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10 Attorneys for Plaintiffs BLANCA CATANO
11 and SILVIA URBIETA, individually, and on
12 behalf of others similarly situated

13 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
14 **COUNTY OF STANISLAUS**

15 BLANCA CATANO and SILVIA URBIETA,
16 individually, and on behalf of others similarly
situated

17 Plaintiffs,

18 vs.

19 COMPASS FOODS, INC., a corporation;
20 AVITEK RECRUIT, INC., a corporation;
HUMAN BEES, INC., a corporation; and
21 DOES 1 through 50, inclusive,

22 Defendants.

Case No. CV-21-001610

[Assigned to the Honorable John D. Freeland,
Dept. 23]

**DECLARATION OF DALIA KHALILI IN
SUPPORT OF PLAINTIFFS' MOTION FOR
PRELIMINARY APPROVAL OF CLASS
AND REPRESENTATIVE ACTION
SETTLEMENT**

Hearing Date: November 13, 2024
Hearing Time: 8:30 AM
Department: 23

Complaint: March 25, 2021
Trial Date: None Set

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1 on behalf of Plaintiff Catano, my office gave a supplemental written notice to the LWDA and
2 Defendants. The letter constituted written notice of violations of Labor Code § 2810.3(b),
3 defining Compass as a “client employer.” The LWDA did not provide notice that it intended to
4 investigate the alleged violations within 65 days.

5 6. On March 25, 2021, Plaintiff Catano filed this Action on behalf of herself and all
6 other non-exempt employees of Defendants in California from March 25, 2017 to the present.
7 Plaintiff Catano alleged that Defendants violated various provisions of the California Labor
8 Code with respect to herself and others similarly situated, including, *inter alia*, by failing to
9 provide compliant meal and rest periods and associated premium pay, failing to pay all regular
10 and overtime wages due, failing to pay all wages due to discharged and quitting employees and
11 associated waiting time penalties, failing to issue accurate itemized wage statements, failing to
12 maintain required payroll records, and failing to reimburse employees for necessary business
13 expenses. She also alleged wage and hour violations pursuant to the Private Attorneys’ General
14 Act of 2004 (“PAGA”). A true and correct copy of Plaintiff Catano’s Complaint is attached
15 hereto as **Exhibit 2**.

16 7. After Plaintiff Catano filed her complaint, both Defendants answered the
17 complaint, and the parties exchanged in both formal and informal discovery. The Parties
18 thereafter agreed to attempt to resolve the dispute through private mediation in July 2023.

19 8. After engaging in arm’s-length negotiations, the parties reached a settlement on
20 behalf of Plaintiffs Catano and Urbieto¹ on July 18, 2023.

21 9. On October 1, 2024, pursuant to the Parties’ stipulation and the Court’s order
22 dated September 25, 2024, Plaintiffs filed a First Amended Complaint, adding Ms. Urbieto as a
23 named Plaintiff.

24 **Discovery and Investigation**

25 10. Prior to reaching the Settlement, Defendants responded to Plaintiff Catano’s

26 ¹ For settlement purposes only, the Parties agreed to stipulate to the filing of an amended
27 complaint to include Ms. Urbieto as a named Plaintiff. Settlement ¶ 41. Plaintiff Catano filed the
28 stipulation on September 23, 2024, and the Court granted the stipulation and proposed order on
September 25, 2024.

1 written discovery requests, including requests for production of documents, special
2 interrogatories, form interrogatories, and requests for admission. The Parties engaged in
3 informal discovery, and Defendants produced Plaintiff Catano's employment records and a 20%
4 sample of class members' timekeeping data, including records of approximately 13,160 shifts.
5 Partial pay records were also provided for the sample of class members.

6 11. Defendants' counsel represented that there are approximately 511 class members,
7 comprised of both Compass direct hires (206 employees) and employees provided by labor
8 contractor Human Bees to work at Compass (305 employees), who cumulatively worked
9 approximately 25,717 workweeks during the Class Period. Defendants' counsel currently
10 estimate that there are approximately 277 PAGA members.

11 12. Based upon the data produced by Defendants, my office conducted an analysis of
12 the time and payroll records and prepared a damages model, with the assistance of an expert,
13 prior to attending the mediation. Accordingly, my firm was able to act intelligently and
14 effectively in negotiating the proposed Settlement.

15 Settlement Negotiations

16 13. On July 18, 2023, the Parties engaged in a mediation with experienced mediator,
17 Steven J. Serratore, Esq., and the Parties accepted the mediator's proposal to resolve this matter
18 on July 25, 2023, with the understanding that they would enter into a comprehensive written
19 agreement. On December 21, 2023, the parties signed a Memorandum of Understanding. On
20 October 1, 2024, the Parties fully executed the long-form Settlement. A true and correct copy of
21 the Settlement is attached hereto as **Exhibit 3**.

22 14. The settlement discussions were hard-fought and conducted at arm's length, and
23 the Settlement is the result of an informed analysis of Defendants' potential liability and
24 damages exposure in relation to the costs and risks associated with continued litigation. The
25 parties went into the mediation willing to explore the potential for a settlement of the lawsuit,
26 but Plaintiffs were also prepared to litigate their position through trial and appeal if a settlement
27 was not reached.

28 ///

1 **Amount in Controversy and Risks Associated with Proceeding with the Action**

2 15. Prior to the mediation, my office calculated the maximum potential damages to be
3 approximately **\$9,497,351 (\$2,420,802 in unpaid compensation and \$7,076,549 in penalties)**
4 and believes this amount will be the damage potential should the case proceed to trial on the
5 class and PAGA claims and Plaintiffs are able to establish classwide liability at trial. This
6 maximum potential damages estimate is based on an analysis of the time and payroll data
7 produced by Defendants, as well as information obtained from Plaintiffs and other putative class
8 members. A detailed explanation of my office's valuation is set forth below:

9 **Class Claims:**

10 **A. Meal Period Violations**

 49.2% violation rate (based on sample of time records)
11 x 118,071 (estimated number of shifts greater than 6 hours)
12 x \$15.48 (average regular rate of pay) _____

13 = \$899,248
 - 6.4% of premiums paid
14 = **\$841,696**

15 **B. Rest Period Violations**

 75% violation rate (conservative estimate based on unlawful policies and practices)
16 x 126,482 (estimated number of shifts greater than 3.5 hours)
17 x \$15.48 (average hourly rate of pay) _____
18 = **\$1,468,456**

19 **C. Unpaid Overtime (based upon failure to properly calculate regular rate):**

 4% of employees with overtime below weighted average
20 x \$36.50 (average underpayment per class member)
21 x 483 class members _____
22 = **\$705**

23 **D. Unpaid Reimbursement for Work Boots**

 \$75.00 (estimated cost of work boots)
24 x 483 class members _____
25 = **\$36,225**

26 **E. Unpaid Reimbursement for Cell Phone Usage**

 \$10.00 (estimated cost of cell phone per month)
27 x 76 months
28 = _____

x 97 (estimated number of current class members)

= \$73,720

Total Unpaid Compensation and Expenses²:

\$ 841,696

+ \$1,468,456

+ \$ 705

+ \$ 36,225

+ \$ 73,720

= \$2,420,802

E. Statutory Penalties

**1. Failure to Furnish Accurate Itemized Wage Statements
(Labor Code § 226(e)(1))**

97 (total number of current employees)

x \$4,000.00

= \$388,000

2. Waiting Time Penalties (Labor Code § 203)

386 (total number of former employees)

x \$15.48 (average regular rate of pay)

x 8 hours per day

x 30 days

= \$1,434,067

PAGA Claims:

A. Meal Period Violations

13,069 PAGA pay periods x 82.7% violation rate per pay period x \$100.00 =
\$1,080,806

B. Rest Period Violations

13,069 PAGA pay periods x 100% violation rate x 100= \$1,306,900

C. Minimum Wage and Overtime Violations

13,069 PAGA pay periods x 1.1% violation rate per pay period x \$100= \$14,376
= \$5,047,400

D. Failure to Provide Accurate Wage Statements

² Total unpaid compensation and expenses represents a conservative estimate to the extent Defendants did not produce adequate time and payroll data to fully analyze potential liability related to regular rate of pay.

13,069 PAGA pay periods x 100% violation rate x \$100=\$1,306,900

E. Failure to Reimburse for Business Expenses

13,069 PAGA pay periods x 100% violation rate x \$100 = \$1,306,900

Failure to Pay All Wages at Discharge or Separation

F. 386 former employees x \$100= \$38,600

Total Potential PAGA Penalties = \$5,254,482

Total Penalties:

	\$ 388,00
+	\$1,434,067
+	\$5,254,489
	<u>\$7,076,549</u>

Total Potential Liability:

	\$2,420,802 (unpaid compensation and expenses)
+	<u>\$7,076,549 (penalties)</u>
=	\$9,497,351³

16. Plaintiffs and MLG considered several factors in reaching the decision to settle at this point in the litigation, including: (a) the risk in proving liability and PAGA penalties at trial; (2) the prospect that the Court could substantially reduce any award of civil penalties on the grounds that “to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory” pursuant to Labor Code § 2699(e)(2); and (3) to avoid continued litigation that could be costly, time intensive and lead to an unfavorable judgment and/or a lengthy and unsuccessful appeal. Additionally, this area of the law is constantly evolving, creating uncertainty for employees.

17. My firm estimated a 60 percent chance of Plaintiffs obtaining certification of the class claims, reducing the potential value to \$2,545,721.40. My office further discounted the claims to \$1,272.860.70, based on a 50% chance of maintaining certification and prevailing at trial. For the PAGA claims, Plaintiffs’ counsel estimate a 50% chance of prevailing at trial,

³ This calculation does not include interest, to which Plaintiffs are also entitled.

1 reducing the potential civil liability to approximately \$2,637,241.00. My office further
2 considered the likelihood that a court would substantially reduce any award of civil penalties on
3 the grounds that “to do otherwise would result in an award that is unjust, arbitrary and
4 oppressive, or confiscatory,” pursuant to Labor Code section 2699(e)(2). For example, during
5 the penalty phase of the trial in *Carrington v. Starbucks Corp.* (2018) 30 Cal.App.5th 504, the
6 plaintiff requested PAGA penalties in the amount of approximately \$70 million. *Id.* at 528. The
7 trial court instead awarded only \$150,000—or 0.21% of the maximum—and stated that this
8 reduction was warranted because imposing the maximum penalty would be “unjust, arbitrary,
9 and oppressive” based on Starbucks’ “good faith attempts” to comply with meal period
10 obligations and because the court found the violations were minimal. *Id.* at 517. The Court of
11 Appeal affirmed the lower court’s reduced award of \$150,000 in penalties under PAGA. *Id.* at
12 529. If a similar reduction to the maximum penalties is applied here, Plaintiffs and aggrieved
13 employees would recover only approximately \$11,034.00 in PAGA penalties. Finally, in
14 allocating a portion of the settlement to PAGA penalties, my firm considered case law providing
15 that the PAGA claim need not compromise a disproportionate amount of a class settlement
16 which includes a PAGA claim, with the majority of funds going to the state simply because the
17 PAGA penalties have the potential to be larger than the class claims. *See O’Connor v. Uber*
18 *Technologies, Inc.* (N.D. Cal. 2016) 201 F.Supp.3d 1110, 1134; *see also Nordstrom Commission*
19 *Cases* (2010) 186 Cal.App.4th 576, 589 (trial court did not abuse discretion in approving
20 settlement of employees’ class action against employer even though settlement failed to allocate
21 any portion of the recovery to the PAGA claims). As the *O’Connor* court explained, “[s]uch a
22 requirement would come at the expense of the workers, who might otherwise benefit from a
23 larger non-PAGA settlement.” *O’Connor*, 201 F.Supp.3d at 1134. The purposes of PAGA may
24 be concurrently fulfilled by a settlement offering fair compensation to class members, thereby
25 vindicating the rights of class members as employees and providing “a deterrent effect upon the
26 defendant employer and other employers, an objective of PAGA.” *Id.*

27 18. Furthermore, continued litigation would very likely reduce and substantially
28 delay recovery by Class Members. In contrast, because of the proposed Settlement, Class

1 Members will receive timely relief and avoid the risk of an unfavorable judgment.

2 19. While Plaintiffs are confident in the merits of the case, a legitimate controversy
3 exists as to each cause of action. Specifically, Plaintiffs contend that, due to the nature of Class
4 Members' work and Defendants' practices, Class Members were consistently denied the right to
5 take timely and uninterrupted meal and rest breaks. On the other hand, Defendants contend that
6 they had lawful written policies and authorized and permitted rest breaks and provided meal
7 periods. As a result, Defendants contend that, throughout the Class Period, they complied with
8 applicable California law and class treatment is not appropriate. Indeed, a number of courts
9 have concluded that common questions did not predominate where the employer maintained
10 lawful written policies. *See, e.g., Ordonez v. Radio Shack, Inc.* (C.D. Cal. Jan. 17, 2013) 2013
11 WL 210223, *8 (denying certification of plaintiff's meal break claim, finding that in the absence
12 of any allegation that defendant's meal break policy was facially unlawful, plaintiff's meal break
13 claims did not "depend upon a common contention... of such a nature that is capable of
14 classwide resolution"); *Cummings v. Starbucks Corp.* (C.D. Cal. Mar. 24, 2014 ("Without a
15 defective policy, the Court must 'resolve any factual disputes necessary to determine whether
16 there was a common pattern and practice that could affect the class as a whole."); *Gonzalez v.*
17 *Millard Mall Servs., Inc.* (S.D. Cal. 2012) 281 F.R.D. 455, 462 ("Millard had a meal and rest
18 period policy conforming to the applicable laws and wage orders...Therefore, Plaintiff has not
19 shown that there was a common policy that pervaded the entire company where Project
20 Managers prevented employees from taking meal breaks and did not authorize and permit
21 employees to take rest breaks."). The Settlement obviates all of these risks and ensures that the
22 Class Members receive timely relief without the uncertainty of an appeal and, if successful, a
23 trial.

24 20. The Net Settlement Amount is currently estimated to be approximately
25 \$363,666.67, if the Court approves the requested Attorney's Fees and Costs, Enhancement
26 Payments, PAGA Settlement, and Settlement Administration Costs. Based thereon, it is
27 currently estimated that, if there are approximately 511 Class Members, each Participating Class
28 Member will receive on average an Individual Class Payment of approximately \$711.68 as a

1 result of the Settlement.

2 21. In sum, when the risks of litigation, the uncertainties involved in prevailing at
3 trial, the burdens of proof necessary to establish classwide liability, and the probability of appeal
4 of a favorable judgment are balanced against the merits of Plaintiffs' claims, it is clear that the
5 Settlement is within the "ballpark" of reasonableness. Although Plaintiffs and my office were
6 prepared to proceed with litigation of all claims against Defendants, Plaintiffs and my firm
7 support the proposed Settlement as being in the best interests of the proposed Class, the PAGA
8 Members, and the State of California.

9 **Class Representative Enhancement Payment**

10 22. The Settlement provides for a Class Representative Enhancement Payment not to
11 exceed \$10,000.00 each for Plaintiffs Catano and Urbieto, for a total of \$20,000.00 These
12 payments are intended to recognize the Class Representatives' substantial efforts and risks in
13 assisting with the prosecution of this action on behalf of the Class and PAGA Members. I
14 believe that the requested Class Representative Enhancement Payments are fair and reasonable.
15 The Class Representatives have cooperated with my office and have put a significant amount of
16 time and effort into this litigation to protect the interests of the Class and to prosecute the PAGA
17 claims. Ms. Catano assisted by collecting and providing my office with responsive documents in
18 her possession; reviewing numerous documents; and reviewing and responding to multiple sets
19 of written discovery, including requests for production of documents and interrogatories. Both
20 Plaintiffs remained in regular and consistent contact with my office throughout the litigation;
21 discussed their work experiences with my office; and reviewed Settlement documents.

22 23. The Class Representatives have also provided valuable information regarding the
23 claims including, but not limited to, noncompliant meal periods and rest periods, unpaid
24 overtime, noncompliant wage statements, and unreimbursed business expenses. The information
25 provided by them was instrumental in attempting to establish the wage and hour violations
26 alleged in this action, and the recovery provided for in the Settlement would not have been
27 possible to obtain without their participation.

28 24. The Class Representatives faced many risks in pursuing this case as a class action

1 and a representative action. Because of their efforts, approximately 511 Class Members will
2 now have the opportunity to participate in a settlement and recover payment for wage violations
3 they may never have known about on their own or been willing to pursue on their own. If each
4 Class Member attempted to pursue his or her legal remedies individually, each person would
5 have been required to expend a significant amount of their own time and monetary resources.
6 Few individuals are willing to diligently act as a class representative and assume the substantial
7 risk should the employer prevail in a putative class action. The Class Representatives'
8 willingness to assume the financial risk is significant, as California law provides that the losing
9 party must pay the prevailing party's costs. As such, if they would not have prevailed in this
10 case, they could have been subjected to a cost award in the amount of several thousands of
11 dollars. Additionally, as a result of filing a class and representative action against their former
12 employer, the Class Representatives may face reputational risk among potential future
13 employers that could adversely impact their future job opportunities because they may be
14 viewed as litigious by certain prospective employers. This is a significant concern.

15 25. The Action would not have been possible without the aid of the Class
16 Representatives, who put their own time and effort into the litigation, sacrificed the value of
17 their own individual claims, and placed themselves at risk for the sake of the other Class
18 Members, PAGA Members, and the State of California. Indeed, by actively pursuing this action,
19 the Class Members furthered California's public policy goal of enforcing the State's wage and
20 hour laws. *See Sav-On Drug Stores, Inc. v. Superior Court* (2004) 34 Cal. 4th 319, 340
21 (recognizing the "clear public policy" that is specifically directed at the enforcement of
22 California wage laws). The result of the Settlement is very good and will provide substantial
23 monetary compensation to those Class Members that do not elect to exclude themselves from the
24 Settlement, and the requested service payments do not significantly reduce the total amount of
25 the settlement fund. Thus, the requested service payments of \$10,000.00 to each Class
26 Representative are reasonable sums to compensate them for their risks and efforts in bringing
27 this lawsuit.

28 26. Finally, the Class Representatives have agreed to a general release of all claims

1 against Defendants and a waiver of California Civil Code § 1542.

2 27. For these reasons, I believe that a \$10,000.00 Enhancement Award to each Class
3 Representative is fair and reasonable.

4 28. I am not aware of any actual or potential conflicts of interest between the Class
5 Representatives and the Class Members.

6 **Qualifications of Class Counsel**

7 29. MLG is a 23-attorney law firm that is actively and continuously practicing in
8 employment litigation, almost exclusively representing employees in both individual and class
9 actions in both state and federal courts throughout California.

10 30. MLG is qualified to handle this litigation because the firm is experienced in
11 litigating Labor Code violations in both class action cases and PAGA actions. MLG has
12 handled, and is currently handling, numerous wage and hour class action lawsuits.

13 31. Matthew J. Matern received a B.A. with honors in 1986 from Tulane University.
14 He received J.D. from Southwestern University School of Law in 1991. He became an active
15 member of the State Bar of California in September 1992, and has been an active member in
16 good standing continuously since then. He has been practicing as a litigation attorney in Los
17 Angeles since 1992, and has been concentrating on employment litigation since approximately
18 1997. Among other professional affiliations, he is a lifetime member of the Consumer
19 Attorneys Association of Los Angeles and an active member of the California Employment
20 Lawyers Association.

21 32. In 1992, Mr. Matern founded the general partnership which later became known
22 as Rastegar & Matern, Attorneys at Law, A Professional Corporation. In 2012, he founded the
23 Law Offices of Matthew J. Matern, which changed its name to Matern Law Group in January
24 2014, and then to Matern Law Group, PC in May 2016. Since 1992, he has been heavily,
25 successfully, and continuously involved in active litigation and trial work, including extensive
26 work in employment litigation and wage and hour class actions.

27 33. Over the course of his career, Mr. Matern has been involved in over 100 class
28 action settlements, with many of them settling in the seven-figure range, including settlements in

1 the amount of \$140 million, \$50 million, \$26 million, \$18 million, \$9.5 million, \$8.5 million, \$8
2 million, \$7.0 million, \$6.5 million, \$6.0 million, \$6.0 million, \$5.5 million, and \$5.0 million.
3 Mr. Matern has represented clients in numerous wage and hour class action lawsuits that settled
4 with per-class-member recoveries in a range similar to the anticipated per-class-member
5 recovery in the instant case. Mr. Matern has also been appointed class counsel in over thirty
6 certified wage and hour class action cases which involved contested certification proceedings.

7 34. Mr. Matern has been counsel in a number of cases which resulted in published
8 appellate victories including two of the leading “me-too” witness cases in California, *Pantoja v.*
9 *Anton* (2011) 198 Cal.App.4th 87 and *Meeks v. AutoZone, Inc.* (2018) 24 Cal.App.5th 855.
10 Recently, we obtained the published reversal of an adverse judgment in a PAGA bench trial,
11 *Zuniga v. Alexandria Care Center, LLC* (2021) 67 Cal.App.5th 871. Other published appellate
12 victories include *ABM Industries Overtime Cases* (2017) 19 Cal.App.5th 277; *Julian v. Glenair*
13 (2017) 17 Cal.App.5th 853; *Ventura v. ABM Industries, Inc.* (2012) 212 Cal.App.4th 258;
14 *Franco v. Arakelian Enterprises, Inc.* (2012) 211 Cal.App.4th 314; *Fuentes v. AutoZone, Inc.*
15 (2011) 200 Cal.App.4th 1221; *Gutierrez v. California Commerce Club* (2010) 187 Cal.App.4th
16 969; *Franco v. Athens Disposal Company, Inc.* (2009) 171 Cal.App.4th 1277. Unpublished
17 appellate successes include *Christman v. Apple Am. Grp. II, LLC*, No. B271937, 2017 WL
18 4402124 (Cal. Ct. App. Oct. 4, 2017); *Pauley v. CF Entm’t*, No. 14-55131, 2016 WL 1169425
19 (9th Cir. Mar. 25, 2016) (two related appeals); *Pauley v. CF Entm’t*, No. 17-56057, 2019 WL
20 2089930 (9th Cir. May 13, 2019) (three related appeals); *Navarro v. 4 Earth Farms, Inc.*, No.
21 B28485, 2019 WL 493781 (Cal. Ct. App. Feb. 8, 2019); *Soto v. Superior Court of San*
22 *Bernardino Cty.*, No. E071920, 2019 WL 4254631 (Cal. Ct. App. Sept. 9, 2019) (writ issued),
23 and *Rojas v. Glenair, Inc.*, No. B302402, 2020 WL 4435156, (Cal. Ct. App. Aug. 3, 2020)
24 review den. (Nov. 10, 2020). The California Supreme Court granted our request for
25 depublication of three opinions detrimental to workers: *Cacho v. Eurostar, Inc.*, No. S260295,
26 *Starks v. Vortex Industries, Inc.*, No S264854 and *Salazar v. See’s Candy Shops, Inc.*, No.
27 S269268.

