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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES—SPRING STREET COURTHOUSE

CINDY ARAICA, individually, and on
behalf of other members of the general public
similarly situated; KEVIN ESTRADA,
individually, and on behalf of other members
of the general public similarly situated;
Plaintiffs,

vs.

DIGITAL ROOM INC., a California
corporation; DIGITAL ROOM LLC, a
California limited liability company; AMC
ACQUISITION LLC, an unknown business
entity; and DOES 2 through 100, inclusive,

Defendants.

Case No.: BC635673

Honorable William F. Highberger
Department SSC10

CLASS ACTION

**[PROPOSED] ORDER GRANTING
PRELIMINARY APPROVAL OF
CLASS ACTION SETTLEMENT**

Date: November 3, 2020
Time: 3:30 p.m.
Department: SSC10

Complaint Filed: October 19, 2017
FAC Filed: January 10, 2020
Trial Date: None Set

1 This matter has come before the Honorable William F. Highberger in Department SSC10
2 of the Superior Court of the State of California for the County of Los Angeles, located at 312 North
3 Spring Street, Los Angeles, California 90012, on November 3, 2020 at 3:30 p.m. for Plaintiffs'
4 Motion for Preliminary Approval of Class Action Settlement. Lawyers *for* Justice, PC appears as
5 counsel for Plaintiffs Cindy Araica and Kevin Estrada ("Plaintiffs"), individually and on behalf of
6 all others similarly situated, and Torabian Law, P.C. and Akerman LLP appear as counsel for
7 Defendants Digital Room, LLC and AMC Acquisition LLC ("Defendants").

8 The Court, having carefully considered the papers, arguments of counsel, and all matters
9 presented to the Court, and good cause appearing, hereby GRANTS Plaintiffs' Motion for
10 Preliminary Approval of Class Action Settlement.

11 **IT IS HEREBY ORDERED THAT:**

12 1. The Court preliminarily approves the Joint Stipulation of Class Action and PAGA
13 Settlement ("Settlement," "Agreement," or "Settlement Agreement"), attached as "Exhibit A" to the
14 Declaration of Edwin Aiwarzian in Support of Plaintiffs' Motion for Preliminary Approval of Class
15 Action Settlement. This is based on the Court's determination that the Settlement falls within the
16 range of possible approval as fair, adequate, and reasonable.

17 2. This Order incorporates by reference the definitions in the Settlement Agreement,
18 and all terms defined therein shall have the same meaning in this Order as set forth in the Settlement
19 Agreement.

20 3. The Court hereby grants Plaintiffs Cindy Araica and Kevin Estrada leave to file the
21 [Proposed] Second Amended Complaint for Damages and Enforcement under the Private Attorneys
22 General Act, California Labor Code § 2698, Et. Seq. ("Second Amended Complaint") which is
23 attached hereto as "**EXHIBIT A.**" The Second Amended Complaint shall be deemed filed as of the
24 date of the entry of this Order, and shall be the operative complaint in the action for purpose of
25 Settlement, including the release of claims. The Second Amended Complaint and all allegations and
26 causes pleaded therein shall be deemed denied by Defendants, and each of them, without the
27 necessity of Defendants filing an answer to the Second Amended Complaint or any other pleading
28 in the action. In the event that the Settlement does not become final for any reason, the Second

1 Amended Complaint shall be *void ab initio* and the First Amended Class Action Complaint for
2 Damages, shall be the operative complaint for all purposes unless otherwise ordered by the Court.

3 4. It appears to the Court on a preliminary basis that the Settlement is fair, adequate
4 and reasonable. It appears to the Court that extensive investigation and research have been
5 conducted such that counsel for the Parties at this time are able to reasonably evaluate their
6 respective positions. It further appears to the Court that the Settlement, at this time, will avoid
7 substantial additional costs by the Parties, as well as avoid the delay and risks that would be
8 presented by the further prosecution of the action. It further appears that the Settlement has been
9 reached as the result of intensive, serious and non-collusive, arms-length negotiations, and was
10 entered into in good faith.

11 5. The Court preliminarily finds that the Settlement, including the means of allocation
12 and distribution of funds provided thereby, appears to be within the range of reasonableness of a
13 settlement that could ultimately be given final approval by this Court. Indeed, the Court has
14 reviewed the monetary recovery that is being granted as part of the Settlement and preliminarily
15 finds that the monetary settlement awards made available to the Class Members are fair, adequate,
16 and reasonable when balanced against the probable outcome of further litigation relating to
17 certification, liability, and damages issues.

18 6. The Court concludes that, for settlement purposes only, the proposed class meets the
19 requirements for certification under section 382 of the California Code of Civil Procedure in that:
20 (a) the Class is ascertainable and so numerous such that joinder of all members of the Class is
21 impracticable; (b) common questions of law and fact predominate, and there is a well-defined
22 community of interest amongst the members of the Class with respect to the subject matter of the
23 litigation; (c) Plaintiffs' claims are typical of the claims of the members of the Class; (d) Plaintiffs
24 will fairly and adequately protect the interests of the members of the Class; (e) a class action is
25 superior to other available methods for the efficient adjudication of the controversy; and (f) Class
26 Counsel is qualified to act as counsel for Plaintiffs in their individual capacity and as the
27 representatives of the Class.

28 ///

1 7. The Court conditionally certifies, for settlement purposes only, the Class, defined as
2 follows:

3 Any and all current and former non-exempt employees who worked for any of
4 Defendants in the State of California at any time during the time period from October
19, 2013 to the date of this Order.

5 8. The Court provisionally appoints Edwin Aiwarzian, Esq., Arby Aiwarzian, Esq., and
6 Joanna Ghosh, Esq. of Lawyers *for* Justice, PC as counsel for the Class (“Class Counsel”).

7 9. The Court preliminarily appoints Plaintiffs Cindy Araica and Kevin Estrada as the
8 representatives of the Class (“Class Representatives”).

9 10. The Court preliminarily appoints Phoenix Class Action Administrators to handle the
10 administration of the Settlement (“Settlement Administrator”).

11 11. Within fifteen (15) calendar days of entry of this Order, Defendants will provide the
12 Settlement Administrator with a complete list of all Class Members, which will include the following
13 information for each Class Member: (a) full name; (b) last known address; (c) last known telephone
14 number; (d) Social Security number; and (e) hire and end dates of employment (collectively, “Class
15 Information”) in conformity with the Settlement Agreement.

16 12. The Court approves, both as to form and content, the Notice of Class Action
17 Settlement (“Class Notice”) attached hereto as “**EXHIBIT B.**” The Class Notice shall be provided
18 to Class Members in the manner set forth in the Settlement Agreement and this Order. The Court
19 finds that the Class Notice appears to fully and accurately inform the Class Members of all material
20 elements of the Settlement, of Class Members’ right to be excluded from the Settlement by
21 submitting a request for exclusion, of Class Members’ right to dispute the Compensable Workweeks
22 credited to them, and of each Class Member’s right and opportunity to object to the Settlement by
23 submitting a Notice of Objection. The Court further finds that distribution of the Class Notice
24 substantially in the manner and form set forth in the Settlement Agreement and this Order, and that
25 all other dates set forth in the Settlement Agreement and this Order, meet the requirements of due
26 process and shall constitute due and sufficient notice to all persons entitled thereto. The Court
27 further orders the Settlement Administrator to mail the Class Notice by First Class U.S. Mail to all
28 Class Members within seven (7) calendar days of receipt of the Class Information, pursuant to the

1 terms set forth in the Settlement Agreement.

2 13. The Court hereby preliminarily approves the proposed procedure, set forth in the
3 Settlement Agreement, for seeking exclusion from the Settlement. Any Class Member may choose
4 to be excluded from the Settlement by submitting a timely written request for exclusion to the
5 Settlement Administrator in conformity with the requirements set forth in the Class Notice,
6 postmarked no later than forty-five (45) calendar days from the date on which the Settlement
7 Administrator initially mails the Class Notice ("Response Deadline") or, in the case of a re-mailed
8 Class Notice, fifteen (15) calendar days from the original Response Deadline. Any such person who
9 submits a timely and valid request for exclusion will not be entitled to any recovery under the
10 Settlement and will not be bound by the Settlement or have any right to object, appeal, or comment
11 thereon. Class Members who do not submit a timely and valid request for exclusion ("Participating
12 Class Members") shall be bound by the Settlement Agreement and any judgment entered by the
13 Court based thereon.

14 14. A Final Approval Hearing shall be held before this Court on
15 _____ at _____ a.m./ p.m. in
16 Department SSC10 of the Superior Court of California for the County of Los Angeles, located at
17 312 North Spring Street, Los Angeles, California 90012, to determine all necessary matters
18 concerning the Settlement, including: whether the proposed settlement of the action on the terms
19 and conditions provided for in the Settlement is fair, adequate, and reasonable and should be finally
20 approved by the Court; whether a judgment, as provided in the Settlement, should be entered herein;
21 whether the plan of allocation contained in the Settlement should be approved as fair, adequate, and
22 reasonable to the Class Members; and whether to finally approve requests for the Attorneys' Fees
23 Award, litigation costs and expenses, Service Awards, and Settlement Administration Costs.

24 15. Class Counsel shall file a motion for final approval of the Settlement and for
25 Attorneys' Fees Award, litigation costs and expenses, Service Awards, and Settlement
26 Administration Costs, along with the appropriate declarations and supporting evidence, including
27 the Settlement Administrator's declaration, by
28 _____, to be heard at the Final Approval Hearing.

1 16. To object to the Settlement, a Class Member must submit a written Notice of
2 Objection to the Settlement Administrator, postmarked on or before the Response Deadline, in
3 conformity with the requirements set forth in the Class Notice.

4 17. In the event the Settlement does not become effective in accordance with the terms
5 of the Settlement Agreement, or the Settlement is not finally approved, or is terminated, cancelled
6 or fails to become effective for any reason, this Order shall be rendered null and void, shall be
7 vacated, and the Parties shall revert back to their respective positions as of before entering into the
8 Settlement Agreement.

9 18. The Court reserves the right to adjourn or continue the date of the Final Approval
10 Hearing and any dates provided for in the Settlement Agreement without further notice to the Class
11 Members and retains jurisdiction to consider all further applications arising out of or connected with
12 the Settlement.

