of Pay Periods worked during the PAGA Period in relation to the aggregate number of Pay Periods worked by all Aggrieved Employees during the PAGA Period.

60. Each Class Member's aggregate number of Workweeks will be included in his or her Class Notice. Any Class Member wishing to dispute Workweek information must do so in writing by the Response Deadline and submit all supporting evidence to the Settlement Administrator at that time. Within seven (7) days after receipt of any letter raising a dispute, but no later than seven (7) days after the Response Deadline, the Settlement Administrator and Counsel for the Parties will determine, based on information and documentary evidence provided, whether the information provided by the Defendant was correct. The Settlement Administrator will consult with Counsel for the Parties in reaching this determination. The Settlement Administrator will give written notice to the Class Member of the determination of each dispute. Any disputes over the Class Member's aggregate number of Workweeks on

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which the Parties cannot agree shall be resolved by the Court. All communications Counsel for the Parties receive from Class Members which suggests an objection to the Settlement will be provided to the Court with the Final Approval Motion.

61. The Parties agree the formula for allocating Individual Settlement Payments to the Class is reasonable and payments are designed to provide a fair settlement to the Class, despite any uncertainty regarding the compensation and penalties alleged and their calculation.

62. Each Participating Class Member will be responsible for paying all applicable local, state, and federal taxes on Settlement Payments and will be provided with W-2 and 1099 tax forms. Each Participating Class Member shall cooperate with Defendant and the Settlement Administrator and provide documentation to demonstrate such payment should any taxing authority challenge the allocation of the Settlement Payments.

63. It shall be the responsibility of the Settlement Administrator or its designee to timely calculate and withhold from the Settlement Payments all Participating Class Member tax obligations on the portion allocated as wages; calculate and report to Defendant its Employer Tax Obligations; prepare and deliver necessary tax documents for signature by all necessary parties, and to cause appropriate deposits of withholding taxes and filing of all necessary tax documents. The Settlement Administrator shall pay the Employer Tax Obligations to the appropriate taxing authorities within thirty (30) days of receipt from Defendant.

64. Defendant makes no representations as to the tax treatment or legal effect of payments under the Settlement, and Plaintiff and Participating Class Members are not relying on any statement or representation by Defendant in this regard. Plaintiff and Participating Class Members understand and agree that except for Defendant's payment of the employer's portion of any payroll taxes, they will be solely responsible for the payment of any taxes and penalties assessed on Settlement payments.

ATTORNEYS' FEES AND COSTS PAYMENT AND SERVICE PAYMENT

65. Class Counsel shall request an amount up to $250,000 (one-third of the GSA) as Attorneys' Fees, and reimbursement of litigation costs up to $12,500. Amounts paid in fees and costs shall be for all claims for attorneys' fees, expenses, or costs past, present, and future

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incurred in the Action. Defendant shall not oppose Class Counsel's requests in these amounts.

66. Plaintiff Julio Ochoa shall request up to $5,000 as a Service Payment for having initiated this Action, work performed, and the risk of a judgment for costs in the event this matter had not successfully concluded, for substantial benefits conferred upon the Class, including benefits conferred upon current and future employees as a result of actions taken by following initiation of the Action, and a General Release of claims. Defendant shall not oppose the Service Payment request in this amount. This payment shall not have taxes withheld and will be reported on IRS Form 1099. Plaintiff shall be responsible for paying any taxes owing.

PAGA PAYMENT

67. The Parties allocated $25,000 to settle the Aggrieved Employees' PAGA penalty claims under Labor Code § 2699, ("PAGA Payment"). PAGA requires this amount be distributed 75% to the LWDA, and 25% to the Aggrieved Employees. A total of $18,750 will be paid to the LWDA, and the remaining $6,250 will be distributed to Aggrieved Employees based on the number of Pay Periods worked during the PAGA Period.

FINAL APPROVAL HEARING AND ENTRY OF ORDER AND JUDGMENT

68. Following the Response Deadline, on a date set by the Court, the Court will conduct a Final Approval Hearing upon the filing of a Motion for Order Granting Final Approval and Entering Judgment.

PROCEDURE FOR PAYMENT OF INDIVIDUAL SETTLEMENT PAYMENTS

69. Following Final Approval, and solely for purposes of this Agreement, the Settlement Payments shall be distributed based on the following eligibility:

A. Participating Class Members shall receive an Individual Settlement Payment under the plan of allocation and will be bound by the terms of the Settlement and any order or judgment entered by the Court approving this Settlement.

B. Class Members who timely opt out, are not Participating Class Members, and will not be bound by this Settlement or a judgment approving the Settlement. The funds forgone by Class Members who Opt Out will remain part of the Net Settlement Amount and proportionally increase each Participating Class Member's final Individual Settlement

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Payment. All Aggrieved Employees will receive a proportionate share of the 25% portion of the PAGA Penalty even if they Opt Out of the Settlement.

70. Individual Settlement Payments to Participating Class Members shall be paid pursuant to the formula and at the times stated in this Agreement. The Settlement Administrator's determination of eligibility for, and the calculations of, Settlement Payments shall be conclusive, final, and binding on all Parties, including all Class Members.

71. Settlement Payment checks issued to Participating Class Members remain valid and negotiable until 180 calendar days after the date of issuance and may automatically be canceled if not cashed within that time. All sums represented by uncashed checks will be forwarded to the State of California, Controller's Unclaimed Property Division for further handling on behalf of the Class Member or Aggrieved Employee whose check was voided.

72. No person shall have any claim against the Released Parties, Defendant's Counsel, the Plaintiff, the Class, or Class Counsel, based on mailings, calculations, distributions, or payments made pursuant to this Agreement.

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NULLIFICATION OF SETTLEMENT AGREEMENT

73. In the event the Court does not: (i) enter an Order as requested; (ii) finally approve the Settlement; (iii) enter a final Judgment, or the Settlement does not become effective for any other reason, this Agreement shall be null and void and any order or judgment entered by the Court in furtherance of this Settlement shall be treated as withdrawn or vacated by stipulation of the Parties. The Parties shall then be returned to their status as of the date and time immediately before the execution of this Agreement, and they shall proceed in all respects as if this Agreement had not been executed. In the event an appeal is filed from the Court's Judgment, or any other appellate review is sought before the Effective Date, administration of the Settlement shall be stayed pending final resolution of the appeal or other appellate review.

