

Arby Aiwarzian (SBN 269827)
Joanna Ghosh (SBN 272479)
Brittany Shaw (SBN 331773)
LAWYERS for JUSTICE, PC
410 West Arden Avenue, Suite 203
Glendale, California 91203
Tel: (818) 265-1020 / Fax: (818) 265-1021
Attorneys for Plaintiff ALFREDO SALAZAR

Levon S. Yepremian
KJT LAW GROUP, LLP
230 N. Maryland Avenue, Suite 306
Glendale, CA 92606
Attorneys for Plaintiff ANA NUNEZ

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES – POMONA COURTHOUSE SOUTH

ALFREDO SALAZAR, individually, and on
behalf of other aggrieved employees
pursuant to the California Private Attorneys
General Act,

Plaintiff,

vs.

CPP-CITY OF INDUSTRY CAST PARTS,
INC., an unknown business entity; CAST
PARTS, INC., an unknown business entity;
and DOES 1 through 100, inclusive,

Defendants.

ANA NUNEZ, individually and on behalf of
all others similarly situated,

Plaintiff,

vs.

CAST PARTS, INC., DBA
CONSOLIDATION PRECISION
PRODUCTS, a corporation; and DOES 1-
20, inclusive,

Defendants.

Lead Case No.: 21PSCV00014
Consolidated with 21STCV08428

Honorable Christian R. Gullon
Department O

**DECLARATION OF BRITTANY SHAW IN
SUPPORT OF PLAINTIFFS' MOTION
FOR APPROVAL OF PRIVATE
ATTORNEYS GENERAL ACT
SETTLEMENT AGREEMENT AND
AWARD OF PAGA COUNSEL FEES
PAYMENT, PAGA COUNSEL
LITIGATION EXPENSES PAYMENT,
GENERAL RELEASE FEE, AND
ADMINISTRATION EXPENSES PAYMENT**

[Notice of Motion and Motion for Approval of
Private Attorneys General Act Settlement
Agreement and Release, PAGA Counsel Fees
Payment, PAGA Counsel Litigation Expenses
Payment, General Release Fee, and
Administration Expenses Payment; Declarations
of Plaintiffs (Alfredo Salazar and Ana Nunez);
and [Proposed] Order and Judgment filed
concurrently herewith]

Reservation ID: 516546408269
Hearing Date: January 9, 2025
Hearing Time: 10:00 a.m.
Department: O

Salazar Action Filed: January 7, 2021
Nunez Action Filed: March 3, 2021
Trial Date: None Set

**DECLARATION OF BRITTANY SHAW IN SUPPORT OF PLAINTIFFS' MOTION FOR APPROVAL OF
PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT AGREEMENT AND AWARD OF PAGA
COUNSEL FEES PAYMENT, PAGA COUNSEL LITIGATION EXPENSES PAYMENT, GENERAL
RELEASE FEE, AND ADMINISTRATION COSTS**

DECLARATION OF BRITTANY SHAW

I, Brittany Shaw, 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, along with KJT Law Group, LLP, for Plaintiffs Alfredo Salazar and Ana Nunez (together, the “Plaintiffs”). The facts set forth in this declaration are within my personal knowledge or based on information and belief and, if called as a witness, I could and would competently testify thereto.

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. During a relatively short time, in association with other law firms, Lawyers *for* Justice, PC has recovered millions of dollars on behalf of thousands of individuals in California.

3. Arby Aiwarzian 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 State 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. 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, including and not limited to, those listed in paragraph 8 herein. He has handled over one hundred and fifty (150) mediations and has worked on over two hundred and fifty (250) class action or representative action cases which have resulted in settlement.

4. 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 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 the Private Attorneys General Act and employer efforts to compel arbitration, e.g., *Betancourt v. Prudential Overall Supply*, 9 Cal.App.5th 439 (Cal. Ct. App., Mar. 7, 2017), cert. denied (Cal., May 24, 2017), cert. denied (U.S., Dec. 11, 2017) and *ZB, N.A. v. Superior Court*, 8 Cal.5th175 (2019). 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

5 5. I am a senior attorney at Lawyers for Justice, PC. I received a Bachelor of
6 Science degree from Purdue University in 2010, and a Juris Doctor degree from Indiana
7 University in 2015. I am admitted to practice in Indiana (since 2015) and in California (since
8 2020) and admitted to practice in all U.S. District Courts in California and U.S. District Courts in
9 Indiana. I have taken and defended dozens of depositions and successfully handled motion
10 practice in class action cases regarding discovery (including and not limited to,
11 regarding class contact information), class certification (including contested class
12 certification), arbitration agreements, and coordination. I have successfully handled briefing and
13 oral argument regarding the Private Attorneys General Act and employer efforts to compel
14 arbitration. I have significant experience with class actions, including and not limited to working
15 on cases to obtain class certification through contested motion practice and working on cases in
16 the post-certification stage. I also have experience with class action and/or representative action
17 mediations and settlements. I am also a member of the California Employment Lawyers
18 Association. I, along with attorneys at Lawyers for Justice, PC, have handled the class
19 certification and court approval process for hundreds of class action and/or representative action
20 matters that have successfully resolved.

22 6. Defendant is located in City of Industry, California and manufactures components
23 for the aerospace and defense industries. During the relevant time period, Defendant operated
24 multiple locations in the United States, including approximately four locations in California.
25 Plaintiffs Alfredo Salazar and Ana Nunez are former employees of Defendant.

7. Plaintiffs have 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 behalf of Plaintiff Alfredo Salazar that was dated November 2, 2020 (“Salazar PAGA Notice”) and written correspondence on behalf of Plaintiff Ana Nunez that was dated July 14, 2020 (“Nunez PAGA Notice”) (together, the “PAGA Notices”). The PAGA Notices were sent by U.S. Certified Mail to the employers and submitted to the LWDA by way of online submission on the LWDA’s website. Aside from confirmation of receipt of the PAGA Notices, the LWDA did not respond to the PAGA Notices. A true and correct copy of the Salazar PAGA Notice is attached as Exhibit A to “**EXHIBIT 1**”. A true and correct copy of the Nunez PAGA Notice is attached as Exhibit B to “**EXHIBIT 1**.”

8. On January 7, 2021, Plaintiff Alfredo Salazar filed a Complaint for Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq. against Defendant in the Los Angeles County Superior Court (“Court”), Case No. 21PSCV00014. Plaintiff Salazar’s core allegation is that Defendant has violated the California Labor Code by engaging in a uniform practice and procedure, with respect to Plaintiffs and other PAGA Members, 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.

9. On February 24, 2021, Defendant filed an Answer to the Operative Complaint. Defendant maintained, and continues to maintain, that it had, and continues to have, legally-compliant employment policies and practices throughout the time period at issue. Defendant denies that it ever violated any provision of the California Labor Code, including, but not limited to, those sections for which Plaintiffs seek penalties under the PAGA.

10. On March 3, 2021, Plaintiff Ana Nunez filed a Complaint for Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq. against Defendant in the Los Angeles County Superior Court, Case No. 21STCV08428 (together, the “Actions”).

11. On May 21, 2021, Defendant filed a Motion to Consolidate the Actions. Plaintiff Salazar opposed the Motion to Consolidate; however, Defendant's Motion was granted on June 18, 2021.

12. On January 28, 2022, Defendant filed a Motion for Leave to Amend Answer to assert the affirmative defense of Defendants' right to arbitration. Plaintiff opposed the Motion. The hearing of the motion was continued and later deemed moot.

13. On January 28, 2022, Defendant concurrently filed a Motion to Compel Arbitration of Plaintiffs' claims on an individual basis. On June 9, 2022, Plaintiffs filed their Opposition to Defendant's Motion to Compel Arbitration.

14. On July 18, 2022, Defendant filed a Supplemental Brief in Support of its Motion to Compel Arbitration. On July 29, 2022, Plaintiff filed its Supplemental Opposition along with a Declaration of Plaintiff Salazar. Both parties filed Requests for Judicial Notice.

15. On November 8, 2022, the Motion to Compel Arbitration of Plaintiffs' individual claims was granted. Plaintiffs' representative claims were stayed pending arbitration of the individual claims.

THE SETTLEMENT REACHED IN THE ACTION

16. Marked and attached hereto as "EXHIBIT 1" is the Private Attorneys General Act Settlement Agreement ("Settlement," "Agreement," or "Settlement Agreement"), entered into between Plaintiffs Alfredo Salazar and Ana Nunez, for themselves and on behalf of the State of California with respect to Aggrieved Employees pursuant to the Private Attorneys General Act, and Defendant Cast Parts, Inc., erroneously sued by Salazar as CPP-City of Industry Cast Parts, Inc. and erroneously sued by Nunez as Cast Parts, Inc. dba Consolidation Precision Products ("CPI" "Company" or "Defendant"). The parties have also drafted and agreed to the form and content of the proposed informational cover letter ("Cover Letter") for mailing to Aggrieved Employees when Individual PAGA Payments 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 Agreement, Award of PAGA Counsel Fees Payment,

PAGA Counsel Litigation Expenses Payment, General Release Fee, and Administration Expenses Payment. The Court is respectfully requested to approve the proposed Cover Letter.