13 **IT IS SO ORDERED.**

14 Dated: _____

By:

The Honorable William F. Highberger
Judge of the Superior Court

EXHIBIT A

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Attorneys for Plaintiffs

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

CINDY ARAICA, individually, and on
behalf of other members of the general public
similarly situated; KEVIN ESTRADA,
individually, and on behalf of other members
of the general public similarly situated and
on behalf of other aggrieved employees
pursuant to the California Private Attorneys
General Act;

Plaintiffs,

vs.

DIGITAL ROOM INC., a California
corporation; DIGITAL ROOM LLC, a
California limited liability company; AMC
ACQUISITION LLC, an unknown business
entity; and DOES 2 through 100, inclusive,

Defendants.

Case No.: BC680445

Honorable William F. Highberger
Department 10

**[PROPOSED] SECOND AMENDED
CLASS ACTION COMPLAINT FOR
DAMAGES AND ENFORCEMENT
UNDER THE PRIVATE ATTORNEYS
GENERAL ACT, CAL. LABOR CODE
§ 2698 ET SEQ.**

- (1) Violation of California Labor Code §§ 510 and 1198 (Unpaid Overtime);
- (2) Violation of California Labor Code §§ 226.7 and 512(a) (Unpaid Meal Period Premiums);
- (3) Violation of California Labor Code § 226.7 (Unpaid Rest Period Premiums);
- (4) Violation of California Labor Code §§ 1194, 1197, and 1197.1 (Unpaid Minimum Wages);
- (5) Violation of California Labor Code §§ 201 and 202 (Final Wages Not Timely Paid);
- (6) Violation of California Labor Code § 204 (Wages Not Timely Paid During Employment);
- (7) Violation of California Labor Code § 226(a) (Non-Compliant Wage Statements);
- (8) Violation of California Labor Code § 1174(d) (Failure To Keep Requisite Payroll Records);
- (9) Violation of California Labor Code §§ 2800 and 2802 (Unreimbursed Business Expenses);

- (10) Violation of California Business & Professions Code §§ 17200, et seq.
(11) Violation of California Labor Code § 2698, et seq. (Private Attorneys General Act of 2004)

DEMAND FOR JURY TRIAL

COME NOW, Plaintiffs CINDY ARAICA (“Plaintiff ARAICA”), individually, and on behalf of other members of the general public similarly situated, and KEVIN ESTRADA (“Plaintiff ESTRADA” and collectively with Plaintiff ARAICA as “Plaintiffs”), individually, and on behalf of other members of the general public similarly situated and on behalf of other aggrieved employees pursuant to the California Private Attorneys General Act, and allege as follows:

JURISDICTION AND VENUE

1. This class action is brought pursuant to the California Code of Civil Procedure section 382. The monetary damages and restitution sought by Plaintiffs exceed the minimal jurisdiction limits of the Superior Court and will be established according to proof at trial.

2. This Court has jurisdiction over this action pursuant to the California Constitution, Article VI, Section 10, which grants the superior court “original jurisdiction in all other causes” except those given by statute to other courts. The statutes under which this action is brought do not specify any other basis for jurisdiction.

3. This Court has jurisdiction over Defendant because, upon information and belief, Defendant is a citizen of California, has sufficient minimum contacts in California, or otherwise intentionally avails itself of the California market so as to render the exercise of jurisdiction over it by California courts consistent with traditional notions of fair play and substantial justice.

4. Venue is proper in this Court because, upon information and belief, Defendant maintains offices, has agents, employs individuals, and/or transacts business in the State of California, County of Los Angeles. The majority of acts and omissions alleged herein relating to Plaintiffs and the other class members took place in the State of California, including the County

1 of Los Angeles. At all relevant times, Defendant maintained its headquarters/“nerve center”
2 within the State of California, County of Los Angeles.

3 **PARTIES**

4 5. Plaintiff CINDY ARAICA is an individual residing in the State of California,
5 County of Los Angeles.

6 6. Plaintiff KEVIN ESTRADA is an individual residing in the State of California,
7 County of Los Angeles.

8 7. Defendant DIGITAL ROOM INC., at all times herein mentioned, was and is,
9 upon information and belief, a California corporation and, at all times herein mentioned, an
10 employer whose employees are engaged throughout the State of California, including the
11 County of Los Angeles.

12 8. Defendant DIGITAL ROOM LLC, at all times herein mentioned, was and is,
13 upon information and belief, a California corporation and, at all times herein mentioned, an
14 employer whose employees are engaged throughout the State of California, including the County
15 of Los Angeles.

16 9. Defendant AMC ACQUISITION LLC, at all times herein mentioned, was and is,
17 upon information and belief, an employer whose employees are engaged throughout the State
18 of California, including the County of Los Angeles. Effective December 31, 2019, AMC
19 ACQUISITION LLC merged with DIGITAL ROOM LLC such that DIGITAL ROOM LLC is
20 the surviving entity.

21 10. At all relevant times, Defendants DIGITAL ROOM INC., DIGITAL ROOM
22 LLC, and AMC ACQUISITION LLC were the “employer” of Plaintiffs within the meaning of
23 all applicable California laws and statutes.

24 11. At all times herein relevant, Defendants DIGITAL ROOM INC., DIGITAL
25 ROOM LLC, AMC ACQUISITION LLC, and DOES 2 through 100, and each of them, were
26 the agents, partners, joint venturers, joint employers, representatives, servants, employees,
27 successors-in-interest, co-conspirators and/or assigns, each of the other, and at all times
28 relevant hereto were acting within the course and scope of their authority as such agents,

1 partners, joint venturers, joint employers, representatives, servants, employees, successors, co-
2 conspirators and/or assigns, and all acts or omissions alleged herein were duly committed with
3 the ratification, knowledge, permission, encouragement, authorization and/or consent of each
4 defendant designated as a DOE herein.

5 12. The true names and capacities, whether corporate, associate, individual or
6 otherwise, of defendants DOES 2 through 100, inclusive, are unknown to Plaintiffs who sue
7 said defendants by such fictitious names. Plaintiffs are informed and believe, and based on
8 that information and belief allege, that each of the defendants designated as a DOE is legally
9 responsible for the events and happenings referred to in this Complaint, and unlawfully caused
10 the injuries and damages to Plaintiffs and the other class members as alleged in this Complaint.
11 Plaintiffs will seek leave of court to amend this Complaint to show the true names and
12 capacities when the same have been ascertained.

13 13. Defendant DIGITAL ROOM INC., DIGITAL ROOM LLC, AMC
14 ACQUISITION LLC, and DOES 2 through 100 will hereinafter collectively be referred to as
15 “Defendants.”

16 14. Plaintiffs further allege that Defendants directly or indirectly controlled or
17 affected the working conditions, wages, working hours, and conditions of employment of
18 Plaintiffs and the other class members so as to make each of said Defendants employers liable
19 under the statutory provisions set forth herein.

20 **CLASS ACTION ALLEGATIONS**

21 15. Plaintiff ARAICA brings this action on her own behalf and on behalf of all other
22 members of the general public similarly situated and Plaintiff ESTRADA brings this action on
23 his own behalf and on behalf of other members of the general public similarly situated and on
24 behalf of other aggrieved employees pursuant to the California Private Attorneys General Act,
25 and, thus, seeks class certification under California Code of Civil Procedure section 382.

26 ///

27 ///

28 ///

- 1 16. The proposed class is defined as follows:
- 2 All current and former hourly-paid or non-exempt employees who worked for
- 3 any of the Defendants within the State of California at any time during the
- 4 period from October 19, 2013 to final judgment and who reside in California.
- 5 17. Plaintiffs reserve the right to establish subclasses as appropriate.
- 6 18. The class is ascertainable and there is a well-defined community of interest in
- 7 the litigation:
- 8 a. Numerosity: The class members are so numerous that joinder of all class
- 9 members is impracticable. The membership of the entire class is
- 10 unknown to Plaintiffs at this time; however, the class is estimated to be
- 11 greater than fifty (50) individuals and the identity of such membership is
- 12 readily ascertainable by inspection of Defendants' employment records.
- 13 b. Typicality: Plaintiffs' claims are typical of all other class members' as
- 14 demonstrated herein. Plaintiffs will fairly and adequately protect the
- 15 interests of the other class members with whom they have a well-defined
- 16 community of interest.
- 17 c. Adequacy: Plaintiffs will fairly and adequately protect the interests of
- 18 each class member, with whom they have a well-defined community of
- 19 interest and typicality of claims, as demonstrated herein. Plaintiffs have
- 20 no interest that is antagonistic to the other class members. Plaintiffs'
- 21 attorneys, the proposed class counsel, are versed in the rules governing
- 22 class action discovery, certification, and settlement. Plaintiffs have
- 23 incurred, and during the pendency of this action will continue to incur,
- 24 costs and attorneys' fees, that have been, are, and will be necessarily
- 25 expended for the prosecution of this action for the substantial benefit of
- 26 each class member.
- 27
- 28

- 1 d. Superiority: A class action is superior to other available methods for the
2 fair and efficient adjudication of this litigation because individual joinder
3 of all class members is impractical.
- 4 e. Public Policy Considerations: Certification of this lawsuit as a class
5 action will advance public policy objectives. Employers of this great
6 state violate employment and labor laws every day. Current employees
7 are often afraid to assert their rights out of fear of direct or indirect
8 retaliation. However, class actions provide the class members who are
9 not named in the complaint anonymity that allows for the vindication of
10 their rights.

