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Attorneys for Plaintiff Class

SUPERIOR COURT OF THE STATE OF CALIFORNIA

IN AND FOR THE COUNTY OF LOS ANGELES

RIBALDO OLVERA and IGNACIO
GOMEZ individually and on behalf of all
others similarly situated,

Plaintiffs,

v.

AMERICAN CORPORATE SECURITY, A
California Corporation; AMERICAN
CORPORATE SECURITY INC.; and DOES
1-50,

Defendants.

Case No. 21STCV16417

[Related to Case No: 21STCV26885]

*[Assigned for all purposes to the Hon. Carolyn B.
Kuhl; Dept. 12]*

**DECLARATION OF DAVID MARA IN
SUPPORT OF MOTION FOR
PRELIMINARY APPROVAL OF CLASS
AND PAGA ACTION SETTLEMENT,
APPROVAL OF CLASS NOTICE, SETTING
OF FINAL APPROVAL HEARING DATE**

Date: May 28, 2026
Time: 10:30 a.m.
Dept.: SSC12

1 I DAVID MARA, hereby declare under penalty of perjury as follows:

- 2 1. I am President of Mara Law Firm, PC, and counsel of record for Plaintiffs and the putative class in
3 this matter. I am duly admitted to practice before all the courts of the state of California. The
4 following facts are within my personal knowledge and, if called to testify, I could and would
5 competently testify thereto.
- 6 2. I graduated from California Western School of Law and was admitted to practice law in
7 California in May 2004.
- 8 3. I extensively handle employment cases which involve violations of the California Labor Code
9 and Industrial Welfare Commission Wage Orders, such as wage and hour class actions and cases
10 alleging violations of the Private Attorneys General Act of 2004 (“PAGA”).
- 11 4. I was co-class counsel in *Hohnbaum v. Brinker Restaurant Corp.* (San Diego County Superior
12 Court, Case No. GIC834348) which was the underlying case in the California Supreme Court’s
13 landmark decision in *Brinker Restaurant Corp. v. Superior Court* (2012) 53 Cal.4th 1004, in which
14 the California Supreme Court delineated the scope of employer obligations to provide, and
15 employee rights to receive, meal and rest periods under California law.
- 16 5. I previously authored Amicus Curiae briefs on behalf of Consumer Attorneys of California
17 (“CAOC”). For example, I authored the Amicus Curiae briefs on behalf of CAOC in *Augustus v.*
18 *ABM Security Services, Inc.* (2016) 2 Cal.5th 257, (The California Supreme Court ruling that, like
19 meal periods, employers must relieve employees of all duty and relinquish all control to
20 satisfactorily discharge its obligation to authorize and permit rest periods.); *Frlekin v. Apple, Inc.*
21 (2020) 8 Cal.5th 1038 (The California Supreme Court ruling that the time spent on the employer’s
22 premises waiting for, and undergoing, required exit searches of packages, bags, or personal
23 technology devices voluntarily brought to work is compensable hours worked within the meaning
24 of the Wage Orders.); *Oliver v. Superior Court* (2021) California Court of Appeal Case No.
25 H049185 (A brief asking the California Court of Appeal for the Sixth Appellate District to
26 determine whether mandatory drive time of personal vehicles should be considered hours worked
27 within the meaning of the Wage Orders’ suffered or permitted test.). *Davidson v. O’Reilly Auto*
28 *Enterprises, LLC* (9th Cir., 2020; Docket No. 18-56188) (a brief seeking Review *En Banc* of an

1 order denying class certification in a wage and hour matter).

- 2 6. I have also lectured as a panelist for California Employment Lawyers Association regarding a
3 host of wage and hour issues.
- 4 7. My firm has been granted class certification in both state and federal courts.
- 5 8. I have been named as class counsel in a number of wage and hour class actions in which the Court
6 granted the plaintiff's motion for class certification. For example, my firm has been named class
7 counsel: *Mario Norona v. B&G Delivery System, Inc.* (Sacramento County Superior Court, Case
8 No. 34-2015-00186826-CU-OE-GDS); *Jerald Schroeder v. YRC, Inc.; et al.* (Central District of
9 California, Case No. 12-cv-01374-TJH); *John Martin v. Sysco Corporation, et al.* (Eastern District
10 of California, Case No. 1:16-cv-00990-DAD-SAB); *William Smith v. Werner Enterprises, Inc.*
11 *d/b/a C.L. Werner, Inc.* (District of Nebraska, Case No. 8:15-cv-287); *Thomas Perez v. City of San*
12 *Diego* (San Diego County Superior Court, Case No. 37-2014-00016621-CU-OE-CTL); *Eric*
13 *Mendez v. M&N Consulting, Inc. dba A-Line Messenger Service* (San Bernardino County Superior
14 Court, Case No. CIVDS1923624); *Denson Sales v. Professional Auto Transport, Inc. et al.* (San
15 Bernardino County Superior Court, Case No. CIVDS2010153); *Sonny Williams v. Hansen and*
16 *Adkins Auto Transport, Inc.; et al.* (San Bernardino County Superior Court, Case No.
17 CIVDS2020832); *Bobby Williams v. Mohsen Transport, Inc.* (San Diego County Superior Court,
18 Case No. 37-2019-00063361-CU-OE-CTL); and *Ashton Harden vs. Mushiana Transport Inc.*
19 (Sacramento County Superior Court, Case No. 34-2021-00301950-CU-OE-GDS).
- 20 9. I am also plaintiff's counsel in a host of other class actions involving violations of California's wage
21 and hour laws. For example, I have been and am involved as counsel for plaintiff in the following
22 sampling of class action cases involving wage and hour violations under California law: *Alton Davis*
23 *v. Apria Healthcare Group, Inc.* (San Diego County Superior Court, Case No. 37-2014-00004724-
24 CU-OE-CTL); *Terrance Bailey v. Blue Apron, LLC; et al.* (Northern District of California, Case
25 No. 18-cv-07000-VC); *Moises Hernandez v. Pasha Distribution Services LLC et al.* (Alameda
26 County Superior Court, Case No. RG21113722); *Keith Davis v. Walnut LLC* (Los Angeles County
27 Superior Court, Case No. 20STCV34519); *Simon Munoz v. RDO Equipment Co.* (Eastern District
28 of California, Case No. 23-cv-00979); *Paul Garcia et al. v. Haralambos Beverage Co.* (Los Angeles

County Superior Court, Case No. BC660723); *Brett Kelly v. Conrad Wood Preserving Co.* (Stanislaus County Superior Court, Case No. CV-23-003516); *Robert Mark-Waterhouse v. DOT Transportation, Inc. et al.* (Stanislaus County Superior Court, Case No. CV-22-004102); *James Queen v. Sorenson Communications, LLC* (San Diego County Superior Court, Case No. 37-2023-00016623-CU-OE-CTL); *Marichu Jeffries v. The Meadows at Country Place, LLC* (Sacramento County Superior Court, Case No. 23CV003530); *Michael Valentich v. Hub Construction Specialties, Inc.* (San Bernardino County Superior Court, Case No. JCCPDS4893); *Jose De Jesus Ortega Velazquez v. Hunter Landscape, Inc.; et al.* (San Bernardino County Superior Court, Case No. CIVDS1928062); *Larry Perez v. The Nielsen Company (US), LLC* (Orange County Superior Court, Case No. 30-2021-01194324-CU-OE-CXC); *Erik Martinez v. Patrick Industries, Inc.* (San Bernardino County Superior Court, Case No. CIVDS2009663); *Randolph Fitch v. Shaw Industries, Inc.; et al.* (San Bernardino County Superior Court, Case No. CIVSB2024674); and *Aaron Romero v. Vitro Flat Glass, LLC* (Kern County Superior Court, Case No. BCV-21-101357).

10. Jill Vecchi is a partner at Mara Law Firm, PC. She solely handles wage and hour class actions and PAGA actions. Ms. Vecchi graduated from Santa Clara University School of Law and was admitted to practice law in California in December 2014 and received her undergraduate degree from University of California, Riverside in 2010. Ms. Vecchi has been litigating wage and hour class actions for almost nine (9) years and has handled over one hundred (100) class action and PAGA lawsuits.

11. Ms. Vecchi has been named as class counsel in the following certified cases as a result of the court granting a motion for class certification: *Mario Norona v. B&G Delivery System, Inc.* (Sacramento County Superior Court, Case No. 34-2015-00186826-CU-OE-GDS); *Jerald Schroeder v. YRC, Inc.; YRC Worldwide, Inc.* (Central District of California, Case No. 12-cv-01374-TJH); *John Martin v. Sysco Corporation; Sysco Central California, Inc.* (Eastern District of California, Case No. 1:16-cv-00990-DAD-SAB); *Denson Sales, et al. v. United Road Services, Inc. et al* (Northern District of California, Case No. 19-cv-08404-JST); *Sonny Williams v. Hansen and Adkins Auto Transport, Inc.; et al.* (San Bernardino County Superior Court, Case No. CIVDS2020832); *Bobby Williams v. Mohsen Transport, Inc.* (San Diego County Superior Court, Case No. 37-2019-

00063361-CU-OE-CTL); and *Ashton Harden v. Mushiana Transport Inc.* (Sacramento County Superior Court, Case No. 34-2021-00301950-CU-OE-GDS).

12. Ms. Vecchi has also been substantially involved in all phases of this litigation and in the following sampling of wage and hour class action and PAGA cases, of which our firm is the attorney of record: *Alton Davis v. Apria Healthcare Group, Inc.* (San Diego County Superior Court, Case No. 37-2014-00004724-CU-OE-CTL); *Terrance Bailey v. Blue Apron, LLC; et al.* (Northern District of California, Case No. 18-cv-07000-VC); *Moises Hernandez v. Pasha Distribution Services LLC et al.* (Alameda County Superior Court, Case No. RG21113722); *Keith Davis v. Walnut LLC* (Los Angeles County Superior Court, Case No. 20STCV34519); *Simon Munoz v. RDO Equipment Co.* (Eastern District of California, Case No. 23-cv-00979); *Michael Valentich v. Hub Construction Specialties, Inc.* (San Bernardino County Superior Court, Case No. JCCPDS4893); *Jose De Jesus Ortega Velazquez v. Hunter Landscape, Inc.; et al.* (San Bernardino County Superior Court, Case No. CIVDS1928062); *Larry Perez v. The Nielsen Company (US), LLC* (Orange County Superior Court, Case No. 30-2021-01194324-CU-OE-CXC); *Erik Martinez v. Patrick Industries, Inc.* (San Bernardino County Superior Court, Case No. CIVDS2009663); *Randolph Fitch v. Shaw Industries, Inc.; et al.* (San Bernardino County Superior Court, Case No. CIVSB2024674); and *Aaron Romero v. Vitro Flat Glass, LLC* (Kern County Superior Court, Case No. BCV-21-101357).

13. Carter Cordura is an associate at Mara Law Firm, PC. He extensively handles wage and hour class actions and PAGA actions. Mr. Cordura graduated cum laude from the University of San Diego School of Law and was admitted to practice law in California in December 2024 and received his undergraduate degree from the California State University of San Bernardino in 2020.

14. Mr. Cordura oversees all aspects of the cases assigned to him. Mr. Cordura routinely writes and opposes motions and argues at hearings. Mr. Cordura drafts discovery propounded on employers; communicates with clients; communicates with class members; communicates with co-counsel; communicates with defense counsel; drafts and revises notices to the Labor and Workforce Development Agency pursuant to the Private Attorneys General Act of 2004; creates exhibits for use in cases; reviews documents produced by employers; attends mediations; drafts, reviews,

and revises settlement agreements; drafts, reviews, and revises settlement approval motions; argues at hearings on settlement motions; and oversees all day to day work in his cases.

15. Here is a non-exhaustive list of wage and hour class action and PAGA cases in which Mr. Cordura has been substantially involved in: *Boyd v. Cogent Infotech Corporation* (San Bernardino County Superior Court, Case No. CIVSB2409307); *Mendoza v. Elite Fuels Transportation* (San Bernardino County Superior Court, Case No. CIVSB2427100); *Foster v. Foster Farms LLC, et al.* (Fresno County Superior Court, Case No. 21JCCP05166); *Garcia v. Haralambos Beverage Co.* (Los Angeles County Superior Court, Case No. BC660723); *Langarcia v. Morris Levin & Son* (Kern County Superior Court, Case No. BCV-23-102218 DRZ); *Smith v. North American Video Corporation* (Orange County Superior Court, Case No. 30-2022-01277262-CU-OE-CXC); *Valencia v. Royal Oak Ag Services, Inc.* (Kern County Superior Court, Case No. BCV-24-104012); *Martinez v. Tim Hofer, Inc., et al.* (Kern County Superior Court, Case No. BCV-24-101779); *Samuels v. WIS International, Inc., et al.* (Sacramento County Superior Court, Case No. 23CV012186); and *Garcia v. Valley Diners LLC* (Merced County Superior Court, Case No. 24CV-05273).

16. Plaintiff Ignacio Gomez submitted his Notice of Labor Code Violations to the LWDA on May 8, 2020. On April 30, 2021, Plaintiff Ribaldo Olvera filed a class action complaint in the Los Angeles County Superior Court against Defendants, alleging several causes of action premised on alleged violations of the Labor Code and Wage Order. On July, 22, 2021, Plaintiff Ribaldo Olvera also filed a PAGA action in Los Angeles Superior Court (Case No. 21STCV26885). On September 29, 2022, Plaintiff Ribaldo Olvera filed a First Amended Class Action Complaint (“FAC”), which alleged a PAGA Action and added Plaintiff Ignacio Gomez as a named Plaintiff/Class Representative. The FAC alleged seven causes of action: (1) Failure to Pay Wages, Including Overtime (Lab. Code, §§ 510, 1094); (2) Failure to Provide Meal Periods (Lab. Code, §§ 226.7, 512); (3) Failure to Provide Rest Periods (Lab. Code, §§ 226.7); (4) Failure to Pay Timely Wages (Lab. Code, § 226); (6) UCL; and (7) PAGA Violations for the Underlying Claims

17. On November 22, 2024, after Plaintiffs filed their motion for class certification, the Court

1 certified Class and Union/Non-Union Subclasses for claims involving Meal Periods, and meal
2 period derivative claims for violations of wage statements, waiting time penalties, and UCL. On
3 March 6, 2025, Notice of the Certified Class Action was sent out to Class Members via U.S.
4 First Class Mail by the Class Action Administrator, Apex Class Action LLC.

5 18. Defendants filed a Motion for Summary Judgment/Adjudication on August 27, 2025. The
6 Plaintiff Class filed a Motion for Summary Adjudication on August 28, 2025. Hearing was set
7 for these dueling motions on December 12, 2025. Both Parties filed corresponding oppositions
8 and replies ahead of the hearing. On November 20, 2025, the Parties reached a settlement in
9 principle, vacating the hearing for the motions for summary judgment and summary
10 adjudication.

11 19. The Parties have engaged in significant discovery. These discovery efforts included Plaintiffs'
12 Motions to Compel Responses to Demand for Production of Documents (Set One) and to Special
13 Interrogatories (Set One), which were granted on August 2, 2023, and an Informal Discovery
14 Conference on October 4, 2023. Both Parties propounded and responded to formal written
15 discovery. Defendants produced hundreds of thousands of documents including time and activity
16 records, wage records, collective bargaining agreements, employee handbooks, and wage and
17 hour policies. Moreover, Defendants produced a class list after completing a Belaire West notice
18 procedure. Plaintiffs engaged in substantial communications with class members after receiving
19 this list. In addition, Plaintiffs' took the depositions of Defendant's Person Most Qualified
20 witnesses, Timothy Lovette and Brittany Cychosz on April 12, 2023, and Niles Rose on February
21 2, 2024. Defendants took the Deposition of Plaintiff Ribaldo Olvera on April 23, 2024, and
22 Plaintiff Ignacio Gomez on April 24, 2024.

23 20. Moreover, Defendants also produced financial documents which were reviewed by third party
24 accounting experts which revealed the severe financial distress experienced by Defendants.

25 21. The discovery, investigation, and litigation process has been adequate to give Class Counsel a
26 sound understanding of the value, strength, and vulnerabilities of the Class's claims. Specifically,
27 Class Counsel has conducted discovery and an investigation into the claims during the
28 prosecution of this action. This discovery, investigation, and prosecution has included, among

1 other things, analyzing the legal positions taken by Defendants and the developments in the law
2 related to various claims, analyzing potential damages before and throughout the settlement
3 negotiation process, researching the applicable law with respect to the Class's claims and
4 Defendant's potential defenses, and assessing the risk of further litigation.

5 22. The Parties attended three mediations. The Parties held two mediations with respected wage and
6 hour mediator David Rotman on June 10, 2025 and August 15, 2025, neither of which were
7 successful. On November 14, 2025 held their third mediation with respected wage and hour
8 mediator Doug Leach. At these mediations, Defendants provided Class Counsel a robust
9 production of financial documents that were reviewed by private third party accounting experts
10 and demonstrated severe financial distress experienced by Defendants. Ultimately, a settlement
11 in principle was reached on November 20, 2025.

12 23. The battle line of this class action lawsuit is well defined. Plaintiffs claim Defendant's on-duty
13 meal period policy that applies to 95% of its security posts during the class period is unlawful
14 because it did not incorporate the DLSE five-factor test and ostensibly let the customer decide
15 on-duty meal period requirements.

16 24. Defendant took the position that federal regulations – not its client - dictated the need for security
17 guards to be vigilant and on-duty during meal periods. Defendant also claimed it offered an off-
18 duty experience to all class members subject to an on-duty meal period arrangement.

19 25. Plaintiff countered that such arguments were irrelevant to whether it's on-duty meal period
20 policy was unlawful. The fact that all employees working on-duty posts had to remain on the
21 premises and be ready to engage at any moment during meal periods made them on-duty,
22 regardless of whether they were permitted some other limited freedoms such as being able to eat
23 a meal during on-duty meal periods. The question on the lawfulness of Defendant's on-duty meal
24 periods also was not impacted by whether federal regulations required guards to be on-duty.
25 Ultimately, Plaintiffs argued, Defendant could have satisfied any federal regulations and
26 provided off-duty meal periods. Defendant just needed to provide additional personnel to fully
27 relieve class members during meal periods – like it would do for fifteen-minute rest periods.
28 Thus, Plaintiffs argued, because Defendant could have provided full relief for class members to

1 enjoy a duty-free meal period, Defendant could not, as a matter of law, satisfy the rigorous
2 “nature of the work” defense.

3 26. The biggest hurdle in prevailing on this claim was the fact that the overwhelming majority of
4 class members (598 of the 675 total class members) were subject to collective bargaining
5 agreements. Under Labor Code § 512(e), Defendant argued in its motion for summary
6 adjudication, these 598 class members would be exempt from having to be provided meal periods
7 in accordance with Labor Code section 512(a) or the Labor Code. Although Plaintiffs opposed
8 Defendant’s motion, there was certainly persuasive authority the Court could rely on to grant it
9 and thus, limit any potential meal period exposure to the 77 non-union class members.

10 27. The proposed settlement was only possible following significant discovery and an evaluation of
11 Defendant’s relevant policies and procedures. This permitted Class Counsel to engage in a
12 comprehensive analysis of liability and potential damages. The discovery conducted allowed
13 Plaintiffs to evaluate the strengths and weaknesses of their theories of liability, which are
14 predicated on Plaintiffs’ claims that Defendants failed to provide lawful meal periods.