17. The Settlement pertains to the following allegedly aggrieved employees: persons employed by CPI in California and classified as non-exempt employees who worked for CPI during the PAGA Period. (“Aggrieved Employees”). The “PAGA Period” means the period between November 4, 2019, to July 25, 2024. Based on information provided by Defendant, it is estimated that during the PAGA Period there are approximately 578 Aggrieved Employees who are credited with 55,000 PAGA Pay Period.

18. Defendant has agreed to pay the gross amount of \$865,000.00 (“Gross Settlement Amount”), subject to possible increase under Section 4.1 of the Settlement Agreement, to settle this matter. The Settlement Agreement provides that the “Net Settlement Amount” will be the Gross Settlement Amount less the following amounts: (1) PAGA Counsel Fees Payment in the amount of \$302,750.00 for attorneys’ fees (“PAGA Counsel Fees Payment”) and up to \$25,000.00 for reimbursement of litigation costs and expenses to Lawyers for Justice, PC and KJT Law Group, LLP (“PAGA Counsel”); (2) General Release Fee in the amounts of \$7,500.00 each to Plaintiffs (totaling, \$15,000.00); and (3) Administration Expenses Payment of up to \$10,000.00 to the Administrator. PAGA Counsel only seeks an award of reimbursement of litigation costs and expenses in the amount of \$16,028.62 (“PAGA Counsel Litigation Expenses”). Assuming that the requested PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses, General Release Fee, and Administration Expenses Payment, are approved by the Court, the Net Settlement Amount is estimated to be approximately \$521,221.38. The Net Settlement Amount will be distributed to the LWDA and the Aggrieved Employees pursuant to California Labor Code section 2699(i). 75% of the Net Settlement Amount will be distributed to the LWDA, which is estimated to be \$390,916.04 (“LWDA PAGA Payment”), and 25% of the Net Settlement Amount, which is estimated to be \$130,305.34 (“Employees’ Portion”), will be distributed to the Aggrieved Employees on a *pro rata* basis, based on the number of pay periods each Aggrieved Employee is credited with during the PAGA Period (“Individual PAGA Payment”). The parties have agreed to retain Phoenix Settlement Administrators, (“Phoenix” or

“Administrator”) to handle the administration of the Settlement, and the Court is respectfully requested to appoint Phoenix to serve as the Administrator. The Administration Expenses Payment are estimated not to exceed \$10,000.00 and will be paid out of the Gross Settlement Amount, subject to approval by the Court.

THE LITIGATION AND WORK PERFORMED BY PAGA COUNSEL

19. The effectiveness of PAGA Counsel, Lawyers *for* Justice, PC, and KJT Law Group, LLP, in prosecuting this case has translated into tangible monetary benefits for Plaintiffs, Aggrieved 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.

20. After engaging in extensive investigations, formal and informal discovery, and exchange of information, data, and documents, the parties participated in extensive settlement discussions and negotiations to try to resolve the above-captioned lawsuit. These efforts included participating in a formal mediation on July 25, 2024, conducted by Eve Wagner, 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 discussions, 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, arbitration of individual claims, off-the-clock theory, meal and rest periods, donning and doffing, rest waivers, regular rate of pay calculations, reporting time pay, Industrial Welfare Commission Wage Orders, arbitration agreements, wage-and-hour enforcement, 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.

21. Prior to reaching the Settlement, the parties investigated the veracity, strength, and scope of the PAGA claim and allegations, and were preparing for trial. Plaintiffs conducted

1 significant investigation and formal and informal discovery and exchange of information,
2 documents, and data regarding the facts of the case, including and not limited to, the review,
3 consideration, and analysis of thousands of pages of information, documents, and data obtained
4 from Plaintiffs, Defendant, and other sources. PAGA Counsel propounded multiple sets of
5 formal written discovery requests onto Defendant (specifically, Requests for Production of
6 Documents (Set One), Special Interrogatories (Sets One, and Two), and Form Interrogatories –
7 General (Set One)), reviewed Defendant’s objections and responses and supplemental objections
8 and responses thereto, and served notices of depositions of Defendant’s Person Most
9 Knowledgeable designees regarding organizational structure, wage and hour practices, along
10 with requests for production of documents. The information, documents, and data that were
11 reviewed and analyzed by PAGA Counsel included, and were not limited to, Plaintiffs’
12 employment records; a detailed sampling of Aggrieved Employees’ time and pay data; multiple
13 iterations of Defendant’s Employee Handbook; job descriptions; various forms, agreements, and
14 acknowledgments (such as, Defendant’s Acknowledgement of Receipt of Employee Handbook,
15 and Final Paycheck(s) Acknowledgement); and Defendant’s operations and employment
16 practices, policies, and procedures (such as, Defendant’s Reporting-Time Pay Policy, Pay
17 Checks Policy, Time Keeping Requirements Policy, Overtime Policy, and Meal and Rest Periods
18 Policy), among other documents. Counsel for the parties undertook significant investigation and
19 evaluation of the PAGA claim and related allegations, including, and not limited to,
20 calculating the potential monetary recovery under PAGA. Other work performed by PAGA
21 Counsel included, but was not limited to: meeting and conferring with Defendant’s counsel
22 regarding the pleadings, case management, discovery, arbitration, mediation, and settlement
23 negotiations, among other issues; case strategy and analysis; researching, drafting, reviewing,
24 and revising pleadings, court filings, motion-related papers (e.g., consolidation, arbitration, and
25 settlement approval motion papers), briefs for settlement negotiations and mediation, and the
26 settlement agreement; propounding written discovery requests and notices of depositions of
27 Defendant’s persons most knowledgeable designees and reviewing Defendant’s objections and
28 responses thereto; claims evaluation and analysis; preparing for and participating in settlement

negotiations and the mediation; and appearing for court proceedings. Counsel for the parties have further invested time to research the applicable law, which is evolving as it relates to representative PAGA actions, off-the-clock theory, meal and rest periods, meal waivers, regular rate of pay calculations, reporting time pay, Industrial Welfare Commission Wage Orders, arbitration agreements, wage-and-hour enforcement, Plaintiffs' claims, and Defendant's defenses, as well as facts discovered.

22. Based on investigation and information discovered, PAGA Counsel believes that there is sufficient evidence to support the allegations that Defendant violated the California Labor Code. While PAGA Counsel believes that the PAGA claim has merit and that Plaintiffs will ultimately succeed in this litigation and prevail at trial, Plaintiffs and PAGA Counsel also recognize Defendant's defenses, the costs of further litigation, and multiple risks to recovery. For example, 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 Plaintiffs, including, and not limited to, the issues of non-compliant meal periods, non-compliant rest periods, and unreimbursed business expenses, raise individualized issues and/or are not suitable for adjudication as to a group of employees.

23. Plaintiffs and their 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, Plaintiffs 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.

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

24. In order for Plaintiffs to prevail on the PAGA claim, they 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. 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 Plaintiffs raise individualized issues and/or are not

1 suitable for adjudication as to a group of employees.

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

12 26. Defendant also challenged Plaintiffs' standing as aggrieved employees and denied
13 that any of its other employees whom Plaintiffs seek to represent are aggrieved. Also, multiple
14 courts have taken an approach requiring a plaintiff to establish standing and face the possibility
15 of bifurcation of discovery and/or trial of the PAGA claim. See *Amalgamated Transit Union,*
16 *Local 1756, AFL-CIO v. Superior Court.* (2009) 46th Cal.4th 993, 1001 (noting that PAGA
17 "require[s] a plaintiff to have suffered an injury resulting from an unlawful action"); *Stafford v.*
18 *Dollar Tree Stores, Inc.* (E.D. Cal. Nov. 21, 2014) 2014 WL 6633396, at *4 (finding that judicial
19 economy supported bifurcation because of the difficulties and inherent uncertainties of being
20 able to establish liability with respect to a large number of potentially aggrieved employees and
21 noted that "PAGA's public purpose would be ill-served if the court finds [the plaintiff] has not
22 been aggrieved by a Labor Code violation"); *Grappo v. Coventry Fin. Corp.* (1991) 235
23 Cal.App.3d 496, 504 (Trial courts have "broad discretion to determine the order of proof in the
24 interest of judicial economy"); see also Cal. Code Civ. Proc. § 598 (The court may "when the
25 convenience of witnesses, the ends of justice, or the economy and efficiency of handling the
26 litigation would be promoted thereby, on motion of a party, after notice and hearing, make an
27 order. . . that the trial of any issue or any part thereof shall precede the trial of any other issue or
28 any part thereof in the case[.]"); Cal. Code Civ. Proc. § 1048(b) (Court can separate trial of any

1 cause of action or of any separate issue in the interest of convenience or to avoid prejudice); Cal.
2 Code Civ. Proc. § 2019.020(b) (Courts have the power to “establish the sequence and timing of
3 discovery for the convenience of parties and witnesses and in the interests of justice”); *Horton v.*
4 *Jones* (1972) 26 Cal.App.3d 952, 955 (stating that bifurcation and sequencing of litigation is
5 allowed to avoid wasting time and money on trial when litigation of issues could be rendered
6 moot).

