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Attorneys for Plaintiff,
SILVIA OSUNA

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES, SPRING STREET

SILVIA OSUNA, individually and on behalf
of others similarly situated, and as an
aggrieved employee and Private Attorney
General; ASHLEY LOPEZ, individually and
on behalf of others similarly situated, and as
an aggrieved employee and Private Attorney
General,

Plaintiffs,

vs.

M. PERNECKY MANAGEMENT CORP.,
a California corporation d/b/a McDonald's;
MICHAEL EMMETT PERNECKY, an
individual; and DOES 1 through 50,
inclusive,

Defendants.

Case No.: 21STCV19885

*Assigned for All Purposes to: Hon. Stuart M.
Rice, Department 1*

CLASS ACTION

**DECLARATION OF HEATHER DAVIS
IN SUPPORT OF MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION AND PAGA SETTLEMENT**

Hearing Date: November 19, 2025
Hearing Time: 8:30 A.M.
Department: 1

Complaint Filed: March 26, 2021
Jury Trial Date: None Set

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1. I am an attorney duly admitted to the Bar of the State of California and all United States District Courts in the State of California. I am a partner with Protection Law Group, LLP, counsel of record for Plaintiff Silvia Osuna (“Plaintiff Osuna”) (collectively with Plaintiff Ashley Lopez, “Plaintiffs”). I have personal knowledge of the facts stated herein and if called as a witness I could and would competently testify thereto.

2. I am a duly licensed attorney and have been a member of the Colorado State Bar since 1998, the California State Bar since 2005 and the Arizona State Bar since 2007. I graduated from the University of Denver School of Law in 1998, and I am licensed to practice before all courts of the State of California and Colorado as well as the State of Arizona and District Courts throughout the country.

4. During my employment with Littler Mendelson, P.C., I continued my practice of employment law and was responsible for and defended dozens of complex class actions involving some of the largest representative and class actions brought under the California Labor Code, including meal and rest break violations, overtime, minimum wage claims, off the clock work and other related wage claims. My practice included the management of dozens of class actions. My management of these cases included taking and defending hundreds of depositions and interviews of hundreds of putative class members as well as extensive state, federal and appellate briefing on hundreds of wage and hour issues involving class actions.

5. During my employment at Littler Mendelson, I played a significant role in the class actions for which I was responsible. In particular, I was often in charge of the leading the strategy of the cases and drafting all of the briefs. I received a wide-array of wage and hour class action experience performing the following types of tasks: drafting demurrers; motions to strike

1 and/or dismiss; removing actions from state court to federal court; drafting and responding to
2 written discovery; drafting and opposing discovery related motions; arguing discovery related
3 motions; drafting motions to consolidate related matters; interviewing putative class members
4 and obtaining declarations in connection with class certification; drafting oppositions to motions
5 for class certification; drafting motions for decertification following class certification;
6 conducting exposure analyses to assess the strengths and weaknesses of asserted claims, the
7 likelihood of prevailing at class certification and potential damages resulting from such claims;
8 drafting mediation briefs; serving as the primary contact to in-house counsel; deposing plaintiffs
9 and putative class members; deposing retained expert witnesses; and defending the depositions
10 of corporate witnesses. In short, I played an integral role in all aspects of litigation from the
11 inception of a matter through and beyond class certification.

12 6. During my practice in other jurisdictions and continuing today, I have been
13 primarily devoted to working in employment law and on complex class action and representative
14 litigation and multi-plaintiff work.

15 7. Protection Law Group, LLP is a law firm specifically devoted to the representation
16 of employees against employers in California involving claims relating to violations of the
17 California Labor Code, including claims for failure to pay all wages owed, failure to pay overtime
18 premiums, failure to pay meal and rest premiums and failure to provide accurate wage records.
19 The practice of employment law is a very specific, narrow field which requires diligence in an
20 ever-evolving field of substantive and procedural law.

21 8. Although not exhaustive, below is a representative list of several of the wage and
22 hour class actions that I performed substantial work on while I was an attorney with Littler
23 Mendelson, including, but not limited to: *Villacres v. ABM Industries, Inc.*, 189 Cal.App.4th 562
24 (2010); *Brizuela v. Copart, Inc.*, CIVRS11101592, (San Bernardino Superior Court class action
25 settlement); *Augustus v. ABM Industries, Inc.*, BC336416, 2 Cal. 5th 257 (2016); *Tagaki v. United*
26 *Airlines*, 2:11-CV9191 (Central District class action settlement), *Babasa v. Comerica, Inc.*, 3:11-
27 CV00595, *Leyva v. Medline Industries, Inc.* 5:11-cv-00164 (Central District), *Blue v. Coldwell*
28 *Banker Residential Brokerage Co.*, BC417335, (Los Angeles Superior Court, class action

1 settlement), and *Acosta v. Texwood Industries, Inc.*, 2:07-cv-03237-DDP-PLA (Central District
2 class action settlement).

3 9. Since opening my firm, I have served as lead counsel or co-class counsel in several
4 wage and hour class and/or representative actions seeking wages and penalties owed on behalf of
5 employees for which final approval of the settlement or class certification has been granted,
6 including, but not limited to the following:

- 7 • *Holzer v. Wedbush Securities, Inc.*, BC550462 (Los Angeles Superior Court wage and
8 hour class action certifying class of independent contractors and appointing Protection
9 Law Group, LLP as class counsel);
- 10 • *White v. Windy Pizza Plus, LLC*, BC593377 (Los Angeles Superior Court wage and
11 hour class action certifying class of all non-exempt employees and appointing
12 Protection Law Group, LLP as class counsel);
- 13 • *Morera v. Continental Assets Mgmt.*, BC502003 (Los Angeles Superior Court wage
14 and hour class action appointing Protection Law Group, LLP as class counsel in
15 settlement);
- 16 • *Fong et al. v. Regis Corporation*, 3:13-cv-13-04497-VC (United States District Court,
17 Northern District of California, wage and hour class action settlement and
18 appointment Protection Law Group, LLP as class counsel in settlement);
- 19 • *Espinoza v. Financial Partners Credit Union*, BC502165 (Los Angeles Superior Court
20 wage and hour Class action appointing Protection Law Group, LLP as class counsel
21 in settlement);
- 22 • *Kesheshian, et al v. S. Cal. Logistics*, BC557981 (Los Angeles Superior Court wage
23 and hour class action appointing Protection Law Group, LLP as class counsel in
24 settlement);
- 25 • *Sampson v. 24 HR Homecare LLC*, BC586019 (Los Angeles County Superior Court
26 wage and hour class action);
- 27 • *Glenn v. Decron Properties Corp.*, BC578035 (Los Angeles Superior Court wage and
28 hour class action appointing Protection Law Group, LLP as class counsel in

- 1 settlement);
- 2 • *Torres v. Auto Rescue et al.*, RIC1509900 (Riverside County Superior Court wage and
- 3 hour class action appointing Protection Law Group, LLP as class counsel in
- 4 settlement);
- 5 • *Kashanian v. Plus Labs, Inc.*, 2016-1-CV-294231 (Santa Clara County Superior Court
- 6 wage and hour class action appointing Protection Law Group, LLP as class counsel in
- 7 settlement);
- 8 • *Cadena v. Tetra Property Management*, 257425 (Tulare County Superior Court wage
- 9 and hour class action appointing Protection Law Group, LLP as class counsel in
- 10 settlement);
- 11 • *Drayton v. Hollywood Park Casino*, BC593935 (Los Angeles Superior Court wage
- 12 and hour class action appointing Protection Law Group, LLP as class counsel in
- 13 settlement);
- 14 • *Khan v. FPI Management, Inc.*, JCCP4819 (Los Angeles Superior Court wage and
- 15 hour class action appointing Protection Law Group, LLP as class counsel in
- 16 settlement);
- 17 • *Byrd v. Masonite Corp.*, 5:16-cv-00035-JGBKK (United States District Court, Central
- 18 District of California appointing Protection Law Group, LLP as class counsel in
- 19 settlement);
- 20 • *Hadrick v. Woodmont Real Estate Serv., et al.*, CIV530405 (San Mateo County
- 21 Superior Court wage and hour class action appointing Protection Law Group, LLP as
- 22 class counsel in settlement);
- 23 • *Utterbach v. Daylight Transport, LLC et al.*, BC600994 (Los Angeles Superior Court
- 24 wage and hour class action appointing Protection Law Group, LLP as class counsel in
- 25 settlement);
- 26 • *Eiden v. Olive & June*, BC654685 (Los Angeles Superior Court wage and hour class
- 27 action appointing Protection Law Group, LLP as class counsel in settlement);
- 28 • *Lemus v. Slater Inc.*, CIVDS1703633 (San Bernardino Superior Court wage and hour

- class action appointing Protection Law Group, LLP as class counsel in settlement);
- *Deluna v. Amerit Fleet Solutions et al.*, CIVDS1721564 (San Bernardino Superior Court wage and hour class action appointing Protection Law Group, LLP as class counsel in settlement);
 - *Stone v. Universal Protection Services*, AAA Case No. 01-15-0002-7497 (American Arbitration Association wage and hour class action appointing Protection Law Group, LLP as class counsel in settlement on behalf of class of 75,000+ putative class members);
 - *Commick v. Prometheus Real Estate Group*, CIV531264 (San Mateo Superior Court wage and hour class action appointing Protection Law Group, LLP as class counsel in settlement);
 - *Martinez v. AMRO Fabricating Corp.*, BC681938 (Los Angeles Superior Court wage and hour class action appointing Protection Law Group, LLP as class counsel in settlement);
 - *Ramirez v. Western National Properties*, BC639319 (Los Angeles Superior Court wage and hour class action appointing Protection Law Group, LLP as class counsel in settlement);
 - *Hernandez v. Access Dental Plan et. al*, 34-2017-00220944 (Sacramento Superior Court wage and hour class action appointing Protection Law Group, LLP as class counsel in settlement);
 - *Fernandez v. Sumitomo Rubber North America, Inc.*, CIVDS1803211 (San Bernardino Superior Court wage and hour class action appointing Protection Law Group, LLP as class counsel in settlement);
 - *Gomez v. Fairway Staffing Services, Inc.*, BC689771 (Los Angeles Superior Court wage and hour class action appointing Protection Law Group, LLP as class counsel in settlement);
 - *Fuentes v. Communications Test Design, Inc.*, CIVDS1802427 (San Bernardino Superior Court wage and hour class action appointing Protection Law Group, LLP as

- class counsel in settlement);
- *Hartline v. Senior Operations, LLC*, BC697665 (Los Angeles Superior Court wage and hour class action appointing Protection Law Group, LLP as class counsel in settlement);
 - *Carrozzella v. Basalite Concrete Products, LLC*, 34-2014-00220214 (Sacramento Superior Court wage and hour class action appointing Protection Law Group, LLP as class counsel in settlement);
 - *Howey v. Battery Systems, Inc.*, 2026114 (Stanislaus Superior Court wage and hour class action appointing Protection Law Group, LLP as class counsel in settlement);
 - *Correa v. Cashbak, LLC*, BC723845 (Los Angeles Superior Court wage and hour class action appointing Protection Law Group, LLP as class counsel in settlement);
 - *Lemus v. Cass Construction*, 37-2017-00028180 (San Diego Superior Court wage and hour class action appointing Protection Law Group, LLP as class counsel in settlement);
 - *Sales v. J.S. International Shipping Corp.*, 18CIV05048 (San Mateo Superior Court wage and hour class action appointing Protection Law Group, LLP as class counsel in settlement);
 - *Aparicio v. Advantage Painting*, CIVDS2013809 (San Bernardino County Superior Court approving PAGA Settlement);
 - *Rodriguez v. TheRealReal, Inc.*, CGC-19-574661 (San Francisco County Superior Court approving PAGA Settlement);
 - *Parm v. Think Together*, CIVDS1823659 (San Bernardino County Superior Court approving PAGA Settlement);
 - *Casey-Neith v. Pacific Union Financial*, 30-2018-01014980 (Orange County Superior Court approving PAGA Settlement);
 - *Wallace v. Alvarado Restaurant Group, LLC*, 20STCV26260 (Los Angeles County Superior Court approving PAGA Settlement);
 - *Adams v. West Marine Products, Inc.*, 19CIV00436 (San Mateo Superior Court wage

