

Edwin Aiwazian (SBN 232943)  
Arby Aiwazian (SBN 269827)  
Joanna Ghosh (SBN 272479)  
**LAWYERS for JUSTICE, PC**  
410 West Arden Avenue, Suite 203  
Glendale, California 91203  
Tel: (818) 265-1020 / Fax: (818) 265-1021

*Attorneys for Plaintiffs*

**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**

**DECLARATION OF EDWIN AIWAZIAN  
IN SUPPORT OF PLAINTIFFS' MOTION  
FOR PRELIMINARY APPROVAL OF  
CLASS ACTION SETTLEMENT**

[Plaintiffs' Motion for Preliminary Approval  
of Class Action Settlement; Declarations of  
Proposed Class Representatives (Cindy Araica  
and Kevin Estrada); and [Proposed] Order  
filed concurrently herewith.]

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

**DECLARATION OF EDWIN AIWAZIAN**

I, Edwin Aiwarzian, hereby declare as follows:

1. I am an attorney licensed to practice law in the State of California. I am a member of Lawyers *for* Justice, PC, attorneys of record for Plaintiffs Cindy Araica and Kevin Estrada (“Plaintiffs”). The facts set forth in this declaration are within my personal knowledge or based on information and belief, and if called as a witness, I could and would competently testify thereto.

**EDUCATION**

2. In May of 2004, I graduated from *Pepperdine University School of Law* with a Juris Doctor degree. I have extensive formal training in dispute resolution and negotiation from the Straus Institute for Dispute Resolution as part of its Masters in Dispute Resolution degree program. In addition, I have previously served as a *pro bono* mediator for the Los Angeles County Superior Court. In October of 2000, I obtained a Litigation Paralegal Certificate from the *UCLA Extension Program*. During the summer of 2000, I studied Legal Writing at *Harvard University*. In April of 1999, I obtained a Bachelor of Arts degree in Communication with a concentration in Natural Sciences from *Pepperdine University*.

**JUDICIAL EXTERNSHIPS**

3. From approximately September 2002 to approximately December 2002, I served as a Judicial Extern to the Honorable Kim McLane Wardlaw of the *United States Court of Appeals for the Ninth Circuit*. From approximately June 2002 to approximately August 2002, I served as a Judicial Extern to the Honorable Earl Johnson, Jr. of the *California Court of Appeal for the Second Appellate District*.

**LITIGATION AND CLASS ACTION EXPERIENCE**

4. In December of 2004, I obtained a license to practice law from the California State Bar. From approximately December 2004 to approximately August 2008, I was employed by the law firm of *Girardi & Keese*.

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1           5.     At *Girardi & Keese*, my practice focused on class actions and other complex cases  
2 involving toxic torts and products liability. In addition, I gained substantial experience on cases  
3 involving insurance bad faith, premises liability, and medical negligence. While employed by  
4 *Girardi & Keese*, I argued approximately 100 motions, took or defended approximately 150  
5 depositions, and prepared dozens of expert witnesses for deposition or trial.

6           6.     Since its inception, in or around October of 2008, *Lawyers for Justice, PC* has almost  
7 exclusively focused on the prosecution of consumer and employment class actions, involving  
8 wage-and-hour claims, race discrimination, unfair business practices or consumer fraud.  
9 Currently, we are the attorneys of record in over a dozen employment-related putative class actions  
10 in both state and federal courts in the State of California. Our firm has successfully litigated cases  
11 involving the executive, administrative, and other overtime exemptions to the State of California  
12 and federal overtime compensation requirements. During this relatively short time, in association  
13 with other law firms, we have recovered millions of dollars on behalf of thousands of individuals  
14 in California.

#### 15                                   **EXAMPLES OF CLASS ACTION RESULTS**

16           7.     What follows are just a few examples of the type of results we have achieved on  
17 behalf of our clients:

18           a)     Our firm, in association with co-counsel, represented the plaintiffs in a wage-and-  
19 hour class and representative action against a major property management company involving  
20 allegations of misclassification of various “manager” positions. On September 20, 2010, the court  
21 granted final approval of the class and representative action settlement. The Los Angeles County  
22 Superior Court Case Number is BC400414.

23           b)     Our firm, in association with co-counsel, represented the plaintiffs in a wage-and-  
24 hour class action against a national retailer involving allegations of misclassification of the  
25 “Assistant Store Manager” position. On October 28, 2010, the court granted final approval of the  
26 class action settlement. The Los Angeles County Superior Court Case Number is BC413498.

27           c)     Our firm, in association with co-counsel, represented the plaintiffs in a wage-and-  
28 hour class and representative action against a national property management company involving

1 allegations of misclassification of the “Property Manager” position. On May 23, 2012, the court  
2 granted final approval of the class and representative action settlement. The Los Angeles County  
3 Superior Court Case Number is BC430918.

4 d) Our firm, in association with co-counsel, represented the plaintiffs in a wage-and-  
5 hour class action against a national retailer involving allegations of misclassification of the “Store  
6 Manager” position. On June 10, 2011, the court granted plaintiffs’ motion for class certification.  
7 On August 26, 2013, the court granted final approval of the class action settlement. The Los  
8 Angeles County Superior Court Case Number is BC424012.

9 e) Our firm, in association with co-counsel, represented the plaintiffs in a wage-and-  
10 hour class and representative action against a bank, involving allegations of misclassification of  
11 the “Assistant Branch Manager” position. On August 27, 2013, the court granted final approval  
12 of the class and representative action settlement. The Kern County Superior Court Case Number  
13 is S-1500-CV-273194-LHB.

14 f) Our firm, in association with co-counsel, represented the plaintiffs in a wage-and-  
15 hour class and representative action against a national wholesale distributor of plumbing and  
16 builder supplies, involving allegations of misclassification of multiple salaried “manager”  
17 positions. On May 22, 2014, the court granted final approval of the class and representative action  
18 settlement. The Sacramento County Superior Court Case Number is 34-2012-00136285.

19 g) Our firm, in association with co-counsel, represented the plaintiffs in a wage-and-  
20 hour class action involving allegations of misclassification of the “Operations Manager” position.  
21 On September 16, 2014, the court granted plaintiffs’ motion for class certification. The Los  
22 Angeles County Superior Court Case Number is BC478769.

23 h) Our firm, in association with co-counsel, represented the plaintiffs in a wage-and-  
24 hour class and representative action against a national retailer of household items, on behalf of  
25 hourly-paid or non-exempt employees. On May 27, 2015, the court granted final approval of the  
26 class and representative action settlement. The San Francisco County Superior Court Case  
27 Number is CGC-13-532344.

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1           i)     Our firm, in association with co-counsel, represented the plaintiffs in a wage-and-  
2 hour class action involving allegations of misclassification of the salaried residential “Property  
3 Manager” position. On September 17, 2015, the court granted plaintiffs’ motion for class  
4 certification. The Los Angeles County Superior Court Case Number is BC474784.

5           j)     Our firm, in association with co-counsel, represented the plaintiffs in a wage-and-  
6 hour class and representative action against a national retailer of upscale hardware and home  
7 furnishings, on behalf of non-exempt employees. On April 28, 2016, the court granted final  
8 approval of the class and representative action settlement. The Los Angeles County Superior  
9 Court Case Number is JCCP4794.

10          k)     Our firm, in association with co-counsel, represented the plaintiffs in a wage-and-  
11 hour class and representative action against a national retailer of apparel and fashion accessories,  
12 on behalf of non-exempt employees. On August 5, 2016, the court granted final approval of the  
13 class and representative action settlement. The Los Angeles County Superior Court Case Number  
14 is BC488069.

15          l)     Our firm, in association with co-counsel, represented the plaintiffs in a wage-and-  
16 hour class action against a national retailer of apparel, accessories, and home products, involving  
17 allegations of misclassification of the “Department Manager” position. On August 12, 2016, the  
18 court granted the plaintiffs’ motion for class certification in part and certified a class. The Alameda  
19 County Superior Court Case Number is RG13680477.

20          m)     Our firm represented the plaintiff in a representative action under the Private  
21 Attorneys General Act, against a real estate and property management company, on behalf of non-  
22 exempt employees. On November 4, 2016, the court granted approval of the settlement. The  
23 Orange County Superior Court Case Number is 30-2015-00775439-CU-OE-CXC.

24          n)     Our firm, in association with co-counsel, represented the plaintiffs in a wage-and-  
25 hour class action against a full-service bank, on behalf of non-exempt employees. On November  
26 18, 2016, the court granted final approval of the class action settlement. The San Francisco County  
27 Superior Court Case Number is CJC-13-004839.

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1           o)     Our firm represented the plaintiffs in a wage-and-hour class and representative  
2     action against a foodservice distributor, on behalf of non-exempt employees. On January 26, 2017,  
3     the court granted final approval of the class and representative action settlement. The San  
4     Bernardino County Superior Court Case Number is CIVDS1507260.

5           p)     Our firm, on behalf of the plaintiff and respondent in a PAGA representative action,  
6     successfully opposed in the trial court, and briefed and argued an appeal with respect to the  
7     employer's motion to compel arbitration, which resulted in a published opinion by the California  
8     Court of Appeal in favor of employees. *Roberto Betancourt v. Prudential Overall Supply*, 9  
9     Cal.App.5th 439 (Cal. App. 4th Dist., Mar. 7, 2017), review denied, cert. denied (U.S. Supreme  
10    Court Docket No. 17-254).

11          q)     Our firm, in association with co-counsel, represented the plaintiffs in a wage-and-  
12    hour class and representative action against a consumer packaging company, on behalf of non-  
13    exempt employees. On March 10, 2017, the court granted final approval of the class and  
14    representative action settlement. The Los Angeles County Superior Court Case Number is  
15    BC590429.

16          r)     Our firm, in association with co-counsel, represented the plaintiffs in a wage-and-  
17    hour class action and representative action against a manufacturer of food service industry supplies  
18    on behalf of non-exempt employees. On April 14, 2017, the court granted final approval of the  
19    class and representative action settlement. The Orange County Superior Court Case Number is 30-  
20    2015-00810013-CU-OE-CXC.

21          s)     Our firm represented the plaintiff in a wage-and-hour class and representative action  
22    against a property management company, on behalf of non-exempt employees. On June 14, 2017,  
23    the court granted final approval of the class and representative action settlement. The Los Angeles  
24    County Superior Court Case Number is BC586234.

25          t)     Our firm represented the plaintiffs in a wage-and-hour class action and  
26    representative action against a food company on behalf of non-exempt employees. On June 30,  
27    2017, the court granted final approval of the class and representative action settlement. The  
28    Sacramento County Superior Court Case Number is 34-2015-00175871.

1           u)    Our firm represented the plaintiffs in a wage-and-hour class action and  
2   representative action against a chocolate company on behalf of non-exempt employees. On July  
3   19, 2017, the court granted final approval of the class and representative action settlement. The  
4   Alameda County Superior Court Case Number is RG15764300.

5           v)    Our firm represented the plaintiffs in a wage-and-hour class and representative  
6   action against a manufacturer of plastic containers on behalf of non-exempt employees. On  
7   October 31, 2017, the court granted final approval of the class and representative action settlement.  
8   The Los Angeles County Superior Court Case Number is BC577233.

9           w)    Our firm, in association with co-counsel, represented the plaintiffs in a wage-and-  
10   hour class and representative action against a bank on behalf of non-exempt employees. On  
11   December 11, 2017, the court entered an order granting final approval of class and representative  
12   action settlement. The Los Angeles County Superior Court Case Number is BC569646.

13          x)    Our firm, in association with co-counsel, represented the plaintiffs in a wage-and-  
14   hour class and representative action against a property management company on behalf of hourly-  
15   paid and non-exempt employees. On January 4, 2018, the court entered an order granting final  
16   approval of the class and representative action settlement. The Los Angeles County Superior Court  
17   Case Number is JCCP4819.

18          y)    Our firm, in association with co-counsel, represented the plaintiffs in a wage-and-  
19   hour class and representative action against a global provider of flexible office space solutions.  
20   On February 15, 2018, the court entered an order granting final approval of the class and  
21   representative action settlement. The Los Angeles County Superior Court Case Number is  
22   BC498401.