11 19. There are common questions of law and fact as to the class members that
12 predominate over questions affecting only individual members. The following common
13 questions of law or fact, among others, exist as to the members of the class:

- 14 a. Whether Defendants' failure to pay wages, without abatement or
15 reduction, in accordance with the California Labor Code, was willful;
- 16 b. Whether Defendants' had a corporate policy and practice of failing to
17 pay their hourly-paid or non-exempt employees within the State of
18 California for all hours worked and missed (short, late, interrupted,
19 and/or missed altogether) meal periods and rest breaks in violation of
20 California law;
- 21 c. Whether Defendants required Plaintiffs and the other class members to
22 work over eight (8) hours per day and/or over forty (40) hours per week
23 and failed to pay the legally required overtime compensation to Plaintiffs
24 and the other class members;
- 25 d. Whether Defendants deprived Plaintiffs and the other class members of
26 meal and/or rest periods or required Plaintiffs and the other class
27 members to work during meal and/or rest periods without compensation;
28

- e. Whether Defendants failed to pay minimum wages to Plaintiffs and the other class members for all hours worked;
- f. Whether Defendants failed to pay all wages due to Plaintiffs and the other class members within the required time upon their discharge or resignation;
- g. Whether Defendants failed to timely pay all wages due to Plaintiffs and the other class members during their employment;
- h. Whether Defendants complied with wage reporting as required by the California Labor Code; including, *inter alia*, section 226;
- i. Whether Defendants kept complete and accurate payroll records as required by the California Labor Code, including, *inter alia*, section 1174(d);
- j. Whether Defendants failed to reimburse Plaintiffs and the other class members for necessary business-related expenses and costs;
- k. Whether Defendants' conduct was willful or reckless;
- l. Whether Defendants engaged in unfair business practices in violation of California Business & Professions Code section 17200, et seq.;
- m. The appropriate amount of damages, restitution, and/or monetary penalties resulting from Defendants' violation of California law; and
- n. Whether Plaintiffs and the other class members are entitled to compensatory damages pursuant to the California Labor Code.

PAGA ALLEGATIONS

20. At all times herein set forth, PAGA was applicable to Plaintiff ESTRADA's employment by Defendants.

21. At all times herein set forth, PAGA provides that any provision of law under the California Labor Code that provides for a civil penalty, including unpaid wages and premium wages, to be assessed and collected by the LWDA for violations of the California Labor Code may, as an alternative, be recovered through a civil action brought by an aggrieved employee

1 on behalf of himself and other current or former employees pursuant to procedures outlined in
2 California Labor Code section 2699.3.

3 22. Pursuant to PAGA, a civil action under PAGA may be brought by an “aggrieved
4 employee,” who is any person that was employed by the alleged violator and against whom
5 one or more of the alleged violations was committed.

6 23. Plaintiff ESTRADA was employed by Defendants and the alleged violations
7 were committed against him during his time of employment and he is, therefore, an aggrieved
8 employee. Plaintiff ESTRADA and the other employees are “aggrieved employees” as defined
9 by California Labor Code section 2699(c) in that they are current or former employees of
10 Defendants, and one or more of the alleged violations were committed against them.

11 24. Pursuant to California Labor Code sections 2699.3 and 2699.5, an aggrieved
12 employee, including Plaintiff ESTRADA, may pursue a civil action arising under PAGA after
13 the following requirements have been met:

14 a. The aggrieved employee shall give written notice by certified mail
15 (hereinafter “Employee's Notice”) to the LWDA and the employer of the
16 specific provisions of the California Labor Code alleged to have been
17 violated, including the facts and theories to support the alleged
18 violations.

19 b. The LWDA shall provide notice (hereinafter “LWDA Notice”) to the
20 employer and the aggrieved employer by certified mail that it does not
21 intend to investigate the alleged violation within sixty (60) calendar days
22 of the postmark date of the Employee’s Notice. Upon receipt of the
23 LWDA Notice, or if the LWDA Notice is not provided within sixty-five
24 (65) calendar days of the postmark date of the Employee’s Notice, the
25 aggrieved employee may commence a civil action pursuant to California
26 Labor Code section 2699 to recover civil penalties in addition to any
27 other penalties to which the employee may be entitled.
28

25. On July 31, 2020, Plaintiff ESTRADA provided written notice by certified mail to the LWDA and to Defendants of the specific provisions of the California Labor Code alleged to have been violated, including the facts and theories to support the alleged violations. Therefore, the administrative prerequisites under California Labor Code section 2699.3(a) to recover civil penalties, including unpaid wages and premium wages per California Labor Code section 558 against Defendants, in addition to other remedies, for violations of California Labor Code sections 201, 202, 203, 204, 226, 226.3, 226.7, 510, 512, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2800 and 2802, and IWC Wage Orders, have been satisfied.

GENERAL ALLEGATIONS

26. At all relevant times set forth herein, Defendants employed Plaintiffs and other persons as hourly-paid or non-exempt employees within the State of California, including the County of Los Angeles.

27. Defendants, jointly and severally, employed Plaintiff ARAICA as an hourly-paid, non-exempt employee, from approximately January 2015 to approximately April 2015, in the State of California, County of Los Angeles.

28. Defendants, jointly and severally, employed Plaintiff ESTRADA as an hourly-paid, non-exempt employee, from approximately June 2017 to approximately January 2018, in the State of California, County of Los Angeles.

29. Defendants hired Plaintiffs and the other class members, classified them as hourly-paid or non-exempt employees, and failed to compensate them for all hours worked and missed meal periods and/or rest breaks.

30. Defendants had the authority to hire and terminate Plaintiffs and the other class members, to set work rules and conditions governing Plaintiffs' and the other class members' employment, and to supervise their daily employment activities.

31. Defendants exercised sufficient authority over the terms and conditions of Plaintiffs' and the other class members' employment for them to be joint employers of Plaintiffs and the other class members.

32. Defendants directly hired and paid wages and benefits to Plaintiffs and the other class members.

33. Defendants continue to employ hourly-paid or non-exempt employees within the State of California.

34. Plaintiffs and the other class members worked over eight (8) hours in a day, and/or forty (40) hours in a week during their employment with Defendants.

35. Plaintiffs are informed and believe, and based thereon allege, that Defendants engaged in a pattern and practice of wage abuse against their hourly-paid or non-exempt employees within the State of California. This pattern and practice involved, *inter alia*, failing to pay them for all hours worked and for missed, short, late, or interrupted meal periods and rest breaks in violation of California law.

36. Plaintiffs are informed and believe, and based thereon allege, that Defendants knew or should have known that Plaintiffs and the other class members were entitled to receive certain wages for overtime compensation and that they were not receiving accurate overtime compensation for all overtime hours worked.

37. Plaintiffs are informed and believe, and based thereon allege, that Defendants failed to provide Plaintiffs and the other class members all required rest and meal periods during the relevant time period as required under the Industrial Welfare Commission Wage Orders and thus they are entitled to any and all applicable premium wages. Defendants' failure included, *inter alia*, failing to provide uninterrupted ten (10) minute rest periods and timely, uninterrupted thirty (30) minute meal periods to Plaintiffs and the other class members. Plaintiffs and the other class members were required to perform work during meal periods and rest periods, and Defendants incentivized Plaintiffs and the other class members to forego statutorily required meal periods and rest periods.

38. Plaintiffs are informed and believe, and based thereon allege, that Defendants failed to relieve Plaintiffs and the other class members of all duties, failed to relinquish control over Plaintiffs and the other class members' activities, failed to permit Plaintiffs and the other class members a reasonable opportunity to take, and impeded or discouraged them from taking

thirty (30) minute uninterrupted meal breaks no later than the end of their fifth hour of work for shifts lasting at least six (6) hours, and/or taking a second thirty (30) minute uninterrupted meal breaks no later than their tenth hour of work for shifts lasting more than ten (10) hours.

39. Plaintiffs are informed and believe, and based thereon allege, that Defendants knew or should have known that Plaintiffs and the other class members were entitled to receive all meal periods or payment of one additional hour of pay at Plaintiffs' and the other class members' regular rate of pay when a meal period was missed, short, late, and/or interrupted, and they did not receive all meal periods or payment of one additional hour of pay at Plaintiffs' and the other class members' regular rate of pay when a meal period was missed, late, short, and/or interrupted.

40. Plaintiffs are informed and believe, and based thereon allege, that Defendants failed to provide, authorize, and permit Plaintiffs and the other class members to take full, uninterrupted, off-duty rest periods for every shift lasting three and one-half (3.5) to six (6) hours and/or two full, uninterrupted, off-duty rest periods for every shift lasting six (6) to ten (10) hours, and failed to make a good faith effort to authorize, permit, and provide such rest breaks in the middle of each work period

41. Plaintiffs are informed and believe, and based thereon allege, that Defendants knew or should have known that Plaintiffs and the other class members were entitled to receive all rest periods or payment of one additional hour of pay at Plaintiffs' and the other class members' regular rate of pay when a rest period was missed, short, late, and/or interrupted, and they did not receive all rest periods or payment of one additional hour of pay at Plaintiffs' and the other class members' regular rate of pay when a rest period was missed, short, late, and/or interrupted.

42. Plaintiffs are informed and believe, and based thereon allege, that Defendants knew or should have known that Plaintiffs and the other class members were entitled to receive at least minimum wages for compensation and that they were not receiving at least minimum wages for all hours worked. The deficiencies include, *inter alia*, requiring Plaintiffs and the other class members to perform work off-the-clock.

1 43. Plaintiffs are informed and believe, and based thereon allege, that Defendants
2 knew or should have known that Plaintiffs and the other class members were entitled to receive
3 all wages owed to them upon discharge or resignation, including earned but unpaid overtime
4 wages, minimum wages, and meal and rest period premiums, and they did not, in fact, receive
5 all such wages owed to them at the time of their discharge or resignation.

6 44. Plaintiffs are informed and believe, and based thereon allege, that Defendants
7 knew or should have known that Plaintiffs and the other class members were entitled to receive
8 all wages owed to them during their employment. Plaintiffs and the other class members did
9 not receive payment of all wages, including overtime and minimum wages and meal and rest
10 period premiums, within any time permissible under California Labor Code section 204.

11 45. Plaintiffs are informed and believe, and based thereon allege, that Defendants
12 knew or should have known that Plaintiffs and the other class members were entitled to receive
13 complete and accurate wage statements in accordance with California law, but, in fact, they did
14 not receive complete and accurate wage statements from Defendants. The deficiencies
15 included, *inter alia*, the failure to include the total number of hours worked by Plaintiffs and
16 the other class members, including work required to be performed off-the-clock.

17 46. Plaintiffs are informed and believe, and based thereon allege, that Defendants
18 knew or should have known that Defendants had to keep complete and accurate payroll records
19 for Plaintiffs and the other class members in accordance with California law, but, in fact, did
20 not keep complete and accurate payroll records. The deficiencies include, *inter alia*, the failure
21 to include the actual number of hours worked by Plaintiffs and the other class members,
22 including work required to be performed off-the-clock.

23 47. Plaintiffs are informed and believe, and based thereon allege, that Defendants
24 knew or should have known that Plaintiffs and the other class members were entitled to
25 reimbursement for necessary business-related expenses.