28 35. Of the 23 attorneys at MLG, Mr. Matern is the attorney with the most active trial

1 and pretrial calendar. He has personally tried approximately twenty-five cases, including
2 approximately twenty jury trials. His work has led him to be recognized as a Southern
3 California Super Lawyer every year since 2009.

4 36. I am a 2007 graduate of UC College of the Law San Francisco (formerly known as
5 UC Hastings College of the Law) and received my undergraduate degree from UCLA. I have been
6 an active member of the California State Bar in good standing since December 2007 and am
7 admitted to practice law before this Court. I have been practicing law at both MLG and, formerly,
8 at Rastegar & Matern, since May of 2008. I have over sixteen years of experience handling
9 plaintiff's side wage and hour class action cases and individual employment cases, and have been
10 appointed Class Counsel in numerous cases in state and federal courts in California.

11 37. I have prevailed in both bench and jury trials on employment matters that I first-
12 chaired. Most noteworthy was a \$2,500,000 judgment in a sexual harassment case that I
13 obtained on behalf of two plaintiffs. *Juana Barba v. Blue Boys, Inc.*, Los Angeles County
14 Superior Court Case Number BC352054.

15 38. I have been recognized as a Southern California Super Lawyer Rising Star every
16 year from 2015 through 2021 and was included on the Southern California Rising Stars' Up-
17 and-Coming 50 Women List for 2020 and 2021, as well as the Southern California Rising Stars'
18 Up-and-Coming 100 List for 2021. I was also recognized as a Southern California Super
19 Lawyer for 2023 and 2024.

20 39. Matthew W. Gordon is a senior associate at MLG. Mr. Gordon graduated *summa*
21 *cum laude* from Princeton University in 1995, and he was elected to Phi Beta Kappa. He
22 received his J.D. from the University of California, Los Angeles School of Law in 2009. He
23 became a member of the State Bar of California in December 2009, and he has been an active
24 member in good standing continuously since then. Mr. Gordon has concentrated his practice
25 exclusively in employment litigation since he was admitted to the Bar. He has worked on
26 numerous motions for class certification in wage and hour cases and obtained approval of
27 dozens of class action and PAGA settlements. Mr. Gordon has argued three appeals in the
28 California Courts of Appeal, two of which resulted in decisions advancing workers' rights,

1 including *Eda Sanchez Olivares v. Fountain Valley Regional Hospital and Medical Center*, No.
2 G053514, 2018 WL 330134 (Cal. Ct. App. Jan. 9, 2018), a case in which the Court of Appeal
3 affirmed the denial of a motion to compel arbitration of a wage and hour class action, and *Tellez*
4 *v. Rich Voss Trucking, Inc.* (2015) 240 Cal.App.4th 1052, a published opinion reversing the trial
5 court's order denying class certification. Mr. Gordon was selected to the Southern California
6 Rising Stars list in 2016, 2017, 2018, and 2019. Mr. Gordon was selected to Southern California
7 Super Lawyers in 2024.

8 40. Nora R. Katz is an Associate Attorney at MLG. Ms. Katz received her
9 undergraduate degree, *cum laude*, from the University of Puget Sound in 2016 and graduated
10 from the University of California Law, San Francisco (formerly known as UC Hastings) *magna*
11 *cum laude*, in 2023. Ms. Katz was admitted to the California State Bar in December 2023. Since
12 gaining admission to the California Bar, Ms. Katz has focused her practice exclusively in
13 plaintiff-side employment litigation. She has worked on multiple wage and hour cases and also
14 represents employees in single plaintiff disputes.

15 41. The hourly rates for MLG attorneys are commensurate with MLG's experience in
16 litigating complex cases. Indeed, MLG has been awarded fees by various courts, based in part
17 on a lodestar crosscheck, including in the following cases:

18 A. In *Sibrian-Franco v. East Valley Community Health Center Inc.*, Los
19 Angeles Superior Court Case No. 19STCV21220, the Honorable Stuart Rice awarded MLG
20 attorneys' fee, finding that MLG's rates, including Mr. Matern's rate of \$1,125, were "reasonable
21 and in line with rates prevailing in the community."

22 B. In *Davis v. CVS Pharmacy, Inc., et al.*, United States District Court for the
23 Central District of California, Case No. CV 21-2484-DMG (KSx), the court awarded MLG
24 attorneys' fees, including a rate for Mr. Matern of \$1050, a rate for Matthew W. Gordon of \$840,
25 and a rate for Vanessa M. Rodriguez of \$620, in the total of \$906,542.65 with a 1.3 multiplier.

26 C. In *Torrez v. Del Taco*, Alameda County Superior Court, Case No.
27 JCCP004904, the court awarded MLG attorneys' fees based on a blended hourly rate of \$600 to
28 reach a lodestar of \$2,404,600 with a 5.2 multiplier.

1 D. In *Escamilla v. Ono Hawaiian BBQ*, Los Angeles County Superior Court,
2 Case No. BC651992, the court awarded MLG attorneys’ fees based on a lodestar crosscheck,
3 based in part on the following 2023 hourly rates: Matthew J. Matern: \$1,075; Matthew W.
4 Gordon: \$875; Vanessa M. Rodriguez: \$675.

5 E. In *Dimas v. BLT Enterprises*, Alameda Superior Court (“ASC”) Case No.
6 RG20075373, Judge Brad Seligman awarded MLG attorneys’ fees based on the common fund
7 method with lodestar cross check, which is based on the following 2023 hourly rates: Matthew J.
8 Matern, \$1,075; Launa Adolph, \$995.00; Deanna Leifer, \$875.00; Elizabeth Medrano, \$575.00;
9 Olivia Green, \$550.00.

10 F. In *Gamboa v. Nelson Miller*, LASC Case No. BC658201, Judge Maren E.
11 Nelson awarded MLG attorneys' fees based on the common fund method with a lodestar cross-
12 check, which was based on the following 2023 hourly rates: Matthew J. Matern, \$1,075; Tagore
13 Subramaniam, \$825.00; Julia Z. Wells, \$675.00.

14 G. In *Vazquez vs. GL LBT, LLC*, LASC Case No. 19STCV30814, Judge Mark
15 C. Kim awarded MLG attorneys' fees based on the common fund method with a lodestar cross-
16 check, which was based on the following 2022 hourly rates: Matthew J. Matern, \$995.00; Dalia
17 Khalili, \$875.00; Matthew W. Gordon, \$825.00; Tagore Subramaniam, \$775.00; Sean P. Hardy,
18 \$625.00; Julia Z. Wells, \$625.00.

19 H. In *Heredia v. MAG US Lounge Management LLC*, San Bernardino Superior
20 Court Case No. CIVDS1910531, Judge David Cohn approved an attorneys’ fees award based
21 upon the following hourly billing rates: Matthew J. Matern, \$975.00; and Launa Adolph, \$900.00.

22 I. In *Richardson, et al. v. Conduent Commercial Solutions, LLC, et al.*, Kern
23 County Superior Case No. BCV-20-100455, the Honorable Thomas S. Clark awarded MLG
24 attorneys’ fees based on the following hourly rates, Matthew J. Matern, \$975.00; Launa Adolph,
25 \$900.00; and Ellie D. Goralnick, \$525.00, with application of a 2.51 multiplier;

26 J. In *Cordova v. St. George Warehouse and Trucking Inc.*, Los Angeles
27 Superior Court Case No. 20STCV04563, the Honorable Robert B. Broadbelt awarded MLG
28 attorneys’ fees based on the following hourly rates, Matthew J. Matern, \$975.00; Launa Adolph,

1 \$900.00; and Ellie D. Goralnick, \$525.00, with application of a 2.01 multiplier, finding that these
2 “hourly rates are reasonable and in line with rates prevailing in the community.”

3 K. On March 2, 2022, in *Osman v. Skye Wireless, LLC*, LASC Case No.
4 BC642461, Judge Daniel J. Buckley issued an order approving Matthew J. Matern’s hourly rate of
5 \$975.00, which noted that MLG’s requested hourly rates “are reasonable and in line with rates
6 prevailing in the community”

7 40. MLG’s hourly rates are also in line with the rates approved in other cases. *See*
8 *Roberti v. OSI Sys., Inc.*, No. CV1309174MWFMRW, 2015 WL 8329916, at *7 (C.D. Cal. Dec.
9 8, 2015) (finding rates between \$525 and \$975 per hour reasonable); *Rodriguez v. County of Los*
10 *Angeles*, 96 F.Supp.3d 1012, 1023 (C.D. Cal. 2014) (approving attorney rates in 2014 from \$500
11 to \$975); *Perfect 10, Inc. v. Giganews, Inc.*, No. CV 11-07098-AB SHX, 2015 WL 1746484, at
12 *15-18 (C.D. Cal. Mar. 24, 2015), *aff’d*, 847 F.3d 657 (9th Cir. 2017) (finding hourly rates of
13 \$825-\$930 for a senior partner, \$350-\$690 for associates, and \$290 and \$240 for support staff—
14 for work performed in 2011 and 2014—to be reasonable and prevailing market rates at that time).

15 41. Additionally, several courts have awarded MLG attorneys’ fees in similar cases
16 based upon the common fund method:

17 A. In 2021, in the matter of *Petrelli v. Bakkavor Foods USA, Inc.*, LASC Case
18 No. BC595726, Judge Carolyn B. Kuhl awarded MLG’s attorney fee request of one-third of the
19 Maximum Settlement Amount, finding that it is “reasonable under the common fund method.”

20 B. In 2020, in the matter of *Lenard v. Buy Buy Baby, Inc.*, LASC Case No.
21 BC647134, Judge Maren E. Nelson awarded MLG’s attorney fee request for one-third of the
22 Maximum Settlement Amount, stating that the request “is reasonable under the common fund
23 method.”

24 C. In 2020, in the matter of *Morales v. Berkley Valley Convalescent Hospital,*
25 *Inc.*, LASC Case No. BC576116, Judge Daniel J. Buckley approved MLG’s one-third fee request,
26 finding that it is “reasonable under the common fund method.”

27 D. In 2020, in the matter of *Gunn v. Shimadzu Precision Instruments, Inc.*,
28 LASC Case No. BC719424, Judge Daniel J. Buckley approved MLG’s fee request for 33.33% of

1 the Settlement Fund, finding that it is reasonable “as a percentage of the common fund.”

2 E. In 2020, in the matter of *Arzmanians v. Wireless Advocates, LLC*, LASC
3 Case No. BC633344, Judge Amy D. Hogue found that MLG’s requested fee “is reasonable under
4 the common fund...method[.]”

5 42. MLG has sufficient resources to vigorously pursue the claims on behalf of the
6 class. The requested fee percentage (one-third of the Maximum Settlement Amount) is less than
7 that charged by my firm for other employment cases. MLG has invested significant time and
8 resources into this case, with payment deferred to the end and entirely contingent on the
9 outcome. The efforts expended by my firm in the lawsuit thus far include, but are not limited to,
10 the following: interviews with the Class Representatives and review of documents provided by
11 the Class Representatives; preparation of multiple drafts of the class action complaint; filing the
12 class action complaint; propounding numerous sets of written discovery to Defendants,
13 including requests for production of documents, special interrogatories, requests for admission,
14 and form interrogatories; meeting and conferring with Defendants’ counsel to obtain relevant
15 documents and information; communicating with the Class Representatives regularly regarding
16 the status of the case; reviewing and analyzing a sampling of time records and payroll records
17 for employees for purposes of preparing for mediation; retaining an expert in data analysis to
18 analyze the data sample for mediation; conducting legal research regarding Defendants’ wage
19 and hour practices; engaging in settlement discussions with the assistance of experienced
20 mediator Steven Serratore, Esq.; drafting, negotiating, and revising the Settlement, Class Notice,
21 and individual settlement agreements; preparing a stipulation to amend the complaint; filing the
22 amended complaint; and preparing the motion for preliminary approval papers.

23 43. I am not aware of any conflicts of interest between MLG and the Class Members.

24 **Settlement Administrator**

25 44. The parties have agreed to use CPT Group, Inc. (“CPT”) as the third-party
26 settlement administrator, and respectfully request this Court appoint CPT to conduct settlement
27 administration. No one at MLG has any financial interest in or otherwise has a relationship with
28 CPT which would create a conflict of interest.

1 **Submission of Proposed Settlement Agreement to LWDA**

2 45. On October 3, 2024 my office submitted a copy of the proposed Settlement to the
3 LWDA through the online portal. Attached hereto as **Exhibit 4** is a true and correct copy of a
4 October 3, 2024 auto-reply email from the California LWDA DIR PAGA Unit, confirming
5 receipt of our submission of the proposed Settlement Agreement.

6 I declare under penalty of perjury under the laws of the State of California that the
7 foregoing is true and correct. Executed on October 7, 2024 at Redondo Beach, California.

8 
9 _____
10 DALIA KHALILI

EXHIBIT 1



MATERN LAW GROUP, PC

1230 Rosecrans Avenue, Suite 200
Manhattan Beach, California 90266
www.maternlawgroup.com
Tel: (310) 531-1900 | Fax: (310) 531-1901

November 3, 2020

Via Online Submission

California Labor & Workforce
Development Agency
Attn. PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612

Via Certified U.S. Mail – Return

Receipt Requested

Compass Foods, Inc.
c/o Thomas E. Mathias
1321 Enslen Ave.
Modesto, California 95350

Via Certified U.S. Mail – Return

Receipt Requested

Avitek Recruit, Inc.,
d/b/a Human Bees, Inc.
1231 8th St., Suite 402
Modesto, California 95354

Via Certified U.S. Mail – Return

Receipt Requested

Compass Foods, Inc.
dba Campfire Meats
601 Zeff Rd.
Modesto, California 95351

Via Certified U.S. Mail – Return

Receipt Requested

Avitek Recruit, Inc.,
d/b/a Human Bees, Inc.
17274 Golden Valley Parkway
Lathrop, California 95330

Via Certified U.S. Mail – Return

Receipt Requested

Compass Foods, Inc.
6212 Roselle Ave.
Riverbank, California 95367

**Re: Notice Pursuant to California Labor Code § 2699.3
Employee: Blanca Catano**

To Whom It May Concern:

This office represents Blanca Catano (“Ms. Catano”), who was previously employed by Compass Foods, Inc. and Avitek Recruit, Inc., d/b/a Human Bees, Inc. (collectively, “EMPLOYERS”). Pursuant to the California Labor Code Private Attorneys General Act of 2004 (“PAGA”), Labor Code § 2698, *et seq.*, this letter sets forth the specific provisions of the Labor Code and Industrial Welfare Commission (“IWC”) Wage Order No.8-2001, which Ms. Catano alleges EMPLOYERS have violated, including the facts and theories to support the alleged violations. Please be advised that this letter constitutes written notice required by Labor Code § 2699.3, subdivisions (a)(1)(A) and (c)(1)(A) and may lead to immediate action against EMPLOYERS in a court of law and/or administrative proceedings, as well as the imposition of substantial penalties and other remedies

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against EMPLOYERS. Enclosed please find a draft of Ms. Catano's proposed complaint, which is incorporated by reference into this notice. Under separate cover, our office is sending a check in the amount of \$75.00 to the Accounting Unit of the Department of Industrial Relations for the requisite filing fee, pursuant to Labor Code § 2699.3, subdivisions (a)(1)(B) and (c)(1)(B).

This letter also serves as notice of Ms. Catano's demand for preservation and non-spoilation of evidence, requesting that all relevant documents and data be saved and that all electronic files and hard-copy documents that are related to Ms. Catano's employment and potential claims must be preserved, even without a court order.

Spoilation of evidence may result in legal claims for damages and monetary and evidentiary sanctions, including "adverse inference" jury instructions. Furthermore, intentional spoilation of evidence may carry criminal consequences pursuant to California Penal Code § 135.

A detailed preservation and non-spoilation of evidence letter will follow under separate cover.

We are investigating a potential class and representative action on behalf of EMPLOYERS' current and former non-exempt employees in the State of California regarding, among other things, the following violations: failure to provide meal and rest periods to employees in violation of Labor Code §§ 226.7 and 512 and Wage Order No.8-2001, §§ 11-12; failure to pay one additional hour of compensation at the employee's regular rate of compensation for each workday that a meal or rest period is not provided in violation of Labor Code § 226.7 and Wage Order No.8-2001, §§ 11(B) and 12(B); failure to pay employees minimum wages for all hours worked in violation of Labor Code §§ 1194, 1197 and 1197.1 and Wage Order No.8-2001, § 4; failure to pay employees overtime wages in violation of Labor Code §§ 510 and 1194 and Wage Order No.8-2001, § 3; failure to timely pay employees all wages earned in violation of Labor Code § 204; willful failure to pay all wages due to discharged and quitting employees in violation of Labor Code §§ 201-203; failure to furnish accurate itemized wage statements to employees in violation of Labor Code § 226; failure to maintain required records pursuant to Labor Code §§ 226, 1174 and 1174.5 and Wage Order No.8-2001, § 7; and unlawful deductions and withholdings from employees' wages in violation of Labor Code §§ 221, 223 and 224.

The allegations made by Ms. Catano on behalf of herself and all other similarly-situated current and former non-exempt employees of EMPLOYERS in the State of California during the four years preceding the date of this notice are based on the following facts and theories: meal periods were less than thirty minutes, late (first meal periods starting after the fifth hour of work and/or second meal periods starting after the tenth hour), not given at all (including second meal periods after ten hours of work), or interrupted; rest periods were less than ten minutes, not provided, interrupted, and/or late; employees were not provided one hour of pay for each workday a meal period was not provided; employees were not provided one hour of pay for each workday a rest break was not authorized and permitted; and employees were not paid proper minimum and overtime wages for all hours worked as required by California law.¹ Given the overtime, meal

¹ "[T]he statement that defendant has not provided its employees with proper rest periods states both the

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period and rest period violations and Lumber Liquidators' failure to compensate its employees fully, as set forth above, employees' wage statements were inaccurate and failed to comply with California law. In short, Lumber Liquidators' unlawful employment practices and policies have deprived its employees of earned wages and other compensation.

Failure to Provide Meal Periods

Pursuant to Labor Code §§ 226.7 and 512 and Wage Order No.8-2001, § 11, an employer is required to provide meal periods to its employees. An employer must provide a meal period to any employee who works a shift of more than five (5) hours and a second meal period to any employee who works a shift of more than ten (10) hours. Furthermore, an employer must pay one extra hour of compensation for each workday a meal period is not provided.

If an employee is not relieved of all duty during a meal period, the meal period shall be considered an "on duty" meal period and counted as time worked. A paid "on duty" meal period is permitted only when 1) the nature of the work prevents an employee from being relieved of all duty and 2) the parties have agreed in writing to on duty meal periods.

Ms. Catano and other aggrieved employees are non-exempt employees and are entitled to the protections of California Labor Code §§ 226.7 and 512 and Wage Order No.8-2001, § 11. EMPLOYERS failed to provide its employees timely and uninterrupted thirty-minute meal breaks. In fact, Ms. Catano's and other aggrieved employees' meal periods were short (less than thirty minutes), late (first meal periods after the fifth hour of work and second meal periods after the tenth hour), interrupted and/or missed. EMPLOYERS consistently failed to provide Ms. Catano and other aggrieved employees meal breaks because Ms. Catano and other aggrieved employees were given too much work to perform to take meal breaks.

EMPLOYERS further violated Labor Code § 226.7 and Wage Order No.8-2001 by failing to compensate Ms. Catano and other aggrieved employees who were not provided with meal periods in accordance with California law one additional hour of pay at each employee's regular rate of compensation for each workday a meal period was not provided.

Failure to Authorize and Permit Rest Periods

Pursuant to Labor Code § 226.7 and Wage Order No.8-2001, § 12, an employer is required to provide rest periods to its employees. An employer must provide a ten (10) minute rest period for every four (4) hours worked or major action thereof which insofar as practicable shall be in the middle of each work period. Furthermore, an employer must pay one extra hour of compensation for each workday a rest period is not authorized and permitted.

Ms. Catano and other aggrieved employees were and are non-exempt employees and are entitled to the protections of Labor Code § 226.7 and Wage Order No.8-2001. EMPLOYERS failed to authorize and permit its employees to take required rest periods. Specifically, EMPLOYERS maintained a policy or practice of not authorizing and permitting Ms. Catano and

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other aggrieved employees to take one 10-minute rest break for shifts 3.5-6.0 hours, a second rest break for shifts greater than 6 hours and less than or equal to 10 hours, and a third rest break for shifts in excess of 10 hours. EMPLOYERS consistently failed to authorize and permit Ms. Catano and other similarly-situated individuals to take rest breaks because Ms. Catano and other similarly-situated individuals were given too much work to perform to take rest breaks. When Ms. Catano and other aggrieved employees were able to take rest breaks, EMPLOYERS failed to authorize and permit Ms. Catano and other aggrieved employees to take their rest breaks in the middle of each work period insofar as practicable.

EMPLOYERS further violated Labor Code § 226.7 and Wage Order No.8-2001, § 12 by failing to pay Ms. Catano and other aggrieved employees one additional hour of pay at each employee's regular rate of compensation for each workday a rest period was not authorized and permitted.

Failure to Pay Minimum Wages

Pursuant to Labor Code §§ 1194 and 1197 and Wage Order No.8-2001, § 4, payment to an employee of less than the applicable minimum wage for all hours worked in a payroll period is unlawful.

Ms. Catano and other aggrieved employees are current and former non-exempt employees and are entitled to the protections of Labor Code §§ 1194 and 1197 and Wage Order No.8-2001, § 4. EMPLOYERS failed to pay Ms. Catano and other aggrieved employees minimum wages for all hours worked by, among other things: requiring, suffering or permitting Ms. Catano and other similarly-situated individuals to work off-the-clock; requiring, suffering or permitting Ms. Catano and other aggrieved employees to work through their meal breaks but not compensating them for this time; illegally and inaccurately recording time worked by Ms. Catano and other aggrieved employees; failing to properly maintain Ms. Catano's and other aggrieved employees' records; failing to provide accurate itemized wage statements to Ms. Catano and other aggrieved employees for each pay period; and other methods to be discovered.