23          z)    Our firm represented the plaintiffs in a wage-and-hour class and representative  
24   action against a behavioral health service provider on behalf of non-exempt employees. On  
25   November 13, 2018, the court granted final approval of the class and representative action  
26   settlement. The Alameda County Superior Court Case Number is RG16811450.

27          aa)   Our firm, in association with co-counsel, represented the plaintiff in a representative  
28   action under the Private Attorneys General Act, against a global provider of products and services

1 to the energy industry, on behalf of hourly-paid and non-exempt employees. On November 19,  
2 2018, the Court granted approval of the settlement. The Kern County Superior Court Case Number  
3 is S-1500-CV-280215-SDC.

4 bb) Our firm, in association with co-counsel, represented the plaintiff in a wage-and-  
5 hour class action against a container manufacturer, on behalf of non-exempt employees. On  
6 October 15, 2018, the court granted the plaintiff's motion for class certification. The Tulare County  
7 Superior Court Case Number is VCU264528.

8 cc) Our firm represented the plaintiff in a wage-and-hour class action against a parking  
9 company on behalf of non-exempt employees. On September 3, 2019, the court granted the  
10 plaintiff's motion for class certification and certified a class. The Santa Clara County Superior  
11 Court Case Number is 16CV292208 and the Judicial Council Coordination Proceeding Number is  
12 JCCP 4886.

13 dd) Our firm, in association with other counsel, on behalf of the plaintiff and respondent  
14 in a PAGA representative action, successfully opposed in the trial court, and briefed and argued  
15 an appeal with respect to the employer's motion to compel arbitration, resulting in a notable  
16 decision from the California Supreme Court clarifying the law and finding, in part, that employer  
17 arbitration agreements are unenforceable where they block a PAGA claim from proceeding, ZB,  
18 N.A. v. Superior Court, 8 Cal.5th 175 (2019).

19 ee) Our firm represented the plaintiffs in a wage-and-hour class and representative  
20 action against a bank on behalf of non-exempt employees. On September 27, 2019, the court  
21 granted the plaintiffs' motion for class certification in part and certified a class. The Alameda  
22 County Superior Court Case Number is RG15757606 and the Judicial Council Coordination  
23 Proceeding Number is JCCP 4921.

24 ff) Our firm represented the plaintiffs in a wage-and-hour class and representative  
25 action against a national retailer of apparel and fashion accessories, on behalf of non-exempt  
26 employees. On October 9, 2019, the court granted the plaintiffs' motion for class certification in  
27 part and certified a class. The Sacramento County Superior Court Case Number is 34-2015-  
28 00175330-CU-OE-GDS.

1 gg) Our firm represented the plaintiff in a wage-and-hour class and representative action  
2 against a medical equipment supplier on behalf of non-exempt employees. On February 13, 2020,  
3 the court granted the plaintiff's motion for class certification and certified a class. The San  
4 Bernardino County Superior Court Case Number is CIVDS1505744.

5 hh) Our firm, in association with other counsel, represented the plaintiff in a wage-and-  
6 hour class and PAGA representative action against a large national drug testing laboratory on  
7 behalf of non-exempt employees. On February 21, 2020, the court granted the plaintiff's motion  
8 for class certification and certified a class. The San Diego County Superior Court Case Number  
9 is 37-2018-00019611-CU-OE-CTL.

10 ii) Our firm represented the plaintiffs in a wage-and-hour class and representative  
11 action against a national retailer of sportswear, footwear, and camping equipment on behalf of  
12 non-exempt employees. On March 16, 2020, the court granted in part the plaintiff's motion for  
13 class certification and certified a class. The Riverside County Superior Court Case Number is  
14 RICJCCP4930.

#### 15 PRELIMINARY APPROVAL

16 8. Marked and attached hereto as "**EXHIBIT A**" is the Joint Stipulation of Class  
17 Action and PAGA Settlement ("Settlement," "Agreement," or "Settlement Agreement") entered  
18 into by and between Plaintiffs, individually and on behalf of all others similarly situated, on the  
19 one hand, and Defendants Digital Room, LLC, formerly organized as Digital Room Inc. (which  
20 has been converted into Digital Room LLC) and AMC Acquisition LLC (collectively,  
21 "Defendants"), on the other hand (collectively, the "Parties"). The Parties and their counsel have  
22 approved the Notice of Class Action Settlement ("Class Notice"), which is attached to the  
23 Settlement Agreement as "Exhibit 1," and respectfully request that the Court approve it as well.  
24 The Parties have also drafted and agreed to the form and content of the proposed Second Amended  
25 Class Action Complaint for Damages and Enforcement Under the Private Attorneys General Act,  
26 California Labor Code § 2698, Et Seq. ("Second Amended Complaint"), which is attached as  
27 "Exhibit A" to the [Proposed] Order Granting Preliminary Approval of Class Action Settlement,  
28 filed concurrently herewith. As part of the Settlement, the Parties agreed to amend the complaint

1 to flesh out and formally allege the allegations, which were ascertained, litigated, mediated, and  
2 settled. Class Counsel respectfully requests that the Court grant leave to file the Second Amended  
3 Complaint so that the terms of the Settlement Agreement and the intent of the Parties may be  
4 effectuated.

5 9. Based on information provided by Defendants, the Class is estimated to consist of  
6 approximately seven hundred and three (703) individuals as of September 2020.

7 10. The effectiveness of Lawyers *for* Justice PC (“Class Counsel”) in prosecuting this  
8 matter has translated into tangible monetary benefits for the Class Members in the following  
9 respects: (1) Class Members recover over a reasonably short period of time as opposed to waiting  
10 additional years for the same, or possibly worse, result; (2) a guaranteed result that compares  
11 favorably with other similar class action settlements of this type given the strengths and  
12 weaknesses of the cases; and (3) significant savings in litigation costs and/or expenses that would  
13 have only increased significantly had the cases progressed through certification, trial, and/or  
14 appeals.

15 11. Class Counsel has actively litigated this case since it was commenced on October  
16 19, 2017. The Parties have engaged in extensive settlement negotiations and participated in a  
17 formal, full-day mediation conducted by the Honorable Gail Andler, a well-regarded mediator  
18 experienced in mediating complex labor and employment matters. Prior to and during mediation  
19 and settlement discussions, the Parties exchanged information pertaining to the Class, engaged in  
20 an extensive discussion regarding their evaluations and various aspects of the cases, including but  
21 not limited to, the risks and delays of further litigation, the risks to the Parties of proceeding with  
22 class certification, the law relating to off-the-clock theory, meal and rest periods, PAGA  
23 representative actions, and wage-and-hour enforcement, as well as the evidence produced and  
24 analyzed, and the possibility of appeals, among other things. During all settlement discussions,  
25 the Parties conducted their negotiations at arm’s length in an adversarial position. Arriving at a  
26 settlement that was acceptable to both Parties was not easy. Defendants and their counsel felt  
27 strongly about their ability to prevail on the merits and at certification, and Plaintiffs and Class  
28 Counsel believed that they would be able to obtain class certification and prevail at trial. After

1 conducting extensive investigations, informal discovery and exchange of information, and  
2 settlement negotiations, and with the aid of the mediator's evaluation and settlement negotiations,  
3 the Parties have agreed that the matter is well-suited for settlement given the legal issues relating  
4 to Plaintiffs' principal claims, as well as the costs and risks to both sides that would attend further  
5 litigation. The Settlement is a fair, reasonable, and adequate resolution of the Released Claims of  
6 Plaintiffs and Class Members who do not submit timely and valid requests for exclusion from the  
7 Settlement ("Participating Class Members"), with respect to the Released Parties.

8 12. Prior to reaching the Settlement, the Parties conducted significant investigation into  
9 the facts of the matter, the Parties engaged in significant informal discovery, and the exchange,  
10 review, and analysis of over a thousand pages of documents and data produced by Defendants.  
11 The volume of data and documents that Class Counsel reviewed and analyzed included and was  
12 not limited to: employment records of Plaintiffs and other Class Members, a sampling of Class  
13 Members' pay and time data, multiple iterations of Defendants' Employee Handbook, agreements  
14 (including, but not limited to, AMC – Employee Meal Period Waivers and Proprietary Information  
15 & Invention Assignment Agreement), checklists, acknowledgements (including, but not limited  
16 to, Employee Handbook Acknowledgement and New Employee Orientation Checklist), internal  
17 memoranda, Defendants' operations and employment practices, forms, procedures and policies  
18 (including, but not limited to, Defendants' California meal and rest period policies and  
19 Reimbursement of Business Expenses policy), among other information and documents. Counsel  
20 for the Parties also met and conferred on numerous occasions, e.g., regarding the pleadings and  
21 the production of documents and data prior to mediation. Class Counsel also drafted Plaintiffs'  
22 mediation brief and prepared for and attended settlement negotiations and the mediation, among  
23 other tasks.

24 13. Counsel for the Parties have also invested time researching and investigating the  
25 applicable law, which is constantly evolving as it relates to certification, representative PAGA  
26 claims, off-the-clock theory, meal and rest periods, wage-and-hour enforcement, Plaintiffs' claims  
27 and damages, and Defendants' defenses thereto, as well as facts discovered. Based on our analysis,  
28 I submit that the result achieved in this litigation is fair, adequate, and reasonable.

1           14. The Settlement provides for Gross Settlement Amount of One Million Seven  
2           Hundred Thousand Dollars (\$1,700,000). The Net Settlement Amount is the Gross Settlement  
3           Amount less the following amounts subject to approval by the Court: Attorneys' Fees Award,  
4           litigation costs and expenses, Service Awards, Settlement Administration Costs, and the Labor  
5           and Workforce Development Agency's seventy-five percent (75%) share of the amount allocated  
6           toward penalties under PAGA ("LWDA Payment"). Assuming that the amounts allocated under  
7           the Settlement toward these payments are awarded by the Court, the Net Settlement Amount is  
8           currently estimated to be Nine Hundred Two Thousand Dollars (\$902,000). Under the Settlement  
9           Agreement, the Net Settlement Amount will be fully distributed to the Participating Class  
10          Members and there will be no reversion to Defendants.

11          15. The Parties have agreed to retain Phoenix Class Action Administrators ("Phoenix")  
12          to handle the notice and settlement administration process. The Parties respectfully request that  
13          the Court appoint Phoenix to handle this process and serve as the third-party administrator.  
14          Defendants will provide Phoenix with the Class Information and Phoenix will calculate each Class  
15          Member's estimated Individual Settlement Share. Phoenix will mail the Class Notice to all Class  
16          Members in English and Spanish; receive requests for exclusion, Notices of Objection, and  
17          disputes regarding Compensable Workweeks; provide necessary reports and declarations;  
18          calculate, subtract, and transmit taxes and withholdings; prepare and submit informational and  
19          other tax filings and documents; issue and transmit all payments provided by the Settlement,  
20          including and not limited to, mailing Individual Settlement Payment checks to the Participating  
21          Class Members; and perform any other usual and customary duties for administering a class action  
22          settlement. Settlement Administration Costs are currently estimated not to exceed Thirteen  
23          Thousand Dollars (\$13,000) and will be paid out of the Gross Settlement Amount, subject to  
24          approval of the Court.

25          16. Based on investigation and information discovered, Class Counsel believes that  
26          there is sufficient evidence to support the allegations made in the lawsuit, including the allegations  
27          that Defendants, with respect to Plaintiffs and the Class Members, *inter alia*, failed to properly  
28          pay overtime and minimum wages, failed to provide compliant meal and rest periods and to pay

1 associated premium pay, failed to timely pay wages upon termination and during employment,  
2 failed to provide compliant wage statements, failed to maintain requisite payroll records, and failed  
3 to reimburse necessary business expenses, and thereby engaged in unfair business practices and  
4 conduct giving rise to penalties recoverable under the Private Attorneys General Act of 2004  
5 (California Labor Code sections 2698, *et seq.*) (“PAGA”). Plaintiffs also asserted that Class  
6 Members were subject to the same or similar operations and employment policies, practices, and  
7 procedures. Additionally, Plaintiffs asserted that Defendants’ recordkeeping practices with  
8 respect to Plaintiffs and the Class Members were substantially the same during the time period at  
9 issue. As a result, Plaintiffs claim that the Class Members were uniformly not paid all of the  
10 compensation that was owed to them by Defendants during the Class Period. Thus, in Class  
11 Counsel’s view, it is clear that the outcome of this litigation would be determined by Defendants’  
12 uniform operations and employment practices, policies, and procedures that Plaintiffs allege  
13 applied across Defendants’ non-exempt or hourly-paid employees in the State of California during  
14 the Class Period.