26 48. Plaintiffs are informed and believe, and based thereon allege, that Defendants
27 knew or should have known that they had a duty to compensate Plaintiffs and the other class
28 members pursuant to California law, and that Defendants had the financial ability to pay such

1 compensation, but willfully, knowingly, and intentionally failed to do so, and falsely
2 represented to Plaintiffs and the other class members that they were properly denied wages, all
3 in order to increase Defendants' profits.

4 49. During the relevant time period, Defendants failed to pay overtime wages to
5 Plaintiffs and the other class members for all overtime hours worked. Plaintiffs and the other
6 class members were required to work more than eight (8) hours per day and/or forty (40) hours
7 per week without overtime compensation for all overtime hours worked.

8 50. During the relevant time period, Defendants failed to provide all requisite
9 uninterrupted meal and rest periods to Plaintiffs and the other class members.

10 51. During the relevant time period, Defendants failed to pay Plaintiffs and the other
11 class members at least minimum wages for all hours worked.

12 52. During the relevant time period, Defendants failed to pay Plaintiffs and the other
13 class members all wages owed to them upon discharge or resignation.

14 53. During the relevant time period, Defendants failed to pay Plaintiffs and the other
15 class members all wages within any time permissible under California law, including, *inter*
16 *alia*, California Labor Code section 204.

17 54. During the relevant time period, Defendants failed to provide complete or
18 accurate wage statements to Plaintiffs and the other class members.

19 55. During the relevant time period, Defendants failed to keep complete or accurate
20 payroll records for Plaintiffs and the other class members.

21 56. During the relevant time period, Defendants failed to reimburse Plaintiffs and
22 the other class members for all necessary business-related expenses and costs.

23 57. During the relevant time period, Defendants failed to properly compensate
24 Plaintiffs and the other class members pursuant to California law in order to increase
25 Defendants' profits.

26 58. California Labor Code section 218 states that nothing in Article 1 of the Labor
27 Code shall limit the right of any wage claimant to "sue directly . . . for any wages or penalty
28 due to him [or her] under this article."

FIRST CAUSE OF ACTION

(Violation of California Labor Code §§ 510 and 1198)

**(Against DIGITAL ROOM INC., DIGITAL ROOM LLC, AMC ACQUISITION LLC,
and DOES 2 through 100)**

59. Plaintiffs incorporate by reference the allegations contained in Paragraphs 1 through 58, and each and every part thereof with the same force and effect as though fully set forth herein.

60. California Labor Code section 1198 and the applicable Industrial Welfare Commission (“IWC”) Wage Order provide that it is unlawful to employ persons without compensating them at a rate of pay either time-and-one-half or two-times that person’s regular rate of pay, depending on the number of hours worked by the person on a daily or weekly basis.

61. Specifically, the applicable IWC Wage Order provides that Defendants are and were required to pay Plaintiffs and the other class members employed by Defendants, and working more than eight (8) hours in a day or more than forty (40) hours in a workweek, at the rate of time-and-one-half for all hours worked in excess of eight (8) hours in a day or more than forty (40) hours in a workweek.

62. The applicable IWC Wage Order further provides that Defendants are and were required to pay Plaintiffs and the other class members overtime compensation at a rate of two times their regular rate of pay for all hours worked in excess of twelve (12) hours in a day. California Labor Code section 510 codifies the right to overtime compensation at one-and-one-half times the regular hourly rate for hours worked in excess of eight (8) hours in a day or forty (40) hours in a week or for the first eight (8) hours worked on the seventh day of work, and to overtime compensation at twice the regular hourly rate for hours worked in excess of twelve (12) hours in a day or in excess of eight (8) hours in a day on the seventh day of work.

63. During the relevant time period, Plaintiffs and the other class members worked in excess of eight (8) hours in a day, and/or in excess of forty (40) hours in a week.

64. During the relevant time period, Defendants intentionally and willfully failed to pay overtime wages owed to Plaintiffs and the other class members.

65. Defendants' failure to pay Plaintiffs and the other class members the unpaid balance of overtime compensation, as required by California laws, violates the provisions of California Labor Code sections 510 and 1198, and is therefore unlawful.

66. Pursuant to California Labor Code section 1194, Plaintiffs and the other class members are entitled to recover unpaid overtime compensation, as well as interest, costs, and attorneys' fees.

SECOND CAUSE OF ACTION

(Violation of California Labor Code §§ 226.7 and 512(a))

**(Against DIGITAL ROOM INC., DIGITAL ROOM LLC, AMC ACQUISITION LLC,
and DOES 2 through 100)**

67. Plaintiffs incorporate by reference the allegations contained in paragraphs 1 through 66, and each and every part thereof with the same force and effect as though fully set forth herein.

68. At all relevant times, the IWC Order and California Labor Code sections 226.7 and 512(a) were applicable to Plaintiffs' and the other class members' employment by Defendants.

69. At all relevant times, California Labor Code section 226.7 provides that no employer shall require an employee to work during any meal or rest period mandated by an applicable order of the California IWC.

70. At all relevant times, the applicable IWC Wage Order and California Labor Code section 512(a) provide that an employer may not require, cause or permit an employee to work for a work period of more than five (5) hours per day without providing the employee with a meal period of not less than thirty (30) minutes, except that if the total work period per day of the employee is no more than six (6) hours, the meal period may be waived by mutual consent of both the employer and employee.

1 71. At all relevant times, the applicable IWC Wage Order and California Labor
2 Code section 512(a) further provide that an employer may not require, cause or permit an
3 employee to work for a work period of more than ten (10) hours per day without providing the
4 employee with a second uninterrupted meal period of not less than thirty (30) minutes, except
5 that if the total hours worked is no more than twelve (12) hours, the second meal period may
6 be waived by mutual consent of the employer and the employee only if the first meal period
7 was not waived.

8 72. During the relevant time period, Plaintiffs and the other class members who
9 were scheduled to work for a period of time no longer than six (6) hours, and who did not
10 waive their legally-mandated meal periods by mutual consent, were required to work for
11 periods longer than five (5) hours without an uninterrupted meal period of not less than thirty
12 (30) minutes and/or rest period.

13 73. During the relevant time period, Plaintiffs and the other class members who
14 were scheduled to work for a period of time in excess of six (6) hours were required to work
15 for periods longer than five (5) hours without an uninterrupted meal period of not less than
16 thirty (30) minutes and/or rest period.

17 74. During the relevant time period, Defendants intentionally and willfully required
18 Plaintiffs and the other class members to work during meal periods and failed to compensate
19 Plaintiffs and the other class members the full meal period premium for work performed during
20 meal periods.

21 75. During the relevant time period, Defendants failed to pay Plaintiffs and the other
22 class members the full meal period premium due pursuant to California Labor Code section
23 226.7.

24 76. Defendants' conduct violates applicable IWC Wage Order and California Labor
25 Code sections 226.7 and 512(a).

26 77. Pursuant to applicable IWC Wage Order and California Labor Code section
27 226.7(c), Plaintiffs and the other class members are entitled to recover from Defendants one
28

1 additional hour of pay at the employee's regular rate of compensation for each work day that
2 the meal or rest period is not provided.

3 **THIRD CAUSE OF ACTION**

4 **(Violation of California Labor Code § 226.7)**

5 **(Against DIGITAL ROOM INC., DIGITAL ROOM LLC, AMC ACQUISITION LLC,**
6 **and DOES 2 through 100)**

7 78. Plaintiffs incorporate by reference the allegations contained in paragraphs 1
8 through 77, and each and every part thereof with the same force and effect as though fully set
9 forth herein.

10 79. At all times herein set forth, the applicable IWC Wage Order and California
11 Labor Code section 226.7 were applicable to Plaintiffs' and the other class members'
12 employment by Defendants.

13 80. At all relevant times, California Labor Code section 226.7 provides that no
14 employer shall require an employee to work during any rest period mandated by an applicable
15 order of the California IWC.

16 81. At all relevant times, the applicable IWC Wage Order provides that "[e]very
17 employer shall authorize and permit all employees to take rest periods, which insofar as
18 practicable shall be in the middle of each work period" and that the "rest period time shall be
19 based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4)
20 hours or major fraction thereof" unless the total daily work time is less than three and one-half
21 (3 ½) hours.

22 82. During the relevant time period, Defendants required Plaintiffs and other class
23 members to work four (4) or more hours without authorizing or permitting a ten (10) minute
24 rest period per each four (4) hour period worked.

25 83. During the relevant time period, Defendants willfully required Plaintiffs and the
26 other class members to work during rest periods and failed to pay Plaintiffs and the other class
27 members the full rest period premium for work performed during rest periods.

1 84. During the relevant time period, Defendants failed to pay Plaintiffs and the other
2 class members the full rest period premium due pursuant to California Labor Code section
3 226.7

4 85. Defendants' conduct violates applicable IWC Wage Orders and California
5 Labor Code section 226.7.

6 86. Pursuant to the applicable IWC Wage Orders and California Labor Code section
7 226.7(c), Plaintiffs and the other class members are entitled to recover from Defendants one
8 additional hour of pay at the employees' regular hourly rate of compensation for each work
9 day that the rest period was not provided.

10 **FOURTH CAUSE OF ACTION**

11 **(Violation of California Labor Code §§ 1194, 1197, and 1197.1)**

12 **(Against DIGITAL ROOM INC., DIGITAL ROOM LLC, AMC ACQUISITION LLC,**
13 **and DOES 2 through 100)**

14 87. Plaintiffs incorporate by reference the allegations contained in paragraphs 1
15 through 86, and each and every part thereof with the same force and effect as though fully set
16 forth herein.

17 88. At all relevant times, California Labor Code sections 1194, 1197, and 1197.1
18 provide that the minimum wage to be paid to employees, and the payment of a lesser wage
19 than the minimum so fixed is unlawful.

20 89. During the relevant time period, Defendants failed to pay minimum wage to
21 Plaintiffs and the other class members as required, pursuant to California Labor Code sections
22 1194, 1197, and 1197.1.