NOTIFICATION AND CERTIFICATION BY SETTLEMENT ADMINISTRATOR

74. The Settlement Administrator shall keep Defendant's Counsel and Class Counsel apprised of all distributions of Settlement Payments and upon completion of administration of that portion of the Settlement, shall provide written certification of progress

of completion to counsel for all Parties and the Court as requested.

NO EFFECT ON EMPLOYEE BENEFITS

75. The Settlement Payments issued and paid to Participating Class Members and the Service Payment issued and paid to Plaintiff shall be deemed not to be "pensionable" earnings and shall not have any effect on the eligibility for, accrual of, or calculation of, any employee benefits (*e.g.* vacations, holiday pay, retirement plans, 401(k), Employee Stock Purchase Plan, etc.) of the Plaintiff or Participating Class Members. The Parties agree any Settlement Payments to Participating Class Members and the Service Payment under the terms of this Agreement do not represent any modification of Participating Class Members' previously credited hours of service or other eligibility criteria under any employee plan for stock purchase, pension benefit, or employee welfare benefit sponsored by Defendant.

GENERAL PROVISIONS

76. Exhibits. The terms of this Agreement include the terms in **Exhibits A - E**, which are incorporated by reference as though fully set forth. Any exhibits to this Agreement are an integral part of the Settlement. Any changes to exhibits following preliminary approval by the Court, shall be approved by all Parties, but shall not be re-submitted to the Court if changes are minor, clerical, and do not materially alter the originally submitted documents.

77. Headings. The descriptive headings of any paragraphs or sections of this Agreement are for convenience only and do not constitute a part of this Agreement.

78. Interim Stay of Proceedings. The Parties agree to hold all proceedings in the Action in abeyance pending the Final Approval Hearing, except proceedings necessary to complete and implement the Settlement.

79. Amendment or Modification. This Agreement may be amended or modified only by a written instrument signed by counsel for all Parties or their successors-in-interest, and then shall only be valid subject to the required Court approval.

80. Entire Agreement. This Agreement and attached Exhibits are the entire agreement of the Parties, and no oral or written representations have been made to any Party concerning this Agreement or its Exhibits. All prior negotiations, agreements, understandings,

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and representations, written or oral, are expressly superseded, have no effect, and each Party acknowledges it has not relied on any such agreements, understandings, or representations.

81. Authorization to Enter Settlement Agreement. Counsel for all Parties warrant and represent they are expressly authorized by the Parties they represent to negotiate this Agreement and take all appropriate action required or permitted to be taken by such Parties to effectuate this Agreement, and to execute any other documents required to effectuate its terms. The Parties and their counsel will cooperate with each other and use their best efforts to implement the Settlement. If the Parties are unable to agree on the form or content of any document needed to implement the Settlement, or any supplemental provision needed to effectuate the Settlement, they may seek assistance from the Mediator or Court.

82. Binding Agreement. The Parties intend this Agreement to be fully enforceable and binding on all Parties, including Class Members, and it shall be admissible in any proceeding to enforce its terms pursuant to California Code of Civil Procedure section 664.6.

83. Binding on Successors. This Agreement shall be binding upon, and inure to the benefit of, the heirs, beneficiaries, or successors of the Parties.

84. Assignment. No right or obligation in this Agreement may be assigned by any Party, Class Member, or Class or Defendant's Counsel without the express written consent of the other Party and their counsel. The representations and warranties in this Agreement are for the sole benefit of the Parties and do not confer any right to any other person.

85. California Law Governs. All terms of this Agreement and the Exhibits shall be governed by and interpreted according to the laws of the State of California.

86. Venue. Any dispute regarding interpretation or validity of, or otherwise arising out of, this Agreement, or relating to the Action or Released Claims, shall be subject to the exclusive jurisdiction of the Court in which the Parties seek Settlement approval, and the Parties agree to submit to the personal and exclusive jurisdiction and venue of that Court.

87. Class Action Certification for Settlement Purposes Only. The Parties agree to stipulate to class action certification only for purposes of the Settlement. If, for any reason, the Settlement is not approved, the stipulation to certification will be void and will not be

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admissible in this or any other proceeding as evidence a class action should be certified.

88. Binding Agreement. The Parties have full authority to enter into this Settlement, and intend this Settlement Agreement to be fully enforceable and binding on all Parties.

89. Counterparts. This Agreement may be executed in one or more counterparts. All executed counterparts and each of them shall be deemed to be one and the same instrument.

90. Facsimile and Electronic Signatures. A signed facsimile or electronic version of this Agreement shall have the same force and effect as a signed original of this Agreement.

91. Jurisdiction of the Court. The Court shall retain jurisdiction solely with respect to the interpretation, implementation, and enforcement of the terms of this Agreement and all orders and judgments entered in connection with the Agreement, and the Parties and their counsel submit to the jurisdiction of the Court for these purposes. In the event judicial intervention or enforcement is necessary, the prevailing Party shall be entitled to an award or attorneys' fees, costs, and interest.

92. Cooperation and Drafting. Each of the Parties has cooperated in the drafting and preparation of this Agreement and its language shall not be construed against any of the Parties.

93. Invalidity of Any Provision. The Parties request before declaring any provision of this Agreement invalid, the Court first attempt to construe all provisions valid to the fullest extent possible consistent with applicable precedents.

THE PARTIES SO AGREE:

Plaintiff/Class Representative

Date: 6/2/2023, 2023 By: [signature]
Julio Ochoa, Plaintiff Class Representative

SPEECH AND LANGUAGE DEVELOPMENT CENTER, INC.

Date: ______________, 2023 By: ______________________________
Adrienne Kessler, CEO

Date: ______________, 2023 **BROWNING|HOCKER**

By: ______________________________
William Browning
Attorneys for Defendant

admissible in this or any other proceeding as evidence a class action should be certified.

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93. Invalidity of Any Provision. The Parties request before declaring any provision of this Agreement invalid, the Court first attempt to construe all provisions valid to the fullest extent possible consistent with applicable precedents.

THE PARTIES SO AGREE:

Plaintiff/Class Representative

Date: ______________, 2023 By: ______________________________

Julio Ochoa, Plaintiff Class Representative

SPEECH AND LANGUAGE DEVELOPMENT CENTER, INC.