15 17. Class Counsel is aware of the defenses and position of Defendants but believes that  
16 Plaintiffs could potentially obtain class certification despite many obstacles. Plaintiffs have also  
17 taken into account the uncertainty and risk of the outcome of further litigation, and the difficulties  
18 and delays inherent in such litigation, including those involved in class certification and  
19 representative adjudication. Plaintiffs further recognize the burdens of proof necessary to establish  
20 liability for the claims asserted in the lawsuit, Defendants’ defenses, and the difficulties in  
21 establishing entitlement to monetary recovery. Plaintiffs have also considered the Parties’  
22 settlement discussions, as well as the evaluations of the mediator, who is experienced and well-  
23 regarded in complex labor and employment matters.

24 18. Defendants, on the other hand, deny and continue to deny any liability and  
25 wrongdoing of any kind associated with the claims alleged in the lawsuit, and further deny that  
26 the lawsuit is appropriate for class treatment for any purpose other than this Settlement.  
27 Defendants believe that it would ultimately succeed in the matter. Both sides have also had the  
28 opportunity to interview witnesses and review documents and information relating to Plaintiffs’

1 and the Class Members' employment with Defendants, and Defendants' operations and  
2 employment policies, practices, and procedures. The Parties reviewed and analyzed a large  
3 volume of documents and data, including but not limited to a detailed sampling of Class Members'  
4 time and pay information, to determine the potential value and strength of the claims. The  
5 available information enabled Class Counsel to estimate the potential claims of the Class and  
6 prepare damages/valuation models. Accordingly, the Parties have conducted adequate  
7 investigation and discovery to be sufficiently informed of the nature and extent of the Class  
8 Members' claims, and to enable both sides to fully evaluate the Settlement for its fairness,  
9 adequacy, and reasonableness. The Parties have agreed that the matter is well-suited for settlement  
10 given the legal issues relating to Plaintiffs' principal claims, as well as the costs and risks to both  
11 sides that would attend further litigation. The Settlement takes into account the strengths and  
12 weaknesses of each side's position and the uncertainty of how the case might have concluded at  
13 certification, trial, and/or appeals.

14 19. The Settlement Agreement provides for Class Counsel to apply for attorneys' fees  
15 in an amount of up to thirty-five percent (35%) of the Gross Settlement Amount  
16 (i.e., \$595,500) and reimbursement of litigation costs and expenses in an amount not to exceed  
17 Twenty-Five Thousand Dollars (\$25,000), which will be paid out of the Gross Settlement Amount,  
18 subject to approval by the Court. It should be noted that Class Counsel has borne all of the risks  
19 and costs of litigation and will not receive any compensation until recovery is obtained.

20 20. The Settlement Agreement provides for Service Awards of up to Seven Thousand  
21 Five Hundred Dollars (\$7,500) each to Plaintiffs, to be paid out of the Gross Settlement Amount  
22 subject to approval by the Court. Plaintiffs spent considerable time and effort to produce relevant  
23 documents and past employment records and to provide the facts and evidence necessary to  
24 attempt to prove the allegations. Plaintiffs were available whenever Class Counsel needed them  
25 and actively tried to obtain information that would benefit the Class. Accordingly, it is appropriate  
26 and just for Plaintiffs to receive Service Awards, in addition to their Individual Settlement  
27 Payments, for their services on behalf of the Class.

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**ESTIMATE OF THE VALUE OF THE CLAIMS**

21. Plaintiffs’ action alleges that Defendants have violated the California Labor Code by engaging in a uniform policy and systematic scheme of wage abuse against Plaintiffs and the putative class members, including *inter alia*, failing to properly compensate overtime and minimum wages, failing to provide compliant meal and rest periods and associated premium pay, failing to timely pay wages and associated waiting-time penalties, failing to provide compliant wage statements, failing to maintain requisite payroll records, and failing to reimburse necessary business expenses. Plaintiffs further contend that Defendants thereby engaged in unfair business practices (under the California Business and Professions Code) and owe penalties under the PAGA.

22. Based on data provided by Defendants, the total number of putative class members during the period from October 19, 2013 to October 4, 2019 (“relevant time period”) was estimated to be six hundred thirty-six (636) individuals who worked a total of 63,968 workweeks with an average hourly rate of pay of \$15.10.

23. Plaintiffs contended that Defendants’ uniform policies, practices, and procedures required putative class members to perform work during meal and rest periods and before clocking-in and after clocking-out. Plaintiffs further contended that due to Defendants’ strict attendance policy and policy prohibiting employees from clocking-in before their scheduled shift start times and clocking out after their scheduled shift end times, putative class members were required to perform work during meal periods and before clocking-in and after clocking-out (e.g., to meet unreasonable quotas, complete heavy workloads, and provide customer service). Plaintiffs also contended that meal and rest periods were regularly interrupted, short, missed, and/or late due to understaffing and scheduling around business needs, and that Defendants failed to properly pay premiums for all non-compliant meal and rest periods. Additionally, Plaintiffs alleged that Defendants intentionally and willfully failed to pay Plaintiffs and putative class members all wages due to them while they were employed by Defendants, within the time period permissible under California law, and upon termination, within the time period permissible under California law, thereby triggering waiting-time penalties under California Labor Code section 203. Plaintiffs

1 contended that, based on the violations described herein, the wage statements provided by  
2 Defendants and the payroll records kept by Defendants were inaccurate. Finally, Plaintiffs  
3 contended that Defendants failed to reimburse Plaintiffs and the other putative class members for  
4 necessary business expenses, including, but not limited to, the costs associated with the use of  
5 personal cell phones and the purchase of clothing to comply with Defendants' dress code policy.

6 24. Defendants contended, *inter alia*, that their practices, policies, and procedures  
7 complied with the law, and that they paid putative class members over the California minimum  
8 wage for all hours worked and correctly paid overtime for all overtime hours worked. Defendants  
9 also produced wage statements reflecting overtime compensation paid to many of the putative  
10 class members (including, and not limited to, Plaintiffs). Defendants further contended that all  
11 employees were required to record all time worked, were given the opportunity to make any  
12 necessary changes to their time punches, and were instructed to inform Defendants of any non-  
13 compliant meal or rest periods and that Defendants were not aware that any work had been  
14 performed off-the-clock or during meal and rest periods. Defendants were adamant that no  
15 waiting-time penalties should be awarded because the waiting-time penalties are derivative of each  
16 and every other underlying cause of action, and contended that they paid the terminated employees  
17 all wages due and owing. Moreover, Defendants emphasized that, under California Labor Code  
18 section 203, employers are only obligated to pay waiting-time penalties if they "willfully" fail to  
19 pay wages due and owing at the time of termination or resignation. Defendants also contended  
20 that Plaintiffs and putative class members suffered no actual injury from the alleged wage  
21 statement violations and that this cause of action is entirely derivative of the other causes of action  
22 or from the alleged recordkeeping violations. Defendants further contended that they have a policy  
23 and practice of reimbursing employees for necessary business-related expenses. Defendants  
24 vigorously challenged the likelihood of Plaintiffs' success in establishing that any of provisions of  
25 the California Labor Code, on which the UCL claim and civil penalties under PAGA are  
26 predicated, were violated and that such violations were injurious. Defendants also emphasized  
27 that Courts have wide discretion when assessing penalties under PAGA. Finally, throughout this  
28 litigation, Defendants argued that individual liability issues predominate, because putative class

1 members worked in different locations, worked different shifts, and performed different job duties,  
2 and Defendants further contended that these circumstances would raise highly individualized  
3 questions of fact and would pose challenges to certification and the merits of Plaintiffs' claims.

4 25. Class Counsel considered information obtained through investigations and from  
5 Plaintiffs and other putative class members, as well as class data and information provided by  
6 Defendants, and created damages/valuation models prior to reaching the Settlement. Based  
7 thereon, Plaintiffs calculated the potential value of each of the above-discussed claims. However,  
8 the potential value of each claim assumed an exposure based on the case having been certified and  
9 Plaintiffs having proven all elements of the claims and damages, despite risks associated with  
10 obtaining and maintaining certification, risks to establishing liability and any underlying  
11 California Labor Code violations and damages, and significant additional costs that would have to  
12 be incurred in order to certify the case and establish liability and damages. Plaintiffs also faced  
13 the risk of the Court finding that individualized issues predominate, such that the action is not  
14 suitable for class treatment and representative adjudication. While Class Counsel disagreed with  
15 Defendants' arguments and factual contentions, Class Counsel recognized the circumstances and  
16 realities of the case, applicable case law and regulations, the wage statements produced by  
17 Defendants, the costs and expenses of further litigation and certification, and risks to recovery,  
18 and applied appropriate discounts for them. Class Counsel calculated the potential and realistic  
19 values of each claim as follows:

- 20 a. Failure to Pay Overtime Wages: Assuming that it could be proven that Defendants failed  
21 to an hour of overtime wages every workweek during the relevant time period, the  
22 potential value of this claim was estimated to be \$1,448,875.20 (63,968 workweeks x 1  
23 hour of overtime wages x overtime hourly rate of \$22.65, which is based on the average  
24 hourly rate of \$15.10). At this juncture, a discount of 30% was applied to account for  
25 the risks associated with obtaining certification (bringing the value of this claim closer  
26 to \$1,014,212.64), a discount of 50% was applied to account for the risks associated  
27 with succeeding on the merits and establishing liability (bringing the value of this claim  
28 closer to \$507,106.32), and a discount of 30% was applied to account for the risks

1 associated with proving the extent of damages and obtaining an award thereof (bringing  
2 the value of this claim closer to \$354,974.42).

3 b. Failure to Pay Minimum Wages: Assuming that it could be proven that Defendants  
4 failed to pay one (1) hour of minimum wages every workweek, the potential value of  
5 this claim was estimated to be \$965,916.80 (63,968 workweeks x 1 hour of unpaid  
6 minimum wages x average hourly rate of \$15.10). At this juncture, a discount of 50%  
7 was applied to account for the risks associated with obtaining certification (bringing the  
8 value of this claim closer to \$482,958.40), a discount of 50% was applied to account  
9 for the risks associated with succeeding on the merits and establishing liability (bringing  
10 the value of this claim closer to \$241,479.20), and a discount of 50% was applied to  
11 account for the risks associated with proving the extent of damages and obtaining an  
12 award thereof (bringing the value of this claim closer to \$120,739.60).

13 c. Failure to Provide Compliant Meal Periods and Associated Premiums: Assuming that it  
14 could be proven that two (2) meal periods premiums are due for every workweek during  
15 the relevant time period, the potential value of this claim was estimated to be  
16 \$1,931,833.60 (63,968 workweeks x 1 meal period premium x average hourly rate of  
17 \$15.10). At this juncture, a discount of 30% was applied to account for the risks  
18 associated with obtaining certification (bringing the value of this claim closer to  
19 \$1,352,283.52), a discount of 40% was applied to account for the risks associated with  
20 succeeding on the merits and establishing liability (bringing the value of this claim  
21 closer to \$811,370.11), and a discount of 30% was applied to account for the risks  
22 associated with proving the extent of damages and obtaining an award thereof (bringing  
23 the value of this claim closer to \$567,959.08).

24 d. Failure to Provide Compliant Rest Periods and Associated Premiums: Assuming that it  
25 could be proven that one (1) rest period premium is due for every workweek during the  
26 relevant time period, the potential value of this claim was estimated to be \$965,916.80  
27 (63,968 workweeks x 1 rest period premium x average hourly rate of \$15.10). At this  
28 juncture, a discount of 30% was applied to account for the risks associated with

obtaining certification (bringing the value of this claim closer to \$676,141.76), a discount of 40% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to \$405,685.06), and a discount of 50% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of this claim closer to \$202,842.53).