23 90. Defendants' failure to pay Plaintiffs and the other class members the minimum
24 wage as required violates California Labor Code sections 1194, 1197, and 1197.1. Pursuant to
25 those sections Plaintiffs and the other class members are entitled to recover the unpaid balance
26 of their minimum wage compensation as well as interest, costs, and attorney's fees, and
27 liquidated damages in an amount equal to the wages unlawfully unpaid and interest thereon.
28

92. Pursuant to California Labor Code section 1194.2, Plaintiffs and the other class members are entitled to recover liquidated damages in an amount equal to the wages unlawfully unpaid and interest thereon.

(Violation of California Labor Code §§ 201 and 202)

**(Against DIGITAL ROOM INC., DIGITAL ROOM LLC, AMC ACQUISITION LLC,
and DOES 2 through 100)**

93. Plaintiffs incorporate by reference the allegations contained in paragraphs 1 through 92, and each and every part thereof with the same force and effect as though fully set forth herein.

94. At all relevant times herein set forth, California Labor Code sections 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 not 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.

95. During the relevant time period, Defendants intentionally and willfully failed to pay Plaintiffs and the other class members who are no longer employed by Defendants their wages, earned and unpaid, within seventy-two (72) hours of their leaving Defendants' employ.

96. Defendants' failure to pay Plaintiffs and the other class members who are no longer employed by Defendants their wages, earned and unpaid, within seventy-two (72) hours of their leaving Defendants' employ, is in violation of California Labor Code sections 201 and 202.

98. Plaintiffs and the other class members are entitled to recover from Defendants the statutory penalty wages for each day they were not paid, up to a thirty (30) day maximum pursuant to California Labor Code section 203.

(Violation of California Labor Code § 204)

**(Against DIGITAL ROOM INC., DIGITAL ROOM LLC, AMC ACQUISITION LLC,
and DOES 2 through 100)**

99. Plaintiffs incorporate by reference the allegations contained in paragraphs 1 through 98, and each and every part thereof with the same force and effect as though fully set forth herein.

100. At all times herein set forth, California Labor Code section 204 provides that all wages earned by any person in any employment between the 1st and 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed.

101. At all times herein set forth, California Labor Code section 204 provides that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month.

102. At all times herein set forth, California Labor Code section 204 provides that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period.

103. During the relevant time period, Defendants intentionally and willfully failed to pay Plaintiffs and the other class members all wages due to them, within any time period permissible under California Labor Code section 204.

104. Plaintiffs and the other class members are entitled to recover all remedies available for violations of California Labor Code section 204.

SEVENTH CAUSE OF ACTION

(Violation of California Labor Code § 226(a))

**(Against DIGITAL ROOM INC., DIGITAL ROOM LLC, AMC ACQUISITION LLC,
and DOES 2 through 100)**

105. Plaintiffs incorporate by reference the allegations contained in paragraphs 1 through 104, and each and every part thereof with the same force and effect as though fully set forth herein.

106. At all material times set forth herein, California Labor Code section 226(a) provides that every employer shall furnish each of his or her employees 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 his or her social security number, (8) the name and address of the legal entity that is the employer, and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. The deductions made from payments 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 or a 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.

107. Defendants have intentionally and willfully failed to provide Plaintiffs and the other class members with complete and accurate wage statements. The deficiencies include,

1 but are not limited to: the failure to include the total number of hours worked by Plaintiffs and
2 the other class members.

3 108. As a result of Defendants' violation of California Labor Code section 226(a),
4 Plaintiffs and the other class members have suffered injury and damage to their statutorily-
5 protected rights.

6 109. More specifically, Plaintiffs and the other class members have been injured by
7 Defendants' intentional and willful violation of California Labor Code section 226(a) because
8 they were denied both their legal right to receive, and their protected interest in receiving,
9 accurate and itemized wage statements pursuant to California Labor Code section 226(a).

10 110. Plaintiffs and the other class members are entitled to recover from Defendants
11 the greater of their actual damages caused by Defendants' failure to comply with California
12 Labor Code section 226(a), or an aggregate penalty not exceeding four thousand dollars per
13 employee.

14 111. Plaintiffs and the other class members are also entitled to injunctive relief to
15 ensure compliance with this section, pursuant to California Labor Code section 226(h).

16 **EIGHTH CAUSE OF ACTION**

17 **(Violation of California Labor Code § 1174(d))**

18 **(Against DIGITAL ROOM INC., DIGITAL ROOM LLC, AMC ACQUISITION LLC,**
19 **and DOES 2 through 100)**

20 112. Plaintiffs incorporate by reference the allegations contained in paragraphs 1
21 through 111, and each and every part thereof with the same force and effect as though fully set
22 forth herein.

23 113. Pursuant to California Labor Code section 1174(d), an employer shall keep, at a
24 central location in the state or at the plants or establishments at which employees are
25 employed, payroll records showing the hours worked daily by and the wages paid to, and the
26 number of piece-rate units earned by and any applicable piece rate paid to, employees
27 employed at the respective plants or establishments. These records shall be kept in accordance
28

1 with rules established for this purpose by the commission, but in any case shall be kept on file
2 for not less than two years.

3 114. Defendants have intentionally and willfully failed to keep accurate and complete
4 payroll records showing the hours worked daily and the wages paid, to Plaintiffs and the other
5 class members.

6 115. As a result of Defendants' violation of California Labor Code section 1174(d),
7 Plaintiffs and the other class members have suffered injury and damage to their statutorily-
8 protected rights.

9 116. More specifically, Plaintiffs and the other class members have been injured by
10 Defendants' intentional and willful violation of California Labor Code section 1174(d) because
11 they were denied both their legal right and protected interest, in having available, accurate and
12 complete payroll records pursuant to California Labor Code section 1174(d).

13 **NINTH CAUSE OF ACTION**

14 **(Violation of California Labor Code §§ 2800 and 2802)**

15 **(Against DIGITAL ROOM INC., DIGITAL ROOM LLC, AMC ACQUISITION LLC,**
16 **and DOES 2 through 100)**

17 117. Plaintiffs incorporate by reference the allegations contained in paragraphs 1
18 through 116, and each and every part thereof with the same force and effect as though fully set
19 forth herein.

20 118. Pursuant to California Labor Code sections 2800 and 2802, an employer must
21 reimburse its employee for all necessary expenditures incurred by the employee in direct
22 consequence of the discharge of his or her job duties or in direct consequence of his or her
23 obedience to the directions of the employer.

24 119. Plaintiffs and the other class members incurred necessary business-related
25 expenses and costs that were not fully reimbursed by Defendants.

26 120. Defendants have intentionally and willfully failed to reimburse Plaintiffs and the
27 other class members for all necessary business-related expenses and costs.

121. Plaintiffs and the other class members are entitled to recover from Defendants their business-related expenses and costs incurred during the course and scope of their employment, plus interest accrued from the date on which the employee incurred the necessary expenditures at the same rate as judgments in civil actions in the State of California.

TENTH CAUSE OF ACTION

**(Violation of California Business & Professions Code §§ 17200, et seq.)
(Against DIGITAL ROOM INC., DIGITAL ROOM LLC, AMC ACQUISITION LLC,
and DOES 2 through 100)**

122. Plaintiffs incorporates by reference the allegations contained in paragraphs 1 through 121, and each and every part thereof with the same force and effect as though fully set forth herein.

123. Defendants' conduct, as alleged herein, has been, and continues to be, unfair, unlawful and harmful to Plaintiffs, other class members, to the general public, and Defendants' competitors. Accordingly, Plaintiffs seek to enforce important rights affecting the public interest within the meaning of Code of Civil Procedure section 1021.5.

124. Defendants' activities as alleged herein are violations of California law, and constitute unlawful business acts and practices in violation of California Business & Professions Code section 17200, et seq.

125. A violation of California Business & Professions Code section 17200, et seq. may be predicated on the violation of any state or federal law. In this instant case, Defendants' policies and practices of requiring employees, including Plaintiffs and the other class members, to work overtime without paying them proper compensation violate California Labor Code sections 510 and 1198. Additionally, Defendants' policies and practices of requiring employees, including Plaintiffs and the other class members, to work through their meal and rest periods without paying them proper compensation violate California Labor Code sections 226.7 and 512(a). Defendants' policies and practices of failing to pay minimum wages violate California Labor Code sections 1194, 1197, and 1197.1. Moreover, Defendants' policies and practices of failing to timely pay wages to Plaintiffs and the other class members violate

California Labor Code sections 201, 202 and 204. Defendants also violated California Labor Code sections 226(a), 1174(d), 2800 and 2802.

126. As a result of the herein described violations of California law, Defendants unlawfully gained an unfair advantage over other businesses.

127. Plaintiffs and the other class members have been personally injured by Defendants' unlawful business acts and practices as alleged herein, including but not necessarily limited to the loss of money and/or property.

128. Pursuant to California Business & Professions Code sections 17200, et seq., Plaintiffs and the other class members are entitled to restitution of the wages withheld and retained by Defendants during a period that commences October 19, 2013; an award of attorneys' fees pursuant to California Code of Civil procedure section 1021.5 and other applicable laws; and an award of costs.

ELEVENTH CAUSE OF ACTION

(Violation of California Labor Code §§ 2698, et seq.)

**(Against DIGITAL ROOM INC., DIGITAL ROOM LLC, AMC ACQUISITION LLC,
and DOES 2 through 100)**

129. Plaintiff ESTRADA incorporates by reference the allegations contained in paragraphs 1 through 128, and each and every part thereof with the same force and effect as though fully set forth herein.

130. PAGA expressly establishes that any provision of the California Labor Code which provides for a civil penalty to be assessed and collected by the LWDA, or any of its departments, divisions, commissions, boards, agencies or employees for a violation of the California Labor Code, may be recovered through a civil action brought by an aggrieved employee on behalf of himself or herself, and other current or former employees.

131. Whenever the LWDA, or any of its departments, divisions, commissions, boards, agencies, or employees has discretion to assess a civil penalty, a court in a civil action is authorized to exercise the same discretion, subject to the same limitations and conditions, to assess a civil penalty.

132. Plaintiff ESTRADA and the other hourly-paid or non-exempt employees, are “aggrieved employees” as defined by California Labor Code section 2699(c) in that they are all current or former employees of Defendants, and one or more of the alleged violations was committed against them.

Failure to Pay Overtime

133. Defendants’ failure to pay overtime in violation of the Wage Orders and California Labor Code sections 510 and 1198, as alleged above, constitutes unlawful and/or unfair activity prohibited by California Labor Code sections 510 and 1198.