Date: June 2, 2023 By: A Kessler

Adrienne Kessler, CEO

Date: 6/2, 2023

BROWNING|HOCKER

By: ______________________________

William Browning
Attorneys for Defendant

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San Diego, CA 92101

Date: March 6, 2023

LEBE LAW, APLC

By: ______________________________

Jonathan M. Lebe
Attorneys for Plaintiff / Class Representative

Date: March 6, 2023

COHELAN KHOURY & SINGER

By: ______________________________

Jeff Geraci
Attorneys for Plaintiff / Class Representative

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EXHIBIT A

Superior Court of California, County of Orange
Ochoa vs. Speech and Language Development Center, Inc.
Case No. 30-2020-01143577-CU-OE-CXC

NOTICE OF CLASS ACTION SETTLEMENT

To: All non-exempt employees of Speech and Language Development Center, Inc., ("SLDC") in California at any time from April 6, 2016 through March 13, 2020

A court authorized this Notice. This is not a solicitation.
This is not a lawsuit against you and you are not being sued.
However, your legal rights are affected whether you act or don't act.

If you are a Class Member, as described above, you are eligible for a payment from the Class Action Settlement. You do not need to return a claim form.

PLEASE READ THIS NOTICE CAREFULLY

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING	To receive your Settlement Payment, you do not have to do anything. Your check will be automatically mailed to you after the Court grants final approval of the Settlement. The amount of your Settlement Payment is shown on page 9 of this Notice. **NOTE: You must keep a current address on file with the Settlement Administrator to ensure receipt of your check**.
UPDATE YOUR ADDRESS	Update your personal information with the Settlement Administrator to make sure your Settlement Payment is sent to the correct address. (A Change of Address Form and return envelope are enclosed with this Notice.)
EXCLUDE YOURSELF ("Opt Out")	If you do not wish to participate in the Settlement, you can exclude yourself from the Settlement (that is, to opt out) and retain all rights you may have against SLDC for the Class Claims. However, PAGA does not allow individuals to opt out, so if you opt out, you will still receive your share of the PAGA Payment, and release your PAGA claims.
OBJECT	Write to the Court if you think the Settlement is not fair. You may speak in Court about why you think the Settlement is not fair. **NOTE**: If you ask to exclude yourself from the Settlement, you cannot also object.

- **THIS NOTICE EXPLAINS YOUR RIGHTS AND THE DEADLINES TO EXERCISE THEM**
- **DEFENDANT SUPPORTS THE SETTLEMENT AND WILL NOT RETALIATE AGAINST ANY CLASS MEMBER FOR EXERCISING THE RIGHTS DESCRIBED IN THIS NOTICE**

WHAT THIS NOTICE CONTAINS

BASIC INFORMATION

THE TERMS OF THE SETTLEMENT

HOW TO GET A PAYMENT

EXCLUDING YOURSELF FROM THE SETTLEMENT

OBJECTING TO THE SETTLEMENT

THE COURT'S FINAL FAIRNESS HEARING

GETTING MORE INFORMATION

BASIC INFORMATION

1. Why did I get this Notice?

A proposed settlement of a class action lawsuit was reached between Plaintiff Julio Ochoa and Speech and Language Development Center, Inc. ("SLDC") The Court in charge of this case granted preliminary approval of the Settlement. You received this Notice because you may be a member of the Class, defined as all persons employed by SLDC in California as non-exempt employees any time from April 6, 2016 to March 13, 2020.

This Notice explains the settlement of the class action lawsuit, your legal rights, what benefits are available, who is eligible for them, and how to get them.

2. What is this Action about?

The lawsuit is *Ochoa v. Speech and Language Development, Inc.* Case No. 30-2020-01143577-CU-OE-CXC, Superior Court of the State of California, County of Orange. (the "Action"). The Action alleges SDLC did not provide Class Members all wages, rest and meal breaks, all of which caused inaccurate wage statements, and violations of the Private Attorneys General Act ("PAGA").

SLDC denies all allegations in the Action and contends it complied with California law at all times. Due to the COVID-19 Pandemic, SLDC was shut down by State order on March 13, 2020. Before it re-opened, it received Plaintiff's notice of alleged violations and took steps to correct the alleged causes of the violations. The Settlement is not an admission of any wrongdoing by SLDC or an indication any law was violated.

3. Who are the Parties in this Action and the Proposed Class Members?

Speech and Language Development Center, Inc. (SLDC), a California Corporation, is the Defendant.

Plaintiff Julio Ochoa was employed in California by SLDC as a non-exempt Bus Aid in the Transportation Department from August 2012 to March 2020.

Class Members are defined as all non-exempt employees of SLDC in California at any time from April 6, 2016 through March 13, 2020. There are an estimated 268 members of the Class.

PAGA Members, a subgroup of the Class, are defined as all non-exempt employees of SLDC in California at any time from April 6, 2019 through March 13, 2020. There are an estimated 155 PAGA Members.

4. Why is this a Class Action?

In a class action, one or more people called Class Representatives (in this case, Julio Ochoa) sue on behalf of themselves and other people who they allege have similar claims. This group of people is called a "class." Each person receiving this notice is a "Class Member" for purposes of this Settlement.

5. Who are the attorneys for the Plaintiff and the Class?

COHELAN KHOURY & SINGER
Michael D. Singer / Jeff Geraci
605 "C" Street, Suite 200
San Diego, California 92101-5305
Telephone: (619) 595-3001

LEBE LAW, APLC
Jonathan M. Lebe/Zachary Gershman
777 S. Alameda Street, Second Floor
Los Angeles, California 90021
Telephone: (213) 444-1973

6. Why is there a Settlement?

The Court did not decide in favor of Plaintiff or SLDC. There was no trial. Both sides agreed to settle the Action to avoid the cost and risks of a trial, and ensure Class Members get compensation from the Settlement.

THE TERMS OF THE SETTLEMENT

7. What is the Settlement Amount?

Defendant agreed to pay $750,000 (the "Gross Settlement Amount"). The Gross Settlement Amount includes all Settlement payments to Class Members and, subject to Court approval: (a) Settlement Administration Expenses not to exceed $6,000, (b) Class Representative Service Payment up to $5,000 to compensate Plaintiff for services undertaken on behalf of the Class, (c) Class Counsel Fees up to $250,000, (d) Class Counsel Litigation Expenses up to $12,500, (e) up to $25,000 for civil penalties - $18,750 (75%) paid to California's Labor Workforce and Development Agency ("LWDA Payment"); and, $6,250 (25%) paid to Class Members who worked from April 6, 2019 to March 13, 2020.