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

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

20 29. Defendant also argued that an important feature of PAGA is that the Court retains
21 discretion to lower the penalties if, based on the facts and circumstances of the particular case, to
22 do otherwise would result in an award that is “unjust, arbitrary and oppressive, or confiscatory.”
23 See Cal. Lab. Code § 2699(e)(2); see also *Thurman v. Bayshore Transit Management, Inc.*
24 (2012) 203 Cal.App.4th 1112, 1136 (holding that a court may reduce the amount of PAGA
25 penalties awarded to an employee based upon discretionary factors). Defendant maintained, and
26 continues to maintain, that it had and continues to have, legally-compliant employment policies
27 and practices throughout the time period at issue. Even if, *arguendo*, such violations occurred,
28 which Defendant denies, Defendant contended that said violations would only be considered

1 “initial violations” and thus heightened “subsequent violation” penalties were not warranted.
2 See Cal. Lab. Code § 2699(f)(2); see also *Amaral v. Cintas Corp. No. 2* (2008) 163 Cal.App.4th
3 1157, 1208-09 (“Until the employer has been notified that it is violating a Labor Code provision
4 [...], the employer cannot be presumed to be aware that its continuing underpayment of
5 employees is a ‘violation’ subject to penalties.”). Defendant argued that it would be able to show
6 a lack of willfulness in the violations, such that the alleged California Labor Code violations
7 would not be considered “willful.” Defendant contended that, at best, even if a violation giving
8 rise to a penalty was shown for each pay period, only the lower civil penalty associated with
9 initial violations would apply. As discussed above, Defendant denied and continues to deny that
10 it ever violated any provision of the California Labor Code. However, assuming, *arguendo*, that
11 any violations occurred, Defendant argued the violations would not be viewed as subsequent
12 violations giving rise to heightened penalties. Defendant also argued that the Court was unlikely
13 to assess cumulative penalties for the maximum number of possible, separate California Labor
14 Code violations, because it would be unjust, arbitrary, oppressive, and/or confiscatory—
15 especially where certain conduct may be regulated by multiple provisions of the California Labor
16 Code that are interrelated and work in tandem. As such, Defendant contended that cumulative
17 penalties and heightened penalties would be unjust, arbitrary, oppressive, and confiscatory.

18 30. PAGA Counsel was also aware of case law indicating that courts have attributed
19 little separate value to PAGA claims, for example, allowing them to be resolved for \$0 where the
20 other underlying California Labor Code claims are being (or have been) resolved, or, assessing
21 much lower amounts of civil penalties against employers than are sought. See e.g., *Magadia v.*
22 *Wal-Mart Assocs.* (N.D. Cal. 2019) 384 F. Supp. 3d 1058, 1100-1101, 1103-1104, 1111 (finding
23 that, under Labor Code § 2699(e)(2), “the Court has broad discretion to award PAGA penalties
24 the Court sees fit” and reducing the PAGA penalty award significantly from the maximum
25 penalties possible); *Morales v Bridgestone Retail Operations LLC*, Orange County Superior
26 Court No. 30-2017-00900244 (Aug. 2, 2018) (of \$7 million PAGA penalties requested, the court
27 awarded \$425,000); *Carrington v Starbucks Corp.* (2018) 30 Cal.App.5th 504, 517, 529 (of \$75
28 million in penalties sought, the court affirmed the trial court’s \$150,000 PAGA penalty award

1 based on 30,000 violations, which reduced the penalty rate to \$5 per violation); *Arnold v San*
2 *Diego Second Chance Program*, San Diego County Superior Court No. 37-2016-00018375 (Dec.
3 18, 2017) (no PAGA penalties awarded); *Felczer v Apple Inc.*, San Diego County Superior Court
4 No. 37-2011-00102593 (Sept. 13, 2017) (no PAGA penalties awarded); *In re Taco Bell Wage*
5 *and Hour Actions* (E.D. Cal. Apr. 8, 2016) No. 1:07-cv-01314-SAB, 2016 U.S. Dist. LEXIS
6 48557 at *41 (the court declined to award PAGA penalties after trial); *Allen v American Multi-*
7 *Cinema*, Alameda County Superior Court No. RG11585502 (July 24, 2016) (no PAGA penalties
8 awarded); *Atempa v Pama*, San Diego County Superior Court (July 31, 2015) (of PAGA
9 penalties of \$456,133 sought, the court awarded \$197,434.00); *Driscoll v Granite Rock*, Santa
10 Clara County Superior Court No. 1-08-cv-103426 (Sept. 20, 2011) (the court declined to award
11 PAGA penalties); *Fleming v Covidien, Inc.*, No. ED CV10-01487 RGK (OPx) (C.D. Cal. Aug.
12 12, 2011) 2011 U.S. Dist. LEXIS 154590 at **8-9 (of \$2,800,000 PAGA penalties requested, the
13 court awarded \$500,000); *Aguirre v Genesis Logistics*, No. SACV 12-00687-JVS (ANx) (C.D.
14 Cal. Dec. 30, 2013) 2013 U.S. Dist. LEXIS 189820 at **6-7 (of \$1,800,000 PAGA penalties
15 requested, the court awarded \$500,000); *Halevi v Aroma Bakery Café, Inc.*, Los Angeles County
16 Superior Court No. 468146 (Aug. 30, 2013) (the court declined to award PAGA penalties after
17 trial awarding wages to class on the basis that, inter alia, the lawsuit was not prompted by
18 availability of PAGA penalties, penalties were not necessary to remedy ongoing or future
19 violations, corporate defendants corrected violations and were no longer in business, and
20 plaintiffs did not offer evidence establishing imposition of penalties on individual defendants
21 would not be confiscatory).

22 31. Importantly, Defendant moved to compel Plaintiffs' individual claims to
23 arbitration. Defendant contended that the claims of Plaintiffs and other Aggrieved Employees are
24 subject to enforceable agreements that included, *inter alia*, binding individual arbitration and
25 class and collective action waiver provisions. Consequently, Defendant's Motion to Compel
26 Arbitration was granted as to Plaintiffs' individual claims and the representative claims were
27 stayed during the pendency of arbitration, which impacts the viability of adjudication. As a result
28 of a recent United States Supreme Court decision, it is more likely that employer agreements

1 containing arbitration terms will impact the viability of adjudication of PAGA claims in the
2 judicial forum. *Viking River Cruises, Inc. v. Moriana*, (2022) 142 S. Ct. 1906, 2022 U.S. LEXIS
3 2940. Although the substantive statutory right to pursue a PAGA claim has not been eviscerated
4 and has been preserved, arbitration agreements may be used to select the forum and procedure to
5 be used to resolve PAGA claims to some extent. Recently, the California Supreme Court
6 confirmed that an aggrieved employee who has been compelled to arbitrate claims under PAGA
7 that are premised on California Labor Code violations that were sustained by the aggrieved
8 employee still maintains statutory standing to pursue a PAGA claim arising out of events
9 involving other employees through a PAGA representative claim. *Adolph v. Uber Technologies*
10 (2023) 14 Cal.5th 1104. Nevertheless, while the arbitrable and non-arbitrable components of an
11 action are not severed from one another, it is still possible that trial courts will, as the Court did
12 here, stay the representative/non-individual PAGA claims pending arbitration of a plaintiff's
13 individual PAGA claims. If a plaintiff is determined to not be an "aggrieved employee" for
14 PAGA purposes, issue preclusion may apply and, once reduced to a final judgment, trial courts
15 are bound by the arbitrator's determination and the plaintiff may lose standing to pursue non-
16 individual PAGA claims. *Id.* at 693.