EMPLOYERS' conduct violates Labor Code §§ 1194 and 1197 and Wage Order No.8-2001, § 4.

Failure to Pay Overtime Wages

Pursuant to California Labor Code §§ 510 and 1194 and Wage Order No.8-2001, § 3, an employer must compensate its employees for all overtime, which is calculated at one and one-half (1 ½) times the regular rate of pay for hours worked in excess of eight (8) hours per day and/or forty (40) hours per week, and for the first eight (8) hours on the seventh consecutive work day, with double time for all hours worked in excess of eight (8) hours on the seventh day of any workweek, or after twelve (12) hours in any workday.

Ms. Catano and other aggrieved employees are current and former non-exempt employees and are entitled to the protections of Labor Code §§ 510 and 1194 and Wage Order No.8-2001.

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EMPLOYERS failed to compensate Ms. Catano and other aggrieved employees for all overtime hours worked as required under the foregoing provisions of the Labor Code and IWC Wage Order by, among other things: failing to pay overtime at one and one-half (1 ½) times or double the regular rate of pay as provided by Labor Code §§ 510 and 1194 and Wage Order No.8-2001, § 3; requiring, suffering or permitting Ms. Catano and other aggrieved employees to work off-the-clock; requiring, suffering or permitting Ms. Catano and other aggrieved employees to work through meal periods but not compensating them for this time; illegally and inaccurately recording time worked by Ms. Catano and other aggrieved employees; failing to properly maintain Ms. Catano's and other aggrieved employees' records through falsifying hours worked; failing to provide accurate itemized statements to Ms. Catano and other aggrieved employees for each pay period; and other methods to be discovered.

In violation of California law, EMPLOYERS has refused to perform its obligations to compensate Ms. Catano and other aggrieved employees for all wages earned and all hours worked. EMPLOYERS' conduct violates Labor Code §§ 510 and 1194 and Wage Order No.8-2001, § 3.

Failure to Timely Pay All Wages Earned

Pursuant to Labor Code § 204, an employer must pay its employees at least twice a month for all wages earned during the preceding pay period. Labor Code § 204 provides that labor performed between the 1st and 15th days, inclusive, of any calendar month shall be paid for between the 16th and the 26th day of the month during which the labor was performed, and labor performed between the 16th and the last day, inclusive, of any calendar month, shall be paid for between the 1st and 10th day of the following month. An employer using an alternate payday schedule must pay wages within seven calendar days of the end of the payroll period in which the wages were earned.

EMPLOYERS failed to pay Ms. Catano and other aggrieved employees on their regularly scheduled payday for all work performed during the preceding pay period. Specifically, EMPLOYERS required Ms. Catano and other aggrieved employees to work off-the-clock without compensation and required Ms. Catano and other aggrieved employees to work through required meal breaks without compensation. Additionally, EMPLOYERS failed to pay Ms. Catano and other aggrieved employees premium wages owed for each workday a meal periods was not provided and each workday a rest period was not authorized and permitted.

EMPLOYERS also failed to pay Ms. Catano and other aggrieved employees for the overtime wages they earned in violation of Labor Code § 204. Labor Code § 204 requires an employer to pay overtime wages no later than the payday for the next regular payroll period following the payroll period in which the overtime wages were earned. EMPLOYERS knew they were required to pay overtime wages, yet on many occasions failed to pay Ms. Catano and other aggrieved employees overtime wages on any payday.

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Failure to Pay All Wages Due Upon Separation

Pursuant to Labor Code § 201, 202 and 203, an employer is required to pay all earned and unpaid wages to an employee upon separation. Labor Code § 201 mandates that if an employer discharges an employee, the employee's wages accrued and unpaid at the time of discharge are due and payable immediately. Pursuant to Labor Code § 202, an employer is required to pay all accrued wages due to an employee no later than 72 hours after the employee quits his or her employment, unless the employee provided 72 hours previous 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.

Labor Code § 203 provides that if an employer willfully fails to pay, in accordance with Labor Code §§ 201 and 202, any wages of an employee who is discharged or who quits, the employer is liable for waiting time penalties in the form of continued compensation to the employee at the same rate for up to thirty (30) days.

EMPLOYERS willfully failed to pay accrued wages and other compensation to Ms. Catano and other aggrieved employees in accordance with Labor Code §§ 201 and 202. Because EMPLOYERS required Ms. Catano and other aggrieved employees to work off-the-clock without compensation and through required meal breaks without compensation and failed to pay Ms. Catano and other aggrieved employees the premium wages for all meal periods which were not provided and all rest periods which were not authorized or permitted, EMPLOYERS failed and continues to fail to pay the full earned and unpaid wages due to Ms. Catano and other aggrieved employees upon separation.

Failure to Furnish Accurate Itemized Wage Statements

Labor Code § 226 requires every employer to furnish each of its employees an accurate itemized wage statement in writing showing (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer, and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee.

EMPLOYERS failed to provide Ms. Catano and other aggrieved employees with timely and accurate itemized wage statements in writing showing each employee's gross wages earned, total hours worked, the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, all deductions made, net wages earned, the inclusive dates of the period for which the employee is paid, the name and address of the legal entity or entities employing Ms. Catano and other aggrieved employees, and all applicable hourly rates in effect during each pay period and the corresponding number of hours worked at each hourly rate, in violation of Labor Code § 226 and Wage Order No.8-2001, § 7.

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Specifically, EMPLOYERS had knowledge it was not providing its employees with proper meal and rest breaks; nevertheless, EMPLOYERS knowingly failed to include in the wage statements the extra hour of compensation owed for each workday a meal break was not provided and each workday a rest break was not authorized and permitted. As a result, Ms. Catano and other aggrieved employees lost wages. In addition, EMPLOYERS had knowledge it was requiring employees to work off-the-clock and was not properly compensating its employees for all hours worked, yet EMPLOYERS knowingly failed to include this time worked in the wage statements. As a result, Ms. Catano and other aggrieved employees lost wages. EMPLOYERS also did not properly calculate the regular rate of pay of Ms. Catano and other aggrieved employees. As a result, Ms. Catano's and other aggrieved employees' wage statements did not include all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate.

Failure to Maintain Required Records

EMPLOYERS failed to maintain records as required under Labor Code §§ 226 and 1174 and Wage Order No.8-2001, § 7, including but not limited to the following records: total daily hours worked by each employee; applicable rates of pay; all deductions; meal periods; time records showing when each employee begins and ends each work period; and accurate itemized statements.

Specifically, EMPLOYERS had knowledge it was not providing its employees with proper meal and rest breaks; nevertheless, EMPLOYERS knowingly failed to include in the wage statements the extra hour of compensation owed for each workday a meal break was not provided and each workday a rest break was not authorized and permitted. In addition, EMPLOYERS had knowledge it was requiring employees to work off-the-clock and was not properly compensating its employees for all hours worked, yet EMPLOYERS knowingly failed to include this time worked in the regular rate of pay of aggrieved employees.

Failure to Indemnify Employees for Necessary Expenditures Incurred in Discharge of Duties

Labor Code § 2802(a) requires an employer to indemnify an employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her obedience to the directions of the employer. EMPLOYERS failed to indemnify Ms. Catano and other aggrieved employees for all business expenses and/or losses incurred in direct consequence of the discharge of their duties while working under the direction of EMPLOYERS, including but not limited to expenses for cell phones, uniforms, travel-related expenses, and other employment-related expenses, in violation of Labor Code § 2802.

This notice is hereby given to EMPLOYERS and any and all related and/or alter ego companies, corporations, partnerships, and/or business entities, as well as against any and all officers, owners, directors, managers, managing agents, or entities who are or may be liable under

MATERN LAW GROUP, PC

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California law for any of the violations alleged herein as to any locations or employees who worked at any time in the State of California.

This notice is made on behalf of all persons who are, were, or will be non-exempt employees of EMPLOYERS, or any related or alter-ego company, corporation, partnership, and/or business entity at any time on or after a date four years prior to the date of this letter in the State of California.

This notice shall be construed as extending without limitation to any past, present, future, or continuing violation of the Labor Code, the applicable IWC Wage Order, or any applicable regulation which might be discovered as a result of a reasonable and diligent investigation made pursuant to this notice.

This notice shall further represent Ms. Catano's reasonable attempt to settle her dispute with EMPLOYERS prior to litigation. Pursuant to *Graham v. DaimlerChrysler Corp.*, 34 Cal. 4th 553 (2004), this notice serves to apprise EMPLOYERS of Ms. Catano's aforementioned grievances and the proposed remedies as detailed below, while affording EMPLOYERS reasonable opportunity to meet Ms. Catano's demands.

Demand is hereby made that Employer shall agree, in writing received at this office no later than 30 calendar days from the postmark date of this notice, as follows:

1. EMPLOYERS shall pay Ms. Catano and all other similarly-situated persons employed by EMPLOYERS at any time during the past 48 months back pay and compensation for the above-referenced violations.
2. EMPLOYERS shall comply with all California labor laws and ensure that its non-exempt employees are paid proper overtime compensation and given required meal and rest periods.
3. EMPLOYERS shall conduct a survey or interview all current and former non-exempt employees in California during the past 48 months to obtain information from them regarding the number of meal breaks which were not provided, the number of rest breaks which were not authorized and permitted, and the number of employees who were required to pay for cell phones, uniforms, travel-related expenses or other expenditures in the discharge of their duties, with the investigation to be completed within 60 days.
4. EMPLOYERS shall pay each employee one hour of pay for each workday he or she was not authorized and permitted one or more rest periods, as required by Labor Code § 226.7. EMPLOYERS also shall pay each employee one hour of pay for each workday he or she was not provided one or more and meal periods, as required by Labor Code § 226.7.
5. EMPLOYERS shall reimburse those employees who were forced to pay for any business expenses incurred for Lumber Liquidators' benefit, including but not limited to cell phone, uniform, and travel-related expenses.

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6. EMPLOYERS shall pay waiting time penalties, equal to thirty days of pay, to each former employee who was not paid all wages due as described herein.

7. EMPLOYERS shall pay accrued interest to all employees at the rate of ten percent per annum for said unpaid wages.

8. EMPLOYERS shall pay all penalties arising from the violations of the Labor Code and IWC Wage Order sections referenced above and pursuant to PAGA, Labor Code § 2698 *et seq.*, including but not limited to penalties under Labor Code §§ 206.5, 210, 225.5, 226.3, 558, 1174.5, 1182.12, 1197.1, 1198, 1199 and 2699 and Wage Order No.8-2001, § 20.

If the Labor and Workforce Development Agency intends to investigate the allegations set forth herein, please notify this office of that decision by certified mail addressed to Matern Law Group, PC, 1230 Rosecrans Avenue, Suite 200, Manhattan Beach, California 90266. Additionally, please advise us if the Agency or EMPLOYERS require additional information regarding Ms. Catano's complaints.

Thank you for your prompt attention to this matter.

Very truly yours,

MATERN LAW GROUP, PC

A handwritten signature in purple ink, appearing to read 'Max Sloves', with a long horizontal flourish extending to the right.

Max Sloves, Esq.

MATERN LAW GROUP, PC

Matthew J. Matern (SBN 159798)

Email: mmatern@maternlawgroup.com

Tagore O. Subramaniam (SBN 280126)

Email: tagore@maternlawgroup.com

Max Sloves (SBN 217676)

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1230 Rosecrans Avenue, Suite 200

Manhattan Beach, California 90266

Telephone: (310) 531-1900

Facsimile: (310) 531-1901

Attorneys for Plaintiff BLANCA CATANO
individually, and on behalf of others
similarly situated

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF STANISLAUS

BLANCA CATANO, individually, and on
behalf of others similarly situated

Plaintiff,

vs.

COMPASS FOODS, INC., a corporation;
AVITEK RECRUIT, INC., a corporation, d/b/a
HUMAN BEES, INC.; and DOES 1 through
50, inclusive,

Defendants

CASE NO.:

[DRAFT] COMPLAINT

CLASS ACTION:

1. Failure to Provide Required Meal Periods
2. Failure to Provide Required Rest Periods
3. Failure to Pay Overtime Wages
4. Failure to Pay Minimum Wages
5. Failure to Pay All Wages Due to Discharged and Quitting Employees
6. Failure to Maintain Required Records
7. Failure to Furnish Accurate Itemized Wage Statements
8. Failure to Indemnify Employees for Necessary Expenditures Incurred in Discharge of Duties
9. Unfair and Unlawful Business Practices

REPRESENTATIVE ACTION:

10. Penalties under the Labor Code Private Attorneys General Act, as Representative Action

DEMAND FOR JURY TRIAL

1 **INTRODUCTION**

2 PLAINTIFF BLANCA CATANO (“PLAINTIFF”) an individual, demanding a jury trial,
3 on behalf of herself and other persons similarly situated, hereby alleges as follows:

4 **JURISDICTION AND VENUE**

5 1. The Superior Court of the State of California has jurisdiction in this matter because
6 PLAINTIFF is a resident of the State of California, and Defendants COMPASS FOODS, INC., a
7 corporation; AVITEK, INC., a corporation; AVITEK RECUIT, INC., unknown business form; and
8 DOES 1 through 50, inclusive (collectively “DEFENDANTS”), are qualified to do business in
9 California and regularly conduct business in California. Further, no federal question is at issue
10 because the claims are based solely on California law.

11 2. Venue is proper in this judicial district and the County of Stanislaus, California
12 because PLAINTIFF, and other persons similarly situated, performed work for DEFENDANTS
13 in the County of Stanislaus, DEFENDANTS maintain offices and facilities and transact business
14 in the County of Stanislaus, and because DEFENDANTS’ illegal payroll policies and practices
15 which are the subject of this action were applied, at least in part, to PLAINTIFF, and other
16 persons similarly situated, in the County of Stanislaus.

17 **PLAINTIFF**

18 3. PLAINTIFF is a female resident of the State of California and a current employee
19 of DEFENDANTS.

20 4. PLAINTIFF, on behalf of herself and other similarly situated current and former
21 non-exempt employees of DEFENDANTS in the State of California at any time during the four
22 years preceding the filing of this action, and continuing while this action is pending, brings this
23 class action to recover, among other things, wages and penalties from unpaid wages earned and
24 due, including but not limited to unpaid minimum wages, unpaid and illegally calculated overtime
25 compensation, illegal meal and rest period policies, failure to pay all wages due to discharged and
26 quitting employees, failure to indemnify employees for necessary expenditures and/or losses
27 incurred in discharging their duties, failure to provide accurate itemized wage statements, failure
28 to maintain required records, and interest, attorneys’ fees, costs, and expenses.

5. PLAINTIFF brings this action on behalf of herself and the following similarly situated class of individuals (“CLASS MEMBERS”): all current and former non-exempt employees of DEFENDANTS in the State of California at any time within the period beginning four (4) years prior to the filing of this action and ending at the time this action settles or proceeds to final judgment (the “CLASS PERIOD”). PLAINTIFF reserves the right to name additional class representatives.

DEFENDANTS

6. PLAINTIFF is informed and believes, and thereon alleges, that DEFENDANT COMPASS FOODS, INC., a corporation, is and at all times relevant hereto was, a corporation organized and existing under the laws of the State of California. PLAINTIFF is further informed and believes, and thereon alleges, that DEFENDANT COMPASS FOODS, INC., a corporation, is authorized to conduct business in the State of California, and does conduct business in the State of California. Specifically, DEFENDANT COMPASS FOODS, INC., a corporation, maintains offices and facilities and conducts business in, and engages in illegal payroll practices or policies in, the County of Stanislaus, State of California.

7. PLAINTIFF is informed and believes, and thereon alleges, that DEFENDANT HUMAN BEES, INC., formerly AVITEK RECRUIT, INC., a corporation, is and at all times relevant hereto was, a corporation organized and existing under the laws of the State of California. PLAINTIFF is further informed and believes, and thereon alleges, that DEFENDANT HUMAN BEES, INC., formerly AVITEK RECRUIT, INC., a corporation, is authorized to conduct business in the State of California, and does conduct business in the State of California. Specifically, DEFENDANT HUMAN BEES, INC., formerly AVITEK RECRUIT, INC., a corporation, maintains offices and facilities and conducts business in, and engages in illegal payroll practices or policies in, the County of Stanislaus, State of California.

8. The true names and capacities of DOES 1 through 50, inclusive, are unknown to PLAINTIFF at this time, and PLAINTIFF therefore sues such DOE Defendants under fictitious names. PLAINTIFF is informed and believes, and thereon alleges, that each Defendant designated as a DOE is in some manner highly responsible for the occurrences alleged herein, and

1 that PLAINTIFF and CLASS MEMBERS' injuries and damages, as alleged herein, were
2 proximately caused by the conduct of such DOE Defendants. PLAINTIFF will seek leave of the
3 court to amend this Complaint to allege their true names and capacities of such DOE Defendants
4 when ascertained.

5 9. At all relevant times herein, DEFENDANTS were the joint employers of
6 PLAINTIFF and CLASS MEMBERS. PLAINTIFF is informed and believes, and thereon allege,
7 that at all times material to this complaint DEFENDANTS were the alter egos, divisions,
8 affiliates, integrated enterprises, joint employers, subsidiaries, parents, principals, related entities,
9 co-conspirators, authorized agents, partners, joint venturers, and/or guarantors, actual or
10 ostensible, of each other. Each Defendant was completely dominated by his, her or its co-
11 Defendant, and each was the alter ego of the other.

12 10. At all relevant times herein, PLAINTIFF and CLASS MEMBERS were employed
13 by DEFENDANTS under employment agreements that were partly written, partly oral, and partly
14 implied. In perpetrating the acts and omissions alleged herein, DEFENDANTS, and each of them,
15 acted pursuant to, and in furtherance of, their policies and practices of not paying PLAINTIFF
16 and CLASS MEMBERS all wages earned and due, through methods and schemes which include,
17 but are not limited to, failing to pay overtime premiums; failing to provide rest and meal periods;
18 failing to properly maintain records; failing to provide accurate itemized statements for each pay
19 period; failing to properly compensate PLAINTIFF and CLASS MEMBERS for necessary
20 expenditures; and requiring, permitting or suffering the employees to work off the clock, in
21 violation of the California Labor Code and the applicable Welfare Commission ("IWC") Orders.

22 11. PLAINTIFF is informed and believes, and thereon allege, that each and every one
23 of the acts and omissions alleged herein were performed by, and/or attributable to, all
24 DEFENDANTS, each acting as agents and/or employees, and/or under the direction and control
25 of, each of the other DEFENDANTS, and that said acts and failures to act were within the course
26 and scope of said agency, employment and/or direction and control.

27 12. Pursuant to California Labor Code § 558.1, DEFENDANTS and any person acting
28 on behalf of any of the DEFENDANTS, are liable for violating, or causing to violate, any

1 provision regulating minimum wages or hours and days of work in any order of the Industrial
2 Welfare Commission, or Labor Code §§ 203, 226, 226.7, 1193.6, 1194, or 2802.

3 13. As a direct and proximate result of the unlawful actions of DEFENDANTS,
4 PLAINTIFF and CLASS MEMBERS have suffered, and continue to suffer, from loss of earnings
5 in amounts as yet unascertained, but subject to proof at trial, and within the jurisdiction of this
6 Court.

7 **CLASS ACTION DESIGNATION**

8 14. This action is appropriately suited for a Class Action because:

9 a. The potential class is a significant number. Joinder of all current and
10 former employees individually would be impractical.

11 b. This action involves common questions of law and fact to the potential
12 class because the action focuses on DEFENDANTS' systematic course of illegal payroll practices
13 and policies, which was applied to all non-exempt employees in violation of the Labor Code, the
14 applicable IWC wage order, and the Business and Professions Code which prohibits unfair
15 business practices arising from such violations.

16 c. The claims of PLAINTIFF are typical of the class because DEFENDANTS
17 subjected all non-exempt employees to identical violations of the Labor Code, the applicable
18 IWC wage order, and the Business and Professions Code.

19 d. PLAINTIFF is able to fairly and adequately protect the interests of all
20 members of the class because it is in her best interests to prosecute the claims alleged herein to
21 obtain full compensation due to them for all services rendered and hours worked.

22 **FIRST CAUSE OF ACTION**

23 **Failure to Provide Required Meal Periods**

24 **[Cal. Labor Code §§ 226.7, 510, 512, 1194, 1197; IWC Wage Order No. 8-2001, § 11]**

25 **(Against all DEFENDANTS)**

26 15. PLAINTIFF incorporates herein by specific reference, as though fully set forth, the
27 allegations in the foregoing paragraphs.

28 16. During the CLASS PERIOD, as part of DEFENDANTS' illegal payroll policies

1 and practices to deprive their non-exempt employees all wages earned and due, DEFENDANTS
2 required, permitted or otherwise suffered PLAINTIFF and CLASS MEMBERS to take less than
3 the 30-minute meal period, or to work through them, and have failed to otherwise provide the
4 required meal periods to PLAINTIFF and CLASS MEMBERS pursuant to California Labor Code
5 § 226.7, 512 and IWC Order No. 8-2001, § 11.

6 17. DEFENDANTS further violated California Labor Code §§ 226.7 and IWC Wage
7 Order No. 8-2001, § 11 by failing to compensate PLAINTIFF and CLASS MEMBERS who were
8 not provided with a meal period, in accordance with the applicable wage order, one additional
9 hour of compensation at each employee's regular rate of pay for each workday that a meal period
10 was not provided.

11 18. DEFENDANTS further violated California Labor Code §§ 226.7, 510, 1194,
12 1197, and IWC Wage Order No. 8-2001 by failing to compensate PLAINTIFF and CLASS
13 MEMBERS for all hours worked during their meal periods.

14 19. As a proximate result of the aforementioned violations, PLAINTIFF and CLASS
15 MEMBERS have been damaged in an amount according to proof at trial, and seek all wages
16 earned and due, interest, penalties, expenses, and costs of suit.

17 **SECOND CAUSE OF ACTION**

18 **Failure to Provide Required Rest Periods**

19 **[Cal. Labor Code §§ 226.7, 512; IWC Wage Order No. 8-2001, § 12]**

20 **(Against all DEFENDANTS)**

21 20. PLAINTIFF incorporates herein by specific reference, as though fully set forth, the
22 allegations in the foregoing paragraphs.