The exact amount of the attorneys' fees, litigation costs, Class Representative Service Payment, and Settlement administration expenses will be determined by the Court at the Final Approval hearing. The remaining portion of the Settlement, the "Net Settlement," estimated at $451,500, will be apportioned and paid to Class Members who do not request to be excluded from the Settlement, ("Participating Class Members"). **Claim forms are not required.** Participating Class Members will receive a proportionate share of the Net Settlement Amount based on the number of Workweeks worked from April 6, 2016 to March 13, 2020. PAGA Members will receive a proportionate share of the $6,250 (25% of $25,000) PAGA Payment based on the number of pay periods worked from April 6, 2019 to March 13, 2020.

8. How much will my Individual Settlement Payment be?

The estimated amount of your Settlement Payment is shown on the Employment Information Sheet (Page 9). This is an estimate. The actual amount may be more or less depending on whether other Class Members opt out of the Settlement and how much the Court approves in attorneys' fees, litigation expenses, and other costs.

HOW TO GET A PAYMENT

9. How can I get my Individual Settlement Payment?

If you do nothing, you will automatically receive your Individual Settlement Payment if the Court approves the Settlement. You must, however, notify the Settlement Administrator of any change in your name or mailing address if the name, or address to which this Notice was mailed, is not correct. **It is your responsibility to keep the Settlement Administrator informed of any change in your mailing address. Your Settlement Payment will be mailed to the last known address it has on file for you.** You may call the Settlement Administrator at 1-8xx-xxx-xxxx. You may also contact attorneys for the Class. (See Paragraph 5).

10. What do I do if I think my information or Number of Work Weeks is wrong?

The amount of your Settlement Payment is based on the number of Workweeks you worked from April 6, 2016 to March 13, 2020. If you are a PAGA Member, your share of penalties will be based on the number of Pay Periods you worked from April 6, 2019 to March 13, 2020. The number of Workweeks and Pay Periods shown on the Employment Information Sheet (on page 9), was obtained from SLDC's records. If you dispute the information your Settlement Payment is based on, you must return a written statement of the reasons you believe it is not correct, with any supporting documents you have, to the Settlement Administrator no later than

____________, 2023 [forty-five (45) days after the mailing of the Class Notice]. You should include any documents or other information supporting your belief the information in the Employment Information Sheet is not correct. Your written dispute should be signed by you, and include the case name, and case number, *Ochoa v. Speech and Language Development Center,* Case No. 30-2020-011443577-CU-OE-CXC. The Settlement Administrator will resolve disputes about the number of Workweeks based on SLDC's records, and any information you provide, subject to review by the Court.

11. <u>When can I expect to receive my Individual Settlement Payment?</u>

If you do not exclude yourself from the Settlement, and there are no objections submitted, your share of the Settlement will be mailed to you about 30 days after the Court grants final approval of the Settlement and enters judgment. ***Your share of the Settlement will be mailed to the address the Administrator has on file for you, which is the address where this Notice was mailed.*** If this address is not right, or if you move after you receive this Notice, you must inform the Settlement Administrator.

The Individual Settlement Payment will be characterized as 10% wages for which an IRS W-2 Form will be issued, and 45% penalties and 45% interest for which IRS 1099 Forms will be issued. Nothing in this Notice is advice about taxes or taxability. Each Participating Class Member may want to consult a tax advisor about the consequence of the Settlement payments.

12. <u>What am I giving up to get an Individual Settlement Payment?</u>

After the Court approves the Settlement, unless you exclude yourself, you are staying in the Class and can't sue, continue to sue, or be part of any other lawsuit against Defendants concerning the legal issues in this Action. You will be bound by the judgment in this Action and you will "give up" or release these claims:

<u>Released Claims</u>: As of the date the Judgment becomes Final, all Participating Class Members will fully and finally release Defendant and the Released Parties from all claims or causes of action of any kind alleged in the Complaint, for (1) failure to pay minimum, regular, and overtime wages, (2) rest period violations, (3) meal period violations, (4) inaccurate wage statement violations, (5) failure to pay final wages, and (6) unfair business practices. The release of these claims shall be effective from April 6, 2016 through July 19, 2021 ("Released Class Claims"). PAGA Members will release claims for PAGA civil penalties for failure to provide all wages, meal periods, rest periods, accurate wage statements, and final wages from April 6, 2019 to July 19, 2021, ("Released PAGA Claims") whether or not they submit a Request for Exclusion.

EXCLUDING YOURSELF FROM THE SETTLEMENT

13. <u>How do I get out of the Settlement?</u>

If you do not want to participate in the Settlement for any reason, you may request to be excluded from the Settlement ("to opt out"). **If you opt out, you will not receive a Settlement Share payment**, and you will not be bound by the terms of the Settlement.

To opt out, you must complete and return the Request for Exclusion Form included with this Notice, or submit your own written, signed and dated Request for Exclusion, postmarked no later than _____________, 2023 [forty-five (45) days after the date of the Notice] to the Settlement Administrator:

Speech and Language Development Center Class Action Settlement Administrator
c/o .
P.O. BOX ____
Costa Mesa, California 9_____

The Request for Exclusion Form must include your full name, signature, last four digits of your social security number for verification purposes, and be dated. If you choose to submit your own Request for Exclusion, it must state in substance: "I want to be excluded from the Class in the *Ochoa v. Speech and Language Development Center* lawsuit, Case No. 30-2020-01143577-CU-OE-CXC. I understand by asking to be excluded, I will not receive a Settlement Share payment from the Settlement." The request must state your full name, address, last four digits of your social security number for verification purposes, and it must be signed by you.

Opt out requests postmarked after ______________, 2023 or that are incomplete or unsigned will be rejected, and you will remain bound by the Settlement, the Released Class Claims, and you will receive your Settlement Share payments.

If you Opt out of the Settlement, and worked anytime from April 6, 2019 through March 13, 2020, you will still receive a share of PAGA Penalties based on the number of Pay Period worked during that time, and will release PAGA claims.

14. If I don't opt out of the Settlement, can I sue SLDC for the same thing later?

No. Unless you exclude yourself from this Action, you give up any right to sue SLDC for the claims settled in this Lawsuit. ***If you have a claim or lawsuit already against SLDC, speak to your lawyer in that case immediately***. You must ask to exclude yourself from the Settlement, Opt Out, to continue your own lawsuit.

15. If I opt out, can I get money from this Settlement?

No. If you Opt Out of the settlement, you will not receive an Individual Settlement Payment. Your payment will go to Participating Class Members. But you may receive a share of the PAGA Penalties if you worked between April 6, 2019 and March 13, 2020.