- e. Failure to Timely Pay Wages after Termination: Based on information and data provided by Defendants, it was estimated that approximately three hundred eight (308) putative class members had been terminated during the three-year statute of limitations (i.e., from October 19, 2014). Assuming that these individuals were not timely paid all wages due to them upon termination, the potential value of waiting-time penalties claim was estimated to be \$1,116,192 collectively (308 individuals x [30 days x hourly rate of \$15.10 x 8 hours]), or approximately \$3,624 per individual. At this juncture, a discount of 50% was applied to account for the risks associated with obtaining certification (bringing the value of this claim closer to \$558,096), a discount of 60% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to \$223,238.40), and a discount of 60% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of this claim closer to \$89,295.36).
- f. Failure to Provide Compliant Wage Statements: Based on data provided by Defendants, it was estimated that approximately three hundred eighty-one (381) putative class members worked during the one-year statutory limitations period (i.e., from October 19, 2016). Applying the maximum statutory penalty of \$4,000, the potential value of this claim was calculated to be \$1,524,00 (381 individuals x \$4,000). At this juncture, a discount of 50% was applied to account for the risks associated with obtaining certification (bringing the value of this claim closer to \$762,000), a discount of 60% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to \$304,800), and a discount

of 60% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of this claim closer to \$121,920).

- g. Failure to Maintain Requisite Payroll Records: Arguably, this civil penalty would only be recoverable by the Labor Commissioner, however, Plaintiffs assert a cause of action under PAGA. Therefore, the value of this claim is considered as a part of the valuation of the PAGA claim contained *infra*.
- h. Failure to Reimburse Necessary Business Expenses: Assuming it could be proven that Defendants willfully failed to reimburse necessary business-related expenses for each of the putative class members in the amount of five dollars (\$5) per workweek during the relevant time period, the potential value of this claim would be \$319,840 (63,968 total workweeks x \$5 business expenses). At this juncture, a discount of 75% was applied to account for the risks associated with obtaining certification (bringing the value of this claim closer to \$79,960), a discount of 50% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to \$39,980), and a discount of 40% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of this claim closer to \$23,988).
- i. PAGA Penalties: Assuming that it could be shown that civil penalties in the amount of \$3,100 are owed to each of the three hundred eight-one (381) aggrieved employees who were estimated to have worked during the one-year statutory period, the PAGA penalties at issue, which the Court could determine whether or not to assess and whether or not to reduce, were estimated to be approximately \$1,181,100 (381 individuals x \$3,100 civil penalties). At this juncture, a discount of 30% was applied to account for the risks associated with proving manageability (bringing the value of this claim closer to \$826,770), a discount of 50% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to \$413,385), and a discount of 50% was applied to account for the risks

1 associated with obtaining an award of civil penalties and the Court's discretion to reduce  
2 civil penalties (bringing the value of this claim closer to \$206,692.50).

3 26. The foregoing discussion confirms that the amount of the Settlement is adequate in  
4 light of the merits of this case, Plaintiffs' allegations and causes of action, the evidence at issue  
5 with respect to those allegations and causes of action, and legal and factual arguments and  
6 circumstances which pose challenges to certification and monetary recovery. The conclusion to  
7 be drawn from the foregoing analysis is that neither class certification, liability, nor the ability to  
8 adjudicate and/or recover monetary relief on a class-wide is clear-cut, which is why the Parties  
9 elected to settle this matter. Class Counsel recognized the circumstances and realities of the case,  
10 applicable case law and regulations, and risks to recovery and applied appropriate discounts. Class  
11 Counsel also recognized that additional discounts could be made to the risk-adjusted value to  
12 account for the costs and expenses associated with further litigation and the present value of  
13 obtaining a settlement now as opposed to monetary recovery, if any, that may be obtained in the  
14 future after further litigation

15 27. This matter involves highly-disputed claims and is the product of compromise.  
16 Class Counsel submits that the settlement presented for preliminary approval is within a  
17 reasonable range of recoveries for this type of litigation, and is fair, reasonable, adequate, and in  
18 the best interest of the Class, given the inherent cost and risks of further litigation

19 28. Class Counsel submits that the Settlement is fair, reasonable, and adequate, and is  
20 in the best interest of the Class. Class Counsel further submits that the Settlement is within an  
21 acceptable range of recovery for this type of litigation given the strengths and weaknesses of this  
22 action, the inherent costs and risks of further litigation, and the costs and risks associated with  
23 class certification, trial, and/or appeals.

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

26 Executed on this 13th day of October 2020 at Glendale, California.

27 

28 Edwin Aiwazian

# **EXHIBIT A**

Edwin Aiwanian (SBN 232943)  
**LAWYERS for JUSTICE, PC**  
410 West Arden Avenue, Suite 203  
Glendale, California 91203  
Tel: (818) 265-1020 / Fax: (818) 265-1021

*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.

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- 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.

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

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

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

#### **FOURTH CAUSE OF ACTION**

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

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

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

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

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

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

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.

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

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

6                                   **SEVENTH CAUSE OF ACTION**

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

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

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

13           106. At all material times set forth herein, California Labor Code section 226(a)  
14 provides that every employer shall furnish each of his or her employees an accurate itemized  
15 statement in writing showing (1) gross wages earned, (2) total hours worked by the employee,  
16 (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid  
17 on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of  
18 the employee may be aggregated and shown as one item, (5) net wages earned, (6) the  
19 inclusive dates of the period for which the employee is paid, (7) the name of the employee and  
20 his or her social security number, (8) the name and address of the legal entity that is the  
21 employer, and (9) all applicable hourly rates in effect during the pay period and the  
22 corresponding number of hours worked at each hourly rate by the employee. The deductions  
23 made from payments of wages shall be recorded in ink or other indelible form, properly dated,  
24 showing the month, day, and year, and a copy of the statement or a record of the deductions  
25 shall be kept on file by the employer for at least three years at the place of employment or at a  
26 central location within the State of California.

27           107. Defendants have intentionally and willfully failed to provide Plaintiffs and the  
28 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

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

Dated: October 9, 2020

**LAWYERS for JUSTICE, PC**

By:   
Edwin Aiwanian  
Attorneys for Plaintiffs

# **EXHIBIT B**

1 Marissa Alguire (SBN 249755)  
**AKERMAN LLP**  
2 601 West Fifth Street, Suite 300  
Los Angeles, California 90071  
3 Telephone: (213) 688-9500  
Facsimile: (213) 627-6342

4 Roxanne Torabian-Bashardoust (SBN 222994)  
**TORABIAN LAW, P.C.**  
5 3835R E. Thousand Oaks Blvd., Suite 388  
Westlake Village, California 91362  
6 Telephone: (805) 907-6951

7 *Attorneys for Defendants Digital Room LLC and Acquisition LLC*

8 Edwin Aiwarzian (SBN 232943)  
Arby Aiwarzian (SBN 269827)  
9 Joanna Ghosh (SBN 272479)  
**LAWYERS for JUSTICE, PC**  
10 410 West Arden Avenue, Suite 203  
Glendale, California 91203  
11 Telephone: (818) 265-1020  
Facsimile: (818) 265-1021

12 *Attorneys for Plaintiffs Cindy Araica and Kevin Estrada*

13 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

14 **FOR THE COUNTY OF LOS ANGELES – SPRING STREET COURTHOUSE**

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

18 Plaintiffs,

19 vs.

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

23 Defendants.  
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Case No. BC680445

Hon. William F. Highberger, Dept. 10

**CLASS ACTION**

**JOINT STIPULATION OF CLASS  
ACTION AND PAGA SETTLEMENT**

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

1 Plaintiffs Cindy Araica and Kevin Estrada, individually, and on behalf of all others similarly  
2 situated and other aggrieved employees, on the one hand, and Defendants Digital Room, LLC and  
3 AMC Acquisition, LLC, on the other hand, by and through their respective counsel of record, stipulate  
4 and agree to resolve the above-captioned case through this Joint Stipulation of Class Action and  
5 PAGA Settlement (“Stipulation,” “Settlement,” or “Settlement Agreement”), subject to the approval of  
6 the Court.

7 **I. DEFINITIONS**

8 1. “Action” means the putative class action entitled *Cindy Araica, et al. v. Digital Room,*  
9 *Inc., et al.*, in the Los Angeles County Superior Court, Case No. BC680445.

10 2. “Attorneys’ Fees Award” means an award of attorneys’ fees to Class Counsel in the  
11 amount that does not exceed thirty-five percent (35%) of the Gross Settlement Amount for litigation  
12 and resolution of the matter by Class Counsel.

13 3. “Class” means any and all current and former non-exempt employees who worked for  
14 any of Defendants, including Digital Room Inc., in the State of California at any time during the Class  
15 Period. An individual who falls within the scope of the Class is referred to as a “Class Member.”

16 4. “Class Counsel” means Edwin Aiwazian, Esq., Arby Aiwazian, Esq., and Joanna  
17 Ghosh, Esq. of Lawyers *for* Justice, PC, located at 410 West Arden Avenue, Suite 203, Glendale,  
18 California 91203.

19 5. “Class Information” means information regarding all Class Members that Defendants  
20 will in good faith compile from their records and provide to the Settlement Administrator. The Class  
21 Information will be formatted as a Microsoft Excel spreadsheet and will include: each Class Member’s  
22 full name, last known address, last known telephone number, Social Security number, hire date, and  
23 rehire and end dates of employment, if applicable.

24 6. “Class Notice” means the Notice of Class Action Settlement (substantially in the form  
25 attached hereto as “**Exhibit 1**”).

26 7. “Class Period” means the time period from October 19, 2013 to the date of the Court’s  
27 Order granting preliminary approval of the Settlement.

28 ///

1           8.       “Compensable Workweeks” means the number of weeks worked by each Class  
2 Member during the Class Period based on Defendants’ records and used as a value to calculate  
3 Individual Settlement Shares. Compensable Workweeks will be calculated by the Settlement  
4 Administrator by determining the number of days between the start/rehire and end dates of  
5 employment as an hourly-paid or non-exempt employee for Defendants within the Class Period (using  
6 October 19, 2013, and using the date of the Preliminary Approval Order as the end date), dividing the  
7 resulting number by seven (7), and rounding to the nearest whole number (i.e., rounding down for  
8 numbers ending in .00 to .49 and up for numbers ending .50 to .99). Class Members will be credited  
9 with at least one (1) Compensable Workweek.

10           9.       “Complaints” means the Class Action Complaint for Damages filed on October 19,  
11 2017, the First Amended Class Action Complaint for Damages filed on January 10, 2020, and the  
12 Second Amended Class Action Complaint for Damages and Enforcement Under the Private Attorneys  
13 General Act, Cal. Labor Code § 2698, Et Seq., which will be filed in the Action.

14           10.      “Court” means the Los Angeles County Superior Court.

15           11.      “Defendants” means Digital Room, LLC, formerly organized as Digital Room Inc.  
16 (which has been converted into Digital Room LLC and has been erroneously named herein as a  
17 separate defendant) and AMC Acquisition, LLC. Effective December 31, 2019, AMC Acquisition  
18 LLC merged with Digital Room LLC such that Digital Room LLC is the surviving entity.

19           12.      “Defendants’ Counsel” or “Defense Counsel” means Roxanne Torabian-Bashardoust of  
20 Torabian Law, P.C., located at 3835R E. Thousand Oaks Boulevard, Suite 388, Westlake Village,  
21 California 91362, and Marissa Alguire of Akerman LLP, located at 601 West Fifth Street, Suite 300,  
22 Los Angeles, California 90071.

23           13.      “Effective Date” means the date on which all of the following have occurred: the Court  
24 has entered an order granting final approval of the Settlement, and the Judgment and order granting  
25 final approval have become Final. For purposes of this provision, “Final” means: if no objections to  
26 the Settlement are submitted and/or are submitted and withdrawn, the date on which the Court enters  
27 an order granting final approval of the Settlement and Judgment in the Action; if any objections to the  
28 Settlement are submitted and not withdrawn, and if no appeal, review or writ is sought from the

1 Judgment, the thirty-fifth (35th) day after entry of Judgment; or if rehearing, reconsideration and/or  
2 appellate review of the Judgment is sought, the day after any and all avenues of rehearing,  
3 reconsideration and appellate review have been exhausted and no further rehearing, reconsideration or  
4 appellate review is permitted, and the time for seeking such review has expired, and the Judgment has  
5 not been modified, amended or reversed in any way.