17 32. Furthermore, the recent amendment of the PAGA statute enacted on July 1, 2024,
18 adopting, *inter alia*, modified standing requirements, codifying a manageability requirement,
19 capping civil penalties that can be assessed against an employer if an employer meets certain
20 conditions, and allowing an employer to cure violations to avoid the assessment of civil penalties
21 if an employer meets certain conditions, has created uncertainty regarding the future of claims
22 for civil penalties under PAGA. As such, at the time that the Parties reached the settlement, and
23 also now, there is uncertainty regarding the PAGA claim.

24 33. While Plaintiffs disagree with Defendant's contentions and maintain that their
25 PAGA claim have merit, in reaching the settlement, Plaintiffs and their counsel took into account
26 the strengths and weaknesses of each side's position and the uncertainty of how the case might
27 have concluded as litigation continued, at trial, and/or upon appeal.

28 34. The parties had the opportunity to review extensive information, documents, and

1 data regarding Plaintiffs' and Aggrieved Employees' employment with Defendant in an effort to
2 determine the potential value and strength of the PAGA claim. Counsel for the parties invested
3 time reviewing and analyzing the relevant information, documents, and data, and this
4 information made it possible to calculate the potential value of the PAGA claim (as discussed
5 below). Accordingly, the parties have conducted sufficient investigation and review of data,
6 documents, and information to be sufficiently apprised of the nature and extent of the PAGA
7 claim asserted in this lawsuit, and to enable both sides to fully evaluate the Settlement for its
8 fairness, adequacy, and reasonableness. The parties have also considered the settlement
9 negotiations and the recommendations of the mediator Eve Wagner, Esq., who is highly
10 experienced in mediation complex labor and employment matters. The parties have agreed that
11 this case is well-suited for settlement given the legal issues relating to the PAGA claim, as well
12 as the costs, risks, and delays to both sides that would attend further arbitration/litigation. The
13 Settlement takes into account the strengths and weaknesses of each side's position and the
14 uncertainty of how the case might have concluded as litigation continued, at trial, and/or upon
15 appeal.

16 **ATTORNEYS' FEES REQUESTED BY PAGA COUNSEL**

17 35. As set forth more fully in the accompanying Motion, PAGA Counsel seeks
18 attorneys' fees in the amount of \$302,750.00, which represents approximately thirty-five percent
19 (35%) of the Gross Settlement Amount. Pursuant to the contingency-fee agreements entered into
20 by and between Plaintiffs and PAGA Counsel, Plaintiffs have agreed to contingency-fees of at
21 least thirty-five percent (35%) of the recovery. The attorneys' fees sought are commensurate
22 with: (1) the risk that PAGA Counsel took in commencing the case; (2) the time, effort, and
23 expense that PAGA Counsel dedicated to the case; (3) the skill and determination that PAGA
24 Counsel have shown; (4) the results that PAGA Counsel have achieved throughout the litigation;
25 (5) value of the settlement that PAGA Counsel have achieved in the case; and (6) the other cases
26 that PAGA Counsel have turned down in order to devote their time and efforts to this case.

27 **LITIGATION COSTS AND EXPENSES INCURRED BY PAGA COUNSEL**

28 36. The Settlement provides for reimbursement of litigation costs and expenses of up

1 to \$25,000.00. PAGA Counsel seek reimbursement of \$16,028.62 for litigation costs and
2 expenses incurred in this case. It should be noted that PAGA Counsel have borne all of the risks
3 and costs of litigation to date and will not receive any compensation until a recovery is obtained
4 in this matter. These costs and expenses were reasonable and necessary in the prosecution of this
5 matter and to obtain the Settlement. The amount sought for reimbursement is less than the
6 maximum amount (\$25,000.00) allocated under the Settlement Agreement for reimbursement of
7 litigation costs and expenses. The cost savings of \$8,971.38 will be part of the Net Settlement
8 Amount.

9 **GENERAL RELEASE FEE TO PLAINTIFFS**

10 37. For their broader individual waiver and release of claims with a California Civil
11 Code Section 1542 waiver (set forth in Section 5 of the Settlement Agreement), the Settlement
12 provides General Release Fee to Plaintiffs in the total amount of \$15,000.00 (\$7,500 to each
13 Plaintiff) to be paid out of the Gross Settlement Amount, subject to approval by the Court. The
14 requested General Release Fee is fair and appropriate. It is also worth noting that Plaintiffs have
15 undertaken significant efforts and work to spearhead the pursuit of this matter. By initiating and
16 pursuing this matter, Plaintiffs stepped into the shoes of the State of California and undertook the
17 responsibilities of serving in a representative capacity. Plaintiffs have spent a substantial amount
18 of time and effort discussing their employment with their counsel, gathering and producing
19 relevant documents and information, and providing the facts and evidence necessary to attempt
20 to prove the allegations. For example, Defendant propounded discovery requests on Plaintiffs,
21 and Plaintiffs spent time reviewing said discovery requests and providing information and
22 documents in response thereto. Plaintiff Salazar also wrote a declaration in Opposition to
23 Defendant's Motion to Compel Arbitration. Plaintiffs were available whenever their counsel
24 needed them and actively tried to obtain and provide information that would facilitate the pursuit
25 of the PAGA claim. Accordingly, it is appropriate and just for Plaintiffs to receive General
26 Release Fee, in addition any individual penalties payment they will receive as an aggrieved
27 employee.

28 38. PAGA 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 24th day of October 2024, at San Diego, California.



Brittany Shaw

PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT AGREEMENT

This Private Attorneys General Act Settlement Agreement (“Agreement”) is made by and between Plaintiffs Alfredo Salazar (“Salazar”) and Ana Nunez (“Nunez”) (collectively, “Plaintiffs”) and defendant Cast Parts, Inc., erroneously sued by Salazar as CPP-City of Industry Cast Parts, Inc. and erroneously sued by Nunez as Cast Parts, Inc. dba Consolidation Precision Products (“CPI,” “Company,” or “Defendant”). The Agreement refers to Plaintiffs and CPI collectively as “Parties,” or individually as “Party.”

Unless otherwise specified, all citations and references to the Private Attorneys General Act of 2004, California Labor Code sections 2698, et seq. are to the version of statute prior to the recent amendment effective July 1, 2024; the amended statute does not apply to the Settlement pursuant to California Labor Code section 2699, subd. (v)(1), as amended, because the Actions were filed prior to June 19, 2024.

1. DEFINITIONS.

- 1.1. “Actions” means *Alfredo Salazar v. CPP-City of Industry Cast Parts, Inc., et al.* initiated on January 7, 2021 and pending in Superior Court of the State of California, County of Los Angeles, Lead Case No. 21PSCV00014, consolidated with *Ana Nunez v. Cast Parts, Inc. dba Consolidation Precision Products* initiated on March 3, 2021 and pending in the Superior Court of the State of California, County of Los Angeles, Case No. 21STCV08428.
- 1.2. “Administrator” means Phoenix Settlement Administrators, the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses for the administration of the Settlement in accordance with the Court’s orders and the Administrator’s “not to exceed” bid in connection with approval of this Settlement.
- 1.4. “Aggrieved Employee” means a person employed by CPI in California and classified as a non-exempt employee who worked for CPI during the PAGA Period.
- 1.5. “Aggrieved Employee Data” means Aggrieved Employees’ identifying information in CPI’s possession including the following information for each Aggrieved Employee: first and last name, last-known mailing address, last-known telephone number, Social Security number, start and end dates of employment by CPI in California as a non-exempt employee, and number of PAGA Pay Periods.
- 1.6. “Aggrieved Employee Address Search” means the Administrator’s investigation and search for Aggrieved Employees’ current mailing addresses using the National Change of Address database (prior to mailing of the PAGA Settlement Package), skip trace (in the case of mailed PAGA Settlement Packages that are returned as undeliverable), and

direct contact by the Administrator with Aggrieved Employees (in the case of mailed PAGA Settlement Packages that are returned as undeliverable).

- 1.7. “Approval Order” means the Court’s order granting approval of the Settlement.
- 1.8. “Court” means the Superior Court of California, County of Los Angeles.
- 1.9. “CPI,” “Company,” or “Defendant” means named defendant Cast Parts, Inc., erroneously sued by Salazar as CPP-City of Industry Cast Parts, Inc., and erroneously sued by Nunez as Cast Parts, Inc., dba Consolidation Precision Products.
- 1.10. “Defense Counsel” means Shareef S. Farag of Baker & Hostetler LLP.
- 1.11. “Effective Date” means the date by when both of the following have occurred: (a) the Court enters an Approval Order and Judgment and (b) the Approval Order and Judgment is final.
- 1.12. “Employees’ Portion” means the 25% of the PAGA Penalties paid to the Aggrieved Employees by way of Individual PAGA Payments under California Labor Code section 2699, subd. (i).
- 1.13. “General Release Fee” means the amount that the Court awards to Plaintiffs for their services in connection with the Actions and their broader individual release and waiver of claims, which will be up to \$7,500 and part of the Gross Settlement Amount, subject to Court approval.
- 1.14. “Gross Settlement Amount” means \$865,000.00 (Eight Hundred Sixty-Five Thousand Dollars and Zero Cents), which is the total amount CPI agrees to pay under the Settlement except as provided in Paragraph 4.1 below. The Gross Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administrator’s Expenses Payment.
- 1.15. “Individual PAGA Payment” means the Aggrieved Employee’s *pro rata* share of 25% of the PAGA Penalties (i.e., the Employees Portion) calculated according to the number of Pay Periods the Aggrieved Employee is credited with during the PAGA Period.
- 1.16. “Judgment” means the judgment entered by the Court as a part of granting approval of the Settlement.
- 1.17. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under California Labor Code section 2699, subd. (i).
- 1.18. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the

LWDA under California Labor Code section 2699, subd. (i).