1 and hour class action appointing Protection Law Group, LLP as class counsel in
2 settlement); and

- 3 • *Coronel, et al. v. CMH Manufacturing, Inc., et al.*, RIC2003070 (Riverside County
4 Superior Court approving PAGA Settlement);
- 5 • *Elliott v. Safeamerica Credit Union*, RG19016356 (Alameda County Superior Court
6 approving Class Action and PAGA Settlement)
- 7 • *Herrera et al. v. Anixter, Inc. et al.*, 30-2020-01142893-CU-OE-CXC (Orange County
8 Superior Court approving Class Action and PAGA Settlement);
- 9 • *Alvarez v. 2H Construction, Inc.*, 21STCV05675 (Los Angeles County Superior Court
10 approving Class Action and PAGA Settlement);
- 11 • *Bahena v. New Way Landscape & Tree Services*, 37-2020-00030533-CU-OE-CTL
12 (San Diego County Superior Court approving Class Action and PAGA Settlement);
- 13 • *Guerrero v. Food Technology and Design, LLC*, 18STCV02304 (Los Angeles County
14 Superior Court approving Class Action Settlement);
- 15 • *Gonzalez v. Vista Pacifica Enterprises, Inc.*, RIC2001557 (Riverside County Superior
16 Court approving PAGA Settlement);
- 17 • *Alvarado v. Kiwi II Construction, Inc.*, RIC2001558 (Riverside County Superior
18 Court approving PAGA Settlement);
- 19 • *Carrillo v. Weartech International, Inc.*, 30-2020-01151333-CU-OE-CXC (Orange
20 County Superior Court approving Class Action and PAGA Settlement);
- 21 • *McCrumb v. Trifecta Management Group, Inc. et al.*, BCV-19-100621 (Kern County
22 Superior Court approving Class Action and PAGA Settlement);
- 23 • *Andrade v. Dirt Movers, Inc.*, STK-CV-UOE-2021-0008346 (San Joaquin County
24 Superior Court approving Class Action and PAGA Settlement);
- 25 • *Barela v. Quail Park Retirement Village, LLC*, VCU282224 (Tulare County Superior
26 Court approving Class Action Settlement)
- 27 • *Martinez v. Merit Logistics, LLC*, RIC2001625 (Riverside County Superior Court
28 approving Class Action and PAGA Settlement)

- 1 • *Aguilar v. Animal Supply Company, LLC*, 19STCV31413 (Los Angeles County
2 Superior Court approving Class Action and PAGA Settlement)
- 3 • *Marquez v. Collabera Inc.*, 37-2022-00010988-CU-0E-CT (San Diego Superior Court
4 approving Class Action and PAGA Settlement);
- 5 • *Hernandez v. Baltazar Construction, Inc.*, 21STCV11456 (Los Angeles County
6 Superior Court approving Class Action and PAGA Settlement)
- 7 • *Cortez v. Perfect Pac L.P.*, MCV084722 (Madera County Superior Court approving
8 Class Action and PAGA Settlement)
- 9 • *Rivera v. J.B. Wholesale Roofing and Building Supplies, Inc.*, 21TRCV00503 (Los
10 Angeles County Superior Court approving Class Action and PAGA Settlement)
- 11 • *McCoy v. Road Runner Sports, Inc.* 19STCV37733 (Los Angeles County Superior
12 Court approving Class Action and PAGA Settlement)
- 13 • *Lopez v. Bio-Reference, LLC*, 21STCV46533 (Los Angeles County Superior Court
14 approving Class Action and PAGA Settlement)
- 15 • *Holladay v. Grandcare Health Services, LLC et al.*, 20STCV42115 (Los Angeles
16 County Superior Court approving Class Action and PAGA Settlement)
- 17 • *Brooks v. Younger MFG, Co.*, 19STCV20386 (Los Angeles County Superior Court
18 approving Class Action and PAGA Settlement)
- 19 • *Jurado v. Aequor Healthcare Services, LLC, et. al*, 21STCV06001 (Los Angeles
20 County Superior Court approving Class Action and PAGA Settlement)
- 21 • *Flowers et al. v. Unical Aviation Inc.*, CIVDS1804952 (San Bernardino County
22 Superior Court approving Class Action and PAGA Settlement)
- 23 • *McGrew v. Pabon Construction Company*, 21STCV30819 (Los Angeles County
24 Superior Court approving Class Action and PAGA Settlement)
- 25 • *Parrott v. Knorr Systems Int'l, LLC et.al.*, 30-2022-01268047-CU-OE-CXC (Orange
26 County Superior Court approving Class Action and PAGA Settlement)
- 27 • *Gonzalez et.al. v. Children's Home of Stockton*, STK-CV-UOE-2022-0006373 (San
28 Joaquin County Superior Court approving Class Action and PAGA Settlement)

- *Mijangos v. Grant Construction Company*, BCV-23-102043 (Kern County Superior Court approving Class Action and PAGA Settlement)
- *Varela v. McKinley Children's Center*, 22STCV17487 (Los Angeles County Superior Court approving Class Action and PAGA Settlement)
- *Torres v. Jan Marini Skin Research, Inc.*, 22CV401294 (Santa Clara County Superior Court approving Class Action and PAGA Settlement)
- *Muir v. Dave's World, Inc. dba Tahoe Dave's Skis & Boards*, S-CV-0049251 (Placer County Superior Court approving Class Action and PAGA Settlement)
- *Garcia v. City Wide Property Services, Inc.*, 34-2022-00328787 (Sacramento County Superior Court approving Class Action and PAGA Settlement)
- *Cazarez et. al v. West Coast Drywall & Co., Inc.*, RIC1902851 (Riverside County Superior Court approving Class Action and PAGA Settlement)
- *Villanueva v. RedRock Technologies, Inc.*, 30-2022-01263687-CU-OE-CXC (Orange County Superior Court approving Class Action and PAGA Settlement)
- *Renteria v. Paramount Export Company*, 23CV028255 (Alameda County Superior Court approving PAGA Settlement)
- *Martinez v. L.A. County Masonry, Inc*, 23STCV22388 (Los Angeles County Superior Court approving Class Action and PAGA Settlement)

10. I am fully familiar with the legal and factual issues in this matter, and have specific experience litigating complex wage and hour actions as class actions, including employment cases as set forth above.

11. Including myself, Protection Law Group includes thirteen (13) attorneys, all of whom actively and continuously represent plaintiffs in employment class actions and representative actions, in Superior Courts throughout the State of California, in the Court of Appeal, and in various Federal courts. Because of the unique history and nature of our practice, all of the attorneys at Protection Law Group have a high level of knowledge and experience in labor and employment law. Besides myself, the following attorneys at Protection Law Group expended significant time in connection with this matter:

- 1 a. Amir Nayebdadash – Founding Partner of Protection Law Group, LLP. Mr.
2 Nayebdadash received his Bachelor of Arts degree from University of California,
3 Los Angeles and a Juris Doctor degree from Pepperdine University School of Law.
4 He was admitted to practice law in California in November of 2004, and has been
5 admitted to practice in all federal district courts in the State of California. Prior to
6 founding Protection Law Group, LLP, Mr. Nayebdadash worked at Littler
7 Mendelson, P.C., the largest labor and employment law firm in the United States.
8 In 2013, Mr. Nayebdadash and I founded Protection Law Group LLP. Since the
9 inception of Protection of Law Group, LLP, Mr. Nayebdadash has focused his
10 practice on the representation of employees against employers in California. Mr.
11 Nayebdadash has extensive experience in all aspects of employment litigation,
12 with a focus on wage and hour class and representative action, including, but not
13 limited to taking and defending depositions, briefing and arguing motions,
14 preparing for class certification, negotiating complex wage and hour settlements,
15 trial and appeal.
- 16 b. Susan R. Huerta – (Former) Senior Associate at Protection Law Group, LLP. Ms.
17 Huerta’s hourly rate of \$750 per hour is supported by her previous approval history
18 and years of Plaintiff’s employment experience. Ms. Huerta graduated from
19 California State University, Northridge in 2003 with a Bachelor of Science in
20 Business Law and Finance. She graduated from Southwestern Law School in 2007
21 with a Juris Doctor degree and has been licensed to practice law before all state
22 courts in the State of California since June 2008, before the Central and Northern
23 Districts of California, and the Ninth Circuit Court of Appeals. Ms. Huerta’s 16-
24 year experience consists primarily of plaintiff’s employment matters, namely wage
25 and hour, including wage and hours class actions, Fair Employment and Housing
26 Act, Title VII, ADA, ADEA, CFRA, and FMLA matters, wrongful termination,
27 negligent hiring and supervision, civil rights, Unruh Act, Ralph Act, Bane Act,
28

1 harassment, sexual assaults, battery, gender violence, use of force, police brutality,
2 and child pornography. Ms. Huerta has extensive experience in briefing and arguing
3 motions, managing discovery and depositions, trial preparation and trial, preparing
4 for class certification, drafting mediation briefs and mediating cases, complex
5 settlements, and employment appeals.

6 c. Brendan Burton – Senior Associate at Protection Law Group, LLP. Mr. Burton
7 received his Bachelors of Arts degree from the University of San Diego and a Juris
8 Doctor degree from California Western School of Law. Mr. Burton was admitted
9 to practice in California in December 2018 and is admitted to practice law in the
10 Central District of California. Prior to joining Protection Law Group, LLP, Mr.
11 Burton’s practice focused on recovering damages for injured victims. Since joining
12 Protection Law Group, LLP, Mr. Burton’s practice has focused solely on the
13 representation of employee plaintiffs in complex wage and hour class and
14 representative actions. Mr. Burton has extensive experience briefing and arguing
15 motions, and managing written discovery.

16
17 d. Shadi Sahebghalam – Associate Attorney at Protection Law Group, LLP. Ms.
18 Sahebghalam received her Bachelor of Liberal Arts degree from University of
19 California, Los Angeles and a Juris Doctor degree from Pacific Coast University,
20 School of Law. Ms. Sahebghalam was admitted to practice in California in April
21 2022 and is admitted to practice law in Eastern and Southern Districts of
22 California Federal Courts. Prior to joining Protection Law Group, LLP, Ms.
23 Sahebghalam’s practice focused on representing plaintiffs in individual
24 employment discrimination cases and wage and hour disputes in state and federal
25 court as well as arbitration. After joining Protection Law Group, LLP, Ms.
26 Sahebghalam’s practice has focused solely on the representation of employee
27 plaintiffs in complex wage and hour class and representative actions.

28 12. The Settlement presented here only resulted after having engaged in extensive

informal discovery and investigation and is the product of hard-fought litigation and extensive arms' length negotiations. In my opinion as an experienced class counsel, the Settlement is fair, reasonable, adequate, and in the best interests of the Class.