6 14. “Final Approval Hearing” is the hearing held upon expiration of the Response  
7 Deadline, which the Court conducts to ascertain the fairness, reasonableness, and adequacy of the  
8 Settlement and to determine whether final approval of the Settlement will be granted, along with the  
9 amounts properly payable for (i) Attorneys’ Fees Award, (ii) reimbursement of litigation costs and  
10 expenses, (iii) Service Awards, (iv) Individual Settlement Payments, and (v) Settlement  
11 Administration Costs.

12 15. “Gross Settlement Amount” means the sum of \$1,700,000.00 that Defendants agree to  
13 pay to settle the Action, which will include all payments for the Individual Settlement Shares, the  
14 Attorneys’ Fees Award, the reimbursement of litigation costs and expenses, the Settlement  
15 Administration Costs, the LWDA Payment, and the Service Awards.

16 16. “Individual Settlement Share” means each Participating Class Member’s *pro rata*  
17 portion of the Net Settlement Amount, based on his or her number of Compensable Workweeks. The  
18 Settlement Administrator will divide each Participating Class Member’s Compensable Workweeks by  
19 the total Compensable Workweeks for all Participating Class Members, resulting in a Payment Ratio  
20 for each Participating Class Member. Each Participating Class Member’s Payment Ratio will then be  
21 multiplied by the Net Settlement Amount to determine his or her estimated Individual Settlement  
22 Share.

23 17. “Individual Settlement Payment” means the net amount payable from the Net  
24 Settlement Amount to each Participating Class Member, after reduction for the employee’s share of  
25 taxes and withholdings on the Wages Portion of Individual Settlement Shares.

26 18. “LWDA Payment” means the amount that will be paid to the California Labor and  
27 Workforce Development Agency (“LWDA”) for its seventy-five percent (75%) share of the PAGA  
28 Payment.

1           19.     “Net Settlement Amount” means the Gross Settlement Amount, less the Attorneys’  
2 Fees Award, litigation costs and expenses, Service Awards, LWDA Payment, and Settlement  
3 Administration Costs, in the amounts that are approved by the Court. The Net Settlement Amount is  
4 the maximum amount that will be available for distribution to Participating Class Members.

5           20.     “PAGA Payment” is the amount allocated from the Gross Settlement Amount toward  
6 penalties under the Private Attorneys General Act, California Labor Code section 2698, *et seq.*  
7 (“PAGA”), of which seventy-five percent (75%) will be paid to the LWDA and twenty-five percent  
8 (25%) will be part of the Net Settlement Amount for distribution to the Settlement Class Members.

9           21.     “Participating Class Member(s)” means any and all Class Members who do not opt out  
10 of the Settlement by submitting a timely and valid request to be excluded from the Settlement and who  
11 are, therefore, bound by the Court’s order granting final approval of the Settlement and Judgment.

12           22.     “Parties” means Plaintiffs and Defendants, collectively, and “Party” means any of  
13 Plaintiffs or Defendants, individually.

14           23.     “Payment Ratio” means the respective Compensable Workweeks for each Participating  
15 Class Member divided by the total Compensable Workweeks for all Participating Class Members.

16           24.     “Plaintiffs” and “Class Representatives” mean Cindy Araica and Kevin Estrada.

17           25.     “Released Claims” means any and all claims, demands, rights, liabilities, causes of  
18 action and factual and legal theories that were alleged in the Complaints or reasonably could have  
19 been alleged based on the facts and legal theories contained in the Complaints that arose during the  
20 Class Period, including all of the following claims for relief: (i) failure to pay all overtime wages due;  
21 (ii) failure to provide proper meal periods, and to properly provide premium pay in lieu thereof; (iii)  
22 failure to provide proper rest periods, and to properly provide premium pay in lieu thereof; (iv) failure  
23 to pay all minimum wages due; (v) failure to timely pay all final wages; (vi) failure to timely pay  
24 wages during employment; (vii) improper and/or inaccurate wage statements; (viii) failure to keep  
25 requisite payroll records; (ix) failure to reimburse for necessary business expenses; and (x) unfair  
26 business practices that could have been premised on the claims, causes of action or legal theories of  
27 relief described above or any of the claims, causes of action or legal theories of relief pleaded in the  
28 Complaints; (xi) all claims under the California Labor Code Private Attorneys General Act of 2004

1 that could have been premised on the claims, causes of action or legal theories described above or any  
2 of the claims, causes of action or legal theories of relief pleaded in the Complaints; (xii) any other  
3 claims or penalties under the wage and hour laws pleaded in the Complaints; (xiii) any corresponding  
4 or related claims under the Fair Labor Standards Act (“FLSA”); and (xiv) all damages, penalties,  
5 interest and other amounts recoverable under said claims, causes of action or legal theories of relief.

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

11 27. “Response Deadline” means the date that is forty-five (45) calendar days after the date  
12 on which the Settlement Administrator mails the Class Notice to Class Members and the last date on  
13 which Class Members may: (a) submit a request for exclusion from the Settlement, (b) submit an  
14 objection to the Settlement; and/or (c) dispute their number of Compensable Workweeks and/or  
15 estimated Individual Settlement Share.

16 28. “Service Awards” means the amount that the Court authorizes to be paid to Plaintiffs in  
17 addition to their Individual Settlement Payments, in recognition for their efforts and work in the  
18 prosecution of the Action and in return for executing a General Release with Defendants.

19 29. “Settlement Administration Costs” means the amount to be paid to the Settlement  
20 Administrator from the Gross Settlement Amount for administration of this Settlement.

21 30. “Settlement Administrator” means Phoenix Class Action Administrators, an  
22 independent third-party firm that provides class action settlement administration services.

## 23 **II. RECITALS**

24 31. On October 19, 2017, Plaintiff Cindy Araica filed a Class Action Complaint for  
25 Damages (“Original Complaint”) against Digital Room Inc. and Defendant Digital Room LLC and  
26 commenced the Action in the Superior Court of the State of California, County of Los Angeles.

27 32. On October 16, 2019, Plaintiff Kevin Estrada commenced the action entitled *Estrada v.*  
28 *AMC Acquisition LLC*, Case No. 19STCV36875 in Los Angeles County Superior Court (“*Estrada*

1 Action”).

2 33. On January 10, 2020, Plaintiffs filed a First Amended Class Action Complaint for  
3 Damages (“First Amended Complaint”) in the Action, to consolidate the plaintiffs and claims from the  
4 *Estrada* Action with those of the Action.

5 34. The Parties agree that Plaintiffs will seek leave to file and file a Second Amended Class  
6 Action Complaint for Damages and Enforcement Under the Private Attorneys General Act, Cal. Labor  
7 Code § 2698, Et Seq. (“Second Amended Complaint”), to add a claim under the Private Attorneys  
8 General Act, California Labor Code section 2698, *et seq.* (“PAGA”). In advance of filing the Second  
9 Amended Complaint, Plaintiffs will exhaust all administrative requirements with the California Labor  
10 & Workforce Development Agency (“LWDA”). The Second Amended Complaint is being filed in  
11 order to flesh out allegations that were investigated, litigated, mediated, and resolved and to effectuate  
12 the Settlement. For purposes of settlement only, Defendants waive their defenses to the PAGA claim,  
13 included based on statute of limitations and/or timely and proper exhaustion of administrative notice  
14 requirements but reserve the right to make such defenses if the Settlement is not approved. Should, for  
15 whatever reason, the Settlement set forth herein not become Final, the Second Amended Complaint  
16 shall be stricken, null and void, with the previously-filed First Amended Complaint in the Action  
17 remaining the operative pleading.

18 35. The Second Amended Complaint alleges eleven (11) causes of action against  
19 Defendants for: (i) violation of California Labor Code §§ 510 and 1198 (Unpaid Overtime); (ii)  
20 violation of California Labor Code §§ 226.7 and 512(a) (Unpaid Meal Period Premiums); (iii)  
21 violation of California Labor Code § 226.7 (Unpaid Rest Period Premiums); (iv) violation of  
22 California Labor Code §§ 1194, 1197, and 1197.1 (Unpaid Minimum Wages); (v) violation of  
23 California Labor Code §§ 201-202 (Final Wages Not Timely Paid); (vi) violation of California Labor  
24 Code § 204 (Wages Not Timely Paid During Employment); (vii) violation of California Labor Code §  
25 226(a) (Non-Compliant Wage Statements); (viii) violation of California Labor Code § 1174(d)  
26 (Failure To Keep Requisite Payroll Records); (ix) violation California Labor Code §§ 2800 and 2802  
27 (Unreimbursed Business Expenses); (x) violation of California Business & Professions Code §§  
28 17200, *et seq.*; and (xi) violation of California Labor Code § 2698, *et seq.*

1           36.     The Parties have conducted significant informal discovery and investigation of the facts  
2 and law during the prosecution of this Action. Class Counsel and Defense Counsel have engaged in  
3 extensive arms-length negotiations, with the assistance of Hon. Gail Andler (Ret.), an experienced  
4 mediator, concerning the settlement of the claims asserted in the Action, and the Parties have arrived  
5 at the Settlement set forth herein.

6           37.     Defendants have represented that, during the period from October 19, 2013 to October  
7 4, 2019, there were six hundred thirty-six (636) Class Members and approximately 63,968  
8 Compensable Workweeks.

9           38.     It is now the common and mutual desire of Plaintiffs, on the one hand, and Defendants,  
10 on the other hand, to compromise and settle the Action between them, and to resolve the Action and  
11 any other disputes as they relate to said Parties and the Released Parties pursuant to the terms of this  
12 Stipulation.

### 13     **III.    RELEASES AND TERMS OF AGREEMENT**

14           39.     Release as to All Participating Class Members. Upon the Effective Date, any and all  
15 Participating Class Members will fully and finally release and discharge the Released Parties from the  
16 Released Claims during the Class Period. Each and every Participating Class Member shall be  
17 deemed to have, and by operation of the Judgment and final approval order shall have fully, finally,  
18 and forever released, relinquished, and discharged each and all of the Released Parties from any and  
19 all Released Claims. With respect to any claims pursuant to the Fair Labor Standards Act (“FLSA”),  
20 by cashing the Individual Settlement Payment, a Participating Class Member shall be deemed to have  
21 opted-in and to have, and by operation of the Judgment and final approval order shall have fully,  
22 finally, and forever released, relinquished, and discharged each and all of the Released Parties from  
23 any and all Released Claims arising under the FLSA.

24           40.     Plaintiffs and each and every Class Member who does not submit a timely Request for  
25 Exclusion shall be deemed to have acknowledged and agreed that: (i) their claims for missed meal and rest  
26 breaks, overtime compensation, minimum wages, wages for all hours worked, statutory and civil  
27 penalties, and any other payments and/or penalties in the Action are disputed; and (ii) the payments set  
28 forth in this Agreement constitute full payment of any amounts allegedly due to them. In light of the

1 payment by Defendants of all amounts due under this Agreement, Plaintiffs and the Participating Class  
2 Members shall be deemed to have acknowledged and agreed that California Labor Code section 206.5  
3 is not applicable to the Parties hereto. That section provides in pertinent part as follows.

4 **An employer shall not require the execution of any release of a release of a**  
5 **claim or right on account of wages due, or to become due, or made as an**  
6 **advance on wages to be earned, unless payment of those wages has been made.**

7 41. Each Class Member who does not submit a timely Request for Exclusion and opt out of  
8 this Settlement shall be deemed to have made the foregoing release as if by manually signing it. This  
9 Agreement does not release claims that cannot be released as a matter of law, including but not limited to  
10 claims for indemnity under California Labor Code Section 2802, workers' compensation benefits, or any  
11 right to file an application for award for original information submitted pursuant to Section 21F of the  
Securities Exchange Act of 1934.