- 1.19. “Net Settlement Amount” or “PAGA Penalties” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The Net Settlement Amount is to be paid to the LWDA as the LWDA PAGA Payment and the Aggrieved Employees as the Employees’ Portion (by way of Individual PAGA Payments).
- 1.20. “PAGA Counsel” means Arby Aiwarzian, Joanna Ghosh, and Brittany Shaw of Lawyers *for* Justice PC, and Christopher Adams and Levon Shant Yepremian of KJT Law Group, LLP, the respective attorneys representing Plaintiffs in the Actions.
- 1.21. “PAGA Counsel Fees Payment” and “PAGA Counsel Litigation Expenses Payment” mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Actions.
- 1.22. “PAGA Pay Period” means any pay period during which an Aggrieved Employee worked for CPI for at least one day during the PAGA Period.
- 1.23. “PAGA Period” means the period from November 4, 2019 to July 25, 2024.
- 1.24. “PAGA” means the Private Attorneys General Act (California Labor Code § 2698. et seq.).
- 1.25. “PAGA Notices” means Plaintiffs’ respective November 2, 2020 and July 15, 2020 letters to CPI and the LWDA providing notice pursuant to California Labor Code section 2699.3, subd.(a), which are attached hereto as “**Exhibit A**” and “**Exhibit B**,” respectively.
- 1.26. “Plaintiffs” means the named plaintiffs Alfredo Salazar and Ana Nunez in the Actions.
- 1.27. “Released PAGA Claims” means the claims being released by the Plaintiffs and State of California and as described in Paragraph 5 below.
- 1.28. “Released Parties” means CPI and each of its former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries, and affiliates.
- 1.29. “Settlement” means the disposition of the Actions effected by this Agreement and the Judgment.

2. RECITALS.

- 2.1. On January 7, 2021, Plaintiffs Alfredo Salazar commenced the Salazar Action by filing a Complaint alleging a single cause of action under the Private Attorneys General Act against CPI for multiple alleged violations of the California Labor Code. On March 3, 2021, Plaintiff Ana Nunez filed a Complaint alleging a single cause of action under the Private Attorneys General Act against CPI for multiple alleged violations of the California Labor Code. Their respective Complaints are the operative complaints in the Action (collectively, the “Operative Complaints”). On June 18, 2021, the Los Angeles Superior Court consolidated the *Salazar* and *Nunez* actions and designated the *Salazar* Action as the lead case. CPI denies the allegations in the Operative Complaints, denies any failure to comply with the laws identified in in the Operative Complaints and denies any and all liability for the causes of action alleged.
- 2.2. Pursuant to California Labor Code section 2699.3, subd.(a), Plaintiffs gave timely written notice to CPI and the LWDA by sending the PAGA Notices.
- 2.3. On July 25, 2024, the Parties participated in an all-day mediation presided over by Eve Wagner, Esq., which led to this Agreement to settle the Actions.
- 2.4. In connection with and in the course of mediation and settlement discussions, Defendant engaged in informal production of relevant information, data, and documents.
- 2.5. The Parties, PAGA Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

- 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraphs 4.1 and 8 below, CPI promises to pay \$865,000.00 (Eight Hundred Sixty-Five Thousand Dollars and Zero Cents) and no more as the Gross Settlement Amount. CPI has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 4.4 of this Agreement. The Administrator will disburse the Individual PAGA Payments to Aggrieved Employees without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to CPI.
- 3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Approval Order and Judgment:
 - 3.2.1. To PAGA Counsel: A PAGA Counsel Fees Payment of not more than 35% which

is currently estimated to be \$302,750 (if the Gross Settlement Amount remains \$865,000.00) and PAGA Counsel Litigation Expenses Payment of not more than \$25,000. CPI will not oppose requests for Court approval of these payments provided that they do not exceed these amounts. Plaintiffs will file an application or motion for PAGA Counsel Fees Payment and PAGA Litigation Expenses Payment. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses Payment in amounts less than the maximum available amounts provided for herein, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to PAGA Counsel or any other Plaintiffs' Counsel arising from any claim to any portion any PAGA Counsel Fee Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for any taxes that they owe on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment and holds CPI harmless, and indemnifies CPI, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.2. To Plaintiffs: PAGA Counsel shall request up to \$7,500 each for Plaintiffs (i.e., General Release Fee). Any reduction in the amount of the General Release Fees by the Court will be part of the Net Settlement Amount.

3.2.3. To the Administrator: An Administration Expenses Payment not to exceed \$10,000 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses Payment are less or the Court approves payment less than \$10,000, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.4. To the LWDA and Aggrieved Employees: PAGA Penalties to be paid from the Net Settlement Amount, with 75% allocated to the LWDA PAGA Payment and 25% allocated to the Employees' Portion (to fund Individual PAGA Payments).

3.2.4.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the Employees' Portion by the total number of PAGA Pay Periods credited to all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.4.2. One Hundred Percent (100%) of all Individual PAGA Payments are to be considered penalties and the PAGA Settlement Administrator will not undertake any deductions, withholding, or remittances for local, state, or federal taxes. Aggrieved Employees' Individual PAGA Payments will be reported on an IRS Form 1099, as required by the IRS.

4. SETTLEMENT FUNDING AND PAYMENTS.

- 4.1. Escalation of Settlement Based on Aggrieved Employees' PAGA Pay Periods Count. Based on a review of its records, CPI estimates there are 578 Aggrieved Employees with a total of 55,000 PAGA Pay Periods during the time period of November 4, 2019 through July 25, 2024. If the actual number of Pay Periods from November 4, 2019 through July 25, 2024 is more than fifteen percent (15%) above 55,000 (i.e., if the PAGA Pay Periods from November 4, 2019 through July 25, 2024 exceed 63,250), then the Settlement Amount will be increased pro rata by the percentage that the actual number exceeds 63,250 (e.g. if the actual number of Pay Periods from November 4, 2019 through July 25, 2024 is 64,000, then the Settlement Sum will be increased by $750/63,250$, or 1.1857%).
- 4.2. The PAGA Settlement Administrator shall distribute each Individual PAGA Payment by way of check, along with a cover letter ("Cover Letter") agreed to by the Parties and approved by the Court, in English, Spanish, and Vietnamese, in substantially the form attached hereto as "Exhibit C".
- 4.3. Aggrieved Employee Data. Within 14 days after the Effective Date, CPI will deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employee' privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. CPI has a continuing duty to immediately notify PAGA Counsel if it discovers that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which CPI must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data, to their mutual satisfaction, and if they are unable to reach a resolution, they will request that the Court decide the issue.
- 4.4. Funding of Gross Settlement Amount. CPI shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than 14 days after the Effective Date.
- 4.5. Payments from the Gross Settlement Amount. Within 14 days after CPI funds the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the PAGA Counsel Fees Payment, and PAGA Counsel Litigation Expenses Payment. Disbursement of the PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation

Expenses Payment shall not precede disbursement of Individual PAGA Payments.

- 4.5.1. The Administrator will issue checks for the Individual PAGA Payments and shall mail the agreed-upon Cover Letter and Individual PAGA Payment checks (together, the "PAGA Settlement Package") to all Aggrieved Employees by first-class United States mail. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed, deposited, or otherwise negotiated by the void date. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.
- 4.5.2. The Administrator must conduct an Aggrieved Employee Address Search for all Aggrieved Employees whose checks are returned undelivered, within 30 days of the original mailing, without USPS forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Aggrieved Employee Address Search. The Administrator need not take further steps to deliver checks to Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, requested by the Aggrieved Employee prior to the void date.
- 4.5.3. For any Aggrieved Employee whose Individual PAGA Payment check is not cashed, deposited, or otherwise negotiated and which is cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Division in the name of the Aggrieved Employee(s) in the amount(s) of their respective Individual PAGA Payment(s).
- 4.5.4. The payment of Individual PAGA Payments shall not obligate CPI to confer any additional benefits or make any additional payments to the Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. RELEASES OF CLAIMS.