23 21. At all times relevant herein, as part of DEFENDANTS' illegal payroll policies and
24 practices to deprive their non-exempt employees all wages earned and due, DEFENDANTS
25 failed to provide rest periods to PLAINTIFF and CLASS MEMBERS as required under
26 California Labor Code §§ 226.7 and 512, and IWC Wage Order No. 8-2001, § 12.

27 22. DEFENDANTS further violated California Labor Code § 226.7 and IWC Wage
28 Order No. 8-2001, § 12 by failing to pay PLAINTIFF and CLASS MEMBERS who were not

provided with a rest period, in accordance with the applicable wage order, one additional hour of compensation at each employee's regular rate of pay for each workday that a rest period was not provided.

23. As a proximate result of the aforementioned violations, PLAINTIFF and CLASS MEMBERS have been damaged in an amount according to proof at trial, and seek all wages earned and due, interest, penalties, expenses, and costs of suit.

THIRD CAUSE OF ACTION

Failure to Pay Overtime Wages

[Cal. Labor Code §§ 510, 1194, 1198; IWC Wage Order No. 8-2001, § 3]

(Against all DEFENDANTS)

24. PLAINTIFF incorporates herein by specific reference, as though fully set forth, the allegations in the foregoing paragraphs.

25. Pursuant to California Labor Code §§ 510, 1194, and IWC Wage Order No. 8-2001, § 3, DEFENDANTS are required to compensate PLAINTIFF and CLASS MEMBERS for all overtime, which is calculated at one and one-half (1 ½) times the regular rate of pay for all hours worked in excess of eight (8) hours per day and/or forty (40) hours per week, and for the first eight (8) hours on the seventh consecutive workday, with double time for all hours worked in excess of twelve (12) hours in any workday and for all hours worked in excess of eight (8) hours on the seventh consecutive day of work in any workweek.

26. PLAINTIFF and CLASS MEMBERS are current and former non-exempt employees entitled to the protections of California Labor Code §§ 510, 1194, and IWC Wage Order No. 8-2001. During the CLASS PERIOD, DEFENDANTS failed to compensate PLAINTIFF and CLASS MEMBERS for all overtime hours worked as required under the foregoing provisions of the California Labor Code and IWC Wage Order by, among other things: failing to pay overtime at one and one-half (1 ½) or double the regular rate of pay as provided by California Labor Code §§ 510, 1194, and IWC Wage Order No. 8-2001, § 3; requiring, permitting or suffering PLAINTIFF and CLASS MEMBERS to work off the clock; requiring, permitting or suffering PLAINTIFF and CLASS MEMBERS to work through meal and rest breaks; illegally

1 and inaccurately recording time in which PLAINTIFF and CLASS MEMBERS worked; failing to
2 properly maintain PLAINTIFF's and CLASS MEMBERS' records; failing to provide accurate
3 itemized wage statements to PLAINTIFF for each pay period; and other methods to be
4 discovered.

5 27. In violation of California law, DEFENDANTS have knowingly and willfully
6 refused to perform their obligations to compensate PLAINTIFF and CLASS MEMBERS for all
7 wages earned and all hours worked. As a proximate result, PLAINTIFF and CLASS MEMBERS
8 have suffered, and continue to suffer, substantial losses related to the use and enjoyment of such
9 wages, lost interest on such wages, and expenses and attorneys' fees in seeking to compel
10 DEFENDANTS to fully perform their obligations under state law, all to their respective damages
11 in amounts according to proof at time of trial, and within the jurisdiction of this Court.

12 28. DEFENDANTS' conduct described herein violates California Labor Code §§ 510,
13 1194, 1198 and IWC Wage Order No. 8-2001, § 3. Therefore, pursuant to California Labor Code
14 §§ 200, 203, 226, 558, 1194, 1197.1, and other applicable provisions under the California Labor
15 Code and IWC Wage Orders, PLAINTIFF and CLASS MEMBERS are entitled to recover the
16 unpaid balance of wages owed to them by DEFENDANTS, plus interest, penalties, attorneys'
17 fees, expenses, and costs of suit.

18 **FOURTH CAUSE OF ACTION**

19 **Failure to Pay Minimum Wages**

20 **[Cal Labor Code §§ 1194, 1197; IWC Wage Order No. 8-2001, § 4]**

21 **(Against all DEFENDANTS)**

22 29. PLAINTIFF incorporates herein by specific reference, as though fully set forth, the
23 allegations in the foregoing paragraphs.

24 30. Pursuant to California Labor Code §§ 1194, 1197, and IWC Wage Order No. 8-
25 2001, § 4, payment to an employee of less than the applicable minimum wage for all hours
26 worked in a payroll period is unlawful.

27 31. During the CLASS PERIOD, DEFENDANTS failed to pay PLAINTIFF and
28 CLASS MEMBERS minimum wages for all hours worked by, among other things: requiring,

1 permitting or suffering PLAINTIFF and CLASS MEMBERS to work off the clock; requiring,
2 permitting or suffering PLAINTIFF and CLASS MEMBERS to work through meal and rest
3 breaks; illegally and inaccurately recording time in which PLAINTIFF and CLASS MEMBERS
4 worked; failing to properly maintain PLAINTIFF's and CLASS MEMBERS' records; failing to
5 provide accurate itemized wage statements to PLAINTIFF and CLASS MEMBERS for each pay
6 period; and other methods to be discovered.

7 32. DEFENDANTS' conduct described herein violates California Labor Code §§
8 1194, 1197, and IWC Wage Order No. 8-2001, § 4. As a proximate result of the aforementioned
9 violations, PLAINTIFF and CLASS MEMBERS have been damaged in an amount according to
10 proof at trial. Therefore, pursuant to California Labor Code §§ 200, 203, 226, 558, 1194, 1197.1,
11 and other applicable provisions under the Labor Code and IWC Wage Orders, PLAINTIFF and
12 CLASS MEMBERS are entitled to recover the unpaid balance of wages owed to them by
13 DEFENDANTS, plus interest, penalties, attorneys' fees, expenses, and costs of suit.

14 **FIFTH CAUSE OF ACTION**

15 **Failure to Pay All Wages Due to Discharged and Quitting Employees**

16 **[Cal. Labor Code §§ 201, 202, 203]**

17 **(Against all DEFENDANTS)**

18 33. PLAINTIFF incorporates herein by specific reference, as though fully set forth, the
19 allegations in the foregoing paragraphs.

20 34. Pursuant to California Labor Code § 201, 202, and 203, DEFENDANTS are
21 required to pay all earned and unpaid wages to an employee who is discharged. California Labor
22 Code § 201 mandates that if an employer discharges an employee, the employee's wages accrued
23 and unpaid at the time of discharge are due and payable immediately.

24 35. Furthermore, pursuant to California Labor Code § 202, DEFENDANTS are
25 required to pay all accrued wages due to an employee no later than 72 hours after the employee
26 quits his or her employment, unless the employee provided 72 hours previous notice of his or her
27 intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

28 36. California Labor Code § 203 provides that if an employer willfully fails to pay, in

1 accordance with California Labor Code §§ 201 and 202, any wages of an employee who is
2 discharged or who quits, the employer is liable for waiting time penalties in the form of continued
3 compensation to the employee at the same rate for up to 30 workdays.

4 37. During the CLASS PERIOD, DEFENDANTS have willfully failed to pay accrued
5 wages and other compensation to PLAINTIFF and CLASS MEMBERS in accordance with
6 California Labor Code §§ 201 and 202.

7 38. As a result, PLAINTIFF and CLASS MEMBERS are entitled to all available
8 statutory penalties, including the waiting time penalties provided in California Labor Code § 203,
9 together with interest thereon, as well as other available remedies.

10 39. As a proximate result of DEFENDANTS' unlawful actions and omissions,
11 PLAINTIFF and CLASS MEMBERS have been deprived of compensation in an amount
12 according to proof at the time of trial, but in excess of the jurisdiction of this Court, and are
13 entitled to recovery of such amounts, plus interest thereon, and attorneys' fees and costs, pursuant
14 to California Labor Code §§ 1194 and 2699.

15 **SIXTH CAUSE OF ACTION**

16 **Failure to Maintain Required Records**

17 **[Cal. Labor Code §§ 226; IWC Wage Order No. 8-2001, § 7]**

18 **(Against all DEFENDANTS)**

19 40. PLAINTIFF incorporates herein by specific reference, as though fully set forth, the
20 allegations in the foregoing paragraphs.

21 41. During the CLASS PERIOD, as part of DEFENDANTS' illegal payroll policies
22 and practices to deprive PLAINTIFF and CLASS MEMBERS of all wages earned and due,
23 DEFENDANTS knowingly and intentionally failed to maintain records as required under
24 California Labor Code §§ 226, 1174, and IWC Wage Order No. 8-2001, § 7, including but not
25 limited to the following records: total daily hours worked by each employee; applicable rates of
26 pay; all deductions; meal periods; time records showing when each employee begins and ends
27 each work period; and accurate itemized statements.

28 42. As a proximate result of DEFENDANTS' unlawful actions and omissions,

1 PLAINTIFF and CLASS MEMBERS have been damaged in an amount according to proof at
2 trial, and are entitled to all wages earned and due, plus interest thereon. Additionally,
3 PLAINTIFF and CLASS MEMBERS are entitled to all available statutory penalties, including
4 but not limited to civil penalties pursuant to California Labor Code §§ 226(e), 226.3, and 1174.5,
5 and an award of costs, expenses, and reasonable attorneys' fees, including but not limited to those
6 provided in California Labor Code § 226(e), as well as other available remedies.

7 **SEVENTH CAUSE OF ACTION**

8 **Failure to Furnish Accurate Itemized Wage Statements**

9 **[Cal. Labor Code §§ 226, 1174; IWC Wage Order No. 8-2001, § 7]**

10 **(Against all DEFENDANTS)**

11 43. PLAINTIFF incorporates herein by specific reference, as though fully set forth, the
12 allegations in the foregoing paragraphs.

13 44. During the CLASS PERIOD, DEFENDANTS routinely failed to provide
14 PLAINTIFF and CLASS MEMBERS with timely, accurate, and itemized wage statements in
15 writing showing each employee's gross wages earned, total hours worked, all deductions made,
16 net wages earned, the name and address of the legal entity or entities employing PLAINTIFF and
17 CLASS MEMBERS, and all applicable hourly rates in effect during each pay period and the
18 corresponding number of hours worked at each hourly rate, in violation of California Labor Code
19 § 226 and IWC Wage Order No. 8-2001, § 7.

20 45. During the CLASS PERIOD, DEFENDANTS knowingly and intentionally failed
21 to provide PLAINTIFF and CLASS MEMBERS with timely, accurate, and itemized wage
22 statements in accordance with California Labor Code § 226(a).

23 46. As a proximate result of DEFENDANTS' unlawful actions and omissions,
24 PLAINTIFF and CLASS MEMBERS have been damaged in an amount according to proof at
25 trial, and seek all wages earned and due, plus interest thereon. Additionally, PLAINTIFF and
26 CLASS MEMBERS are entitled to all available statutory penalties, including but not limited to
27 civil penalties pursuant to California Labor Code §§ 226(e), 226.3, and 1174.5, and an award of
28 costs, expenses, and reasonable attorneys' fees, including but not limited to those provided in

1 California Labor Code § 226(e), as well as other available remedies.

2 **EIGHTH CAUSE OF ACTION**

3 **Failure to Indemnify Employees for Necessary Expenditures Incurred in Discharge of**
4 **Duties**

5 **[Cal. Labor Code § 2802]**

6 **(Against all DEFENDANTS)**

7 47. PLAINTIFF incorporates herein by specific reference, as though fully set forth, the
8 allegations in the foregoing paragraphs.

9 48. California Labor Code § 2802(a) requires an employer to indemnify an employee
10 for all necessary expenditures or losses incurred by the employee in direct consequence of the
11 discharge of his or her duties, or of his or her obedience to the directions of the employer.

12 49. During the CLASS PERIOD, DEFENDANTS knowingly and willfully failed to
13 indemnify PLAINTIFF and CLASS MEMBERS for all business expenses and/or losses incurred
14 in direct consequence of the discharge of their duties while working under the direction of
15 DEFENDANTS, including but not limited to expenses for uniforms, cell phone usage, and other
16 employment-related expenses, in violation of California Labor Code § 2802.

17 50. As a proximate result of DEFENDANTS' unlawful actions and omissions,
18 PLAINTIFF and CLASS MEMBERS have been damaged in an amount according to proof at
19 trial, and seek reimbursement of all necessary expenditures, plus interest thereon pursuant to
20 California Labor Code § 2802(b). Additionally, PLAINTIFF and CLASS MEMBERS are
21 entitled to all available statutory penalties and an award of costs, expenses, and reasonable
22 attorneys' fees, including those provided in California Labor Code § 2802(c), as well as other
23 available remedies.

24 **NINTH CAUSE OF ACTION**

25 **Unfair and Unlawful Business Practices**

26 **[Cal. Bus. & Prof. Code §§ 17200 et. seq.]**

27 **(Against all DEFENDANTS)**

28 51. PLAINTIFF incorporates herein by specific reference, as though fully set forth, the

1 allegations in the foregoing paragraphs.

2 52. Each and every one of DEFENDANTS' acts and omissions in violation of the
3 California Labor Code and/or the applicable IWC Wage Order as alleged herein, including but
4 not limited to DEFENDANTS' failure and refusal to provide required meal periods,
5 DEFENDANTS' failure and refusal to provide required rest periods, DEFENDANTS' failure and
6 refusal to pay overtime compensation, DEFENDANTS' failure and refusal to pay minimum
7 wages, DEFENDANTS' failure and refusal to pay all wages due to discharged or quitting
8 employees, DEFENDANTS' failure and refusal to furnish accurate itemized wage statements;
9 DEFENDANTS' failure and refusal to maintain required records, DEFENDANTS' failure and
10 refusal to indemnify PLAINTIFF and CLASS MEMBERS for necessary expenditures and/or
11 losses incurring in discharging their duties, constitutes an unfair and unlawful business practice
12 under California Business and Professions Code § 17200 et seq.

13 53. DEFENDANTS' violations of California wage and hour laws constitute a business
14 practice because DEFENDANTS' aforementioned acts and omissions were done repeatedly over
15 a significant period of time, and in a systematic manner, to the detriment of PLAINTIFF and
16 CLASS MEMBERS.

17 54. DEFENDANTS have avoided payment of wages, overtime wages, meal periods,
18 rest periods, and other benefits as required by the California Labor Code, the California Code of
19 Regulations, and the applicable IWC Wage Order. Further, DEFENDANTS have failed to
20 record, report, and pay the correct sums of assessment to the state authorities under the California
21 Labor Code and other applicable regulations.

22 55. As a result of DEFENDANTS' unfair and unlawful business practices,
23 DEFENDANTS have reaped unfair and illegal profits during the CLASS PERIOD at the expense
24 of PLAINTIFF, CLASS MEMBERS, and members of the public. DEFENDANTS should be
25 made to disgorge their ill-gotten gains and to restore them to PLAINTIFF and CLASS
26 MEMBERS.

27 56. DEFENDANTS' unfair and unlawful business practices entitle PLAINTIFF and
28 CLASS MEMBERS to seek preliminary and permanent injunctive relief, including but not

1 limited to orders that DEFENDANTS account for, disgorge, and restore to PLAINTIFF and
2 CLASS MEMBERS the wages and other compensation unlawfully withheld from them.
3 PLAINTIFF and CLASS MEMBERS are entitled to restitution of all monies to be disgorged
4 from DEFENDANTS in an amount according to proof at the time of trial, but in excess of the
5 jurisdiction of this Court.

6 **TENTH CAUSE OF ACTION**

7 **Representative Action for Civil Penalties**

8 **[Cal. Labor Code §§ 2698–2699.5]**

9 **(Against All DEFENDANTS)**

10 57. PLAINTIFF incorporates herein by specific reference as though fully set forth the
11 allegations in all preceding paragraphs, with exception of the allegations in paragraph 13 and the
12 subparagraphs thereto.

13 58. PLAINTIFF is an “aggrieved employee” within the meaning of California Labor
14 Code § 2699(c), and a proper representative to bring a civil action on behalf of herself and other
15 current and former employees of DEFENDANTS pursuant to the procedures specified in
16 California Labor Code § 2699.3, because PLAINTIFF and CLASS MEMBERS were employed
17 by DEFENDANTS and the alleged violations of the California Labor Code were committed
18 against PLAINTIFF and CLASS MEMBERS.

19 59. Pursuant to the California Private Attorneys General Act of 2004 (“PAGA”),
20 Labor Code §§ 2698–2699.5, PLAINTIFF and CLASS MEMBERS seeks to recover civil
21 penalties, including but not limited to penalties under California Labor Code §§ 2699, 210,
22 226.3, 558, 1174.5, 1197.1, and IWC Wage Order No. 8-2001, § 20, from DEFENDANTS in a
23 representative action for the violations set forth above, including but not limited to violations of
24 California Labor Code §§ 201, 202, 203, 204, 226, 226.7, 510, 512, 1174, 1194, 1197, 1198, and
25 2802. PLAINTIFF and CLASS MEMBERS are also entitled to an award of reasonable attorneys’
26 fees and costs pursuant to California Labor Code § 2699(g)(1).

27 60. Pursuant to California Labor Code §§ 2699.3, PLAINTIFF gave written notice on
28 November 3, 2020 by online filing to the California Labor and Workforce Development Agency

1 (“LWDA”) and by certified mail to DEFENDANTS of the specific provisions of the California
2 Labor Code and IWC Wage Orders alleged to have been violated, including the facts and theories
3 to support the alleged violations. More than sixty-five (65) days have passed and the LWDA has
4 not provided notice to PLAINTIFF that it intends to investigate the alleged violations.

5 61. Therefore, PLAINTIFF has complied with all of the requirements set forth in
6 California Labor Code § 2699.3 to commence a representative action under PAGA.

7 **PRAYER FOR RELIEF**

8 **WHEREFORE**, PLAINTIFF, individually and on behalf of all other persons similarly
9 situated, respectfully prays for relief against DEFENDANTS and DOES 1 through 50, inclusive,
10 and each of them, as follows:

- 11 1. For compensatory damages in an amount to be ascertained at trial;
- 12 2. For restitution of all monies due to PLAINTIFF and CLASS MEMBERS, as well
13 as disgorged profits from DEFENDANTS’ unfair and unlawful business practices;
- 14 3. For meal and rest period compensation pursuant to California Labor Code § 226.7
15 and IWC Wage Order No. 8-2001;
- 16 4. For liquidated damages pursuant to California Labor Code §§ 1194.2 and 1197.1;
- 17 5. For preliminary and permanent injunctive relief enjoining DEFENDANTS from
18 violating the relevant provisions of the California Labor Code and the IWC Wage Orders, and
19 from engaging in the unlawful business practices complained of herein;
- 20 6. For waiting time penalties pursuant to California Labor Code § 203;
- 21 7. For statutory and civil penalties according to proof, including but not limited to all
22 penalties authorized by the California Labor Code §§ 226(e) and §§ 2698–2699.5;
- 23 8. For interest on the unpaid wages at 10% per annum pursuant to California Labor
24 Code §§ 218.6, 1194, 2802, California Civil Code §§ 3287, 3288, and/or any other applicable
25 provision providing for pre-judgment interest;
- 26 9. For reasonable attorneys’ fees and costs pursuant to California Labor Code
27 §§ 1194, 2699, 2802, California Civil Code § 1021.5, and any other applicable provisions
28 providing for attorneys’ fees and costs;

- 1 10. For declaratory relief;
- 2 11. For an order requiring and certifying the First, Second, Third, Fourth, Fifth, Sixth,
- 3 Seventh, Eighth, and Ninth Causes of Action as a class action;
- 4 12. For an order appointing PLAINTIFF as class representative, and PLAINTIFF's
- 5 counsel as class counsel; and
- 6 13. For such further relief that the Court may deem just and proper.