12 42. Release as to the Class Representatives. Plaintiffs Cindy Araica and Kevin Estrada  
13 hereby fully and finally release and discharge Defendants and the Released Parties from any and all of  
14 the claims, including all liabilities, claims, causes of action, charges, complaints, grievances,  
15 obligations, costs, losses, liens, damages, injuries, attorneys' fees, and other legal responsibilities  
16 (collectively referred to as "claims"), of any form whatsoever, including, without limitation, any  
17 claims in law, equity, contract, tort, any alleged violation of public policy, or any claims under the  
18 California Labor Code, California Wage Orders, the California Government Code, the California  
19 Business and Professions Code, the Fair Labor Standards Act, the California Fair Employment and  
20 Housing Act, the Family and Medical Leave Act, the California Family Rights Act, the Employee  
21 Retirement Income Security Act, the Rehabilitation Act of 1973, the Age Discrimination in  
22 Employment Act, Title VII of the Civil Rights Act of 1964, as amended, the Americans with  
23 Disabilities Act, the California Minimum Wage Law, the Equal Pay Law for California, or any other  
24 local ordinance or federal or state statute, regulation or constitution, or any claims for health or  
25 medical insurance, wages, overtime, bonuses, vacation pay, severance pay, sick pay, penalties,  
26 punitive damages, or interest or any other compensation or benefits, whether known or unknown,  
27 unforeseen, unanticipated, unsuspected or latent, which Plaintiffs or Plaintiffs' successors in interest,  
28 as of the date on which the Court enters the order granting final approval of the Settlement, own or

1 hold, or have at any time heretofore owned or held, or may at any time own or hold by reason of any  
2 matter or thing arising from any cause whatsoever from the beginning of time up through the date on  
3 which the Court enters the order granting final approval of the Settlement (“Class Representative  
4 Released Claims”). With regard to the foregoing Class Representative Released Claims, Plaintiffs  
5 waive all rights under California Civil Code Section 1542, which states:

6 **A general release does not extend to claims that the creditor or releasing party**  
7 **does not know or suspect to exist in his or her favor at the time of executing the**  
8 **release and that, if known by him or her, would have materially affected his or**  
9 **her settlement with the debtor or released party.**

10 The Class Representatives’ general release shall cover the time period from the start of their  
11 employment with Defendants up to the Effective Date.

12 43. Tax Liability. The Parties make no representations as to the tax treatment or legal effect  
13 of the payments called for hereunder, and Participating Class Members are not relying on any  
14 statement or representation by the Parties in this regard. Participating Class Members understand and  
15 agree that they will be responsible for the payment of taxes and penalties assessed on the payments  
16 described herein and will hold the Parties free and harmless from and against any claims resulting  
17 from treatment of such payments, including the treatment of such payment as not subject to  
18 withholding or deduction for payroll and employment taxes.

19 44. Circular 230 Disclaimer. Each Party to this Stipulation (for purposes of this section,  
20 the “acknowledging party” and each Party to this Stipulation other than the acknowledging party, an  
21 “other party”) acknowledges and agrees that (1) no provision of this Stipulation, and no written  
22 communication or disclosure between or among the Parties or their attorneys and other advisers, is or  
23 was intended to be, nor shall any such communication or disclosure constitute or be construed or be  
24 relied upon as, tax advice within the meaning of United States Treasury Department circular 230 (31  
25 C.F.R part 10, as amended); (2) the acknowledging party (a) has relied exclusively upon his, her or its  
26 own, independent legal and tax counsel for advice (including tax advice) in connection with this  
27 Stipulation, (b) has not entered into this Stipulation based upon the recommendation of any other party  
28 or any attorney or advisor to any other party, and (c) is not entitled to rely upon any communication or  
disclosure by any attorney or adviser to any other party to avoid any tax penalty that may be imposed

1 on the acknowledging party; and (3) no attorney or adviser to any other party has imposed any  
2 limitation that protects the confidentiality of any such attorney's or adviser's tax strategies (regardless  
3 of whether such limitation is legally binding) upon disclosure by the acknowledging party of the tax  
4 treatment or tax structure of any transaction, including any transaction contemplated by this.

5 45. Preliminary Approval of Settlement. As soon as possible following execution of this  
6 Stipulation, Plaintiffs will file a Motion for Preliminary Approval of Class Action Settlement and  
7 request that the Court enter an Order granting Plaintiffs' Motion for Preliminary Approval of Class  
8 Action Settlement ("Preliminary Approval Order") for conditional certification of the Class for  
9 settlement purposes only and preliminary approval of the Settlement, and setting a date for the Final  
10 Approval Hearing. The Preliminary Approval Order will provide for the Class Notice to be sent to  
11 Class Members as specified herein.

12 46. Certification for Settlement Purposes Only. The Parties stipulate to certification of the  
13 Class for settlement purposes only. The Court has not ruled on class certification in the underlying  
14 litigation, the Settlement is not, and it should not be construed as, any admission of fact or law in this  
15 matter or any other matter that class certification is appropriate. If the Court does not grant either  
16 preliminary or final approval of the Settlement, then the Parties revert to their previous positions in the  
17 Action prior to the Settlement.

18 47. Settlement Administration. Within fifteen (15) calendar days after the date on which the  
19 Preliminary Approval Order is entered, Defendants will provide the Class Information to the  
20 Settlement Administrator.

21 a. Notice By First Class U.S. Mail. Upon receipt of the Class Information, the  
22 Settlement Administrator will perform a search based on the National Change of Address Database to  
23 update and correct any known or identifiable address changes. Within seven (7) calendar days after  
24 receiving the Class Information from Defendants as provided herein, the Settlement Administrator will  
25 mail copies of the Class Notice to all Class Members in English and Spanish via First Class U.S. Mail.  
26 The Settlement Administrator will exercise its best judgment to determine the current mailing address  
27 for each Class Member. The address identified by the Settlement Administrator as the current mailing  
28 address will be presumed to be the best mailing address for each Class Member.

1           b.       Undeliverable Class Notices. Any and all Class Notices returned to the  
2 Settlement Administrator as non-delivered on or before the Response Deadline will be re-mailed to  
3 any forwarding addresses affixed thereto. If no forwarding address is provided, the Settlement  
4 Administrator will promptly attempt to determine a correct address by use of skip-tracing, or other  
5 search using the name, address and/or Social Security number of the Class Member involved, and will  
6 then perform a re-mailing of the Class Notice to any alternative address that is identified by the  
7 Settlement Administrator. Class Members who receive a re-mailed Class Notice will have an  
8 additional fifteen (15) calendar days from the original Response Deadline to submit a request for  
9 exclusion to the Settlement, objection to the Settlement, and/or dispute.

10           c.       Disputes Regarding Compensable Workweeks and Individual Settlement  
11 Shares. Class Members who disagree with Defendants' records regarding their number of  
12 Compensable Workweeks and/or estimated Individual Settlement Share must provide documentation  
13 and/or an explanation showing contrary information directly to the Settlement Administrator by the  
14 Response Deadline. The dispute must: (1) contain the case name and number of the Action; (2)  
15 contain the Class Member's full name, address, telephone number, and last four digits of his or her  
16 Social Security number; (3) contain a clear statement explaining that the Class Member wishes to  
17 dispute the number of Compensable Workweeks credited to him or her and also stating the number of  
18 Compensable Workweeks that he or she contends is correct; and (4) attach documentation  
19 demonstrating that the Class Member was not credited with the correct number of Compensable  
20 Workweeks. The Settlement Administrator will in turn provide any such submissions by Class  
21 Members to the Parties. The Parties will meet and confer to determine whether adjustments to the  
22 Class Member's Compensable Workweeks and/or Individual Settlement Share are warranted. If the  
23 Parties are unable to reach an agreement as to a dispute, the Court will decide the outstanding issue.  
24 The Court's determination of the eligibility for and amount of any Individual Settlement Share will be  
25 binding upon the Class Member and the Parties. In the absence of circumstances indicating fraud,  
26 manipulation, negligence, or destruction, Defendants' records will be given a rebuttable presumption  
27 of accuracy.

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1           d.       Disputes Regarding Administration of Settlement. Any disputes not resolved by  
2 the Settlement Administrator concerning the administration of the Settlement will be resolved by the  
3 Court. Prior to any such involvement of the Court, counsel for the Parties will confer in good faith to  
4 resolve the disputes without the necessity of involving the Court.

5           e.       Requests for Exclusion. Class Members who wish to exclude themselves from  
6 the Settlement must submit a timely and valid request for exclusion from the Settlement to the  
7 Settlement Administrator at the specified address, postmarked by the Response Deadline. The request  
8 for exclusion must contain the following: (1) the case name and number of the Action; (2) the name,  
9 address, telephone number, and last four digits of the Social Security number of the person requesting  
10 exclusion; (3) a clear statement indicating that the Class Members seeks to exclude himself or herself  
11 from the Settlement; and (4) and the Class Member's signature. The date of the postmark on the  
12 return mailing envelope on the request for exclusion will be the exclusive means used to determine  
13 whether a request for exclusion has been timely submitted. Any Class Member who requests to be  
14 excluded from the Settlement will not be entitled to any recovery under the Settlement and will not be  
15 bound by the terms of the Settlement or have any right to object, appeal or comment thereon. Class  
16 Members who receive a Class Notice but fail to submit a valid and timely request for exclusion on or  
17 before the Response Deadline will be bound by all terms of the Settlement and any final Judgment  
18 entered in this Action if the Settlement is approved by the Court. No later than fourteen (14) calendar  
19 days after the Response Deadline, the Settlement Administrator will provide counsel for the Parties  
20 with a complete list of all members of the Class who have timely submitted requests for exclusion  
21 from the Settlement.

22           f.       Objections. Class Members who wish to object to the Settlement must submit a  
23 written statement of objection ("Notice of Objection") to the Settlement Administrator, postmarked by  
24 the Response Deadline. Any Notice of Objection must contain the following: (1) the case name and  
25 number of the Action; (2) the name, address, telephone number, and last four digits of the Social  
26 Security number of the person objecting to the Settlement; (3) a clear statement indicating that the  
27 individual seeks to object to the Settlement; (4) the specific legal and/or factual reason(s) in support of  
28 the objection; (5) a statement of whether the objector intends to appear at the Final Approval Hearing

1 and whether he or she is represented by counsel; and (6) the individual's signature. The date of the  
2 postmark on the Notice of Objection will be deemed the exclusive means for determining that a Notice  
3 of Objection was timely submitted. Any Class Member who submits a timely Notice of Objection will  
4 have a right to appear at the Final Approval Hearing in order to have his or her objections heard by the  
5 Court.

6 g. Settlement Administrator's Receipt of an Objection or Request for Exclusion.  
7 The Settlement Administrator shall (i) date stamp all original Requests for Exclusion and Notices of  
8 Objection to the Settlement that it receives; (ii) serve copies on Class Counsel and Defense Counsel no  
9 later than seven (7) calendar days after receipt, or immediately if received within seven (7) calendar  
10 days of the Final Approval Hearing; and (iii) provide to Class Counsel to file the date-stamped  
11 originals with the Clerk of the Court no later than seven (7) calendar days prior to the Final Approval  
12 Hearing or immediately if received less than seven (7) calendar days prior to the Final Approval  
13 Hearing. The Settlement Administrator shall also (i) date stamp all original rescissions of Requests for  
14 Exclusion and withdrawal of objections that it receives; (ii) serve copies on Class Counsel and  
15 Defense Counsel no later than seven (7) calendar days after receipt, or immediately if received within  
16 seven (7) calendar days of the Final Approval Hearing; and (iii) file (or provide to Class Counsel to  
17 file) the date-stamped originals with the Clerk of the Court no later than seven (7) calendar days prior  
18 to the Final Approval Hearing or immediately if received less than seven (7) calendar days prior to the  
19 Final Approval Hearing.

20 h. No Solicitation of Settlement Objections or Exclusions. The Parties agree to  
21 use their best efforts to carry out the terms of this Settlement. At no time will either of the Parties or  
22 their counsel seek to solicit or otherwise encourage a Class Member to opt out, object to the  
23 Settlement, or appeal from the Order granting final approval of the Settlement and/or final Judgment.  
24 Class Counsel will not represent any Class Members with respect to any such objections to the  
25 Settlement. At no time will any of the Parties or their counsel seek to solicit or otherwise encourage  
26 Class Members to submit requests for exclusion from the Settlement.