15 28. As shown above, Defendant had a powerful defense to 88.5% of the class. Specifically, under
16 512(e), Defendant’s Collective Bargaining Agreements likely wipe out the 598 union member
17 claims entirely. That leaves the core value of the case relegated to the 77 non-union members
18 and the likelihood that they would prevail on the merits of their claim that Defendant’s on-duty
19 meal periods were unlawful. As shown below, the gross settlement amount of \$698,000 is fair
20 and reasonable when considering Defendant’s defenses, demonstrated financial condition, and
21 agreement to make institutional policy changes to its on-duty meal period policy.

22 29. This settlement encompasses approximately 78,056 workweeks. Of that total, 60,532 workweeks
23 were applicable to union members, while 17,524 were in play for the non-union class members.
24 On average, class members worked approximately 3 days a week. Class Members earned
25 approximately \$19.00 per hour. Thus, if Plaintiffs were to prevail on their on-duty meal period
26 claim, the total potential exposure under Labor Code § 226.7 for union members would be
27 \$4,449,192 (78,056 workweeks x \$19.00/hour = \$4,449,192), and \$998,868 for non-union class
28 members.

- 1 30. In light of the risks Plaintiff's claims faced, Plaintiffs and their Counsel believe that the
2 settlement amount of \$698,000 – with an average settlement share amount estimated at
3 \$2,830.19 for Non-Union Class Members and \$121.47 for Union Class Members – is a
4 reasonable and fair settlement amount. Under the terms of the settlement agreement, the non-
5 union class members will receive 75% of the net settlement amount, which is projected to be no
6 less than \$227,299.
- 7 31. This settlement is fair and reasonable for three key reasons. One, although Plaintiffs remain
8 confident that they would prevail on their motion for summary adjudication for the non-union
9 class members, they had to take into consideration the voluminous financial records Defendant
10 produced. Plaintiffs' accounting expert reviewed those records, which demonstrated severe
11 financial distress. Thus, Plaintiffs had to discount the total likely exposure to account for the
12 likelihood that Defendant would not be able to satisfy a judgment against it for full value. Two,
13 as part of the settlement, Defendant has agreed to make institutional changes and incorporate the
14 DLSE 5-factor test in determining whether it will require on-duty meal periods. (Exhibit 1 at ¶
15 59). Three, the net settlement amount allocated to the non-union subclass – which, as shown
16 above, has the highest likely value in the case – reflects 22.7% of the potential exposure for on-
17 duty meal period violations.
- 18 32. My firm and I do not have any interest or involvement in the proposed Settlement Administrator,
19 Apex Class Action LLC.
- 20 33. I am not aware of any related cases that involve the claims being released here.
- 21 34. Any attorneys' fees awarded in this case will be split equally between my firm and James
22 Hawkins APLC, to which Plaintiffs have agreed to in writing.
- 23 35. A true and correct copy of the Settlement Agreement is attached hereto as **Exhibit 1**. A true and
24 correct copy of the proposed Class Notice is attached to **Exhibit 1** as **Attachment A**.
- 25 36. A true and correct copy of Plaintiff Ignacio Gomez's PAGA Notice and Plaintiff Ribaldo
26 Olvera's PAGA Notice is attached hereto as **Exhibit 2**.
- 27 37. A true and correct copy of Plaintiff Ribaldo Olvera's PAGA Notice is attached hereto as **Exhibit**
28 **3**.

1 38. A true and correct copy of the confirmation that the upload of Plaintiffs' preliminary approval
2 motion was received by the LWDA is attached as **Exhibit 4**.

3 I declare under penalty of perjury under the laws of the State of California that all the
4 foregoing is true and correct.

5
6 Dated:

By: 
David Mara, Esq.

Exhibit 1

JOINT STIPULATION AND SETTLEMENT AGREEMENT

Subject to final approval by the Court, this settlement agreement is made between Plaintiffs Ribaldo Olvera and Ignacio Gomez on behalf of themselves and the Certified Class (“Plaintiffs”) and Defendants American Corporate Security; American Corporate Security, Inc. (“Defendants”) (collectively Plaintiffs and Defendants are referred to in this Agreement as the “Parties”). This agreement is intended to settle the class action lawsuit entitled, *Ribaldo Olvera and Ignacio Gomez v. American Corporate Security, et al.* Los Angeles County Superior Court Case No. 21STCV16417.

I. DEFINITIONS

In addition to the other terms defined in this agreement, the terms below have the following meaning:

1. **Administration Costs:** The costs incurred by the Settlement Administrator, Apex Class Action Administration to administer this Settlement, which shall not exceed \$15,000. All Administration Costs shall be paid from the Gross Settlement Amount. If the actual administration costs are less than the amount allocated in this agreement, or if the Court awards less than the amount requested, the difference in the amount allocated in this agreement and the amount awarded by the Court will become part of the Net Settlement Amount for distribution to Participating Class Members.
2. **Agreement, Settlement Agreement, Joint Stipulation, or Settlement:** The settlement agreement reflected in this document, titled “Joint Stipulation and Settlement Agreement.”
3. **Aggrieved Employees:** All Class Members who worked for Defendants at any time from May 8, 2019 to December 31, 2025.
4. **Attorneys Fee Award:** The amount of attorneys’ fees approved of by the Court and awarded to Class Counsel. This amount shall not exceed one-third of the Gross Settlement Amount (\$232,434). The Attorneys Fee Award shall be paid from the Gross Settlement Amount. If the Court awards less than the amount requested, any amount not awarded will become part of the Net Settlement Amount for distribution to Participating Class Members.
5. **Class:** All persons who are employed or have been employed by Defendants in the State of California as non-exempt, hourly security guards, security officers, or similar job designations and titles at any time from January 1, 2019, to November 22, 2024 (the date the Court issued an order granting class certification), who worked shifts lasting longer than five hours at security posts that were designated by Defendants as on-duty security posts. The class does not include any employees who signed an arbitration agreement with Defendants.

- A. Non Union Subclass:** All Class Members who at any time during the Class Period worked for Defendants as non-union members.
- B. Union Subclass:** All Class Members who at any time during the Class period worked for Defendants as union members.
6. **Class Claims:** Claims for Meal Periods under Labor Code §§ 226.7 and 512; Meal Period derivative claims for wage statement violations under Labor Code § 226, waiting time penalties under Labor Code § 203, and UCL Claims as certified by the Court in its November 22, 2024, Order.
7. **Class Counsel:** David Mara and Jill Vecchi of Mara Law Firm, PC, and James Hawkins, Greg Mauro, and Michael Calvo of James Hawkins APLC.
8. **Class Data:** The electronic database Defendants shall deliver to the Settlement Administrator which will list the following information for each Class Member: (1) first and last name; (2) last known mailing address; (3) social security number; (4) telephone number; and (5) the total number of weeks during which the Class Member performed work as a Union member during the Class Period, if any; and (6) the total number of weeks during which the Class Member performed work as a Non Union member during the Class Period, if any. The Class Data shall be based on Defendants' payroll, personnel, and other business records. For purposes of computing the amount of weeks each class member worked, if the Class Member worked at least one day in a week, it shall constitute a workweek.
9. **Class Member:** Each person eligible to participate in this Settlement who is a member of the Class as defined above.
10. **Class Notice:** The Notice of Class Action Settlement, substantially similar to the form attached hereto as **Exhibit A**, subject to Court approval.
11. **Class Period:** January 1, 2019, to November 22, 2024.
12. **Class Representatives:** Ribaldo Olvera and Ignacio Gomez.
13. **Class Representative Service Payments:** The amount the Court awards to the Class Representatives, Ribaldo Olvera and Ignacio Gomez, which will not exceed \$15,000 each. These payments shall be paid from the Gross Settlement Amount and are being offered in consideration for Plaintiffs executing a general release of claims against Defendants, a release that is broader than any Participating Class Member will provide in consideration for a settlement share. This payment is also offered in consideration for the Plaintiffs' actions in conferring a benefit upon the State of California and the Class, and the time and effort Plaintiffs put into pursuing this lengthy litigation for the betterment of

Class Members. If the Court awards less than the amount requested, any amount not awarded will become part of the Net Settlement Amount for distribution to Participating Class Members.

14. **Cost Award:** The amount that the Court orders Defendants to pay Class Counsel for payment of actual litigation costs, which shall not exceed \$80,000. The Cost Award will be paid from the Gross Settlement Amount. The Cost Award is subject to Court approval. If the actual costs incurred are less than the amount allocated in this Agreement, or if the Court awards less than the amount requested, the difference in the amount allocated in this Agreement and the amount awarded by the Court will become part of the Net Settlement Amount for distribution to Participating Class Members.
15. **Counsel for Defendants:** Dana Douglas, Douglas Law Group
16. **Court:** Superior Court of California for the County of Los Angeles.
17. **Defendants:** American Corporate Security; American Corporate Security, Inc.
18. **Disbursement of the Settlement:** Within ten (10) calendar days after the Settlement Administrator's receipt of the final installment of the Gross Settlement Amount, the Settlement Administrator shall disburse: (1) the Net Settlement Amount to be paid to Participating Class Members; (2) the Net PAGA Settlement Amount to Aggrieved Employees; (3) the Attorney Fee Award and Cost Award to Class Counsel for attorneys' fees and costs, as approved by the Court; (4) the Class Representative Service Payments paid to the Class Representatives, as approved by the Court; (5) the Administration Costs, as approved by the Court; and (6) the LWDA Payment to the LWDA.
19. **Effective Final Settlement Date:** The effective date of this settlement will be the later of the time when either: (i) the Judgment of the Court granting final approval of the settlement is final and no longer subject to appeal, if there are objections, or (ii) the date the Court enters an order on final approval of the settlement, if there are no objections.
20. **Employer Taxes:** Defendants' portion of payroll taxes as the Class Members' current or former employer (including the employer's payment of applicable FICA, FUTA, and SUI contributions, etc.) owed to the appropriate local, state, and federal taxing authorities. Defendants will pay their portion of payroll taxes separate and apart from the Gross Settlement Amount.
21. **Final Judgment or Final Approval:** The final order entered by the Court approving this Agreement.

22. **Funding of Settlement:** Defendants shall wire or otherwise provide to the Settlement Administrator the Gross Settlement Amount in the following installments:
- A. \$100,000 thirty (30) days after the Effective Final Settlement Date (“Initial Payment”);
 - B. \$20,750 on the first of each month following the Initial Payment for twenty-four (24) months (“Monthly Payments”);
 - C. \$100,000 thirty (30) days after the last Monthly Payment.
23. **Gross Settlement Amount or GSA:** The total value of the settlement is a non-reversionary Six Hundred Ninety-Eight Thousand dollars (\$698,000). This is the gross amount Defendants can be required to pay under this Settlement Agreement, with the exception of their obligation to pay Employer Taxes, or if the Escalator Provision is triggered. The Gross Settlement Amount includes without limitation: (1) the Net Settlement Amount to be paid to Participating Class Members; (2) the Attorneys Fee Award and Cost Award to Class Counsel for attorneys’ fees and costs, as approved by the Court; (3) the Class Representative Service Payments paid to the Class Representatives, as approved by the Court; (4) the Administration Costs, as approved by the Court; and (5) the PAGA Payment to the LWDA and to Aggrieved Employees, as approved by the Court. Defendants’ portion of payroll taxes as the Class Members’ current or former employer will be paid outside of and in addition to the Gross Settlement Amount. No portion of the Gross Settlement Amount will revert to Defendants for any reason.
24. **Individual Class Settlement Share(s):** The portion of the Net Settlement Amount each Participating Class Member will receive under the terms of this Settlement Agreement. Class Members are not required to submit a claim form to receive their Individual Class Settlement Shares pursuant to this Agreement. Rather, Participating Class Members will receive an Individual Class Settlement Share automatically, without the return of a claim form.
25. **Individual PAGA Settlement Share(s):** Settlement Class Members will receive a pro-rated share of the Net Settlement Amount, less applicable withholdings, based on the number of workweeks they worked in California while employed by Defendants during the Class Period.
26. **LWDA:** California Labor and Workforce Development Agency (“LWDA”). The LWDA is empowered to enforce the Labor Code Private Attorneys General Act, California Labor Code section 2698, *et seq.*, and has delegated such authority to Plaintiffs with regard to the claim in this Action through the procedural mechanisms provided for by statute.

27. **LWDA Payment:** Refers to the Seventy-five percent (75%) of the PAGA Payment of \$50,000 that is to be paid to the LWDA as described in this Settlement (*i.e.*, \$37,500).
28. **Net PAGA Settlement Amount or NPSA:** The total amount of money for payout to Aggrieved Employees, which is the PAGA Payment less the LWDA Payment (*i.e.*, \$12,500).
29. **Net Settlement Amount or NSA:** The total amount of money available for payout to Participating Class Members, which is the GSA less the Attorneys Fee Award, Cost Award, Class Representative Service Payments, the PAGA Payment, and Administration Costs. In other words, the NSA is the portion of the GSA that will be distributed to Participating Class Members. The payment of employee-side taxes on the portion of the settlement shares earmarked as wages shall be paid out of the Net Settlement Amount. Thus, the Individual Settlement Shares that are paid out of the Net Settlement Amount shall be reduced by the employee's tax liability for the portion of the settlement shares allocated as wages.
 - A. The NSA will be divided into a "Non Union Subclass Settlement Fund" and an "Union Subclass Settlement Fund" as follows:
 - i. **Non Union Subclass Settlement Fund:** The portion of the settlement fund that is equal to 75% of the NSA and is distributable to the Non Union Subclass Members.
 - ii. **Union Subclass Settlement Fund:** The portion of the settlement fund that is equal to 25% of the NSA and is distributable to the Union Subclass Members.
30. **PAGA:** The California Labor Code Private Attorneys General Act of 2004 (Cal. Labor Code §§ 2698 *et seq.*).
31. **PAGA Data:** The electronic database Defendants shall deliver to the Settlement Administrator which will list the following information for each Aggrieved Employee: (1) first and last name; (2) last known mailing address; (3) social security number; (4) telephone number; and (5) the total number of pay periods during which the Aggrieved Employee performed work during the PAGA Period as an Aggrieved Employee. The PAGA Data shall be based on Defendants' payroll, personnel, and other business records.
32. **PAGA Payment:** Refers to the \$50,000 the Parties have agreed to settle the PAGA claims. 75% of this amount, or \$37,500, shall be paid to the LWDA. The remaining 25% of the \$45,000, or \$12,500, shall become part of the Net PAGA Settlement Amount payable to Aggrieved Employees.

33. **PAGA Period:** May 8, 2019 to December 31, 2025.
34. **PAGA Settlement:** Refers to the settlement of claims included in the Released PAGA Claims, for which Aggrieved Employees will receive an Individual PAGA Settlement Share payment.
35. **Policy Changes:** Refers to the changes to Defendants On-Duty Meal Period Policies applicable to Class Members that are discussed herein at § III of this Agreement.
36. **Participating Class Members:** All Class Members who do not submit a valid and timely request to exclude themselves from this Settlement.
37. **Parties:** Plaintiffs Ribaldo Olvera and Ignacio Gomez, as individuals and as Class Representatives, and Defendants American Corporate Security and American Corporate Security, Inc.
38. **Preliminary Approval or Preliminary Approval Order:** The Court's order preliminarily approving the Class Settlement.
39. **Released Class Claims:** All Participating Class Members will release and discharge the Released Parties from any and all Class Claims during the Settlement Period of January 1, 2019, to December 31, 2025.
40. **Released PAGA Claims:** Aggrieved Employees shall release Defendants and the Released Parties from any and all claims for civil penalties under the California Labor Code and the Private Attorneys General Act of 2004 pled in the operative Notices to the LWDA and the operative complaint. The Released PAGA Claims shall be for the PAGA Period of May 8, 2019, to December 31, 2025. Aggrieved Employees will release the Released PAGA Claims even if they validly request to be excluded from the class portion of the settlement.
41. **Released Parties:** Defendants and their past or present shareholders, owners, officers, directors, employees, attorneys and agents which could be jointly liable with Defendants for the claims alleged.
42. **Response Deadline:** Sixty (60) calendar days from the initial mailing of the Class Notices.
43. **Settlement Administration:** The Settlement Administrator will use the National Change of Address Database to obtain updated addresses for Class Members. The Settlement Administrator will mail the Class Notices by first class U.S. mail to all Class Members at the address resulting from the search of the National Change of Address Database. The Class Notices will inform Class Members that they have until the Response Deadline to either object to the Settlement or to opt-out of the Settlement. Any Class Member who does not

receive notice after the steps outlined above have been taken will still be bound by the Settlement and/or judgment.

44. **Settlement Administrator:** The third party administrator agreed upon by Parties to administer this Settlement is Apex Class Action Administration.

II. **RECITALS**

45. Plaintiff Ignacio Gomez submitted his Notice of Labor Code Violations to the LWDA on May 8, 2020.
46. On April 30, 2021, Plaintiff Ribaldo Olvera filed a class action complaint in the Los Angeles County Superior Court against Defendants, alleging several causes of action premised on alleged violations of the Labor Code and Wage Order.
47. On July 22, 2021, Olvera filed a PAGA-only action in Los Angeles Superior Court, case number 21STCV26885.
48. On September 29, 2022, Plaintiff Ribaldo Olvera filed a First Amended Class Action Complaint (“FAC”), which alleged a PAGA Action and added Plaintiff Ignacio Gomez as a named Plaintiff/Class Representative. The FAC alleged seven causes of action: (1) Failure to Pay Wages, Including Overtime (Lab. Code, §§ 510, 1094); (2) Failure to Provide Meal Periods (Lab. Code, §§ 226.7, 512); (3) Failure to Provide Rest Periods (Lab. Code, §§ 226.7); (4) Failure to Pay Timely Wages (Lab. Code, § 226); (6) UCL; and (7) PAGA Violations for the Underlying Claims.
49. On November 22, 2024, after Plaintiffs filed their motion for class certification, the Court certified Class and Union/Non-Union Subclasses for claims involving Meal Periods, and meal period derivative claims for violations of wage statements, waiting time penalties, and UCL.
50. On March 6, 2025, Notice of the Certified Class Action was sent out to Class Members via U.S. First Class Mail by the Class Action Administrator, Apex Class Action LLC.
51. Thereafter, the Parties attended three mediations, two with respected wage and hour, class action mediator, David Rotman, and one with respected wage and hour, class action mediator, Doug Leach. At these mediations, Defendants provided Class Counsel a robust production of financial documents that were reviewed by private third party accounting experts and demonstrated severe financial distress experienced by Defendants.
52. Based on the production of financial documentation and considerable arms-length negotiations facilitated through the mediators, the Parties were able to reach the instant proposed settlement through a mediator’s proposal.

