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Attorneys for Plaintiff

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN MATEO

SEYED RAMIN ASBAGHI, individually, and on behalf of other aggrieved employees pursuant to the California Private Attorneys General Act,

Plaintiff,

vs.

PUTNAM CHEVROLET CADILLAC, INC., a California corporation; CHEVROLET CADILLAC, LLC, a California limited liability company; PUTNAM GM, an unknown business entity; and DOES 1 through 100, inclusive,

Defendants.

Case No.: 21-CIV-04343

Honorable Jeffrey R. Finigan
Department 24

DECLARATION OF VARTAN MADOYAN IN SUPPORT OF PLAINTIFF'S NOTICE OF RENEWED MOTION FOR APPROVAL OF PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT AGREEMENT AND AWARD OF ATTORNEYS' FEES AND COSTS, GENERAL RELEASE FEE, AND SETTLEMENT ADMINISTRATION COSTS

Hearing Date: August 8, 2025
Hearing Time: 2:00 p.m.
Department: 24

Complaint Filed: August 12, 2021
Trial Date: None Set

DECLARATION OF VARTAN MADOYAN

I, Vartan Madoyan, 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 Plaintiff Seyed Ramin Asbaghi ("Plaintiff"). 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.

LITIGATION AND REPRESENTATIVE AND CLASS ACTION EXPERIENCE

2. For over a decade, Lawyers *for* Justice, PC has almost exclusively focused on the prosecution of consumer and employment class actions, involving wage-and-hour claims, race discrimination, unfair business practices, or consumer fraud. Currently, Lawyers *for* Justice, PC is the attorney of record in well over a dozen employment-related putative class actions in both state and federal courts in the State of California. Lawyers *for* Justice, PC is comprised of attorneys who focus on litigating complex wage-and-hour class and Private Attorneys General Act ("PAGA") representative actions. Lawyers *for* Justice, PC has successfully litigated cases involving the executive, administrative, and other overtime exemptions to the State of California and federal overtime compensation requirements. Lawyers *for* Justice, PC has recovered, sometimes, in association with other law firms, millions of dollars on behalf of thousands of individuals in California.

3. Edwin Aiwazian is a Managing Member and Shareholder of Lawyers for Justice, PC. He received his Bachelor of Arts degree from Pepperdine University in April of 1999 and earned a Juris Doctor degree from Pepperdine University School of Law in May of 2004. He has 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, he has previously served as a pro bono mediator for the Los Angeles County Superior Court. In October of 2000, he obtained a Litigation Paralegal Certificate from the UCLA Extension Program. During the summer of 2000, he studied Legal Writing at Harvard University. From

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approximately September 2002 to approximately December 2002, he 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, he served as a Judicial Extern to the Honorable Earl Johnson, Jr. of the California Court of Appeal for the Second Appellate District. In December of 2004, he obtained a license to practice law from the California State Bar. Since in or around October of 2008, through his work at Lawyers for Justice, PC, he has almost exclusively focused on the prosecution of consumer and employment class actions. While employed by Lawyers for Justice PC, he has argued over one hundred (100) motions, taken or defended over one hundred fifty (150) depositions, prepared dozens of expert witnesses for deposition or trial, and attended over one hundred seventy-five (175) mediations. Together with other attorneys at the firm, and in some cases in conjunction with co-counsel, he has successfully litigated cases involving the executive, administrative, and other overtime exemptions to the State of California and federal overtime compensation requirements. Under his supervision, Lawyers for Justice, PC has successfully obtained class certification by contested motion practice in approximately sixteen (16) cases in the last decade, and litigated over 1,000 class action or representative action cases.

4. Arby Aiwazian is a Member and Shareholder of Lawyers for Justice, PC. He received his Bachelor of Arts degree from University of California, Los Angeles and graduated magna cum laude. He earned a Juris Doctor degree, cum laude, from Southwestern Law School. From approximately May 2007 to approximately July 2007, he served as a Judicial Extern to the Honorable Earl Johnson, Jr. of the California Court of Appeal for the Second Appellate District. From approximately August 2008 to approximately December 2008, he served as a Judicial Extern to the Honorable Kim McLane Wardlaw of the United States Court of Appeals for the Ninth Circuit. He was admitted to practice law in California in 2010. He is admitted to practice before all courts of the State of California and all United States District Courts in the State of California. He has worked on many wage-and-hour class action and representative action cases, taking the lead in taking and defending depositions, arguing motions, and attending mediations.

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He has played an integral role in preparing matters for class certification, including and not limited to, successful certification of a class in *Upson v. Sur La Table* (Los Angeles County Superior Court Case No. BC424012), *Montazemi v. Regus Management* (Los Angeles County Superior Court Case No. BC478769), and *Abdulhaqq v. Urban Outfitters* (Alameda County Superior Court Case No. RG13680477). Under his supervision, dozens of class action or representative action cases have resulted in settlements that have been granted court approval. He has handled over one hundred and fifty (150) mediations and worked on over two hundred and fifty (250) class action or representative action cases which have resulted in settlement.

5. Joanna Ghosh is a Managing Member of Lawyers *for* Justice, PC. She received a Bachelor of Arts degree from California State University, Los Angeles in 2006, a Master of Science degree from the London School of Economics in 2007, and a Juris Doctor degree from Georgetown University Law Center in 2010. She is admitted to practice in California (since 2010) and in New York (since 2013) and She is also admitted to practice in all U.S. District Courts in California, the U.S. Bankruptcy Court for the Central District of California, and the U.S. Supreme Court. She has taken and defended dozens of depositions and successfully handled motion practice in class action cases regarding discovery (including and not limited to, regarding class contact information), class certification (both contested class certification and stipulated class certification), arbitration agreements, coordination, and intervention. She has successfully handled briefing and oral argument on appeal and obtained notable decisions regarding Private Attorneys General Act claims and employer efforts to compel arbitration of such claims, e.g., *Roberto Betancourt v. Prudential Overall Supply* (Cal. Ct. App., Mar. 7, 2017) 9 Cal.App.5th 439, cert. denied (Cal., May 24, 2017), cert. denied (U.S., Dec. 11, 2017) and *ZB, N.A. v. Superior Court* (2019) 8 Cal.5th175. She has significant experience with class actions, including and not limited to working on cases to obtain class certification through contested motion practice and working on cases in the post-certification stage (e.g., post-certification discovery, appeal, statistical sampling and pilot study, and trial preparation in conjunction with co-counsel in a case involving a certified class consisting of approximately 2,600 individuals).

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She has extensive experience with class action and/or representative action settlements, and has handled this process in over five hundred (500) cases. Under her, Edwin Aiwazian, and Arby Aiwazian's supervision, Lawyers *for* Justice, PC has handled the class certification and court approval process for hundreds of class action and/or representative action matters that have successfully resolved. She is a member of the California Employment Lawyers Association and, on several occasions, has been a speaker regarding topics in wage and hour law at the organization's continuing legal education events.

6. I am a Member of Lawyers *for* Justice, PC. I received my Bachelor of Arts degree in Economics from the University of California, San Diego in 2007, and a Juris Doctor degree from Loyola Law School in 2011, graduating with Cum Laude and Order of the Coif honors. I am admitted to practice before all courts in the State of California and all U.S. District Courts in California. I externed for the Honorable Victoria S. Kaufman of the United States Bankruptcy Court, Central District of California, from June 2009 to August 2009. I externed for the Honorable Gary A. Feess of the United States District Court, Central District of California, from January 2010 to May 2010. From 2011 through and including the present, my practice consisted almost exclusively of complex wage and hour class action and PAGA action matters in California. From October 2011 to June 2013, I was an Associate at Littler Mendelson's Century City, California office, working for one of the largest employer-side labor and employment law firms in the United States. From July 2013 to March 2014, I was an Associate at Sheppard, Mullin, Richter & Hampton's Century City, California office. From March 2014 to July 2023, I worked as an Associate and then as Counsel at Baker Hostetler LLP's Los Angeles office. From August 2023 to the present, I have been a Member of Lawyers *for* Justice, PC. I have taken and defended dozens of depositions and has successfully handled motion practice in class action and PAGA cases regarding discovery (including and not limited to motions regarding class contact information), class certification (both contested class certification and stipulated class certification), dispositive motions, arbitration agreements, coordination, and intervention. I have successfully handled a complex wage and hour class action and PAGA case through a trial

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verdict in the matter of *Estrada v. Royalty Carpet Mills*, Orange County Superior Court, Case No. 30-2013-00692890. I also successfully handled briefing on appeal regarding employer efforts to compel arbitration. *TitleMax of Cal. v. Pena*, California Court of Appeals for the Fifth District, Case No. F084706 (Cal. Ct. App. March 28, 2023) (unpublished decision). Further, I have extensive experience with settlements of class actions and PAGA actions and have handled and supervised this process in over one hundred (100) cases.

7. Lizeth Marin is a Member of Lawyers *for* Justice, PC. She received her Bachelor of Science degree from the University of Oregon in 2015 and earned her Juris Doctor degree from Lewis & Clark Law School in 2018. She was admitted to practice law in California in 2025. She is also admitted to practice law in the state of Oregon and all federal district courts in the state of Oregon. From 2021 through 2023 she was an associate at a nationally ranked AM Law 100 firm. She has worked on dozens of wage-and-hour class action and PAGA representative cases, and her work includes drafting pleadings and motions, evaluating and analyzing claims, negotiating and drafting settlement agreements, and representing clients in court hearings.

PROCEDURAL HISTORY AND BACKGROUND REGARDING THE LAWSUIT

8. Defendant is a car dealership located in Burlingame, California, focused on selling primarily Chevrolet cars. Plaintiff is a former employee of Defendant.

9. Prior to commencing this lawsuit, on November 3, 2020, as required by California Labor Code section 2699.3, Plaintiff provided the LWDA and Defendant with written notice of his intent to assert claims under PAGA[1] and the basis for those claims, and subsequently submitted an amended letter on November 19, 2020 (together, the "PAGA Notice"). The

[1] Unless otherwise specified, all citations and references to the PAGA statute contained herein are to the version of the statute prior to the recent amendment effective July 1, 2024; the amended statute does not apply to the above-captioned action and the Settlement pursuant to California Labor Code § 2699(v)(1), as amended, because the above-captioned action was filed prior to June 19, 2024. It is worth noting that the recent amendment of the PAGA statute enacted on July 1, 2024, adopting, *inter alia*, modified standing requirements, codifying a manageability requirement, capping civil penalties that can be assessed against an employer if an employer meets certain conditions, and allowing an employer to cure violations to avoid the assessment of civil penalties if an employer meets certain conditions, has created uncertainty regarding the future of claims for civil penalties under PAGA. As such, at the time that the Parties reached the settlement, and also now, there is uncertainty regarding the PAGA claim.

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LWDA did not respond to the PAGA Notice. A true and correct copy of Plaintiff's November 3, 2020 letter is attached to the Declaration of Vartan Madoyan as "**EXHIBIT 2**." A true and correct copy of Plaintiff's November 19, 2020 letter is attached to the Declaration of Vartan Madoyan as "**EXHIBIT 3.**"

10. On August 12, 2021, Plaintiff filed a Complaint for Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq. ("Complaint" and/or "Operative Complaint") against Defendant in the San Mateo County Superior Court ("Court"), Case No. 21-CIV-04343 (the "Action").

11. Plaintiff core allegation is that Defendant has violated the California Labor Code and is subject to civil penalties pursuant to PAGA by engaging in a uniform practice and procedure, with respect to Plaintiff and other aggrieved employees, of, *inter alia*, failing to pay overtime and minimum wages, failing to provide compliant meal and rest periods and associated premiums, failing to pay timely wages during employment and upon termination of employment, failing to provide complete and accurate itemized wage statements, failing to keep complete and accurate payroll records, and failing to reimburse necessary business-related expenses and costs.

12. On October 28, 2021, Defendant filed an Answer to the Operative Complaint. Defendant maintained, and continue to maintain, that they had, and continue to have, legally-compliant employment policies and practices throughout the time period at issue. Defendant denies that they ever violated any provision of the California Labor Code, including, but not limited to, those sections for which Plaintiff seeks penalties under the PAGA.

13. On April 12, 2023, the Plaintiff and Defendant (the "Parties") participated in a full-day mediation conducted by Jill R. Sperber, Esq. a well-respected mediator experienced in mediating complex labor and employment matters. With the aid of the mediator, the Parties reached the Settlement described herein. Prior to the mediation the Parties engaged in extensive informal discovery in order to prepare for the mediation.

14. On September 18, 2024 Plaintiff filed its Motion for Approval of Private Attorneys General Act, Settlement Agreement, Awards of Attorneys' Fees and Costs, General

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Release Fee, and Settlement Administration Costs ("Unopposed Original Motion for Approval") and noticed the Original Motion for Approval for October 11, 2024.

15. On October 11, 2024, in the Minute Order the Court adopted its Tentative Ruling (October 11, 2024 Minute Order"). The Minute Order, without prejudice, denied Plaintiff's Unopposed Original Motion for Approval and provided Plaintiff with the following instructions (which Plaintiff has complied with by way of his Renewed Motion) on additional information necessary for a Renewed Motion for Approval in order to aid the court in determining the reasonableness of the settlement:

a) That the Renewed Motion be cut down to 15 pages or less or that Plaintiff request permission 24 hours in advance of filing the Renewed Motion.
b) Plaintiff provide calculations of PAGA penalties and/or the deterrent effect of the settlement.
c) Plaintiff provide an estimated average and/or median recovery of each aggrieved employee.
d) Plaintiff should submit a spreadsheet of hours worked in order for the court to perform a lodestar cross-check.
e) Further information regarding why Plaintiff should receive $7,500 as a general release, instead of $5,000 general release, including the average individual settlement payment to assess the reasonableness of this fee.
f) A declaration from the settlement administrator discussing its qualifications to serve as an administrator as well as the details of its proposal. (See MPA, p. 26: 13-22).
g) The parties should consider designating a cy pres recipient.