OBJECTING TO THE SETTLEMENT

16. How do I tell the Court that I don't like the Settlement?

If you have not returned an opt out request and believe the Settlement should not be finally approved by the Court, you may object to any Settlement term either in person or in writing by completing and returning the enclosed Objection Form. The Objection Form must include your name, current mailing address, telephone number, last four digits of your social security number for verification purposes, reason(s) for objecting, and be dated. Include any documents to which support your objection.

You may also submit your own written objection. All written objections must state your name, current address, telephone number, , last four digits of your social security number for verification purposes, the reason(s) for the objection, and the name and number of the case, *Ochoa vs. Speech and Language Development Center, Inc.,* Case No. 30-2020-01143577-CU-OE-CXC.. Include any documents to which support your objection.

The written objection must be mailed to the Administrator on or before __________, 2023 *[45 days of the initial mailing]*. The Administrator's mailing address and toll-free number are shown on the last page of this Notice.

You, or a lawyer at your expense, may also appear in person to discuss any objection with the Court, even if you have not submitted a written objection. The Final Approval Hearing is set for _________, 2023 at ____ a.m. in Dept. CX103 of the Superior Court of California, County of Orange to discuss your objections with the Court. The Court is located at 751 West Santa Ana Blvd., Santa Ana, California 92701.

If you wish to preserve your right to appeal if your valid objection is denied, you, or a lawyer on your behalf, must file formal papers with the Court intervening in the Action, before a final judgment is entered.

17. What's the difference between objecting and opting out of the Settlement?

Objecting is telling the Court you don't like something about the Settlement. You may object only if you stay in the Class. Requesting to be excluded, opting out, is telling the Court you don't want to be part of the Class or the Settlement. If you opt out, you have no basis to object because the case no longer affects you.

If you remain in the Class and object to the Settlement, the Court will consider your objections when deciding whether to grant final approval to the Settlement. If you have submitted a timely written objection, you do not need to appear to discuss the objection with the Court.

THE COURT'S FINAL FAIRNESS HEARING

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

The Court will hold a Final Approval Hearing in Department CX103 of the Superior Court of California, County of Orange, located at 751 West Santa Ana Blvd., Santa Ana, California 92701 on __________, 2023 at _____a.m. The Court will determine whether the Settlement is fair, reasonable, and adequate. The Court will also be asked to approve Class Counsel's request for attorneys' fees and reimbursement of litigation costs, the Class Representative Service payment, and the Settlement Administrator's fees and expenses.

The Court may reschedule the Final Approval Hearing without further notice to Class Members. However, any Class Member who has submitted a written objection will be notified by Class Counsel of any rescheduling of the date and time of the Final Approval hearing. Should the Court grant Final Approval of the Settlement and Enter Judgment, the Court's Order approving the Settlement and the Judgment may be viewed on the Administrator's website, www.___________________.com.

19. Do I have to come to the hearing?

No. Class Counsel will answer any questions the Judge may have. If you send an objection, you do not need to come to Court. If you mailed a written objection (Paragraph 16), the Court will consider it. You or your own lawyer, at your own expense, may also come to the hearing and discuss your objections with the Court.

20. May I appear and speak at the hearing?

Yes, but you cannot speak at the hearing if you have opted out of the Settlement.

GETTING MORE INFORMATION

21. Who can I contact if I have questions about the Settlement?

This Notice is only a summary of the case and the Settlement. For more detailed information, you may view a complete copy of the settlement agreement, and any of the papers filed in the Action, at the Filing Department of the Superior Court of California, County of Orange located at 700 W. Civic Center Drive, Santa Ana, California, 92702 during regular Court hours, from 8:00 a.m. to 4:00 p.m., Monday through Friday, excluding Court Holidays.

You may also examine case records on the Court's website, https://civilwebshopping.occourts.org/Search.do#searchAnchor, by clicking on "Online Services," "Case Access," "Civil Case & Documents Access." Once you've read the Court's "Information Disclaimer" and clicked "Accept Terms," type case number "01143577" and year field "2020," confirm you are not a robot and click "search." The documents filed in this case are listed in the Register of Actions, many may be available to view at a minimal charge.

You may also contact the attorneys for the Plaintiff and the Class at the contact information listed above in Paragraph 5 if you have any questions about the Settlement. You may also contact the Settlement Administrator by calling toll free at ______ or by writing to the Administrator at the address in Paragraph 13.

PLEASE DO NOT CONTACT THE CLERK OF THE COURT, THE JUDGE, OR THE DEFENDANT, ITS SUPERVISORS, OR ATTORNEYS ABOUT THIS SETTLEMENT

ADDITIONAL IMPORTANT INFORMATION

A. **SLDC supports the Settlement** and will not retaliate in any manner against any Class Member who stays in the Class and receives an Individual Settlement Payment or requests to opt out of the Settlement.

B. **It is your responsibility to ensure the Settlement Administrator** has your current mailing address and telephone number on file. This will be the address Individual Settlement Payment checks will be mailed.

C. **Settlement Payment checks <u>must be cashed</u> soon after receipt**. Checks not cashed after 180 days of the date of issuance will be forwarded to California's State Controller, Unclaimed Property Division for further handling on behalf of the Class Member whose check was voided. If your check is lost or misplaced, immediately contact the Settlement Administrator and request a replacement.

D. **Administrator's Address and Toll-Free Number**

Speech and Language Development Center Class Action Administrator
c/o ____________
P. O. Box ________,
______, CA 9___
Toll free: (   ) __________

Superior Court of California, County of Orange
Ochoa vs. Speech and Language Development Center, Inc.
Case No. 30-2020-01143577-CU-OE-CXC

EMPLOYMENT INFORMATION SHEET

Class Member's Address on File with the Settlement Administrator:

Name: ________________________

Address: ____________________

City, State, Zip Code: ________________________

- The number of Workweeks you worked from April 6, 2016 through March 13, 2020, according to SLDC's records is __________.
- The number of Pay Periods you worked from April 6, 2019 through March 13, 2020, according to SLDC's records is __________.

Based on the information above, it is estimated that if you do not opt out of the Settlement, you will receive an estimated **$_________**, less applicable payroll taxes. The amount shown is an estimate. The actual amount you receive may be more or less than the estimate shown.

You do not have to take any action to receive your share of the Settlement. Your share of the Settlement will be mailed to you at the address shown above.

If your address has changed, or is different than the address shown above, you must notify the Settlement Administrator by returning the enclosed Change of Address Form to receive your Settlement Payment. You may also contact attorneys for Plaintiff and the Class, Cohelan Khoury & Singer at (619) 595-3001.