- 53. Benefits of Settlement to Class Members.** Plaintiffs and Class Counsel recognize the expense and length of continued proceedings necessary to continue the litigation against Defendants through trial and through any possible appeals. Plaintiffs and Class Counsel also have taken into account the uncertainty and risk of further litigation and most importantly, Defendant's demonstrated severe financial distress. Plaintiffs and Class Counsel have conducted extensive settlement negotiations. Based on the foregoing, Plaintiffs and Class Counsel believe the settlement set forth in this Settlement Agreement is a fair, adequate, and reasonable settlement, and is in the best interests of the Class Members, as it provides a definite, present sum of money.
- 54. Defendants' Reasons for Settlement.** Defendants recognize that the defense of this litigation will be protracted and expensive, which will further Defendant's severe financial distress. Substantial amounts of time, energy, and resources of Defendants have been and, unless this settlement is made, will continue to be devoted to the defense of the claims asserted by Plaintiffs. Defendants also recognize that they will not be able to satisfy a potential judgment against them due to their severe financial distress. Defendants, therefore, have agreed to settle in the manner and upon the terms set forth in this Settlement Agreement to put to rest the Released Claims.
- 55. Defendants' Denial of Wrongdoing.** Defendants generally and specifically deny any and all liability or wrongdoing of any sort with regard to any of the claims alleged, make no concessions or admissions of liability of any sort, and contend that for any purpose other than settlement, the actions are not appropriate for class or representative treatment. Defendants assert a number of defenses to the claims, and have denied any wrongdoing or liability arising out of any of the alleged facts or conduct in the Action. Neither this Settlement Agreement, nor any document referred to or contemplated herein, nor any action taken to carry out this Settlement Agreement, is or may be construed as, or may be used as an admission, concession, or indication by or against Defendants or any of the Released Parties of any fault, wrongdoing, or liability whatsoever. There has been no final determination by any court as to the merits of the claims asserted by Plaintiffs against Defendants or as to whether a class or classes should be certified, apart from the already Certified Class and subclasses other than for settlement purposes only.
- 56. Plaintiffs' Claims.** Plaintiffs assert that Defendants' defenses are without merit. Neither this Settlement Agreement nor any documents referred to or contemplated herein, nor any action taken to carry out this Settlement Agreement is, may be construed as, or may be used as an admission, concession or indication by or against Plaintiffs, Class Members, or Class Counsel as to the merits of any claims or defenses asserted, or lack thereof, in the actions. However, in the event that this settlement is finally approved by the Court, the Plaintiffs, Participating Class Members, and Class Counsel will not oppose

Defendants' efforts to use this Settlement Agreement to prove that Plaintiffs and Participating Class Members have resolved and are forever barred from re-litigating the claims released under this Settlement Agreement.

III. SETTLEMENT TERMS AND CONDITIONS

57. Gross Settlement Amount. Subject to the terms and conditions of this Agreement, the maximum Gross Settlement Amount, that Defendants are obligated to pay under this Settlement Agreement is \$698,000. The Gross Settlement Amount includes, but is not limited to: (1) the Net Settlement Amount to be paid to Participating Class Members; (2) the Attorneys Fee Award and Cost Award to Class Counsel for attorneys' fees and costs, as approved by the Court; (3) the Class Representative Service Payments paid to the Class Representatives, as approved by the Court; (4) the Administration Costs, as approved by the Court; and (5) the PAGA Payment, as approved by the Court. Defendants' portion of payroll taxes as the Class Members' current or former employer will be paid outside of and in addition to the Gross Settlement Amount. No portion of the Gross Settlement Amount will revert to Defendants for any reason.

56.1. Escalator Provision: At the time of mediation in June of 2025, Defendants represented that there are an estimated 78,056 workweeks worked by the Class Members during the Class Period. If the number of actual total workweeks worked by Class Members during the Class Period, as reported to the Settlement Administrator following preliminary approval, exceeds this amount by more than 10% (i.e., if there are 7,806 or more total workweeks) above and beyond the estimated 78,056 work weeks estimated, Defendants will either: (1) pay an additional sum necessary to increase the Gross Settlement Amount on a proportional basis (i.e., if there was a 15% increase in workweeks, Defendants would increase the Gross Settlement Amount by only 5%); or (2) elect to shorten the Class Period and PAGA Period (along with their associated releases) to a date that the total number of workweeks worked is at or under the 85,862, workweek threshold.

58. Class Certification. As the Court granted class certification on November 22, 2024, the class is already certified for settlement purposes and no further order thereon is needed as part of the Settlement. The certified class includes 675 Class Members.

59. Policy Changes. As part of the Settlement, while Defendant maintains that its policies have been and remain lawful, Defendant shall make any policy changes necessary to comply with the law no later than the Effective Final Settlement Date to its on-duty meal period policies. Specifically, Defendants shall make an independent, non-delegated assessment of each non-union security post it

presently has an on-duty meal period requirement to determine if the nature of the work prevents the employees at these posts from being relieved of all duty. Defendant shall make the assessment for each affected security post based in part on the five-factor test the DLSE requires, which considers: the type of work, the availability of other employees to provide relief to an employee during a meal period, the potential consequences to the employer if the employee is relieved of all duty, the ability of the employer to anticipate and mitigate these consequences such as by scheduling the work in a manner that would allow the employee to take an off-duty meal break, and whether the work product or process will be destroyed or damaged by relieving the employee of all duty. However, Defendant will make additional considerations, including but not limited to the terms of any collective bargaining agreements (“CBAs”) in effect at any of Defendant’s worksites, and the requirements imposed by federal law or regulation. In addition, should Defendants determine after this independent assessment that the nature of the work at the affected posts prevent off-duty meal periods, the resulting on-duty meal period agreements with affected employees shall be in writing and expressly advise that the employees are free to revoke the agreement at any time, except when a CBA provides for and controls the terms of meal periods, when fidelity to a federal or state law or regulation requires otherwise, or any other superseding and controlling law, regulation, or Wage Order.

60. **Appointment of Class Representatives.** As Plaintiffs Ribaldo Olvera and Ignacio Gomez were already ordered class representatives by the Court pursuant to its November 22, 2024, Order Granting Class Certification, no further Appointment is necessary as part of the instant Settlement.
61. **Appointment of Class Counsel.** As Class Counsel are already ordered Class Counsel by the Court pursuant to its November 22, 2024, Order Granting Class Certification, no further Appointment is necessary as part of the instant Settlement.
62. **Individual Class Settlement Share.** Subject to the terms and conditions of this Agreement, the Settlement Administrator will pay an Individual Class Settlement Share from the Net Settlement Amount to each Participating Class Member.

61.1 Calculation.

61.1.1 Non Union Subclass Individual Settlement Share Calculation. Participating Non Union Subclass Members will receive a pro-rated share of the Non Union Subclass Settlement Fund (*i.e.*, 75% of the NSA), less applicable withholdings, based on the number of workweeks they worked in California while employed by Defendants during the Class Period. The formula for distribution to

Participating Non Union Subclass Members shall be calculated as follows: Defendants shall provide the Settlement Administrator with the total number of work weeks worked by all Non Union Subclass Members during the Class Period; the Settlement Administrator shall then divide the Non Union Settlement Fund by the total number of work weeks resulting in a value for each work week attributable to Non Union Subclass Members (“Non Union Subclass Work Week Value”); the Settlement Administrator shall then take the number of work weeks worked by each Non Union Subclass Member and multiply it by the Non Union Subclass Work Week Value.

61.1.2 Union Subclass Individual Settlement Share Calculation.

Participating Union Subclass Members will receive a pro-rated share of the Union Subclass Settlement Fund (*i.e.*, 25% of the NSA), less applicable withholdings, based on the number of workweeks they worked in California while employed by Defendants during the Class Period. The formula for distribution to Participating Union Subclass Members shall be calculated as follows: Defendants shall provide the Settlement Administrator with the total number of work weeks worked by all Union Subclass Members during the Class Period; the Settlement Administrator shall then divide the Union Settlement Fund by the total number of work weeks resulting in a value for each work week attributable to Union Subclass Members (“Union Subclass Work Week Value”); the Settlement Administrator shall then take the number of work weeks worked by each Union Subclass Member and multiply it by the Union Subclass Work Week Value.

61.2 Tax Withholdings. Each Class Member’s Individual Settlement Share will be apportioned as follows: 20% wages, 40% penalties, and 40% interest. The amounts paid as wages shall be subject to all tax withholdings customarily made from an employee’s wages and all other authorized and required withholdings and shall be reported by W-2 forms. Payment of all amounts will be made subject to backup withholding unless a duly executed W-9 form is received from the payee(s). The amounts paid as penalties and interest shall be subject to all authorized and required withholdings other than the tax withholdings customarily made from employees’ wages and shall be reported by IRS 1099 forms. Only the employee share of payroll tax withholdings shall be paid from each Class Member’s Individual Settlement Share. The employer share of payroll tax

withholdings shall be paid separate from and in addition to the Gross Settlement Amount.

- 63. Individual PAGA Settlement Share.** Subject to the terms and conditions of this Agreement, the Settlement Administrator will pay an Individual PAGA Settlement Share from the Net PAGA Settlement Amount to each Aggrieved Employee.

62.1 Calculation.

62.1.1 Individual PAGA Settlement Share Calculation.

Aggrieved Employees will receive a pro-rated share of the Net Settlement Amount based on the number of pay periods they worked in California while employed by Defendants during the PAGA Period. The formula for distribution to Aggrieved Employees shall be calculated as follows: Defendants shall provide the Settlement Administrator with the total number of pay periods worked by all Aggrieved Employees during the PAGA Period; the Settlement Administrator shall then divide the Net PAGA Settlement Amount by the total number of pay periods resulting in a value for each pay period attributable to Aggrieved Employees ("Pay Period Value"); the Settlement Administrator shall then take the number of pay periods worked by each Aggrieved Employee and multiply it by the Pay Period Value.

- 62.2 Tax Withholdings.** Each Aggrieved Employee's Individual PAGA Settlement Share will be apportioned as 100% penalties. The Individual PAGA Settlement Shares shall therefore be subject to all authorized and required withholdings other than the tax withholdings customarily made from employees' wages and shall be reported by IRS 1099 forms.

- 64. Constituents of Gross Settlement Amount Disbursement.** Subject to the terms and conditions of this Settlement Agreement, the Settlement Administrator shall disburse the Gross Settlement Amount as directed later on herein to the following:

- 63.1 To the Named Plaintiffs:** In addition to their Individual Settlement Shares, and subject to the Court's approval, the named Plaintiffs, Rinaldo Olvera and Ignacio Gomez, will receive up to \$15,000 each in consideration for providing Defendants a General Release, a release that is broader than the claims released by Participating Class Members. The Settlement Administrator will pay the Class Representative Service Payments out of the Gross Settlement

Amount. Payroll tax withholdings and deductions will not be taken from the Class Representative Service Payments. An IRS Form 1099 will be issued to Plaintiffs with respect to their Class Representative Service Payments.

63.2 To Class Counsel. At the Final Approval Hearing, Class Counsel will apply to the Court for an Attorneys Fee Award not to exceed one-third of the GSA (\$232,434) and a Cost Award not to exceed \$80,000. The Settlement Administrator will pay the Court approved amounts for the Attorneys Fee Award and Cost Award out of the Gross Settlement Amount. Payroll tax withholding and deductions will not be taken from the Attorneys Fee Award or the Cost Award. IRS Forms 1099 will be issued to Class Counsel with respect to the Attorneys Fee Award. In the event the Court does not approve the entirety of the application for the Attorneys Fee Award and/or Cost Award, the Settlement Administrator shall pay whatever amount the Court awards, and neither Defendants nor the Settlement Administrator shall be responsible for paying the difference between the amount requested and the amount awarded. If the amount awarded is less than the amount requested by Class Counsel for the Attorneys Fee Award and/or Cost Award, the difference shall become part of the NSA and be available for distribution to Participating Class Members.

63.2.1 The Attorneys' Fees Award shall be allocated among Class Counsel as follows: 50% to Mara Law Firm, PC, and 50% to James Hawkins APLC.

63.3 To the Responsible Tax Authorities. The Settlement Administrator will pay the amount of the Participating Class Members' portion of normal payroll withholding taxes out of each Class Member's Individual Settlement Share. Defendants' portion of payroll taxes as the current or former employer (including the employer's payment of applicable FICA, FUTA, and SUI contributions, etc.) will be paid outside of and in addition to the GSA. The Settlement Administrator will calculate the amount of the Participating Class Members' and Defendants' portion of payroll withholding taxes and will forward the amount of the Participating Class Members' portion of normal payroll withholding taxes to the appropriate taxing authorities.

63.4 To the Settlement Administrator. The Settlement Administrator – Apex Class Action Administration – will pay to itself Administration Costs (reasonable fees and expenses) approved by the Court not to exceed \$15,000. This will be paid out of the Gross Settlement Amount. If the actual amount of Administration Costs is

less than the amount estimated and/or requested, the difference shall become part of the NSA and be available for distribution to Participating Class Members.

63.5 To the LWDA and Aggrieved Employees. The Settlement Administrator will pay \$37,500 of the PAGA Payment to the LWDA. This is 75% of the \$50,000 allocated to satisfy the PAGA penalties claim. The remaining 25% of the PAGA Payment (which equates to \$12,500) shall become part of the Net PAGA Settlement Amount payable to Aggrieved Employees.

63.6 To Participating Class Members. The Settlement Administrator will pay Participating Class Members according to the Individual Settlement Share calculations set forth above. All payments to Participating Class Members and Aggrieved Employees shall be made from the Gross Settlement Amount.

65. Appointment of Settlement Administrator. Solely for the purposes of this Settlement, the Parties stipulate and agree that Apex Class Action Administration shall be retained to serve as Settlement Administrator. The Settlement Administrator shall be responsible for preparing, printing, and mailing the Class Notice to Class Members and Aggrieved Employees; performing skip traces and re mailing notices to Class Members and Aggrieved Employees; calling Class Members and Aggrieved Employees with undeliverable notices to obtain accurate addresses; keeping track of any objections or requests for exclusion from Class Members; calculating any and all payroll tax deductions as required by law; calculating each Class Member's and Aggrieved Employee's Individual Settlement Share; providing weekly status reports to Defendants' Counsel and Class Counsel, which is to include updates on any objections or requests for exclusion that have been received; providing a due diligence declaration for submission to the Court prior to the Final Approval hearing; mailing and re mailing Individual Settlement Shares to Participating Class Members and Aggrieved Employees; calculating and mailing the LWDA Payment to the LWDA; distributing the Attorneys Fee Award and Cost Award to Class Counsel; printing and providing Participating Class Members, Aggrieved Employees, and Plaintiffs with W-2s and 1099 forms as required under this Agreement and applicable law; providing a due diligence declaration for submission to the Court upon the completion of the Settlement; and for such other tasks as outlined in this Agreement or upon which the Parties mutually agree. The Parties each represent that they do not have any financial interest in Apex Class Action Administration or otherwise have a relationship with Apex Class Action Administration that could create a conflict of interest.

66. Procedure for Approving Settlement.

65.1 Cooperation.

65.1.1 All Parties and their counsel shall support the settlement and take such steps as are reasonably necessary to effectuate the settlement.

65.2 Motion for Preliminary Approval and.

65.2.1 Plaintiffs will move for an order: (1) granting Preliminary Approval of the Settlement; (2) setting a date for the Final Approval hearing; and (3) approving the Class Notice.

65.2.2 Defendant's Declaration in Support of Preliminary Approval: Within 14 days of the full execution of this Agreement, but in no event later than the deadline to file the preliminary approval motion, Defendant will prepare and deliver to Class Counsel a signed Declaration from Defendant and Defense Counsel disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator. In their Declarations, Defense Counsel and Defendant shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

65.2.3 At the same time that Plaintiffs file their Motion for Preliminary Approval, Plaintiffs shall send a copy of the Settlement Agreement to the LWDA pursuant to the 2016 amendments to PAGA.

65.2.4 At the Preliminary Approval hearing, Class Counsel will appear, support the granting of the motion, and submit a proposed order granting Preliminary Approval of the Settlement, appointing Settlement Administrator, approving the Class Notice, and setting the Final Approval hearing.

65.2.5 Effect of Denial of Preliminary Approval. Should the Court decline to Preliminarily Approve all material aspects of the Settlement, the Settlement Agreement will be null and void, and the Parties will have no further obligations under it. Provided, however, that the amounts of the Attorneys Fee Award, Cost Award, Administration Costs, and

Class Representative Service Payments shall be determined by the Court, and the Court's determination on these amounts shall be final and binding, and that the Court's approval or denial of any amount requested for these items are not conditions of this Settlement Agreement, and are to be considered separate and apart from the fairness, reasonableness, and adequacy of the Settlement Agreement. Any order or proceeding relating to an application for the Attorneys Fee Award, Cost Award, Administration Costs, and Class Representative Service Payments shall not operate to terminate or cancel this Settlement Agreement. Nothing in this Agreement shall limit Plaintiffs' or Class Counsel's ability to appeal any decision by the Court to award less than the requested Attorneys Fee Award, Cost Award, Administration Costs, and Class Representative Service Payments.

65.3 Notice to Class Members and Aggrieved Employees. After the Court enters its Preliminary Approval Order, every Class Member and Aggrieved Employee will be provided with the Class Notice in accordance with the following procedure:

65.3.1 Delivery of Class and PAGA Data. Within ten (10) calendar days after entry of the Preliminary Approval Order, Defendants shall deliver to the Settlement Administrator an electronic database, which will list the Class and PAGA Data. If any or all of this information is unavailable to Defendants, Defendants will so inform Class Counsel and the Parties will make their best efforts to reconstruct or otherwise agree upon how to deal with the unavailable information. The Settlement Administrator will use the National Change of Address Database to obtain updated addresses for Class Members. The Class Data and PAGA Data shall be based on Defendants' payroll, personnel, and other business records. The Settlement Administrator shall maintain the Class and PAGA Data and all information contained within the Class and PAGA Data as private and confidential.

65.3.2 Preparation of Class Notices. Based on the information in the Class and PAGA Data and the formulae set forth herein, the Settlement

Administrator shall promptly calculate the estimated Individual Settlement Share and Individual PAGA Settlement Share for every Class Member and Aggrieved Employee, to be included in the individualized Class Notices to be sent to that Class Member and/or Aggrieved Employee, and shall prepare and mail a spreadsheet setting forth those calculations to Class Counsel and Defense Counsel no fewer than five (5) days before mailing the Class Notices to Class Members and Aggrieved Employees. The Class Notices will inform each Class Member of his/her right to do nothing, dispute the number of work weeks worked, opt out of the Settlement, or object to the Settlement. It will also inform Class Members that if they first request exclusion from the Settlement and then object, the objections would not be considered valid. In addition, if the Class Members object and then request exclusion from the Class Settlement, the Class Members would be deemed to have waived their objection.

65.3.3 Mailing of Class Notices. Within ten (10) calendar days after receipt of the Class and PAGA Data, the Settlement Administrator will mail via first-class regular U.S. Mail the Class Notice in English and Spanish to all identified Class Members and Aggrieved Employees using the mailing address information provided by Defendants and the results of the search of the National Change of Address Database on all Class Members and Aggrieved Employees.

65.3.4 Returned Notices. If a Class Notice is returned because of an incorrect address, within five (5) calendar days from receipt of the returned notice, the Settlement Administrator will conduct a search for a more current address for the Class Member and re-mail the Class Notice to the Class Member. The Settlement Administrator will use the National Change of Address Database and skip traces to attempt to find the current address. The Settlement Administrator will be responsible for taking reasonable steps to trace the mailing address of any Class Member for whom a Class Notice is returned by U.S. Postal Service as undeliverable. These

reasonable steps shall include, at a minimum, the tracking of all undelivered mail, performing address searches for all mail returned without a forwarding address, and promptly re-mailing to Class Members for whom new addresses are found. The deadlines for Class Members' written objections, disputes, and Requests for Exclusion will be extended an additional 14 days beyond the 60 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

65.3.5 Weekly Status Reports. The Settlement Administrator shall provide a weekly status report to the Parties. As part of its weekly status report, the Settlement Administrator will inform Class Counsel and Defendants' Counsel of the number of Notices mailed, the number of Notices returned as undeliverable, the number of Notices re-mailed, and the number of requests for exclusion or objections received.

65.3.6 Settlement Administrator's Declaration. No later than fourteen (14) calendar days after the Response Deadline, or on a date mutually agreed upon by the Parties and the Settlement Administrator, the Settlement Administrator will serve on the Parties a declaration of due diligence setting forth its compliance with its obligations under this Agreement. The declaration from the Settlement Administrator shall also be filed with the Court by Class Counsel at the same time as the final approval motion is filed. Before the Final Approval hearing, the Settlement Administrator will supplement its declaration of due diligence if any material changes occur from the date of the filing of its prior declaration.