PROCEDURAL HISTORY AND FACTUAL BACKGROUND

13. Defendants M. Pernecky Management Corp. and Michael Emmett Pernecky ("Defendants") operate McDonald's restaurants in various locations in California. Defendant M. Pernecky Management Corp. employed Plaintiff Osuna as a Line Cook from approximately November 2016 until approximately September 2021. *See* Declaration of Silvia Osuna in Support of Motion for Preliminary Approval, ("Osuna Decl."). Defendants also employed Plaintiff Lopez as a Crew Member from approximately January 10, 2020, until approximately April 2021. *See* Declaration of Ashley Lopez in Support of Motion for Preliminary Approval, ("Lopez Decl."). Both Plaintiffs Osuna and Lopez were classified as non-exempt employees and paid on an hourly basis.

14. On May 26, 2021, Plaintiff Osuna filed a representative lawsuit against Defendants with the Los Angeles County Superior Court, Case No. 21STCV19885 for civil penalties pursuant to California's Private Attorneys General Act ("PAGA"). On July 2, 2021, Plaintiff Osuna filed a first amended complaint to include her wage and hour class action claims, alleging the following ten (10) causes of action: (1) Unpaid Overtime; (2) Unpaid Meal Period Premiums; (3) Unpaid Rest Period Premiums; (4) Unpaid Minimum Wages; (5) Final Wages Not Timely Paid; (6) Wages Not Timely Paid During Employment; (7) Failure to Provide Accurate Wage Statements; (8) Failure to Reimburse Necessary Business Expenses; (9) Violation of California Business & Professions Code §§ 17200, *et. seq.*; and (10) Violation of the Private Attorneys General Act (PAGA). Attached hereto as **Exhibit 1** are true and correct copies of Plaintiffs' PAGA Notices.

15. On July 9, 2021, Plaintiff Osuna served (i) a sample *Belaire-West* Notice, (ii) Form Interrogatories – General, Set One, (iii) Special Interrogatories, Set One, (iv) Requests for Production of Documents, Set One, and (v) a Notice of Deposition of Defendants' Person(s) Most Qualified.

16. The Parties met and conferred regarding the discovery, and the prospect of staying

1 formal discovery and attending a global private mediation. The Parties agreed to attend a private
2 mediation on September 15, 2022, with Mark Rudy, Esq., a mediator with substantial experience
3 with wage and hour matters.

4 17. On August 15, 2022, the Parties filed a Joint Stipulation Regarding Mediation and
5 Discovery, setting forth certain conditions and pre-requisites for mediation.

6 18. In advance of mediation, Defendants provided Plaintiffs' Counsel with extensive
7 informal discovery including all relevant policies and handbooks in place during the Class Period,
8 which included Plaintiffs' personnel records; all applicable policies relating to meal breaks, rest
9 breaks, timekeeping, the payment of wages and other relevant areas of investigation; a randomly
10 selected 20% sampling of time and payroll data for the putative class; and figures and information
11 regarding the class size and composition. The randomly-selected 20% sampling included records
12 for putative class members who were employed throughout different time periods during the Class
13 Period, that is representative of the Class. With this data for the Class, Plaintiffs were able to
14 perform a comprehensive damages analysis and estimate Defendants' potential violations,
15 liability, and exposure, including, and not limited to, analyzing time and pay data, considering
16 potential meal period violations, potential rest period violations, potential synthetic meal period
17 recordings, unpaid and rest period premiums, rounding, overtime and premium payments, etc.
18 This discovery and investigation allowed Plaintiffs' Counsel to perform a comprehensive
19 damages analysis and estimate Defendants' potential liability.

20 19. On September 15, 2022, the Parties attended mediation with Mark Rudy, Esq. At
21 mediation, Defendants raised financial distress of their company, which was struggling after the
22 COVID-19 pandemic. The mediation was hotly contested, and after a full-day of mediation, the
23 Parties were unable to come to a resolution. The Parties agreed to return to litigation pending
24 Defendants' production of confidential financial information to substantiate their financial
25 distress claims.

26 20. On October 17, 2022, Defendants served their Supplemental Discovery Responses
27 and Document Production.

28 21. In December 2022, Defendants produced detailed, extensive financial

1 documentation relating to Defendants' financial condition.

2 22. On March 17, 2023, the Court set a briefing schedule for Plaintiff's Motion for
3 Class Certification.

4 23. From March 2023 through July 2023, the Parties met and conferred extensively
5 regarding Defendants' Supplemental Discovery Responses, and attended several Informal
6 Discovery Conferences ("IDCs").

7 24. On July 3, 2023, Defendants propounded discovery on Plaintiffs totaling over 500
8 requests (130 Requests for Admission; 155 Special Interrogatories; and 182 Requests for
9 Production).

10 25. On August 25, 2023, Defendants served further supplemental discovery responses
11 and documents.

12 26. Thereafter, the Parties met and conferred regarding Defendants' Second
13 Supplemental Responses and production of documents, and the possibility of attending a second
14 mediation, which would include Defendants' updated financial information. However, due to
15 Defendants' conditions placed on mediation, the Parties could not agree to attend.

16 27. On November 7, 2023, Plaintiff Osuna filed an Ex Parte Application to Continue
17 Hearing on Plaintiffs' Motion for Class Certification and All Related Deadlines. The Court
18 granted Plaintiff's Ex Parte Request on November 8, 2023.

19 28. On April 26, 2024, Defendants served Third Supplemental Responses and
20 production of documents to Plaintiffs' discovery.

21 29. On May 22, 2024, Plaintiff filed a Second Ex Parte Application to Continue
22 Hearing on Plaintiffs' Motion for Class Certification and All Related Deadlines. The Court
23 granted Plaintiffs' Ex Parte Request on May 23, 2024.

24 30. On June 21, 2024, Plaintiff served Defendants with an Amended Deposition
25 Notice of Defendants' PMQ. Contained in the Amended Deposition Notice were topics of
26 examination, and Requests for Production of Documents at the time of Deposition.

27 31. Thereafter, the Parties met and conferred and agreed to attend a second global
28 mediation on June 5, 2024, with Kevin Barnes, Esq., a highly-respected mediator with substantial

1 experience handling wage and hour matters. Defendants agreed to produce updated data points,
2 records, and confidential financial documentation prior to the second mediation.

3 32. However, just prior to the second global mediation, Defendants represented more
4 serious financial difficulties, which would impact Defendants' ability to settle the matter on a
5 class wide basis. Defendants provided updated extensive confidential financial documentation to
6 Plaintiffs, who then provided them to Plaintiffs' outside financial expert to confirm Defendant's
7 representations. However, the Parties' respective experts found discrepancies that needed to be
8 worked out.

9 33. After a full-day of mediation, the Parties were once again unable to come to an
10 agreement, but agreed to continue settlement discussions through the mediator and push forward
11 with depositions, including the deposition Defendants' Person(s) Most Qualified ("PMQ").

12 34. On June 21, 2024, Plaintiff served Defendants with an Amended Deposition
13 Notice of Defendants' PMQ. Contained in the Amended Deposition Notice were topics of
14 examination, and Requests for Production of Documents at the time of Deposition.

15 35. On July 25 and 26, 2024, Plaintiff Osuna took the deposition of Defendants'
16 Person Most Qualified, Miriam Gobrial. The deposition lasted two full days, where Ms. Gobrial
17 testified to numerous documents that were withheld or destroyed despite being responsive to
18 various document Demands. Due to the missing documents, the Parties' stipulated to suspend the
19 deposition and meet and confer on the missing documents and resume the deposition on a
20 mutually agreeable date after the production.

21 36. On November 7, 2024, the Parties attended a Further Status Conference, where the
22 Court implored the Parties to further meet and confer regarding the outstanding written discovery
23 issues, setting of remaining depositions, and attempting to resolve the Action. The Court also
24 indicated that it was inclined to grant an *Ex Parte* Application by Plaintiff to Continue the Motion
25 for Class Certification filing deadline as requested by Plaintiff.

26 37. On November 14, 2024, the Parties confidentially met and conferred with each
27 sides' respective financial experts. The experts were able to work out the data discrepancies, and
28 the Parties were able to objectively agree to the controlling data set.

1 38. On November 26, 2024, the Court continued Plaintiff's Motion for Class
2 Certification filing deadline.

3 39. After the Parties' experts met and conferred, and after Plaintiffs' Counsel's
4 extensive review of the informal production of documents, the Parties engaged in intensive
5 settlement discussions during which they debated their respective positions and exchanged views
6 regarding the strengths and weaknesses of the alleged claims. After weeks of back and forth
7 meeting and conferring, the Parties, with the help of the mediator, were able to reach a settlement
8 for a Gross Settlement Amount of Two Million Dollars (\$2,000,000.00) to be paid out over two
9 installments, given Defendants' financial distress.

10 40. The Parties then worked diligently to negotiate and memorialize the terms of a
11 long form settlement agreement. On May 23, 2025, after extensive discussions, meet and confer
12 calls, and multiple revisions to the agreement, the Parties entered into a fully executed Joint
13 Stipulation of Class Action Settlement.

14 41. Now, following significant investigation into the alleged claims, and lengthy
15 settlement discussions, Plaintiffs hereby move for preliminary approval of the proposed
16 Settlement Agreement and have notified the LWDA of the proposed Agreement.

17 **SUMMARY OF THE TERMS OF SETTLEMENT**

18 42. Plaintiffs seek preliminary approval of the proposed Joint Stipulation of Class
19 Action and PAGA Settlement (hereinafter "Settlement Agreement" or "Settlement"). Attached
20 hereto as **Exhibit 2** is a true and correct copy of the Parties' Settlement Agreement. A true and
21 correct copy of the proposed Notice of Proposed Class Action Settlement is attached to the
22 Settlement Agreement as **Exhibit A**.

23 43. Plaintiffs seek to provisionally certify the following class for settlement purposes:
24 "all current and former hourly paid or non-exempt employees employed by Defendants within
25 the state of California at any time during the Class Period." The release of claims covers the time
26 period from May 26, 2017, and February 28, 2025 ("Class Period"). *See* Settlement Agreement
27 ¶¶ 3, 7.

28 44. According to information provided to my office by Defendants' Counsel, the

proposed Class contains approximately 3,983 settlement Class Members.

45. Pursuant to the Settlement Agreement, Defendants shall fund the Gross Settlement Amount and all applicable employer-side payroll taxes following Final Approval by the Court and the Effective Date, and (i) the First Installment payment of one-million dollars and zero cents (\$1,000,000.00) to be paid on the Effective Date (the “First Installment”); and (ii) the Second Installment payment of one-million dollars and zero cents (\$1,000,000.00) to be paid on December 15, 2026 (the “Second Installment”). Settlement Agreement ¶ 40.

46. Subject to Court approval, the Parties have agreed to settle the Class claims at issue in the Actions for a non-reversionary Gross Settlement Amount of \$2,000,000.00. Settlement Agreement ¶¶14, 40.

47. The Gross Settlement Amount will initially be allocated as follows:

- a. attorneys’ fees in the amount of one-third of the Gross Settlement Amount, equaling \$700,000.00;
- b. litigation costs, not to exceed \$50,000.00;
- c. Settlement Administration Costs not to exceed \$15,000;
- d. Class representative incentive awards to Plaintiffs in the amount of \$10,000.00 each for a total of \$20,000.00;
- e. Payment of PAGA Penalties in the amount of \$100,000 (\$75,000 of which to be paid to the California Labor and Workforce Development Agency and \$25,000 – to PAGA Members).

Settlement Agreement ¶¶14, 21, 35, 42-47.

48. After deducting these amounts, the Net Settlement Amount of approximately \$1,115,000.00 shall be distributed to the Participating Class Members on a *pro-rata* basis based on the number of Workweeks worked during the Class Period. Settlement Agreement ¶¶14, 16, 48.