7 DATED: November 3, 2020

8 Respectfully submitted,

9 **MATERN LAW GROUP, PC**

10

11 By: _____

12 Matthew J. Matern
13 Tagore O. Subramaniam
14 Max Sloves
15 Attorneys for Plaintiff
16 BLANCA CATANO, individually, and on
17 behalf of other persons similarly situated

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DATED: November 3, 2020

MATERN LAW GROUP, PC

Matthew J. Matern
Tagore O. Subramaniam
Max Sloves
Attorneys for Plaintiff
BLANCA CATANO, individually, and on
behalf of other persons similarly situated

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MATERN LAW GROUP, PC

1230 Rosecrans Avenue, Suite 200, Manhattan Beach, California 90266

Avitek Recruit, Inc.,
d/b/a Human Bees, Inc.
1231 8th St., Suite 402
Modesto, California 95354

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d/b/a Human Bees, Inc.
1231 8th St., Suite 402
Modesto, California 95354



9590 9402 5386 9189 1818 76

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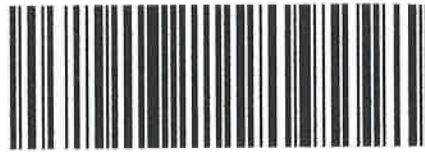
Extra Services & Fees (check box, add fee as appropriate)

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1230 Rosecrans Avenue, Suite 200, Manhattan Beach, California 90266

Avitek Recruit, Inc.,
d/b/a Human Bees, Inc.
17274 Golden Valley Parkway
Lathrop, California 95330

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1. Article Addressed to:

Avitek Recruit, Inc.,
d/b/a Human Bees, Inc.
17274 Golden Valley Parkway
Lathrop, California 95330



9590 9402 5386 9189 1818 83

2. Article Number (Transfer from service label)

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MATERN LAW GROUP, PC

1230 Rosecrans Avenue, Suite 200, Manhattan Beach, California 90266

Compass Foods, Inc.
c/o Thomas E. Mathias
1321 Enslin Ave.
Modesto, California 95350

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1. Article Addressed to:

Compass Foods, Inc.
c/o Thomas E. Mathias
1321 Enslin Ave.
Modesto, California 95350



9590 9402 5386 9189 1818 90

2. Article Number (Transfer from service label)

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☐ Addressee

B. Received by (Printed Name)

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes

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☐ Adult Signature Restricted Delivery

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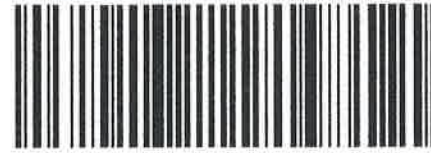
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001 2759 8641

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7020 1290 0001 2759 8634



MATER LAW GROUP, PC

1230 Rosecrans Avenue, Suite 200, Manhattan Beach, California 90266

Compass Foods, Inc.
dba Campfire Meats
601 Zeff Rd.
Modesto, California 95351

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT OF THE RETURN ADDRESS, SOLD SEPARATELY

SENDER: COMPLETE THIS SECTION		COMPLETE THIS SECTION ON DELIVERY	
■ Complete items 1, 2, and 3. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits.		A. Signature X ☐ Agent ☐ Addressee	
1. Article Addressed to: Compass Foods, Inc. dba Campfire Meats 601 Zeff Rd. Modesto, California 95351		B. Received by (Printed Name)	C. Date of Delivery
2. Article Number (Transfer from service label) 7020 1290 0001 2759 8634		D. Is delivery address different from item 1? ☐ Yes If YES, enter delivery address below: ☐ No	
 9590 9402 5386 9189 1819 06		3. Service Type ☐ Adult Signature ☐ Adult Signature Restricted Delivery ☒ Certified Mail® ☐ Certified Mail Restricted Delivery ☐ Collect on Delivery ☐ Collect on Delivery Restricted Delivery ☐ Insured Mail ☐ Insured Mail Restricted Delivery (over \$500)	
		☐ Priority Mail Express® ☐ Registered Mail™ ☐ Registered Mail Restricted Delivery ☒ Return Receipt for Merchandise ☐ Signature Confirmation™ ☐ Signature Confirmation Restricted Delivery	

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7020 1290 0001 2759 8627



1230 Rosecrans Avenue, Suite 200, Manhattan Beach, California 90266

Compass Foods, Inc.
6212 Roselle Ave.
Riverbank, California 95367

SENDER: COMPLETE THIS SECTION

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- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Compass Foods, Inc.
6212 Roselle Ave.
Riverbank, California 95367



9590 9402 5386 9189 1819 13

2. Article Number (Transfer from service label)

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EXHIBIT 2

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Attorneys for Plaintiff BLANCA CATANO
individually, and on behalf of others
similarly situated

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF STANISLAUS

BLANCA CATANO, individually, and on
behalf of others similarly situated

Plaintiff,

vs.

COMPASS FOODS, INC., a corporation;
AVITEK RECRUIT, INC., a corporation;
HUMAN BEES, INC., a corporation; and
DOES 1 through 50, inclusive,

Defendants.

Electronically Filed
3/25/2021 3:35 PM
Superior Court of California
County of Stanislaus
Clerk of the Court
By: Carly Bonzi, Deputy

\$1435 PD

CASE NO.: CV-21-001610

COMPLAINT

CLASS ACTION:

1. Failure to Provide Required Meal Periods
2. Failure to Provide Required Rest Periods
3. Failure to Pay Overtime Wages
4. Failure to Pay Minimum Wages
5. Failure to Pay All Wages Due to Discharged and Quitting Employees
6. Failure to Maintain Required Records
7. Failure to Furnish Accurate Itemized Wage Statements
8. Failure to Indemnify Employees for Necessary Expenditures Incurred in Discharge of Duties
9. Unfair and Unlawful Business Practices

REPRESENTATIVE ACTION:

10. Penalties under the Labor Code Private Attorneys General Act, as Representative Action

DEMAND FOR JURY TRIAL

1 **INTRODUCTION**

2 PLAINTIFF BLANCA CATANO (“PLAINTIFF”) an individual, demanding a jury trial,
3 on behalf of herself and other persons similarly situated, hereby alleges as follows:

4 **JURISDICTION AND VENUE**

5 1. The Superior Court of the State of California has jurisdiction in this matter because
6 PLAINTIFF is a resident of the State of California, and Defendants COMPASS FOODS, INC., a
7 corporation; HUMAN BEES, INC., a corporation; AVITEK RECUIT, INC., a corporation; and
8 DOES 1 through 50, inclusive (collectively “DEFENDANTS”), are qualified to do business in
9 California and regularly conduct business in California. Further, no federal question is at issue
10 because the claims are based solely on California law.

11 2. Venue is proper in this judicial district and the County of Stanislaus, California
12 because PLAINTIFF, and other persons similarly situated, performed work for DEFENDANTS
13 in the County of Stanislaus, DEFENDANTS maintain offices and facilities and transact business
14 in the County of Stanislaus, and because DEFENDANTS’ illegal payroll policies and practices
15 which are the subject of this action were applied, at least in part, to PLAINTIFF, and other
16 persons similarly situated, in the County of Stanislaus.

17 **PLAINTIFF**

18 3. PLAINTIFF is a female resident of the State of California and a former employee
19 of DEFENDANTS.

20 4. PLAINTIFF, on behalf of herself and other similarly situated current and former
21 non-exempt employees of DEFENDANTS in the State of California at any time during the four
22 years preceding the filing of this action, and continuing while this action is pending, brings this
23 class action to recover, among other things, wages and penalties from unpaid wages earned and
24 due, including but not limited to unpaid minimum wages, unpaid and illegally calculated overtime
25 compensation, illegal meal and rest period policies, failure to pay all wages due to discharged and
26 quitting employees, failure to indemnify employees for necessary expenditures and/or losses
27 incurred in discharging their duties, failure to provide accurate itemized wage statements, failure
28 to maintain required records, and interest, attorneys’ fees, costs, and expenses.

5. PLAINTIFF brings this action on behalf of herself and the following similarly situated class of individuals (“CLASS MEMBERS”): all current and former non-exempt employees of DEFENDANTS in the State of California at any time within the period beginning four (4) years prior to the filing of this action and ending at the time this action settles or proceeds to final judgment (the “CLASS PERIOD”). PLAINTIFF reserves the right to name additional class representatives.

DEFENDANTS

6. PLAINTIFF is informed and believes, and thereon alleges, that DEFENDANT COMPASS FOODS, INC., a corporation, is and at all times relevant hereto was, a corporation organized and existing under the laws of the State of California. PLAINTIFF is further informed and believes, and thereon alleges, that DEFENDANT COMPASS FOODS, INC., a corporation, is authorized to conduct business in the State of California, and does conduct business in the State of California. Specifically, DEFENDANT COMPASS FOODS, INC., a corporation, maintains offices and facilities and conducts business in, and engages in illegal payroll practices or policies in, the County of Stanislaus, State of California.

7. PLAINTIFF is informed and believes, and thereon alleges, that DEFENDANT HUMAN BEES, INC., a corporation, is and at all times relevant hereto was, a corporation organized and existing under the laws of the State of California. PLAINTIFF is further informed and believes, and thereon alleges, that DEFENDANT HUMAN BEES, INC., a corporation, is authorized to conduct business in the State of California, and does conduct business in the State of California. Specifically, DEFENDANT HUMAN BEES, INC., , a corporation, maintains offices and facilities and conducts business in, and engages in illegal payroll practices or policies in, the County of Stanislaus, State of California.

8. PLAINTIFF is informed and believes, and thereon alleges, that DEFENDANT AVITEK RECRUIT, INC., a corporation, is and at all times relevant hereto was, a corporation organized and existing under the laws of the State of California. PLAINTIFF is further informed and believes, and thereon alleges, that DEFENDANT AVITEK RECRUIT, INC., a corporation, is authorized to conduct business in the State of California, and does conduct business in the State

1 of California. Specifically, DEFENDANT AVITEK RECRUIT, INC., a corporation, maintains
2 offices and facilities and conducts business in, and engages in illegal payroll practices or policies
3 in, the County of Stanislaus, State of California.

4 9. The true names and capacities of DOES 1 through 50, inclusive, are unknown to
5 PLAINTIFF at this time, and PLAINTIFF therefore sues such DOE Defendants under fictitious
6 names. PLAINTIFF is informed and believes, and thereon alleges, that each Defendant
7 designated as a DOE is in some manner highly responsible for the occurrences alleged herein, and
8 that PLAINTIFF and CLASS MEMBERS' injuries and damages, as alleged herein, were
9 proximately caused by the conduct of such DOE Defendants. PLAINTIFF will seek leave of the
10 court to amend this Complaint to allege their true names and capacities of such DOE Defendants
11 when ascertained.

12 10. At all relevant times herein, DEFENDANTS were the joint employers of
13 PLAINTIFF and CLASS MEMBERS. PLAINTIFF is informed and believes, and thereon allege,
14 that at all times material to this complaint DEFENDANTS were the alter egos, divisions,
15 affiliates, integrated enterprises, joint employers, subsidiaries, parents, principals, related entities,
16 co-conspirators, authorized agents, partners, joint venturers, and/or guarantors, actual or
17 ostensible, of each other. Each Defendant was completely dominated by his, her or its co-
18 Defendant, and each was the alter ego of the other.

19 11. At all relevant times herein, PLAINTIFF and CLASS MEMBERS were employed
20 by DEFENDANTS under employment agreements that were partly written, partly oral, and partly
21 implied. In perpetrating the acts and omissions alleged herein, DEFENDANTS, and each of them,
22 acted pursuant to, and in furtherance of, their policies and practices of not paying PLAINTIFF
23 and CLASS MEMBERS all wages earned and due, through methods and schemes which include,
24 but are not limited to, failing to pay overtime premiums; failing to provide rest and meal periods;
25 failing to properly maintain records; failing to provide accurate itemized statements for each pay
26 period; failing to properly compensate PLAINTIFF and CLASS MEMBERS for necessary
27 expenditures; and requiring, permitting or suffering the employees to work off the clock, in
28 violation of the California Labor Code and the applicable Welfare Commission ("IWC") Orders.

12. PLAINTIFF is informed and believes, and thereon allege, that each and every one of the acts and omissions alleged herein were performed by, and/or attributable to, all DEFENDANTS, each acting as agents and/or employees, and/or under the direction and control of, each of the other DEFENDANTS, and that said acts and failures to act were within the course and scope of said agency, employment and/or direction and control.

13. Pursuant to California Labor Code § 558.1, DEFENDANTS and any person acting on behalf of any of the DEFENDANTS, are liable for violating, or causing to violate, any provision regulating minimum wages or hours and days of work in any order of the Industrial Welfare Commission, or Labor Code §§ 203, 226, 226.7, 1193.6, 1194, or 2802.

14. As a direct and proximate result of the unlawful actions of DEFENDANTS, PLAINTIFF and CLASS MEMBERS have suffered, and continue to suffer, from loss of earnings in amounts as yet unascertained, but subject to proof at trial, and within the jurisdiction of this Court.

CLASS ACTION DESIGNATION

15. This action is appropriately suited for a Class Action because:

a. The potential class is a significant number. Joinder of all current and former employees individually would be impractical.

b. This action involves common questions of law and fact to the potential class because the action focuses on DEFENDANTS' systematic course of illegal payroll practices and policies, which was applied to all non-exempt employees in violation of the Labor Code, the applicable IWC wage order, and the Business and Professions Code which prohibits unfair business practices arising from such violations.

c. The claims of PLAINTIFF are typical of the class because DEFENDANTS subjected all non-exempt employees to identical violations of the Labor Code, the applicable IWC wage order, and the Business and Professions Code.

d. PLAINTIFF is able to fairly and adequately protect the interests of all members of the class because it is in her best interests to prosecute the claims alleged herein to obtain full compensation due to them for all services rendered and hours worked.

1 **FIRST CAUSE OF ACTION**

2 **Failure to Provide Required Meal Periods**

3 **[Cal. Labor Code §§ 226.7, 510, 512, 1194, 1197; IWC Wage Order No. 8-2001, § 11]**

4 **(Against all DEFENDANTS)**

5 16. PLAINTIFF incorporates herein by specific reference, as though fully set forth, the
6 allegations in the foregoing paragraphs.

7 17. During the CLASS PERIOD, as part of DEFENDANTS' illegal payroll policies
8 and practices to deprive their non-exempt employees all wages earned and due, DEFENDANTS
9 required, permitted or otherwise suffered PLAINTIFF and CLASS MEMBERS to take less than
10 the 30-minute meal period, or to work through them, and have failed to otherwise provide the
11 required meal periods to PLAINTIFF and CLASS MEMBERS pursuant to California Labor Code
12 § 226.7, 512 and IWC Order No. 8-2001, § 11.

13 18. DEFENDANTS further violated California Labor Code §§ 226.7 and IWC Wage
14 Order No. 8-2001, § 11 by failing to compensate PLAINTIFF and CLASS MEMBERS who were
15 not provided with a meal period, in accordance with the applicable wage order, one additional
16 hour of compensation at each employee's regular rate of pay for each workday that a meal period
17 was not provided.

18 19. DEFENDANTS further violated California Labor Code §§ 226.7, 510, 1194,
19 1197, and IWC Wage Order No. 8-2001 by failing to compensate PLAINTIFF and CLASS
20 MEMBERS for all hours worked during their meal periods.

21 20. As a proximate result of the aforementioned violations, PLAINTIFF and CLASS
22 MEMBERS have been damaged in an amount according to proof at trial, and seek all wages
23 earned and due, interest, penalties, expenses, and costs of suit.

24 **SECOND CAUSE OF ACTION**

25 **Failure to Provide Required Rest Periods**

26 **[Cal. Labor Code §§ 226.7, 512; IWC Wage Order No. 8-2001, § 12]**

27 **(Against all DEFENDANTS)**

28 21. PLAINTIFF incorporates herein by specific reference, as though fully set forth, the

1 allegations in the foregoing paragraphs.

2 22. At all times relevant herein, as part of DEFENDANTS' illegal payroll policies and
3 practices to deprive their non-exempt employees all wages earned and due, DEFENDANTS
4 failed to provide rest periods to PLAINTIFF and CLASS MEMBERS as required under
5 California Labor Code §§ 226.7 and 512, and IWC Wage Order No. 8-2001, § 12.

6 23. DEFENDANTS further violated California Labor Code § 226.7 and IWC Wage
7 Order No. 8-2001, § 12 by failing to pay PLAINTIFF and CLASS MEMBERS who were not
8 provided with a rest period, in accordance with the applicable wage order, one additional hour of
9 compensation at each employee's regular rate of pay for each workday that a rest period was not
10 provided.

11 24. As a proximate result of the aforementioned violations, PLAINTIFF and CLASS
12 MEMBERS have been damaged in an amount according to proof at trial, and seek all wages
13 earned and due, interest, penalties, expenses, and costs of suit.

14 **THIRD CAUSE OF ACTION**

15 **Failure to Pay Overtime Wages**

16 **[Cal. Labor Code §§ 510, 1194, 1198; IWC Wage Order No. 8-2001, § 3]**

17 **(Against all DEFENDANTS)**

18 25. PLAINTIFF incorporates herein by specific reference, as though fully set forth, the
19 allegations in the foregoing paragraphs.

20 26. Pursuant to California Labor Code §§ 510, 1194, and IWC Wage Order No. 8-
21 2001, § 3, DEFENDANTS are required to compensate PLAINTIFF and CLASS MEMBERS for
22 all overtime, which is calculated at one and one-half (1 ½) times the regular rate of pay for all
23 hours worked in excess of eight (8) hours per day and/or forty (40) hours per week, and for the
24 first eight (8) hours on the seventh consecutive workday, with double time for all hours worked in
25 excess of twelve (12) hours in any workday and for all hours worked in excess of eight (8) hours
26 on the seventh consecutive day of work in any workweek.

27 27. PLAINTIFF and CLASS MEMBERS are current and former non-exempt
28 employees entitled to the protections of California Labor Code §§ 510, 1194, and IWC Wage

1 Order No. 8-2001. During the CLASS PERIOD, DEFENDANTS failed to compensate
2 PLAINTIFF and CLASS MEMBERS for all overtime hours worked as required under the
3 foregoing provisions of the California Labor Code and IWC Wage Order by, among other things:
4 failing to pay overtime at one and one-half (1 ½) or double the regular rate of pay as provided by
5 California Labor Code §§ 510, 1194, and IWC Wage Order No. 8-2001, § 3; requiring, permitting
6 or suffering PLAINTIFF and CLASS MEMBERS to work off the clock; requiring, permitting or
7 suffering PLAINTIFF and CLASS MEMBERS to work through meal and rest breaks; illegally
8 and inaccurately recording time in which PLAINTIFF and CLASS MEMBERS worked; failing to
9 properly maintain PLAINTIFF's and CLASS MEMBERS' records; failing to provide accurate
10 itemized wage statements to PLAINTIFF for each pay period; and other methods to be
11 discovered.

12 28. In violation of California law, DEFENDANTS have knowingly and willfully
13 refused to perform their obligations to compensate PLAINTIFF and CLASS MEMBERS for all
14 wages earned and all hours worked. As a proximate result, PLAINTIFF and CLASS MEMBERS
15 have suffered, and continue to suffer, substantial losses related to the use and enjoyment of such
16 wages, lost interest on such wages, and expenses and attorneys' fees in seeking to compel
17 DEFENDANTS to fully perform their obligations under state law, all to their respective damages
18 in amounts according to proof at time of trial, and within the jurisdiction of this Court.

19 29. DEFENDANTS' conduct described herein violates California Labor Code §§ 510,
20 1194, 1198 and IWC Wage Order No. 8-2001, § 3. Therefore, pursuant to California Labor Code
21 §§ 200, 203, 226, 558, 1194, 1197.1, and other applicable provisions under the California Labor
22 Code and IWC Wage Orders, PLAINTIFF and CLASS MEMBERS are entitled to recover the
23 unpaid balance of wages owed to them by DEFENDANTS, plus interest, penalties, attorneys'
24 fees, expenses, and costs of suit.

25 ///

26 ///

27 ///

28 ///

1 **FOURTH CAUSE OF ACTION**

2 **Failure to Pay Minimum Wages**

3 **[Cal Labor Code §§ 1194, 1197; IWC Wage Order No. 8-2001, § 4]**

4 **(Against all DEFENDANTS)**

5 30. PLAINTIFF incorporates herein by specific reference, as though fully set forth, the
6 allegations in the foregoing paragraphs.

7 31. Pursuant to California Labor Code §§ 1194, 1197, and IWC Wage Order No. 8-
8 2001, § 4, payment to an employee of less than the applicable minimum wage for all hours
9 worked in a payroll period is unlawful.

10 32. During the CLASS PERIOD, DEFENDANTS failed to pay PLAINTIFF and
11 CLASS MEMBERS minimum wages for all hours worked by, among other things: requiring,
12 permitting or suffering PLAINTIFF and CLASS MEMBERS to work off the clock; requiring,
13 permitting or suffering PLAINTIFF and CLASS MEMBERS to work through meal and rest
14 breaks; illegally and inaccurately recording time in which PLAINTIFF and CLASS MEMBERS
15 worked; failing to properly maintain PLAINTIFF's and CLASS MEMBERS' records; failing to
16 provide accurate itemized wage statements to PLAINTIFF and CLASS MEMBERS for each pay
17 period; and other methods to be discovered.

18 33. DEFENDANTS' conduct described herein violates California Labor Code §§
19 1194, 1197, and IWC Wage Order No. 8-2001, § 4. As a proximate result of the aforementioned
20 violations, PLAINTIFF and CLASS MEMBERS have been damaged in an amount according to
21 proof at trial. Therefore, pursuant to California Labor Code §§ 200, 203, 226, 558, 1194, 1197.1,
22 and other applicable provisions under the Labor Code and IWC Wage Orders, PLAINTIFF and
23 CLASS MEMBERS are entitled to recover the unpaid balance of wages owed to them by
24 DEFENDANTS, plus interest, penalties, attorneys' fees, expenses, and costs of suit.

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1 **FIFTH CAUSE OF ACTION**

2 **Failure to Pay All Wages Due to Discharged and Quitting Employees**

3 **[Cal. Labor Code §§ 201, 202, 203]**

4 **(Against all DEFENDANTS)**

5 34. PLAINTIFF incorporates herein by specific reference, as though fully set forth, the
6 allegations in the foregoing paragraphs.

7 35. Pursuant to California Labor Code § 201, 202, and 203, DEFENDANTS are
8 required to pay all earned and unpaid wages to an employee who is discharged. California Labor
9 Code § 201 mandates that if an employer discharges an employee, the employee's wages accrued
10 and unpaid at the time of discharge are due and payable immediately.

11 36. Furthermore, pursuant to California Labor Code § 202, DEFENDANTS are
12 required to pay all accrued wages due to an employee no later than 72 hours after the employee
13 quits his or her employment, unless the employee provided 72 hours previous notice of his or her
14 intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

15 37. California Labor Code § 203 provides that if an employer willfully fails to pay, in
16 accordance with California Labor Code §§ 201 and 202, any wages of an employee who is
17 discharged or who quits, the employer is liable for waiting time penalties in the form of continued
18 compensation to the employee at the same rate for up to 30 workdays.

19 38. During the CLASS PERIOD, DEFENDANTS have willfully failed to pay accrued
20 wages and other compensation to PLAINTIFF and CLASS MEMBERS in accordance with
21 California Labor Code §§ 201 and 202.

22 39. As a result, PLAINTIFF and CLASS MEMBERS are entitled to all available
23 statutory penalties, including the waiting time penalties provided in California Labor Code § 203,
24 together with interest thereon, as well as other available remedies.

25 40. As a proximate result of DEFENDANTS' unlawful actions and omissions,
26 PLAINTIFF and CLASS MEMBERS have been deprived of compensation in an amount
27 according to proof at the time of trial, but in excess of the jurisdiction of this Court, and are
28 entitled to recovery of such amounts, plus interest thereon, and attorneys' fees and costs, pursuant

1 to California Labor Code §§ 1194 and 2699.

2 **SIXTH CAUSE OF ACTION**

3 **Failure to Maintain Required Records**

4 **[Cal. Labor Code §§ 226; IWC Wage Order No. 8-2001, § 7]**

5 **(Against all DEFENDANTS)**

6 41. PLAINTIFF incorporates herein by specific reference, as though fully set forth, the
7 allegations in the foregoing paragraphs.