THE SETTLEMENT REACHED IN THE ACTION

16. Marked and attached hereto as "**EXHIBIT 1**" is the Amendment No. 1. to Private Attorneys General Act Settlement Agreement and Limited Release, (together with Private Attorneys General Act Settlement Agreement and Limited Release, is referred to as "Settlement," "Agreement," or "Settlement Agreement"), entered into between Plaintiff Seyed Ramin Asbaghi, for himself and on behalf of the State of California and other aggrieved employees pursuant to the Private Attorneys General Act, and Defendant Putnam Chevrolet Cadillac, LLC ("Defendant"). The Agreement also contemplates, and Plaintiff has provided, a letter ("Cover Letter") for mailing to PAGA Employees at the same time that PAGA Employee Funds are distributed to them, in substantially the form attached as "EXHIBIT A" to the [Proposed] Order and Judgment Granting Approval of Private Attorneys General Act Settlement

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Agreement, filed concurrently with the Renewed Motion. The Court is respectfully requested to approve the proposed Cover Letter.

17. The PAGA Employees covered by the Settlement consist of the following individuals:

> All current and former hourly-paid or non-exempt employees who were employed by Defendants within the State of California, including but not limited to such employees who eared commissions/shift differentials/non-discretionary bonuses/non-discretionary performance pay which were not used to calculate the correct regular rate of pay used to calculate the overtime rate ("Aggrieved Employees in Subgroup A"), and all current and former salaried internet sales managers, internet directors, vehicle salespersons, or persons who held similar job titles and/or performed similar job duties, misclassified as "exempt" who were employed by Defendants within the State of California ("Aggrieved Employees in Subgroup B") (Aggrieved Employees in Subgroup A and Aggrieved Employees in Subgroup B, collectively hereinafter referred to as the "PAGA Employees") which were employed at any time during the PAGA Release Period ("PAGA Employees").

The "PAGA Period" means the period between November 19, 2019, through May 31, 2023. At the time of the execution of the Private Attorneys General Act Settlement Agreement and Limited Release ("Original Settlement Agreement"), executed on approximately January 24, 2024, Defendant represented that there were approximately one hundred and forty-one (141) PAGA Employees who worked approximately 5,700 Pay periods.

18. Plaintiff has satisfied the prerequisites under California Labor Code section 2699.3(a), including, and not limited to, providing the California Labor and Workforce Development Agency ("LWDA") and the employer with written notice of the specific provisions of the California Labor Code that are alleged to have been violated, including the facts and theories to support the alleged violations, by way of written correspondence on November 3, 2020, and subsequently submitting an amended letter on November 19, 2020 (together, the "PAGA Notice"). The PAGA Notice was sent by U.S. Certified Mail to the employer and was submitted to the LWDA by way of online submission on the LWDA's website. The LWDA did not respond to the PAGA Notice that was sent on behalf of Plaintiff. A true and correct copy of

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the November 3, 2020 PAGA Notice is attached hereto as "**EXHIBIT 2**." A true and correct copy of Plaintiff's November 19, 2020 letter is attached hereto as "**EXHIBIT 3.**"

19. The Settlement provides for the gross amount of Five Hundred Seventy Thousand Dollars and Zero Cents ($570,000.00), plus an additional amount if the Escalator Clause is triggered, see paragraph 5.1.1, which Defendant will pay under the Settlement. On approximately May 9, 2025, Defendant provided additional information which indicated that the Escalator Clause may be triggered, as it provided updated estimates of approximately 192 PAGA Employees and a total of 6,446 semi-monthly pay periods, which if confirmed by the Settlement Administrator (following Court approval) would make increase the Gross Settlement Fund to Five Hundred Eighty Six Thousand Dollars and Zero Cents ($586,000.000).

20. The Settlement Agreement provides that the "Net PAGA Settlement Fund" equals the Gross Settlement Fund less the court approved (1) Attorneys' Fees and Costs in the amount of 40% of the Gross Settlement Fund, and no more than $20,000.00 for reimbursement of litigation costs and expenses to Lawyers for Justice, PC ("Plaintiff's Counsel"). Plaintiff's Counsel is only requesting $11,386.86 for costs, the excess amount will be allocated to the Net PAGA Settlement Fund; (2) General Release Fee of $7,500.00 to Plaintiff; and (3) Settlement Administration Costs up to a maximum of $10,000.00 to the Settlement Administrator. The Settlement Administrator is only requesting $2,750.00, the excess amount will be allocated to the Net PAGA Settlement Fund. After obtaining multiple settlement administration bids from third-party administration companies, the parties have agreed to retain Simpluris, Inc. ("Simpluris" or "Settlement Administrator") to handle the administration of the Settlement, based on the Parties' positive experience with Simpluris and the fact that Simpluris provided the most cost-efficient bid. Thus, the Court is respectfully requested to appoint Simpluris to serve as the Settlement Administrator. Assuming that the requested Attorneys' Fees and Costs, General Release Fee, Settlement Administration Costs, are approved by the Court, the Net PAGA Settlement Fund is estimated to be approximately $320,363.14, subject to additional increase if the escalator clause is triggered. The Net PAGA Settlement Fund will be distributed to the LWDA and the PAGA

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Employees pursuant to California Labor Code section 2699(i). Seventy-five percent (75%) of the Net PAGA Settlement Fund will be distributed to the LWDA, which is estimated to be $240,272.35 ("LWDA PAGA Payment"), and twenty-five percent (25%) of the Net PAGA Settlement Fund, which is estimated to be $80,090.79 ("PAGA Employees Fund"), will be distributed to the PAGA Employee. These amounts may also increase if the escalator clause is triggered.

21. Each PAGA Employee's payment will vary based on a *pro rata* basis, depending on the number of semi-monthly pay period (or their equivalent) that he or she worked for Defendant or any Release Party in the State of California during the PAGA Period. Based on the data provided by Defendant, the average recovery will be at least $417.14 for each PAGA Employee ($80,090.80 PAGA Employee Fund / 192 PAGA Employees).

THE LITIGATION AND WORK PERFORMED BY PLAINTIFF'S COUNSEL

22. The effectiveness of Plaintiff's Counsel, Lawyers for Justice, PC , in prosecuting this case has translated into tangible monetary benefits for Plaintiff, PAGA Employees, and the State of California in the following respects: (1) their recoveries over a reasonably short period of time as opposed to waiting additional years for the same, or possibly, a worse, result; (2) a guaranteed result that compares favorably with other similar representative action settlements; and (3) significant savings in fees and costs which would have only increased significantly had the case progressed through trial and/or appeals.

23. After engaging in extensive investigations, informal discovery, and exchange of information, the parties participated in settlement negotiations to try to resolve the above-captioned lawsuit. These efforts included participating in a full-day mediation on April 12, 2023, conducted by Jill R. Sperber, Esq., a well-respected mediator experienced in mediating complex labor and employment matters. With the aid of the mediator, the parties reached the Settlement described herein. In the course of mediation and settlement negotiations, the parties discussed all aspects of the case, including the risks and delays of further litigation and proceeding with trial, as well as the law relating to representative PAGA actions,

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misclassification claims, off-the-clock theory, meal and rest periods, wage-and-hour enforcement, arbitration agreements, the evidence produced and analyzed, and the possibility of bifurcation of discovery and/or trial and appeals, among other things. During all settlement discussions, the Parties conducted their negotiations at arm's length in an adversarial position. The Parties reached a settlement at mediation, with the aid of the mediator's evaluation.

24. Prior to reaching the Settlement, the Parties investigated the veracity, strength, and scope of the PAGA claim and allegations, and were preparing for trial. Plaintiff conducted significant investigation and informal discovery and exchange of information, documents, and data regarding the facts of the case, including and not limited to, the review, consideration, and analysis of a large volume of information, documents, and data obtained from Plaintiff, Defendant, and other sources. The information, documents, and data that were reviewed and analyzed by Plaintiff's Counsel included, and were not limited to, Plaintiff's Personnel File; detailed samplings of PAGA Employees' time, payroll, and earnings records; multiple iterations of applicable Employee Handbooks and relevant employment policies and practices; and relevant employment forms, agreements, and acknowledgments, among other documents. In sum there were thousands of documents that the Parties exchanged and carefully reviewed. Counsel for the parties undertook significant investigation and evaluation of Plaintiff's claims and allegations, including, and not limited to, calculating the potential monetary recovery under PAGA. Other work performed by Plaintiff's Counsel included, but was not limited to: meeting and conferring with Defendant's counsel regarding the pleadings, case management, the mediation, and settlement, among other issues; case strategy and analysis; drafting, reviewing, and revising the pleadings, court filings, motion-related papers, the mediation brief, memorandum of understanding, and settlement approval motion papers; and preparing for and appearing for court proceeding, mediation, and settlement negotiations. Counsel for the Parties have further invested time to research the applicable law, which is evolving as it relates to representative PAGA actions, misclassification claims, off-the-clock theory, meal and rest periods, wage-and-hour enforcement.

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25. Based on investigation and information discovered, Plaintiff's Counsel believes that there is sufficient evidence to support the allegations that Defendant violated the California Labor Code. While Plaintiff's Counsel believes that the PAGA claim has merit and that Plaintiff will ultimately succeed in this litigation and prevail at trial, Plaintiff and Plaintiff's Counsel also recognize Defendant's defenses, the costs of further litigation, and multiple risks to recovery.

26. Plaintiff and his counsel have also considered the uncertainty and risk of the outcome of further litigation, including the difficulties and delays inherent in such litigation. In order to prevail on the PAGA claim, Plaintiff would have to prove that Defendant engaged in the alleged California Labor Code violations and demonstrate that Defendant's conduct warrants the imposition of penalties. Plaintiff's core allegation is that Defendant has violated the California Labor Code and owes civil penalties under PAGA by failing to pay overtime and minimum wages, failure to provide meal and rest periods, failing to timely pay wages during employment and upon termination of employment, failing to provide complete and accurate wage statements, failing to keep complete and accurate payroll records, and failing to reimburse necessary business-related expenses and costs.

27. Counsel for the Parties invested time reviewing, analyzing, and considering relevant information, documents, and data regarding Plaintiff's and PAGA Employees' employment with Defendant, and this information made it possible to calculate the potential value and strength of the PAGA claim. Accordingly, the Parties have conducted sufficient investigation and review of information to be sufficiently apprised of the nature and extent of the PAGA claim asserted in this lawsuit, and to enable both sides to fully evaluate the Settlement for its fairness, adequacy, and reasonableness. The Parties have also considered the settlement negotiations and the recommendations of the mediator, Jill R. Sperber, Esq., who is highly experienced in mediating complex labor and employment matters. The Parties have agreed that this case is well-suited for settlement given the legal issues relating to the PAGA claim, as well as the costs and risks to both sides that would attend further litigation. The Settlement takes into

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account the strengths and weaknesses of each side's position and the uncertainty of how the case might have concluded as litigation continued, at trial, and/or upon appeal.

28. As set forth more fully in the accompanying Motion, Plaintiff's Counsel seeks attorneys' fees in the amount of 40% of the Gross Settlement Fund, as provided by the Settlement Agreement. Pursuant to the contingency-fee agreement entered into by and between Plaintiff and Plaintiff's Counsel, Plaintiff has agreed to a contingency-fee of at least forty-five percent (45%) of the recovery. The Attorneys' Fees Payment sought are commensurate with: (1) the risk that Plaintiff's Counsel took in commencing the case; (2) the time, effort, and expense that Plaintiff's Counsel dedicated to the case; (3) the skill and determination that Plaintiff's Counsel has shown; (4) the results that Plaintiff's Counsel has achieved throughout the litigation; (5) value of the settlement that Plaintiff's Counsel has achieved in the case; and (6) the other cases that Plaintiff's Counsel has turned down in order to devote its time and efforts to this matter.

LITIGATION COSTS AND EXPENSES INCURRED BY PLAINTIFF'S COUNSEL

29. Plaintiff's Counsel seeks reimbursement of $11,386.86 for litigation costs and expenses incurred in this case, as reflected in the Cost Detail attached hereto as "**EXHIBIT 4**." It should be noted that Plaintiff's Counsel has borne all of the risks and costs of litigation to date and will not receive any compensation until a recovery is obtained in this matter. These costs and expenses were reasonable and necessary in the prosecution of this matter and to obtain the Settlement. The amount sought for reimbursement is less than the maximum amount ($20,000.00) allocated under the Settlement Agreement for reimbursement of litigation costs and expenses. The cost savings of more than $8,600.00 will be part of the Net PAGA Settlement Fund.

THE STRENGTHS AND WEAKNESSES OF THE PAGA CLAIM, AND THE RANGE OF POSSIBLE OUTCOMES

30. In order for Plaintiff to prevail on the PAGA claim, he would have to prove that Defendant engaged in the alleged California Labor Code violations and demonstrate that

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Defendant's conduct warrants the imposition of penalties. Furthermore, although wage-and-hour actions are amenable to resolution as to a group of employees, some courts have also found that, for various reasons, the issues raised by Plaintiff may involve individualized issues and/or are not suitable for adjudication as to a group of employees.

31. From the inception of this litigation, Defendant indicated that they would aggressively litigate this case and contended that they would ultimately succeed in the action. Defendant maintained several defenses to Plaintiff's allegations, which, if successfully argued and proven, had the potential to eliminate or substantially reduce recovery. Throughout this litigation, Defendant maintained, and continue to maintain, that they did not engage in a uniform policy and systematic scheme of wage abuse against any of their employees, and that they had, and continue to have, legally-compliant employment policies and practices throughout the time period at issue. Defendant denies that they ever violated any provision of the California Labor Code. Defendant further denied, and continues to deny, that the lawsuit is appropriate for representative adjudication for any purpose other than the Settlement.

32. Defendant also challenged Plaintiff's standing as an aggrieved employee and denied that any of their other employees, with respect to whom Plaintiff seeks civil penalties, are aggrieved. Also, multiple courts have taken an approach requiring a plaintiff to establish standing and face the possibility of bifurcation of discovery and/or trial of the PAGA claim. See *Amalgamated Transit Union, Local 1756, AFL-CIO v. Superior Court.* (2009) 46th Cal.4th 993, 1001 (noting that PAGA "require[s] a plaintiff to have suffered an injury resulting from an unlawful action"); *Stafford v. Dollar Tree Stores, Inc.* (E.D. Cal. Nov. 21, 2014) 2014 WL 6633396, at *4 (finding that judicial economy supported bifurcation because of the difficulties and inherent uncertainties of being able to establish liability with respect to a large number of potentially aggrieved employees and noted that "PAGA's public purpose would be ill-served if the court finds [the plaintiff] has not been aggrieved by a Labor Code violation"); *Grappo v. Coventry Fin. Corp.* (1991) 235 Cal.App.3d 496, 504 (Trial courts have "broad discretion to determine the order of proof in the interest of judicial economy"); *see also* Cal. Code Civ. Proc.