49. The payment to each Class Member will vary based on the number of workweeks the member worked.

50. Each Class Member’s settlement allocation will be allocated as follows: twenty

1 percent (20%) wages subject to withholding, forty percent (40%) interest and forty percent (40%)
2 penalties. Settlement Agreement ¶¶48.

3 51. Employer-side payroll taxes shall be paid by Defendants separately from and in
4 addition to the Gross Settlement Amount. Settlement Agreement ¶¶14, 40.

5 52. The proposed Settlement Agreement is a non-reversionary, non-claims made
6 settlement. All money from the Net Settlement Amount will be distributed to the Class Members.
7 No money will revert to Defendants. *See* Settlement Agreement ¶¶14, 40.

8 53. Any checks issued by the Settlement Administrator to Participating Class
9 Members will be negotiable for at least one hundred eighty (180) calendar days (not less than 180
10 days after the date of the mailing). Settlement Agreement ¶¶62.

11 54. If a Participating Class Member does not cash his or her settlement check within
12 one hundred eighty (180) calendar days, the uncashed funds, subject to Court approval, shall be
13 distributed to the Controller of the State of California to be held pursuant to the Unclaimed
14 Property Law, California Civil Code § 1500, et. seq. in the name of and for the benefit of those
15 Participating Class Members. *See* Settlement Agreement ¶¶62.

16 55. The Individual Settlement Payments provided to Participating Class Members a
17 shall prominently state the expiration date or a statement that the settlement check will expire in
18 one hundred eighty (180) calendar days, or alternatively, such a statement may be made in a letter
19 accompanying the Individual Settlement Payment. Settlement Agreement ¶¶62.

20 56. No “unpaid residue” will result from the Settlement. Settlement Agreement ¶¶62.

21 57. This proposed Settlement resolves all claims for Participating Class Members who
22 will release their wage and hour claims against Defendants and the Released Parties, as defined
23 in the Settlement Agreement. The release for Participating Class Members is narrowly tailored to
24 only release claims based upon the facts alleged in the operative complaint in the Action, for the
25 Class Period. Settlement Agreement ¶¶9, 28-30, 44, 59, 67-69.

26 **THE SETTLEMENT IS REASONABLE**

27 **Method of Distribution**

28 58. The proposed settlement is based on the number of Workweeks worked by each

1 Class Member during the Class Period. This method is commonly used in wage and hour class
2 actions because it relies upon objective evidence of the total days of employment, which Class
3 Members can easily review and confirm for themselves. This information is readily available
4 from Defendants' records, and the Settlement Administrator can apply the formula in a fair and
5 transparent manner.

6 59. Additionally, this method of distribution is commonly used in wage and hour class
7 actions because it allows for a distribution that corresponds closely to the alleged damages since
8 employees experience the same working conditions, so their damages are directly related to the
9 amount of time they were employed.

10 60. The effectiveness of Class Counsel in prosecuting this case has translated into
11 monetary benefits for the Settlement Class in the following respects: (1) the Settlement Class,
12 will recover over a reasonably short period of time as opposed to waiting additional years for the
13 same, or possibly, a worse, result; (2) a guaranteed result that compares favorably with other
14 similar class action settlements of this type, (3) significant savings in Class Counsel's fees and
15 costs which would have only increased significantly had the case progressed through trial,
16 appeals, and continued litigation.

17 **Arm's-Length Bargaining and Discovery**

18 61. Settlement Agreement was reached in this matter only after extensive formal and
19 informal discovery and investigations, including review and analysis of a 20% class wide
20 sampling of time and payroll data, as well as information and documentation concerning the
21 claims set forth in the complaint, such as Defendants' employee handbooks and relevant wage
22 and hour policies and procedures, information regarding the number of putative Class Members
23 and the number of current versus former employees, and the total workweeks and pay periods
24 worked by the Class. This investigation allowed Plaintiffs' Counsel to act intelligently in
25 negotiating the settlement. Plaintiffs' Counsel thoroughly reviewed the formal and informal
26 discovery prior to the mediation and conducted a class-wide assessment and analysis of
27 Defendants' potential damages based on the documents and information provided. The Parties
28 extensively briefed the strengths and weaknesses of Plaintiffs' claims and Defendants' defenses

1 and provided their analyses to the mediator for her consideration.

2 62. On June 5, 2024, the Parties engaged in the second full day of mediation with
3 Kevin Barnes, Esq., a highly respected mediator with particular experience in wage and hour class
4 actions, during which the Parties engaged in extensive settlement negotiations. The settlement
5 negotiations were at arm's length and, although conducted in a professional manner, were
6 adversarial. Defendants at all times maintained that it had complied with California wage and
7 hour laws. Likewise, Plaintiffs were prepared to vigorously litigate this dispute and, in
8 preparation, took the depositions of Defendants' Persons Most Qualified ("PMQs") on July 31,
9 2024, and August 1, 2024. The proposed settlement was reached at the end of a process that was
10 neither fraudulent nor collusive and was reached only after two full days of mediations allowed
11 the Parties to reach a compromise of the hotly disputed claims with the help of the mediators.
12 Following mediation, the Parties continued to negotiate the form of the proposed settlement
13 agreement with both sides revising the agreement multiple times before reaching the final
14 settlement terms.

15 **Estimate of Potential Value**

16 63. My office analyzed all available data and estimated Defendants' maximum
17 potential exposure at approximately \$31,551,897.70 assuming the litigation was successful at trial
18 on the claims at issue, and then reduced this exposure analysis based on the likelihood of obtaining
19 class certification, prevailing at trial, and other attendant risks. Based on the information provided
20 by Defendants, I estimated the total meal break damages of \$3,460,096.92 for all Class Members.
21 I also estimated the total rest break damages of \$3,460,096.92 for all Class Members. Plaintiffs'
22 claims for overtime were based on off-the-clock work. Based on these practices I estimated that
23 Defendants owed the Class approximately \$5,994,407.06 in unpaid overtime. Waiting time
24 penalties amounted to \$11,547,196.80. Penalties for inaccurate wage statements amounted to
25 \$7,090,100.00. However, during the mediation, Defendants raised several issues which impacted
26 the risks attendant to proceeding on a class-wide basis. I also estimated maximum non-duplicative
27 PAGA penalties of approximately \$58,269,300.00 which also includes penalties under Labor
28 Code §§ 204 and 1174(d).

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65. Defendants proffered defenses to both certification and the merits of Plaintiffs' claims. Defendants contended that Plaintiffs' claims were not suitable for class certification because individual issues and affirmative defenses would predominate should this case go to trial. As with all class actions, these complex cases raise difficult management and proof issues and, accordingly, there is a significant risk that the Court may deny class certification.

66. A large portion of Defendants' overall liability lies in Plaintiffs' meal and rest period claims. Plaintiffs' theory of liability was based upon Defendants' failure to provide timely, full, and/or uninterrupted meal and rest periods. Plaintiffs contend that Defendants' practices throughout the class period were unlawful, required employees to perform work during their meal and rest periods and interfered with employees' rights to take meal and rest breaks where they were completely relieved of their duties. Plaintiffs contend that Defendants failed to pay meal and rest period premiums for missed, late, short, or interrupted meal periods that arose as a result of these practices. Based on a review and analysis of the time and payroll data provided my office estimated that potential meal period damages of \$3,460,096.92 and rest period damages of \$3,460,096.92.

DECLARATION OF HEATHER DAVIS IN SUPPORT OF MOTION FOR PRELIMINARY APPROVAL OF
CLASS ACTION AND PAGA SETTLEMENT - 21

1 that investigation into these meal periods would raise multiple individual issues that would pose
2 challenges to certification, including whether meal periods were non-compliant, why they were
3 non-compliant, and whether they had been waived. Defendants contended that these highly
4 individualized questions of fact would prevent class certification. Similarly, Plaintiffs will likely
5 face difficulties proving the alleged rest period violations, as Defendants were not required to
6 record these breaks. Defendants claimed it allowed employees to take their state mandated rest
7 periods and given the lack of records demonstrating rest period violations, there were legitimate
8 concerns Plaintiffs would not be able to certify this claim or prove substantial damages.

9 68. Plaintiffs estimated meal period damages could amount to \$3,460,096.92 (233,518
10 workweeks x 5 shifts per week x \$17.11 average rate of regular pay x 17.3% violation rate). While
11 Class Counsel disagreed with Defendants' arguments and factual contentions, Class Counsel
12 recognized the circumstances and realities of the case, applicable case law and regulations, costs
13 and expenses of further litigation and certification, and risks to recovery, associated with this
14 claim. Accordingly, Plaintiffs applied a 60% discount for risks associated with certification of
15 this claim; a 70% discount associated with the risks of succeeding on the merits, establishing
16 liability, and proving damages; and 30% miscellaneous discount related to Defendants'
17 insolvency, leaving a resulting value of \$290,648.14. Applying the same method and discount to
18 the rest break violations, the resulting discounted damages amount to \$290,648.14.

19 ***Minimum Wage and Overtime Claims***

20 69. Plaintiffs allege that Defendants failed to pay putative class members minimum
21 wages and overtime as a result of practices that required putative class members to perform work
22 during meal periods and before clocking-in and after clocking-out in order to perform their normal
23 duties, and other tasks off-the-clock.

24 70. Defendants contended that all employees were required to record all time worked
25 and that Defendants were not aware that any work had been performed off-the-clock and
26 overtime. Defendants also argued that individual liability issues predominate, including: (1)
27 whether each employee worked off-the-clock; and (2) whether Defendants knew or should have
28 known about each employee's off-the-clock work. Moreover, given that these claims were based

on off-the-clock work not reflected in Defendants' time records, Defendants argued that proving damages at trial would not be manageable.

71. Plaintiffs estimate that employees spent approximately one (1) hour each day or 60 minutes a week in unpaid off-the-clock overtime work and that employee unpaid wages could total as much as \$5,994,407.06 (233,518 workweeks x 1 hour unpaid wages per week x \$25.67 overtime rate of pay).

72. Plaintiffs disagree with Defendants' contentions but acknowledge that claims regarding off-the-clock overtime work involve substantial challenges in obtaining and maintaining class certification, establishing liability and providing damages, in light of potential individualized issues and the lack of records. Accordingly, Class Counsel discounted their initial valuation of this claim by 60% to account for risks regarding certification; by 70% for the risks associated with succeeding on the merits, establishing liability, proving the extent of damages and ultimately obtaining this award; and by 30% for miscellaneous discount related to Defendants' insolvency. This resulted in a risk-based estimate of approximately \$503,530.19 with respect to these claims.

Waiting Time Penalties

73. Plaintiffs allege that Defendants intentionally and willfully failed to pay Plaintiffs and other putative class members all wages due to them upon termination, within the time period permissible under California law as a result of Defendants' failure to pay employees all wages due from off-the-clock work, as well as unpaid meal and premiums. Based on the information provided by Defendants at mediation there were approximately 2,812 former employees whom Plaintiffs believe were entitled to waiting time penalties of \$11,547,196.80 (2,812 former employees in the 3-year statute of limitations x \$17.11 average rate of pay x 8 hours per day x 30 days in month).

74. However, there were substantial risks associated with Plaintiffs' waiting time penalties claims. First, these claims were derivative of Plaintiffs' previous claims and if certification was denied on those underlying claims, these claims would also likely fail. Moreover, even if Plaintiffs prevailed on these claims, they would still be required to demonstrate that

1 Defendants' violations of Labor Code § 203 were willful violations, a difficult prospect.
2 Accordingly, Class Counsel discounted their initial valuation of this claim by 75% to account for
3 risks regarding certification; 80% for the risks associated with succeeding on the merits,
4 establishing liability, proving the extent of damages, and ultimately obtaining this award; and
5 30% for miscellaneous discount related to Defendants' insolvency. This resulted in a risk-based
6 estimate of approximately \$404,151.89 with respect to this claim.