65.4 Objections to Settlement. The Class Notice will provide that the Class Members who wish to object to the settlement may do so in writing, signed, dated, and mailed or emailed to the Settlement Administrator postmarked or emailed no later than the Response Deadline. In the alternative a Class Member may appear in Court (or hire an attorney at their own expense to appear in Court) to present oral objections at the Final Approval hearing.

65.4.1 Format. Any written Objections shall state: (a) the objecting person's full name, address, and telephone number; (b) the words "Notice of Objection" or "Formal Objection;" (c) describe, in clear and concise terms, the legal and factual arguments supporting the objection; (d) list identifying witness(es) the objector may call to testify at the Final Approval hearing; and (e) provide true and correct copies of any exhibit(s) the objector intends to offer at the Final Approval hearing.

65.4.2 Notice of Intent to Appear. Objecting Class Members may (though are not required to) appear at the Final Approval Hearing, either in person or through the objector's own counsel. Objecting Class Members are permitted to appear regardless of whether they submitted a written objection.

65.5 Request for Exclusion from the Settlement ("Opt-Out"). The Class Notice will provide that Class Members who wish to exclude themselves from the settlement must mail or email to the Settlement Administrator a written request for exclusion. The written request for exclusion must: (a) state the Class Member's name, address, telephone number, and the last four digits of the Class Member's social security number or employee identification number; (b) state the Class Member's intention to exclude themselves from or opt-out of the Settlement; (c) be addressed to the Settlement Administrator; (d) be signed by the Class Member or his or her lawful representative; and (e) be postmarked or emailed no later than the Response Deadline.

65.5.1 Effect of "Opt-Out." Any Class Member who returns a timely, valid, and executed request for exclusion will not participate in or be bound by the settlement and subsequent judgment and will not receive an Individual Settlement Share or any benefit of this settlement. If the Class Member is also an Aggrieved Employee as defined in this Agreement, however, he or she will still receive an Individual PAGA Settlement Share payment as approved by the Court. Aggrieved Employees have no right to opt-out of the PAGA Settlement.

65.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the

information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge.

65.5.3 Confirmation of Authenticity. If there is a question about the authenticity of a signed request for exclusion, the Settlement Administrator may demand additional proof of the Class Member's identity. Any Class Member who returns a timely, valid, and executed request for exclusion will not participate in or be bound by the Settlement and subsequent judgment and will not receive an Individual Settlement Share. A Class Member who does not complete and mail a timely request for exclusion will automatically be included in the Settlement, will receive an Individual Class Settlement Share, and be bound by all terms and conditions of the Settlement and release, if the Settlement is approved by the Court, and by the subsequent judgment, regardless of whether he or she has objected to the Settlement. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

65.5.4 Report. No later than five (5) business days after the Response Deadline, the Settlement Administrator will provide the Parties with a complete and accurate accounting of the number of Notices mailed to Class Members, the number of Notices returned as undeliverable, the number of Notices re-mailed to Class Members, the number of re-mailed Notices returned as undeliverable, the number of Class Members who objected to the Settlement and copies of their submitted objections, the number of Class Members who returned valid requests for exclusion, and the number of Class Members who returned invalid requests for exclusion.

65.6 Class Member and Aggrieved Employee Disputes. If a Class Member or Aggrieved Employee who receives a Class Notice wishes to dispute the number of work weeks listed on the Class

Notice, the Class Member or Aggrieved Employee may notify the Settlement Administrator by mail or telephone no later than the Response Deadline and should produce any available supporting evidence, such as wage statements, offers of employment, termination letters, and/or other employment records, to the Settlement Administrator. The documentation should provide evidence of the dates the Class Member or Aggrieved Employee contends he or she worked for Defendants during the Class or PAGA Period. The Settlement Administrator shall then provide the documentation provided by the Class Member or Aggrieved Employee to Defendants. Defendants shall review its records, the documentation provided by the Class Member or Aggrieved Employee, and shall provide information to the Settlement Administrator in response to any such disputed claim. Defendants' records shall be presumed to be determinative, but the Settlement Administrator shall evaluate the evidence submitted by the Class Member or Aggrieved Employee and make the decision as to which dates should be applied. The determination by the Settlement Administrator shall be final and binding.

65.7 Website, Email Address, and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payment, the Final Approval and the Judgment. The website will have the URL www.AmericanCorporateSecuritySettlement.com or similar URL. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.

65.8 No Solicitation of Objection or Requests for Exclusion. Neither the Parties or anyone acting on behalf of a Party nor their respective counsel may solicit or otherwise encourage directly or indirectly any Class Member to object to the Settlement, request exclusion from the settlement, or appeal from the Judgment.

65.9 Motion for Final Approval.

65.9.1. Class Counsel will file unopposed motions and memorandums in support thereof for Final Approval of the settlement and the following payments in accord with the

terms of the Settlement: (1) the Attorneys Fee Award; (2) the Cost Award; (3) Administrative Costs; (4) the Class Representative Service Payments; and (5) PAGA Payment. Class Counsel will also move the Court for an order of Final Approval (and associated entry of Judgment) releasing and barring any Released Class and PAGA Claims of the Participating Class Members and LWDA.

65.9.2. Denial or Appeal of Final Approval. If the Court does not grant Final Approval of the settlement, or if the Court's Final Approval of the settlement is reversed or materially modified on appellate review, then this settlement will become null and void. If that occurs, the Parties will have no further obligations under the settlement, including any obligation by Defendants to pay the Gross Settlement Amount or any amounts that otherwise would have been owed under this Agreement. Further, should this occur, the Parties agree they shall be equally responsible for the Settlement Administrator's Administration Costs through that date. An award by the Court of a lesser amount than sought by Plaintiffs and Class Counsel for the Class Representative Service Payments, Attorneys Fee Award, Cost Award, and Administration Costs award will not constitute a material modification to the Settlement within the meaning of this paragraph.

65.9.3. Proposed Order and Judgment. Upon Final Approval of the Settlement, the Parties shall present to the Court a proposed Final Approval Order, approving of the settlement and entering Judgment in accordance therewith. After entry of Judgment, the Court shall have continuing jurisdiction over the action for purposes of: (1) enforcing this Settlement Agreement; (2) addressing settlement administration matters, and (3) addressing such post-judgment matters as may be appropriate under Court rules and applicable law.

65.10 Waiver of Right to Appeal. Provided that the judgment is consistent with the terms and conditions of this Agreement, if Class Members do not timely object to the settlement, then the Parties and their respective counsel waive any and all rights to appeal from the judgment, including, but not limited to, all rights to any post-judgment proceeding and appellate proceeding, such as a motion to vacate or set aside judgment, and any extraordinary writ, and the judgment will become non-appealable at the time it is entered. The

waiver of appeal does not include any waiver of the right to oppose any appeal, appellate proceeding, or post-judgment proceeding.

65.11 Vacating, Reversing, or Modifying Judgment on Appeal. If, after a notice of appeal, the reviewing Court vacates, reverses, or modifies the judgment such that there is a material modification to the Settlement Agreement, and that Court's decision is not completely reversed and the judgment is not fully affirmed on review by a higher Court, then this Settlement will become null and void and the Parties will have no further obligations under it. A material modification would include, but not necessarily be limited to, any material alteration of the Gross Settlement Amount, a material alteration in the calculation of the Net Settlement Amount, and any resulting change to the calculation of the Individual Settlement Share.

65.12 Disbursement of Settlement Shares and Payments. Subject to the Court finally approving the Settlement, the Settlement Administrator shall distribute funds pursuant to the terms of this Agreement and the Court's Final Approval Order and Judgment. The Settlement Administrator shall keep Defendants' Counsel and Class Counsel apprised of all distributions from the Gross Settlement Amount. The Settlement Administrator shall respond to questions from Defendant's Counsel and Class Counsel. No person shall have any claim against Defendants, Defendants' Counsel, Plaintiffs, Class Counsel, or the Settlement Administrator based on the distributions and payments made in accordance with this Agreement.

65.12.1. Funding the Settlement: Defendants shall wire or otherwise provide to the Settlement Administrator the Gross Settlement in the installments specified herein at § I (21).

65.12.2. Disbursement: Within ten (10) calendar days after the Defendants provide the final installment of GSA as specified herein at § I(21) to the Settlement Administrator, the Settlement Administrator shall disburse: (1) the Net Settlement Amount to be paid to Participating Class Members; (2) the Net PAGA Settlement Amount to be Paid to Aggrieved Employees; (3) the Attorney Fee Award and Cost Award to Class Counsel for attorneys' fees and costs, as approved by the Court; (4) the Class Representative Service Payments paid to the Class Representatives, as approved by the Court; (5) the Administration Costs, as approved by the Court; (6) the

LWDA Payment to the LWDA; and (7) Defendants' portion of payroll taxes as the Class Members' current or former employer.

65.12.3. Qualified Settlement Fund or QSF: The Parties agree that the QSF is intended to be a "Qualified Settlement Fund" under Section 468B of the Code and Treasury Regulations § 1.468B-1, 26 C.F.R. § 1.468B-1 *et seq.*, and will be administered by the Settlement Administrator as such. The Parties and Settlement Administrator shall treat the QSF as coming into existence as a Qualified Settlement Fund on the earliest date permitted as set forth in 26 C.F.R. § 1.468B-1, and such election statement shall be attached to the appropriate returns as required by law.

65.13 Settlement Administrator's Final Report. Within ten (10) days after the disbursement of all funds, the Settlement Administrator will serve on the Parties a declaration providing a final report on the disbursements of all funds. The Parties shall file this declaration with the Court. The Settlement Administrator will provide any supplemental declaration required by the Court or the Parties.

65.14 Uncashed Checks. Participating Class Members and Aggrieved Employees must cash or deposit their Individual Settlement Share checks within one hundred and eighty (180) calendar days after the checks are mailed to them.

65.14.1Reminder Postcard. If any checks are not redeemed or deposited within ninety (90) calendar days after mailing, the Settlement Administrator will send a reminder postcard indicating that unless the check is redeemed or deposited in the next ninety (90) days, it will expire and become non-negotiable, and offer to replace the check if it was lost or misplaced.

65.14.2If any checks remain uncashed or not deposited by the expiration of the 90-day period after mailing the reminder notice, the Settlement Administrator will, within two hundred (200) calendar days after the checks are mailed, cancel the checks. All funds associated with the Individual Settlement Share checks returned as undeliverable and funds associated with those checks remaining un-cashed shall be tendered to the State of California's Unpaid Wage Fund, in the name of the Class Member. In such event, the class member who did not cash his or

her check shall nevertheless remain bound by the settlement.

65.15 Defendants' Legal Fees. Defendants are responsible for paying for all of Defendants' own legal fees, costs, and expenses incurred in this action outside of the Gross Settlement Amount.

- 67. Release of Class Claims.** Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payment, Class Members who do not submit a timely and valid request for exclusion shall release the Released Parties from the Released Class Claims. Participating Class Members agree not to sue or otherwise make a claim against any of the Released Parties for any of the Released Class Claims.
- 68. Release of PAGA Claims.** Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payment, Aggrieved Employees shall release the Released Parties from the Released PAGA Claims. Aggrieved Employees agree not to sue or otherwise make a claim against any of the Released Parties for any of the Released PAGA Claims.
- 69. Plaintiffs' Release of Claims and General Release.** Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payment, and in exchange for the Class Representative Service Payments to the named Plaintiffs in an amount of \$15,000 each (or in such amount as the Court may order), Plaintiffs shall give the following general release of claims for themselves and their respective spouse, heirs, successors and assigns, forever release the Released Parties from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, damages, actions, causes of action, suits, rights, demands, costs, losses, debts, penalties and expenses of any nature whatsoever, from the beginning of time through the date of their signatures on this Agreement, known or unknown, suspected or unsuspected, whether in tort, contract, equity, or otherwise, for violation of any federal, state or local statute, rule, ordinance or regulation, including but not limited to all claims arising out of, based upon, or relating to their employment with Defendants or the remuneration for, or termination of, such employment. Plaintiffs' Release of Claims also includes a waiver of California Civil Code section 1542, which provides as follows:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR

HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

This release excludes any release of any claims not permitted to be released by law.

Also, in consideration for providing Defendants with this complete, general release, Defendants agree to provide a neutral reference (dates of employment and last position held) in response to any inquiries by prospective employers of Plaintiffs.

70. Miscellaneous Terms

69.1 No Admission of Liability. Defendants make no admission of liability or wrongdoing by virtue of entering into this Agreement. Additionally, Defendants reserve the right to contest any issues relating to class certification and liability if the settlement is not approved. Defendants deny that they have engaged in any unlawful activity, have failed to comply with the law in any respect, have any liability to anyone under the claims asserted in the action. This Agreement is entered into solely for the purpose of compromising highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission by Defendants of liability or wrongdoing. This settlement and Plaintiffs' and Defendants' willingness to settle the action will have no bearing on, and will not be admissible in connection with, any litigation (other than solely in connection with this settlement).

69.2 No Effect on Employee Benefits. The Class Representative Service Payments and/or Individual Settlement Shares paid to Plaintiffs and Participating Class Members and/or Aggrieved Employees shall not be deemed to be pensionable earnings and shall not have any effect on the eligibility for, or calculation of, any of the employee benefits (e.g., vacation, holiday pay, retirement plans, etc.) of Plaintiffs or the Participating Class Members or Aggrieved Employees. The Parties agree that any Class Representative Service Payments and/or Individual Settlement Share paid to Plaintiffs or the Participating Class Members and/or Aggrieved Employees under the terms of this Agreement do not represent any modification of Plaintiffs' or Participating Class Members' and/or Aggrieved Employees' previously credited hours of service or other eligibility criteria under any employee pension benefit plan or employee welfare benefit plan sponsored by Defendants. Further, any Class Representative Service Payments shall not be considered "compensation" in any year for purposes of determining eligibility for, or benefit accrual within, an

employee pension benefit plan or employee welfare benefit plan sponsored by Defendants.

- 69.3 Integrated Agreement.** After this Agreement is signed and delivered by all Parties and their counsel, this Agreement and its exhibits will constitute the entire Agreement between the Parties relating to the Settlement, and it will then be deemed that no oral representations, warranties, covenants, or inducements have been made to any party concerning this Agreement or its exhibits, other than the representations, warranties, covenants, and inducements expressly stated in this Agreement and its exhibits.
- 69.4 Authorization to Enter Into Settlement Agreement.** Class Counsel and Defendants' Counsel warrant and represent that they are authorized by Plaintiffs and Defendants, respectively, to take all appropriate action required or permitted to be taken by such Parties under this Agreement to effectuate its terms, and to execute any other documents required to effectuate the terms of this Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the settlement. In the event the Parties are unable to reach agreement on the form or content of any document needed to implement this Agreement, or on any supplemental provisions that may become necessary to effectuate the terms of this Agreement, the Parties will seek the assistance of the Court, and in all cases, all such documents, supplemental provisions, and assistance of the Court will be consistent with this Agreement.
- 69.5 Exhibits and Headings.** The terms of this Agreement include the terms set forth in the attached exhibits, which are incorporated by this reference as though fully set forth herein. Any exhibits to this Agreement are an integral part of the Settlement and must be approved substantially as written. The descriptive headings of any paragraphs or sections of this Agreement are inserted for convenience of reference only and do not constitute a part of this Agreement.
- 69.6 Interim Stay of Proceedings.** The Parties agree to stay and hold all proceedings in the Action in abeyance, except such proceedings necessary to implement and complete the settlement, pending the Final Approval hearing to be conducted by the Court.
- 69.7 Amendment or Modification of Agreement.** This Agreement, and any and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by counsel for all Parties or their successors-in-interest.

- 69.8 Agreement Binding on Successors and Assigns.** This Agreement will be binding upon, and inure to the benefit of, the successors and assigns of the Parties, as previously defined.
- 69.9 No Prior Assignment.** Plaintiffs hereby represent, covenant, and warrant that they have not directly or indirectly, assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or rights herein released and discharged.
- 69.10 Applicable Law.** All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the laws of the State of California, without giving effect to any conflict of law principles or choice of law principles.
- 69.11 Fair, Adequate, and Reasonable Settlement.** The Parties and their respective counsel believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at this Agreement through arm's-length negotiations, taking into account all relevant factors, current and potential.
- 69.12 No Tax or Legal Advice.** The Parties understand and agree that the Parties are neither providing tax or legal advice, nor making representations regarding tax obligations or consequences, if any, related to this Agreement, and that Class Members and Aggrieved Employees will assume any such tax obligations or consequences that may arise from this Agreement, and that Class Members and Aggrieved Employees shall not seek any indemnification from the Parties or any of the Released Parties in this regard. The Parties agree that, in the event that any taxing body determines that additional taxes are due from any Class Member or Aggrieved Employee, such Class Member assumes all responsibility for the payment of such taxes.
- 69.13 Jurisdiction of the Court.** The Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Agreement and all orders and judgment entered in connection therewith, and the Parties and their counsel hereto submit to the jurisdiction of the Court for purposes of interpreting, implementing, and enforcing the Settlement embodied in this Agreement and all orders and judgments in connection therewith.
- 69.14 Invalidity of Any Provision; Severability.** Before declaring any provision of this Agreement invalid, the Parties request that the

Court first attempt to construe the provisions valid to the fullest extent possible consistent with applicable precedents, so as to define all provisions of this Agreement valid and enforceable. In the event any provision of this Agreement shall be found unenforceable, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

69.15 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

69.16 Execution in Counterpart. This Agreement may be executed in one or more counterparts. All executed counterparts, and each of them, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange between themselves original signed counterparts. Facsimile or PDF signatures will be accepted. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

IV. EXECUTION BY PARTIES AND COUNSEL

The Parties and their counsel execute this Agreement.

DATED: 3/10/2026, 2026

DocuSigned by:
Ribaldo Olvera
5452233AA3C347E
Ribaldo Olvera

DATED: 3/10/2026, 2026

DocuSigned by:
IGNACIO GOMEZ
516468F2B93C4AD...
Ignacio Gomez

DATED: _____, 2026

Dina Thompson – CEO
on behalf of American Corporate
Security; American Corporate
Security Inc.

DATED: 3/10/2026, 2026

DocuSigned by:
David Mara
4579A5166C10447
David Mara, Esq.
Jill Vecchi, Esq.
Carter Cordura, Esq.

MARA LAW FIRM, PC
Counsel for Plaintiff
Ignacio Gomez

DATED: March 10, 2026



James Hawkins, Esq.
Greg Mauro, Esq.
Michael Calvo, Esq.
JAMES HAWKINS APLC
Counsel for Plaintiff
Fernando Ramos

DATED: _____, 2026

Dana Douglas, Esq.
DOUGLAS LAW GROUP
Counsel for Defendants
American Corporate Security; American
Corporate Security Inc.

MARA LAW FIRM, PC
Counsel for Plaintiff
Ignacio Gomez

DATED: _____, 2026

James Hawkins, Esq.
Greg Mauro, Esq.
Michael Calvo, Esq.
JAMES HAWKINS APLC
Counsel for Plaintiff
Fernando Ramos

DATED: 3/13, 2026



Dana Douglas, Esq.
DOUGLAS LAW GROUP
Counsel for Defendants
American Corporate Security; American
Corporate Security Inc.

Court first attempt to construe the provisions valid to the fullest extent possible consistent with applicable precedents, so as to define all provisions of this Agreement valid and enforceable. In the event any provision of this Agreement shall be found unenforceable, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

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IV. EXECUTION BY PARTIES AND COUNSEL

The Parties and their counsel execute this Agreement.