Failing to Provide Meal Periods

134. Defendants’ failure to provide legally required meal periods in violation of the Wage Orders and California Labor Code sections 226.7 and 512(a), as alleged above, constitutes unlawful and/or unfair activity prohibited by California Labor Code sections 226.7 and 512(a).

Failure to Provide Rest Periods

135. Defendants’ failure to provide legally required rest periods in violation of the Wage Orders and California Labor Code section 226.7, as alleged above, constitutes unlawful and/or unfair activity prohibited by California Labor Code section 226.7.

Failure to Pay Minimum Wages

136. Defendants’ failure to pay minimum wages in violation of the Wage Orders and California Labor Code sections 1194, 1197 and 1197.1, as alleged above, constitutes unlawful and/or unfair activity prohibited by California Labor Code sections 1194, 1197 and 1197.1.

Failure to Timely Pay Wages Upon Termination

137. Defendants’ failure to timely pay wages upon termination in violation of California Labor Code sections 201 and 202, as alleged above, constitutes unlawful and/or unfair activity prohibited by California Labor Code sections 201 and 202.

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Failure to Timely Pay Wages During Employment

138. Defendants' failure to timely pay wages during employment in violation of California Labor Code section 204, as alleged above, constitutes unlawful and/or unfair activity prohibited by California Labor Code 204.

Failure to Provide Compliant Wage Statements

139. Defendants' failure to provide compliant wage statements in violation of California Labor Code section 226(a), as alleged above, constitutes unlawful and/or unfair activity prohibited by California Labor Code sections 226(a) and 226.3.

Failure to Keep Complete or Accurate Payroll Records

140. Defendants' failure to keep complete or accurate payroll records in violation of California Labor Code section 1174(d), as alleged above, constitutes unlawful and/or unfair activity prohibited by California Labor Code sections 1174(d) and 1174.5.

Failure to Reimburse Necessary Business Expenses

141. Defendants' failure to reimburse all necessary business-related expenses and costs in violation of California Labor Code sections 2800 and 2802, as alleged above, constitutes unlawful and/or unfair activity prohibited by California Labor Code sections 2800 and 2802.

142. Pursuant to California Labor Code section 2699, Plaintiff ESTRADA, individually, and on behalf of all aggrieved employees, requests and is entitled to recover from Defendants and each of them, business expenses, unpaid wages, and/or untimely wages according to proof, interest, attorneys' fees and costs pursuant to California Labor Code section 218.5, as well as all statutory penalties against Defendants, and each of them, including but not limited to:

- a. Penalties under California Labor Code section 2699 in the amount of a hundred dollars (\$100) for each aggrieved employee per pay period for the initial violation, and two hundred dollars (\$200) for each aggrieved employee per pay period for each subsequent violation;
- b. Penalties under California Code of Regulations Title 8 section 11010, *et seq.* in the amount of fifty dollars (\$50) for each aggrieved employee per

1 pay period for the initial violation, and one hundred dollars (\$100) for
2 each aggrieved employee per pay period for each subsequent violation;

3 c. Penalties under California Labor Code section 210 in addition to, and
4 entirely independent and apart from, any other penalty provided in the
5 California Labor Code in the amount of a hundred dollars (\$100) for each
6 aggrieved employee per pay period for the initial violation, and two
7 hundred dollars (\$200) for each aggrieved employee per pay period for
8 each subsequent violation; and

9 d. Any and all additional penalties and sums as provided by the California
10 Labor Code and/or other statutes.

11 143. Pursuant to California Labor Code section 2699(i), civil penalties recovered by
12 aggrieved employees shall be distributed as follows: seventy-five percent (75%) to the Labor
13 and Workforce Development Agency for the enforcement of labor laws and education of
14 employers and employees about their rights and responsibilities and twenty-five percent (25%)
15 to the aggrieved employees.

16 144. Further, Plaintiff ESTRADA is entitled to seek and recover reasonable
17 attorneys' fees and costs pursuant to California Labor Code sections 210, 218.5 and 2699 and
18 any other applicable statute.

19 **DEMAND FOR JURY TRIAL**

20 Plaintiff ARAICA, individually, and on behalf of other members of the general public
21 similarly situated, and Plaintiff ESTRADA, individually, and on behalf of other members of
22 the general public similarly situated and on behalf of other aggrieved employees pursuant to
23 the California Private Attorneys General Act, request a trial by jury.

24 **PRAYER FOR RELIEF**

25 WHEREFORE, Plaintiff ARAICA, individually, and on behalf of other members of the
26 general public similarly situated, and Plaintiff ESTRADA, individually, and on behalf of other
27 members of the general public similarly situated and on behalf of other aggrieved employees
28 pursuant to the California Private Attorneys General Act, pray for relief and judgment against

Defendants, jointly and severally, as follows:

Class Certification

1. That this action be certified as a class action with respect to the first 10 causes of action;

2. That Plaintiffs be appointed as the representatives of the Class with respect to the first 10 causes of action;

That Plaintiff Estrada be appointed as the representative for all claims under the Private Attorney General Act;

3. That counsel for Plaintiffs be appointed as Class Counsel; and

4. That Defendants provide to Class Counsel immediately the names and most current/last known contact information (address, e-mail and telephone numbers) of all class members.

As to the First Cause of Action

5. That the Court declare, adjudge and decree that Defendants violated California Labor Code sections 510 and 1198 and applicable IWC Wage Orders by willfully failing to pay all overtime wages due to Plaintiffs and the other class members;

6. For general unpaid wages at overtime wage rates and such general and special damages as may be appropriate;

7. For pre-judgment interest on any unpaid overtime compensation commencing from the date such amounts were due;

8. For reasonable attorneys' fees and costs of suit incurred herein pursuant to California Labor Code section 1194; and

9. For such other and further relief as the Court may deem just and proper.

As to the Second Cause of Action

10. That the Court declare, adjudge and decree that Defendants violated California Labor Code sections 226.7 and 512 and applicable IWC Wage Orders by willfully failing to provide all meal periods (including second meal periods) to Plaintiffs and the other class members;

11. That the Court make an award to Plaintiffs and the other class members of one (1) hour of pay at each employee's regular rate of compensation for each workday that a meal period was not provided;

12. For all actual, consequential, and incidental losses and damages, according to proof;

13. For premium wages pursuant to California Labor Code section 226.7(c);

14. For pre-judgment interest on any unpaid wages from the date such amounts were due;

15. For reasonable attorneys' fees and costs of suit incurred herein; and

16. For such other and further relief as the Court may deem just and proper.

As to the Third Cause of Action

17. That the Court declare, adjudge and decree that Defendants violated California Labor Code section 226.7 and applicable IWC Wage Orders by willfully failing to provide all rest periods to Plaintiffs and the other class members;

18. That the Court make an award to Plaintiffs and the other class members of one (1) hour of pay at each employee's regular rate of compensation for each workday that a rest period was not provided;

19. For all actual, consequential, and incidental losses and damages, according to proof;

20. For premium wages pursuant to California Labor Code section 226.7(c);

21. For pre-judgment interest on any unpaid wages from the date such amounts were due; and

22. For such other and further relief as the Court may deem just and proper.

As to the Fourth Cause of Action

23. That the Court declare, adjudge and decree that Defendants violated California Labor Code sections 1194, 1197, and 1197.1 by willfully failing to pay minimum wages to Plaintiffs and the other class members;

24. For general unpaid wages and such general and special damages as may be appropriate;

25. For statutory wage penalties pursuant to California Labor Code section 1197.1 for Plaintiffs and the other class members in the amount as may be established according to proof at trial;

26. For pre-judgment interest on any unpaid compensation from the date such amounts were due;

27. For reasonable attorneys' fees and costs of suit incurred herein pursuant to California Labor Code section 1194(a);

28. For liquidated damages pursuant to California Labor Code section 1194.2; and

29. For such other and further relief as the Court may deem just and proper.

As to the Fifth Cause of Action

30. That the Court declare, adjudge and decree that Defendants violated California Labor Code sections 201, 202, and 203 by willfully failing to pay all compensation owed at the time of termination of the employment of Plaintiffs and the other class members no longer employed by Defendants;

31. For all actual, consequential, and incidental losses and damages, according to proof;

32. For statutory wage penalties pursuant to California Labor Code section 203 for Plaintiffs and the other class members who have left Defendants' employ;

33. For pre-judgment interest on any unpaid compensation from the date such amounts were due; and

34. For such other and further relief as the Court may deem just and proper.

As to the Sixth Cause of Action

35. That the Court declare, adjudge and decree that Defendants violated California Labor Code section 204 by willfully failing to pay all compensation owed at the time required by California Labor Code section 204 to Plaintiffs and the other class members;

36. For all actual, consequential, and incidental losses and damages, according to proof;

37. For pre-judgment interest on any unpaid compensation from the date such amounts were due; and

38. For such other and further relief as the Court may deem just and proper.

As to the Seventh Cause of Action

39. That the Court declare, adjudge and decree that Defendants violated the record keeping provisions of California Labor Code section 226(a) and applicable IWC Wage Orders as to Plaintiffs and the other class members, and willfully failed to provide accurate itemized wage statements thereto;

40. For actual, consequential and incidental losses and damages, according to proof;

41. For statutory penalties pursuant to California Labor Code section 226(e);

42. For injunctive relief to ensure compliance with this section, pursuant to California Labor Code section 226(h); and

43. For such other and further relief as the Court may deem just and proper.

As to the Eighth Cause of Action

44. That the Court declare, adjudge and decree that Defendants violated California Labor Code section 1174(d) by willfully failing to keep accurate and complete payroll records for Plaintiffs and the other class members as required by California Labor Code section 1174(d);

45. For actual, consequential and incidental losses and damages, according to proof;

46. For statutory penalties pursuant to California Labor Code section 1174.5; and

47. For such other and further relief as the Court may deem just and proper.

As to the Ninth Cause of Action

48. That the Court declare, adjudge and decree that Defendants violated California Labor Code sections 2800 and 2802 by willfully failing to reimburse Plaintiffs and the other class members for all necessary business-related expenses as required by California Labor Code sections 2800 and 2802;

- 1 49. For actual, consequential and incidental losses and damages, according to proof;
2 50. For the imposition of civil penalties and/or statutory penalties;
3 51. For reasonable attorneys' fees and costs of suit incurred herein; and
4 52. For such other and further relief as the Court may deem just and proper.