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§ 598 (The court may "when the convenience of witnesses, the ends of justice, or the economy and efficiency of handling the litigation would be promoted thereby, on motion of a party, after notice and hearing, make an order. . . that the trial of any issue or any part thereof shall precede the trial of any other issue or any part thereof in the case[.]"); Cal. Code Civ. Proc. § 1048(b) (Court can separate trial of any cause of action or of any separate issue in the interest of convenience or to avoid prejudice); Cal. Code Civ. Proc. § 2019.020(b) (Courts have the power to "establish the sequence and timing of discovery for the convenience of Parties and witnesses and in the interests of justice"); *Horton v. Jones* (1972) 26 Cal.App.3d 952, 955 (stating that bifurcation and sequencing of litigation is allowed to avoid wasting time and money on trial when litigation of issues could be rendered moot).

33. Defendant pointed to case law that held that, given the derivative nature of the PAGA claim, it would stand or fall based on whether Plaintiff could successfully demonstrate the requisite elements to establish the various alleged violations of the California Labor Code that the PAGA claim is predicated on and derives from, and the success of showing, *inter alia*, failure to properly pay wages, failure to provide compliant meal and rest periods, failure to reimburse for expenses, etc.

34. Further, Defendant also maintained that, in addition to their strong arguments against the underlying claims, taking the current unsettled state of law, it would be unjust to award the maximum potential PAGA penalties. There was also a dearth of law and guidance regarding trials and/or assessment of penalties under the PAGA statute, there is no clearly established methodology for the valuation and/or assessment of PAGA penalties, and case outcomes (such as those discussed below) have shown that the actual amount of civil penalties actually assessed by trial courts is far less than the amount sought.

35. Defendant also argued that an important feature of PAGA is that the Court retains discretion to lower the penalties if, based on the facts and circumstances of the particular case, to do otherwise would result in an award that is "unjust, arbitrary and oppressive, or confiscatory." *See* Cal. Lab. Code § 2699(e)(2); *see also Thurman v. Bayshore Transit Management, Inc.*

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(2012) 203 Cal.App.4th 1112, 1136 (holding that a court may reduce the amount of PAGA penalties awarded to an employee based upon discretionary factors). Defendant maintained, and continue to maintain, that they had and continue to have, legally-compliant employment policies and practices throughout the time period at issue. Even if, arguendo, such violations occurred, which Defendant denies, Defendant contends that said violations would only be considered "initial violations" and thus heightened "subsequent violation" penalties were not warranted. *See* Cal. Lab. Code § 2699(f)(2); see also *Amaral v. Cintas Corp. No. 2* (2008) 163 Cal.App.4th 1157, 1208-09 ("Until the employer has been notified that it is violating a Labor Code provision […], the employer cannot be presumed to be aware that its continuing underpayment of employees is a 'violation' subject to penalties."). Defendant argued that they would be able to show a lack of willfulness in the violations, such that the alleged California Labor Code violations would not be considered "willful." Defendant contended that, at best, even if a violation giving rise to a penalty was shown for each pay period, only the lower civil penalty associated with initial violations would apply. As discussed above, Defendant denied and continue to deny that they ever violated any provision of the California Labor Code. However, assuming, *arguendo*, that any violations occurred, Defendant argued the violations would not be viewed as subsequent violations giving rise to heightened penalties. Defendant also argued that the Court was unlikely to assess cumulative penalties for the maximum number of possible, separate California Labor Code violations, because it would be unjust, arbitrary, oppressive, and/or confiscatory—especially where certain conduct may be regulated by multiple provisions of the California Labor Code that are interrelated and work in tandem. As such, Defendant contended that cumulative penalties and heightened penalties would be unjust, arbitrary, oppressive, and confiscatory.

36. Plaintiff's Counsel was also aware of case law indicating that courts have attributed little separate value to PAGA claims, for example, allowing them to be resolved for $0 where the other underlying California Labor Code claims are being (or have been) resolved, or, assessing much lower amounts of civil penalties against employers than are sought. *See e.g.*,

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Magadia v. Wal-Mart Assocs. (N.D. Cal. 2019) 384 F. Supp. 3d 1058, 1100-1101, 1103-1104, 1111 (finding that, under Labor Code § 2699(e)(2), "the Court has broad discretion to award PAGA penalties the Court sees fit" and reducing the PAGA penalty award significantly from the maximum penalties possible); *Morales v Bridgestone Retail Operations LLC*, Orange County Superior Court No. 30-2017-00900244 (Aug. 2, 2018) (of $7 million PAGA penalties requested, the court awarded $425,000); *Carrington v Starbucks Corp*. (2018) 30 Cal.App.5th 504, 517, 529 (of $75 million in penalties sought, the court affirmed the trial court's $150,000 PAGA penalty award based on 30,000 violations, which reduced the penalty rate to $5 per violation); *Arnold v San Diego Second Chance Program*, San Diego County Superior Court No. 37-2016-00018375 (Dec. 18, 2017) (no PAGA penalties awarded); *Felczer v Apple Inc.*, San Diego County Superior Court No. 37-2011-00102593 (Sept. 13, 2017) (no PAGA penalties awarded); *In re Taco Bell Wage and Hour Actions* (E.D. Cal. Apr. 8, 2016) No. 1:07-cv-01314-SAB, 2016 U.S. Dist. LEXIS 48557 at *41 (the court declined to award PAGA penalties after trial); *Allen v American Multi-Cinema*, Alameda County Superior Court No. RG11585502 (July 24, 2016) (no PAGA penalties awarded); *Atempa v Pama*, San Diego County Superior Court (July 31, 2015) (of PAGA penalties of $456,133 sought, the court awarded $197,434.00); *Driscoll v Granite Rock*, Santa Clara County Superior Court No. 1-08-cv-103426 (Sept. 20, 2011) (the court declined to award PAGA penalties); *Fleming v Covidien, Inc.*, No. ED CV10-01487 RGK (OPx) (C.D. Cal. Aug. 12, 2011) 2011 U.S. Dist. LEXIS 154590 at **8-9 (of $2,800,000 PAGA penalties requested, the court awarded $500,000); *Aguirre v Genesis Logistics*, No. SACV 12-00687-JVS (ANx) (C.D. Cal. Dec. 30, 2013) 2013 U.S. Dist. LEXIS 189820 at **6-7 (of $1,800,000 PAGA penalties requested, the court awarded $500,000); *Halevi v Aroma Bakery Café, Inc.*, Los Angeles County Superior Court No. 468146 (Aug. 30, 2013) (the court declined to award PAGA penalties after trial awarding wages to class on the basis that, inter alia, the lawsuit was not prompted by availability of PAGA penalties, penalties were not necessary to remedy ongoing or future violations, corporate defendants corrected violations and were no

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longer in business, and plaintiffs did not offer evidence establishing imposition of penalties on individual defendants would not be confiscatory).

37. Importantly, in this case a potential issue is a signed arbitration agreement that Defendant could seek to enforce absent a settlement. There is also uncertainty regarding PAGA claims due to decisions of the high courts and recent amendment of the PAGA statute. For example, based on the United States Supreme Court recent holding, it is more likely that employer agreements containing arbitration terms will impact the viability of adjudication of PAGA claims in the judicial forum. *Viking River Cruises, Inc. v. Moriana*, (2022) 142 S. Ct. 1906, 2022 U.S. LEXIS 2940. Although the substantive statutory right to pursue a PAGA claim has not been eviscerated and has been preserved, arbitration agreements may be used to select the forum and procedure to be used to resolve PAGA claims to some extent. Recently, the California Supreme Court confirmed that an aggrieved employee who has been compelled to arbitrate claims under PAGA that are premised on California Labor Code violations that were sustained by the aggrieved employee still maintains statutory standing to pursue a PAGA claim arising out of events involving other employees through a PAGA representative claim. *Adolph v. Uber Technologies* (2023) 14 Cal.5th 1104. Nevertheless, while the arbitrable and non-arbitrable components of an action are not severed from one another, it is still possible that trial courts will stay the representative/non-individual PAGA claims pending arbitration of a plaintiff's individual PAGA claims and if a plaintiff is determined to not be an "aggrieved employee" for PAGA purposes, issue preclusion may apply and, once reduced to a final judgment, trial courts are bound by the arbitrator's determination and the plaintiff may lose standing to pursue non-individual PAGA claims. *Id*. at 693.

38. While Plaintiff disagree with Defendant's contentions and maintain that their PAGA claim have merit and would aggressively counter Defendant's arguments, including issues related to arbitration, in reaching the settlement, Plaintiff and their counsel took into account the strengths and weaknesses of each side's position and the uncertainty of how the case might have concluded as litigation continued, at trial, and/or upon appeal. Even if Defendant failed

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on their defenses, litigating a complex PAGA action is inherently expensive, and the litigation could continue beyond entry of judgment if either party were to appeal adverse rulings.

39. The Parties had the opportunity to review extensive information, documents, and data regarding Plaintiff's and PAGA Employees' employment with Defendant in an effort to determine the potential value and strengths of the PAGA claim. Counsel for the Parties invested time reviewing and analyzing the relevant information, documents, and data, and this information made it possible to calculate the potential value of the PAGA claim (as discussed below). Accordingly, the Parties have conducted sufficient investigation and review of data, documents, and information to be sufficiently apprised of the nature and extent of the PAGA claim asserted in this lawsuit, and to enable both sides to fully evaluate the Settlement for its fairness, adequacy, and reasonableness. The Parties have also considered the settlement negotiations and the recommendations of the mediator Jill R. Sperber, Esq., who is highly experienced in mediation complex labor and employment matters. The Parties have agreed that this case is well-suited for settlement given the legal issues relating to the PAGA claim, as well as the costs, risks, and delays to both sides that would attend further litigation. The Settlement takes into account the strengths and weaknesses of each side's position and the uncertainty of how the case might have concluded as litigation continued, at trial, and/or upon appeal.

THE VALUE OF THE PAGA CLAIM

40. To assist the Court in its review and consideration of the settlement reached in the above-captioned matter, a discussion of the potential and realistic value of the PAGA claim, is provided below. While the final tally with respect to the updated number of PAGA Employees and total pay periods, including whether the escalator clause is triggered, is pending, for purposes of this analysis we utilize the most recent estimates provided by Defendant which is estimated to be 192 PAGA Employees and 6,446 pay periods.

41. Plaintiff alleges that Defendant violated the California Labor Code and Industrial Welfare Commission Wage Orders, and thereby have engaged in conduct giving rise to civil penalties recoverable under PAGA, by, *inter alia*, failing to properly pay all wages due, failing to

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provide compliant meal and rest periods and associated premiums, failing to timely pay wages during employment, failing to timely pay wages upon termination of employment, failing to provide compliant wage statements, failing to maintain requisite payroll records, and failing to reimburse necessary business expenses. Specifically, Plaintiff contends that Defendant required Plaintiff and aggrieved employees to perform work duties off-the-clock before clocking-in and after clocking-out of their scheduled shifts and during meal periods. Based on Plaintiff's Counsel's investigation, the key issues for the off-the-clock claims is that aggrieved employees were required to conduct customer phone calls or talk with the services team and were required to attend sales meeting, before clocking in for scheduled shifts, after clocking in for scheduled shifts, and during meal and rest periods.

42. Based on Plaintiff's Counsel's investigation, the key issues for the meal and rest break claims are that Defendant implemented a policy and practice Plaintiff and aggrieved employees regularly suffered short, late, or missed meal and rest periods due to severe understaffing, heavy workloads, and strict deadlines, for example Plaintiff's examination of the sampling of time records demonstrates that approximately 66% of eligible shifts evidenced a recorded meal period violation based on the time and pay data. As a result, Plaintiff contends that Defendant did not pay Plaintiff and aggrieved employees all compensation due to them, that meal and rest periods were non-compliant, and that Defendant failed to properly pay premiums for all non-compliant meal and rest periods. Additionally, Plaintiff alleges that Defendant intentionally and willfully failed to pay Plaintiff and aggrieved employees all wages due to them while they were employed by Defendant, within the time period permissible under California law, thereby triggering waiting-time penalties under California Labor Code section 203. Plaintiff contends that, based on the violations described herein, the wage statements provided by Defendant and the payroll records kept by Defendant were inaccurate. Plaintiff contends that Defendant failed to reimburse Plaintiff and the other aggrieved employees for necessary business expenses for use of personal cell phones, and purchase and maintenance of clothing/uniform complying with Defendant's dress code, for work purposes. Plaintiff's Counsel considered

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Defendant's arguments, including that Defendant correctly paid regular and overtime wages for all hours worked, that no waiting-time penalties were due because waiting-time penalties only arise from "willful" failure to pay wages due, that Plaintiff and aggrieved employees suffered no actual injury from the alleged wage statement violations and that this alleged violation and the alleged recordkeeping violation are entirely derivative of the other alleged California Labor Code violations, and that Defendant has a practice and procedure for reimbursing employees for necessary business-related expenses.

43. Plaintiff's Counsel considered information obtained through investigations and from Plaintiff, Defendant, and other sources, and created violation and penalties valuations and models prior to reaching the Settlement. Based thereon, Plaintiff's Counsel calculated the potential value of the PAGA claim. However, the potential value of the PAGA claim assumed an exposure based on Plaintiff having proven all elements of the claim and entitlement to civil penalties, demonstrating manageability, and establishing liability and any underlying California Labor Code violations, and significant additional costs that would have to be incurred in order to establish liability and obtain civil penalties.