27 h. Class Information, and any other data provided by Defendants to the Settlement  
28 Administrator, will be treated as confidential and will not be used by the Settlement Administrator for

1 any purpose other than as permitted by this Stipulation. Further, the Settlement Administrator will use  
2 commercially reasonable efforts to secure the data provided by Defendants at all times so as to avoid  
3 inadvertent or unauthorized disclosure or use of such data other than as permitted by this Stipulation,  
4 and will destroy the data (and all copies of it) in a complete and secure manner when such data is no  
5 longer required for purposes of this Stipulation. At no time during the settlement process will any  
6 Class Member's address, telephone number or Social Security number be filed with the Court, except  
7 under seal as may be ordered by the Court. The Settlement Administrator will ensure that the Class  
8 Notice and any other communications to Class Members will not include the Class Members' Social  
9 Security numbers, except for the last four digits. Class Members may, however, be required to submit  
10 a Form W-4 or W-9 as required by the Settlement Administrator for tax reporting purposes.

11 48. Funding and Allocation of Gross Settlement Amount. This is a non-reversionary  
12 Settlement in which Defendants are required to pay the entire Gross Settlement Amount as specified in  
13 this Stipulation. No portion of the Gross Settlement Amount will revert to Defendants. Defendants'  
14 share of payroll taxes, including, but not limited to Defendants' FICA and FUTA contributions, will  
15 be paid separately by Defendants, and will not be derived from the Gross Settlement Amount.  
16 Defendants will not be called upon or required to contribute additional monies above the Gross  
17 Settlement Amount and Defendants' share of payroll taxes. Within fifteen (15) business days after the  
18 Effective Date, Defendants will provide to the Settlement Administrator the full amount of the Gross  
19 Settlement Amount and the employer's share of taxes to fully fund the Settlement.

20 49. Calculation of Individual Settlement Shares and Individual Settlement Payments.  
21 Individual Settlement Shares will be calculated and apportioned to Participating Class Members from  
22 the Net Settlement Amount pursuant to the settlement formula set forth herein.

23 a. The Settlement Administrator will calculate the number of Compensable  
24 Workweeks for each and every Participating Class Member.

25 b. The Settlement Administrator will divide each Participating Class Member's  
26 Compensable Workweeks by the total Compensable Workweeks for all Participating Class Members,  
27 resulting in a Payment Ratio for each Participating Class Member. Each Participating Class Member's  
28 Payment Ratio will then be multiplied by the Net Settlement Amount to determine his or her estimated

1 Individual Settlement Share.

2 c. Individual Settlement Shares will be allocated as follows: one-third (1/3) wages  
3 (“Wages Portion”), to be reported on IRS Form W-2; and two-thirds (2/3) penalties and interest, to be  
4 reported on IRS Form 1099. The Wages Portion of each Participating Class Member’s Individual  
5 Settlement Share will be reduced by the employee’s share of payroll taxes and withholdings, and the  
6 resulting amount is the Participating Class Member’s Individual Settlement Payment. The Settlement  
7 Administrator will provide, as appropriate, an IRS Form W-2 and Form 1099 to each Participating  
8 Class Member.

9 d. Individual Settlement Payments will be mailed by First Class U.S. Mail to the  
10 last known mailing address of each Participating Class Member within fourteen (14) calendar days  
11 after Defendants provide funds to the Settlement Administrator for disbursement under this  
12 Stipulation.

13 e. Any checks issued to Participating Class Members will remain valid and  
14 negotiable for one hundred and eighty (180) calendar days from the date of their issuance. After that  
15 time, the funds from any uncashed checks will be delivered by the Settlement Administrator to the  
16 Unclaimed Property Fund maintained by the California State Controller’s Office, to be held for the  
17 relevant Participating Class Member pursuant to California’s Unclaimed Property Law. Participating  
18 Class Members who fail to negotiate their Individual Settlement Payment checks in a timely fashion  
19 will remain subject to the terms of this Settlement and the final Judgment and release of Released  
20 Claims.

21 50. PAGA Payment. Subject to approval by the Court, the Parties agree that the amount of  
22 \$200,000 from the Gross Settlement Amount will be allocated toward penalties under the Private  
23 Attorneys General, California Labor Code Section 2698, *et seq.* (i.e., PAGA Payment) of which  
24 seventy-five percent (75%), or \$150,000, will be paid to the LWDA (i.e., the LWDA Payment) and  
25 twenty-five percent (25%) or, \$50,000, will be part of the Net Settlement Amount for distribution to  
26 Settlement Class Members.

27 51. Service Awards. Subject to approval by the Court, Plaintiffs will be paid Service  
28 Awards of up to seven thousand five hundred dollars (\$7,500.00) to each of them, for their time and

1 effort in bringing and prosecuting this matter. The Service Awards will be paid to Plaintiffs from the  
2 Gross Settlement Amount no later than fourteen (14) calendar days after Defendants provide funds to  
3 the Settlement Administrator for disbursement under this Stipulation. The Settlement Administrator  
4 will issue an IRS Form 1099-MISC to Plaintiffs for their Service Awards. Plaintiffs will be solely and  
5 legally responsible to pay any and all applicable taxes on their respective Service Awards and will  
6 hold harmless Defendants and the Released Parties from any claim or liability for taxes, penalties, or  
7 interest arising as a result of the Service Awards. The Service Awards will be paid to Plaintiffs in  
8 addition to their Individual Settlement Payments that Plaintiffs will receive as Participating Class  
9 Members. Any amount requested by Plaintiffs for the Service Awards and not awarded by the Court  
10 will be part of the Net Settlement Amount. Even in the event that the Court reduces or does not  
11 approve the requested Service Awards, Plaintiffs' releases as set forth in this Stipulation will remain  
12 binding.

13         52. Attorneys' Fees Award and Litigation Costs and Expenses. Defendants agree not to  
14 oppose or object to any application or motion by Class Counsel for attorneys' fees not to exceed thirty-  
15 five percent (35%) of the Gross Settlement Amount of \$1,700,000, or \$595,000.00. Defendants further  
16 agree not to oppose any application or motion by Class Counsel for reimbursement of litigation costs  
17 and expenses of up to twenty-five thousand dollars (\$25,000.00) from the Gross Settlement Amount  
18 associated with Class Counsel's prosecution of this matter. Class Counsel will be paid the Court-  
19 approved Attorneys' Fees Award and reimbursement of litigation costs and expenses, no later than  
20 fourteen (14) calendar days after Defendants provide funds to the Settlement Administrator for  
21 disbursement under this Stipulation. Class Counsel will be solely and legally responsible to pay all  
22 applicable taxes on the payment made pursuant to this paragraph. The Settlement Administrator will  
23 issue an IRS Form 1099-MISC to Class Counsel for the payments made pursuant to this paragraph.  
24 With respect to the Attorneys' Fees Award and reimbursement of litigation costs and expenses to  
25 Class Counsel, the Settlement Administrator may purchase an annuity to utilize United States  
26 Treasuries and bonds or other attorney fee deferral vehicles, for Class Counsel. Any additional  
27 expenses for the purchase of an annuity by the Settlement Administrator will be paid separately by  
28 Class Counsel and will not be included within the Settlement Administration Costs. The Settlement

1 is not contingent upon the Court awarding Class Counsel any particular amount in attorneys' fees and  
2 costs. In the event that the Court reduces or does not approve the fees or costs requested by Class  
3 Counsel, Class Counsel will not have the right to revoke this Stipulation. Any amount requested by  
4 Class Counsel for the Attorneys' Fees Award and not awarded by the Court will be part of the Net  
5 Settlement Amount. Any proceedings related to Class Counsel's application for attorneys' fees will  
6 not terminate or cancel the Settlement, or otherwise affect the finality of the order granting final  
7 approval of the Settlement. In the event that Class Counsel appeals the Court's decision regarding the  
8 Attorneys' Fees Award, the amount of fees approved by the Court and not in dispute will be  
9 distributed to Class Counsel on the 31st day following entry of the Judgment and order granting final  
10 approval of the Settlement and the amount of fees claimed by Class Counsel that are not approved by  
11 the Court and which are subject to an appeal by Class Counsel, if any, will, on the 31st day following  
12 entry of the Judgment and order granting final approval of the Settlement, be forwarded to the  
13 Settlement Administrator, who will be responsible for keeping those disputed funds until the appeal is  
14 resolved and distributing them in accordance with the decision stemming from the appeal. Any such  
15 appeal by Class Counsel will not hold up or in any way delay the distribution of the undisputed Net  
16 Settlement Amount to Participating Class Members or the distribution of the undisputed fees to Class  
17 Counsel. Defendants will not oppose Class Counsel's fee application in any appellate proceeding as  
18 long as the total amount of attorneys' fees sought by Class Counsel does not exceed \$595,000.00 and  
19 is sought from the Gross Settlement Amount.

20 53. Settlement Administration Costs. The Settlement Administrator will be paid for the  
21 costs of administration of the settlement in an amount not to exceed thirteen thousand dollars  
22 (\$13,000.00), as approved by the Court, from the Gross Settlement Amount. Prior to the filing of a  
23 motion for final approval of the Settlement, the Settlement Administrator will provide the Parties with  
24 a statement detailing the total Settlement Administration Costs. The Settlement Administrator will  
25 have the authority and obligation to make payments, credits and disbursements, including payments  
26 and credits to Participating Class Members in the manner set forth herein, calculated in accordance  
27 with the methodology set out in this Stipulation and orders of the Court. The Parties agree to  
28 cooperate with respect to the settlement administration process and to make all reasonable efforts to

1 control and minimize the cost and expenses incurred in administration of the Settlement.

2 54. The Parties each represent that they do not have any financial interest in the Settlement  
3 Administrator or otherwise have a relationship with the Settlement Administrator that could create a  
4 conflict of interest.

5 55. The Settlement Administrator will be responsible for: calculating Compensable  
6 Workweeks; processing and mailing payments to Plaintiffs, Class Counsel, and Participating Class  
7 Members; printing, translating, and mailing the Class Notice in English and Spanish to all  
8 Participating Class Members; preparing tax forms for the Participating Class Members as directed by  
9 the Court; receiving, processing, and reporting the requests for exclusion from the Settlement and  
10 objections to the Settlement submitted by Class Members; providing declaration(s) as necessary in  
11 support of preliminary and/or final approval of the Settlement; and other tasks as the Parties mutually  
12 agree or the Court orders the Settlement Administrator to perform. The Settlement Administrator will  
13 keep the Parties timely apprised of the performance of all Settlement Administrator responsibilities.

14 56. Declaration of Compliance. No later than twelve (12) calendar days before the Final  
15 Approval Hearing, the Settlement Administrator shall provide Defense Counsel and Class Counsel  
16 with a declaration attesting to completion of the notice process (and to any ongoing attempt to obtain  
17 valid mailing addresses for, and the re-sending of, any returned Class Notices), including the steps that  
18 the Settlement Administrator is required to take under this Agreement (“Declaration of Compliance”),  
19 which shall be filed with the Court by Class Counsel with the final approval motion. Compliance with  
20 the procedures described in this Section shall constitute due and sufficient notice of this proposed  
21 Settlement and the Final Approval Hearing, shall not be subject to objection or collateral attack by any  
22 person or entity, and shall satisfy the requirement of due process. Nothing else shall be required of the  
23 Parties, Class Counsel, Defense Counsel, or the Settlement Administrator to provide notice of the  
24 proposed Settlement and the Final Approval Hearing.

25 57. The Settlement Administrator will be paid the Settlement Administration Costs no later  
26 than fourteen (14) calendar days after Defendants provide funds to the Settlement Administrator for  
27 disbursement under this Stipulation.