Please Note: On receipt of your Settlement Payment, it is highly recommended that it be deposited or cashed without delay. The check will be voided after 180 days and funds represented by uncashed checks will be forwarded to California's Secretary of State, Controller, Unclaimed Property Division for further handling.

EXHIBIT B

Superior Court of California, County of Orange
Ochoa vs. Speech and Language Development Center, Inc.
Case No. 30-2020-01143577-CU-OE-CXC

CHANGE OF ADDRESS FORM

I want to change my name or mailing address or other contact information to the following:

Name:____

Former Name (if applicable):____________________________

Street and Apt. No., if any: ____________________________

City, State, and Zip Code:______________________________

Telephone(s): (Home):________________; (Cell):___________

Email:____

I understand all future correspondence in this Action, including important notices or Settlement Payments, will be sent to the address listed above and not to the address I previously used. I request the use of the address listed above for these purposes.

Submitted by:

DATED: ____________, 2023

Print Name: ___________________________

Signature: __________________________

PLEASE RETURN THIS FORM IN THE ENVELOPE PROVIDED OR VIA UNITED STATES FIRST-CLASS MAIL TO:

Speech and Language Development Center Class Action Administrator
c/o [Administrator]
P.O. Box *****
**********, CA *****

EXHIBIT C

Ochoa vs. Speech and Language Development Center, Inc.
Orange County Superior Court, Case No. 30-2020-01143577-CU-OE-CXC

REQUEST FOR EXCLUSION FORM

MAIL TO: c/o [Administrator] P.O. Box ***** **********, CA ***** Telephone: (***) ***-****

COMPLETE THIS FORM **ONLY IF** YOU WISH TO EXCLUDE YOURSELF FROM THE NON-PAGA SETTLEMENT CLASS. IF YOU EXCLUDE YOURSELF FROM THE SETTLEMENT CLASS, YOU **WILL NOT** RECEIVE YOUR INDIVIDUAL CLASS SETTLEMENT PAYMENT FROM THE NON-PAGA CLASS SETTLEMENT.

I, _________________________, request to be excluded from the Settlement Class in the matter of *Ochoa vs. Speech and Language Development Center, Inc.*, Orange County Superior Court, Case No. 30-2020-01143577-CU-OE-CXC. I understand that, by submitting this Request for Exclusion Form, I will no longer be eligible for a payment from the settlement (except for the PAGA Payment if I am also a PAGA Member).

____________________________________	____________________________________
Sign your name here	Date
____________________________________	____________________________________
Print your name here	Last 4 Digits of Social Security Number

IF YOU WISH TO BE EXCLUDED FROM THE CLASS SETTLEMENT (AND NOT RECEIVE AN INDIVIDUAL CLASS SETTLEMENT PAYMENT), YOU MUST MAIL THIS REQUEST FOR EXCLUSION FORM BY [45 days after mailing notice], 2023 TO THE FOLLOWING ADDRESS:

c/o [Administrator]
P.O. Box *****
**********, CA *****

EXHIBIT D

Ochoa vs. Speech and Language Development Center, Inc.
Orange County Superior Court, Case No. 30-2020-01143577-CU-OE-CXC

OBJECTION FORM

MAIL TO:
c/o [Administrator]
P.O. Box *****
**********, CA *****
Telephone: (***) ***-****

ONLY SUBMIT THIS FORM IF YOU OBJECT TO THE CLASS SETTLEMENT

Please provide the following information:

Name: ____

Mailing Address: ____

Telephone: ____

Reasons for Objection: ____

____

____

____

Last 4 Digits of Social Security Number: ___________________________

Signature: ____

ONLY SUBMIT THIS FORM IF YOU WANT TO FILE AN OBJECTION TO THE SETTLEMENT. INCLUDE ANY PAPERS UPON WHICH YOUR OBJECTION IS BASED.

YOU CAN ONLY OBJECT TO THE CLASS SETTLEMENT IF YOU DO NOT REQUEST EXCLUSION FROM THE CLASS SETTLEMENT.

IF YOU WANT TO OBJECT TO THE SETTLEMENT IN WRITING, YOUR OBJECTION SHOULD BE POSTMARKED ON OR BEFORE [45 days after mailing notice], 2023, AND MAILED TO THE FOLLOWING MAILING ADDRESS:

c/o [Administrator]
P.O. Box *****
**********, CA *****
Telephone: (***) ***-****

EXHIBIT E

LebeLaw
A PROFESSIONAL LAW CORPORATION

(213) 358-7046 (310) 820-1258 jon@lebelaw.com 777 S. Alameda Street, 2nd Floor, Los Angeles, CA 90021

May 13, 2020

Notice Via Online Submission and Fee Via Certified Mail

Department of Industrial Relations, Accounting Unit
455 Golden Gate Avenue, 10th Floor
San Francisco, California 94102
https://dir.tfaforms.net/128

Re: Notice by Julio Ochoa, on behalf of himself and all similarly-situated aggrieved California employees of Speech and Language Development Center, Inc., as an individual and as a proposed Representative of the State of California

Dear PAGA Administrator:

Pursuant to the Labor Code Private Attorneys General Act of 2004 ("PAGA"), Cal. Lab. Code sections 2698, et seq. ("PAGA"), Julio Ochoa ("Mr. Ochoa" or "Claimant") intends to bring a civil action against her former employer, Speech and Language Development Center, Inc. ("Defendant" or "Speech and Language Development Center"), individually and on behalf of all other similarly-aggrieved employees. This letter serves as Claimant's written notice pursuant to Labor Code section 2699.3(a)(1)(A) providing the Labor and Workforce Development Agency (hereafter "LWDA") the opportunity to investigate the alleged claims contained herein.

If the LWDA does not intend to investigate the alleged violations, Claimant intends to file a representative civil action for PAGA penalties on behalf of himself and all other aggrieved employees of the Defendant, and shall seek civil penalties under the PAGA on behalf of himself and all other aggrieved employees in the State of California. A copy of this notice is being sent to Defendant by certified mail at the address below.

FACTUAL STATEMENT

Speech and Language Development Center is a special education school based out of Buena Park, California. Mr. Ochoa has worked as a non-exempt employee for Speech and Language Development Center from approximately August of 2012 until the present. At all times during his employment and at least one year prior to the date of this notice, Defendant failed to pay all overtime wages for all overtime hours worked because it failed to properly calculate the regular rate of pay for purposes of calculating overtime and double-time rates. Claimant and other aggrieved employees were paid different hourly rates when they worked for different departments within Defendant's school but were paid overtime and double-time based on the lower hourly rates. However, this additional renumeration was not properly calculated into the regular rate of pay, and as a result the overtime and double-time wages were not calculated using the correct regular rate of pay. Accordingly, Defendant failed to pay all overtime wages.