- 5.1 Plaintiffs' Release. Upon the Effective Date and CPI's full funding of the entire Gross Settlement Amount, Plaintiffs and their respective former and present spouses, representatives, agents, attorneys (including PAGA Counsel), heirs, administrators, successors, and assigns generally, release and discharge Released Parties, individually and collectively, from all known and unknown claims, liabilities, and obligations of every kind (including penalties, punitive damages, attorneys' fees, and costs) that Plaintiffs have ever had or now may have against any of the Released Parties arising out of or relating to facts, events, occurrences, or omissions up to and including the date Plaintiffs sign this Agreement.

By way of example and without limiting the generality of this release, Plaintiffs are releasing those claims: (a) arising out of Plaintiffs' employment and Plaintiffs' separation from their employment with Company; (b) arising under Company's policies, plans, or practices, including promotion and compensation (including overtime pay, commissions, vacation pay, bonuses, stock options, severance pay, and expense reimbursement or benefits); (c) for fraud or breach of express or implied contract or covenant of good faith and fair dealing; (d) for harassment, discrimination, or violation of public policy; (e) for constructive discharge or wrongful discharge; (f) for retaliation; (g) for negligent supervision; (h) for violation of state or federal common law or statutory law, including all claims arising under the California Constitution, the California Fair Employment and Housing Act, the California Labor Code, including Section 132a, the Private Attorneys General Act of 2004 ("PAGA"), Title VII of the Civil Rights Act of 1964, the California Business & Professions Code, including sections 17200 et seq., the Fair Labor Standards Act, the Lilly Ledbetter Fair Pay Act, the California Equal Pay Act, the California Fair Pay Act, the Employee Retirement Income Security Act, the National Labor Relations Act, the California Family Rights Act, the Family and Medical Leave Act, the Americans with Disabilities Act, the Genetic Information Nondiscrimination Act ("GINA"), the Healthy Workplace Act, the Healthy Families Act, the Age Discrimination in Employment Act ("ADEA"), the Older Workers Benefit Protection Act, the Sarbanes-Oxley Act, and the Dodd-Frank Wall Street Reform and Consumer Protection Act, all as may have been amended from time to time, or other applicable federal, state, or local laws relating to employment or separation from employment or benefits or penalties associated with employment or separation from employment; (i) for emotional distress, mental anguish, humiliation, or personal injury; and (j) that may be asserted on Plaintiffs' behalf by others. Plaintiffs hereby waive, discharge, and release Company and the Released Parties from any damages or relief of whatever nature or description, including compensatory and punitive damages and equitable forms of relief, and any claim for attorneys' fees or costs, related to any claims.

Plaintiffs acknowledge and agree that they have carefully read this Agreement and understand it, that they have consulted with an attorney of their choice regarding this Agreement and that Plaintiffs have entered into this Agreement voluntarily and with full knowledge of its final and binding effect

5.1.1 Plaintiffs' Waiver of Rights Under California Civil Code Section 1542.

For purposes of Plaintiffs' Release, Plaintiffs expressly waive and relinquish the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

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

DEBTOR OR RELEASED PARTY.

5.2 Release by State of California and Aggrieved Employees:

The State of California with respect to all Aggrieved Employees and all Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for civil penalties under the Private Attorneys General Act of 2004, California Labor Code section 2698, et seq., that were alleged, or reasonably could have been alleged, arising during the PAGA Period, based on the facts stated in the Operative Complaints and the PAGA Notices.

6. **MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT.** The Parties agree to jointly prepare and file an application or motion for approval of this Settlement.

6.1 The Parties are aware that some courts have approved a PAGA settlement and entered an order approving the settlement and judgment and thereafter closed the case, while others have approved a PAGA settlement and entered only an order approving the settlement with later instructions to file a request for dismissal of the action. The Parties agree to cooperate and take any and all steps required by the Court in the Actions to implement the settlement and terminate the Actions pursuant to settlement (i.e., to terminate the Actions by way of judgment or dismissal).

6.2 Responsibilities of PAGA Counsel. Parties, through their counsel, shall seek to obtain Court approval of this Agreement by way of an unopposed motion to be prepared by PAGA Counsel and filed on behalf of Plaintiffs. PAGA Counsel shall provide a draft of all documents to be submitted in connection with the motion to approve this Agreement to Defense Counsel for review; Defense Counsel will be given an opportunity to comment on the papers prior to their being filed with the Court, and such comments will be implemented to the extent reasonable. PAGA Counsel is responsible for delivering the Court's Approval Order and Judgment to the Administrator.

6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed application or motion for approval of this Settlement and/or the supporting declarations and documents, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant the motion for approval of this Settlement or conditions its approval on any material change to this Agreement, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

6.4 The Parties expressly acknowledge that the Court's approval of the Settlement Agreement

is a condition precedent to any payments described in this Settlement Agreement. Therefore, the Parties further acknowledge that, should the Court not grant approval of this Settlement Agreement and/or should the Court refuse to grant judgment or dismissal of the Actions and close the Actions based on the Settlement, the entirety of this Settlement Agreement shall be null and void.

7. SETTLEMENT ADMINISTRATION.

- 7.1 Selection of Administrator. The Parties have jointly selected Phoenix Settlement Administrators to serve as the Administrator and verified that, as a condition of appointment, Phoenix Settlement Administrators agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
- 7.2 Employer Identification Number. The Administrator shall establish an Employer Identification Number, if necessary, for the below-reference Qualified Settlement Fund account that will be established for administration of the settlement.
- 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.
- 7.4 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

8. CONTINUING JURISDICTION AND APPEALS

- 8.1. Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Actions, and the Settlement solely for purposes of (i) enforcing this Agreement, Approval Order, and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.
- 8.2. Waiver of Right to Appeal. Provided the Approval Order and Judgment are consistent with the terms and conditions of this Agreement, the Parties, their respective counsel waive all rights to appeal from the Approval Order and Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If another party appeals the Approval Order and/or Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Approval Order and Judgment become final, except

as to matters that do not affect the amount of the Gross Settlement Amount.

9. ADDITIONAL PROVISIONS.

- 9.1. No Admission of Liability or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by CPI that any of the allegations in the Operative Complaints have merit or that CPI has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that CPI's defenses in the Actions have merit. The Parties agree that representative treatment is for purposes of this Settlement only. If, for any reason the Court does not approve this Settlement, CPI reserves all available defenses to the claims in the Actions, and Plaintiffs reserve the right to contest CPI's defenses. The Settlement, this Agreement and Parties' willingness to settle the Actions will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).
- 9.2. Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 9.3. Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and CPI, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 9.4. Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 9.5. No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.

- 9.6. No Tax Advice. Neither Plaintiffs, PAGA Counsel, CPI nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 9.7. Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 9.8. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 9.9. Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 9.10. Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 9.11. Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Actions and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 9.12. Use of Aggrieved Employee Data. Information provided to PAGA Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the PAGA Data provided to PAGA Counsel by CPI in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court.
- 9.13. Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 9.14. Calendar Days. Unless otherwise noted, all reference to “days” in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 9.15. Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiffs Alfredo Salazar: Lawyers *for* Justice PC, arby@calljustice.com, 410 West Arden Avenue, Suite 203, Glendale, California 91203.

To Plaintiffs Ana Nunez: KJT Law Group, LLP, chris@kjtlawgroup.com, 230 N. Maryland Avenue, Suite 306, Glendale, California 92606.

To Defendant Cast Parts, Inc.: Baker & Hostetler LLP, sfarag@bakerlaw.com, 1900 Avenue of the Stars, Suite 2700, Los Angeles, California 90067.

9.16. Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

9.17. Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to California Code of Civil Procedure section 583.330 to extend the date to bring a case to trial under California Code of Civil Procedure section 583.310 for the entire period of this settlement process.

[Signatures on next page]

APPROVED AND ACCEPTED

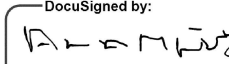
Dated: _____, 2024

Dated: 10/3/2024, 2024

Dated: October 3, 2024

By: _____

ALFREDO SALAZAR

By:  _____

ANA NUNEZ

By:  _____

General Counsel and Secretary

Title: _____

On Behalf of CAST PARTS, INC.

APPROVED AS TO FORM

Dated: _____, 2024

LAWYERS *for* JUSTICE, PC

By: _____

Arby Aiwarzian

Joanna Ghosh

Brittany Shaw

On Behalf Of Plaintiffs Alfredo Salazar and the
Allegedly Aggrieved Employees

Dated: October 3, 2024

KJT LAW GROUP, LLP

By:  _____

Christopher Adams

On Behalf Of Plaintiffs Ana Nunez and the
Allegedly Aggrieved Employees

Dated: October 3, 2024

BAKER & HOSTETLER LLP

By:  _____

Shareef S. Farag, Esq.