44. While Plaintiff's Counsel disagreed with Defendant's arguments and factual contentions, Plaintiff recognized the circumstances and realities of the case, applicable case law and regulations, the costs and expenses of further litigation, and risks to recovery, and applied appropriate discounts for them. Plaintiff's Counsel calculated the potential and realistic value of the PAGA claim as follows:

a. <u>Failure to Pay Overtime Wages</u>: The potential value of civil penalties was estimated to be $635,000.00 (192 initial violations x $50 + 6,254 subsequent violations x $100). A discount of 50% was applied to account for the risks associated with Defendant's arbitration agreements and demonstrating manageability (bringing the value of civil penalties closer to $317,500), a discount of 60% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of civil penalties closer

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to $127,000.00), and a discount of 80% was applied to account for the risks associated with the Court exercising its discretion to reduce and/or assess lower penalties and obtaining a recovery (bringing the value of civil penalties closer to $25,400.00).

b. <u>Failure to Pay Minimum Wages</u>: The potential value of civil penalties was estimated to be $1,582,700.00 (192 initial violations x $100 + 6,254 subsequent violations x $250). A discount of 50% was applied to account for the risks associated with Defendant's arbitration agreements and demonstrating manageability (bringing the value of civil penalties closer to $791,350), a discount of 75% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of civil penalties closer to $197,837.50), and a discount of 80% was applied to account for the risks associated with the Court exercising its discretion to reduce and/or assess lower penalties and obtaining a recovery (bringing the value of civil penalties closer to $39,567.50).

c. <u>Failure to Provide Compliant Meal Periods and Associated Premiums</u>: The potential value of civil penalties was estimated to be $635,000.00 (192 initial violations x $50 + 6,254 subsequent violations x $100). A discount of 50% was applied to account for the risks associated with Defendant's arbitration agreements and demonstrating manageability (bringing the value of civil penalties closer to $317,500.00), a discount of 75% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of civil penalties closer to $79,375.00), and a discount of 80% was applied to account for the risks associated with the Court exercising its discretion to reduce and/or assess lower penalties and obtaining a recovery (bringing the value of civil penalties closer to $15,875.00).

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d. Failure to Provide Compliant Rest Periods and Associated Premiums: The potential value of civil penalties was estimated to be $635,000.00 (192 initial violations x $50 + 6,254 subsequent violations x $100). A discount of 50% was applied to account for the risks associated Defendant's arbitration agreements and demonstrating manageability (bringing the value of civil penalties closer to $317,500.00), a discount of 80% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of civil penalties closer to $63,500.00), and a discount of 80% was applied to account for the risks associated with the Court exercising its discretion to reduce and/or assess lower penalties and obtaining a recovery (bringing the value of civil penalties closer to $12,700.00).

e. Failure to Timely Pay Wages During Employment and Upon Termination: Plaintiff alleged that, as a result of the above-discussed alleged conduct, Defendant failed to pay Plaintiff and the Aggrieved Employees all wages due to them while they were employed by Defendant, within the time period permissible under California law. These wages included, but were not limited to, minimum, regular, and overtime wages and meal and rest break premium wages. However, arguably, violations of this provision of the California Labor Code overlap with and are already pursued as part of the allegations for the failure to pay wages and provide meal and rest periods and associated premiums (which are already discussed herein)—this aspect may cause a court to exercise discretion to not assess separate penalties or to assess significantly reduced penalties. (Cal. Lab. Code § 2699(e)(1)-(2).) Plaintiff also alleged that Defendant failed to pay Plaintiff and the PAGA Employees all wages due to them upon termination, within the time period permissible under California Labor Code sections 201 and 202. For example, Plaintiff alleged that he and the PAGA Employees are entitled to unpaid wages arising from, inter alia, unpaid wages and the failure to properly

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compensate them for all hours worked, as well as, meal and rest period premiums. The potential value of civil penalties for failure to timely pay wages upon termination of employment was estimated to be $12,000.00 (120 violations x $100 civil penalties). A discount of 50% was applied to account for the risks associated with Defendant's arbitration agreements and demonstrating manageability (bringing the value of civil penalties closer to $6,000.00), a discount of 80% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of civil penalties closer to $1,200.00), and a discount of 80% was applied to account for the risks associated with the Court exercising its discretion to reduce and/or assess lower penalties and obtaining a recovery (bringing the value of civil penalties closer to $240.00).

f. Failure to Provide Compliant Wage Statements: The potential value of civil penalties was estimated to be $1,270,000.00 (192 initial violations x $100 + 6,254 subsequent violations x $200). A discount of 50% was applied to account for the risks associated with Defendant's arbitration agreements and demonstrating manageability (bringing the value of civil penalties closer to $635,000.00), a discount of 85% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of civil penalties closer to $95,250.00), and a discount of 80% was applied to account for the risks associated with the Court exercising its discretion to reduce and/or assess lower penalties and obtaining a recovery (bringing the value of civil penalties closer to $19,050.00).

g. Failure to Maintain Payroll Records: The potential value of civil penalties was estimated to be $96,000.00 (192 PAGA Employees x $500). A discount of 50% was applied to account for the risks associated with Defendant's arbitration agreements and demonstrating manageability (bringing the value of civil penalties

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closer to $48,000.00), a discount of 85% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of civil penalties closer to $7,200.00), and a discount of 80% was applied to account for the risks associated with the Court exercising its discretion to reduce and/or assess lower penalties and obtaining a recovery (bringing the value of civil penalties closer to $1,440.00).

h. Failure to Reimburse Necessary Business Expenses: The potential value of civil penalties was estimated to be $1,270,000.00 (192 initial violations x $100 + 6,254 subsequent violations x $200). A discount of 50% was applied to account for the risks associated with Defendant's arbitration agreements and demonstrating manageability (bringing the value of civil penalties closer to $635,000.00), a discount of 80% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of civil penalties closer to $127,000.00), and a discount of 80% was applied to account for the risks associated with the Court exercising its discretion to reduce and/or assess lower penalties and obtaining a recovery (bringing the value of civil penalties closer to $25,400.00).

45. Alternate Valuations (Per Capita Basis): The manner in which civil penalties could be assessed involved some uncertainty, for example, the Court could exercise its discretion to assess penalties on a per-pay-period basis or, assess penalties on a per-person (i.e. per capita) basis, or some other methodology that still factors in the statutorily-denominated dollar amounts of civil penalties at the outset. While the per-pay-period valuation set forth above would seem to indicate a best case scenario, potential amount of approximately $6,135,700.00 and realistic risk adjusted amount of approximately $139,672.50, if civil penalties were assessed on a per capita basis instead, for example, in the amount of $1,950 for each of 192 individuals, this would yield potential civil penalties in the amount of $374,400.00, and discounting that amount of civil penalties by 60% for risks associated with Defendant's arbitration agreements, succeeding on the

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merits and establishing liability, the possibility of the Court exercising its discretion to reduce and/or assess lower penalties, and obtaining a recovery, brings the risk-adjusted value of civil penalties closer to $149,760.00. An alternative method would be looking at the semi-monthly pay periods, for example, there were 6,446 semi-monthly pay periods, in the amount of $100 for each civil penalty, this would yield potential civil penalties in the amount of $644,600.00, and discounting that amount of civil penalties by 60% for risks associated with Defendant's arbitration agreements, succeeding on the merits, and establishing liability, the possibility of the Court exercising its discretion to reduce and/or assess lower penalties, and obtaining a recovery, brings the risk-adjusted value of civil penalties closer to $257,840.00.

46. The foregoing discussion confirms that the amount of the Settlement is adequate in light of the legal basis, facts, evidence, and circumstances in connection with Plaintiff's allegations and the PAGA claim. The conclusion to be drawn from the foregoing analysis is that neither liability nor the ability to adjudicate and/or recover civil penalties on a representative basis is clear-cut, which is why the Parties elected to settle this matter. Plaintiff's Counsel considered the defenses asserted, information and evidence obtained, and circumstances in this case, which posed risks to representative adjudication and monetary recovery. Plaintiff's Counsel also considered the fact that, by law, the Court has the discretion to reduce and/or assess lower penalties, that it was not clear that heightened penalties would apply, and that stacking and/or cumulative penalties may not be allowed.

ATTORNEYS' FEES REQUESTED BY PLAINTIFFS' COUNSEL

47. The work performed in this particular case, the background of Lawyers *for* Justice PC, as well as the individual backgrounds, training, and experience of the attorneys who worked on this matter, in litigating complex wage-and-hour class and PAGA representative actions, support a reasonable blended hourly rate of compensation of at least $850 for work performed by Plaintiffs' Counsel. Lawyers *for* Justice, PC has been awarded attorneys' fees, compensating the firm at the rate of at least $850 per hour for legal services performed, by courts granting approval of wage and hour class action and/or representative action settlements in other cases: final

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approval of the class and representative action settlement in *David Dugan v. TEC Equipment, Inc., et al.* (Los Angeles Superior Court Case No. 19STCV01591) was granted on July 8, 2021, and the award of attorneys' fees involved an hourly rate of $936.47; final approval of the class and representative action settlement in *Larry Greenwood, et al. v. Scan Health Plan* (Los Angeles Superior Court Case No. BC715157) was granted on April 20, 2021, and the award of attorneys' fees involved an hourly rate of $919.57; final approval of the class and representative action settlement in *Seth Swan v. Pace Supply Corp.* (Sonoma County Superior Court Case No. SCV258764) was granted on February 6, 2019, and the award of attorneys' fees involved an hourly rate of $855.96; final approval of the class and representative action settlement in *Stanley Bland, et al. v. Telecare Corporation* (Alameda County Superior Court Case No. RG16811450) was granted on November 21, 2018, and the award of attorneys' fees involved an hourly rate of $831.38; final approval of the class and representative action settlement in *Maryjo Ungerbuhler Anderson v. Boyett Petroleum* (Stanislaus County Superior Court Case No. 2020582) was granted on May 15, 2018, and the award of attorney's fees involved an hourly rate of $780.77; and final approval of the class and representative action settlement in *Demetrius Camarillo v. Blue Diamond Growers* (Sacramento County Superior Court Case No. 34-2015-00175871) was granted on June 30, 2017, and the award of attorneys' fees involved an hourly rate of $845.64.

48. While not necessarily required to be demonstrated because a percentage fee is proper for this settlement, it should be noted that Plaintiff's Counsel has performed many hours of work in connection with prosecuting this matter such that the requested attorneys' fees award is also justified under a lodestar analysis. Attorneys at Lawyers *for* Justice, PC have spent a total of **280.20 hours** performing tasks to obtain a recovery on behalf of Plaintiff, the State of California, and PAGA Employees. With a blended hourly rate of $850 x 280.20 hours Lawyers *for* Justice, PC lodestar base is $238,170.00. Attached hereto as "**EXHIBIT 5**" is an Attorney Task and Time Chart that sets forth in detail the nature of the legal services provided by attorneys at Lawyers *for* Justice, PC and the time incurred in performing those services. These hours include work done by several attorneys at the firm. Also, separate from the hours

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referenced herein and in the chart, Lawyers *for* Justice, PC had litigation support personnel actively engaged in assisting with the prosecution of the case.

49. As set forth more fully in the accompanying Motion, Plaintiff's Counsel seeks attorneys' fees in the amount of 40% of the Gross Settlement Fund. Pursuant to the contingency-fee agreements entered into by and between Plaintiff and Plaintiff's Counsel, Plaintiff has agreed to contingency-fees of up to forty-five percent (45%) of the recovery. The attorneys' fees sought are commensurate with: (1) the risk that Plaintiff's Counsel took in commencing the case; (2) the time, effort, and expense that Plaintiff's Counsel dedicated to the case; (3) the skill and determination that Plaintiff's Counsel has shown; (4) the results that Plaintiff's Counsel has achieved throughout the litigation; (5) value of the settlement that Plaintiff's Counsel has achieved in the case; and (6) the other cases that Plaintiff's Counsel has turned down in order to devote its time and efforts to this case.

GENERAL RELEASE FEE TO PLAINTIFF

50. In recognition of his efforts and work in spearheading the litigation of this matter, the Settlement provides a General Release Fee to Plaintiff in the total amount of $7,500.00 to be paid out of the Gross Settlement Fund, subject to approval by the Court. This amount accounts not only for all his efforts but also for his agreement to a full general release with Civil Code Section 1542 waiver, which is a broader individual release that only applies to Plaintiff and no other PAGA Employees. Therefore, the requested General Release Fee is fair and appropriate. By initiating and pursuing this matter, Plaintiff stepped into the shoes of the State of California and undertook the responsibilities of serving in a representative capacity. Plaintiff has spent a substantial amount of time and effort discussing his employment with his counsel, gathering and producing relevant documents and information, and providing the facts and evidence necessary to attempt to prove the allegations. Plaintiff was available whenever his counsel needed him and actively obtained and provided information that facilitated the pursuit of the PAGA claim. Plaintiff's Counsel could not have prosecuted this Action with Plaintiff's cooperation. Accordingly, it is appropriate and just for Plaintiff to receive a General Release Fee, in addition

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to the PAGA Employee Funds he will receive as an PAGA Employee for his share of the Net PAGA Settlement Fund. The LWDA has been a proponent of plaintiffs in PAGA representative actions receiving incentive awards for their work in prosecuting PAGA lawsuits because PAGA representatives bear risks in bringing such actions. Attached as "**EXHIBIT 6**" is a true and correct copy of a brief submitted by the LWDA in advocating for the court awarding PAGA representatives with significant incentive payments. Accordingly, it is appropriate and just for Plaintiff to receive General Release Fee, in addition any individual penalties payment he will receive as an aggrieved employee. Based on the data provided by Defendant, an average recovery will be approximately $417.14 for each PAGA Employee. ($80,090.80 PAGA Employee Fund/192 PAGA Employees.)

51. Plaintiff's Counsel submits that the Settlement fulfills the purpose of the PAGA statute, is within the accepted range of recoveries for this type of litigation, and is fair, reasonable, and adequate given the substantial monetary benefits provided for by the Settlement, the strengths and weaknesses of this case, and the inherent delay, costs, risks, and uncertainty associated with continued litigation.

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

Executed this 17th day of July 2025, at Glendale, California.

Vartan S. Madoyan

Vartan Madoyan

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EXHIBIT 1

AMENDMENT NO. 1 TO PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT AGREEMENT AND LIMITED RELEASE

Plaintiff SEYED RAMIN ASBAGHI ("Plaintiff") and Defendant PUTNAM CHEVROLET CADILLAC, LLC ("Defendant") (together with Plaintiff, the "Parties"), pursuant to Section 14 of the Private Attorneys General Act Settlement Agreement and Limited Release entered into on or around January 24, 2024 ("Settlement Agreement"), hereby agree to amend the terms of the Settlement Agreement, as stated herein. Other than expressly set forth herein, the terms and conditions of the Settlement Agreement shall remain in full force and effect. The amendment stated herein is incorporated by this reference:

Section 5. Settlement Payment Procedures: Subparagraph Titled "Gross Settlement Fund" is Hereby Amended to State as Follows:

Gross Settlement Fund. On or before the latter of (a) Tuesday, December 2, 2025 or (b) 20 days after the Effective Date, Defendant hereby agrees to make a payment to an account designated by the Settlement Administrator in the amount of **Five Hundred Seventy Thousand Dollars and No Cents** ($570,000.00) ("Gross Settlement Fund"), subject to the escalator clause referenced in subsection 5.1.1 of the Settlement Agreement, which shall be all inclusive, encompassing (i) all payments to the LWDA and PAGA Employees; (ii) any and all costs of third party administration of the settlement, (iii) Plaintiff's general release fee, and (iv) Plaintiff's counsel's attorneys' fees and costs.