7 ***Wage Statement Claims***

8 75. Plaintiffs contend that throughout the class period there were derivative violations
9 arising from the claims alleged above. Based on these claims and assuming a violation could be
10 proven once per pay period for each of the 660 employees employed during the 1-year time period
11 employees were eligible for penalties, Plaintiffs estimated potential penalties for wage statement
12 violations of approximately \$ 7,090,100.00 (660 employees x \$4000 maximum penalty in the 1
13 year statute of limitations).

14 76. Defendants contended that Plaintiffs and putative class members suffered no
15 actual injury from the alleged facial wage statement violations. Defendants also contended that
16 derivative violations would rise or fall based on the prior claims and that it could not be
17 demonstrated that these violations for items such as off-the-clock work were knowing and
18 intentional. Wage statement claims have also seen varying treatment at the appellate level because
19 such claims have an element of discretion attached to them rather than a pure calculation of
20 damages after liability is proven. *Cf., Jaimez v. DAIOHS USA, Inc.*, 181 Cal.App.4th 1286 (2010)
21 *with Price v. Starbucks Corp.*, 192 Cal.App.4th 1136 (2011). While Class Counsel does not agree
22 with this assessment, in light of the risks raised by Defendants, Class Counsel discounted their
23 initial valuation by 75% for risks pertaining to certification; 80% for risks pertaining to the merits,
24 proving the extent of damages, and obtaining this award; and 30% for miscellaneous discount
25 related to Defendants' insolvency. This resulted in a risk-based adjustment of \$248,153.50 for
26 this claim.

27 ///

28 ///

1 ***PAGA Claims***

2 77. Plaintiffs' Counsel also separately contemplated the risks of proceeding with the
3 PAGA action and the potential liability Defendants could face from this claim.

4 78. The Parties agreed during settlement negotiations to allocate \$100,000.00 of the
5 Settlement towards the PAGA claims, which represents approximately 5.00% of the Gross
6 Settlement Amount. This percentage of the settlement allocated to the PAGA claims is well above
7 the range in wage and hour settlements regularly approved in both state and federal court for cases
8 that include both a class and PAGA action. Courts have approved allocations of as little as 1% of
9 the Gross Settlement Amount. *See, e.g.:*

- 10 • *Davis v. Brown Shoe Co.*, 2015 U.S. Dist. LEXIS 149010 (E.D. Cal. 2015) (PAGA
11 Payment of \$5,000 in a \$1.5 million class settlement);
- 12 • *Zamora v. Ryder Integrated Logistics, Inc.*, 2014 U.S. Dist. LEXIS 184096 (S.D. Cal.
13 2014) (\$7,500 payment to LWDA for PAGA on a \$1.5 million class settlement);
- 14 • *Lusby v. Gamestop Inc.*, 2015 U.S. Dist. LEXIS 42637 (N.D. Cal. 2015) (PAGA Payment
15 of \$5,000 in a \$500,000 class settlement);
- 16 • *Cruz v. Sky Chefs, Inc.*, 2014 U.S. Dist. Lexis 17693 (N.D. Cal. 2014) (approving payment
17 of \$10,000 to the LWDA for PAGA out of \$1,750,000 class settlement);
- 18 • *Chu v. Wells Fargo Investments, LLC*, 2011 WL 672645, *1 (N.D. Cal. 2011) (approving
19 PAGA payment of \$7,500 to the LWDA out of \$6.9 million common-fund settlement);
- 20 • *Martino v. Ecolab Inc.*, No. 3:14CV04358 (N.D. Cal. 2017) (\$100,000 allotted as PAGA
21 penalties or 0.48% of \$21,000,000 settlement amount);
- 22 • *East v. Comprehensive Educational Services Inc.*, Case No. 11-CECG-04226 (2015)
23 (\$10,000 allotted as PAGA penalties or 0.13% of \$7,595,846 settlement amount);
- 24 • *Bararsani v. Coldwell Banker Residential Brokerage Company*, Case No. BC495767
25 (2016) (\$10,000 allotted as PAGA penalties or 0.22% of \$4,500,000 settlement amount);
- 26 • *Rico v. Cardinal Health 200 Inc.*, No. CIVRS-14-01451 (2017) (\$5,000 allotted as PAGA
27 penalties or 0.14% of \$3,500,000 settlement amount);
- 28 • *Moppin v. Los Robles Medical Center*, No. 5:15CV01551 (C.D. Cal. 2017) (\$15,000

allotted as PAGA penalties or 0.40% of \$3,775,000 settlement amount);

- *Scott-George v. PVH Corporation*, No. 2:13CV00441 (E.D. Cal. 2017) (\$15,000 allotted as PAGA penalties or 0.46% of \$3,250,000 settlement amount);
- *Hart v. Parkview Community Hospital Medical Center*, No. RIC-14-06044 (2016) (\$10,000 allotted as PAGA penalties or 0.39% of \$2,550,000 settlement amount);
- *Nehrlich v. RPM Mortgage Inc.*, No. 30-2013-00666783-CU-OE-CXC (2017) (\$10,000 allotted as PAGA penalties or 0.40% of \$2,500,000 settlement amount);
- *Kelley v. The Related Companies of California L.L.C.*, No. CIVDS-13-07167 (2016) (\$10,000 allotted as PAGA penalties or 0.50% of \$2,000,000 settlement amount); and
- *Castrejon v. O'Connell Landscape Maintenance Inc.*, No. RIC-12-12798 (2015) (\$5,000 allotted as PAGA penalties or 0.33% of \$1,500,000 settlement amount).

79. Settlements that allocate only 1% of the total settlement value to resolve PAGA claims is typical of wage and hour settlements and PAGA amounts as little as 0.27% of the Gross Settlement Amount have been approved as reasonable by courts.

80. Plaintiffs' Counsel also recognizes that the PAGA claims would be subject to the same defenses and risks as Plaintiffs' class claims, as well as defenses unique to PAGA, the substantial risk that PAGA penalties may not be stacked for violations based on the same conduct, and the substantial risk that PAGA penalties may be reduced where they are duplicative, arbitrary or oppressive. As part of the valuation of the potential PAGA claims (which includes penalties for the failure to reimburse necessary business-related expenses damages), Plaintiffs' Counsel also included claims under Labor Code §§ 204, and 1174(d).

81. With respect to their PAGA claim, in consideration of the risk faced with establishing that the PAGA claims are manageable, Plaintiffs applied a discount of 80%. In recognition of the additional risks faced by Plaintiffs' PAGA claim, including the discretionary nature of such claim and the Court's discretion to reduce penalties, Plaintiffs applied an additional discount of 80% to PAGA. Finally, Plaintiffs applied 90% miscellaneous discount related to Defendants' insolvency. This resulted in an adjusted liability of \$227,939.20.

82. For all claims and when considering the settlement generally my office recognized

1 that, even if Plaintiffs prevailed at class certification, proving the amount of wages due to each
2 Class Member would be an expensive, time-consuming, and extremely uncertain proposition. In
3 order to prove liability and damages, my office will need to request and analyze thousands of
4 pages of documents, contact Class Members and obtain numerous declarations at great expense.
5 Obtaining the cooperation of current employees would also be difficult, given the likely
6 reluctance to aid prosecution of a lawsuit against a current employer. On the other hand,
7 Defendants would likely be able to obtain the cooperation of their employees. Moreover, even if
8 Plaintiffs prevail at class certification and trial, possible appeals would substantially delay any
9 recovery by the Class.

10 83. Therefore, taking into account the strengths and weaknesses of each claim, the
11 unique risks associated therewith, the general risks associated with litigating the case, and the
12 significant additional costs and expenses that would be incurred by both sides in litigating the
13 Action through class certification, trial, and appeals, my office estimated a final overall adjusted
14 risk-based liability of \$1,965,071.06.

15 84. Based on these factors, I therefore submit that the Settlement is fair, reasonable,
16 and adequate. The Settlement is in the best interest of the Class Members, and is within the
17 accepted range of recoveries for this type of litigation given the inherent risk of litigation, the risk
18 of obtaining and maintaining class certification, and the costs of further litigation.

19 **REQUESTED ENHANCEMENT PAYMENT**

20 85. As part of the Settlement Agreement, Plaintiffs are requesting a reasonable
21 enhancement payment of \$10,000.00 each , for a total of \$20,000.00. This payment is imminently
22 reasonable given the time and effort Plaintiffs spent on this Action, and the benefit to the other
23 putative Class Members, as a result of Plaintiffs' actions. *See* Osuna Decl. ¶¶2-22; Lopez Decl.
24 ¶¶2-18. Notice of the requested award is disclosed to the Settlement Class Members in the Notice
25 of Proposed Class Action Settlement ("Class Notice") and should be preliminarily approved by
26 the Court. *See* Settlement Agreement, Ex. A.

27 **ATTORNEYS' FEES AND COSTS**

28 86. Plaintiffs' Counsel's fees incurred are in line with the common fund requested.

1 Plaintiffs' Counsel is seeking thirty-five percent (35%) of the Gross Settlement Amount or
2 \$700,000.00. Plaintiffs' Counsel have achieved an excellent result for the Class during hard
3 fought negotiations. Plaintiffs' Counsel have extensive experience in wage and hour disputes and
4 were able to use their extensive experience and skills to achieve this result. The Motion for Final
5 Approval will elaborate on the nature of the legal services provided, the time incurred in
6 performing those services, and Plaintiffs' Counsel's hourly rates. The Motion for Final Approval
7 will also elaborate on the reimbursement for costs sought by Plaintiffs' Counsel, which are
8 currently estimated at approximately \$50,000.00. Notice of Plaintiffs' Counsel's requested fees
9 are disclosed to the Class in the Class Notice. *See* Settlement Agreement, Ex. A.

10 **NOTICE TO THE CLASS, THE OPT OUT, AND OBJECTION PROCESS MEETS DUE**

11 **PROCESS REQUIREMENTS**

12 87. The Parties jointly drafted a Class Notice which will be delivered to the Class
13 Members and have agreed to use Phoenix Settlement Administration Solutions to administer the
14 Settlement Agreement subject to the Court's Approval. *See* Settlement Agreement ¶¶ 17, 34, 50,
15 52-55, 72, Ex. A. The Class Notice will include information regarding the nature of the lawsuit,
16 a summary of the terms of the Settlement Agreement, the Class definition, information on how to
17 object and opt-out, information regarding the release of the class claims, and the date of the Final
18 Approval Hearing. The Class Notice will also list each Class Member's total work weeks and the
19 approximate Individual Class Payment. The Class Notice will indicate that the Court has
20 determined only that there is sufficient evidence to suggest that the proposed settlement might be
21 fair, adequate and reasonable, and a final determination of such issues will be made at the final
22 hearing.