On Behalf Of Defendant Cast Parts, Inc.

APPROVED AND ACCEPTED

Dated: 10/03/2024, 2024

Dated: _____, 2024

Dated: October 3, 2024

Electronically Signed
By: 
5dae539f-150e-4b88-876b-b1fe013628d4

ALFREDO SALAZAR

By: _____
ANA NUNEZ

DocuSigned by:
By: 
B28694F3BAF74EA...

Title: General Counsel and Secretary

On Behalf of CAST PARTS, INC.

APPROVED AS TO FORM

Dated: October 3,, 2024

LAWYERS *for* JUSTICE, PC

By: 
Arby Aiwarzian
Joanna Ghosh
Brittany Shaw

On Behalf Of Plaintiffs Alfredo Salazar and the
Allegedly Aggrieved Employees

KJT LAW GROUP, LLP

By: _____
Christopher Adams

On Behalf Of Plaintiffs Ana Nunez and the
Allegedly Aggrieved Employees

Dated: October 3, 2024

BAKER & HOSTETLER LLP

By: 
Shareef S. Farag, Esq.
On Behalf Of Defendant Cast Parts, Inc.

EXHIBIT A

November 2, 2020

BY ONLINE SUBMISSION

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

Re: CPP-CITY OF INDUSTRY CAST PARTS, INC.; CAST PARTS, INC.

Dear Representative:

We have been retained to represent Alfredo Salazar against CPP-City of Industry Cast Parts, Inc., and Cast Parts, Inc. (including any and all affiliates, subsidiaries, parents, directors, officers, and employees) (collectively referred to as "CPP") for violations of California wage-and-hour laws. Mr. Salazar 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. Salazar 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.

CPP employed Mr. Salazar as an hourly-paid, non-exempt employee from approximately November 2004 to approximately March 2020, in the State of California.

The "aggrieved employees" that Mr. Salazar 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 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, CPP 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 1-2001, 4-2001, and 9-2001.

CPP 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. Salazar and other aggrieved employees worked in excess of 8 hours in a day and 40 hours in a week. Therefore, Mr. Salazar 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, CPP required Mr. Salazar 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, CPP failed to pay Mr. Salazar 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, CPP failed to pay Mr. Salazar 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, CPP did not provide Mr. Salazar and other aggrieved employees with complete and accurate itemized wage statements. The wage statements they received from CPP 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. Salazar 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. Salazar 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. Salazar 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. Salazar 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. Salazar 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, CPP failed to keep accurate and complete payroll records showing the actual hours worked daily and the wages earned by Mr. Salazar 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, CPP did not provide Mr. Salazar 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 1-2001, 4-2001, 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, CPP failed to pay Mr. Salazar 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. Salazar 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, CPP failed to pay Mr. Salazar and other aggrieved employees for two (2) hours at the employee's regular rate of pay on days in which Mr. Salazar and the other aggrieved employees were required to report for work

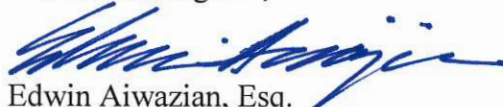
a second time in one workday and were furnished less than two (2) hours of work upon the second reporting.

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. Salazar and other aggrieved employees incurred necessary business-related expenses and costs that were not fully reimbursed by CPP.

Therefore, on behalf of all aggrieved employees, Mr. Salazar 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 Aiwanian, Esq.

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

Cast Parts, Inc.
c/o CSC – Lawyers Incorporating Service
Agent for Service of Process
2710 Gateway Oaks Drive, Suite 150N
Sacramento, CA 95833

CPP-City of Industry Cast Parts, Inc.
c/o James Stewart
CEO
1621 Euclid Ave, Suite 1850
Cleveland, OH 44115

EXHIBIT B

July 15, 2020

VIA CERTIFIED MAIL, RRR

Article No.:

CSC Lawyers Incorporating Service
2710 Gateway Oaks Drive, Suite 150N
Sacramento, CA 95833

VIA ONLINE FILING

Labor and Workforce Development Agency
Attn: PAGA Administrator
Filed at "New PAGA Claim Notice" (<https://dir.tfaforms.net/128>)

NOTICE OF PRIVATE ATTORNEYS GENERAL ACT CLAIM

To: California Labor and Workforce Development Agency,
Cast Parts, Inc. dba Consolidation Precision Products
Date: July 15, 2020
Subject: *Ana Nunez v. Cast Parts, Inc. dba Consolidation Precision Products.*

INTRODUCTION

Please take notice that Ana Nunez intends to seek civil penalties against her former employer, Cast Parts, Inc. dba Consolidation Precision Products, Consolidated Precision Products, Corp., Precision Castparts Corp., and any of its affiliated or related entities (collectively, "Cast Parts") under the California Private Attorneys General Act, California Labor Code §§ 2698, *et seq.* ("PAGA"), on behalf of herself, the Labor and Workforce Development Agency ("LWDA"), and other aggrieved employees. Cast Parts is liable for these civil penalties as a result of its uniform and systematic failure to comply with California wage laws, including California Labor Code provisions relating to the payment of overtime wages and minimum wages, and providing meal and expense reimbursements (or payment of the statutory additional wages due).

Before pursuing these PAGA penalties in a representative capacity, California Labor Code § 2699.3 requires that aggrieved employees notify their employer and the LWDA of the specific provisions of the California Labor Code allegedly violated, as well as the facts and legal grounds supporting the allegations. To that end, we submit this letter on behalf of our client, Ana Nunez, and on behalf of all aggrieved employees to provide notice of the following facts and violations of the California Labor Code:

GENERAL INFORMATION

Cast Parts is a manufacturer for airplane components, engines, and castings in Los Angeles, California. At all times mentioned herein, Cast Parts was licensed to do business in the State of California and conducted and continues to conduct substantial business in the State of California. And at all times mentioned herein, Cast Parts was and is an employer covered by the California Labor Code and the applicable California Industrial Welfare Commission ("IWC") Wage Order.

Ana Nunez was employed by Cast Parts as an assembler from March 14, 2001 to July 6, 2020 in Los Angeles, California. At all times, Cast Parts employed Ms. Nunez as an hourly, non-exempt employee.

CALIFORNIA LABOR CODE VIOLATIONS

1. Failure to Provide Meal Periods

(California Labor Code §§ 226.7, 512 and IWC Wage Orders)

High customer demand, strict deadlines, understaffing, intense pressure to meet company goals, and other workload demands, forced Ms. Nunez and other employees to delay, shorten, or forgo their meal breaks to complete their assigned tasks. In addition, Cast Parts failed to provide Ms. Nunez and other employees with an uninterrupted, duty-free meal break by requiring them to respond to a bell five-minutes before the end of their 30-minute meal break. Cast Parts failed to provide Ms. Nunez and other employees with 30-minute meal periods as required by California law. As a result, Ms. Nunez and other employees worked more than five hours during a shift without being provided a timely half-hour meal period and/or more than ten hours in a shift without receiving a second timely half-hour meal period, as required by California Labor Code §§ 226.7 and 512 and the IWC Wage Orders.

2. Failure to Pay Minimum Wage

(California Labor Code §§ 204, 1118.12, 1197.1, IWC Wage Order)

Cast Parts failed to pay Ms. Nunez and other employees California's prevailing minimum wage for all "hours worked" by requiring Ms. Nunez and other employees to "work-off-clock." For example, Cast Parts failed to pay Ms. Nunez and other employees California's prevailing minimum wage for time spent while employees they were under Cast Parts' control between shifts. In addition, Cast Parts failed to pay employees for all time worked while they were performing their job duties while supposedly on their meal breaks. Cast Parts was obligated to pay wages for all such "hours worked" but failed to do so. As a result, Cast Parts has violated California Labor Code §§ 204, 1118.12, 1197.1 and the applicable IWC Wage Order for failure to pay minimum wage for all hours worked, and is liable for civil penalties under California Labor Code §§ 558 and 2698 *et seq.*

3. Failure to Pay Overtime Wages

(California Labor Code §§ 510 and 1194, and IWC Wage Order 9)

Under some circumstances, Cast Parts employed Ms. Nunez and other employees for more than eight hours per day or more than 40 hours per workweek. For some weeks, Cast Parts's requirement that Ms. Nunez and other employees to work "off-the-clock" resulted in these employees working more than eight hours per day or more than 40 hours per week. In this instance, the non-exempt employees are entitled to receive one-and-one half times their regular hourly rate of pay for working more than 8 hours but less than 12 hours in a workday or over 40 hours in a workweek. Notwithstanding this law, Cast Parts failed to maintain a policy that compensates Ms. Nunez and other employees for all hours worked, including overtime compensation and properly calculating the overtime rate.