8 42. During the CLASS PERIOD, as part of DEFENDANTS' illegal payroll policies
9 and practices to deprive PLAINTIFF and CLASS MEMBERS of all wages earned and due,
10 DEFENDANTS knowingly and intentionally failed to maintain records as required under
11 California Labor Code §§ 226, 1174, and IWC Wage Order No. 8-2001, § 7, including but not
12 limited to the following records: total daily hours worked by each employee; applicable rates of
13 pay; all deductions; meal periods; time records showing when each employee begins and ends
14 each work period; and accurate itemized statements.

15 43. As a proximate result of DEFENDANTS' unlawful actions and omissions,
16 PLAINTIFF and CLASS MEMBERS have been damaged in an amount according to proof at
17 trial, and are entitled to all wages earned and due, plus interest thereon. Additionally,
18 PLAINTIFF and CLASS MEMBERS are entitled to all available statutory penalties, including
19 but not limited to civil penalties pursuant to California Labor Code §§ 226(e), 226.3, and 1174.5,
20 and an award of costs, expenses, and reasonable attorneys' fees, including but not limited to those
21 provided in California Labor Code § 226(e), as well as other available remedies.

22 **SEVENTH CAUSE OF ACTION**

23 **Failure to Furnish Accurate Itemized Wage Statements**

24 **[Cal. Labor Code §§ 226, 1174; IWC Wage Order No. 8-2001, § 7]**

25 **(Against all DEFENDANTS)**

26 44. PLAINTIFF incorporates herein by specific reference, as though fully set forth, the
27 allegations in the foregoing paragraphs.

28 45. During the CLASS PERIOD, DEFENDANTS routinely failed to provide

1 PLAINTIFF and CLASS MEMBERS with timely, accurate, and itemized wage statements in
2 writing showing each employee's gross wages earned, total hours worked, all deductions made,
3 net wages earned, the name and address of the legal entity or entities employing PLAINTIFF and
4 CLASS MEMBERS, and all applicable hourly rates in effect during each pay period and the
5 corresponding number of hours worked at each hourly rate, in violation of California Labor Code
6 § 226 and IWC Wage Order No. 8-2001, § 7.

7 46. During the CLASS PERIOD, DEFENDANTS knowingly and intentionally failed
8 to provide PLAINTIFF and CLASS MEMBERS with timely, accurate, and itemized wage
9 statements in accordance with California Labor Code § 226(a).

10 47. As a proximate result of DEFENDANTS' unlawful actions and omissions,
11 PLAINTIFF and CLASS MEMBERS have been damaged in an amount according to proof at
12 trial, and seek all wages earned and due, plus interest thereon. Additionally, PLAINTIFF and
13 CLASS MEMBERS are entitled to all available statutory penalties, including but not limited to
14 civil penalties pursuant to California Labor Code §§ 226(e), 226.3, and 1174.5, and an award of
15 costs, expenses, and reasonable attorneys' fees, including but not limited to those provided in
16 California Labor Code § 226(e), as well as other available remedies.

17 **EIGHTH CAUSE OF ACTION**

18 **Failure to Indemnify Employees for Necessary Expenditures Incurred in Discharge of** 19 **Duties**

20 **[Cal. Labor Code § 2802]**

21 **(Against all DEFENDANTS)**

22 48. PLAINTIFF incorporates herein by specific reference, as though fully set forth, the
23 allegations in the foregoing paragraphs.

24 49. California Labor Code § 2802(a) requires an employer to indemnify an employee
25 for all necessary expenditures or losses incurred by the employee in direct consequence of the
26 discharge of his or her duties, or of his or her obedience to the directions of the employer.

27 50. During the CLASS PERIOD, DEFENDANTS knowingly and willfully failed to
28 indemnify PLAINTIFF and CLASS MEMBERS for all business expenses and/or losses incurred

1 in direct consequence of the discharge of their duties while working under the direction of
2 DEFENDANTS, including but not limited to expenses for uniforms, cell phone usage, and other
3 employment-related expenses, in violation of California Labor Code § 2802.

4 51. As a proximate result of DEFENDANTS' unlawful actions and omissions,
5 PLAINTIFF and CLASS MEMBERS have been damaged in an amount according to proof at
6 trial, and seek reimbursement of all necessary expenditures, plus interest thereon pursuant to
7 California Labor Code § 2802(b). Additionally, PLAINTIFF and CLASS MEMBERS are
8 entitled to all available statutory penalties and an award of costs, expenses, and reasonable
9 attorneys' fees, including those provided in California Labor Code § 2802(c), as well as other
10 available remedies.

11 **NINTH CAUSE OF ACTION**

12 **Unfair and Unlawful Business Practices**

13 **[Cal. Bus. & Prof. Code §§ 17200 et. seq.]**

14 **(Against all DEFENDANTS)**

15 52. PLAINTIFF incorporates herein by specific reference, as though fully set forth, the
16 allegations in the foregoing paragraphs.

17 53. Each and every one of DEFENDANTS' acts and omissions in violation of the
18 California Labor Code and/or the applicable IWC Wage Order as alleged herein, including but
19 not limited to DEFENDANTS' failure and refusal to provide required meal periods,
20 DEFENDANTS' failure and refusal to provide required rest periods, DEFENDANTS' failure and
21 refusal to pay overtime compensation, DEFENDANTS' failure and refusal to pay minimum
22 wages, DEFENDANTS' failure and refusal to pay all wages due to discharged or quitting
23 employees, DEFENDANTS' failure and refusal to furnish accurate itemized wage statements;
24 DEFENDANTS' failure and refusal to maintain required records, DEFENDANTS' failure and
25 refusal to indemnify PLAINTIFF and CLASS MEMBERS for necessary expenditures and/or
26 losses incurring in discharging their duties, constitutes an unfair and unlawful business practice
27 under California Business and Professions Code § 17200 et seq.

28 54. DEFENDANTS' violations of California wage and hour laws constitute a business

1 practice because DEFENDANTS' aforementioned acts and omissions were done repeatedly over
2 a significant period of time, and in a systematic manner, to the detriment of PLAINTIFF and
3 CLASS MEMBERS.

4 55. DEFENDANTS have avoided payment of wages, overtime wages, meal periods,
5 rest periods, and other benefits as required by the California Labor Code, the California Code of
6 Regulations, and the applicable IWC Wage Order. Further, DEFENDANTS have failed to
7 record, report, and pay the correct sums of assessment to the state authorities under the California
8 Labor Code and other applicable regulations.

9 56. As a result of DEFENDANTS' unfair and unlawful business practices,
10 DEFENDANTS have reaped unfair and illegal profits during the CLASS PERIOD at the expense
11 of PLAINTIFF, CLASS MEMBERS, and members of the public. DEFENDANTS should be
12 made to disgorge their ill-gotten gains and to restore them to PLAINTIFF and CLASS
13 MEMBERS.

14 57. DEFENDANTS' unfair and unlawful business practices entitle PLAINTIFF and
15 CLASS MEMBERS to seek preliminary and permanent injunctive relief, including but not
16 limited to orders that DEFENDANTS account for, disgorge, and restore to PLAINTIFF and
17 CLASS MEMBERS the wages and other compensation unlawfully withheld from them.
18 PLAINTIFF and CLASS MEMBERS are entitled to restitution of all monies to be disgorged
19 from DEFENDANTS in an amount according to proof at the time of trial, but in excess of the
20 jurisdiction of this Court.

21 **TENTH CAUSE OF ACTION**

22 **Representative Action for Civil Penalties**

23 **[Cal. Labor Code §§ 2698–2699.5]**

24 **(Against All DEFENDANTS)**

25 58. PLAINTIFF incorporates herein by specific reference as though fully set forth the
26 allegations in all preceding paragraphs, with exception of the allegations in paragraph 13 and the
27 subparagraphs thereto.

28 59. PLAINTIFF is an “aggrieved employee” within the meaning of California Labor

1 Code § 2699(c), and a proper representative to bring a civil action on behalf of herself and other
2 current and former employees of DEFENDANTS pursuant to the procedures specified in
3 California Labor Code § 2699.3, because PLAINTIFF and CLASS MEMBERS were employed
4 by DEFENDANTS and the alleged violations of the California Labor Code were committed
5 against PLAINTIFF and CLASS MEMBERS.

6 60. Pursuant to the California Private Attorneys General Act of 2004 (“PAGA”),
7 Labor Code §§ 2698–2699.5, PLAINTIFF and CLASS MEMBERS seeks to recover civil
8 penalties, including but not limited to penalties under California Labor Code §§ 2699, 210,
9 226.3, 558, 1174.5, 1197.1, and IWC Wage Order No. 8-2001, § 20, from DEFENDANTS in a
10 representative action for the violations set forth above, including but not limited to violations of
11 California Labor Code §§ 201, 202, 203, 204, 226, 226.7, 510, 512, 1174, 1194, 1197, 1198, and
12 2802. PLAINTIFF and CLASS MEMBERS are also entitled to an award of reasonable attorneys’
13 fees and costs pursuant to California Labor Code § 2699(g)(1).

14 61. Pursuant to California Labor Code §§ 2699.3, PLAINTIFF gave written notice on
15 March 24, 2021 by online filing to the California Labor and Workforce Development Agency
16 (“LWDA”) and by certified mail to DEFENDANTS of the specific provisions of the California
17 Labor Code and IWC Wage Orders alleged to have been violated, including the facts and theories
18 to support the alleged violations. More than sixty-five (65) days have passed and the LWDA has
19 not provided notice to PLAINTIFF that it intends to investigate the alleged violations.

20 62. Therefore, PLAINTIFF has complied with all of the requirements set forth in
21 California Labor Code § 2699.3 to commence a representative action under PAGA.

22 **PRAYER FOR RELIEF**

23 **WHEREFORE**, PLAINTIFF, individually and on behalf of all other persons similarly
24 situated, respectfully prays for relief against DEFENDANTS and DOES 1 through 50, inclusive,
25 and each of them, as follows:

- 26 1. For compensatory damages in an amount to be ascertained at trial;
- 27 2. For restitution of all monies due to PLAINTIFF and CLASS MEMBERS, as well
28 as disgorged profits from DEFENDANTS’ unfair and unlawful business practices;

1 3. For meal and rest period compensation pursuant to California Labor Code § 226.7
2 and IWC Wage Order No. 8-2001;

3 4. For liquidated damages pursuant to California Labor Code §§ 1194.2 and 1197.1;

4 5. For preliminary and permanent injunctive relief enjoining DEFENDANTS from
5 violating the relevant provisions of the California Labor Code and the IWC Wage Orders, and
6 from engaging in the unlawful business practices complained of herein;

7 6. For waiting time penalties pursuant to California Labor Code § 203;

8 7. For statutory and civil penalties according to proof, including but not limited to all
9 penalties authorized by the California Labor Code §§ 226(e) and §§ 2698–2699.5;

10 8. For interest on the unpaid wages at 10% per annum pursuant to California Labor
11 Code §§ 218.6, 1194, 2802, California Civil Code §§ 3287, 3288, and/or any other applicable
12 provision providing for pre-judgment interest;

13 9. For reasonable attorneys’ fees and costs pursuant to California Labor Code
14 §§ 1194, 2699, 2802, California Civil Code § 1021.5, and any other applicable provisions
15 providing for attorneys’ fees and costs;

16 10. For declaratory relief;

17 11. For an order requiring and certifying the First, Second, Third, Fourth, Fifth, Sixth,
18 Seventh, Eighth, and Ninth Causes of Action as a class action;

19 12. For an order appointing PLAINTIFF as class representative, and PLAINTIFF’s
20 counsel as class counsel; and

21 ///

22 ///

23 ///

24 ///

25 ///

26 ///

27 ///

28

13. For such further relief that the Court may deem just and proper.

DATED: March 25, 2021

Respectfully submitted,

MATERN LAW GROUP, PC

By: 

Matthew J. Matern
Tagore O. Subramaniam
Max N. Sloves
Attorneys for Plaintiff
BLANCA CATANO, individually, and on
behalf of other persons similarly situated

1 **DEMAND FOR JURY TRIAL**

2 PLAINTIFF hereby demands a jury trial with respect to all issues triable of right by jury.

3
4 DATED: March 25, 2021

Respectfully submitted,

5 **MATERN LAW GROUP, PC**

6 By:

7 

8 Matthew J. Matern

Tagore O. Subramaniam

Max N. Sloves

Attorneys for Plaintiff

9 BLANCA CATANO, individually, and on
10 behalf of other persons similarly situated

EXHIBIT 3

JACKSON LEWIS P.C.
PETER P. WOO (SBN 306083)
200 Spectrum Center Drive, Suite 500
Irvine, CA 92618
Telephone: (949) 885-1360
Facsimile: (949) 885-1380
Email: Peter.Woo@jacksonlewis.com

JACKSON LEWIS P.C.
ANDREW J. KOZLOW (SBN 252295)
LIAM N. GAARDER-FEINGOLD (SBN 345747)
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Liam.Gaarderfeingold@jacksonlewis.com

Counsel for Defendant COMPASS FOODS, INC.

[Additional counsel listed on next page]

**SUPERIOR COURT OF CALIFORNIA
COUNTY OF STANISLAUS**

BLANCA CATANO, individually and on
behalf of all others similarly situated,

Plaintiff,

vs.

COMPASS FOODS, INC., a corporation;
AVITEK RECRUIT, INC., a corporation;
HUMAN BEES, INC., a corporation; and
DOES 1 to 50, inclusive,

Defendants.

CASE NO. CV-21-001610

Hon. J. Freeland
Dept. 23

STIPULATION OF CLASS AND
REPRESENTATIVE ACTION SETTLEMENT
AND RELEASE

MATERN LAW GROUP, PC
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Putative Class Member Silvia Urbieto

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Counsel for Defendant Human Bees f/k/a Avitek Recruit, Inc.

**STIPULATION OF CLASS AND REPRESENTATIVE ACTION SETTLEMENT AND
RELEASE**

This Stipulation of Class and Representative Action Settlement and Release (“Settlement” or “Settlement Agreement”) is made and entered into by and between Plaintiff Blanca Catano and Putative Class Member Silvia Urbieto (together “Plaintiffs” or “Class Representatives”), as individuals and on behalf of all others similarly situated and aggrieved, and Defendants Compass Foods, Inc. (“Compass”) and Human Bees, Inc. f/k/a Avitek Recruit, Inc. (“Human Bees”) (collectively “Defendants”) (together with Plaintiffs, the “Parties”).

DEFINITIONS

The following definitions are applicable to this Settlement Agreement. Definitions contained elsewhere in this Settlement Agreement will also be effective:

1. “Action” means the civil lawsuit styled *Blanca Catano. v. Compass Foods, Inc. et al.*, Stanislaus County Superior Court Case No. CV-21-001610.

1 2. “Appeal” means a timely appeal by a Class Member, defined below, to the Order
2 and Judgment approving the Settlement, or an appeal by one of the Parties to an order that
3 materially alters the Settlement.

4 3. “Attorney’s Fees and Costs” means attorney’s fees for Class Counsel’s, defined
5 below, litigation and resolution of the Action, and all costs incurred and to be incurred by Class
6 Counsel in the Action, including but not limited to, costs associated with documenting the
7 Settlement, providing any notices required as part of the Settlement or Court order, securing the
8 Court’s approval of the Settlement, administering the Settlement, obtaining entry of an Order and
9 Judgment approving the Settlement, and expenses for any experts. Class Counsel will request not
10 more than one-third of the Gross Settlement Fund, or Two Hundred and Thirty-Three Thousand
11 and Three Hundred and Thirty-Three Dollars and Thirty-Three Cents (\$233,333.33) in attorney’s
12 fees and not more than Forty-Eight Thousand Dollars (\$48,000.00) in litigation costs. The Court-
13 approved attorneys’ fees and costs are part of, and to be deducted from, the Gross Settlement
14 Fund. Any portion of the Attorney’s Fees and Costs not awarded by the Court shall be added to
15 the Net Settlement Amount.

16 4. “Class Counsel” means Matern Law Group, PC.

17 5. “Class List” means a complete list of all Class Members, defined below, that
18 Defendants will diligently and in good faith compile from their records and provide to the
19 Settlement Administrator as provided herein. The Class List will be formatted in Microsoft
20 Office Excel and will include each Class Member’s full name; most recent mailing address and
21 telephone number; Social Security Number; job position(s) held as a nonexempt employee in
22 California; dates of employment as a nonexempt employee in California; and for Class Members
23 with more than one job position, the dates they held each position as a nonexempt employee in
24 California during the Class Period, defined below.

25 6. “Class Member(s)” or “Settlement Class” will include (1) all non-exempt persons
26 employed directly by Compass in California at any time from March 25, 2017 through September
27 16, 2023 and (2) all non-exempt persons employed by Human Bees in California and assigned to
28

1 work at Compass's facility in California at any time from March 25, 2017 through September 16,
2 2023.

3 7. "Class Notice" means the Notice of Class Action Settlement substantially in the
4 form attached hereto as Exhibit A, and approved by the Court.

5 8. "Class Period" means the period from March 25, 2017 through September 16,
6 2023.

7 9. "Class Representatives" means Blanca Catano and Silvia Urbieto.

8 10. "Gross Settlement Fund" means the Maximum Settlement Amount, defined below.
9 The Gross Settlement Fund is an all-in common fund settlement. There will be no reversion of
10 any portion of the Gross Settlement Fund to Defendants.

11 11. "Court" means the Stanislaus County Superior Court.

12 12. "Effective Date" means the date when all of the following events have occurred:
13 (1) the Settlement Agreement has been executed by all Parties, Class Counsel and Defendants'
14 counsel; (2) the court has given preliminary approval to the Settlement Agreement; (3) the Class
15 Notice has been given to the Settlement Class, providing Class Members with an opportunity to
16 object to the terms of the Settlement or to opt out of the Released Class Claims, defined below;
17 (4) the Court has held a formal fairness hearing and entered a final order and judgment certifying
18 the Settlement Class, approving the Settlement Agreement, and entering judgment on the
19 Settlement Agreement (the "Final Order and Judgment"); and (5) in the event there are written
20 objections filed prior to the final fairness hearing which are not later withdrawn or denied, the
21 later of the following events: (a) five business days after the period for filing any appeal, writ or
22 other appellate proceeding opposing the Court's final order approving the Settlement Agreement
23 has elapsed without any appeal, writ or other appellate proceeding having been filed; or, (b) if any
24 appeal, writ or other appellate proceeding opposing the Court's final order approving the
25 Settlement Agreement has been filed, five (5) business days after any appeal, writ or other
26 appellate proceedings opposing the Settlement Agreement has been finally and conclusively
27 dismissed with no right to pursue further remedies or relief.
28

1 13. “Final Approval” means the Court’s Order granting final approval of the
2 Settlement and entering judgment thereon.

3 14. “Individual PAGA Payment” means each PAGA Member’s, defined below,
4 respective share of the PAGA Payment, defined below.

5 15. “Individual Settlement Payment” means each Participating Class Member’s,
6 defined below, respective share of the Net Settlement Amount, defined below.

7 16. “Labor & Workforce Development Agency Payment” means the payment of
8 Fifteen Thousand Dollars and No Cents (\$15,000.00) from the PAGA Settlement, defined below,
9 to the California Labor & Workforce Development Agency for its portion of the civil penalties
10 paid under the Private Attorneys General Act of 2004, California Labor Code §§ 2698, *et seq.*
11 (PAGA).

12 17. “Maximum Settlement Amount” means the amount of Seven Hundred Thousand
13 Dollars and No Cents (\$700,000.00), to be paid by Defendants which is inclusive of attorneys’
14 fees, costs, enhancement awards, settlement administration expenses, Individual Settlement
15 Payments, Individual PAGA Payments, and the Labor & Workforce Development Agency
16 Payment. Defendants shall pay employer portion of any payroll taxes (including but not limited to
17 FICA and FUTA) in addition to the Maximum Settlement Amount, on a pro rata basis,
18 proportionate to Defendants’ respective payment contributions to the Maximum Settlement
19 Amount. Defendants’ settlement payment shall not exceed the Maximum Settlement Amount
20 except as provided in this Paragraph and Paragraph 44. Of the Maximum Settlement Amount,
21 Defendant Compass will pay Five Hundred and Sixty Thousand Dollars and No Cents
22 (\$560,000.00), and Defendant Human Bees will pay the remaining One Hundred and Forty
23 Thousand Dollars and No Cents (\$140,000.00).

24 18. “Net Settlement Amount” means the portion of the Maximum Settlement Amount
25 remaining after deducting the Class Representative Enhancement Payments, the PAGA
26 Settlement, Attorney’s Fees and Costs, and Settlement Administration Costs, from the Gross
27 Settlement Fund. The entire Net Settlement Amount will be distributed to the Participating Class
28

1 Members, defined below. There will be no reversion of any portion of the Net Settlement
2 Amount to Defendants.

3 19. "Notice of Entry of Judgment" means a Notice of Entry of Judgment pursuant to
4 section 664.5(c) of the California Code of Civil Procedure filed and served by Plaintiffs.

5 20. "Objection" means a Class Member's valid and timely written objection to the
6 Settlement Agreement. For an Objection to be valid, it must include: (i) the objector's full name,
7 signature, address, and telephone number; (ii) a written statement of all grounds for the objection
8 accompanied by any legal support for such objection; (iii) copies of papers, briefs, or other
9 documents upon which the objection is based, if any; and (v) be postmarked on or before the
10 Response Deadline, defined below. Alternatively, any Class Member may object by appearing at
11 the Final Approval Hearing either with or without submitting a written Objection. There is no
12 right to object to the PAGA Settlement, defined below.

13 21. "PAGA Members" means (1) all non-exempt persons employed directly by
14 Compass in California at any time from January 19, 2020 through September 16, 2023 and (2) all
15 non-exempt persons employed by Human Bees in California and assigned to work at Compass's
16 facility in California at any time from January 19, 2020 through September 16, 2023.

17 22. "PAGA Payment" means the payment of Five Thousand Dollars and No Cents
18 (\$5,000.00) from PAGA Settlement, defined below, to be distributed to the PAGA Members for
19 civil penalties paid under the Private Attorneys General Act of 2004, California Labor Code §§
20 2698, *et seq.* PAGA Members cannot opt out of the PAGA Payment under any circumstances.

21 23. "PAGA Period" means the period from January 19, 2020 through September 16,
22 2023

23 24. "PAGA Settlement" means Twenty Thousand Dollars and No Cents (\$20,000.00)
24 payable from the Gross Settlement Fund for civil penalties under PAGA, which includes the
25 Labor & Workforce Development Agency Payment and the PAGA Payment.

26 25. "Parties" means Plaintiffs and Defendants collectively.