DATED: _____, 2026

Ribaldo Olvera

DATED: 3/10/2026, 2026

DocuSigned by
IGNACIO GOMEZ
5164E8F2B93C4AD

Ignacio Gomez

DATED: 3/13/26, 2026

Dina Thompson – CEO
on behalf of American Corporate
Security; American Corporate
Security Inc.

DATED: 3/10/2026, 2026

DocuSigned by
David Mara
4076A578E310447

David Mara, Esq.
Jill Vecchi, Esq.
Carter Cordura, Esq.

Exhibit A

CALIFORNIA SUPERIOR COURT, COUNTY OF LOS ANGELES

*Ribaldo Olvera and Ignacio Gomez behalf of themselves, all others similarly situated, and on behalf of the
general public,
Plaintiffs,*

vs.

*American Corporate Security, a California Corporation, and American Corporate Security Inc.,
Defendants,*

Case No. 21STCV16417.

NOTICE OF CLASS ACTION SETTLEMENT

*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 by whether you act or don't act.*

TO: All non-exempt, hourly security guards, security officers, or similar job designation employees of Defendants in the State of California from January 1, 2019, to November 22, 2024.

The California Superior Court, County of Los Angeles has granted preliminary approval to a proposed settlement ("Settlement") of the above-captioned actions ("Action"). Because your rights may be affected by this Settlement, it is important that you read this Notice of Class Action Settlement ("Notice") carefully.

The Court has certified the following class for settlement purposes ("Settlement Class" or "Settlement Class Members"):

All persons who are employed or have been employed by Defendants in the State of California as non-exempt, hourly security guards, security officers, or similar job designations and titles at any time from January 1, 2019, to November 22, 2024 (the "Class Period"), who worked shifts lasting longer than five hours at security posts that were designated by Defendants as on-duty security posts. The class does not include any employees who signed an arbitration agreement with Defendants.

There are also two subclasses within the Settlement Class that have been certified: (1) the Non Union Subclass; and (2) the Union Subclass:

Non Union Subclass: All Settlement Class Members who at any time during the Class Period worked for Defendants as non union members.

Union Subclass: All Settlement Class Members who at any time during the Class Period worked for Defendants as union members.

The purpose of this Notice is to provide a brief description of the claims alleged in the Action, the key terms of the Settlement, and your rights and options with respect to the Settlement.

YOU MAY BE ENTITLED TO MONEY UNDER THE PROPOSED CLASS ACTION SETTLEMENT. PLEASE READ THIS NOTICE CAREFULLY; IT INFORMS YOU ABOUT YOUR LEGAL RIGHTS.

WHAT INFORMATION IS IN THIS NOTICE

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1. Why Have I Received This Notice?

American Corporate Security, a California Corporation & American Corporate Security, Inc.’s (hereinafter referred to as “Defendants” or “American Corporate Security”) records indicate that you may be a Settlement Class Member. The settlement will resolve all Settlement Class Members’ Released Claims, as described in Question No. 9 below, from January 1, 2019, to December 31, 2025.

A Preliminary Approval Hearing was held on [the date of Preliminary Approval], in the California Superior Court, County of Los Angeles. The Court conditionally certified the Class for settlement purposes and directed that you receive this Notice.

The Court will hold a Final Approval Hearing concerning the proposed settlement on [the date of final approval hearing], 2026 at [time a.m./p.m.], before Judge Carolyn B. Kuhl, located at 312 North Spring Street Los Angeles, CA 90012, Department 12.

2. What Is This Case About?

On April 30, 2021, Plaintiff Ribaldo Olvera filed a class action complaint in the Los Angeles County Superior Court against Defendants. On September 29, 2022, Plaintiff Ribaldo Olvera filed a First Amended Class Action Complaint (“FAC”), which alleged a PAGA Action and added Plaintiff Ignacio Gomez as a named Plaintiff/Class Representative. The FAC alleged seven causes of action: (1) Failure to Pay Wages, Including Overtime (Lab. Code, §§ 510, 1094); (2) Failure to Provide Meal Periods (Lab. Code, §§ 226.7, 512); (3) Failure to Provide Rest Periods (Lab. Code, §§ 226.7); (4) Failure to Pay Timely Wages (Lab. Code, § 226); (6) UCL; and (7) PAGA Violations for the Underlying Claims.

On November 22, 2024, after Plaintiffs filed their motion for class certification, the Court certified the Class and Union/Non-Union Subclasses for claims involving Meal Periods, and meal period derivative claims for violations of wage statements, waiting time penalties, and UCL.

The Court has not made any determination as to whether the claims advanced by the Plaintiffs have any merit. In other words, the Court has not determined whether any laws have been violated, nor has it decided in favor of Plaintiffs or Defendants; instead, both sides agreed to resolve the lawsuit with no decision or admission of who is right or wrong. By agreeing to resolve the lawsuit, all parties avoid the risks and cost of a trial.

Defendants expressly deny that they did anything wrong or that they violated the law and further deny any liability whatsoever to Plaintiffs or to the Class.

3. *Am I A Settlement Class Member? Am I A PAGA Employee?*

You are a Settlement Class Member if you worked for Defendants in California and were an hourly, non-exempt, security guard, security officer, or similar job designation, at any time from January 1, 2019, to November 22, 2024 (the Class Period).

If you worked for Defendants in California and were an hourly, non-exempt, security guard, security officer, or similar job designation, at any time from May 8, 2019 through December 31, 2025, you are also a “PAGA Employee” under the settlement.

4. *How Does This Class Action Settlement Work?*

Plaintiffs bring this action behalf of themselves and all others who worked for Defendants in the State of California as hourly, non-exempt, security guards, security officers, or similar job designations, at any time during the Class Period. Plaintiffs and these other individuals comprise a “Settlement Class” and are “Settlement Class Members.” The settlement of this Action resolves the Released Class Claims of all Settlement Class Members, as defined in the Settlement Agreement and the Final Judgment, except for those who exclude themselves from the Class by requesting to be excluded in the manner set forth below.

Plaintiffs and Class Counsel believe the settlement is fair and reasonable. The Court must also review the terms of the settlement and determine if it is fair and reasonable to the Class.

The easiest way to read the Agreement, the Judgment, or any other Settlement documents is to go to the Settlement Administrator’s website at [\[administrator website\]](#). The pleadings and other records in this litigation can also be examined online on the Los Angeles County Superior Court’s website, at <https://www.lacourt.ca.gov/pages/lp/access-a-case/tp/find-case-information/cp/os-civil-case-access>, and entering the Case Number for the Action, Case No. 21STCV16417.

You may also contact Class Counsel, whose contact information is in Section 5, below, and they will provide you with a copy of the settlement documents or case documents free of charge.

5. *Who Are the Attorneys Representing the Parties?*

Attorneys for Plaintiffs and the Class	Attorneys for Defendants
---	---------------------------------

MARA LAW FIRM, PC David Mara Jill Vecchi Carter Cordura 3160 Camino Del Rio South, Suite 207 San Diego, California 92108 Telephone: (619) 234-2833 Facsimile: (619) 234-4048 JAMES HAWKINS APLC James R. Hawkins, Esq. Gregory Mauro, Esq. Michael Calvo, Esq. 9880 Research Drive, Suite 200 Irvine, CA 92618 Tel.: (949) 387-7200 Fax: (949) 387-6676	THE DOUGLAS LAW GROUP Dana Douglas 13366 N. Meadow View Drive Grass Valley, California 95945 Tel: (714) 634-3800 Fax: 866-927-0571
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The Court has decided that Mara Law Firm, PC and James Hawkins APLC are qualified to represent you and all other Settlement Class Members simultaneously.

You do not need to hire your own attorney because Class Counsel is working on your behalf. But, if you want your own attorney, you may hire one at your own cost.

6. What Are My Options?

The purpose of this Notice is to inform you of the proposed settlement and of your options. Each option has its consequences, which you should understand before making your decision. Your rights regarding each option, and the steps you must take to select each option, are summarized below and explained in more detail in this Notice.

Important Note: Defendants will not retaliate against you in any way for either participating or not participating in this Settlement.

- **DO NOTHING:** If you do nothing and the Court grants final approval of the Settlement, you will become part of this Class Action and may receive a payment from the Settlement. You will be bound to the release of the Released Class Claims as defined in the Settlement Agreement and the Final Judgment. You will also give up your right to pursue the Released Class Claims as defined in Section No. 9 below.
- **OPT OUT:** If you do not want to participate as a Settlement Class Member, you may “opt out,” which will remove you from the Settlement Class and this Class Action. If the Court grants final approval of the Settlement, you will not receive a Settlement payment and you will not give up the right to sue Defendants and the Released Parties for the Released Class Claims. If you are a PAGA Employee, you will receive a portion of the PAGA, even if you opt-out of the settlement.
- **OBJECT:** You may object to the proposed settlement by submitting a written objection or appearing at the Final Approval Hearing. If you would like to object, you may not opt out of this case.

7. *How Do I Opt Out Or Exclude Myself From This Settlement?*

Any Settlement Class Member may request to be excluded from the Settlement Class by submitting a “Request for Exclusion” to the Settlement Administrator, postmarked on or before [the Response Deadline]. The Request for Exclusion should be stated in words to this effect:

I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE AMERICAN CORPORATE SECURITY LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE SETTLEMENT OF THE CLASS CLAIMS IN THIS LAWSUIT.

Any Request for Exclusion must include the full name, address, last four digits of the social security number, and signature of the Settlement Class Member requesting exclusion. The Request for Exclusion must be sent by mail to the Settlement Administrator at [administrator address] or sent by email to the Settlement Administrator at [administrator email address].

If the Court approves the Settlement at the Final Approval Hearing, the Court will enter a Judgment. If you do not request exclusion from the Settlement, the Judgment will bind you to the terms of the Settlement. If you are a PAGA Employee, you will receive a portion of the PAGA Penalties, even if you opt-out of the settlement.

8. *How Do I Object To The Settlement?*

Any Settlement Class Member may object to the terms of the Settlement, and may appear at the Final Approval Hearing to object whether or not they have filed a written objection as outlined herein. The Final Approval Hearing will be held on [the date of final approval hearing], 2026 at [time a.m./p.m.], before Judge Carolyn B, Kuhl, located at 312 North Spring Street Los Angeles, CA 90012, Department 12. Settlement Class Members may object to the settlement at the Final Approval Hearing without first submitting a written objection.

To submit a written objection, a Settlement Class Member shall inform the Settlement Administrator, in writing, of his/her/their objection, which must be postmarked by [the Response Deadline] at [administrator address]. Alternatively, a Settlement Class Member can submit a written objection by email which must be sent by [the Response Deadline] to [administrator email address]. Such objection shall include the full name, address, dates of employment with Defendants of the Objecting Settlement Class Member, the case name and number (*Olvera v. American Corporate Security, et. al.*, Case No. 21STCV16417), and the basis for the objection.

If the Court rejects the objection, he/she will receive an Individual Settlement Amount payment and will be bound by the terms of the Settlement.

9. *How Does This Settlement Affect My Rights? What are the Released Claims?*

If the proposed settlement is approved by the Court, a Final Judgment will be entered by the Court. All Class Members who do not opt out of the Settlement will be bound by the Court’s Final Judgment and will release Defendants and the Released Parties¹ from the Released Class Claims:

All Claims for Meal Periods under Labor Code §§ 226.7 and 512; Meal Period derivative claims for wage statement violations under Labor Code § 226, waiting time penalties under Labor Code § 203, and UCL Claims as certified by the Court in its November 22, 2024, Order, for the Settlement Period of January 1, 2019, to December 31, 2025.

¹ “Released Parties” shall refer to Defendants and their past or present shareholders, owners, officers, directors, employees, attorneys, and agents which could be jointly liable with Defendants for the claims alleged

Additionally, the LWDA will be bound by the Final Judgment and will release the Released Parties from the Released PAGA Claims. The Released PAGA Claims include:

Any and all claims for civil penalties under the California Labor Code and the Private Attorneys General Act of 2004 pled in the operative Notices to the LWDA and the operative complaint. The Released PAGA Claims shall be for the PAGA Period of May 8, 2019, to December 31, 2025.

10. How Much Can I Expect to Receive From This Settlement?

The total maximum amount that Defendants could be required to pay under this Agreement shall be up to but no more than \$698,000 ("Settlement Amount").

A. Deductions from the Settlement

The "Net Settlement Amount" or "NSA" means the portion of the Settlement Amount, available for distribution to Class Members after the deduction of (1) the Service Payment to the named Plaintiffs in an amount up to \$15,000 each, for prosecution of the Action, risks undertaken for the payment of attorneys' fees and costs, and a general release of all claims; (2) the Settlement Administration Costs to the Settlement Administrator in an amount estimated not to exceed \$15,000; (3) a payment of \$50,000 allocated to the PAGA claims; (4) payment to Class Counsel in an amount not to exceed \$232,434 (1/3 of the Settlement Amount) for attorneys' fees and an amount not to exceed \$80,000 for litigation costs. All of these payments are subject to court approval.

B. How Participating Class Member Individual Settlement Amounts are Calculated

After deducting the above-referenced items, the remaining Net Settlement Amount shall be allocated to each Participating Class Member based on his/her/their Subclass and proportionate Workweeks during the Class Period. 75% of the Net Settlement Amount will be apportioned to the Non Union Subclass and 25% of the Net Settlement Amount will be apportioned to the Union Subclass.

Participating Non Union Subclass Members will receive a pro-rated share of the Non Union Subclass Settlement Fund (i.e., 75% of the NSA), less applicable withholdings, based on the number of workweeks they worked in California while employed by Defendants during the Class Period. This is determined by taking the Net Non Union Settlement Amount and dividing it by the total number of workweeks, and then multiplying that value by the number of work weeks worked by each Non Union Subclass Member.

Participating Union Subclass Members will receive a pro-rated share of the Union Subclass Settlement Fund (i.e., 25% of the NSA), less applicable withholdings, based on the number of workweeks they worked in California while employed by Defendants during the Class Period. This is determined by taking the Net Union Settlement Amount and dividing it by the total number of workweeks, and then multiplying that value by the number of work weeks worked by each Union Subclass Member.

If there are any timely submitted Requests for Exclusion, the Settlement Administrator shall proportionately increase the Individual Settlement Amounts for each Participating Class Member so that the amount distributed to Participating Class Members equals 100% of the Net Settlement Amount allocated toward Released Class Claims. Therefore, the value of each Participating Class Member's Individual Settlement Amount ties directly to the amount of weeks that he or she worked during the Class Period (January 1, 2019, to November 22, 2024).

C. How PAGA Employee Individual Settlement Amounts are Calculated

If you are a PAGA Employee under the settlement, you will also receive a portion of the PAGA Penalties. Pursuant to PAGA, the LWDA will receive a payment of \$37,500 (75% of the \$50,000 total PAGA Penalties).

Twenty-five percent (25%) of the \$50,000, or \$12,500, shall be paid to PAGA Employees. Each PAGA Employee shall receive a portion of the \$12,500 proportionate to the number of Pay Periods by the PAGA Employees during the PAGA Period compared to the total number of Pay Periods by all PAGA Employees during the PAGA Period. Therefore, the value of each PAGA Employee's Individual Settlement Amount ties directly to the amount of weeks that he or she worked during the PAGA Period (May 8, 2019, through December 31, 2025).

D. Your Estimated Settlement Payment

Although your exact share of the Net Settlement Amount as a Class Member cannot be precisely calculated until after the time during which individuals may object or seek exclusion from the Settlement concludes, based upon the calculation above, your approximate share of the Net Settlement Amount, is as follows: \$ [REDACTED], less taxes. This is based on the Class Data which shows you worked [REDACTED] workweeks during the Class Period.

If you are also a PAGA Employee, you will receive a share of the PAGA Penalties. Based upon the calculation above, your approximate share of the PAGA Penalties is as follows: \$ [REDACTED]. This is based on the Class Data which shows you worked [REDACTED] pay periods during the PAGA Period.

E. Tax Treatment of Your Settlement Payments

Twenty percent (20%) of each Individual Settlement Amount for Participating Class Members is intended to settle claims for unpaid wages. This portion will be reduced by applicable payroll tax withholdings and deductions. Defendant's share of legally required payroll taxes for this portion will be calculated by the Settlement Administrator and paid by Defendants separately from the Settlement Amount. The Settlement Administrator will issue an IRS Form W-2 to each Participating Class Member with respect to this portion of his/her Individual Settlement Amount.

Eighty percent (80%) of the Individual Settlement Amount for Participating Class Members is intended to settle claims for interest and penalties. This portion will not be reduced by payroll tax withholding and deductions. The Settlement Administrator will issue to each Participating Class Member an IRS Form 1099 with respect to this portion of his/her Individual Settlement Amount.

If you are a PAGA Employee, your Individual Settlement Amount will be apportioned as 100% penalties. This will not be reduced by payroll tax withholding and deductions. The Settlement Administrator will issue to each PAGA Employee an IRS Form 1099 with respect to his/her Individual Settlement Amount.

F. What Happens If You Don't Cash Your Check?

It is strongly recommended that upon receipt of your settlement check, you immediately cash it or cash it before the 180-day void date shown on each check. If any checks remain uncashed or not deposited by the expiration of the 180-day period, the Settlement Administrator may cancel the check and tender the amount to the California Controller's Unpaid Wage Fund, in your name.

11. How Will the Attorneys for the Class and the Class Representative Be Paid?

The attorneys for Plaintiffs and the Class will be paid from the Settlement Amount. Subject to Court approval, the attorneys for Plaintiffs and the Class shall be paid an amount not to exceed 1/3 of the Settlement Amount (\$232,434) for attorney fees and \$80,000 for litigation costs.

Defendants have paid all of their own attorneys' fees and costs.

Plaintiffs will also be paid, subject to Court approval, an amount not to exceed \$15,000 each, as a service payment for the initiation of and prosecution of this case, the risks undertaken for the payment of costs in the event this case had been lost, and a general release of all claims.

IF YOU NEED MORE INFORMATION OR HAVE ANY QUESTIONS, you may contact Class Counsel listed above, or the Settlement Administrator at the telephone number listed below, toll free. You can also obtain documents related to this case and this settlement by visiting [administrator website], a website maintained by the Settlement Administrator. Similarly, you can request documents related to this case and settlement by emailing [administrator email address], an email address maintained by the Settlement Administrator. Please refer to the American Corporate Security Class Action Settlement.

This Notice does not contain all of the terms of the proposed settlement or all of the details of these proceedings. For more detailed information, the pleadings and other records in this litigation may be examined online on the Los Angeles County Superior Court's website, at <https://www.lacourt.ca.gov/pages/lp/access-a-case/tp/find-case-information/cp/os-civil-case-access>, and entering the Case Number for the Action, Case No. 21STCV16417.

You may also contact Class Counsel, whose contact information is above, and they will provide you with a copy of the settlement documents or case documents free of charge.

PLEASE DO NOT TELEPHONE THE COURT OR COURT'S CLERK FOR INFORMATION ABOUT THIS SETTLEMENT.

Exhibit 2

David Mara
Grace Campbell
Jamie Serb
Taylor Hanks
Jill Vecchi
Joann B. Gerrity
Matthew Crawford
Tony Roberts
Nikki Trenner



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May 8, 2020

Via Upload to the LWDA Website

**NOTICE OF LABOR CODE VIOLATIONS PURSUANT TO
LABOR CODE SECTION 2699.3**

TO: California Labor and Workforce Development Agency and American Corporate Security, Inc.

FROM: *Mr. Ignacio Gomez, on behalf of himself, others similarly situated, and the general public v. American Corporate Security, Inc.*

Factual Statement and Theories of Labor Code Violations

Ignacio Gomez was employed by American Corporate Security, Inc. (“ACS”) as a security guard in San Diego, California within the last year. Mr. Gomez’s employment with ACS concluded on or around approximately December 24, 2019. ACS hires, trains, and provides security guards to meet the needs of their clients.