As a result, Cast Parts has violated California Labor Code §§ 510 and 1194 and the applicable IWC wage order for failure to pay overtime, and is liable for civil penalties under California Labor Code §§ 558 and 2698 *et seq.*

4. Failure to Provide Accurate Itemized Wage Statements
(California Labor Code § 226)

Ms. Nunez and other employees' wage statements were deficient, because of the violations detailed in this notice, including not paying regular and overtime wages for all hours worked and failing to provide meal and rest break premiums. As a result, the wage statements provided to Ms. Nunez and other employees were not accurate and do not include all of the statutorily-required information. Specifically, Cast Parts has violated California Labor Code § 226 by willfully failing to furnish Ms. Nunez and employees with accurate, itemized wage statements. These California Labor Code violations, in turn, constitute PAGA violations.

5. Failure to Pay Waiting Time Penalties
(California Labor Code § 203)

Sections 201 and 202 of the California Labor Code requires that employers pay employees all wages due immediately if an employer discharges an employee, and within 72 hours if an employee quits his or her employment. Section 203 of the California Labor Code provides that if an employer willfully fails to timely pay such wages the employer must, as a sanction and amount owed, continue to pay that employee's wages until the back wages are paid in full or an action is commenced. The sanction and amount owed cannot exceed 30 days of wages.

Cast Parts owed wages to discharged employees, such as premiums for missed meal periods, minimum wage, and overtime pay for hours worked over eight hours in a workday or 40 in a workweek. Cast Parts' failure to pay these wages at termination was willful and constitutes a PAGA violation based on a violation of California Labor Code §§ 202-203 and 558.

6. Failure to Reimburse for Business Expenditures and Losses
(California Labor Code § 2802)

As a pattern and practice, Cast Parts regularly failed to reimburse and indemnify Ms. Nunez and other employees for business expenses, including cell phone reimbursement. These expenses were necessary expenditures incurred by Ms. Nunez and other employees in performing their job duties. For example, employers required Ms. Nunez to answer her cell phone and communicate with engineers throughout her shift. Despite being aware of these business expenses, Cast Parts failed to reimburse Ms. Nunez and other employees for such business expenses in violation of California Labor Code § 2802, which requires employers to "indemnify his or her employee for all necessary expenditures and losses incurred by employees." In turn, this constitutes a PAGA violation based on a violation of California Labor Code § 2802.

CONCLUSION

In sum, Cast Parts has committed PAGA violations based on non-compliance with California Labor Code §§ 204, 1118.12, 1197.1 (minimum wage), 226 (inaccurate itemized wage statements), 226.7 (meal and rest break violations), 432.5 (unlawful agreements), 512 (meal breaks), 2802 (expense reimbursements), 226 (wage statements), and 202-203 and 558 (waiting time penalties), as well as the applicable IWC Wage Order.

Ms. Nunez seeks to remedy these violations by securing unpaid wages and civil penalties. Please let me know whether the LWDA intends to investigate or whether we may proceed with a civil action as representatives for the LWDA and those employees that are aggrieved. If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'V. Thomassian', with a stylized flourish at the end.

Vache Thomassian, Esq.
KJT Law Group, LLP

EXHIBIT C

<<Mailing Date>>

To: <<First Name>><<Last Name>>
<<Street Address>>
<<City>> <<State>> <<Zip>>

Re: Settlement Payment from *Alfredo Salazar v. CPP-City of Industry Cast Parts, Inc., et al.*, Los Angeles Superior Court Case No. 21PSCV00014 and *Ana Nunez v. Cast Parts, Inc., dba Consolidation Precision Products* Los Angeles Superior Court Case No. 21STCV08428

Dear <<First Name>><<Last Name>>:

Please find enclosed a check in the amount of <<amount of payment>> ("PAGA Payment"). This check is your payment from the settlement in the lawsuits entitled *Alfredo Salazar v. CPP-City of Industry Cast Parts, Inc., et al.*, Los Angeles Superior Court Case No. 21PSCV00014 and *Ana Nunez v. Cast Parts, Inc., dba Consolidation Precision Products* Los Angeles Superior Court Case No. 21STCV08428 (the "Actions").

The lawsuits were filed on January 7, 2021 by Alfredo Salazar ("Plaintiff Salazar") and on March 3, 2021 by Ana Nunez ("Plaintiff Nunez") (collectively, "Plaintiffs") against their former employer, on behalf of the State of California, with respect to themselves and other alleged aggrieved employees, to seek recovery of civil penalties pursuant to the Private Attorneys General Act of 2004, California Labor Code section 2698, *et seq.* ("PAGA"), for multiple alleged violations of the California Labor Code and Industrial Welfare Commission Wage Orders, including, *inter alia*, for failure to properly pay minimum and overtime wages, failure to provide compliant meal and rest periods and associated premiums, failure to pay wages during employment and upon termination, failure to provide compliant wage statements, failure to maintain requisite payroll records, and failure to reimburse business expenses. Prior to filing the lawsuit, on July 14, 2020, Plaintiff Nunez submitted a letter to the LWDA, pursuant to PAGA, to provide notice of her intent to seek civil penalties under PAGA for Defendant's alleged violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and Industrial Welfare Commission Wage Orders, including *inter alia*, Wage Orders 1-2001, 4-2001, and 9-2001, thereby initiating LWDA Case Number LWDA-CM-796990-20 (the "Nunez PAGA Notice"). Similarly, on November 2, 2020, Plaintiff Salazar submitted a letter to the California Labor and Workforce Development Agency ("LWDA"), pursuant to PAGA, to provide notice of his intent to seek civil penalties under PAGA for Defendant's alleged violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and 2802, and Industrial Welfare Commission Wage Orders, including *inter alia*, Wage Orders 1-2001, 4-2001, and 9-2001, thereby initiating LWDA Case Number LWDA-CM-912411-22 (the "Salazar PAGA Notice") (collectively, the "PAGA Notices").

Defendant denies all of Plaintiffs' allegations and denies any wrongdoing of any kind associated with Plaintiff's allegations.

A settlement was reached between Plaintiff and Defendants Cast Parts, Inc. ("Defendant").

On << Date >>, the settlement was approved by the Court, with a portion to be paid to the LWDA and a portion to be paid to all current and former hourly-paid or non-exempt employees who worked for Defendant in the State of California during the PAGA Period. ("Aggrieved Employees"). The period November 4, 2019 to July 25, 2024 is the "PAGA Period".

You are receiving a portion of the settlement (the enclosed PAGA Payment) because you have been identified as an Aggrieved Employee. Your PAGA Payment is based on the total number of pay periods that you worked for Defendant in California during the PAGA Period. The PAGA Payment is considered to be 100% penalties, which will be reported on an IRS Form 1099. You are responsible for paying any and all taxes that may be due as a result of any payment issued to you under the settlement and should consult a tax advisor regarding the tax consequences of such payment.

Under the settlement, as of <<date of entry of order by the Court approving the Settlement>>, the Released Parties were fully released and forever discharged from any and all Released Claims.

"Released Parties" means Defendant, and each of its former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries, and affiliates.

"Released Claims" means any and all claims, arising during the PAGA Period, for civil penalties under California Labor Code section 2698, *et seq.* ("PAGA") as well as any interest, fees, and costs available under PAGA, based on the factual allegations in the operative complaints, including but not limited to, for

1 failure to pay minimum, regular, and overtime wages, failure to provide compliant meal periods and
2 associated premiums, failure to provide compliant rest periods and associated premiums, failure to timely
3 pay wages during employment, failure to timely pay wages upon termination, failure to provide compliant
4 and accurate wage statements, failure to maintain complete and accurate payroll records, and failure to
reimburse necessary business-related expenses and costs, in violation of California Labor Code sections
201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, and
2802, and Industrial Welfare Commission Wage Orders, including *inter alia*, Wage Orders 4-2001, and 5-
2001.

5 The enclosed check is valid for 180 days from the original date of issuance and mailing, and if it is not cashed,
6 deposited, or otherwise negotiated within the 180-day timeframe, it will be canceled, and the funds associated
with the canceled check will be transmitted to the State Controller's Office Unclaimed Property Division in your
name and in the amount of your respective Individual Settlement Share.

7 **Do not call or write the Court, Office of the Clerk of the Court, Defendant, or Defendant's counsel to ask**
8 **questions about the settlement or to ask tax-related questions.** If you have any such questions, you may
contact [PAGA Settlement Administrator] at [toll-free phone number].