Section 5. Settlement Payment Procedures: Subparagraph Titled "Expiration of Settlement Checks" is Hereby Amended to State as Follows:

Expiration of Settlement Checks: Settlement checks issued to PAGA Employees pursuant to this Agreement will expire one hundred and eighty (180) days from the date they are issued by the Settlement Administrator. After the 180 day-period, the uncashed funds shall be paid to the *cy pres* recipient "California Court-Appointed Special Advocate (CASA) Program".

IT IS SO AGREED

Electronically Signed 2025-07-16 21:28:45 UTC - 172.59.129.10
Nintex AssureSign® d3e44a4b-8de2-4307-c0ae-b31c0153a580

Date: 07/16/2025

Seyed Ramin Asbaghi, Plaintiff

Date: ____________

Putnam Chevrolet Cadillac, LLC, Defendant
Name:
Title:

APPROVED AS TO FORM

Date: July 16, 2025

Vartan Madoyan
LAWYERS *FOR* JUSTICE, PC
Attorneys for Plaintiff Seyed Ramin Asbaghi

Date: ____________

FINE, BOGGS & PERKINS LLP
Attorneys for Defendant Putnam Chevrolet Cadillac, LLC

AMENDMENT NO. 1 TO PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT AGREEMENT AND LIMITED RELEASE

Plaintiff SEYED RAMIN ASBAGHI ("Plaintiff") and Defendant PUTNAM CHEVROLET CADILLAC, LLC ("Defendant") (together with Plaintiff, the "Parties"), pursuant to Section 14 of the Private Attorneys General Act Settlement Agreement and Limited Release entered into on or around January 24, 2024 ("Settlement Agreement"), hereby agree to amend the terms of the Settlement Agreement, as stated herein. Other than expressly set forth herein, the terms and conditions of the Settlement Agreement shall remain in full force and effect. The amendment stated herein is incorporated by this reference:

Section 5. Settlement Payment Procedures: Subparagraph Titled "Gross Settlement Fund" is Hereby Amended to State as Follows:

Gross Settlement Fund. On or before the latter of (a) Tuesday, December 2, 2025 or (b) 20 days after the Effective Date, Defendant hereby agrees to make a payment to an account designated by the Settlement Administrator in the amount of **Five Hundred Seventy Thousand Dollars and No Cents** ($570,000.00) ("Gross Settlement Fund"), subject to the escalator clause referenced in subsection 5.1.1 of the Settlement Agreement, which shall be all inclusive, encompassing (i) all payments to the LWDA and PAGA Employees; (ii) any and all costs of third party administration of the settlement, (iii) Plaintiff's general release fee, and (iv) Plaintiff's counsel's attorneys' fees and costs.

Section 5. Settlement Payment Procedures: Subparagraph Titled "Expiration of Settlement Checks" is Hereby Amended to State as Follows:

Expiration of Settlement Checks: Settlement checks issued to PAGA Employees pursuant to this Agreement will expire one hundred and eighty (180) days from the date they are issued by the Settlement Administrator. After the 180 day-period, the uncashed funds shall be paid to the *cy pres* recipient "California Court-Appointed Special Advocate (CASA) Program".

IT IS SO AGREED

Date: ____________________ ______________________________
Seyed Ramin Asbaghi, Plaintiff

Date: 7/17/25 Kurt Putnam, President
Putnam Chevrolet Cadillac, LLC, Defendant
Name:
Title:

APPROVED AS TO FORM

Date: ____________________ ______________________________
LAWYERS *FOR* JUSTICE, PC
Attorneys for Plaintiff Seyed Ramin Asbaghi

Date: 7/17/25 ______________________________
FINE, BOGGS & PERKINS LLP
Attorneys for Defendant Putnam Chevrolet Cadillac, LLC

PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT AGREEMENT AND LIMITED RELEASE

This Private Attorneys General Act Settlement Agreement and Release ("Agreement") is made by and between SEYED RAMIN ASBAGHI ("Plaintiff'), on behalf of himself and as a proxy/agent for the California Labor Workforce Development Agency ("LWDA"), and PUTNAM CHEVROLET CADILLAC, LLC ("Defendant"). Plaintiff and Defendant are collectively referred to herein as the "Parties" and each may be individually referred to as a "Party."

WHEREAS, Plaintiff filed on August 12, 2021, the action currently pending in the Superior Court of California, County of San Mateo, entitled Asbaghi v. Putnam Chevrolet Cadillac, Inc., et al., Case No. 2l-CIV-04343(the "Lawsuit"),

WHEREAS, certain disputes have arisen between the Parties concerning Defendant's wage statements, payment of wages, maintenance of work records and related employment practices, as applied to employees employed by Defendant in California between November 19, 2019, and May 31, 2023 (the "PAGA Period"). These employees are all current and former hourly-paid or non-exempt employees who were employed by Defendant within the State of California, including but not limited to such employees who eared commissions/shift differentials/non-discretionary bonuses/non-discretionary performance pay which were not used to calculate the correct regular rate of pay used to calculate the overtime rate ("Aggrieved Employees in Subgroup A"), and all current and former salaried internet sales managers, internet directors, vehicle salespersons, or persons who held similar job titles and/or performed similar job duties, misclassified as "exempt" who were employed by Defendant within the State of California ("Aggrieved Employees in Subgroup B") (Aggrieved Employees in Subgroup A and Aggrieved Employees in Subgroup B, collectively hereinafter referred to as the "PAGA Employees").

WHEREAS, the Parties believe and agree that this Agreement provides for a fair, adequate, and reasonable resolution of the PAGA Representative Claim, and have arrived at the settlement after extensive, arms-length negotiations in a full day private mediation, taking into account all relevant factors, present and potential ("Settlement").

WHEREAS, California Labor Code section $699(l) requires Court approval of "any penalties sought as part of a proposed settlement agreement" pursuant to PAGA.

NOW THEREFORE, in consideration of the promises and agreements contained herein, the Parties agree and covenant as follows:

1. **EFFECTIVE DATE**

"Effective Date" will be 10 days after the motion for approval is granted.

2. **RELEASES**

Release by LWDA and Plaintiff. Upon the Effective Date and full funding of all payments described herein, the LWDA and Plaintiff, shall fully release and forever discharge claims for civil penalties under PAGA as plead or that could have been plead arising out of the same operative facts set forth the Complaint or the predicate PAGA letter arising during the PAGA Period ("Released Claims"), against Defendant and its past, present, and future parents, affiliated companies, subsidiaries, divisions, predecessors, successors, partners, joint venturers, shareholders, consultants, advisors, insurers, reinsurers and assigns, and each of their past, present and future officers, investors, directors, executives, trustees, agents, executive-level employees, attorneys, representatives, and any other persons or entities acting on behalf of or in concert with any of the foregoing, including, but expressly not limited to PUTNAM CHEVROLET CADILLAC, INC.

(hereinafter "Released Parties"). Such claims for Civil Penalties include, but are not necessarily limited to, claims predicated upon the alleged violation of Labor Code section 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 1174(d), 1197, 1197.1, 1198, 2800, 2802, and 2699, and IWC Wage Order 7-2001

It is understood and agreed that this Agreement neither releases the Released Parties from liability, if any, to PAGA Employees for violations of any predicate statutes other than PAGA, nor effects a waiver of claims by PAGA Employees against the Released Parties for the same, except that the Released Parties retain and are entitled to assert any and all arguments or defenses they believe they have as to the PAGA Employees, including res judicata, collateral estoppel, or equitable estoppel, on the basis that any or all PAGA Employees have been fully compensated for any and all alleged injuries, as a result of this Settlement and the payments described herein.

Release by Plaintiff. The Parties agree that the PAGA Representative will execute a full general release with Civil Code Section 1542 waiver in exchange for a general release fee of $7,500.

3. SETTLEMENT APPROVAL BY COURT

Plaintiff to Prepare. Plaintiff's Counsel shall prepare, file and serve a motion or stipulation for approval of the PAGA penalties pursuant to California Labor Code §2699(1) advocating that the penalties are fair, adequate, and reasonable, which will draw no opposition from Defendant or Defense Counsel.

4. NOTICE TO PAGA EMPLOYEES

No later than 20 days after the Effective Date, Defendant shall provide the Settlement Administrator with a list of all PAGA Employees (the "PAGA Employees List"). The PAGA Employees List shall state each PAGA Employee's (1) full name, (2) last known address, (3) social security number, and (4) the total number of semi-monthly pay periods (or their equivalent) worked during the PAGA Period. This information shall be treated as and remain confidential and shall be used solely to manage the notice process described herein, shall not be disclosed to anyone other than the Settlement Administrator, except to applicable taxing authorities, or pursuant to express written authorization of Defendant, the individual in question, or by order of the Court.

No later than 20 days after receipt of the Gross Settlement Fund (defined below) from Defendant, the Settlement Admini*strator* will mail settlement checks and a letter explaining why the check is being sent to the PAGA Employees identified on the PAGA Employees List. Prior to mailing the Notices, the Settlement Administrator shall check the addresses provided using the National Change of Address database. Should any of the Notices be returned as undeliverable, the Settlement Administrator will have five (5) calendar days after it receives the returned undeliverable mail to search for a more current address for the PAGA Employee (via a skip trace or other reasonable method) and to re-mail Notices to the traced address.

5. SETTLEMENT PAYMENT PROCEDURES:

Gross Settlement Fund. No later than 20 days after the Effective Date, Defendant hereby agrees to make a payment to an account designated by the Settlement Administrator in the amount of Five Hundred Seventy Thousand **Dollars and Zero Cents** ($570,000.00)) ("Gross Settlement Fund"), which shall be all inclusive, encompassing (i) all payments to the LWDA and PAGA Employees, (ii) any and all costs of third party administration of the settlement, (iii) Plaintiff's general release fee, and (iv) Plaintiff's counsel's attorneys' fees and costs.

5.1.1. **Escalation.** The Gross Settlement Fund amount was negotiated based on the expressed estimate of 5,700 semi-monthly pay periods collectively worked by all PAGA Employees during the PAGA Period. If the data submitted to the Settlement Administrator reflects an actual number of semi-monthly pay periods collectively worked by all PAGA Employees during the PAGA Period that exceeds 10.00% percent of the collective pay periods (6270 semi-monthly periods, or the "Escalation Threshold"), then the Gross Settlement Fund shall increase on *a pro rata* share by the percentage that the actual number exceeds the Escalation Threshold. By way of example, if the actual number of collective pay periods were 6,400, the actual number would exceed the Escalation Threshold by 130 periods, which would increase the Gross Settlement Fund by approximately 2.07% to $581,799.00

Net PAGA Settlement Fund. The Net PAGA Settlement Fund equals the Gross Settlement Fund less court-approved attorneys' fees and costs, Plaintiffs general release fee, and Administration Costs. The Net PAGA Settlement Fund shall be utilized and shall encompass all payments to be made to the LWDA and PAGA Employees.

5.1.2. Any costs for administering the payments and Notices as specified in this Agreement, up to a maximum of $10,000.00 ("Administration Costs"), will be deducted from the Gross Settlement Fund. Plaintiff's counsel will obtain bids from multiple settlement administrators, and the Parties will select a mutually agreeable administrator.

5.1.3. The Net Settlement Fund shall be allocated to civil penalties (the "Penalties Fund"). A total of seventy-five percent (75%) of the Penalties Fund, shall be paid to the California Labor & Workforce Development Agency ("LWDA PAGA Payment"). The remaining twenty-five percent (25%) of the Penalties Fund shall be paid to the PAGA Employees (the "PAGA Employees Fund"). The entirety (100%) of the PAGA Employees Fund shall be payable to the PAGA Employees, and each PAGA Employee shall receive *a pro rata* share of this amount as further detailed below.

Allocation of PAGA Employees' Fund. Each PAGA Employee shall be sent a pro rata share of the PAGA Employees Fund. Each PAGA Employee's pro rata share shall be determined based on the number of semi-monthly pay periods (or their equivalent) that he or she worked for Defendant or any Released Party in the State of California during the PAGA Period, calculated as follows: the total number of semi-monthly pay periods (or their equivalent) worked by each individual *divided* by the aggregate number of semi-monthly pay periods (or their equivalent) worked by all aggrieved employees.

Distribution and Taxes: Because all amounts recovered pursuant to this settlement are civil penalties claimed under PAGA, the PAGA Employees Fund shall be treated as 1099 income. The PAGA Employees Fund will be reported on IRS Form 1099 by the Settlement Administrator, if required, and provided to the respective PAGA Employee and applicable governmental authorities. Within twenty (20) calendar days of distributing the Gross Settlement Fund, the Settlement Administrator shall provide to Plaintiff's and Defendant's Counsel written confirmation verifying that it effected disbursement of the Gross Settlement Fund pursuant to the terms of this Agreement.

Expiration of Settlement Checks: Settlement checks issued to PAGA Employees pursuant to this Agreement will expire one hundred and eighty (180) days from the date they are issued by the Settlement Administrator. After the 180 day-period, the Settlement Administrator shall remit any unclaimed funds to the Unclaimed Property Fund with an identification of the PAGA Employees and the amounts allocated to each.

Attorneys' Fees and Costs: Defendant also agrees that Plaintiff's attorneys shall be entitled to claim an Attorneys' Fees Payment of 40.00% of the Gross Settlement Fund ($228,000.00) and an Attorneys' Costs Payment of actual costs of no more than $20,000.00 as compensation for the actual, reasonable attorneys' fees and reimbursement of costs incurred in connection with work performed to litigate the Lawsuit, which shall be deducted by the administrator from the Gross Settlement Fund. Should the Court not approve the fees and costs as claimed but approve instead a lower or higher amount from the Gross Settlement Fund, this agreement shall remain in effect as modified as to the Attorneys' Fee Payment and/or Attorneys' Cost Payment, and any such reduction will be added to the Net PAGA Settlement Fund and paid to the LWDA and PAGA Employees.