Mr. Gomez gives notice of his intent to file a lawsuit for violation of the Private Attorneys General Act of 2004 (“PAGA”) for ACS’s failure to comply with California’s wage and hour requirements on behalf of themselves and similarly aggrieved employees.

I. ACS Failed to Provide Meal Periods

Under Cal. Lab. Code § 512 no employer shall employ any person for a work period of more than five (5) hours without providing a meal period of not less than thirty (30) minutes. During this meal period of not less than thirty (30) minutes, the employee is to be completely free of the employer’s control and must not perform any work for the employer. If the employee does perform work for the employer during the thirty (30) minute meal period, the employee has not been provided a meal period in accordance with the law. Also, the employee is to be compensated for any work performed during the thirty (30) minute meal period.

In addition, an employer may not employ an employee for a work period of more than ten (10) hours per day without providing the employee with another meal period of not less than thirty (30) minutes.

ACS has a consistent policy and/or practice of not providing off-duty meal periods to Mr. Gomez

and all aggrieved employees and/or providing compensation in lieu thereof. Instead of providing Mr. Gomez and the aggrieved employees duty-free meal periods, as is required under California law, ACS claims that the nature of their business allows ACS to force Mr. Gomez and the aggrieved employees to take on-duty meal periods. Mr. Gomez and the aggrieved employees are informed and believe that ACS has failed to meet the requirements to permit ACS to mandate on-duty meal periods from Mr. Gomez and the aggrieved employees in violation of California law.

During on-duty meal periods, ACS instructs Gomez and aggrieved employees that employees will be required to remain on the client premises or at the aggrieved employees' work post. ACS further instructs that aggrieved employees will be required to remain ready and respond to emergencies or unanticipated operational situations during on-duty meal periods. ACS instructs that, although accommodations may be made, such accommodations are not to be mistaken for "off-duty" meal periods, as *every meal period is* "on-duty." Thus, as all meal periods are considered on-duty for aggrieved employees and ACS cannot meet the nature of the work standard, all aggrieved employees subjected to on-duty meal period agreements have been deprived of lawful meal periods for every time qualifying shift.

In addition to the on-duty meal period agreements failing to satisfy the nature of the work exception required for their legitimacy, the agreements have much more stringent standards than the law permits. For instance, section 11 of IWC Wage Order 4-2001 states that an "on duty" meal period shall be permitted only when the nature of the work prevents an employee from being relieved of all duty and when by written agreement between the parties an on-the-job paid meal period is agreed to," and "the written agreement shall state that the employee may, in writing, revoke the agreement at any time." ACS requires written management receipt of the employees written on-duty meal period agreement before considering the agreement revoked.

ACS further incentivizes aggrieved employees to forgo off-duty meal periods and enter on-duty meal period agreements. ACS informs all aggrieved employees at the beginning of their employment that they can enter into on-duty meal period agreements. ACS incentivizes employees to become signatories to those agreements by advising employees that, if they do not sign the on-duty agreements, it may limit the client sites, posts and other work situations available to the employee. In other words, ACS gets newly hired aggrieved employees to give up their rights to off-duty meal periods by leveraging the amount of work and pay employees will receive on the employee's decision to agree to on-duty meal periods. ACS warns that not signing on-duty meal period agreements may impact the amount of work and thus wages employees will receive, which incentivizes employees to waive their statutory right to off-duty meal periods, which violates Labor Code section 512, 226.7, and Wage Order 4-2001.

Finally, ACS incentivizes employees to sign on-duty meal period agreements by advising newly hired employees that they will work longer shifts for no more money if they do not sign the on-duty agreements, which again incentivizes employees to forego off-duty meal periods in violation of Labor Code section 512, 226.7, and Wage Order 4-2001.

In those instances where employees do not sign on-duty meal period agreements, ACS does not provide a full thirty-minute meal period wherein employees are free from all employer control and duty for the full thirty minutes as required under Labor Code section 512, 226.7 and Wage Order 4-2001.

These claims are for Mr. Gomez and all of the security patrol officer, security vehicle patrol officers, security guards, dispatchers, field officers, flex officers, guards, or similar job designations and titles, and all other similarly situated non-exempt, hourly employees of ACS in California.

Mr. Gomez—as a non-exempt employee who unlawfully was deprived of first and second meal periods—is an aggrieved employee with standing to bring an action under the PAGA. Mr. Gomez satisfied all prerequisites to serve as a representative of the general public to enforce California’s labor laws, and the penalty provisions identified in Cal. Lab. Code § 2699.5 for violations of Cal. Lab. Code §§ 226.7 and 512.

II. ACS Failed to Provide Rest Periods

ACS have a consistent policy and/or practice of not providing duty/control-free and/or control-free net ten (10) minute paid rest periods for every four (4) hours worked, or a major fraction thereof, to Mr. Gomez and the aggrieved employees.

Industrial Welfare Commission Order No. 4-2001 § 12(A) states “[e]very employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work week period. The authorized rest period time 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.”

ACS has had a consistent policy and/or practice of not providing rest periods to Mr. Gomez and all aggrieved employees and/or providing compensation in lieu thereof. Specifically, Mr. Gomez and the aggrieved employees work up to twelve (12) hour shifts but did not receive first, second, third, or fourth rest breaks.

As a matter of policy and practice, ACS does not authorize and permit employees to take net ten-minute rest breaks every four hours or major fraction thereof. ACS also tells aggrieved employees they must remain on the work premises for rest periods which violates Labor Code section 226.7 and Wage Order 4-2001’s requirement that rest periods, like meal periods, be free of all employer restraints and controls. Employees working time-qualifying shifts, then, have not received a compliant rest period and are entitled to the Labor Code section 226.7 premium for each such shift.

As a matter of policy and practice, ACS does not authorize and permit employees to take net ten-minute rest breaks every four hours or major fraction thereof. Mr. Gomez and the aggrieved employees were told they could not take a rest break until someone would come to relieve them from their post. However, due to insufficient staffing, ACS would rarely, if ever, send someone to relieve Mr. Gomez and the aggrieved employees to provide them with a rest break.

By failing to provide compliant rest periods for every four (4) hours or major fraction thereof worked per day by non-exempt employees, and by failing to provide compensation for these unprovided periods, as alleged above, ACS willfully violated the provisions of *Labor Code* section 226.7 and Industrial Welfare Commission Order No. 4-2001 section 12(A).

These claims are for Mr. Gomez and all of the security patrol officer, security vehicle patrol officers, security guards, dispatchers, field officers, flex officers, guards, or similar job

designations and titles, and all other similarly situated non-exempt, hourly employees of ACS in California.

Mr. Gomez—as a non-exempt employee who was unlawfully deprived of paid ten (10)-minute rest periods—is an aggrieved employee with standing to bring an action under the PAGA. Mr. Gomez satisfied all prerequisites to serve as representatives of the general public to enforce California’s labor laws, and the penalty provisions identified in Cal. Lab. Code § 2699.5 and Industrial Welfare Commission Order No. 4-2001 § 20 for violations of Cal. Lab. Code § 226.7 and Industrial Welfare Commission Order No. 4-2001 § 12(A).

III. ACS Failed to Pay Straight, Regular Rate Wages for All Work Performed

ACS has a continuous policy of not paying Mr. Gomez and the aggrieved employees for all hours worked. ACS have not paid for all the time Mr. Gomez and the aggrieved employees worked throughout the day. Including, but not limited to, time spent working through meal periods, and/or any other time in the day when the employees were performing work tasks, subject to the control of their employer and/or otherwise had work duties.

ACS committed the acts alleged herein knowingly and willfully, with the wrongful and deliberate intention of injuring Mr. Gomez and the aggrieved employees. ACS acted with malice or in conscious disregard of Mr. Gomez’s and the aggrieved employees’ rights.

These claims are for Mr. Gomez and all of the security patrol officer, security vehicle patrol officers, security guards, dispatchers, field officers, flex officers, guards, or similar job designations and titles, and all other similarly situated non-exempt, hourly employees of ACS in California.

Mr. Gomez—as a representative of the people of the State of California—will seek any and all penalties otherwise capable of being collected by the Labor Commission and/or the Department of Labor Standards Enforcement (DLSE). This includes each of the following, as set forth in Cal. Lab. Code § 2699.5, which provides that section 2699.3(a) applies to any alleged violation of the following provisions: sections 510 and 1194.

Pursuant to Cal. Lab. Code § 1197.1, “[a]ny employer or other person acting individually as an officer, agent, or employee of another person, who pays or causes to be paid to any employee a wage less than the minimum fixed by an applicable state or local law, or by an order of the commission shall be subject to a civil penalty, restitution of wages, liquidated damages payable to the employee, and any applicable penalties pursuant to Section 203.”

Industrial Welfare Commission Order No. 4-2001 § 4(B) states “[e]very 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.”

Mr. Gomez and the aggrieved employees, such as those who ended their employment with ACS during the last year, were entitled to be paid the minimum wage for all time worked. By failing to pay for all work performed, ACS’s compensation to Mr. Gomez and the aggrieved employees fell below the applicable minimum wage.

Mr. Gomez and the aggrieved employees have suffered, and continue to suffer, substantial unpaid wages, and lost interest on such wages, and expenses.

These claims are for Mr. Gomez and all of the security patrol officer, security vehicle patrol officers, security guards, dispatchers, field officers, flex officers, guards, or similar job designations and titles, and all other similarly situated non-exempt, hourly employees of ACS in California.

Mr. Gomez—as a representative of the people of the State of California—will seek any and all penalties otherwise capable of being collected by the Labor Commission and/or the Department of Labor Standards Enforcement (DLSE) for violations of Cal. Lab. Code §§ 1197.1, 1199, and Industrial Welfare Commission Order No. 4-2001 § 4(B).

IV. ACS Failed to Pay Overtime and/or Doubletime

It is fundamental that an employer must pay its employees for all time worked. Cal. Lab. Code § 510 states that eight hours of labor constitutes a day's work. Any work in excess of eight 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.

Cal. Lab. Code § 510 dictates that 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.

ACS failed to pay overtime when Mr. Gomez and the aggrieved employees worked over eight (8) hours per day and when Mr. Gomez and the aggrieved employees worked over 40 hours per week. Mr. Gomez and the aggrieved employees frequently worked over 8 hours per day or over 40 hours per week.

ACS pays Gomez and aggrieved employees at different rates depending on the shifts they are working. However, ACS does not take the weighted average hourly rate that results from those different rates of pay when calculating overtime compensation. Therefore, ACS does not pay for all hours worked in excess of eight daily and forty weekly hours at the proper rate of pay under California Labor Code § 510. ACS also failed to account for time employees were under ACS' control but were not compensated for purposes of overtime compensation.

Mr. Gomez and the aggrieved employees have suffered, and continue to suffer, substantial unpaid wages, and lost interest on such wages, and expenses.

These claims are for Mr. Gomez and all of the security patrol officer, security vehicle patrol officers, security guards, dispatchers, field officers, flex officers, guards, or similar job designations and titles, and all other similarly situated non-exempt, hourly employees of ACS in California.

Mr. Gomez—as a representative of the people of the State of California—will seek all penalties otherwise capable of being collected by the Labor Commission and/or the Department of Labor

Standards Enforcement (DLSE) for violations of Cal. Lab. Code § 510.

V. ACS Failed to Provide Recovery Periods

ACS has a consistent policy and/or practice of not providing preventative cool down rest and recovery periods under California Code of Regulations section 3395 to Mr. Gomez and the aggrieved employees.

Under section 3395, shade shall be present when the temperature exceeds 80 degrees Fahrenheit. Employees shall be allowed and encouraged to take a preventative cool-down rest in the shade when they feel need to do so to protect themselves from overheating for no less than 5 minutes in addition to the time needed to access the shade.

ACS has a consistent policy and/or practice of not providing preventative cool-down rest and recovery periods to Mr. Gomez and all aggrieved employees and/or providing compensation in lieu thereof. Specifically, ACS failed to provide Mr. Gomez and the aggrieved employees with access to shade and preventative cool-down recovery periods when the applicable temperatures were reached. Mr. Gomez and the aggrieved employees were told they could not take a break until someone would come to relieve them from their post. However, due to insufficient staffing, ACS would rarely, if ever, send someone to relieve Mr. Gomez and the aggrieved employees to provide them with a break.

By failing to provide preventative cool-down rest and recovery periods to non-exempt employees, and by failing to provide compensation for these unprovided periods, as alleged above, ACS willfully violated the provisions of *Labor Code* section 226.7.

These claims are for Mr. Gomez and all of the security patrol officer, security vehicle patrol officers, security guards, dispatchers, field officers, flex officers, guards, or similar job designations and titles, and all other similarly situated non-exempt, hourly employees of ACS in California.

Mr. Gomez, as a non-exempt employee who was unlawfully deprived of preventative cool-down rest and recovery periods, is an aggrieved employee with standing to bring an action under the PAGA. Mr. Gomez has satisfied all prerequisites to serve as a representative of the general public to enforce California's labor laws, and the penalty provisions identified in *Labor Code* section 2699.5 for violations of *Labor Code* section 226.7

VI. ACS Failed to Pay Wages Due at Termination and During Employment

ACS willfully failed to pay, in a timely manner, wages owed to Mr. Gomez and the aggrieved employees who left ACS's employ or who were terminated.

Mr. Gomez and/or the aggrieved employees who ended their employment with ACS during the last year were entitled to be promptly paid all lawful compensation, and other premiums, as required by Cal. Lab. Code §§ 201 through 203.

At all relevant times, Cal. Lab. Code §§ 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately,

and if an employee quits his or her employment, his or her wages shall become due and payable no later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours' 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.

During the relevant time period, ACS intentionally and willfully failed to pay Mr. Gomez and the aggrieved employees who are no longer employed by ACS his or her wages, that were earned and unpaid, within seventy-two (72) hours of their leaving ACS's employ.

ACS's failure to pay Mr. Gomez and the aggrieved employees who are no longer employed by ACS their wages, that were earned and unpaid, within seventy-two (72) hours of their leaving ACS's employ, is in violation of Cal. Lab. Code §§ 201 and 202.

Cal. Lab. Code § 203 provides that when an employer willfully fails to pay wages owed, in accordance with sections 201 and 202, the wages of the employee shall continue as a penalty from the due date thereof at the same rate until paid or until action is commenced; but the wages shall not continue for more than thirty (30) days.

These claims are for Mr. Gomez and all of the security patrol officer, security vehicle patrol officers, security guards, dispatchers, field officers, flex officers, guards, or similar job designations and titles, and all other similarly situated non-exempt, hourly employees of ACS in California.

Mr. Gomez—as a representative of the people of the State of California—will seek any and all penalties otherwise capable of being collected by the Labor Commission and/or the Department of Labor Standards Enforcement (“DLSE”). This includes each of the following, as set forth in Cal. Lab. Code § 2699.5 for violations of sections 201 through 203.

VII. ACS's Knowing and Intentional Failure to Comply with Itemized Employee Wage Statement Provisions

Cal. Lab. Code § 226(a) requires ACS to itemize in wage statements all deductions from payment of wages and to accurately report total hours worked by Mr. Gomez and the aggrieved employees.

Cal. Lab. Code § 226 subdivision (a) requires ACS, at the time of each payment of wages, “furnish each of his or her employees, either as a detachable part of the check, draft, or voucher paying the employee's wages, or separately when wages are paid by personal check or cash, an accurate itemized statement in writing showing (1) gross wages earned, (2) total hours worked by the employee... (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 only the last four digits of his or her social security number or an employee identification number other than the social security number, (8) the name and address of the legal entity that is the employer...(9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate and the corresponding number of hours worked at each hourly rate by the employee...”

Cal. Lab. Code § 226, subdivision (a) also requires that “deductions made from payment of wages shall be recorded in ink or other indelible form, properly dated, showing the month, day, and year, and a copy of the statement and the record of the deductions shall be kept on file by the employer for at least three years at the place of employment or at a central location within the State of California.”

ACS has knowingly and intentionally failed to comply with Cal. Lab. Code § 226(a) on every wage statement provided to Plaintiff and the other aggrieved employees.

ACS knowingly and intentionally failed to accurately itemize the gross wages earned on Mr. Gomez’s and the aggrieved employees’ wage statements.

In every pay period during the period of the relevant statute of limitations, ACS knowingly and intentionally did not itemize the total hours worked on wage statements as Cal. Lab. Code § 226 (a), requires. In every pay period during the period of the relevant statute of limitations, ACS knowingly and intentionally did not include the total hours worked on wage statements and failed to include this information accurately. ACS therefore knowingly and intentionally failed to itemize the total hours worked on Mr. Gomez’s and the aggrieved employees’ wage statements.

In every pay period during the period of the relevant statute of limitations, ACS knowingly and intentionally did not include Mr. Gomez’s and the aggrieved employees net wages on wage statements and failed to itemize this amount accurately. In every pay period during the period of the relevant statute of limitations, ACS knowingly and intentionally did not include all deductions on Mr. Gomez’s and the aggrieved employees’ wage statements and/or failed to itemize deductions accurately. In every pay period during the period of the relevant statute of limitations, ACS knowingly and intentionally did not include the inclusive dates for which the employees are paid or the last four digits of the aggrieved employees social security number or an employee identification number and/or failed to itemize this information accurately.

ACS knowingly and intentionally fails to itemize on employee wage statements the amount of paid sick leave/paid time off employees have available.

In every pay period during the period of the relevant statute of limitations, ACS knowingly and intentionally did not include the name of the legal entity that is the employer thereby failing to furnish accurate itemized statements. *See, e.g.,* Cal. Lab. Code 226(a)(8). Mr. Gomez and the aggrieved employees could not promptly and easily determine the employer’s name from the wage statements alone.

Throughout the statutory period, as a result of the knowing and intentional failure by ACS to comply with itemized employee wage statement provisions, Mr. Gomez and the aggrieved employees have been able to reconstruct only a reasonable estimate of the hours worked and have, therefore, not received full compensation.

These claims are for Mr. Gomez and all of the security patrol officer, security vehicle patrol officers, security guards, dispatchers, field officers, flex officers, guards, or similar job designations and titles, and all other similarly situated non-exempt, hourly employees of ACS in California.

Mr. Gomez—as a non-exempt employee who ACS failed to provide accurate and itemized wage statements—is an aggrieved employee with standing to bring an action under the PAGA. Mr. Gomez satisfied all prerequisites to serve as a representative of the general public to enforce California’s labor laws, and the penalty provisions identified in *Labor Code* section 2699.5 for violations of *Labor Code* section 226.

VIII. ACS Failed to Pay Employees Two Times Per Month

Section 204(a) of the *California Labor Code* requires that 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.

ACS has a consistent policy and/or practice of failing to pay Mr. Gomez and the aggrieved employees all wages earned twice per month. By failing to pay employees all wages earned twice per month, ACS violated the provisions of *Labor Code* section 204(a).

These claims are for Mr. Gomez and all of the security patrol officer, security vehicle patrol officers, security guards, dispatchers, field officers, flex officers, guards, or similar job designations and titles, and all other similarly situated non-exempt, hourly employees of ACS in California.

Mr. Gomez—as a non-exempt employee that ACS failed to pay all wages earned twice per month—is an aggrieved employee with standing to bring an action under the PAGA. Mr. Gomez satisfied all prerequisites to serve as a representative of the general public to enforce California’s labor laws, and the penalty provisions identified in *Labor Code* section 2699.5 for violations of *Labor Code* section 204.