23 88. No later than twenty one (21) calendar days after the Court grants preliminary
24 approval of the Settlement Agreement, Defendants will provide the Class List to the Settlement
25 Administrator including the (1) full name; (2) last known home address; (3) last known telephone
26 number; (4) social security number; (5) start and end dates of active employment as a non-exempt
27 employee of Defendants in the State of California; (6) total Workweeks during the Class period;
28 (7) total Pay Periods during the PAGA Period and (8) any other information required by the

1 Settlement Administrator in order to effectuate the terms of the Settlement. *See* Settlement
2 Agreement ¶¶6, 51. The Settlement Administrator shall perform any searches necessary for
3 confirmation of the Class Members' addresses and shall mail the Class Notice to the Class
4 Members no later than fourteen (14) calendar days after receiving the Class List from Defendants.
5 *See* Settlement Agreement ¶¶ 52, 53

6 89. To determine whether to approve a settlement of a class action, a trial court has
7 virtually complete discretion as to the manner of giving notice to class members, and review on
8 appeal is governed by the abuse of discretion standard. *See In re Cellphone Fee Termination*
9 *Cases*, 186 Cal.App.4th 1380 (2010). I am not aware of an alternative method of providing notice
10 to the Class which would result in a higher likelihood of actual notice. The original source of the
11 mailing addresses are from each Class Member, who provided the information to Defendants. As
12 a fail-safe, additional searches will be performed on any notice returned as non-deliverable. *See*
13 Settlement Agreement ¶53.

14 90. Any Class Member who wishes to be excluded from the Settlement must submit a
15 written Request for Exclusion by mail. In the event the 45th day falls on a Sunday or Federal
16 holiday, the Response Deadline will be extended to the next day on which the U.S. Postal Service
17 is open. A written request for exclusion must include (a) the Class Member's name, address,
18 telephone number, and last four digits of their social security number and/or the Employee ID
19 number and; (b) a clear statement requesting to be excluded from the settlement of the class
20 claims. The date of the postmark on the return mailing envelope will be the exclusive means to
21 determine whether a Request for Exclusion has been timely submitted. All Requests for Exclusion
22 will be submitted to the Settlement Administrator, who will certify jointly to Class Counsel and
23 Defendants' Counsel the Requests for Exclusion that were timely submitted. All Class Members
24 who do not submit a valid and timely Request for Exclusion will be bound by all terms of the
25 Settlement Agreement if the Settlement Agreement is granted Final Approval. The request for
26 exclusion must be postmarked by the Response Deadline (no later than sixty (45) days (plus an
27 additional fifteen (15) calendar days for Class Members whose Class Notice is re-mailed)) after
28 mailing of the Class Notice. *See* Settlement Agreement ¶¶ 31-32, 56-57.

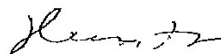
1 91. Any Participating Class Member who wishes to object to the approval of this
2 Settlement Agreement must postmark a valid written Objection to the Settlement Administrator
3 on or before the Response Deadline. The written Objection must be signed by the Participating
4 Class Member and contain all information required by this Settlement Agreement including the
5 Class Member's full name, address, telephone number, the last four digits of their social security
6 number and/or Employee ID number, the name of the case and case number; and a clear statement
7 requesting to be excluded from the settlement of the Class claims. The postmark date will be
8 deemed the exclusive means for determining that the Objection is timely. Participating Class
9 Members who fail to submit a valid and timely written objection will be foreclosed from making
10 a written objection, but they may still appear and object at the final approval hearing, regardless
11 of whether they have submitted a written objection. *See* Settlement Agreement ¶57.

12 **PAYMENT TO THE SETTLEMENT ADMINISTRATOR**

13 92. Subject to the Court's Approval, the Parties have stipulated to have Phoenix
14 Settlement Administration Solutions ("Phoenix") serve as the Settlement Administrator in this
15 action. Phoenix is an experienced settlement administrator who has been approved to administer
16 settlements by Courts across the state. Phoenix estimates it will incur no more than \$15,000.00 in
17 costs administering the settlement. *See* Ex. 1 – Settlement Agreement ¶¶34-35, Ex. A. *See* also
18 Declaration of Jodey Lawrence of Phoenix Settlement Administration Solutions ¶¶1-7, Ex. A and
19 B.

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

22 Executed on June 11, 2025.

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EXHIBIT 1



PROXY LAW FIRM

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February 1, 2021

VIA CERTIFIED MAIL

Michael Emmett Pernecky
Agent for Service of Process for M. Pernecky Management Corp.
2826 E. Foothill Blvd., Suite 101
Pasadena, CA 91107

Michael Emmett Pernecky
President and Chief Executive Officer
M. Pernecky Management Corp.
2826 E. Foothill Blvd., Suite 101
Pasadena, CA 91107

VIA ONLINE FILING SYSTEM

PAGA Administrator
California Labor & Workforce Development Agency (LWDA)
pagafilings@dir.ca.gov

Re: Silvia Osuna

NOTICE OF LABOR CODE VIOLATIONS PURSUANT TO LABOR CODE § 2699.3

Dear PAGA Administrator at California Labor & Workforce Development Agency:

This firm represents Silvia Osuna ("Ms. Osuna") in connection with claims arising from her employment with M. Pernecky Management Corp., a California corporation, Michael Emmett Pernecky, and any other employer(s) or person(s) acting on behalf of M. Pernecky Management Corp., pursuant to Labor Code Sections 558, subdivision (a), and 558.1 (collectively, "Employer"). Employer operates under the name of McDonald's in Pasadena, California. Ms. Osuna is an "aggrieved employee" as defined by Labor Code Section 2699 *et seq.* due to Employer's violations of the Labor Code as set forth below. The purpose of this Notice is to comply with Labor Code Section 2699.3 which requires aggrieved employees to notify their employer and the Labor & Workforce Development Agency ("LWDA") of the specific provisions of the Labor Code allegedly violated.

Ms. Osuna is a full-time line cook at Employer's McDonald's fast-food restaurant located at 2861 E. Foothill Blvd., in Pasadena, California. Ms. Osuna is a current hourly, non-exempt employee of Employer. Ms. Osuna has been employed by Employer beginning in or about November 2016. Her main job duties are to prepare meals in the kitchen; however, she is often

assigned additional duties outside of the kitchen. Ms. Osuna performs a variety of duties including but not limited to working as a cashier, taking food orders from customers at the drive through, serving and presenting food to customers, presenting orders to delivery drivers, and cleaning the restaurant. Pursuant to the California Private Attorneys' General Act ("PAGA"), Ms. Osuna seeks to represent and recover civil penalties on behalf of herself and other non-exempt "aggrieved employees" who were subject to the Labor Code violations alleged herein. For purposes of this Notice, "aggrieved employees" includes all of Employer's current and former non-exempt employees in California who were subject to the following alleged policies and practices within one-year preceding the date of this Notice.

On information and belief, Employer committed the following violations of the Labor Code and the applicable Industrial Welfare Commission Wage Order(s), including Industrial Welfare Commission Wage Order No. 5-2001 ("IWC Wage Order No. 5).

Meal Period Violations

An employer may not employ an employee for a work period of more than five hours per day without providing the employee with a meal period of not less than thirty minutes, except that if the total work period per day of the employee is no more than six hours, the meal period may be waived by mutual consent of both the employer and employee. A second meal period of not less than thirty minutes is required if an employee works more than ten hours per day, except that if the total hours worked is no more than 12 hours, the second meal period may be waived by mutual consent of the employer and employee only if the first meal period was not waived. LABOR CODE § 512. In general, when an employee works for a work period of more than five hours, a meal period must be provided no later than the end of the employee's fifth hour of work, i.e., no later than the start of the employee's sixth hour of work). When an employee works for a period of more than 10 hours, a second meal period must be provided no later than the end of the employee's tenth hour of work, i.e., no later than the start of the employee's eleventh hour of work. *See Brinker Restaurant Corp. v. Superior Court*, 53 Cal.4th 1004 (2012).

Due to Employer's meal period policies and/or practices, Employer failed to provide Ms. Osuna and all other aggrieved employees all required timely, duty-free 30-minute meal periods. *See* LABOR CODE §§ 226.7 and 512; Wage Order No. 5. Ms. Osuna and other aggrieved employees regularly worked periods of more than five hours without being provided a timely, complete, and duty-free meal period of at least 30 minutes at the required intervals including before the end of each employees' fifth hour of work. The nature of the work performed by Ms. Osuna and all other aggrieved employees did not prevent them from being relieved of all duties during meal periods and Employer apparently did not have any policy or practice pertaining to meal period violations.

On information and belief, Employer has in place internal policies, practices, and procedures aimed at increasing revenue and lowering labor costs while at the same time demanding a limited number of employees to complete customer transactions and food preparations within unreasonably short amounts of time. As a result, Ms. Osuna and other aggrieved employees have been repeatedly denied timely, complete, and duty-free meal breaks because, on information and belief, it is Employer's practice to prioritize revenue over compliance with Labor Code Section 226.7. Ms. Osuna and other aggrieved employees did not receive lawful meal periods because Employer required employees to work through their meal periods and/or caused them to not be

able to take all meal periods at the required intervals by failing to provide coverage for meal periods. Despite its violations, Employer did not pay an additional hour of premium pay to Ms. Osuna and all other aggrieved employees at their respective regular rates of pay for each meal period violation in accordance with Labor Code § 226.7. As a result, Ms. Osuna and all other aggrieved employees are owed an additional hour of wages at their respective regular rate of compensation for each workday they experienced a meal period violation. LABOR CODE § 226.7 (“If an employer fails to provide an employee a meal period or rest period in accordance with an applicable order of the Industrial Welfare Commission, the employer shall pay the employee one additional hour of pay at the employee’s regular rate of compensation for each workday that the meal or rest period is not provided.”)

As a further result of Employer’s failure to pay meal period premium wages, Employer failed to timely pay all aggrieved employees all wages owed at the time of their separations from employment.

Rest Period Violations

Wage Order No. 5, § 12 and Labor Code §§ 226.7, 516, and 558 establish the right of employees to be provided with a rest period of at least ten (10) minutes for each four (4) hour period worked, or major fraction thereof. On information and belief, Employer did not authorize and permit Ms. Osuna and all other aggrieved employees to take all paid and duty-free rest periods to which they are legally entitled. On information and belief, Employer has in place internal policies, practices, and procedures which are aimed at reducing labor costs while demanding a limited number of employees to complete customer transactions and food preparations within unreasonably short amounts of time. As a result, Ms. Osuna and other aggrieved employees have been repeatedly denied timely, complete, and duty-free rest breaks because, on information and belief, it is Employer’s practice to prioritize revenue over compliance with Labor Code Section 226.7. Ms. Osuna and other aggrieved employees did not receive lawful meal periods because Employer required employees to work through their rest periods and/or caused them to not be able to take all rest periods at the required intervals by failing to provide coverage for rest periods.

Despite its violations, Employer did not pay an additional hour of premium to all aggrieved employees at their respective regular rates of pay for each rest period violation in accordance with Labor Code § 226.7. LABOR CODE § 226.7 (“If an employer fails to provide an employee a meal period or rest period in accordance with an applicable order of the Industrial Welfare Commission, the employer shall pay the employee one additional hour of pay at the employee’s regular rate of compensation for each workday that the meal or rest period is not provided.”). Employer apparently also did not have any policy or practice pertaining to rest period violations. As a result, Ms. Osuna and all other aggrieved employees are owed an additional hour of premium wages at their regular rate of compensation for each workday they experienced a rest period violation.

As a further result of Employer’s failure to pay rest period premium wages, Employer failed to timely pay all aggrieved employees all wages owed at the time of their separations from employment.