No Effect on Employee Benefits: The payments made to PAGA Employees pursuant to this Agreement shall have no effect on employee benefits. Defendant shall not make as part of this Agreement, nor be required to make, any deductions, nor pay any monthly contributions for any insurance, retirement, bonuses, 403(b), or profit-sharing plans related to monies paid as a result of this Agreement. The PAGA Employees Fund paid to PAGA Employees shall not have any effect on the eligibility for, or calculation of, any of the employee benefits (e.g., bonuses, vacation, holiday pay, retirement plans, etc.) ofPAGA Employees. The Parties agree that the PAGA Employees Fund paid to PAGA Employees under the terms of this Agreement do not represent any modification of PAGA Employees' previously credited hours of service or other eligibility criteria under an employee benefit plan sponsored by Defendant. Further, the PAGA Employees Fund is allocated as penalties and thus shall not be considered "compensation" in any year for purposes of determining eligibility for, or benefit accrual within, and employee benefit plan or bonus plan sponsored by Defendant.

Disputes Relating to Settlement Administration. Any disputes concerning administration of the Settlement which cannot be resolved by the Parties shall be submitted to and resolved by the Court.

6. IMPACT OF NON-APPROVAL BY COURT

Should the Court not approve this Agreement, the Parties shall request leave and work jointly to make reasonable efforts to remedy the settlement in order to obtain the Court's approval.

7. ENFORCEMENT AND CONTINUING JURISDICTION OF THE COURT

Pursuant to California Code of Civil Procedure section 664.6, the Court shall retain continuing jurisdiction over this Lawsuit and over all Parties, to the fullest extent to enforce and effectuate the terms and intent of the Settlement and this Agreement.

8. NO ADMISSION OF WRONGDOING

Defendant denies that it or any Released Party has engaged in any unlawful activity, failed to comply with the law in any respect, or that it or they have any liability to anyone under the claims asserted in the Action. The Parties agree that this Agreement does not constitute an admission by Defendant or any of the Released Parties of any of the matters alleged in the action or of any violation by any of them of any federal, state or local law, ordinance or regulation, or of any violation of any policy or procedure, or of any liability or wrongdoing whatsoever. This Agreement is entered into solely for the purpose of compromising highly disputed claims. Neither this Agreement nor anything in this Agreement shall be construed to be or shall be admissible in any proceeding as evidence of liability or wrongdoing by Plaintiff, Defendant or any of the Released Parties.

9. NON-EVIDENTIARY USE

Neither this Agreement nor any of its terms nor the Settlement itself shall be: (a) construed as, offered, or admitted in evidence as, received as, or deemed to be evidence for any purpose in any action or proceeding in whatever forum adverse to Plaintiff, the LWDA, Defendant or any other of the Released Parties, including but not limited to, evidence of a presumption, concession, indication, or admission by any of the Released Parties of any liability, fault, wrongdoing, omission, concession, or damage, or (b) disclosed, referred to, or offered in evidence against Plaintiff, the LWDA, or any of the Released Parties in any further proceeding in the Action, or any other civil, criminal, or admin *strative* action or proceeding except for the purposes of effectuating the Settlement pursuant to this Agreement or for Defendant to attempt to establish that a PAGA Employee and/or the LWDA has resolved or been compensated for any claims made by that employee.

10. CHOICE OF LAW

The rights and obligations of the Parties under this Agreement shall be construed and enforced in accordance with, and governed by, the laws of the State of California. California law shall govern the interpretation of this Agreement even if a choice of law analysis under state or federal law would dictate that another forum's law be applied.

11. COOPERATION

Each Party, on behalf of themselves, and their respective business entities, heirs, executors, and assigns, agrees that they will abide by this Agreement and will do all such acts, and prepare, execute, and deliver all such documents, as may be reasonably required to cany out the stated objectives of this Agreement.

12. SEVERABILITY

If any provision of this Agreement is held to be invalid by a court of competent jurisdiction, that provision shall be deemed severed and deleted from this Agreement, and neither that provision nor its severance and deletion shall affect the validity of the remaining provisions.

13. ADDITIONAL TERMS

This Agreement is binding upon, and shall inure to the benefit of, the Parties hereto and their respective agents, employees, representatives, officers, directors, parents, subsidiaries, assigns, heirs, executors, administrators, insurers, and successors in interest.

Given that all Parties hereto had the opportunity to draft, review, and edit the language of this Agreement, no presumption for or against any Party arising out of drafting all or any part of this Agreement may be applied in any action relating to, connected to, or involving this Agreement. Accordingly, the Parties hereby waive the benefit of any legal principle or rule providing that, in cases of uncertainty, the language of a contract should be interpreted against the Party who caused the uncertainty to exist.

This Agreement may be executed in counterparts. A signature by way of facsimile shall serve as an original for all purposes.

Headings in this Agreement are included solely for convenience and shall not control the meaning or interpretation of any provision of this Agreement.

14. ENTIRE AGREEMENT

This Agreement sets forth the entire agreement between the Parties hereto and fully supersedes any and all prior and/or supplemental understandings, whether written or oral, between the Parties concerning the subject matter of this Agreement. Any modification to this Agreement must be in writing and signed by Plaintiff and an authorized officer of Defendant.

IN WITNESS WHEREOF, the parties knowingly and voluntarily executed this Private Attorneys General Act Settlement Agreement and Release as of the date set forth below.

Electronically Signed 2024-01-04 23:30:20 UTC - 172.59.128.23
Nintex AssureSign® 39bba739-4463-445c-9817-b0ed0152cb07

January 04, 2024

Date SEYED RAMIN ASBAGHI

1/23/2024

Date PUTNAM CHEVROLET CADILLAC, LLC

[*print name and title*]

APPROVED AS TO FORM

January 4, 2024

Date LAWYERS FOR JUSTICE, PC .
Attorneys for SEYED RAMIN ASBAGHI

1/24/2024

Date FINE, BOGGS & PERKINS LLP
Attorneys for PUTNAM CHEVROLET CADILLAC, LLC

EXHIBIT 2

November 3, 2020

BY ONLINE SUBMISSION

California Labor & Workforce Development Agency
PAGAfilings@dir.ca.gov

Re: ***PUTNAM CHEVROLET CADILLAC, INC.; PUTNAM CHEVROLET CADILLAC, LLC; PUTNAM AUTOMOTIVE GROUP; PUTNAM GM.***

Dear Representative:

We have been retained to represent Seyed Ramin Asbaghi against Putnam Chevrolet Cadillac, Inc., Putnam Chevrolet Cadillac, LLC, Putnam Automotive Group, and Putnam GM (including any and all affiliates, subsidiaries, parents, directors, officers, and employees) (collectively referred to as "Putnam Cadillac") for violations of California wage-and-hour laws. Mr. Asbaghi seeks penalties for violations of the California Labor Code, which are recoverable under California Labor Code section 2698, et seq., the Labor Code Private Attorneys General Act of 2004 ("PAGA") and all other remedies available under PAGA.

Mr. Asbaghi seeks these remedies on behalf of the State of California and "aggrieved employees," as defined herein. This letter is sent in compliance with the reporting requirements of California Labor Code section 2699.3.

Putnam Cadillac employed Mr. Asbaghi as an hourly-paid, non-exempt employee from approximately May 2018 to approximately June 2020, in the State of California.

The "aggrieved employees" that Mr. Asbaghi may seek penalties on behalf of are all current and former hourly-paid or non-exempt employees who worked for any of the above-referenced entities within the State of California, including, but not limited to all current and former hourly-paid or non-exempt employees who worked for any of the above-referenced entities within the State of California who earned commissions/shift differentials/non-discretionary bonuses/non-discretionary performance pay which was not used to calculate the correct regular rate of pay used to calculate the overtime rate.

Based on the following facts and theories, Putnam Cadillac has violated and/or continues to violate, among other provisions of the California Labor Code and applicable wage law, California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and IWC Wage Orders including *inter alia*, Wage Orders 4-2001, 7-2001, and 9-2001.

Putnam Cadillac required aggrieved employees to perform work before their scheduled shifts, after their scheduled shifts, during off-the-clock meal breaks, and/or during rest breaks and failed to compensate aggrieved employees for this time.

California Labor Code sections 510 and 1198 require employers to pay time-and-a-half or double time overtime wages, and make it unlawful to work employees for hours longer than eight hours in one day and/or over forty hours in one week without paying the premium overtime rates at one-and-one-half times or double the regular rate of pay, including additional remuneration. During the relevant time period, Mr. Asbaghi and other aggrieved employees worked in excess of 8 hours in a day and 40 hours in a week. Therefore, Mr. Asbaghi and other aggrieved employees were entitled to receive certain wages for overtime compensation, but they were not paid for all overtime hours worked.

California Labor Code sections 226.7 and 512 require employers to pay an employee one additional hour of pay at the employee's regular rate for each meal or rest period that is not provided. During the relevant time period, Putnam Cadillac required Mr. Asbaghi and other aggrieved employees to work during meal and rest periods and failed to compensate them properly for non-compliant meal and rest periods including, *inter alia*, short, late, interrupted, and missed meal and rest periods.

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. During the relevant time period, Putnam Cadillac failed to pay Mr. Asbaghi and other aggrieved employees all wages due to them within any time period specified by California Labor Code sections 201 and 202, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 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, and 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. California Labor Code section 204 also requires 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. During the relevant time period, Putnam Cadillac failed to pay Mr. Asbaghi and other aggrieved employees all wages due to them within any time period specified by California Labor Code section 204, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code section 226 requires employers to make, keep and provide complete and accurate itemized wage statements to their employees. During the relevant time period, Putnam Cadillac did not provide Mr. Asbaghi and other aggrieved employees with complete and accurate itemized wage statements. The wage statements they received from Putnam Cadillac were in violation of California Labor Code section 226(a). The violations include, but are not limited to, the failure to include the total hours worked by Mr. Asbaghi and other aggrieved employees, including time spent working off-the-clock and during meal and rest periods as discussed above.

California Labor Code sections 551 and 552 require that every person employed in any occupation of labor is entitled to one day's rest in a seven-day workweek, that no employer of labor shall cause his employees to work more than six days in a workweek, and that an employer shall pay a civil penalty in the amounts of fifty dollars ($50) for each aggrieved employee per pay period for the initial violation and one hundred dollars ($100) for each aggrieved employee per pay period for each subsequent violation. During the relevant time period, Mr. Asbaghi and the aggrieved employees were required to regularly and/or consistently work in excess of six (6) days in a workweek. During the relevant time period, Mr. Asbaghi and the aggrieved employees were required to work in excess of thirty (30) hours in a week and/or six (6) hours in any one (1) day thereof, during workweeks in which they were required to work in excess of six (6) days. During the relevant time period, Mr. Asbaghi and the aggrieved employees were required to work in excess of six (6) days in a workweek without accumulating or being provided the opportunity to take at least one (1) day of rest, and when Mr. Asbaghi and the aggrieved employees accumulated days of rest, they were not actually provided the opportunity to take the equivalent of one (1) day's rest in seven (7) during each calendar month.

California Labor Code sections 1174(d) requires an employer to keep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. These records shall be kept with rules established for this purpose by the commission, but in any case shall be kept on file for not less than two years. During the relevant time period, Putnam Cadillac failed to keep accurate and complete payroll records showing the actual hours worked daily and the wages earned by Mr. Asbaghi and other aggrieved employees, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code sections 1194, 1197, and 1197.1 provide the minimum wage to be paid to employees, and the payment of a lesser wage than the minimum so fixed is unlawful. During the relevant time period, Putnam Cadillac did not provide Mr. Asbaghi and other aggrieved employees with the minimum wages to which they were entitled for work performed "off-the-clock."

California Labor Code section 1198 provides that "The employment of any employee … under conditions of labor prohibited by the [Industrial Wage Orders] is unlawful." The applicable Industrial Wage Orders, including *inter alia*, Wage Orders 4-2001, 7-2001, and 9-2001, require that for each workday an employee is required to report for work and does report, but is not put to work or is furnished less than half said employee's usual or scheduled day's work, the employee shall be paid for half the usual or scheduled day's work, but in no event for less than two (2) hours nor more than four (4) hours, at the employee's regular rate of pay. Further, if an employee is required to report for work a second time in any one workday and is furnished less than two (2) hours of work on the second reporting, said employee shall be paid for two (2) hours at the employee's regular rate of pay. During the relevant time period, Putnam Cadillac failed to pay Mr. Asbaghi and other aggrieved employees half the usual or scheduled day's work in an amount no less than two (2) hours nor more than four (4) hours at the employee's regular rate of pay for workdays in which Mr. Asbaghi and the other aggrieved employees reported to work and were furnished less than half the usual or scheduled day's work. During the relevant time period, Putnam Cadillac failed to pay Mr. Asbaghi and other aggrieved employees for two (2) hours at the employee's regular rate of pay on days in which Mr. Asbaghi and the other aggrieved employees were required to report for work a second time in one workday and were furnished less than two (2) hours of work upon the second reporting.

California Labor Code sections 2800 and 2802 require an employer to reimburse its employee for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her job duties or in direct consequence of his or her obedience to the directions of the employer. During the relevant time period, Mr. Asbaghi and other aggrieved employees incurred necessary business-related expenses and costs that were not fully reimbursed by Putnam Cadillac.

Therefore, on behalf of all aggrieved employees, Mr. Asbaghi seeks all applicable penalties arising out of the above-referenced wage, hour, and payroll practices, or which could be assessed and collected by the Labor and Workforce Development Agency, for violation of the California Labor Code pursuant to PAGA.

If you have any questions or require additional information, please do not hesitate to contact us. Thank you for your attention to this matter and the noble cause you advance each and every day.

With kind regards,

Edwin Aiwazian, Esq.

Cc: (By U.S. Certified Mail / Return Receipt Requested)

Putnam Chevrolet Cadillac, LLC
Putnam Chevrolet Cadillac, Inc.
c/o Cheryl Putnam
Agent for Service of Process
3 California Drive
Burlingame, CA 94010

Putnam Automotive Group
Putnam GM
c/o Kent Putnam
3 California Drive
Burlingame, CA 94010

EXHIBIT 3

LAWYERS FOR
JUSTICE
A PROFESSIONAL CORPORATION

November 19, 2020

BY ONLINE SUBMISSION

California Labor & Workforce Development Agency
PAGAfilings@dir.ca.gov

Re: ***PUTNAM CHEVROLET CADILLAC, INC.; PUTNAM CHEVROLET CADILLAC, LLC; PUTNAM AUTOMOTIVE GROUP; PUTNAM GM***

Dear Representative:

We have been retained to represent Seyed Ramin Asbaghi against Putnam Chevrolet Cadillac, Inc., Putnam Chevrolet Cadillac, LLC, Putnam Automotive Group, and Putnam GM (including any and all affiliates, subsidiaries, parents, directors, officers, and employees) (collectively referred to as "Putnam") for violations of California wage-and-hour laws. Mr. Asbaghi seeks penalties for violations of the California Labor Code, which are recoverable under California Labor Code section 2698, et seq., the Labor Code Private Attorneys General Act of 2004 ("PAGA") and all other remedies available under PAGA, including an amount sufficient to recover underpaid wages pursuant to Labor Code section 558.