Additionally, Defendant has subjected Claimant and other aggrieved employees to a uniform policy and practice of unlawful time rounding and manipulation. That is, Defendant rounded his and other aggrieved employees' hours worked to the nearest quarter of an hour, or otherwise manipulated the reported hours, which over time, unlawfully favored Defendant and resulted in time loss to the employees, including Claimant. This rounding policy was not neutral on its face or in application and resulted in cumulative loss of time to the employees.

Defendant had the ability to pay for the precise hours worked but opted instead to utilize the rounding policy with no apparent benefit other than to benefit Defendant and deprive employees of payment for all hours worked. As a result, Claimant and other employees were not paid all minimum and regular wages for all hours worked. When the employees worked overtime, the rounding policy and time manipulation policy also resulted in the failure to pay all overtime hours worked.

Defendant also failed to provide meal periods for each five hours of work to its employees, including Claimant. Often, when Claimant was provided an opportunity to take a meal period, it was after his fifth hour of work, or he was not provided a full thirty-minute, off-duty meal period. Defendant also failed to pay an additional hour's worth of premium pay on each occasion that it failed to provide lawful meal periods as required by law.

Additionally, Defendant failed to authorize or permit ten-minute rest periods for every four hours or major fraction thereof worked. Claimant and other aggrieved employees were not authorized to take their rest periods completely relieved of duty at the appropriate time intervals. Defendant also failed to pay an additional hour's worth of premium pay on each occasion that it failed to provide lawful rest periods as required by law.

Claimant further alleges, based on personal experience and observations, that the violations of the Labor Code described herein were suffered by other current and former non-exempt employees of Defendant.

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<u>FAILURE TO PAY MINIMUM, REGULAR, AND OVERTIME WAGES</u>

(Labor Code §§ 510, 1194, 1197, 1197.1, 1198, and the "Minimum Wages" and "Hours and Days of Work" Sections of the Applicable Wage Order)

Defendant failed to pay all minimum, regular, and overtime wages by law.

Labor Code section 510 provides in pertinent part: "Eight hours of labor constitutes a day's work. Any work in excess of 8 hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee. Any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee. In addition, any work in excess of eight hours on any seventh day of a workweek shall be compensated at the rate of no less than twice the regular rate of pay of an employee."

Labor Code section 1197 states: "The minimum wage for employees fixed by the commission or by any applicable state or local law, is the minimum wage to be paid to the employees, and the payment of a less wage than minimum wage so fixed is unlawful. This section does not change the applicability of local minimum wage laws to an entity."

Labor Code section 1198 states: "The maximum hours of work and the standard conditions of labor fixed by the commission shall be the maximum hours of work and the standard conditions of labor for employees. The employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful."

Pursuant to the "Minimum Wages" and "Hours & Days of Work" Section of the applicable IWC Wage Order, an employer may not pay employees less than the applicable minimum wage for all hours worked, and provides that an employer may not pay non-exempt employees less than the applicable overtime rate for all overtime hours worked.

As set forth in detail above, Defendant violated Labor code sections 510, 1197, 1194, 1198, and the "Minimum Wages" and "Hours and Days of Work" Sections of the Applicable Wage Order because it did not pay Claimant and other aggrieved current and former employees all minimum, regular, and overtime wages for all hours worked.

<u>FAILURE TO PROVIDE MEAL AND REST PERIODS</u>

(Labor Code §§ 226.2, 510, 1194, 1195.5, and 1198, and the "Hours and Days of Work" Section of the Applicable IWC Wage Order)

Labor Code section 512(a) states in pertinent part: "[A]n employer may not employ an employee for a work period of more than five hours per day without providing the employee with a meal period of not less than 30 minutes. An employer may not employ an employee for a work period of more than 10 hours per day without providing the employee with a second meal period of not less than 30 minutes . . .." Labor Code section 226.7(a) states that "no employer shall require any employee to work during any meal or rest period mandated by an applicable order of the Industrial Welfare Commission."

The “Rest Period” Section of applicable IWC Wage Order states, “Every employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period. The authorized rest period shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof.” If an employer fails to provide an employee a rest period in accordance with the applicable provision of the order, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of compensation of reach workday that the rest period is not provided.

As set forth above, Defendant failed to provide Claimant and other aggrieved employees with off-duty meal periods and duty-free rest periods as required by Labor Code sections 226. 7 and 512, and sections 11 and 12 of the applicable IWC Wage Order. Furthermore, Defendant failed to pay one (1) hour of pay at the employee's regular rate of compensation for each workday that the meal and/or rest period was not provided, in accordance with California law.

Labor Code section 226.7(c) states: “[I]f an employer fails to provide an employee a meal period or rest period in accordance with an applicable order of the IWC, the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each work day that the meal or rest period is not provided.”

Claimant intends to pursue remedies pursuant to the PAGA for the alleged violations on behalf of himself and all other aggrieved employees in the state of California.

FAILURE TO PROVIDE ACCURATE AND ITEMIZED WAGE STATEMENTS
(Labor Code § 226 and the "Records" Section of the applicable IWC Wage Order)

Labor Code section 226(a) states in pertinent part that every employer shall provide an accurate itemized statement in writing with respect to each one of its employees showing: 1) gross wages earned; 2) total hours worked by an employee, except for any employee whose compensation is solely based on a salary and who is exempt from payment of overtime under subdivision (a) of Section 515 or any applicable order of the Industrial Welfare Commission; (3) the number of piece rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis; (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item; (5) net wages earned; (6) the inclusive dates of the period for which the employee is paid; (7) the name of the employee and the last four digits of his or him social security number or an employee identification number other than a social security number; (8) the name and address of the legal entity that is the employer . . .; and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee.

“An employee suffering injury as a result of a knowing and intentional failure by an employer to comply with subdivision (a) is entitled to recover the greater of all actual damages or fifty dollars ($50.00) for the initial pay period in which a violation occurs and one hundred dollars ($100.00) per employee for each violation in a subsequent pay period, not exceeding an aggregate penalty of four thousand dollars ($4,000.00), and is entitled to an award of costs and reasonable attorney's fees."

Defendant failed to provide Claimant and other current and former employees with accurate, timely, itemized wage statements complying with the requirements of the Labor Code and applicable IWC Wage Order. Furthermore, Claimant's wage statements did not include the correct number of hours worked and wages earned. Claimant intends to pursue remedies pursuant to the PAGA for the alleged violation on behalf of himself and all other aggrieved employees in the state of California.