27 26. "Participating Class Member" means any Class Member who does not submit a
28

1 timely and valid Request for Exclusion, defined below.

2 27. "Pay Period" means each weekly time period, or portion thereof, for which a
3 PAGA Member received a wage statement from Defendant.

4 28. "Plaintiffs" mean Blanca Catano and Silvia Urbietta.

5 29. "Plaintiffs' Counsel" means Matthew J. Matern, Matthew W. Gordon, and Nora
6 Katz of Matern Law Group, PC.

7 30. "Preliminary Approval" means the Court order granting preliminary approval of
8 the Settlement.

9 31. "Workweek(s)" means each seven-day period(s) commencing on Sunday at 12:00
10 a.m. and ending on a Saturday at 11:59 p.m. in which a Class Member was employed by
11 Defendants in California during the Class Period.

12 32. "Released Class Claims" means any and all claims arising during the Class Period
13 under state, federal or local law, whether statutory, common law or administrative law, alleged in
14 the operative complaint in the Action, or that could have been alleged based on the factual
15 allegations in the operative complaint in the Action, including: (1) Failure to Provide Required
16 Meal Periods; (2) Failure to Provide Required Rest Periods; (3) Failure to Pay Overtime Wages; (4)
17 Failure to Pay Minimum Wages; (5) Failure to Pay All Wages Due to Discharged and Quitting
18 Employees; (6) Failure to Timely Pay All Wages Earned; (7) Failure to Maintain Required Records;
19 (8) Failure to Furnish Accurate Itemized Wage Statements; (9) Failure to Indemnify Employees for
20 Necessary Expenditures Incurred in Discharge of Duties; (10) Unfair and Unlawful Business
21 Practices, including, but not limited to, claims for injunctive relief; punitive damages; liquidated
22 damages; penalties; interest; fees; costs; and all other claims and allegations made or which could
23 have been made based on the allegations in the operative complaint. The Released Class Claims
24 do not include any claims for civil penalties under PAGA.

25 33. "Released PAGA Claims" means any and all claims arising during the PAGA
26 Period for civil penalties under Labor Code 2698 *et seq.* that were or could have been asserted in
27 in the Action based on the factual allegations in the operative complaint in the Action and in the
28

1 PAGA notice letter, including claims for civil penalties under PAGA for alleged violations of
2 Labor Code §§ 200, 201, 202, 203, 204, 210, 218.6, 221, 223, 224, 225.5, 225, 226.3, 226.7, 510,
3 512, 558, 1174, 1174.5, 1194, 1197, 1197.1, 1198, 199, and 2802.

4 34. "Released Parties" means Compass and Human Bees, each of their respective
5 present and former parent companies, subsidiaries, divisions, concepts, related or affiliated
6 companies, and each of their present and former shareholders, officers, directors, employees,
7 agents, attorneys, insurers, reinsurers, successors and assigns, and any individual or entity that
8 could be liable for any of the Released Claims.

9 35. "Request for Exclusion" means a timely letter submitted by a Class Member
10 indicating a request to be excluded from the Settlement. The Request for Exclusion must: (i) set
11 forth the name, address, and telephone number of the Class Member requesting exclusion; (ii) be
12 signed by the Class Member; (iii) be returned to the Settlement Administrator; (iv) clearly state
13 that the Class Member does not wish to be included in the Settlement; and (v) be postmarked on
14 or before the Response Deadline, defined below.

15 36. "Response Deadline" means the deadline by which Class Members must postmark
16 to the Settlement Administrator Requests for Exclusion, or postmark Objections to the Settlement
17 Administrator. The Response Deadline will be forty-five (45) calendar days from the initial
18 mailing of the Class Notice by the Settlement Administrator, unless the 45th day falls on a
19 Sunday or Federal holiday, in which case the Response Deadline will be extended to the next day
20 on which the U.S. Postal Service is open. The Response Deadline will be extended by fifteen
21 days for any Class Member whose Class Notice is re-mailed by the Settlement Administrator.

22 37. "Settlement Administration Costs" means the costs to the Settlement
23 Administrator for administering this Settlement, including, but not limited to, printing,
24 distributing, and tracking documents for this Settlement, translating the Class Notice into Spanish,
25 creating and maintaining a web site and toll-free telephone number, tax reporting, distributing the
26 Gross Settlement Fund, and providing necessary reports and declarations, as requested by the
27 Parties or the Court.
28

1 38. “Settlement Administrator” means CPT Group, Inc. The Parties each represent
2 that they do not have any financial interest in the Settlement Administrator or otherwise have a
3 relationship with the Settlement Administrator that could create a conflict of interest.

4 **TERMS OF AGREEMENT**

5 The Plaintiffs, on behalf of themselves, the Settlement Class and the PAGA Members, and
6 Defendants agree as follows:

7 39. Class Certification. For settlement purposes only, the Parties agree that the
8 Settlement Class shall be certified, and this Settlement Agreement is contingent upon the
9 approval and certification by the Court of the Settlement Class for settlement purposes only.
10 Defendants does not waive, and instead expressly reserve, all rights to challenge the propriety of
11 certification of the class defined in this Settlement Agreement for any purpose should the Court
12 not approve the Settlement. In connection with the proposed certification of the Settlement Class,
13 the Parties shall cooperate and present to the Court for its consideration competent evidence, as
14 may be requested by the Court, under the applicable due process requirements and standards for
15 class certification. In the event either preliminary or final approval of the Settlement is not
16 obtained or, if obtained, is reversed upon appeal, the Parties shall be returned to their respective
17 positions in the Action as they existed immediately prior to the execution of this Settlement
18 Agreement. Furthermore, nothing said or represented in connection with obtaining approval of
19 the Court with respect to this settlement, either on a preliminary or final basis, shall be admissible
20 for any purpose other than to obtain approval by the Court of this Settlement.

21 40. Class Counsel. The Parties agree to the designation of Matern Law Group, PC as
22 counsel for the Settlement Class and the PAGA Members for all purposes in the Actions (“Class
23 Counsel”).

24 41. Amended Complaint. For purposes of this Settlement only, the Parties agree to
25 stipulate to the filing of an amended complaint to include Urbietta as a named Plaintiff. This
26 amended complaint will be filed either before or concurrently with submission of the motion
27 seeking preliminary approval of the Settlement. The Settlement approval process and the
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1 administration of the Settlement will be before the Superior Court of California, County of
2 Stanislaus. The Parties agree to work cooperatively to achieve these purposes.

3 42. Maximum Settlement Amount. Defendants agree to pay on an all-in basis a total
4 sum of seven hundred thousand dollars and no cents (\$700,000.00) which is inclusive of
5 attorneys' fees, costs, enhancement awards, settlement administration expenses, the PAGA
6 Payment, and the Labor & Workforce Development Agency Payment to the State of California.
7 Defendants shall pay the employer portion of any payroll taxes (including but not limited to FICA
8 and FUTA) in addition to the Maximum Settlement Amount, on a pro rata basis, proportionate to
9 Defendants' respective payment contributions to the Maximum Settlement Amount.

10 43. Funding of the Maximum Settlement Amount. Defendants will deposit their
11 respective portions of Maximum Settlement Amount via wire transfer into a Qualified Settlement
12 Account ("QSA") to be established by the Settlement Administrator within thirty (30) calendar
13 days of the Effective Date. Compass's portion of the Maximum Settlement Amount is five
14 hundred sixty thousand dollars and no cents (\$560,000.00). Human Bees' portion of the
15 Maximum Settlement Amount is one hundred forty thousand dollars and no cents (\$140,000.00).

16 44. Escalation of Maximum Settlement Amount.

17 If the total number of workweeks in the Class Period exceeds 24,907, which Defendants
18 represent was the total number of workweeks in the Class Period at the time of mediation, by
19 more than 15%, the Maximum Settlement Amount shall increase proportionately by the
20 percentage amount above 15% (e.g., if the total number of workweeks in the Class Period
21 exceeds 24,907 by 17%, then Defendants shall increase the Maximum Settlement Amount by
22 2%). Each Defendant's share of this escalation will be based on the proportionate increase in the
23 number of workweeks for each Defendant at the end of the Class Period.

24 45. Attorney's Fees and Costs. Defendants agree not to oppose or impede any
25 application or motion by Class Counsel for Attorney's Fees and Costs. Class Counsel will seek an
26 award of Attorney's Fees not to exceed one-third (1/3) of the Gross Settlement Fund, or Two
27 Hundred Thirty-Three Thousand Three Hundred Thirty-Three Dollars and Thirty-Three Cents
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1 (\$233,333.33) in attorney's fees. Class Counsel will seek reimbursement of litigations costs not to
2 exceed Forty-Eight Thousand Dollars (\$48,000.00). Any funds allocated to Attorney's Fees and
3 Costs but not awarded by the Court will be included in the Net Settlement Amount and
4 distributed pro rata to the Participating Class Members. The Settlement Administrator will issue
5 IRS Forms 1099 to Class Counsel for the Attorney's Fees and Costs.

6 46. Class Representative Enhancement Payments. The Parties agree to the designation
7 of the Plaintiffs as Class Representatives in the Action. In exchange for general releases that
8 includes a release of all claims arising out of and relating to their employment with either Human
9 Bees or with Compass, and specifically for Catano, including any claim that she may have that
10 Compass was her joint employer while she was directly employed by Human Bees, and as well as
11 all known and unknown claims pursuant to California Civil Code section 1542, and in recognition
12 of their efforts and work in prosecuting the Action on behalf of the Class Members, Defendants
13 agree not to oppose or impede any application or motion for Class Representative Enhancement
14 Payments not to exceed Ten Thousand Dollars and No Cents (\$10,000.00) to each Plaintiff. The
15 Class Representative Enhancement Payments will be paid from the Gross Settlement Fund and
16 will be in addition to each Plaintiff's Individual Settlement Payment. Any funds allocated to the
17 Class Representative Enhancement Payments but not awarded by the Court will be included in
18 the Net Settlement Amount and distributed pro rata to the Participating Class Members. Plaintiffs
19 will be solely responsible to pay any and all applicable taxes on the payments made pursuant to
20 this paragraph, and the Settlement Administrator will issue IRS Forms 1099 to Plaintiffs for the
21 Class Representative Enhancement Payments.

22 47. Settlement Administration Costs. The Settlement Administrator will be paid for
23 the reasonable costs of administration of the Settlement and distribution of payments from the
24 Gross Settlement Fund, not to exceed \$15,000.00. These costs, will include, *inter alia*, the
25 required tax reporting on the Individual Settlement Payments and Individual PAGA Payments,
26 the issuing of 1099 and W-2 IRS Forms, translating and distributing Class Notices, creating and
27 maintaining a web site and toll-free telephone number, calculating Individual Settlement
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1 Payments and Individual PAGA Payments, and distributing the Gross Settlement Fund as set
2 forth herein, and providing necessary reports and declarations. These costs shall be paid from the
3 Gross Settlement Fund. Any funds allocated to Settlement Administration Costs but not incurred
4 by or otherwise paid to the Settlement Administrator will be included in the Net Settlement
5 Amount and distributed pro rata to the Participating Class Members.

6 48. PAGA Settlement. The Parties agree to allocate Twenty Thousand Dollars and No
7 Cents (\$20,000.00) from the Gross Settlement Fund to the resolution of all claims related to the
8 PAGA Members arising under the California Private Attorneys General Act of 2004. Pursuant to
9 PAGA, Seventy-Five Percent (75%) of the PAGA Settlement, or Fifteen Thousand Dollars and
10 No Cents (\$15,000.00), will be paid to the California Labor & Workforce Development Agency
11 as the Labor & Workforce Development Agency Payment, and the remaining Twenty Five
12 Percent (25%) of the PAGA Settlement, or Five Thousand Dollars and No Cents (\$5,000.00), will
13 be allocated to the PAGA Payment for pro rata distribution of Individual PAGA Payments to the
14 PAGA Members.

15 49. Individual Settlement Payment Calculations: The Individual Settlement Payment
16 for each Participating Class Member shall be based upon a workweek formula set forth below.

17 50. The Settlement Administrator will calculate the number of workweeks worked by
18 the Participating Class Members during the Class Period and the number of pay periods worked
19 by the PAGA Members during the PAGA Period based upon the records in Defendant's
20 possession, custody or control, the amount to be paid per workweek and pay period as applicable,
21 and the individual settlement awards to eligible Participating Class Members. The workweeks
22 and pay periods will be calculated by the Settlement Administrator for each Participating Class
23 Member and PAGA Member. A partial workweek and a partial pay period will be counted as a
24 full workweek and a full pay period unless the pay period is the last week or pay period worked
25 as a Class Member or PAGA Member. In such instances, the partial workweek and/or pay period
26 will be prorated. However, all Class Members and PAGA Members will be credited with at least
27 one full workweek and one full pay period. The Net Settlement Amount shall be divided by the
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1 total number of workweeks for all Participating Class members, and the result of this division is
2 referred to as the "Workweek Rate." The amount of each Participating Class Member's
3 Individual Settlement Payment shall be the result of multiplying each Participating Class
4 Member's number of workweeks during the Class Period by the Workweek Rate. Defendants'
5 workweek and pay period data will be presumed to be correct, unless a particular Class Member
6 or PAGA Member proves otherwise to the Settlement Administrator by credible evidence. The
7 Parties and Settlement Administrator will cooperate in an attempt to resolve all workweek and
8 pay period disputes.

9 51. PAGA Payment Calculations: The Individual PAGA Payment for each PAGA
10 Member shall be determined as follows: The PAGA Payment shall be divided by the total number
11 of Pay Periods for all PAGA Members, and the result of this division is referred to as the "Pay
12 Period Rate." The amount of each PAGA Member's Individual PAGA Payment shall be the
13 result of multiplying each PAGA Member's number of Pay Periods during the PAGA Period by
14 the Pay Period Rate. The Settlement Administrator will perform all calculations necessary to
15 determine the Individual PAGA Payments based upon information provided by Defendants with
16 the Class List. The Settlement Administrator shall be responsible for reducing each Individual
17 Settlement Payment based on any required deductions for each Participating Class Member as
18 specifically set forth herein, including employee-side tax withholdings or deductions. No
19 withholdings or deductions will be made from the Individual PAGA Payments.

20 52. The entire Net Settlement Amount will be disbursed to all Class Members who do
21 not submit timely and valid Requests for Exclusion. If there are any timely and valid Requests
22 for Exclusion from members of the Settlement Class, the Settlement Administrator shall not
23 include any workweeks attributable to such individuals as part of the calculation of the total class-
24 wide qualifying workweeks for all Participating Class Members under paragraphs 50 and 51
25 above, so that the amount available for distribution to the Participating Class Members equals
26 100% of the Net Settlement Amount. The entire PAGA Payment will be distributed to the PAGA
27 Members, and the PAGA Members have no right to opt out of the PAGA Payment.

1 53. No Credit To Benefit Plans. The Individual Settlement Payments and Individual
2 PAGA Payments made to Participating Class Members and PAGA Members shall be deemed to
3 be paid to such Participating Class Members and PAGA Members solely in the year in which
4 such payments actually are received by the Participating Class Members and PAGA Members. It
5 is expressly understood and agreed that such Individual Settlement Payments and Individual
6 PAGA Payments will not be utilized to calculate any additional compensation or any additional
7 benefits under any compensation or benefit plans to which any Class Member or PAGA Member
8 may be eligible, including, but not limited to: bonus, contest or commissions plans; profit-
9 sharing plans, bonus plans, 401(k) plans, stock purchase plans, deferred compensation plans;
10 vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties'
11 intention that this Settlement Agreement will not affect any rights, contributions, or amounts to
12 which any Class Members or PAGA Members may be entitled under any compensation or benefit
13 plans.

14 SETTLEMENT ADMINISTRATION

15 54. Administration Process. The Parties agree to cooperate in the administration of the
16 settlement and to make all reasonable efforts to control and minimize the costs and expenses
17 incurred in administration of the Settlement.

18 55. Delivery of the Class List. Within thirty (30) calendar days of Preliminary
19 Approval, Defendants will provide the Class List to the Settlement Administrator.

20 56. Notice by First-Class U.S. Mail. Within fifteen (15) calendar days after receiving
21 the Class List from Defendant, the Settlement Administrator will mail a Class Notice to all Class
22 Members via regular First-Class U.S. Mail, using the most current, known mailing addresses
23 identified in the Class List.

24 57. Confirmation of Contact Information in the Class List. Prior to mailing, the
25 Settlement Administrator will perform a search based on the National Change of Address
26 Database for information to update and correct for any known or identifiable address changes.
27 Any Class Notices returned to the Settlement Administrator as non-deliverable on or before the
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1 Response Deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding
2 address affixed thereto and the Settlement Administrator will indicate the date of such re-mailing
3 on the Class Notice. If no forwarding address is provided, the Settlement Administrator will
4 promptly attempt to determine the correct address using a skip-trace or other search using the
5 name, address and/or Social Security Number of the Class Member involved, and will then
6 perform a single re-mailing. The Response Deadline will be extended for fifteen (15) calendar
7 days for all re-mailed Notices.

8 58. Class Notices. All Class Members will be mailed a Class Notice via First Class
9 U.S. Mail. Each Class Notice will provide: (i) information regarding the nature of the Action; (ii)
10 a summary of the Settlement's principal terms; (iii) the Settlement Class definition; (iv) the
11 PAGA Member definition; (v) the total number of qualifying workweeks worked by each
12 respective Class Member during the Class Period; (vi) the total number of Pay Periods worked by
13 each respective PAGA Member during the PAGA Period; (vii) each Class Member's estimated
14 Individual Settlement Payment and the formula for calculating Individual Settlement Payments;
15 (viii) each PAGA Member's estimated Individual PAGA Payment and the formula for calculating
16 Individual PAGA Payments; (ix) the procedure for a Class Member to dispute the calculation of
17 their estimated Individual Settlement Payments; (x) the dates that comprise the Class Period and
18 PAGA Period; (xi) instructions on how to submit a Request for Exclusion or Objection; (xii) the
19 deadlines by which the Class Member must postmark a Request for Exclusion, and the deadlines
20 by which the Class Members must postmark Objections to the Settlement; and (xiii) the claims to
21 be released. The Class Notice shall be in substantially the same form as Exhibit A hereto, as
22 approved by the Court.

23 59. The Settlement Administrator will set up and maintain a toll-free telephone
24 number for Class Members and PAGA Members to contact the Settlement Administrator
25 regarding the Settlement, and the toll-free telephone number will be identified in the Class
26 Notice. The Settlement Administrator will also set up a dedicated page on its website that Class
27 Members and PAGA Members may access regarding the Settlement, and the web page URL will
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1 be identified in the Class Notice. The web page URL will be limited to the name of the instant
2 action and the contents of the website will be: (1) the First Amended Complaint; (2) Class Notice;
3 (3) the Order of Preliminary Approval; and (4) the Order of Final Approval.

4 60. Disputed Information on Class Notices. Class Members will have an opportunity
5 to dispute the information provided in their Class Notices. To the extent Class Members dispute
6 their total qualifying workweeks while working for Defendants as non-exempt employees during
7 the Class Period, Class Members may produce evidence to the Settlement Administrator showing
8 that such information in the Class Notice is inaccurate. The Settlement Administrator will decide
9 the dispute. Defendants' records will be presumed correct, but the Settlement Administrator will
10 evaluate the evidence submitted by the Class Member and will make the final decision as to the
11 merits of the dispute, which decision shall be final and not appealable by any Party or Class
12 Member. All disputes will be resolved within ten (10) business days of the Response Deadline.

13 61. Request for Exclusion Procedures. Any Class Member wishing to opt-out from
14 the Settlement Agreement must sign and postmark a written Request for Exclusion to the
15 Settlement Administrator within the Response Deadline. The postmark date will be the exclusive
16 means to determine whether a Request for Exclusion has been timely submitted.

17 62. Defective Submissions. If a Class Member's Request for Exclusion is defective as
18 to the requirements listed herein, that Class Member will be given an opportunity to cure the
19 defect(s). The Settlement Administrator will mail the Class Member a cure letter within three (3)
20 business days of receiving the defective submission to advise the Class Member that his, her, or
21 their submission is defective and that the defect must be cured to render the Request for
22 Exclusion valid. The Class Member will have until the later of (i) the Response Deadline or (ii)
23 seven (7) calendar days from the date of the cure letter to postmark a revised Request for
24 Exclusion. If the revised Request for Exclusion is not postmarked within that period, it will be
25 deemed untimely.

26 63. Option to Rescind the Settlement Agreement. Defendants have the right in its sole
27 and exclusive discretion to terminate and withdraw from the Settlement at any time prior to the
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1 date the Court enters final approval of this Settlement if more than Five Percent (5%) of Class
2 Members timely and validly opt out of the Settlement or if the Court fails to approve material
3 terms of the Settlement, including the scope of the releases. Compass or Human Bees must make
4 such election within ten (10) business days of being notified by the Settlement Administrator of a
5 greater than 5% opt-out rate or the Court's denial of the Settlement with prejudice. If Defendants
6 exercise the conditional right to rescind, they must do so by written communication to Class
7 Counsel. In the event the Settlement Agreement is rescinded, Defendants shall pay all incurred
8 Settlement Administrator Costs and split the costs evenly among themselves.

9 64. Settlement Terms Bind All Class Members Who Do Not Opt-Out, and All PAGA
10 Members. Any Class Member who does not affirmatively opt-out of the Settlement Agreement
11 by submitting a timely and valid Request for Exclusion will be bound by all of its terms,
12 including those pertaining to the Released Class Claims, and all PAGA Members will be bound
13 by all of the Settlement Agreement's terms pertaining to the Released PAGA Claims, as well as
14 any Judgment that may be entered by the Court if it grants final approval to the Settlement.

15 65. Objection Procedures. To object to the Settlement Agreement, a Class Member
16 must timely submit to the Settlement Administrator a written Objection. Any written Objection
17 must be signed by the Class Member and contain all information required by this Settlement
18 Agreement, and as specified in the Class Notice. Written Objections must be mailed to the
19 Settlement Administrator as explained in the Class Notice. The Settlement Administrator will
20 forward copies of all written Objections to both Class Counsel and counsel for the Defendants
21 within three (3) calendar days of receipt. The postmark date will be deemed the exclusive means
22 for determining whether a written Objection is timely. Class Members who fail to object in the
23 manner specified above will be deemed to have waived all objections to the Settlement and will
24 be foreclosed from making any objections, whether by appeal or otherwise, to the Settlement
25 Agreement. Alternatively, any Class Member may appear at the Final Approval Hearing,
26 personally or through their own counsel, in order to have their objections heard by the Court,
27 regardless of whether such Class Member submits a written Objection. Only those Class
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1 Members who do not submit a Request for Exclusion may object to the Settlement. At no time
2 will any of the Parties or their counsel seek to solicit or otherwise encourage Class Members to
3 submit written or oral objections to the Settlement Agreement or appeal from the Order and
4 Judgment. Class Counsel will not represent any Class Members with respect to any such
5 objections to this Settlement.