5 **As to the Tenth Cause of Action**

6 53. That the Court decree, adjudge and decree that Defendants violated California
7 Business and Professions Code sections 17200, et seq. by failing to provide Plaintiffs and the
8 other class members all overtime compensation due to them, failing to provide all meal and
9 rest periods to Plaintiffs and the other class members, failing to pay at least minimum wages to
10 Plaintiffs and the other class members, failing to pay Plaintiffs' and the other class members'
11 wages timely as required by California Labor Code section 201, 202 and 204 and by violating
12 California Labor Code sections 226(a), 1174(d), 2800 and 2802.

13 54. For restitution of unpaid wages to Plaintiffs and all the other class members and
14 all pre-judgment interest from the day such amounts were due and payable;

15 55. For the appointment of a receiver to receive, manage and distribute any and all
16 funds disgorged from Defendants and determined to have been wrongfully acquired by
17 Defendants as a result of violation of California Business and Professions Code sections
18 17200, et seq.;

19 56. For reasonable attorneys' fees and costs of suit incurred herein pursuant to
20 California Code of Civil Procedure section 1021.5;

21 57. For injunctive relief to ensure compliance with this section, pursuant to
22 California Business and Professions Code sections 17200, et seq.; and

23 58. For such other and further relief as the Court may deem just and proper.

24 **As to the Eleventh Cause of Action**

25 59. For civil penalties and wages pursuant to California Labor Code sections
26 2699(a), (f), and (g) plus costs and attorneys' fees for violation of California Labor Code
27 sections 201, 202, 203, 204, 226(a), 226.3, 226.7, 510, 512, 1174(d), 1174.5, 1194, 1194.2,
28 1197, 1197.1, 1198, 2800, and 2802; and

1 60. For such other and further relief as the Court may deem equitable and
2 appropriate.

3 Dated: October 9, 2020

LAWYERS for JUSTICE, PC

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5 By: 

6 Edwin Aiwanian
7 *Attorneys for Plaintiffs*
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EXHIBIT B

NOTICE OF CLASS ACTION SETTLEMENT

Cindy Araica, et al. v. Digital Room Inc., et al.
Superior Court of California for the County of Los Angeles, Case No. BC680445

You have received this Notice because Defendants' records indicate that you are a non-exempt employee who worked for any of Defendants in California at any time during the period from October 19, 2013 to [preliminary approval date].

You do not need to take any action to receive a settlement payment, and, unless you request to be excluded from the Settlement, your legal rights may be affected. This Notice is designed to advise you of your rights and options with respect to a proposed settlement of a class action lawsuit, and how you can request to be excluded from or object to the Settlement, if you so choose.

PLEASE READ THIS NOTICE CAREFULLY. By order of the Superior Court of California for the County of Los Angeles (the "Court" or "Los Angeles County Superior Court"), in the case of *Cindy Araica, et al. v. Digital Room Inc., et al.*, Los Angeles County Superior Court Case No. BC680445 (the "Action"), preliminary approval was granted to a proposed class action settlement reached between plaintiffs Cindy Araica and Kevin Estrada ("Plaintiffs") and defendants Digital Room Inc. (which has been converted into Digital Room LLC) and AMC Acquisition, LLC ("Defendants") (collectively referred to as the "Parties"), on [preliminary approval date]. A hearing is scheduled for [hearing date] ("Final Approval Hearing") to determine whether final approval of the Settlement should be granted. The proposed class action settlement may affect your legal rights.

I. DEFINITIONS

"Class" means any and all current and former non-exempt employees who worked for any of Defendants, including Digital Room Inc., in the State of California at any time during the period from October 19, 2013 to [preliminary approval date].

"Class Period" means the period from October 19, 2013 to [preliminary approval date].

"Class Member" means an individual who falls within the scope of the Class.

II. BACKGROUND OF THE ACTION

The Action commenced when Plaintiff Cindy Araica filed a Class Action Complaint for Damages against Defendants on October 19, 2017, in the Los Angeles County Superior Court, Case No. BC680445. On October 16, 2019, Plaintiff Kevin Estrada filed a Class Action Complaint for Damages against Defendant AMC Acquisition, LLC in the Los Angeles County Superior Court of California, thereby commencing the action entitled *Estrada v. AMC Acquisition LLC*, Case No. 19STCV36875 ("Estrada Action"). On January 10, 2020, Plaintiffs filed a First Amended Class Action Complaint for Damages in the Action, consolidating the plaintiffs and their claims. On [redacted], Plaintiffs filed the Second Amended Class Action Complaint for Damages & Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, *et seq.* in the Action, adding a cause of action under the Private Attorneys General Act, California Labor Code section 2698, *et seq.* ("PAGA"). Plaintiffs allege that Defendants violated the California Labor Code with respect to Plaintiff and putative class members by failing to properly pay minimum and overtime wages, failing to provide compliant meal breaks and associated premiums, failing to provide compliant rest breaks and associated premiums, failing to timely pay wages upon termination and during employment and associated waiting-time penalties, failing to provide compliant wage statements, failing to keep requisite payroll records, and failing to reimburse business expenses, and thereby, engaging in unfair business practices (in violation of California Business and Professions Code section 17200, *et seq.*) and owing penalties under PAGA. Plaintiff seeks, among other things, recovery of unpaid wages and premiums, restitution, penalties, interest, attorneys' fees, and costs.

There has been no Court ruling on the merits of Plaintiffs' claims or of Defendants' defenses, and as such, the Court has found no liability in this Action. Defendants deny all of the allegations in the Complaints or that they violated any law and contend that at all times they have complied with the law.

The Parties participated in a full-day mediation session with a respected class action mediator, and as a result, the Parties reached a settlement. The Parties have since entered into the Joint Stipulation of Class Action and PAGA Settlement (“Settlement” or “Settlement Agreement”), which was preliminarily approved by the Court on [preliminary approval date]. The Court has preliminarily appointed Plaintiffs as representatives of the Class (“Class Representatives”), and has preliminarily appointed the following Plaintiff’s counsel as counsel for the Class (“Class Counsel”):

Lawyers for Justice, PC
Edwin Aiwazian, Esq.
Arby Aiwazian, Esq.
Joanna Ghosh, Esq.
410 West Arden Avenue, Suite 203
Glendale, California 91203
Telephone : (818) 265-1020

If you are a Class Member, **you need not take any action to receive a settlement payment**, but you have the opportunity to request exclusion from or object to the Settlement, if you so choose, as explained more fully in Section IV below.

After an extensive examination and analysis of the facts of this Action, including negotiation and a full-day mediation session with a professional mediator, the Parties believe that this Settlement best serves the interests of the Class Members. Defendants make no admission or concession that the claims in the Action have merit, or that Defendants have any liability or owe any damages to Plaintiffs or to Class Members, but agree that a full settlement of this Action in accordance with the terms and conditions agreed upon by the Parties and set forth in the Settlement Agreement would be preferable to continuing litigation, which would be lengthy and costly and would interfere with the running of Defendants’ businesses. Plaintiffs and Plaintiffs’ Counsel also support this Settlement in order to avoid the inherent risks, delays, and unknowns of litigation. Plaintiffs and Class Counsel have concluded that the Settlement is fair, reasonable, and adequate, and is in the best interests of Class Members.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Settlement Formula

The total settlement amount to be paid by Defendants is One Million Seven Hundred Thousand Dollars (\$1,700,000) (the “Gross Settlement Amount”). The portion of the Gross Settlement Amount that is available for payment to Class Members who do not opt out of the Settlement by submitting a timely and valid request to be excluded from the Settlement (“Participating Class Members”) is referred to as the “Net Settlement Amount.” The Net Settlement Amount will be the Gross Settlement Amount less the following payments which are subject to approval by the Court: (1) payment of attorneys’ fees to Class Counsel in an amount not to exceed 35% of the Gross Settlement Amount (*i.e.*, not to exceed \$595,000) (“Attorneys’ Fees Award”); (2) reimbursement of litigation costs and expenses to Class Counsel in an amount not to exceed \$25,000; (3) payments of up to Seven Thousand Five Hundred Dollars (\$7,500) each to Plaintiffs (for a combined amount of \$15,000) for their services in the Action (“Service Awards”); (3) payment to the California Labor and Workforce Development Agency in the amount of One Hundred Fifty Thousand Dollars (\$150,000) for its seventy-five percent (75%) share of the amount allocated from the Gross Settlement Amount toward penalties under PAGA (“LWDA Payment”); and (5) payment of costs of administration of the Settlement in an amount that is currently estimated not to exceed Thirteen Thousand (\$13,000) (“Settlement Administration Costs”) to Phoenix Class Action Administrators (the “Settlement Administrator”).

A Participating Class Member will be entitled to a share of the Net Settlement Amount (“Individual Settlement Share”) based on the number of weeks that he or she worked during the Class Period (“Compensable Workweeks”). Compensable Workweeks will be calculated by the Settlement Administrator for each Participating Class Member by determining the number of days between the start/rehire and end dates of employment as an hourly-paid or non-exempt employee for Defendants within the Class Period (using October 19, 2013, and using the date of the Preliminary Approval Order as the end date), dividing the resulting number by seven (7), and rounding to the nearest whole number (*i.e.*, rounding down for numbers ending in .00 to .49 and up for numbers ending in .50 to .99). Participating Class Members will be credited with at least one (1) Compensable Workweek. The Settlement Administrator will divide each Participating Class Member’s Compensable Workweeks by the total Compensable Workweeks for all Participating Class Members, resulting in a Payment Ratio for each Participating Class Member. The Settlement Administrator will then multiply each Participating

Class Member's Payment Ratio by the Net Settlement Amount to determine his or her estimated Individual Settlement Share.

Each Individual Settlement Share will be allocated as one-third (1/3) wages ("Wages Portion"), to be reported on an IRS Form W-2; and two-thirds (2/3) as penalties and interest, to be reported on IRS Form 1099. Participating Class Members will be issued payment of their Individual Settlement Shares after reduction for the employee's share of payroll taxes and withholdings with respect to the Wages Portion (the net payment is referred to as "Individual Settlement Payment").