IX. ACS Failed to Adopt a Compliant Sick Pay/Paid Time Off Policy

Section 246(a)(1) of the Labor Code states: “An employee who, on or after July 1, 2015, works in California for the same employer for 30 or more days within a year from the commencement of employment is entitled to paid sick days as specified in this section.” Section 246(c) of the Labor Code states: “An employee shall be entitled to use accrued paid sick days beginning on the 90th day of employment, after which day the employee may use paid sick days as they are accrued.”

Section 233(c) of the Labor Code states: “An employer shall not deny an employee the right to use sick leave or discharge, threaten to discharge, demote, suspend, or in any manner discriminate against an employee for using, or attempting to exercise the right to use, sick leave to attend to an illness or the preventive care of a family member, or for any other reason specified in subdivision (a) of Section 246.5” Section 233(d) of the Labor Code provides relief for violations of this section, stating that “[a]ny employee aggrieved by a violation of this section shall be entitled to reinstatement and actual damages or one day’s pay, whichever is greater, and to appropriate equitable relief.”

Section 234 further forbids employers from adopting an “absence control policy that counts sick leave taken pursuant to Section 233 as an absence that may lead to or result in discipline, discharge, demotion, or suspension is a per se violation of Section 233. An employee working under this

policy is entitled to appropriate legal and equitable relief pursuant to Section 233.

Defendant operates under an absence control policy that counts sick leave taken pursuant to Section 233 as an unauthorized absence that may result in discipline, discharge, demotion, or termination. Under ACS' "Calling Off" policy applicable to all aggrieved employees, employees using sick pay time for purposes protected under Labor Code section 233, 234, and 246 will only be considered an authorized absence if the employee gives at least four hours notice before taking off. All leave, which is inclusive of appropriate and protected sick pay leave, where the employees have not provided at least four hours of advance notice are considered unauthorized absences, and any unauthorized absence and/or excessive authorized absences shall be grounds for disciplinary action that may result in suspension or termination according to ACS policy applicable to all aggrieved employees. Thus, ACS' sick pay policy punishes employees by way of suspension and/or termination for use of protected and appropriate sick leave.

ACS' sick pay policy also mandates that employees use their accrued sick pay time for time away from work to attend medical appointments associated with industrial injuries, which is covered by workers' compensation. Finally, ACS' sick pay policy fails to pay sick pay for all appropriate and protected purposes enumerated in Labor Code section 233, 234, and 246 and ACS fails to itemize the amount of accrued/available sick leave employees have on wage statements each pay period.

Mr. Gomez and the aggrieved employees were entitled to actual damages or one day's pay pursuant to Labor Code Section 233(d). Mr. Gomez and aggrieved employees are entitled to under Labor Code section 2699., 2699.3, and 2699.5.

These claims are for Mr. Gomez and all of the security patrol officer, security vehicle patrol officers, security guards, dispatchers, field officers, flex officers, guards, or similar job designations and titles, and all other similarly situated non-exempt, hourly employees of ACS in California.

Mr. Gomez, as a representative of the people of the State of California, will seek all penalties otherwise capable of being collected by the Labor Commission and/or the Department of Labor Standards Enforcement ("DLSE"). This includes each of the following, as set forth in *Labor Code* section 2699.5 for violations of sections 233, and 234.

X. ACS Underpaid Employees Every Pay Period

Pursuant to Labor Code section 2699(f), Plaintiff, as an aggrieved employee, on behalf of himself and the other aggrieved employees, seeks recovery of applicable civil penalties: one hundred dollars (\$100.00) for each aggrieved employee per pay period for the initial violation per Labor Code section 2699(f)(2) and two hundred dollars (\$200.00) for each aggrieved employee per pay period for each subsequent violation, per Labor Code section 2699(f)(2). In the alternative to the penalties above, Plaintiff, as an aggrieved employee, on behalf of himself and other aggrieved employees, seeks penalties pursuant to Labor Code Section 558 for violations pursuant to this chapter or any provisions regulating hours and days of the week of the Industrial Welfare Commission under Labor Code Section 558(a)(1) and 558(a)(2) should such provision be applicable.

Section 558(a) of the *California Labor Code* subjects any employer or other person acting on

behalf of an employer who violates, or causes to be violated, a section of this chapter or any provision regulating hours and days of work in any order of the Industrial Welfare Commission shall be subject to a civil penalty for every pay period for which the employee was underpaid, which includes the underpaid wages related to each violation.

Every pay period, ACS failed to pay employees the legal minimum wage in violation of *California Labor Code* section 1197.1, and employees are entitled to underpaid wages pursuant to Section 558(a).

For every pay period, ACS has a continuous policy of not paying Mr. Gomez and the aggrieved employees for all hours worked. This includes, but is not limited to, rounding, before “shifts” start, after “shifts” end, deducting thirty minutes (30) for on-duty meal periods, and/or any other time in the day when the employees were performing work tasks, subject to the control of employer and/or otherwise had work duties. Employees are entitled to underpaid wages pursuant to Section 558(a).

Every pay period, ACS failed to pay overtime and double time when employees worked over eight (8) hours per day, when employees worked over 40 hours per week, and when employees worked over 12 hours per day in violation of *California Labor Code* section 510, and employees are entitled to underpaid overtime and double time wages pursuant to Section 558(a).

Every pay period, ACS has a consistent policy and/or practice of not providing meal periods to Mr. Gomez and all aggrieved employees and/or providing compensation in lieu thereof in violation of *California Labor Code* section 512, and employees are entitled to underpaid meal period premium wages pursuant to Section 558(a).

Every pay period, ACS has a consistent policy and/or practice of not providing rest periods to Mr. Gomez and the aggrieved employees and/or providing compensation in lieu thereof, and employees are entitled to underpaid rest period premium wages pursuant to Section 558(a).

Mr. Gomez and the aggrieved employees have suffered, and continue to suffer, substantial unpaid wages, and lost interest on such wages, and expenses.

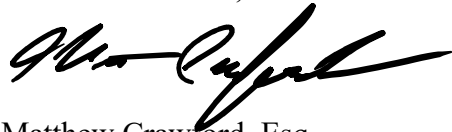
These claims are for Mr. Gomez and all of the security patrol officer, security vehicle patrol officers, security guards, dispatchers, field officers, flex officers, guards, or similar job designations and titles, and all other similarly situated non-exempt, hourly employees of ACS in California.

Mr. Gomez—as a non-exempt aggrieved employee who unlawfully was underpaid every pay period during his employment—is an aggrieved employee and has standing to bring an action under the PAGA. Mr. Gomez satisfied all prerequisites to serve as a representative of the general public to enforce California’s labor laws, and the penalty provisions identified in *Labor Code* section 558(a) for violations of *Labor Code* sections 510 and 512 and California’s labor laws.

Conclusion

If after 65 days from the date of this letter, the LWDA does not act or declines to intervene, Mr. Gomez will file a complaint alleging PAGA violations, as described above.

Respectfully submitted,
MARA LAW FIRM, PC

A handwritten signature in black ink, appearing to read "Matthew Crawford", written over a horizontal line.

Matthew Crawford, Esq.

Attn: PAGA Administrator
California Labor and Workforce Development Agency
455 Golden Gate Avenue, 9th Floor
San Francisco, CA 94102
Via Web Submission and Certified Mail

American Corporate Security, Inc.
Larry James Saye
1 World Trade Center, Suite 1240
Long Beach, CA 90831
Agent for Service of Process,
Via Certified Mail

Coley Hayes

From: noreply@salesforce.com on behalf of LWDA DO NOT REPLY
<lwdadonotreply@dir.ca.gov>
Sent: Friday, May 8, 2020 12:22 PM
To: Coley Hayes
Subject: Thank you for submission of your PAGA Case.

5/8/2020

LWDA Case No. LWDA-CM-786007-20
Law Firm : Mara Law Firm, PC
Plaintiff Name : Ignacio Gomez
Employer: American Corporate Security, Inc.

Item submitted: Initial PAGA Notice

Thank you for your submission to the Labor and Workforce Development Agency. Please make a note of the LWDA Case No. above as you may need this number for future reference when filing any subsequent documents for this Case.

If you have questions or concerns regarding this submission or your case, please send an email to pagainfo@dir.ca.gov.

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website: http://labor.ca.gov/Private_Attorneys_General_Act.htm

Case Name: **Ignacio Gomez v. American Corporate Security, Inc.**

PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF SAN DIEGO

I am employed in the County of: San Diego, State of California.

I am over the age of 18 and not a party to the within action; my business address is:
7428 Trade Street San Diego, CA 92121

On May 8, 2020, I served the foregoing document(s) described as:

**NOTICE OF LABOR CODE VIOLATIONS PURSUANT TO LABOR CODE SECTION
2699.3**

On interested parties in this action by placing a true copy thereof enclosed in a sealed envelope addressed as follows:

American Corporate Security, Inc.
Larry James Saye
1 World Trade Center, Suite 1240
Long Beach, CA 90831
Agent for Service of Process,
Via Certified Mail

Attn: PAGA Administrator
**California Labor and Workforce
Development Agency**
455 Golden Gate Avenue, 9th Floor
San Francisco, CA 94102
Via Electronic Filing

[XX] (BY UNITED STATES CERTIFIED MAIL) On May 8, 2020, I enclosed the documents in a sealed envelope or package addressed to the persons at the addresses named above and deposited the sealed envelope with the United States Postal Service, with the postage fully prepaid.

[XX] (BY ELECTRONIC SUBMISSION) On May 8, 2020, I caused the documents to be sent to the persons at the electronic notification addresses of the parties named above. I did not receive, within a reasonable time after the transmission, any electronic message or other indication that the transmission was unsuccessful.

[XX] (DECLARATION) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Dated: May 8, 2020

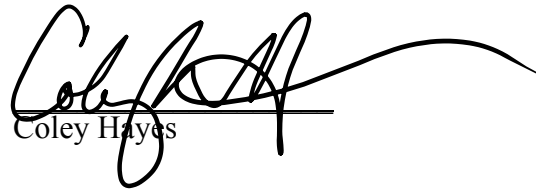

Coley Hayes

Exhibit 3

JAMES *JH* HAWKINS

A PROFESSIONAL LAW CORPORATION

9880 RESEARCH DRIVE, SUITE 200, IRVINE, CALIFORNIA 92618
TELEPHONE (949) 387-7200; FACSIMILE (949) 387-6676

April 30, 2021

Via LWDA Website

Labor and Workforce Development Agency
Attn: PAGA Administrator
1515 Clay Street, Ste 801
Oakland, CA 94612
<http://www.dir.ca.gov/Private-Attorneys-General-Act>

Via Certified Mail

AMERICAN CORPORATE SECURITY, INC.
Agent for Service of Process: LARRY JAMES SAYE
1 World Trade Center, Suite 1240
Long Beach, CA 90831
Receipt No. 7020 0640 0001 0089 9882

AMERICAN CORPORATE SECURITY
Agent for Service of Process: LARRY JAMES SAYE
1 World Trade Center, Suite 1240
Long Beach, CA 90831
Receipt No. 7020 0640 0001 0089 9899

Re: NOTICE PURSUANT TO LABOR CODE SECTIONS 2698, *et seq.*

To Whom It May Concern:

PLEASE TAKE NOTICE that plaintiff RIBALDO OLVERA individually and on behalf of all similarly situated representative aggrieved employees, gives NOTICE to commence and/or amend a civil action pursuant to California Labor Code Sections 2698, *et seq.* Plaintiff hereby gives written notice by certified mail to the Labor and Workforce Development Agency, AMERICAN CORPORATE SECURITY INC., and AMERICAN CORPORATE SECURITY, through their Agent for Service of Process.

Plaintiff hereby attaches a copy of the Proposed PAGA Representative Action Complaint to be filed in the Los Angeles County Superior Court, as though fully set forth herewith setting out the specific provisions of the Labor Code Plaintiff alleges have been violated, including the facts and theories. All labor provisions in the Proposed PAGA Representative Action Complaint alleged to have been violated pertain to all entities and individuals named in the Complaints, even if not expressly specified.

Please advise within sixty (60) days of the post mark on this letter if the LWDA intends to investigate these claims. Thank you, and if you have any questions, please do not hesitate to contact me.

Very Truly Yours,

A handwritten signature in dark ink, appearing to read 'Gregory Mauro', with a stylized, cursive script.

Gregory Mauro

Enclosure: Proposed PAGA Representative Action Complaint

JAMES HAWKINS APLC
James R. Hawkins, Esq. (#192925)
Gregory Mauro, Esq. (#222239)
Michael Calvo, Esq. (#314986)
9880 Research Drive, Suite 200
Irvine, CA 92618
Tel.: (949) 387-7200
Fax: (949) 387-6676
Email: James@jameshawkinsaplc.com
Email: Greg@jameshawkinsaplc.com
Email: Michael@jameshawkinsaplc.com

Attorneys for Plaintiff RIBALDO OLVERA,
on behalf of the general public as private attorney general

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

RIBALDO OLVERA, individually and on
behalf of all others similarly situated,

Plaintiffs,

v.

AMERICAN CORPORATE SERCURITY, a
California Corporation; AMERICAN
CORPORATE SECURITY INC., a California
Corporation, and DOES 1-50, inclusive,

Defendants

Case No.
ASSIGNED FOR ALL PURPOSES TO:
JUDGE:
DEPT:

**PAGA REPRESENTATIVE ACTION
COMPLAINT PURSUANT TO THE
PRIVATE ATTORNEYS GENERAL ACT
(Labor Code §§ 2698 *et seq.*)**

COMES NOW Plaintiff RIBALDO OLVERA (“Plaintiff”), on behalf the general public and all non-exempt aggrieved employees, acting on behalf of the California Attorney General as private attorney general, asserts claims against Defendants AMERICAN CORPORATE SERCURITY, AMERICAN CORPORATE SECURITY INC., and DOES 1-50, inclusive (collectively “Defendants”) as follows:

I. INTRODUCTION

1. This is a representative action for recovery of penalties under the Private Attorneys General Act of 2004 (“PAGA”), Cal. Lab. Code sections 2698 *et seq.* PAGA permits “aggrieved employees” to bring a lawsuit as a representative action on behalf of the general public as private attorney general and all other current and former aggrieved employees, to recover civil penalties and address an employer’s violations of the California Labor Code.

2. In this case, Defendants violated various provisions of the California Labor Code. As set forth below, Defendants implemented policies and practices which led to Defendants’: (a) failure to pay wages including overtime, (b) failure to provide meal periods for every work period exceeding more than ten (10) hours per day and failure to pay an additional hour’s of pay or accurately pay an additional hour’s of pay in lieu of providing a meal period; (c) failure to provide rest breaks for every four hours or major fraction thereof worked and failure to pay an additional hour’s of pay or accurately pay an additional hour’s of pay in lieu of providing a rest period; (d) failing to pay all wages earned and owed upon separation from Defendant’s employ, and (e) failing to provide accurate itemized wage statements. As a result Plaintiff seeks penalties under Labor Code 2698, *et. seq.* on behalf of the general public as private attorney general and all other aggrieved employees.

II. JURISDICTION AND VENUE

3. The California Superior Court has jurisdiction over this action pursuant to California Constitution Article VI, Section 10, which grants the Superior Court “original jurisdiction in all cases except those given by statute to other trial courts.” The statutes under which this action is brought do not give jurisdiction to any other court.

1 4. This Court has jurisdiction over Defendants because, upon information and belief,
2 each Defendant either has sufficient minimum contacts in California, or otherwise intentionally
3 avails itself of the California market so as to render the exercise of jurisdiction over it by the
4 California Courts consistent with traditional notions of fair play and substantial justice.

5 5. Venue as to each Defendant is proper in this judicial district pursuant to Code of
6 Civil Procedure section 395. Defendants are doing business throughout California, including but
7 not limited to Los Angeles County, and each Defendant is within the jurisdiction of this Court for
8 service of process purposes. The unlawful acts alleged herein have a direct effect on Plaintiff and
9 all other aggrieved employees within the State of California. Defendants employ numerous
10 aggrieved employees in in the State of California.

11 6. On information and belief, Defendants have conducted business within the State of
12 California during the purported liability period and continue to conduct business throughout the
13 State of California. The unlawful acts alleged herein have had a direct effect on Plaintiff, and the
14 similarly situated non-exempt aggrieved employees within California.

15 7. The California Superior Court also has jurisdiction in this matter because on
16 information and belief there are no federal questions at issue, as the issues herein are based solely
17 on California statutes and law, including the California Labor Code, the IWC Wage Orders, the
18 California Code of Civil Procedure, the California Civil Code, and the California Business and
19 Professions Code.

20 8. On information and belief, during the statutory liability period and continuing to
21 the present ("liability period"), Defendant consistently maintained and enforced against
22 Defendant's Non-Exempt Aggrieved Employees, among others, the following unlawful practices
23 and policies, in violation of California state wage and hour laws: (a) failure to pay wages including
24 overtime, (b) failure to provide meal periods for every work period exceeding more than ten (10)
25 hours per day and failure to pay an additional hour's of pay or accurately pay an additional hour's
26 of pay in lieu of providing a meal period; (c) failure to provide rest breaks for every four hours or
27 major fraction thereof worked and failure to pay an additional hour's of pay or accurately pay an
28

1 additional hour's of pay in lieu of providing a rest period; (d) failing to pay all wages earned and
2 owed upon separation from Defendant's employ, and (e) failing to provide accurate itemized wage
3 statements.

4 9. On information and belief, during the statutory liability period and continuing to
5 the present, Defendants have had a consistent policy of failing to provide its Non-Exempt
6 Employees within the State of California, including Plaintiff, unfettered, uninterrupted, duty free
7 rest periods of at least (10) minutes per four (4) hours worked or major fraction thereof and failing
8 to pay such employees one (1) hour of pay at the employees regular rate of compensation for each
9 workday that the rest period is not provided, as required by California state wage and hour laws.

10 10. On information and belief, during the statutory liability period and continuing to
11 the present, Defendants have had a consistent policy of failing to pay wages including overtime
12 wages for hours worked while subject to the control of Defendants.

13 11. On information and belief, during the statutory liability period and continuing to
14 the present (rest and meal period liability period), Defendants have had a consistent policy of
15 requiring its Non-Exempt Employees within the State of California, including Plaintiff, to work at
16 least five (5) and or ten (10) hours without a meal period and failing to pay or accurately pay such
17 employees one (1) hour of pay at the employees regular rate of compensation for each workday
18 that the meal period is not provided, as required by California state wage and hour laws.

19 12. On information and belief, during the statutory liability period and continuing to
20 the present (rest and meal period liability period), Defendants have had a consistent policy of
21 requiring its Non-Exempt Employees within the State of California, including Plaintiff, to work in
22 excess of four hours and or ten (10) hours without authorizing and permitting a rest period and
23 failing to pay or accurately pay such employees one (1) hour of pay at the employees regular rate
24 of compensation for each workday that the rest period is not authorized and permitted, as required
25 by California state wage and hour laws.

26 13. On information and belief, during the statutory liability period and continuing to
27 the present, Defendants have had a consistent policy of failing to timely pay wages upon
28

1 separation.

2 14. On information and belief, during the statutory liability period and continuing to
3 the present, Defendants have failed to provide Plaintiff and aggrieved employees accurate itemized
4 wage statements.

5 15. Plaintiff on behalf of the general public as private attorney general and all other
6 aggrieved employees bring this action pursuant to Labor Code 2698, et. seq. for violations
7 enumerated under 2699.5 as follows: sections 201-203, 510, 512, 558, 226, 226.3, 226.7, 226.3,
8 1174, 1174.5, 1175, 1194, 1197, 1197.1, 1198, and seeking penalties, interest, attorneys' fees and
9 costs.