Mr. Asbaghi seeks these remedies on behalf of the State of California and "aggrieved employees," as defined herein. This letter is sent in compliance with the reporting requirements of California Labor Code section 2699.3.

Putnam employed Mr. Asbaghi as an hourly-paid/non-exempt employee, and as a salaried/commission employee misclassified as "exempt" in the State of California, from approximately May 2018 to approximately June 2020.

The "aggrieved employees" that Mr. Asbaghi may seek penalties on behalf of are: (a) all current and former hourly-paid or non-exempt individuals who were employed by any of the above-referenced entities within the State of California, including, but not limited to all current and former hourly-paid or non-exempt employees who worked for any of the above-referenced entities within the State of California who earned commissions/shift differentials/non-discretionary bonuses/non-discretionary performance pay which were not used to calculate the correct regular rate of pay used to calculate the overtime rate ("aggrieved employees in subgroup A"), and (b) all current and former salaried internet sales managers, internet directors, vehicle salespersons, or persons who held similar job titles and/or performed similar job duties, misclassified as "exempt" who were employed by any of the above-referenced entities within the State of California ("aggrieved employees in subgroup B").

410 WEST ARDEN AVENUE | SUITE 203 | GLENDALE, CA 91203
TEL (818) 265-1020 | FAX (818) 265-1021 | WWW.LFJPC.COM

With regard to aggrieved employees in subgroup A, based on the following facts and theories, Putnam has violated and/or continues to violate, among other provisions of the California Labor Code and applicable wage law, California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and IWC Wage Orders including *inter alia*, Wage Order 4-2001. With regard to aggrieved employees in subgroup B, based on the following facts and theories, Putnam has violated and/or continues to violate, among other provisions of the California Labor Code and applicable wage law, California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and IWC Wage Orders including *inter alia*, Wage Order 1-2001, 4-2001, 7-2001, and 9-2001.

Mr. Asbaghi and the other aggrieved employees in subgroup B did not and/or do not earn in excess of one and one-half times the minimum wage, and/or less than half of their compensation is earned through commissions.

Mr. Asbaghi and the other aggrieved employees in subgroup B did not and/or do not customarily and regularly exercise discretion and independent judgment in matters of consequence to Putnam's business and were not and/or are not "primarily engaged" (more than one-half of the employee's work time) in performing managerial/exempt tasks. Furthermore, Mr. Asbaghi and the other aggrieved employees in subgroup B did not and/or do not spend at least half of their work time doing office or non-manual work directly related to managerial policies or the general business operations of Putnam. Therefore, Mr. Asbaghi and other aggrieved employees in subgroup B were entitled to receive certain wages for overtime compensation, but they were not paid for all overtime hours worked because Putnam misclassified them as "exempt."

Putnam required aggrieved employees to perform work before their scheduled shifts, after their scheduled shifts, during off-the-clock meal breaks, and/or during rest breaks and failed to compensate aggrieved employees for this time.

California Labor Code sections 510 and 1198 require employers to pay time-and-a-half or double time overtime wages, and make it unlawful to work employees for hours longer than eight hours in one day and/or over forty hours in one week without paying the premium overtime rates at one-and-one-half times or double the regular rate of pay, including additional remuneration. During the relevant time period, Mr. Asbaghi and other aggrieved employees in subgroup A worked in excess of 8 hours in a day and 40 hours in a week without overtime compensation. Additionally, during the relevant time period, Mr. Asbaghi and other aggrieved employees in subgroup B worked in excess of 8 hours in a day and 40 hours in a week without overtime compensation because Putnam misclassified them as "exempt." Therefore, Mr. Asbaghi and other aggrieved employees were entitled to receive certain wages for overtime compensation, but they were not paid for all overtime hours worked.

California Labor Code sections 226.7 and 512 require employers to pay an employee one additional hour of pay at the employee's regular rate for each meal or rest period that is not provided. During the relevant time period, Putnam required Mr. Asbaghi and other aggrieved employees in subgroup A to work during meal and rest periods and failed to compensate them properly for non-compliant meal and rest periods including, *inter alia*, short, late, interrupted, and missed meal and rest periods. Additionally, during the relevant time period, Putnam required Mr.

Asbaghi and other aggrieved employees in subgroup B to work during meal and rest periods and failed to compensate them properly for non-compliant meal and rest periods including, *inter alia*, short, late, interrupted, and missed meal and rest periods because Putnam misclassified them as "exempt."

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. During the relevant time period, Putnam failed to pay Mr. Asbaghi and other aggrieved employees all wages due to them within any time period specified by California Labor Code sections 201 and 202, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 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, and 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. California Labor Code section 204 also requires 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. During the relevant time period, Putnam failed to pay Mr. Asbaghi and other aggrieved employees all wages due to them within any time period specified by California Labor Code section 204, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code section 226 requires employers to make, keep and provide complete and accurate itemized wage statements to their employees. During the relevant time period, Putnam did not provide Mr. Asbaghi and other aggrieved employees with complete and accurate itemized wage statements. The wage statements they received from Putnam were in violation of California Labor Code section 226(a). The violations include, but are not limited to, the failure to include the total hours worked by Mr. Asbaghi and other aggrieved employees, including time spent working off-the-clock and during meal and rest periods as discussed above.

California Labor Code sections 551 and 552 require that every person employed in any occupation of labor is entitled to one day's rest in a seven-day workweek, that no employer of labor shall cause his employees to work more than six days in a workweek, and that an employer shall pay a civil penalty in the amounts of fifty dollars ($50) for each aggrieved employee per pay period for the initial violation and one hundred dollars ($100) for each aggrieved employee per pay period for each subsequent violation. During the relevant time period, Mr. Asbaghi and the aggrieved employees were required to regularly and/or consistently work in excess of six (6) days in a workweek. During the relevant time period, Mr. Asbaghi and the aggrieved employees were required to work in excess of thirty (30) hours in a week and/or six (6) hours in any one (1) day thereof, during workweeks in which they were required to work in excess of six (6) days. During the relevant time period, Mr. Asbaghi and the aggrieved employees were required to work in excess of six (6) days in a workweek without accumulating or being provided the opportunity to take at least one (1) day of rest, and when Mr. Asbaghi and the aggrieved employees accumulated days of rest, they were not actually provided the opportunity to take the equivalent of one (1) day's rest in seven (7) during each calendar month.

California Labor Code sections 1174(d) requires an employer to keep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. These records shall be kept with rules established for this purpose by the commission, but in any case shall be kept on file for not less than two years. During the relevant time period, Putnam failed to keep accurate and complete payroll records showing the actual hours worked daily and the wages earned by Mr. Asbaghi and other aggrieved employees, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code sections 1194, 1197, and 1197.1 provide the minimum wage to be paid to employees, and the payment of a lesser wage than the minimum so fixed is unlawful. During the relevant time period, Putnam did not provide Mr. Asbaghi and other aggrieved employees in subgroup A with the minimum wages to which they were entitled for work performed "off-the-clock." Additionally, during the relevant time period, Putnam did not pay Mr. Asbaghi or other aggrieved employees in subgroup B with the minimum wages to which they were entitled for work performed "off-the-clock" because Putnam misclassified them as "exempt."

California Labor Code section 1198 provides that "The employment of any employee ... under conditions of labor prohibited by the [Industrial Wage Orders] is unlawful." The applicable Industrial Wage Orders, including *inter alia*, Wage Orders 1-2001, 4-2001, and 7-2001, require that for each workday an employee is required to report for work and does report, but is not put to work or is furnished less than half said employee's usual or scheduled day's work, the employee shall be paid for half the usual or scheduled day's work, but in no event for less than two (2) hours nor more than four (4) hours, at the employee's regular rate of pay. Further, if an employee is required to report for work a second time in any one workday and is furnished less than two (2) hours of work on the second reporting, said employee shall be paid for two (2) hours at the employee's regular rate of pay. During the relevant time period, Putnam failed to pay Mr. Asbaghi and other aggrieved employees half the usual or scheduled day's work in an amount no less than two (2) hours nor more than four (4) hours at the employee's regular rate of pay for workdays in which Mr. Asbaghi and the other aggrieved employees reported to work and were furnished less than half the usual or scheduled day's work. During the relevant time period, Putnam failed to pay Mr. Asbaghi and other aggrieved employees for two (2) hours at the employee's regular rate of pay on days in which Mr. Asbaghi and the other aggrieved employees were required to report for work a second time in one workday and were furnished less than two (2) hours of work upon the second reporting.

California Labor Code sections 2800 and 2802 require an employer to reimburse its employee for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her job duties or in direct consequence of his or her obedience to the directions of the employer. During the relevant time period, Mr. Asbaghi and other aggrieved employees incurred necessary business-related expenses and costs that were not fully reimbursed by Putnam.

Therefore, on behalf of all aggrieved employees, Mr. Asbaghi seeks all applicable penalties arising out of the above-referenced wage, hour, and payroll practices, or which could be assessed and collected by the Labor and Workforce Development Agency, for violation of the California Labor Code pursuant to PAGA.

If you have any questions or require additional information, please do not hesitate to contact us. Thank you for your attention to this matter and the noble cause you advance each and every day.

With kind regards,

Edwin Aiwazian, Esq.

Cc: (By U.S. Certified Mail / Return Receipt Requested)

Putnam Chevrolet Cadillac, LLC
Putnam Chevrolet Cadillac, Inc.
c/o Cheryl Putnam
Agent for Service of Process
3 California Drive
Burlingame, CA 94010

Putnam Automotive Group
Putnam GM
c/o Kent Putnam
3 California Drive
Burlingame, CA 94010

EXHIBIT 4

LAWYERS for JUSTICE PC CASE COST DETAIL
Asbaghi v. Putnam Chevrolet-Cadillac (PAGA)

Date	Payee	Expense Description	Amount
8/3/2020	U.S. Postmaster	Postage	$7.00
11/3/2020	U.S. Postmaster	Postage	$14.20
11/19/2020	U.S. Postmaster	Postage	$13.90
8/13/2021	Legal Document Server, Inc.	Attorney Service	$64.97
8/13/2021	Alameda Superior Court	Complex Filing Fee	$1,000.00
8/13/2021	Alameda Superior Court	Complaint Filing Fee	$435.00
9/22/2021	ProLegal	Attorney Service	$285.00
10/29/2021	ProLegal	Attorney Service	$195.50
11/24/2021	One Legal	Attorney Service	$16.08
11/24/2021	General Logistics Systems US, Inc.	Courier Service	$35.66
12/20/2021	Legal Document Server, Inc.	Attorney Service	$11.00
12/22/2021	One Legal	Attorney Service	$16.80
12/22/2021	Alameda Superior Court	Stipulation & Order Fee	$20.00
1/25/2022	General Logistics Systems US, Inc.	Courier Service	$66.18
2/4/2022	One Legal	Attorney Service	$16.08
2/4/2022	One Legal	Attorney Service	$12.35
3/2/2022	Judicate West	Mediation Fee	$6,250.00
6/9/2022	Legal Document Server, Inc.	Attorney Service	$16.10
6/9/2022	Alameda Superior Court	Stipulation & Order Fee	$20.00
6/14/2022	Legal Document Server, Inc.	Attorney Service	$14.75
8/3/2022	Legal Document Server, Inc.	Attorney Service	$150.00
8/3/2022	Legal Document Server, Inc.	Attorney Service	$16.85
8/3/2022	Alameda Superior Court	Stipulation & Order Fee	$20.00
8/10/2022	Legal Document Server, Inc.	Attorney Service	$15.50
12/21/2022	One Legal	Attorney Service	$32.16
4/5/2023	General Logistics Systems US, Inc.	Courier Service	$26.08
4/26/2023	Legal Document Server, Inc.	Attorney Service	$15.70
7/7/2023	Berger Consulting Group, LLC	Analysis of Sampling of Time Records	$2,600.00
		Total:	$11,386.86

EXHIBIT 5

SEYED RAMIN ASBAGHI V. PUTNAM CHEVROLET CADILLAC, INC., ET AL.
San Mateo County Superior Court, Case No. 21-CIV-04343

ATTORNEY TASK AND TIME CHART

TASK	LAWYERS *for* JUSTICE, PC
Investigation and Research / Due Diligence	
Meet and Communicate with Plaintiff Seyed Ramin Asbaghi ("Plaintiff") During the Case	30.50
Review and Analyze Register of Actions and Papers Filed in *Contreras v. Putnam Automotive, Inc*., *et al.*, San Mateo County Superior Court Case No. 19CIV01423 and *Durakov v. Putnam Automotive, Inc., et al.*, San Mateo County Superior Court Case No. 19CIV01223	5.50
Investigate, Communicate with, and/or Interview Aggrieved Employees and/or Percipient Witnesses	11.50
Pleadings and Court Filings	
Investigate the Merits of Plaintiff's PAGA Claim, Conduct Legal Research and Analysis Regarding PAGA Claim, and Draft Plaintiff's Complaint for Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq. (filed on August 12, 2021)	8.60
Review Court's Notice of Assignment for All Purposes (Civil) and Notice of Case Management Conference (filed on August 12, 2021)	0.10
Review and Analyze Defendants Putnam Chevrolet Cadillac, Inc. and Putnam Chevrolet Cadillac, LLC (together, "Defendants") Answer to Plaintiff's Complaint for Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq. (served on October 28, 2021), and Research Affirmative Defenses in Defendant's Answer	1.40
Draft Plaintiff's Case Management Statement (filed on November 24, 2021)	1.10
Review Defendants' Case Management Statement (served on November 24, 2021)	0.20