Overtime Wage Violations

All persons employed in the public housekeeping industry are entitled to overtime pay as set forth in IWC Wage Order No. 5, § 3 which provides the following overtime schedule for employers who are 18 years of age or over. Wage Order 5 § 3 states employees: “shall not be employed more than eight (8) hours in any workday or more than 40 hours in any workweek unless the employee receives one and one-half (1 1/2) times such employee’s regular rate of pay for all hours worked over 40 hours in the workweek. Eight (8) hours of labor constitutes a day’s work. Employment beyond eight (8) hours in any workday or more than six (6) days in any workweek is permissible provided the employee is compensated for such overtime at not less than:

(a) One and one-half (1 1/2) times the employee’s regular rate of pay for all hours worked in excess of eight (8) hours up to and including twelve (12) hours in any workday, and for the first eight (8) hours worked on the seventh (7th) consecutive day of work in a workweek; and

(b) Double the employee’s regular rate of pay for all hours worked in excess of 12 hours in any workday and for all hours worked in excess of eight (8) hours on the seventh (7th) consecutive day of work in a workweek”. *See also*, LABOR CODE § 510.

Employer failed to pay Ms. Osuna and all other aggrieved employees overtime pay in accordance with Wage Order No. 5, § 3. Ms. Osuna and other aggrieved employees regularly worked more than forty (40) hours per workweek without being compensated for the overtime hours worked during that workweek. Employer also failed to pay Ms. Osuna and all other aggrieved employees double overtime in accordance with Wage Order No. 5, § 3.

As a result of Employer’s unlawful policies and/or practices, Ms. Osuna and all other aggrieved employees were deprived of all required overtime wages including double overtime. As a further result of Employer’s failure to pay all overtime wages, Employer failed to timely pay Ms. Osuna and all other aggrieved employees all wages owed at the time of their separations from employment.

Failure to Reimburse Necessary Business Expenses

California Labor Code Section 2802 subdivision (a) requires an employer to indemnify an employee for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her duties. The applicable Wage Order further provides, “when uniforms are required by the employer to be worn by the employee as a condition of employment, such uniforms shall be provided and maintained by the employer. California Industrial Welfare Commission Order No. 5-2001 § 9A.

During the relevant time period, Ms. Osuna and other aggrieved employees incurred necessary business expenses and costs that were not reimbursed by Employer. These expenses and costs include costs incurred for the cleaning and maintenance of uniforms. Employer requires Ms. Osuna and all other aggrieved employees to wear a McDonald’s work uniform. Employer does not have a policy or practice in place for the cleaning and maintenance of work uniforms. As a result, Ms. Osuna and other aggrieved employees have been required to spend uncompensated time washing, ironing, and maintaining their work uniform throughout their employment.

Employer had the obligation to reimburse Ms. Osuna and other aggrieved employees for costs incurred for the cleaning and maintenance of work uniforms and because of its failure to do so, Employer is subject to penalties, interest, and attorneys' fees. LABOR CODE § 2802 (b)-(d).

Minimum Wage Violations

California law requires employers to compensate employees for all hours worked. Employer was required to pay all aggrieved employees an hourly rate at least equal to the minimum wage for each hour worked. *See* LABOR CODE §§ 1182.12, 1194, 1194.2, 1197; Wage Order No. 5, § 4. On information and belief, as a result of Employer's unlawful practices and failure to pay employees for time spent maintaining their mandatory work uniforms, Ms. Osuna and all other aggrieved employees were deprived of all required minimum wages. As a further result of Employer's failure to pay all minimum wages, Employer failed to timely pay Ms. Osuna and all other aggrieved employees all wages owed at the time of their separations from employment.

Wage Statement Violations

Employer was required to furnish Ms. Osuna and all other aggrieved employees with timely, complete, and accurate itemized wage statements that showed, among other things: (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and 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, if the employer is a farm labor contractor, as defined in subdivision (b) of Section 1682, the name and address of the legal entity that secured the services of the employer, (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. LABOR CODE § 226(a); *see also*, LABOR CODE § 1174, subd. (d).

As a result of Employer's unlawful policies and practices and its failure to pay all overtime wages, all minimum wages, and all meal premium and rest premium pay, Employer maintained inaccurate payroll records and issued inaccurate wage statements to Ms. Osuna and other aggrieved employees in violation Labor Code § 226. Employer's failure to comply with its wage statement obligations was knowing and intentional and Ms. Osuna and other aggrieved employees have suffered injury as a result.

Suitable Seating Violations

Wage Order No. 5, § 14 (A) states that "all working employees shall be provided with suitable seats when the nature of the work reasonably permits the use of seats." Additionally, Wage Order No. 5 § 14 (B) states that "when employees are not engaged in the active duties of their employment and the nature of the work requires standing, an adequate number of suitable seats shall be placed in reasonable proximity to the work area and employees shall be permitted to use such seats when it does not interfere with the performance of their duties." Additionally, Labor Code Section 1198 also provides that "the maximum hours of work and the standard conditions of labor fixed by the commission shall be the maximum hours of work and the standard conditions

of labor for employees. The employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful.” See LABOR CODE § 1198.

California Code of Regulations, Title 8, Section 11050(14)(A) provides that “[a]ll working employees shall be provided with suitable seats when the nature of the work reasonably permits the use of seats.” California Code of Regulations, Title 8, Section 11050(14)(B) provides that “[w]hen employees are not engaged in the active duties of their employment and the nature of the work requires standing, an adequate number of suitable seats shall be placed in reasonable proximity to the work area and employees shall be permitted to use such seats when it does not interfere with the performance of their duties.”

Employer fails to provide Ms. Osuna and other aggrieved employees suitable seating when the nature of these employees’ work reasonably permits seating. Employer also fails to provide an adequate number of suitable seats in reasonable proximity to work areas so that Ms. Osuna and other aggrieved employees are unable to sit when doing so does not interfere with the performance of their duties. As a result, Employer has violated California Labor Code Section 1198 and Wage Order 5-2001, Section 14 by failing to provide suitable seats.

Failure to Maintain Accurate Records

Despite its record-keeping obligations, Employer failed to maintain accurate records on behalf of Ms. Osuna and all other aggrieved employees. LABOR CODE § 1174.

Waiting Time Penalties

Labor Code Sections 201 and 202 require that employees receive all of their final wages at the time of their separation of employment. On information and belief, Employer failed to timely pay aggrieved employees all of their final wages at the time of their separation, which final pay was to include, but did not include, all overtime and minimum wages and meal and rest period premiums. Employer’s failure to pay all final wages due was willful and thus entitles aggrieved employees to waiting time penalties equal to one day of wages at their standard hourly rate for each day Employer failed to pay their final wages after separation, up to a maximum of thirty (30) days.

As an “aggrieved employee” Ms. Osuna intends to initiate a civil action on behalf of herself and all other aggrieved employees to recover damages, statutory penalties, and civil penalties (including an amount equal to the unpaid wages) resulting from the wage and hour violations described above.

Based on information and belief and investigation to date, Employer has committed the following alleged Labor Code violations:

1. Labor Code §§ 204, 510, 558, 1194, and 1198 by failing to pay Ms. Osuna and all other aggrieved employees all overtime compensation;
2. Labor Code §§ 1182.12, 1194, 1194.2, and 1197 by failing to pay Ms. Osuna and all other aggrieved employees the statutory minimum wage for all hours worked;

3. Labor Code §§ 226.7, 512, and 558 by failing to provide Ms. Osuna and all other aggrieved employees with lawful, complete, timely, and duty-free meal first 30-minute meal period;
4. Labor Code §§ 226.7, 516, and 558 by failing to provide all aggrieved employees with all lawful, timely, complete, duty-free rest periods;
5. Labor Code §§ 226 *et seq.*, by failing to furnish Ms. Osuna and all other aggrieved employees with timely, accurate and compliant itemized wage statements;
6. Labor Code §§ 201-203 by failing to timely pay all final wages due to Ms. Osuna and all other aggrieved employees upon their separation of employment;
7. Labor Code § 204 by failing to pay Ms. Osuna and all other aggrieved employees all wages earned at least twice during each calendar month;
8. Labor Code §§ 558 and 1174 by failing to maintain accurate records on behalf of Ms. Osuna and all other aggrieved employees;
9. Labor Code § 2802 by failing to reimburse Ms. Osuna and other aggrieved employees for necessary business-related expenses; and
10. Labor Code § 1198 for failure to provide suitable seating for Ms. Osuna and all other aggrieved employees.

Pursuant to Labor Code Section 2699.3, subdivision (a)(2)(A), please notify us within 65 calendar days of the postmark date of this Notice whether the LWDA intends to investigate these alleged violations.

This Notice sets forth the basis of Ms. Osuna's grievances, rights, and remedies under the Labor Code and the PAGA. We appreciate your attention to this matter.

Please do not hesitate to contact us if you require any additional information.

Very truly yours,
PROXY LAW FIRM LLP

A handwritten signature in blue ink, appearing to read "Rana Nader", is written over a horizontal line.

Rana Nader, Esq.

cc: Michael Emmett Pernecky, Chief Executive Officer and Agent for Service of Process for M. Pernecky Management Corp. (via certified mail)

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EXHIBIT 2

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES – SPRING STREET

SILVIA OSUNA, individually and on behalf
of others similarly situated, and as an
aggrieved employee and Private Attorney
General,

Plaintiff,

vs.

M. PERNECKY MANAGEMENT CORP., a
California corporation d/b/a/ McDonald’s;
MICHAEL EMMETT PERNECKY, an
individual; and DOES 1 through 100,
inclusive,

Defendants.

Case No. 21STCV19885

*Assigned for All Purposes to: Hon. Stuart M.
Rice, Dept. 1*

JOINT STIPULATION OF CLASS
ACTION AND PAGA SETTLEMENT

Complaint Filed: March 26, 2021
Trial Date: None Set

JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT

This Joint Stipulation of Class Action and PAGA Settlement is entered into by and between Plaintiffs Silvia Osuna and Ashley Lopez, individually and on behalf of the Settlement Class, and as an aggrieved employee and Private Attorney General, and Defendants M. Pernecky Management Corp., and Michael Emmett Pernecky (“Defendants”).

DEFINITIONS

1. “Actions” means the court actions entitled “*Osuna v. M. Pernecky Management Corp., et al.*”, Case No. 21STCV19855, pending before the Los Angeles County Superior Court – Spring Street Courthouse; and “*Lopez v. M. Pernecky Management Corp., et al.*”, Case No. 21STCV31848, pending before the Los Angeles County Superior Court – Spring Street Courthouse.

2. “Agreement” or “Settlement Agreement” means this Joint Stipulation of Class Action and PAGA Settlement.

3. “Class” or “Class Members” means all current and former hourly paid or non-exempt employees employed by Defendants within the state of California at any time during the Class Period.

4. “Class Counsel” means Protection Law Group, LLP, Kyle Todd, P.C., and Proxy Law Firm, LLP.

5. “Class Counsel’s Fees and Costs” means attorneys’ fees for Class Counsel’s litigation and resolution of this Action and their expenses and costs incurred in connection with the Action, which shall be paid from the Gross Settlement Amount. Class Counsel will request attorneys’ fees not to exceed Thirty-Five Percent (35%) of the Gross Settlement Amount, *i.e.*, Seven Hundred Thousand Dollars (\$700,000.00), and the reimbursement costs and expenses associated with the litigation and settlement of the Action, not to exceed Thirty-Five Thousand Dollars (\$35,000.00), subject to the Court’s approval. Defendants have agreed not to oppose Class Counsel’s request for fees and reimbursement of costs and expenses in the amount set forth above.

6. “Class List” means a complete list of all Class Members that Defendants will diligently and in good faith compile from its records and provide to the Settlement Administrator

within twenty-one (21) calendar days after Preliminary Approval of this Settlement. The Class List will be formatted in a readable Microsoft Office Excel spreadsheet and will include Class Member's: (1) full name; (2) last known home address; (3) last known telephone number; (4) social security number; (5) start and end dates of active employment as a non-exempt employee of Defendants in the State of California; (6) total Workweeks during the Class Period; (7) total Pay Periods during the PAGA Period; and (8) any other information required by the Settlement Administrator in order to effectuate the terms of the Settlement.