FAILURE TO TIMELY PAY WAGES DURING AND UPON TERMINATION OF EMPLOYMENT

(Labor Code §§ 201, 202, 203, 204, 256, 1198, and 2699, and the "Minimum Wages" Section of the Applicable Wage Order)

Labor Code section 204(a) states, in pertinent part, "All wages ... earned by any person in any employment are due and payable twice during each calendar month, on days designated in advance by the Employer as the regular paydays." The "Minimum Wages" Section of the applicable Wage Order further states "every Employer shall pay to each employee, on the established payday for the period involved, not less than the applicable minimum wage for all hours worked in the payroll period."

Labor Code section 201 states: "If an Employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately." Labor Code section 202 states "If an employee not having a written contract for a definite period quits his or her employment, his or her wages shall become due and payable not later than 72 hours thereafter, unless the employee has given 72 hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting."

Labor Code section 203(a) states, in relevant part: "If an Employer willfully fails to pay, without abatement or reduction, in accordance with Sections 201, 201.3, 201.5, 202, and 205.5, any wages of an employee who is discharged or who quits, 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 therefore is commenced; but the wages shall not continue for more than 30 days. An employee who secretes or absents himself or himself to avoid payment to his or her, or who refuses to receive the payment when fully tendered to his or her, including any penalty then accrued under this section, is not entitled to any benefit under this section for the time during which he or she so avoids payment."

Labor Code section 256 states: "The Labor Commissioner shall impose a civil penalty in an amount not exceeding 30 days of pay as waiting time under the terms of Section 203."

As detailed above, Defendant failed to timely pay its employees all wages due and owing during and upon termination of employment. Defendant willfully failed to pay all wages when required by Sections 201 and 202 of the Labor Code. Therefore, Defendant owes penalties to all affected employees. Claimant intends to pursue remedies pursuant to the PAGA for the alleged violations on behalf of all other aggrieved employees in the state of California.

CIVIL PENALTIES FOR VIOLATION OF LABOR CODE AND IWC WAGE ORDERS

(Labor Code §§ 558, 558.1, and 1197.1)

Labor Code section 558 subjects any Employer or other person acting on behalf of an Employer who violates, or causes to be violated, a section of Part 2, Chapter 1, of the Labor Code or any provision regulating hours and days of work in any IWC Wage Order to a civil penalty in the amount of $50 for any initial violation for each pay period in which an employee is underpaid in addition to an amount sufficient to recover underpaid wages, and $100 for each subsequent violation in addition to an amount sufficient to recover underpaid wages, which shall be paid to each affected employee.

Labor Code section 558.1(a) states: "Any Employer or other person acting on behalf of an employer, who violates, or causes to be violated, any provision regulating minimum wages or hours and days of work in any order of the Industrial Welfare Commission, or violates, or causes to be violated, Sections 203, 226, 226.7, 1193.6, 1194, or 2802, may be held liable as the Employer for such violation."

Labor Code section 1197.1 states that any employer or other person acting either individually or as an officer, agent or employee of another person, which pays or causes to be paid to an employee a wage less than the minimum fixed by an order of the commission shall be subject to a civil penalty and restitution of wages payable to the employee in an amount of $100 for the initial violation for each pay period in which an employee was underpaid in addition to an amount sufficient to recover underpaid wages, and $250 for each subsequent violation in addition to an amount sufficient to recover underpaid wages, which shall be paid to each affected employee.

As set forth above, Defendant violated the IWC Wage Order regulating the hours and days of work, Labor Code sections 510, 1197, and 1198, and caused the employees to be paid less than the minimum set by the IWC Wage Order. As a result, Defendant is liable for civil penalties under Labor Code sections 558, 558.1, and 1197.1.

Claimant will pursue all remedies on behalf of himself and other current and former employees, including recovery of attorney's fees, costs, damages, and penalties to the extent allowed by law.

DUTIES OF EMPLOYER

(Labor Code§§ 1174, 1174.5, 1175, and 1198, and the Applicable Wage Order)

Labor Code section 1174 describes certain duties of every Employer in this state. Subsection (d) of this labor code section requires that payroll records show the hours worked daily by employees and the corresponding wages to be paid for the hours worked. Employers violated this requirement by their failure to accurately record employee hours worked and/or paid. Labor Code section 1174.5 imposes a civil penalty of $500 for an Employer's failure to maintain accurate and complete records. This civil penalty is addition to the civil penalty of $100 per pay period, per aggrieved employee that would be imposed pursuant to Labor Code section 2699 for a violation of Labor Code section 1174(d). Furthermore, Claimant and all other aggrieved current and former employees are entitled to collect 25% of the penalty imposed pursuant to Section 2699.

Defendant failed to maintain accurate records regarding the hours worked and wages earned as required by law. Defendant further failed to maintain and provide accurate wage statements. Claimant will pursue all remedies on behalf of himself and other current and former employees, including recovery of attorney's fees, costs, damages, and penalties to the extent allowed by law.

ATTORNEY'S FEES, COSTS, INTEREST AND PENALTIES

(Labor Code §§ 218.6, 226(e), 1194, 1194.2, 2699, et seq., and 2802)

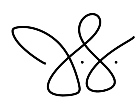
Labor Code sections 218.6, 226(e), 1194, 1194.2, and 2699, et seq. give employees the right to recover in a civil action the unpaid balance of the full amount of minimum wages, regular wages, overtime compensation, damages, liquidated damages, and penalties including interest thereon, reasonable attorney's fees, and costs of suit.

Pursuant to Labor Code sections 2699, et seq., aggrieved employees are entitled to collect 25% of the penalty assessment and 100% of the underpaid wages. Accordingly, Defendant is liable for these items in addition to the unpaid wages. Claimant has already incurred in actual damages, costs and attorney's fees and will continue to incur costs as a result of Defendant's unlawful actions.

CONCLUSION

Mr. Ochoa requests the LWDA initiate enforcement for the violations described above. If the LWDA does not pursue enforcement, Mr. Ochoa will pursue claims for statutory penalties and will seek all remedies available for violations of the Labor Code and the applicable Industrial Welfare Commission Wage Order, including all available penalties set forth in Labor Code section 2699(f).

Sincerely,



Jonathan M. Lebe, Esq.
Attorney for Julio Ochoa,
Individually and on behalf of Aggrieved Employees

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