Review Court’s Order Vacating Case Management Conference (Action Is “At Issue” and Case is Ordered to ADR) (filed on November 30, 2021)	0.10
Meet and Confer with Defendants’ Counsel, and Draft Joint Stipulation to Continue Mediation Completion Deadline; [Proposed] Order (submitted on December 21, 2021)	1.30
Review Court’s Order to Continue Mediation Completion Deadline (filed on December 22, 2021)	0.10
Review Court’s Letter Re: Alternative Dispute Resolution (filed on January 25, 2022)	0.10
Meet and Confer with Defendants’ Counsel, and Draft Stipulation and Order to Appropriate Dispute Resolution (submitted February 4, 2022)	0.50
Review Court’s Order to Appropriate Dispute Resolution (filed on February 8, 2022)	0.10
Review Court’s Letter Re: ADR Evaluation Form Referral (filed on March 31, 2022)	0.30
Meet and Confer with Defendants’ Counsel, and Draft Joint Stipulation to Continue Mediation Completion Deadline; [Proposed] Order (submitted June 8, 2022)	1.10
Review Court’s Denial of Joint Stipulation to Continue Mediation Completion Deadline; [Proposed] Order (filed on June 9, 2022)	0.10
Draft Plaintiff’s Notice of Entry of Judgment or Order (filed on June 14, 2022)	0.10
Meet and Confer with Defendants’ Counsel, and Draft Joint Stipulation to Continue Mediation Completion Deadline; [Proposed] Order (submitted on August 3, 2022)	0.80
Review Court’s Order to Granting Joint Stipulation to Continue Mediation Completion Deadline (filed on August 8, 2022)	0.10
Draft Plaintiff’s Notice of Entry of Judgment or Order (filed on August 9, 2022)	0.10
Review Defendants’ Notice of Unavailability of Counsel (served on September 27, 2022)	0.10
Review Defendants’ Notice of Unavailability of Counsel (served on March 10, 2023)	0.10
Meet and Confer with Defendants’ Counsel, and Draft Joint Notice of Settlement (filed on April 26, 2023)	0.50

Review Court's Notice of Reassignment for All Purposes (filed on October 16, 2023)	0.20
Draft Notice of Change of Address or Other Contact Information (filed on January 30, 2025)	0.10
Discovery and Deposition	
Draft Letter to Defendants Re: Request for Personnel File, Pay Stubs, and Time Records for Plaintiff Seyed Ramin Ashbaghi (served on August 3, 2020)	1.90
Review and Analyze Documents Produced by Defendants in Response to the Request for Personnel File, Pay Stubs, and Time Records for Plaintiff Seyed Ramin Ashbaghi	6.50
Letters and Correspondence	
Draft Notice to California Labor and Workforce Development Agency Re: Claim of Plaintiff under the Private Attorneys General Act (served on November 3, 2020)	5.10
Draft Amended Notice to California Labor and Workforce Development Agency Re: Claim of Plaintiff under the Private Attorneys General Act (served on November 19, 2020)	1.40
Draft Correspondence to, Meet and Confer with, and/or Respond to Correspondence from, Defendants' Counsel	21.50
Mediation/Settlement	
Review and Analyze Information, Data, and Documents Obtained from Plaintiff, Defendants, and Other Sources Prior to Mediation	58.50
Prepare for Mediation, Including Researching Settlement-Related and Merits-Related Issues, Drafting the Mediation Brief, Compiling the Mediation Exhibits in Support of Plaintiff's Mediation Brief(submitted on April 5, 2023), Performing Penalties Analysis and Calculations, and Preparing PowerPoint Presentation	39.50
Attend Mediation Session (April 12, 2023; Zoom Video Conference)	16.50
Draft, Review, Revise, Negotiate, and Finalize Private Attorneys General Act Settlement Agreement and Limited Release (fully executed on January 24, 2024)	18.50

Draft, Review, Revise, Negotiate, and Finalize First Amended Private Attorneys General Act Settlement Agreement and Limited Release	3.50
Law and Motion	
Research and Draft Plaintiff's Notice of Motion for Approval of Private Attorneys General Act (Labor Code § 2698, Et Seq.) Settlement Agreement; Memorandum of Points and Authorities, Declaration of Plaintiff Seyed Ramin Asbaghi in Support Thereof, Declaration of Vartan Madoyan in Support Thereof, and [Proposed] Order and Judgment (filed on September 18, 2024)	21.50
Review Court's Minute Order Re: Motion for PAGA Approval Denied (filed on October 11, 2024)	0.60
Review Declaration of Simpluris, Inc., and Research and Draft Renewed Motion for Approval of Private Attorneys General Act (Labor Code § 2698, Et Seq.) Settlement Agreement and Award of Attorneys' Fees and Costs, General Release Fee, and Settlement Administration Costs; Memorandum of Points and Authorities, Declaration of Vartan Madoyan in Support Thereof, and [Proposed] Order and Judgment	20.50
Total Hours:	280.20

EXHIBIT 6

STATE OF CALIFORNIA
Labor and Workforce Development Agency
Department of Industrial Relations
Division of Labor Standards Enforcement
MICHAEL L. SMITH (SBN 252726)
1515 Clay Street, Room 2206
Oakland, CA 94612
Telephone No. (510) 286-1340
Facsimile No. (510) 622-3258
mlsmith@dir.ca.gov
Attorney for the Labor Commissioner

ELECTRONICALLY
FILED
Superior Court of California, County of San Francisco
11/30/2023
Clerk of the Court
BY: WILLIAM TRUPEK
Deputy Clerk

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN FRANCISCO

JOHN DOE, PAOLA CORREA, and DEWAYNE CASSEL, on behalf of the State of California and aggrieved employees, Plaintiffs, vs. GOOGLE, INC., ALPHABET, INC., ADECCO USA INC., ADECCO GROUP NORTH AMERICA and ROES 1 through 10, Defendants.	Case No. CGC-16-556034 **COMMENTS OF LWDA REGARDING PROPOSED PAGA SETTLEMENT** Date: December 4, 2023 Time: 9:00 a.m. Dept: 304 (COMPLEX) Judge: Hon. Ethan P. Schulman Date Action Filed: December 20, 2016 Trial Date: Not Set ***No filing fees, court costs, etc., per Labor Code §§101 and 101.5***

The California Labor and Workforce Development Agency ("LWDA") respectfully submits these comments regarding the proposed settlement agreement in this action in response to the Court's invitation in its order of October 31, 2023.

I. IMPACT OF THE SETTLEMENT AND AMOUNT OF THE CIVIL PENALTY

It is well established that PAGA serves to augment the limited enforcement capability of the Labor and Workforce Development Agency by empowering employees to bring actions to enforce California's labor standards. (*Iskanian v. CLS Transportation Los Angeles, LLC* (2014) 59 Cal.4th 348, 383, *abrogated on other grounds by Viking River Cruises, Inc. v. Moriana* (2022) 142 S.Ct. 1906.)

LWDA can confirm Plaintiffs' statement that the $27 million settlement in this action is the largest PAGA-only settlement, and second largest civil penalty recovery, in a PAGA action to date.[1] Thus, LWDA concurs with Plaintiffs that the settlement in this action constitutes one of the most significant recoveries under PAGA. But the impact of this settlement goes beyond these numbers.

The touchstone for the adequacy of a settlement must always be the purposes and policies underlying California's labor laws and PAGA, as a proxy for a state action. To that end, a PAGA settlement must provide for relief that is genuine, meaningful, and consistent with the State's goal of benefitting the public through enforcement of its labor laws. A PAGA settlement that deters noncompliance "augment[s] the state's enforcement capabilities, encourage[es] compliance with Labor Code provisions, and deter[s] noncompliance." (*O'Connor v. Uber Technologies* (N.D. Cal. 2016) 201 F.Supp.3d 1110, 1134-35 [internal citations omitted]; Iskanian, *supra*, 59 Cal.4th at 383 ["The PAGA was clearly established . . . to deter violations."].)

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[1] This search was based on information submitted by private attorneys into LWDA's PAGA filing portal, pursuant to PAGA's statutory requirements to submit proposed settlements and court order and judgements to LWDA. (Lab. Code § 2699(l)(2) & (3).) Errors may account for some deviation in this data.

Overall, this settlement has achieved significant labor law enforcement in inducing Google to change its policies which allegedly violated fundamental rights of employees to converse about their compensation (Lab. Code § 232) and conditions of employment (§ 232.5) and including a notice to employees of their rights under the allegedly violated statutes. These provisions of law protect fundamental rights rooted in public policy that the State has a strong interest in enforcing.

To our knowledge this is the first PAGA case which has obtained remedies of this nature, which clearly further labor law enforcement. And undoubtedly, as Plaintiffs state, "knowledge of this $27,000,000 PAGA settlement against Google should serve to deter Alleged Speech Restrictions by other employers." (MPA at p.18.) The Court should give due consideration to the fact that the settlement provides for the recovery of monetary penalties, as well as effectuates the State's interests through other affirmative relief.

II. THE SETTLEMENT AGREEMENT HERE DOES NOT INCLUDE ANY COMMON DEFICIENCIES THAT CONFLICT WITH THE PUBLIC INTEREST.

In evaluating the adequacy of settlements, court should evaluate whether the the settlement is fair, adequate, and reasonable under all of the circumstances in light of the public policies underlying California's labor standards. The proposed settlement agreement does not include any common terms that conflict with the public interest. First, it does not purport to settle claims beyond those pleaded in the plaintiffs' PAGA notices. (Cf. January 27, 2021 and January 27, 2022 PAGA Notices & Settlement Agreement § 5.1 release limited to claims "based on or reasonably related to the facts and claims alleged by Plaintiffs in the Action and Plaintiffs' notice letters to the LWDA including, but not limited to claims under California Labor Code sections 96(k), 98.6, 232, 232.5, 432.5, 1101, 1102, 1102.5, and 1197.5(j)-(k)"). The PAGA representatives release broader claims on behalf of themselves. (§ 5.2)

In addition, the proposed settlement agreement does not require ongoing confidentiality by the plaintiffs now that the motion for approval has been filed. (See § 7.2.)

With regard to distribution to employees, the agreement does not require aggrieved employees to make a claim to be entitled to payment, and there is no reversion to the employer under any circumstances. (§ 4.9.)

In addition, according to the settling parties, there are no existing PAGA actions pursuing the same claims that are being settled here. (§ 7.1.) Thus, there is no danger of a reverse auction scenario which might incentivize plaintiffs to accept a lower settlement value in conflict with LWDA's interest in enforcement.

Finally, as noted above, the settlement includes a notice to employees regarding their rights which were at issue in this action, including the rights to discuss wages and working conditions and to engage in political conduct. (§ 1.22, Ex. A)

III. INCENTIVE PAYMENTS TO PAGA PLAINTIFFS

"The rationale for making enhancement or incentive awards to named plaintiffs is that they should be compensated for the expense or risk they have incurred in conferring a benefit on other members of the class." (*Cellphone Termination Fee Cases* (2010) 186 Cal.App.4th 1380, 1394, quoting *Clark v. American Residential Services LLC* (2009) 175 Cal.App.4th 785, 791.) In the class action context, courts have held that an incentive award is appropriate "if it is necessary to induce an individual to participate in the suit." (*Clark*, 175 Cal.App.4th at p. 804.)

Although the express statutory terms of PAGA do not address incentive awards, the reasons for awarding incentive awards in class actions may similarly be present in PAGA litigation. "Incentive awards are commonly awarded in the context of class action settlements, which bear many similarities to settlements in PAGA cases." (*Smith v. Homeguard, Inc.* (Cal. Super. Oct. 28, 2020), No. 18CV333804, 2020 WL 6749810, at *2.) Indeed, "[m]any if not most PAGA settlements include an 'incentive award' paid to the named representative." (See *Carillo v. Blusky Restoration Contractors LLC* (Cal.Super. June 29, 2022), No. CIVSB2105793, 2022 WL 18406637, at *1 (recognizing incentive awards in PAGA settlements).)[2]

"The Legislature's sole purpose in enacting PAGA was 'to augment the limited enforcement capability of the [LWDA] by empowering employees to enforce the Labor Code as representatives of the Agency.' [citation]." (*Adolph v. Uber Technologies, Inc.* (2023) 14 Cal.5th 1104, 1122.) At least one court has recognized that providing financial incentives to employees to serve as a PAGA plaintiff in actions that will recover civil penalties for Labor Code violations is consistent with PAGA's purpose. (*See Galindo*, 2021 WL 9880030, at *1 (incentive awards to PAGA plaintiffs further the enforcement goal of the statute).)

Criteria courts may consider in determining whether to make an incentive award include: 1) the risk to the representative in commencing suit, both financial and otherwise; 2) the notoriety and personal difficulties encountered by the representative; 3) the amount of time and effort spent by the representative; 4) the duration of the litigation and; 5) the personal benefit (or lack thereof) enjoyed by the representative as a result of the litigation. (*Ibid.*) (*Cellphone Termination Fee Cases, supra,* 186 Cal.App.4th 1380, 1394-1395.) Given the similar roles of plaintiffs in class and PAGA actions, these criteria are a logical starting point for evaluating incentive awards in PAGA actions.

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[2] *See also Galindo v. 20/20 Plumbing and Heating, Inc.*, (Cal.Super. Oct. 24, 2021) No. CIVSB-2118276, 2021 WL 9880030, at *1 ($5000 incentive award to PAGA representative); *Tallon v. Aluma Systems Concrete Const., LLC* (Cal.Super. Oct. 28, 2022) No. CIVDS2012039, 2022 WL 17224382, at *1 (court approval of $2500 incentive award to PAGA plaintiff).)

Because the aggrieved employee bears some risk in commencing the suit, both financial and otherwise, and must expend time and resources in pursuit of the litigation, incentive awards may be appropriate in PAGA actions. In addition, the share of money that goes to employees from a PAGA settlement is only a one-fourth share of the total civil penalty amount, divided among all aggrieved employees.[3] Thus, in this respect, the need for a representative plaintiff in a PAGA action is at least as great as in the class context.

IV. CONCLUSION

Given the size and terms of the settlement and the strong advocacy of counsel over several years, LWDA submits that the settlement meets the criteria for approval. LWDA thanks the Court for the opportunity to submit the foregoing comments.

Dated: November 27, 2023

STATE OF CALIFORNIA
LABOR & WORKFORCE DEVELOPMENT AGENCY
DEPARTMENT OF INDUSTRIAL RELATIONS
DIVISION OF LABOR STANDARDS ENFORCEMENT

By: ______________________
Michael L. Smith, Attorney

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[3] In addition, PAGA-only settlements can no longer include a component of restitution for employees. See *ZB, N.A., and Zions Bancorporation v. Superior Court of San Diego County* (2019) 8 Cal.5th 175 ("*Lawson*") (civil penalties in PAGA action can no longer include "an amount sufficient to recover underpaid wages" under Lab. C. § 558).