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1           58.     Option to Terminate Settlement. If, within thirty (30) calendar days after the Response  
2 Deadline and before the Final Approval Hearing, five percent (5%) or more of the Class Members opt  
3 out of the Settlement, Defendants will have, in their sole discretion, the option to terminate the  
4 Settlement. In such event, Defendants reserve their right to oppose class certification and PAGA  
5 standing and on any and all grounds, without waiver of any arguments. If Defendants terminate the  
6 Settlement, they will be responsible for the Settlement Administration Costs incurred up to the date of  
7 termination. The option to terminate the Settlement must be exercised by way of written notice sent to  
8 Class Counsel

9           59.     Final Approval Hearing and Entry of Final Judgment. Upon expiration of the Response  
10 Deadline, a Final Approval Hearing will be conducted by the Court to ascertain the fairness,  
11 reasonableness, and adequacy of the Settlement and determine whether final approval of the  
12 Settlement will be granted, along with the amounts properly payable for (i) Attorneys' Fees Award,  
13 (ii) reimbursement of litigation costs and expenses, (iii) Service Awards, (iv) Individual Settlement  
14 Payments, (v) PAGA Payment, and (vi) Settlement Administration Costs.

15           60.     Nullification of Settlement Agreement. In the event: (i) the Court does not enter the  
16 Preliminary Approval Order; (ii) the Court does not grant final approval of the Settlement; (iii) the  
17 Court does not enter a final Judgment as provided herein; or (iv) the Settlement does not become final  
18 for any other reason, this Stipulation, the Memorandum of Agreement executed on April 1, 2020, and  
19 the Settlement will each be null and void and any order or judgment entered by the Court in  
20 furtherance of the Settlement will be treated as void from the beginning. In such a case, the Parties  
21 and any funds to be awarded under the Settlement will be returned to their respective statuses as of the  
22 date and time immediately prior to the execution of this Stipulation, and the Parties will proceed in all  
23 respects as if this Stipulation had not been executed. In the event that an appeal is filed from the  
24 Court's final Judgment, or any other appellate review is sought, administration of the Settlement will  
25 be stayed pending final resolution of the appeal or other appellate review.

26           61.     No Effect on Employee Benefits. Amounts paid to Plaintiffs or other Participating  
27 Class Members pursuant to this Stipulation will be deemed not to be pensionable earnings and will not  
28 have any effect on the eligibility for, or calculation of, any of the employee benefits (e.g., vacations,

1 holiday pay, retirement plans, etc.) of Plaintiffs or Participating Class Members.

2 62. No Admission By the Parties. Defendants deny any and all claims alleged in this Action  
3 and deny all wrongdoing whatsoever. This Stipulation is not a concession or admission, and will not  
4 be used against Defendants or any of the Released Parties as an admission or indication with respect to  
5 any claim of any fault, concession or omission by Defendants or any of the Released Parties.

6 63. Exhibits and Headings. The terms of this Stipulation include the terms set forth in any  
7 attached Exhibits, which are incorporated by this reference as though fully set forth herein. Any  
8 Exhibits to this Stipulation are an integral part of the Settlement. The descriptive headings of any  
9 paragraphs or sections of this Stipulation are inserted for convenience of reference only and do not  
10 constitute a part of this Stipulation.

11 64. Plaintiffs and Class Counsel are not currently aware of any unalleged claims in addition  
12 to, or different from, those which are finally and forever settled and released against the Released  
13 Parties by the Settlement, and unalleged facts or legal theories upon which any claims or causes of  
14 action could be brought against the Released Parties, except such facts and theories specifically  
15 alleged in the Complaints. Plaintiffs and Class Counsel represent that, other than the Action, they have  
16 no current intention of asserting any other claims against Defendants in any judicial or administrative  
17 forum. Plaintiffs and Class Counsel do not currently know of or represent any other persons who have  
18 expressed any interest in pursuing litigation or seeking any recovery against the Released Parties. The  
19 Parties acknowledge, understand, and agree that the representations described in this Paragraph are  
20 essential to the Agreement and that this Agreement would not have been entered into were it not for  
21 these representations.

22 65. Confidentiality.

23 a. Media Comment. The Parties and their respective counsel agree that the terms  
24 of this Settlement (including, but not limited to, any settlement amounts), the negotiations leading to  
25 the Settlement, and all documents related to the Settlement, will not be discussed with, publicized, or  
26 promoted to the media. The Parties and their counsel agree that they will not directly or indirectly  
27 issue any press release, directly or indirectly comment via any form of social media, hold any press  
28 conference, initiate any contact with any members of the news media – including, but not limited to,

1 any radio or television stations, newspapers, or magazines—regarding the Settlement between the  
2 Parties, this Stipulation, or the negotiations of the Stipulation. In response to any inquiries, including  
3 those from media outlets, concerning the settlement, the Parties and their respective counsel agree that  
4 they will simply respond by stating “the matter has resolved.”

5           b.       Class Counsel Marketing. Class Counsel agrees not to use Defendants’ name or  
6 any of the Released Parties’ names in marketing materials. Class Counsel and the Class  
7 Representative will not make any posting on any website, instant message site, blog, or social  
8 networking/social media site that uses Defendants’ name or any of the Released Parties’ names, and  
9 will not list or refer to the Action in any website, mailings, publicity, or other similar fora or materials.  
10 Notwithstanding the foregoing, nothing in this Settlement Agreement shall restrict Class Counsel from  
11 disclosing and including all publicly available information regarding this case and the Settlement in  
12 any documents filed with any court and/or judicial submissions (e.g., CV’s, declarations regarding  
13 adequacy or experience, etc.).

14       66.       Interim Stay of Proceedings. The Parties agree to stay all proceedings in the Action,  
15 except such proceedings necessary to implement and complete the Settlement, pending the Final  
16 Approval Hearing to be conducted by the Court.

17       67.       Amendment or Modification. This Stipulation may be amended or modified only by a  
18 written instrument signed by counsel for all Parties or their successors-in-interest and approved by the  
19 Court.

20       68.       Entire Agreement. This Stipulation and any attached exhibits constitute the entire  
21 agreement among the Parties, and no oral or written representations, warranties or inducements have  
22 been made to either Party concerning this agreement or its exhibits other than the representations,  
23 warranties and covenants contained and memorialized in this Stipulation and its exhibits.

24       69.       Authorization to Enter Into Settlement Agreement. The respective signatories to this  
25 Stipulation warrant and represent they are fully authorized to enter into this Settlement Agreement and  
26 bind the respective Parties to its terms and conditions. The Parties and their counsel will cooperate  
27 with each other and use their best efforts to effect the implementation of the Settlement. The person  
28 signing this Stipulation on behalf of Defendants represents and warrants that he or she is authorized to

1 sign this Stipulation on behalf of Defendants. Plaintiffs represent and warrants that they are  
2 authorized to sign this Stipulation and that they have not assigned any claim, or part of a claim,  
3 covered by the Settlement to a third-party.

4 70. Binding on Successors and Assigns. This Stipulation will be binding upon, and inure to  
5 the benefit of, the successors or assigns of the Parties hereto, as previously defined.

6 71. Interpretation. This Stipulation will be construed as a whole according to its fair  
7 meaning. It will not be construed strictly for or against any Party. Unless the context indicates  
8 otherwise, the term “or” shall be deemed to include the term “and,” and the singular or plural number  
9 shall be deemed to include the other. Captions and headings are intended solely for convenience of  
10 reference and will not be used in the interpretation of this Stipulation.

11 72. Governing Law. All terms of this Stipulation and the exhibits hereto will be governed  
12 by and interpreted according to the laws of the State of California.

13 73. Counterparts. This Stipulation may be executed in one or more counterparts. All  
14 executed counterparts and each of them will be deemed to be one and the same instrument.

15 74. The Settlement Is Fair, Adequate and Reasonable. The Parties and their counsel  
16 believe the Settlement is a fair, adequate and reasonable settlement of this Action and have arrived at  
17 the Settlement after extensive arms-length negotiations, taking into account all relevant factors,  
18 present and potential.

19 75. Jurisdiction of the Court. The Court will retain jurisdiction with respect to the  
20 interpretation, implementation and enforcement of the terms of this Stipulation and all orders and  
21 judgments entered in connection therewith, and the Parties and their counsel hereto submit to the  
22 jurisdiction of the Court for purposes of interpreting, implementing and enforcing the settlement  
23 embodied in this Stipulation and all orders and judgments entered in connection therewith. The  
24 Parties and their counsel agree and will request that the Los Angeles County Superior Court reserve  
25 jurisdiction under California Code of Civil Procedure section 664.6 to enforce this Stipulation and the  
26 Parties’ agreements thereunder.

27 76. Invalidity of Any Provision. Before declaring any provision of this Stipulation invalid,  
28 the Court will first attempt to construe the provisions valid to the fullest extent possible consistent with

1 applicable precedents so as to define all provisions of this Stipulation valid and enforceable. If the  
2 Court holds any provision of this Stipulation to be illegal, unenforceable, or invalid in whole or in part  
3 for any reason, the offending provisions will be modified to the minimum extent necessary to make  
4 this Stipulation lawful and the validity and enforceability of the remaining provisions, or portions of  
5 them, will not be affected.

6 **IT IS SO STIPULATED.**

7  
8 Dated: September 29, 2020, 2020

By:   
CINDY ARAICA, Plaintiff

11 Dated: \_\_\_\_\_, 2020

By: \_\_\_\_\_  
KEVIN ESTRADA, Plaintiff

14 Dated: October 6, 2020, 2020

By:   
DIGITAL ROOM, LLC, Defendant  
NAME: Brett Zane  
TITLE: President & Chief Financial Officer

18 Dated: October 6, 2020, 2020

By:   
AMC ACQUISITION, LLC, Defendant  
NAME: Brett Zane  
TITLE: President & Chief Financial Officer

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1 applicable precedents so as to define all provisions of this Stipulation valid and enforceable. If the  
2 Court holds any provision of this Stipulation to be illegal, unenforceable, or invalid in whole or in part  
3 for any reason, the offending provisions will be modified to the minimum extent necessary to make  
4 this Stipulation lawful and the validity and enforceability of the remaining provisions, or portions of  
5 them, will not be affected.

6 **IT IS SO STIPULATED.**

7  
8 Dated: \_\_\_\_\_, 2020

By: \_\_\_\_\_  
CINDY ARAICA, Plaintiff

9  
10 October 06, 2020

11 Dated: \_\_\_\_\_, 2020

By:   
KEVIN ESTRADA, Plaintiff

12  
13  
14 Dated: \_\_\_\_\_, 2020

By: \_\_\_\_\_  
DIGITAL ROOM, LLC, Defendant

NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

15  
16  
17  
18 Dated: \_\_\_\_\_, 2020

By: \_\_\_\_\_  
AMC ACQUISITION, LLC, Defendant

NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

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1 **APPROVED AS TO FORM:**

2 Dated: October 6, 2020, 2020

**LAWYERS *for* JUSTICE, PC**

3  
4 By:   
5 Edwin Aiwazian  
6 Arby Aiwazian  
7 *Attorneys for* Plaintiffs Cindy Araica and  
Kevin Estrada

8 Dated: \_\_\_\_\_, 2020

**TORABIAN LAW, P.C.**

9  
10 By: \_\_\_\_\_  
11 Roxanne Torabian-Bashardoust  
12 *Attorneys for* Defendants Digital Room,  
LLC and AMC Acquisition, LLC

13 Dated: \_\_\_\_\_, 2020

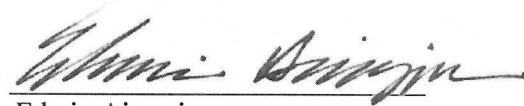
**AKERMAN, LLP**

14  
15 By: \_\_\_\_\_  
16 Marissa Alguire  
17 *Attorneys for* Defendants Digital Room,  
18 LLC and AMC Acquisition, LLC  
19  
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1 **APPROVED AS TO FORM:**

2 Dated: October 6, 2020, 2020

**LAWYERS for JUSTICE, PC**

3  
4  
5 By: 

Edwin Aiwazian  
Arby Aiwazian  
*Attorneys for* Plaintiffs Cindy Araica and  
Kevin Estrada

6  
7 Dated: October 6, 2020

**TORABIAN LAW, P.C.**

8  
9  
10 By: 

Roxanne Torabian-Bashardoust  
*Attorneys for* Defendants Digital Room,  
LLC and AMC Acquisition, LLC

11  
12 Dated: October 6, 2020

**AKERMAN, LLP**

13  
14  
15 By: 

Marissa Alguire  
*Attorneys for* Defendants Digital Room,  
LLC and AMC Acquisition, LLC

## **Exhibit 1**

## **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](http://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.**