If the Court grants final approval of the Settlement, Individual Settlement Payments will be mailed to Participating Class Members at the address that is on file with the Settlement Administrator. **If the address to which this Notice was mailed is not correct, or if you move after you receive this Notice, you must make sure to provide your correct mailing address to the Settlement Administrator as soon as possible, to ensure your receipt of payment.**

B. Your Compensable Workweeks Based on Defendants' Records

The Compensable Workweeks of each Class Member were calculated based on Defendants' records. According to Defendants' records:

During the period from October 19, 2013 to [preliminary approval date], you worked for any of the Defendants, including Digital Room, Inc., in California as a non-exempt employee for [] weeks.

C. Your Estimated Individual Settlement Share

As explained above, your estimated Individual Settlement Share is based on the number of Compensable Workweeks credited to you above, based on Defendants' records. Based on your Compensable Workweeks:

Your Individual Settlement Share is estimated to be \$ [].

Your Individual Settlement Share reflected on this Notice is only an estimate. Your actual Individual Settlement Share may be higher or lower than estimated. The Individual Settlement Share is subject to reduction for all applicable employee's share of payroll taxes and withholdings with respect to the Wages Portion of the Individual Settlement Share, and will only be distributed if the Court grants final approval of the Settlement and after the Settlement goes into effect.

If you do not agree with Defendants' records regarding the Compensable Workweeks credited to you and estimated Individual Settlement Share, you may dispute either in writing by providing documentation and/or an explanation showing contrary information to the Settlement Administrator by **[Response Deadline]**, to the address listed in Section IV.B below. The dispute must: (1) contain the case name and number of the Action (*Cindy Araica, et al. v. Digital Room Inc., et al.*, Case No. BC680445); (2) contain your full name, address, telephone number, and last four digits of your Social Security number; (3) contain a clear statement explaining that you wish to dispute the number of Compensable Workweeks credited to you and also stating the number of Compensable Workweeks that you contend should be credited to you; and (4) attach documentation demonstrating that you were not credited with the correct number of Compensable Workweeks.

D. Released Claims

Upon the Effective Date, Plaintiff and all Participating Class Members will be deemed to fully and finally release and discharge the Released Parties from Released Claims. Only those Participating Class Members who cash, deposit, or otherwise negotiate their Individual Settlement Payment checks will be deemed to have opted in for purposes of the Fair Labor Standards Act ("FLSA") and to have, thereby, released the Released Parties of the Released Claims which arise under the FLSA.

"Released Parties" means Defendants Digital Room, LLC and AMC Acquisition, LLC, and all their past, present and/or future, direct and/or indirect, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint ventures, including, but not limited to Digital Room Inc.

“Released Claims” means any and all claims, demands, rights, liabilities, causes of action and factual and legal theories that were alleged in the Complaints or reasonably could have been alleged based on the facts and legal theories contained in the Complaints that arose during the Class Period, including all of the following claims for relief: (i) failure to pay all overtime wages due; (ii) failure to provide proper meal periods, and to properly provide premium pay in lieu thereof; (iii) failure to provide proper rest periods, and to properly provide premium pay in lieu thereof; (iv) failure to pay all minimum wages due; (v) failure to timely pay all final wages; (vi) failure to timely pay wages during employment; (vii) improper and/or inaccurate wage statements; (viii) failure to keep requisite payroll records; (ix) failure to reimburse for necessary business expenses; and (x) unfair business practices that could have been premised on the claims, causes of action or legal theories of relief described above or any of the claims, causes of action or legal theories of relief pleaded in the Complaints; (xi) all claims under the California Labor Code Private Attorneys General Act of 2004 that could have been premised on the claims, causes of action or legal theories described above or any of the claims, causes of action or legal theories of relief pleaded in the Complaints; (xii) any other claims or penalties under the wage and hour laws pleaded in the Complaints; (xiii) any corresponding or related claims under the Fair Labor Standards Act (“FLSA”); and (xiv) all damages, penalties, interest and other amounts recoverable under said claims, causes of action or legal theories of relief.

E. Attorneys’ Fee Award and Litigation Costs and Expenses to Class Counsel

Class Counsel will seek attorneys’ fees in an amount of up to \$595,000 (i.e., Attorneys’ Fees Award) and reimbursement of litigation costs and expenses in an amount of up to \$25,000, subject to approval by the Court. The Attorneys’ Fees Award and litigation costs awarded by the Court will be paid from the Gross Settlement Amount. Class Counsel has been prosecuting the Action on behalf of Plaintiffs and Class Members on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses.

F. Service Award to Plaintiff

In consideration for their services in connection with the Action, Plaintiffs Cindy Araica and Kevin Estrada will seek Service Awards in the amount of \$7,500 each (for a combined total of \$15,000), to be paid from the Gross Settlement Amount, subject to approval by the Court. If awarded, the Service Awards will be paid to Plaintiffs in addition to the Individual Settlement Shares that they are entitled to under the Settlement.

G. Settlement Administration Costs to Settlement Administrator

Payment to the Settlement Administrator, Phoenix Class Action Administrators, is estimated to be up to \$13,000 for the costs of the notice and settlement administration process, including and not limited to the expense of notifying Class Members of the Settlement, processing requests to be excluded from the Settlement, objections to the Settlement, and disputes, calculating Individual Settlement Shares, and distributing payments and tax forms under the Settlement, and shall be paid from the Gross Settlement Amount, subject to approval by the Court.

IV. WHAT ARE YOUR RIGHTS AND OPTIONS AS A CLASS MEMBER?

A. Participate in the Settlement

If you want to receive money from the Settlement, you do not have to do anything. If the Court grants final approval of the Settlement, after the Effective Date, you will automatically be issued your Individual Settlement Payment if you did not exclude yourself from the Settlement. Unless you elect to exclude yourself from the Settlement, you will be bound by the terms of the Settlement and any judgment that may be entered by the Court based thereon, and you will be deemed to have released the claims described in Section III.D. As a member of the Class, you will not be separately responsible for the payment of attorneys’ fees or reimbursement of litigation expenses, unless you retain your own counsel, in which event you will be responsible for your own attorneys’ fees and expenses.

If you are currently an employee of any of Defendants, your employment will in no way be altered or affected by your choice to either participate or not participate in the Settlement. Unlawful retaliation is prohibited by both California law and Defendants’ company policies, and Defendants will not retaliate, discriminate, or take any other adverse employment action against any Class Members regardless of whether or not they participate in the Settlement.

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B. Request Exclusion from the Settlement

If you do not wish to participate in the Settlement described in this Notice, and do not wish to receive payment under this Settlement, you may opt out of the Settlement by submitting a timely and valid request for exclusion to the Settlement Administrator by mail, that is postmarked **on or before [Response Deadline]**, at the following address:

[Settlement Administrator]
[Mailing Address]

A request for exclusion must: (1) state the case name and number of the Action (*Cindy Araica, et al. v. Digital Room Inc., et al.*, Case No. BC680445); (2) state your full name, address, telephone number, and last four digits of your Social Security number; (3) contain a clear statement indicating that you seek to exclude yourself from the Settlement; and (4) be signed by you.

If the Court grants final approval of the Settlement, any Class Member who submits a timely and valid request for exclusion from the Settlement will not be entitled to receive any payment from the Settlement, will not be bound by the Settlement Agreement (and the release of claims stated in Section III.D above), and will not have any right to object to, appeal, or comment on the Settlement. Any Class Member who does not submit a timely and valid request for exclusion from the Settlement will be bound by all terms of the Settlement, including those pertaining to the release of claims stated in Section III.D above, as well as any judgment that may be entered by the Court based thereon.

C. Object to the Settlement

You can object to the terms of the Settlement as long as you have not submitted a request for exclusion from the Settlement; if the Court rejects your objection, you will still be bound by the terms of the Settlement.

To object to the Settlement, a written statement of objection (“Notice of Objection”) must be submitted to the Settlement Administrator at the address listed in Section IV.B above, postmarked **no later than [Response Deadline]**.

The Notice of Objection must: (1) state the case name and number of the Action (*Cindy Araica, et al. v. Digital Room Inc., et al.*, Case No. BC680445); (2) state your full name, address, telephone number, and the last four digits of your Social Security number; (3) clearly state that you object to the Settlement; (4) state the specific legal and/or factual reason(s) in support of the objection to the Settlement; (5) state whether you intend to appear at the Final Approval Hearing and whether you are represented by counsel; and (6) be signed by you.

If you choose to submit a Notice of Objection, you may (but are not required to) enter an appearance *in propria persona* (meaning you choose to represent yourself) or through your own attorney. If you choose to have your own attorney, you will be solely responsible for the fees and costs of your own attorney. You do not need to enter an appearance or appear at the Final Approval Hearing to have your objection considered by the Court.

V. FINAL APPROVAL HEARING

The Court will hold a hearing in Department 10 of the Los Angeles County Superior Court, Spring Street Courthouse, 312 N. Spring Street, Los Angeles, California 90012, on [date], at [time], to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court also will be asked to rule on the request for payment of Attorneys’ Fee Award and reimbursement of litigation costs and expenses to Class Counsel, Service Award to Plaintiff, and Settlement Administration Costs to the Settlement Administrator.

The hearing may be continued without further notice to the Class Members. It is not necessary for you to appear at the Final Approval Hearing, although you may appear remotely if you wish to.

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement Agreement, you should review the detailed Settlement Agreement and other papers which are on file with the Court.

You may view the Settlement Agreement and documents filed in the Action by appointment at the Stanley Mosk Courthouse, located at 111 North Hill Street, Los Angeles, California 90012, or you may view these documents online for a fee at <https://www.lacourt.org/casesummary/ui/>.

To schedule an appointment, you may call the Court Support Services at the following number: (213) 830-0800, or you may visit the Court's website at www.lacourt.org.

Individuals who come to the courthouse must wear facial coverings and maintain social distancing at all times within the public areas of the courthouse or courtroom. For more information regarding the mandatory use of facial coverings and social distancing requirements in all Los Angeles County courthouses, you may visit the Los Angeles Superior Court's *Here For You | Safe For You* page at <http://www.lacourt.org/newsmedia/ui/HfySfy.aspx>.

PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT.

IF YOU HAVE ANY QUESTIONS, YOU MAY CALL THE SETTLEMENT ADMINISTRATOR AT THE FOLLOWING TOLL-FREE NUMBER: [INSERT], OR YOU MAY ALSO CONTACT CLASS COUNSEL.