6 66. Certification Reports. The Settlement Administrator will provide all counsel with
7 a weekly report that certifies the number of Class Members who have submitted valid Requests
8 for Exclusion, and whether any Class Member has submitted a challenge to any information
9 contained in their Class Notice. Additionally, the Settlement Administrator will provide to
10 counsel for both Parties any updated reports regarding the administration of the Settlement
11 Agreement as needed or requested.

12 67. Distribution of Settlement Payments. Within fifteen (15) calendar days of
13 Defendants depositing the Gross Settlement Amount as set forth above, the Settlement
14 Administrator will issue all Court-approved payments to: (i) the Participating Class Members; (ii)
15 the PAGA Members; (iii) the Labor & Workforce Development Agency; (iv) Plaintiffs; (v) Class
16 Counsel, and (vi) itself. Payments to Class Counsel shall be sent by wire transfer to wire
17 information to be provided by Class Counsel, which the Settlement Administrator shall confirm
18 orally with Class Counsel prior to sending any wire transfer.

19 68. Un-cashed Settlement Checks. If a Participating Class Member's Individual
20 Settlement Payment and/or Individual PAGA Payment check is not cashed within 120 days after
21 mailing to the Participating Class Member or PAGA Member, the Settlement Administrator will
22 send the Participating Class Member or PAGA Member a letter informing him or her that unless
23 the check is cashed in the next 60 days, it will expire and become non-negotiable, and offer to
24 replace the check if it was lost or misplaced. All funds represented by uncashed checks and funds
25 represented by Individual Settlement Payments and Individual PAGA Payments returned as
26 undeliverable from the distributions will be added back into the Net Settlement Amount and
27 PAGA Payment, and distributed pro rata to the Participating Class Members and PAGA
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1 Members. If any checks remain uncashed 180 days following distribution, the funds represented
2 by those checks and funds represented by Individual Settlement Payment and Individual PAGA
3 Payment checks returned as undeliverable will be sent to the Unclaimed Property Fund of the
4 California State Controller in the name of each respective Class Member to whom the checks
5 were payable.

6 69. Certification of Completion. Upon completion of administration of the Settlement,
7 the Settlement Administrator will provide a written declaration under oath to certify such
8 completion to the Court and counsel for all Parties.

9 70. Treatment of Individual Settlement and PAGA Payments. The Individual
10 Settlement Payment from the Net Settlement Amount payable to eligible Class Members will be
11 allocated as follows: Twenty Percent (20%) as payment for alleged unpaid wages, Forty Percent
12 (40%) as alleged unpaid interest, and Forty Percent (40%) as alleged unpaid civil and statutory
13 penalties. IRS Forms W-2 will be issued for alleged unpaid wages and IRS Forms 1099 will be
14 issued for alleged unpaid interest and unpaid civil penalties. One Hundred Percent (100%) of the
15 Individual PAGA Payments will be allocated to penalties and included on IRS Forms 1099-
16 MISC.

17 71. Administration of Taxes by the Settlement Administrator. The Settlement
18 Administrator will be responsible for issuing to Plaintiffs, Participating Class Members, PAGA
19 Members, and Class Counsel any W-2, 1099, or other tax forms as may be required by law for all
20 amounts paid pursuant to this Settlement. The Settlement Administrator will also be responsible
21 for forwarding all payroll taxes and penalties to the appropriate government authorities.

22 72. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR
23 PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY
24 TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER
25 PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS
26 AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR
27 AMONG THE PARTIES OR THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS
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1 INTENDED TO BE, NOR WILL ANY SUCH COMMUNICATION OR DISCLOSURE
2 CONSTITUTE OR BE CONSTRUED OR BE RELIED UPON AS, TAX ADVICE WITHIN
3 THE MEANING OF UNITED STATES TREASURY DEPARTMENT CIRCULAR 230 (31
4 CFR PART 10, AS AMENDED); (2) THE ACKNOWLEDGING PARTY (A) HAS RELIED
5 EXCLUSIVELY UPON HIS, HER, OR ITS OWN, INDEPENDENT LEGAL AND TAX
6 COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN CONNECTION WITH THIS
7 AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT BASED UPON THE
8 RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR ADVISOR TO
9 ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY
10 COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY
11 OTHER PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE
12 ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER
13 PARTY HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY
14 OF ANY SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF
15 WHETHER SUCH LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE
16 ACKNOWLEDGING PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY
17 TRANSACTION, INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS
18 AGREEMENT.

19 73. No Prior Assignments. The Parties and their counsel represent, covenant, and
20 warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported
21 to assign, transfer, or encumber to any person or entity, including, without limitation, to any third-
22 party funding source, any portion of any liability, claim, demand, action, cause of action,
23 recovery, or right herein released and discharged.

24 74. If for any reason the Settlement is not approved, including, without limitation, at
25 the preliminary approval or final approval stage, the Parties agree to address any concerns raised
26 by the Court by using best efforts and working together in good faith to obtain approval; among
27 other things, if the Court does not grant the Parties' motion(s) for preliminary and/or final
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1 approval, the Parties agree that they will file further motions for approval if necessary. However,
2 if the Parties are unable to obtain final approval, they agree that the actions shall return to the
3 status quo pre-execution of the September 29, 2023 Memorandum of Understanding in the
4 Action.

5 75. Preliminary Approval Hearing. Plaintiffs will obtain a hearing before the Court to
6 request the Preliminary Approval of the Settlement, and the entry of a Preliminary Approval
7 Order for (a) conditional certification of the Settlement Class for settlement purposes only, (b)
8 Preliminary Approval of the proposed Settlement Agreement, and (c) setting a date for the Final
9 Approval Hearing. The Preliminary Approval Order will provide for the Class Notice to be sent
10 to all Class Members as specified herein. In conjunction with the Preliminary Approval hearing,
11 Plaintiffs will submit this Settlement Agreement, which sets forth the terms of this Settlement,
12 and will include the proposed Class Notice, which is attached hereto as Exhibit A. Plaintiffs shall
13 also timely provide all necessary notices to the Labor & Workforce Development Agency,
14 including notice of the Settlement and Preliminary Approval Hearing to the Labor & Workforce
15 Development Agency as required by PAGA.

16 76. Final Settlement Approval Hearing and Entry of Judgment. Upon expiration of the
17 deadline to postmark Requests for Exclusion and Objections, and with the Court's permission, a
18 Final Approval Hearing will be conducted to determine the Final Approval of the Settlement,
19 along with the amounts properly payable for: (i) Individual Settlement and PAGA Payments; (ii)
20 the Labor & Workforce Development Agency Payment; (iii) the Class Representative
21 Enhancement Payments; (iv) Attorney's Fees and Costs; and (v) all Settlement Administration
22 Costs. The Final Approval Hearing will not be held earlier than thirty (30) calendar days after the
23 Response Deadline. Class Counsel will be responsible for drafting all documents necessary to
24 obtain final approval. Class Counsel will also be responsible for drafting the application for the
25 Class Representative Enhancement Payments and Attorney's Fees and Costs, and a request for
26 approval of the Settlement Administration Costs, to be heard at the Final Approval Hearing.

27 77. Judgment and Continued Jurisdiction. Upon final approval of the Settlement by
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1 the Court or after the Final Approval Hearing, the Parties will present the Judgment to the Court
2 for its approval. After entry of the Judgment, under Code of Civil Procedure section 664.6, the
3 Court will have continuing jurisdiction solely for purposes of addressing: (i) the interpretation and
4 enforcement of the terms of the Settlement, (ii) settlement administration matters, and (iii) such
5 post-Judgment matters as may be appropriate under court rules or as set forth in this Settlement
6 Agreement. The Judgment shall provide that the Court retains jurisdiction for such purposes.
7

8 **CLASS AND PAGA RELEASE**

9 78. Releases by Plaintiffs, Participating Class Members, PAGA Members. Upon the
10 funding of the Maximum Settlement Amount as set forth in Paragraph 43 and 44, and conditioned
11 upon full satisfaction of the Parties' obligations under this Settlement Agreement, Plaintiffs and
12 all Participating Class Members will be deemed to have released the Released Class Claims
13 against the Released Parties, and Plaintiffs and all PAGA Members will be deemed to have
14 released the Released PAGA Claims and will be barred from bringing or prosecuting any of the
15 Released PAGA Claims against the Released Parties. No PAGA Member may pursue the
16 Released PAGA Claims in an individual or representative capacity in another action.
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18 **INDIVIDUAL RELEASE**

19 79. Release by Plaintiffs. Upon the funding of the Maximum Settlement Amount as
20 set forth in Paragraph 43 and 44, in addition to the claims being released by all Participating Class
21 Members, Plaintiffs, for and on behalf of themselves and their agents, heirs, executors,
22 administrators and assigns, each will unconditionally release and forever discharge the Released
23 Parties, to the fullest extent permitted by law, of and from any and all claims, actions, causes of
24 action, rights, suits, debts, contracts, obligations, agreements, proceedings, damages, charges,
25 losses, and expenses (including attorneys' fees and costs) of any nature whatsoever, whether
26 based in contract, statute or the common law, relating to any matters of any kind, whether known
27 or unknown, suspected or unsuspected, that they may possess arising from any omissions, acts,
28 and any and all events or facts that have occurred up until and including the date of execution of

1 this Settlement Agreement, including but not limited to, (i) any and all claims actually alleged or
2 could have been alleged in connection with, or arising directly or indirectly out of or in any way
3 connected with Plaintiffs' employment with Defendants or any of the Released Parties or (ii) any
4 individual claims arising under PAGA.

5 80. Additional Release by Plaintiff Catano. Upon the Effective Date, in addition to
6 the claims being released by all Participating Class Members and the releases contained in
7 Paragraphs 79 and 80, Catano, for and on behalf of herself and her agents, heirs, executors,
8 administrators and assigns, each will unconditionally release and forever discharge the Released
9 Parties, to the fullest extent permitted by law, of and from any and all claims, known or
10 unknown, that Catano may have that Compass was her joint employer while she was directly
11 employed by Human Bees.

12 81. Acknowledgement of California Civil Code Section 1542. As to the General
13 Release and Catano's Additional Release set forth above, to the extent the foregoing releases are
14 releases to which Section 1542 of the California Civil Code or similar provisions of other
15 applicable law may apply, each Plaintiff expressly waives any and all rights and benefits
16 conferred upon him by the provisions of Section 1542 of the California Civil Code or similar
17 provisions of applicable law, which are as follows:

18 **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE**
19 **CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT**
20 **TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE**
21 **RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE**
22 **MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE**
23 **DEBTOR OR RELEASED PARTY.**

24 82. Release by Defendants. Compass and Human Bees mutually agree to
25 release one another of all claims arising out of and relating to this Matter in exchange for
26 a waiver of costs and fees in this case.

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MISCELLANEOUS

83. Exhibit Incorporated by Reference. The terms of this Settlement Agreement include the terms set forth in the attached Exhibit, which is incorporated by this reference as though fully set forth herein. Any Exhibit to this Settlement Agreement is an integral part of the Settlement.

84. Entire Agreement. This Settlement Agreement and attached Exhibit constitute the entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties. The Parties expressly recognize California Civil Code Section 1625 and California Code of Civil Procedure Section 1856(a), which provide that a written agreement is to be construed according to its terms and may not be varied or contradicted by extrinsic evidence, and the Parties agree that no such extrinsic oral or written representations or terms will modify, vary or contradict the terms of this Settlement Agreement.

85. Amendment or Modification. Except as to non-material changes required by the Court, no amendment, change, or modification to this Settlement Agreement will be valid unless in writing and signed by the Parties. Concerning non-material changes required by the Court, the Parties agree that their counsel may submit stipulated amendments to this Settlement Agreement without obtaining further signatures from the Parties.

86. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms and to execute any other documents required to effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each other and use their best efforts to effect the implementation of the Settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to resolve such disagreement.

1 87. Binding on Successors and Assigns. This Settlement Agreement will be binding
2 upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously
3 defined.

4 88. California Law Governs. All terms of this Settlement Agreement and Exhibit
5 hereto will be governed by and interpreted according to the laws of the State of California.

6 89. Execution and Counterparts. This Settlement Agreement is subject only to the
7 execution of all Parties. However, the Settlement Agreement may be executed in one or more
8 counterparts. All executed counterparts and each of them, including facsimile and scanned copies
9 of the signature page, will be deemed to be one and the same instrument provided that counsel for
10 the Parties will exchange among themselves original signed counterparts. Electronic signatures
11 (e.g., DocuSign signatures) shall have the same force and legal effect as a handwritten, ink
12 signature and shall be fully enforceable.

13 90. Invalidity of Any Provision. Before declaring any provision of this Settlement
14 Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest
15 extent possible consistent with applicable precedents so as to define all provisions of this
16 Settlement Agreement valid and enforceable.

17 91. Waiver of Certain Appeals. The Parties agree to waive appeals; except, however,
18 that either party may appeal any court order that materially alters the Settlement Agreement's
19 terms.

20 92. Notices. Unless otherwise specifically provided herein, all notices, demands or
21 other communications given hereunder shall be in writing and shall be deemed to have been duly
22 given as of the third business day after mailing by United States registered or certified mail,
23 return receipt requested, addressed as follows:

24 To Plaintiffs, the Settlement Class, and the PAGA Members:

25 Matthew J. Matern
26 Matthew W. Gordon
27 Nora Katz
28 MATERN LAW GROUP, PC
 1230 Rosecrans Ave., Suite 200
 Manhattan Beach, CA 90266

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2 To Defendant Compass:

3 Peter J. Woo
4 Andrew J. Kozlow
5 Liam N. Gaarder Fiengold
6 JACKSON LEWIS P.C.
7 200 Spectrum Center Dr., Suite 500
8 Irvine, CA 92618

9 To Defendant Human Bees:

10 Charles Whitman
11 Matthew Drenan
12 Alicia A. Belock
13 BUCHALTER, P.C.
14 655 W. Broadway, Suite 1600
15 San Diego, CA 92101

16 93. Non-Admission of Liability. The Parties enter into this Settlement to resolve the
17 dispute that has arisen between them and to avoid the burden, expense and risk of continued
18 litigation. In entering into this Settlement, Defendants do not admit, and specifically deny, that
19 they violated any federal, state, or local law; violated any regulations or guidelines promulgated
20 pursuant to any statute or any other applicable laws, regulations or legal requirements; breached
21 any contract; violated or breached any duty; engaged in any misrepresentation or deception; or
22 engaged in any other unlawful conduct with respect to their employees. Neither this Settlement
23 Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, will
24 be construed as an admission or concession by Defendants of any such violations or failures to
25 comply with any applicable law. Except as necessary in a proceeding to enforce the terms of this
26 Settlement, this Settlement Agreement and its terms and provisions will not be offered or received
27 as evidence in any action or proceeding to establish any liability or admission on the part of
28 Defendants or to establish the existence of any condition constituting a violation of, or a non-
 compliance with, federal, state, local or other applicable law.

 94. Waiver. No waiver of any condition or covenant contained in this Settlement
Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered
to imply or constitute a further waiver by such party of the same or any other condition, covenant,
right or remedy.

1 95. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms
2 and conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be
3 construed more strictly against one party than another merely by virtue of the fact that it may
4 have been prepared by counsel for one of the Parties, it being recognized that, because of the
5 arms-length negotiations between the Parties, all Parties have contributed to the preparation of
6 this Settlement Agreement.

7 96. Representation By Counsel. The Parties acknowledge that they have been
8 represented by counsel throughout all negotiations that preceded the execution of this Settlement
9 Agreement, and that this Settlement Agreement has been executed with the consent and advice of
10 counsel. Further, Plaintiffs and Plaintiffs' Counsel warrant and represent that there are no liens
11 on the Settlement Agreement.

12 97. All Terms Subject to Final Court Approval. All amounts and procedures described
13 in this Settlement Agreement herein will be subject to final Court approval.

14 98. Cooperation and Execution of Necessary Documents. All Parties will cooperate in
15 good faith and execute all documents to the extent reasonably necessary to effectuate the terms of
16 this Settlement Agreement.

17 99. Binding Agreement. The Parties warrant that they understand and have full
18 authority to enter into this Settlement Agreement, and further intend that this Settlement
19 Agreement will be fully enforceable and binding on all parties, and agree that it will be
20 admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any
21 mediation confidentiality provisions that otherwise might apply under federal or state law.

22 100. Interim Stay of Proceedings. The Parties agree to stay and hold all proceedings in
23 the Action, except such proceedings necessary to implement and complete the Settlement, in
24 abeyance pending the Final Approval Hearing to be conducted by the Court. The Parties further
25 agree that upon the execution of this Agreement, pursuant to Code of Civil Procedure §
26 583.330(a), the time within which the Action must be brought to trial under Code of Civil
27 Procedure § 583.310 shall be extended for the period between the date on which the Agreement is
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1 fully executed to the date on which Judgment is entered. If the Court denies Preliminary
2 Approval or Final Approval of the Agreement, the Parties agree that the period of time between
3 the date on which the Agreement is fully executed through the date on which Preliminary
4 Approval or Final Approval is denied shall be excluded from the computation of the time within
5 which the Action must be brought to trial pursuant to Code of Civil Procedure § 583.310.

6 101. Other than filing any required notices of settlement in the Action, the Class
7 Representatives and Class Counsel will not make any public disclosure of the Settlement or
8 Confidential Memorandum of Understanding prior to the filing of Plaintiffs' motion for
9 preliminary approval. Class Counsel will take all steps necessary to ensure the Class
10 Representatives are aware of and will encourage the Class Representatives to adhere to, the
11 restriction against any public disclosure of the Settlement or Confidential Memorandum of
12 Understanding until the filing of Plaintiffs' motion for preliminary approval.

13 102. Following the filing of Plaintiffs' motion for preliminary approval, the Class
14 Representatives and Class Counsel will not initiate any communications with the media before
15 the Court has entered an order granting preliminary approval. If either Party is asked to comment
16 on the Settlement prior to the Court entering an order granting preliminary approval, said Party
17 will state that they are not commenting on the settlement while the Court is considering the
18 motion for preliminary approval.

19 Nothing in this Settlement Agreement shall limit Defendants' ability to fulfill disclosure
20 obligations reasonably required by law or in furtherance of business purposes, including the
21 fulfillment of obligations stated in this Settlement Agreement.

22
23 **SIGNATURES FOLLOW ON NEXT PAGE**
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SIGNATURES

PLAINTIFFS

DEFENDANT

DATED: Aug 5, 2024

DATED:

By 
Blanca Catano (Aug 5, 2024 16:04 PDT)
Blanca Catano

By _____
Compass Foods, Inc.

DATED:

DATED:

By _____
Silvia Urbieto

By _____
Human Bees f/k/a Avitek Recruit,
Inc.

APPROVED AS TO FORM:

DATED:

DATED:

By _____
Matthew J. Matern
Matthew W. Gordon
Matern Law Group, PC
Attorneys for Plaintiffs
Blanca Catano and
Silvia Urbieto

By _____
Peter P. Woo
Andrew J. Kozlow
Liam N. Gaarder-Feingold
Jackson Lewis P.C.
Attorneys for Compass Foods, Inc.

DATED:

By _____
Charles Whitman
Matthew Drenan
Alicia A. Belock
Buchalter, P.C.
Attorneys for Human Bees f/k/a Avitek Recruit, Inc.

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SIGNATURES

PLAINTIFFS

DEFENDANT

DATED:

DATED:

By _____
Blanca Catano

By _____

Compass Foods, Inc.

DATED: Aug 6, 2024

DATED:

By  _____
Silvia Urbieto Sainz (Aug 6, 2024 16:07 PDT)
Silvia Urbieto

By _____

Human Bees f/k/a Avitek Recruit,
Inc.

APPROVED AS TO FORM:

DATED:

DATED:

By _____
Matthew J. Matern
Matthew W. Gordon
Matern Law Group, PC
Attorneys for Plaintiffs
Blanca Catano and
Silvia Urbieto

By _____
Peter P. Woo
Andrew J. Kozlow
Liam N. Gaarder-Feingold
Jackson Lewis P.C.
Attorneys for Compass Foods, Inc.

DATED:

By _____
Charles Whitman
Matthew Drenan
Alicia A. Belock
Buchalter, P.C.
Attorneys for Human Bees f/k/a Avitek Recruit, Inc.

SIGNATURES

PLAINTIFFS

DATED:

By

Blanca Catano

DATED:

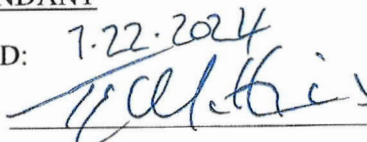
By

Silvia Urbieto

DEFENDANT

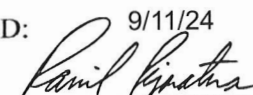
DATED:

By

7.22.2024

THOMAS MATHIAS
Compass Foods, Inc.

DATED:

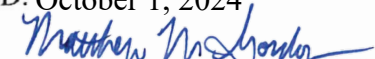
By

9/11/24

Ranil Piyaratna
Human Bees f/k/a Avitek Recruit,
Inc.

APPROVED AS TO FORM:

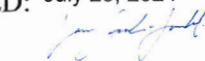
DATED: October 1, 2024

By


Matthew J. Matern
Matthew W. Gordon
Matern Law Group, PC
Attorneys for Plaintiffs
Blanca Catano and
Silvia Urbieto

DATED: July 25, 2024

By


Peter P. Woo
Andrew J. Kozlow
Liam N. Gaarder-Feingold
Jackson Lewis P.C.
Attorneys for Compass Foods, Inc.

DATED: 11 SEP 24

By


Charles Whitman
Matthew Drenan
Alicia A. Belock
Buchalter, P.C.
Attorneys for Human Bees f/k/a Avitek Recruit, Inc.

EXHIBIT 4