10 **III. PARTIES**

11 **A. Plaintiff**

12 16. Plaintiff, RIBALDO OLVERA, was at all times relevant to this action, a resident
13 of California. Plaintiff was employed by Defendants in approximately May 2019 as a Non-Exempt
14 Employee and worked during the liability period for Defendants' as a Security Guard, until his
15 separation from Defendants' employ in approximately May 2020.

16 17. As Defendants' employee, Plaintiff, and all other aggrieved employees were
17 regularly required to and subsequently suffered:

- 18
- 19 a) perform work subject to the control of the employer without being compensated all
20 wages including overtime, all in violation of California labor laws, regulations, and the
21 Industrial Welfare Commission Wage Order ("IWC");
- 22 b) work without being permitted or authorized a minimum ten-minute rest period for
23 every four hours or major fraction thereof worked and not compensated one (1) hour of
24 pay at his regular rate of compensation for each workday that a rest period was not
25 provided, all in violation of California labor laws, regulations, and the Industrial
26 Welfare Commission Wage Orders ("IWC");
- 27 c) work in excess of six and ten hours per day without being provided meal periods and
28 not compensated one (1) hour of pay at the regular rate of compensation for each

workday that a meal period was not provided, all in violation of California labor laws, regulations, and the Industrial Welfare Commission Wage Orders (“IWC”);

d) not provided accurate itemized wage statements.

18. On information and belief, Defendants willfully failed to pay all earned wages in the form regular wages and overtime wages, and meal and rest period premium wages, to its Non-Exempt Employees and members of the Representative Group; nor have Defendants returned to Plaintiff or members of the Representative Group, upon or after separation from employment with Defendants, all wages earned and owing. Plaintiff seeks penalties under Labor Code 2698, *et. seq.* on behalf of the general public as private attorney general and all other aggrieved employees.

B. Defendants

19. Defendants AMERICAN CORPORATE SECURITY and AMERICAN CORPORATE SECURITY INC., operate as a security service provider in California that trains and assigns security personnel to businesses. Plaintiff estimates there are in excess of 100 Non-Exempt Employees who work or have worked for Defendants over the last year.

20. Other than identified herein, Plaintiff is unaware of the true names, capacities, relationships and extent of participation in the conduct alleged herein, of the defendants sued as DOES 1 through 50, but is informed and believes and thereon alleges that said defendants are legally responsible for the wrongful conduct alleged herein and therefore sues these defendants by such fictitious names. Plaintiff will amend this complaint when their true names and capabilities are ascertained.

21. Plaintiff is informed and believes and thereon alleges that each Defendant, directly or indirectly, or through agents or other persons, employed Plaintiff and other members of the Representative Group, and exercised control over their wages, hours, and working conditions. Plaintiff is informed and believes and thereon alleges that each defendant acted in all respects pertinent to this action as the agent of the other defendants, carried out a joint scheme, business plan or policy in all respects pertinent hereto, and the acts of each defendant are legally attributable

1 to the other defendants.

2 **IV. GENERAL ALLEGATIONS**

3 22. At all times set forth herein, Defendants employed Plaintiff and other persons in
4 the capacity of non-exempt positions, however titled, throughout the state of California.

5 23. Plaintiff is informed and believes Aggrieved Employees have at all times pertinent
6 hereto been Non-Exempt within the meaning of the California Labor Code and the implementing
7 rules and regulations of the IWC California Wage Orders.

8 24. Plaintiff is informed and believes that all Aggrieved Employees are citizens of the
9 state of California.

10 25. Defendants employed Plaintiff and Aggrieved Employees as a Non-Exempt hourly
11 paid employees during the liability period.

12 26. Defendants continue to employ Non-Exempt Employees, however titled, in
13 California and implement a uniform set of policies and practices to all non-exempt employees, as
14 they were all engaged in the generic job duties of providing security services Defendants' various
15 clients.

16 27. Plaintiff is informed and believes, and thereon alleges, that Defendants are and were
17 advised by skilled lawyers and other professionals, employees, and advisors with knowledge of
18 the requirements of California's wage and employment laws.

19 28. On information and belief, during the relevant time frame, Plaintiff and Aggrieved
20 Employees frequently worked well over eight (8) hours in a day and forty (40) hours in a work
21 week and worked approximately five (5)-days a week.

22 29. Plaintiff is informed and believes that Plaintiff and Aggrieved Employees were not
23 compensated for all time worked as a result of off-the-clock work performed. For instance,
24 Plaintiff and Aggrieved Employees were required to report to Defendants' office 10-15 minutes
25 prior to the start of their shifts to get their paperwork, radios, and keys. Plaintiff and Aggrieved
26 Employees would then proceed to a shuttle bus to a parking lot where their security guard vehicles
27 are parked. Defendants did not consider Plaintiff and Aggrieved Employees' shifts to have started
28

1 until they reached their vehicles. Plaintiff and Aggrieved Employees were also not permitted to
2 drive themselves to the parking lot and had to take the shuttle bus. Further, after each shift, Plaintiff
3 and Aggrieved Employees would need to return their security vehicles at the parking lot. Once the
4 vehicle is dropped off, Plaintiff and Aggrieved Employees' shifts are considered to have ended
5 and were clocked out for the day. However, Plaintiff and Aggrieved Employees were still required
6 to return to the office via the shuttle bus to turn in their paper work, radio and keys, which would
7 take another 10-15 minutes. Defendants failed to compensate Plaintiff and Aggrieved Employees
8 for approximately 20-30 minutes of time every work shift, resulting in a disproportionate
9 underpayment of minimum and overtime wages.

10 30. Plaintiff and the Aggrieved Employees were regularly required to work shifts in
11 excess of five hours without being provided a lawful meal period and over ten hours in a day
12 without being provided a second lawful meal period as required by law.

13 31. Plaintiff and Aggrieved Employees were also required to maintain a radio on their
14 person at all times during their shift and respond to any calls, even during meal periods.

15 32. Indeed, during the relevant time, as a consequence of Defendants' staffing and
16 scheduling practices, lack of coverage, work demands, and Defendants' policies and practices,
17 Defendants frequently failed to provide Plaintiff and the Aggrieved Employees timely, legally
18 complaint uninterrupted 30-minute meal periods on shifts over five hours as required by law.

19 33. Similarly, as a consequence of Defendants' staffing and scheduling practices, lack
20 of coverage, work demands, and Defendants' policies and practices, Defendants frequently failed
21 to provide Plaintiff and the Aggrieved Employees legally compliant second meal periods on shifts
22 over ten hours as required by law.

23 34. On information and belief, Plaintiff and Aggrieved Employees did not waive their
24 rights to meal periods under the law.

25 35. Plaintiff and the Aggrieved Employees were not provided with valid lawful on-duty
26 meal periods.

27 36. Plaintiff and Aggrieved Employees were also not permitted to leave the premises
28

1 for meal periods.

2 37. Despite the above-mentioned meal period violations, Defendants failed to
3 compensate Plaintiff, and on information and belief, failed to compensate Aggrieved Employees,
4 one additional hour of pay at their regular rate as required by California law when meal periods
5 were not timely or lawfully provided in a compliant manner.

6 38. Plaintiff are informed and believe, and thereon alleges, that Defendants know,
7 should know, knew, and/or should have known that Plaintiff and the other Aggrieved Employees
8 were entitled to receive premium wages based on their regular rate of pay under Labor Code §226.7
9 but were not receiving such compensation.

10 39. In addition, during the relevant time frame, Plaintiff and the Non-Exempt
11 Employees were systematically not authorized and permitted to take one net ten-minute paid, rest
12 period for every four hours worked or major fraction thereof, which is a violation of the Labor
13 Code and IWC wage order.

14 40. Plaintiff and Aggrieved Employees were also required to maintain a radio on their
15 person at all times during their shift and respond to any calls, even during rest periods.

16 41. Plaintiff and Aggrieved Employees were also not permitted to leave the premises
17 for rest periods.

18 42. Defendants maintained and enforced scheduling practices, policies, and imposed
19 work demands that frequently required Plaintiff and Aggrieved Employees to forego their lawful,
20 paid rest periods of a net ten minutes for every four hours worked or major fraction thereof. Such
21 requisite rest periods were not timely authorized and permitted as a result of Defendants' failure
22 to provide relief for Plaintiff and Aggrieved Employees to take their lawfully required breaks.

23 43. Despite the above-mentioned rest period violations, Defendants did not compensate
24 Plaintiff, and on information and belief, did not pay Aggrieved Employees one additional hour of
25 pay at their regular rate as required by California law, including Labor Code section 226.7 and the
26 applicable IWC wage order, for each day on which lawful rest periods were not authorized and
27 permitted.
28

1 44. Defendants also failed to provide accurate, lawful itemized wage statements to
2 Plaintiff and the Aggrieved Employees in part because of the above specified violations. In
3 addition, upon information and belief, Defendants omitted an accurate itemization of total hours
4 worked, including premiums due and owing for meal and rest period violations, gross pay and net
5 pay figures from Plaintiff and the Aggrieved Employees' wage statements.

6 45. Plaintiff are informed and believe, and thereon alleges, that at all times herein
7 mentioned, Defendants knew that at the time of termination of employment (or within 72 hours
8 thereof for resignations without prior notice as the case may be) they had a duty to accurately
9 compensate Plaintiff and Aggrieved Employees for all wages owed including minimum wages,
10 meal and rest period premiums, and that Defendants had the financial ability to pay such
11 compensation, but willfully, knowingly, recklessly, and/or intentionally failed to do so in part
12 because of the above-specified violations.

13 46. Upon information and belief, Defendants knew and or should have known that it is
14 improper to implement policies and commit unlawful acts such as:

15 (a) requiring employees to work four (4) hours or a major fraction thereof without
16 being provided a minimum ten (10) minute rest period and without compensating the employees
17 with one (1) hour of pay at the employees' regular rate of compensation for each workday that a
18 rest period was not provided;

19 (b) requiring employees to work in excess of five (5) hours or ten (10) hours per day
20 without being provided an uninterrupted thirty minute meal period and/or a second meal period,
21 and without compensating employees with one (1) hour of pay at the regular rate of compensation
22 for each workday that such a meal period was not provided;

23 (c) failing to pay Plaintiff and Aggrieved Employees for all wages including overtime
24 wages owed;

25 (d) failing to timely pay Plaintiff and Aggrieved Employees;

26 (e) failing to provide accurate itemized wage statements.

27 47. In addition to the violations above, and on information and belief, Defendants knew
28

1 they had a duty to compensate Plaintiff and Aggrieved Employees for the allegations asserted
2 herein and that Defendants had the financial ability to pay such compensation, but willfully,
3 knowingly, recklessly, and/or intentionally failed to do so.

4 48. Plaintiff and Aggrieved Employees they seek to represent are covered by, and
5 Defendants are required to comply with, applicable California Labor Codes, Industrial Welfare
6 Commission Occupational Wage Orders (hereinafter "IWC Wage Orders") and corresponding
7 applicable provisions of California Code of Regulations, Title 8, section 11000 *et seq.*

8 **V. REPRESENTATIVE CLAIMS**

9 **THE PRIVATE ATTORNEYS GENERAL ACT- LABOR CODE §§ 2698 *et seq.***

10 49. Plaintiff incorporates by reference and re-alleges each and every allegation
11 contained above, as though fully set forth herein.

12 50. On April 30, 2021 Plaintiff complied with notice requirements pursuant to Labor
13 Code section 2699.3. A copy of the letter sent to the LWDA is attached hereto as **Exhibit A**,
14 indicating that the LWDA and Defendants were put on notice of the claims alleged here and that
15 the notice requirement has been satisfied. Sixty five days have passed and the LWDA has not
16 indicated intent to investigate the claims. Therefore, Plaintiff may proceed with this action in a
17 representative capacity. The substance and violations set forth in this Complaint of which the
18 LWDA was provided timely notice, Plaintiff has also sent a copy of this PAGA Representative
19 Action Complaint to the LWDA.
20

21 51. Plaintiff is an aggrieved employee as defined in Labor Code Section 2699(a).
22 Plaintiff brings this cause of action on behalf of all current and former California Non-Exempt
23 Employees of Defendants.

24 52. Pursuant to Labor Code section 2699(a) Plaintiff seek to recover civil penalties for
25 which Defendants are liable due to numerous Labor Code violations as set forth in this Complaint,
26 including without limitation Labor Code section 201-203, 226, 226.3, 226.7, 510, 558, 512, 1174,
27 1174.5, 1175, 1194, 1197, 1197.1, and, 2698 *et seq.*, applicable IWC Wage Orders and California
28 Code of Regulations, Title 8, section 11000 *et. seq.*

1 53. At all times relevant, Plaintiff and all other aggrieved employees regularly
2 performed non-exempt work in excess of 50% of the time, and thus, were subject to the meal and
3 rest break requirements of the applicable IWC wage order and the Labor Code.

4 54. Defendants violated Labor Code section 510, and 1194 by failing to accurately pay
5 overtime wages owed due to the off-the-clock work performed by Plaintiff and Class Members
6 that were not compensated as discussed above. Therefore, Defendants violated section 510, and
7 1194 by not compensating its Non-Exempt Employees for work performed in excess of eight hours
8 (8) in a day or forty hours in a work week (40). Section 510 of the Labor Code codifies the right
9 to overtime compensation at the rate of one and one-half times the regular rate of pay for all hours
10 worked in excess of eight (8) hours in a day or forty (40) hours in a work week and to overtime
11 compensation twice the regular rate of pay for hours worked in excess of twelve (12) hours in a
12 day or in excess of eight (8) hours in a day on the seventh day of work in a particular work week

13 55. Defendants violated Labor Code section 200, 558, 1194, 1197, by failing to
14 accurately pay at least minimum wages due as a result of the off-the-clock work performed by
15 Plaintiff and Class Members that were not compensated as discussed above.

16 56. Defendants violated Labor Code sections 512 and 226.7 for failing to provide
17 timely, uninterrupted first and second meal periods and requiring unlawful on duty meal periods,
18 or compensation in lieu thereof. Pursuant to Labor Code section 512, no employer shall employ
19 an employee for a work period of more than five (5) hours without providing a meal break of not
20 less than thirty (30) minutes in which the employee is relieved of all of his or her duties. An
21 employer may not employ an employee for a work period of more than ten (10) hours per day
22 without providing the employee with a second meal period of not less than thirty (30) minutes,
23 except that if the total hours worked is no more than twelve (12) hours, the second meal period
24 may be waived by mutual consent of the employer and the employee only if the first meal period
25 was not waived.

26 57. Defendants failed to provide Plaintiff and all other aggrieved employees
27 uninterrupted duty free meal periods of not less than thirty (30) minutes. Defendants implemented
28

1 and enforced policies of on duty meal period practices which required employees to work during
2 their meal periods, to forego their meal periods, and/or to return to work from meal periods prior
3 to thirty (30) uninterrupted minutes. As a proximate result of the aforementioned violations,
4 Plaintiff and all other aggrieved employees have been damaged in an amount according to proof
5 at time of trial.

6 58. Plaintiff, and on information and belief, all aggrieved employees, were
7 systematically not permitted or authorized to take ten minute rest periods for every four hours
8 worked or major fraction thereof, which is a violation of the Labor Code and IWC wage order.
9 Plaintiff and on information and belief, aggrieved employees, were not compensated with one hour
10 of wages for every day in which a rest period was missed or untimely as a result of Defendants'
11 policies, practices, or work demands. By failing to authorize and permit a ten-minute rest period
12 for every four hours or major fraction thereof worked per day by its Non-Exempt Employees, and
13 by failing to provide compensation for such non-provided or shortened rest periods, as alleged
14 above, Defendants willfully violated the provisions of Labor Code sections 226.7, 512 and the
15 applicable IWC Wage Order.

16 59. Defendants also willfully violated Labor Code sections 201-203 by failing to
17 provide all owed wages at separation from employment. Labor Code sections 201 and 202 require
18 Defendants to pay their employees all wages due either at time of firing, or within seventy-two
19 (72) hours of voluntary separation, if not sooner. Section 203 of the Labor Code provides that if
20 an employer willfully fails to timely pay such wages the employer must, as a penalty, continue to
21 pay the subject employee's wages until the back wages are paid in full or an action is commenced.
22 The penalty cannot exceed 30 days of wages.

23 60. Plaintiff and all other aggrieved employees who were separated from employment
24 are entitled to compensation for all forms of wages earned, including but not limited to
25 compensation regular and overtime wages, and for non-provided meal and rest periods, but to date
26 have not received such compensation, therefore entitling them to penalties under PAGA for
27 violations of Labor Code sections 201-203.
28

1 61. On information and belief, Defendants willfully failed to pay all wages due and
2 owing upon separation from employment. These wages include regular and overtime wages, and
3 meal and rest period premiums.

4 62. Section 226(a) states that An employer, semimonthly or at the time of each payment
5 of wages, shall furnish to his or her employee, either as a detachable part of the check, draft, or
6 voucher paying the employee's wages, or separately if wages are paid by personal check or cash,
7 an accurate itemized statement in writing showing (1) gross wages earned, (2) total hours worked
8 by the employee, except as provided in subdivision (j), (3) the number of piece-rate units earned
9 and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions,
10 provided that all deductions made on written orders of the employee may be aggregated and shown
11 as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is
12 paid, (7) the name of the employee and only the last four digits of his or her social security number
13 or an employee identification number other than a social security number, (8) the name and address
14 of the legal entity that is the employer.

15 63. On information and belief, Defendants failed to provide accurate itemized wage
16 statements which failed to include all hours worked, including overtime, accurate accounting of,
17 the lawful meal and rest period premiums due and owing to Plaintiff and the aggrieved employees,
18 and the address of the legal entity that is the employer pursuant to Labor Code section 226(a).
19 Defendants have also failed to correctly identify the employer on wage statements issued to
20 Plaintiff and Class Members.

21 64. Pursuant to Labor Code section 226.3, any employer who violates subdivision (a)
22 of Section 226 shall be subject to a civil penalty in the amount of two hundred fifty dollars (\$250)
23 per employee per violation in an initial citation and one thousand dollars (\$1,000) per employee
24 for each violation in a subsequent citation, for which the employer fails to provide the employee a
25 wage deduction statement or fails to keep the records required in subdivision (a) of Section 226.

26 65. Additionally, Defendants have no accurate records relating to aggrieved
27 employees' work periods, meal periods, total daily hours worked, total hours worked per payroll
28

1 period and applicable pay rates, in violation of applicable Wage Orders. Similarly, Defendants
2 failed to maintain accurate records relating to hours worked daily in violation of Labor Code
3 sections 1174(d), 1174.5.

4 66. As a result of Defendants' unlawful conduct, Plaintiff and Aggrieved employees
5 are entitled to penalties to the extent they were not paid at the prevailing wage rate for all hours
6 worked.

7 67. Plaintiff and the Representative Aggrieved Employees are entitled to recover
8 Penalties and attorneys' fees and costs under Labor Code section 2698, et. seq.

9 **PRAYER FOR RELIEF**

10 WHEREFORE, Plaintiff prays for judgment against Defendants, as follows:

- 11 1. For penalties according to proof, pursuant to Labor Code §§ 2698 et seq.;
- 12 2. For reasonable attorneys' fees and costs; and
- 13 3. For such other and further relief as the Court deems proper.
- 14

15
16 Dated: April 30, 2021

JAMES HAWKINS APLC

17
18 By: _____

JAMES R. HAWKINS, ESQ.
GREGORY MAURO, ESQ.
MICHAEL CALVO, ESQ.
Attorneys for Plaintiff RIBALDO OLVERA
on behalf of the general public as private
attorney general

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Exhibit 4