7. "Class Period" means the period from May 26, 2017, and ending on February 28, 2025, or the date preliminary approval is granted, whichever is earlier.

8. "Class Representatives" means Plaintiffs Silvia Osuna and Ashley Lopez in their capacity as representatives of the Participating Class Members.

9. "Class Representative Enhancement Award" means the amount that the Court authorizes to be paid to Plaintiffs in addition to their Individual Settlement Payment, in recognition of the efforts and risks they took in assisting with the prosecution of the Actions and in exchange for the General Release of their claims as provided herein.

10. "Court" means the Superior Court of the State of California for the County of Los Angeles – Spring Street Courthouse.

11. "Defendants" means M. Pernecky Management Corp., and Michael Emmett Pernecky.

12. "Effective Date" means the date that all of the following events have occurred: (i) the long-form Stipulation of Settlement (this Agreement) has been executed by Plaintiffs, Defendants, Class Counsel and Defendants' Counsel; (ii) the Court has given preliminary approval to the Settlement; (iii) the Class Notice has been sent to the Class Members, providing them the opportunity to object to the Settlement, and the opportunity to opt out of the Settlement; (iv) the Court has held a formal fairness hearing and entered the Court's Final Order and Judgment and sixty (60) days have elapsed; and (v) the later of the following events: (A) when the period for filing any appeal, writ, intervention, or other proceeding opposing the Settlement has elapsed

without any appeal, writ, intervention, or other proceeding having been filed; (B) when any appeal, writ, intervention, or other proceeding opposing the Settlement has been dismissed finally and conclusively with no right to pursue further remedies or relief; or (C) when any appeal, writ, intervention, or other proceeding has upheld the Court's Final Order and Judgment with no right to pursue further remedies or relief. If the Court declines to approve the Settlement or the Effective Date otherwise fails to occur, the entire Settlement is deemed void and unenforceable as if no settlement of any claim was ever reached. All negotiations, statements and proceedings and data relating thereto shall be protected by California Evidence Code § 1152 and shall be without prejudice to the rights of any of the Parties.

13. "Final Approval" means the Court entering an order granting final approval of the Settlement Agreement.

14. "Gross Settlement Amount" means the sum of Two Million Dollars (\$2,000,000.00). The Gross Settlement Amount is non-reversionary; no portion of the Gross Settlement Amount will return to Defendants, and includes all: (1) payments to the Class; (2) Class Counsel's fees; (3) Class Counsel's costs; (4) Settlement Administration Costs; (5) Incentive Payment to Plaintiffs; and (6) Payment of PAGA Penalties to be paid to the California Labor and Workforce Development Agency ("LWDA") and PAGA Members. The Gross Settlement Amount is exclusive of employer share of any applicable payroll taxes, and any such employer-side payroll taxes shall be paid by Defendants separately and in addition to the Gross Settlement Amount. The Gross Settlement Amount plus any applicable employer-side payroll taxes shall be the maximum amount Defendants are required to pay under the Settlement.

15. "Individual Settlement Payment" means the amount payable from the Net Settlement Amount to each Participating Class Member and any payment a PAGA Member is eligible to receive from the employee portion of the PAGA Penalties. Individual Settlement Payments shall be paid by a Settlement Check made payable to Participating Class Members and/or PAGA Members.

16. "Net Settlement Amount" means the funds available for payments to the Class,

which shall be amount remaining after the following amounts are deducted from the Gross Settlement Amount: (1) Class Counsel's fees; (2) Class Counsel's costs; (3) Settlement Administration Costs; (4) Class Representative Enhancement Payment to Plaintiffs; and (5) the PAGA Penalties to be paid to the LWDA and PAGA Members.

17. "Notice" means the Notice of Proposed Class Action Settlement in a form substantially similar to the form attached hereto as Exhibit A, that will be mailed to Class Members' last known address, and which will provide Class Members with information regarding the Actions and information regarding the Settlement of the Actions.

18. "Objection" means a Class Member's valid and timely written objection to the Settlement Agreement. For an Objection to be valid, it must include: (a) the objector's full name, address, telephone number, last four digits of the employees' social security number or employee ID number; (b) the name of the case and case number; and (c) a written statement of all grounds for the objection accompanied by legal support, if any, for such objection.

19. "PAGA" means the California Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698, *et seq.*).

20. "PAGA Members" means all current and former hourly paid non-exempt employees of Defendants who were employed by Defendants in the State of California at any time during the PAGA Period.

21. "PAGA Penalties" means the amount that the Parties have agreed to allocate in order to settle claims arising under the PAGA. The Parties have agreed that One Hundred Thousand Dollars (\$100,000.00) of the Gross Settlement Amount will be allocated to the resolution of Plaintiff's PAGA Claims. Seventy Five Percent (75%) of this amount (\$75,000.00) will be paid to the LWDA in accordance with Labor Code §§ 2698 *et seq.* Twenty Five Percent (25%) of this amount (\$25,000.00) will be distributed to PAGA Members. PAGA Members will receive payment from the employee portion of the PAGA Penalties regardless of their decision to participate in the Class Action if the PAGA Penalties are approved by the Court.

22. "PAGA Period" means the period from February 1, 2020, and ending on February

28, 2025, or the date the Court grants preliminary approval, whichever is earlier.

23. “Participating Class Members” means all Class Members who do not submit valid and timely Requests for Exclusion.

24. “Parties” means Plaintiffs and Defendants, collectively, and “Party” shall mean either Plaintiffs or Defendants, individually.

25. “Pay Period” shall mean any pay period, in which a PAGA Member worked at least one (1) day during the PAGA Period.

26. “Plaintiffs” mean Silvia Osuna and Ashley Lopez.

27. “Preliminary Approval” means the Court order granting preliminary approval of the Settlement Agreement.

28. “Released Class Claims” means all claims, rights, demands, liabilities and causes of action that are alleged, or reasonably could have been alleged based on the same or similar facts and claims asserted in Plaintiffs’ February 21, 2021, PAGA Notice Letter in this Action including the following claims:

- a. (1) Violation of California Labor Code §§ 510 and 1198 (Unpaid Overtime); (2) Violation of California Labor Code §§ 226.7 and 512(a) (Unpaid Meal Period Premiums), including any claims regarding failure to pay premium pay and/or to pay premium pay at the correct rate of pay; (3) Violation of California Labor Code § 226.7 (Unpaid Rest Period Premiums), including any claims regarding failure to pay premium pay and/or to pay premium pay at the correct rate of pay; (4) Violation of California Labor Code §§ 1194, 1197 and 1197.1 (Unpaid Minimum Wages); (5) Violation of California Labor Code §§ 201 and 202 (Final Wages Not Timely Paid); (6) Violation of California Labor Code § 204 (Wages Not Timely Paid During Employment); (7) Violation of California Labor Code § 226(a) (Non-Compliant Wage Statements), including any alleged failure to provide complete and/or accurate wage statements; (8) Violation of California Labor Code § 1174(d) (Failure to Keep Requisite Payroll Records); (9) Violation of California Labor Code

1 §§ 2800 and 2802 (Unreimbursed Business Expenses); (10) Violation of California
2 Business and Professions Code § 17200, *et seq.*, including all claims for injunctive
3 relief, declaratory relief, restitution, unfair business practices alleged or which could
4 have been alleged in connection with any other claims; and (11) Violation of Labor
5 Code § 2698, *et seq.* (Private Attorneys General Act of 2004 (PAGA)), including those
6 claims set forth in Plaintiff Silvia Osuna's Letter to the Labor & Workforce
7 Development Agency for alleged violations of Labor Code sections 201, 202, 203,
8 204, 218.5, 221, 226(a), 226.3, 226.7, 246, 510, 512(a), 558, 1174(d), 1194, 1197,
9 1197.1, 1198, 2800, 2802, and the IWC Wage Orders generally, including but not
10 limited to overtime pay, minimum wage, regular wages and/or sick pay whether
11 contractual or statutory, as well as any and all other claims under California common
12 law, the California Labor Code including but not limited to the Private Attorneys
13 General Act, California Industrial Welfare Commission Wage Orders, and the
14 California Business and Professions Code alleged in or that could have been alleged
15 under the same or similar facts, allegations and/or claims pleaded in the Action, also
16 including any claims for penalties (statutory, civil or otherwise), attorneys' fees,
17 costs, interest, penalties, or premiums in connection with the claims in this Paragraph.
18 All federal claims shall likewise be released, and shall be barred by the settlement by
19 virtue of res judicata, in accordance with *Rangel v. PLS Check Cashers of Cal., Inc.*
20 889 F.3d 1106 (9th Cir. 2018).

21 This release shall apply to claims arising during the Class Period.

22 29. "Released PAGA Claims" means any and all PAGA claims that could have been
23 asserted under the California Labor Code Private Attorneys General Act of 2004 based on the
24 same or similar factual allegations and claims in the operative Complaint (the First Amended
25 Complaint) in this Action or in Plaintiffs' February 21, 2021, PAGA Notice Letter for the PAGA
26 Period.

27 30. "Released Parties" means the named Defendants M. Pernecky Management
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Corp., Michael Emmett Pernecky, and any and all of their past, present and future direct or indirect parents, sister or related entities, acquired companies, subsidiaries, predecessors, successors and affiliates as well as each of its or their past, present and future owners, including the Pernecky family, officers, directors, employees, partners, members, shareholders and agents, attorneys, insurers, reinsurers, heir, representatives, accountants, auditors, consultants, and any individual or entity which could be jointly liable with Defendants.

31. “Request for Exclusion” means a valid and timely written statement submitted by a Class Member requesting to be excluded from the class settlement. To be effective, the Request for Exclusion must contain (a) the Class Member’s name, address, telephone number, and the last four digits of the Class Member’s Social Security number and/or the Employee ID number and (b) a clear statement requesting to be excluded from the settlement of the Class claims. To be effective, the Request for Exclusion must be post-marked by the Response Deadline and received by the Settlement Administrator. The Request for Exclusion shall not be effective as to the release of claims arising under the PAGA.

32. “Response Deadline” means the date forty-five (45) calendar days after the Settlement Administrator mails Notice to Class Members and the last date on which Class Members may submit Requests for Exclusion, written objections to the Settlement, or Workweek Disputes. In the event the 45th day falls on a Sunday or Federal holiday, the Response Deadline will be extended to the next day on which the U.S. Postal Service is open. The Response Deadline for Requests for Exclusion, written objections, and workweek disputes will be extended fifteen (15) calendar days for any Class Member who is re-mailed a Notice by the Settlement Administrator, unless the 15th day falls on a Sunday or Federal holiday, in which case the Response Deadline will be extended to the next day on which the U.S. Postal Service is open. The Response Deadline may also be extended by express agreement between Class Counsel and Defendants. Under no circumstances, however, will the Settlement Administrator have the authority to unilaterally extend the deadline for Class Members to submit a Request for Exclusion or objection to the Settlement.

33. “Settlement” means the disposition of the Actions pursuant to this Agreement.

34. “Settlement Administrator” means Phoenix Settlement Administration Solutions (“Phoenix”). The Parties each represent that they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

35. “Settlement Administration Costs” mean the costs payable from the Gross Settlement Amount to the Settlement Administrator for administering this Settlement, including, but not limited to, translating the Notice, printing, distributing, and tracking documents for this Settlement, calculating/confirming the class member Workweeks from the information contained in the Class List, calculating each Participating Class Member’s Individual Settlement Payment, tax reporting, distributing the Gross Settlement Amount, providing necessary reports and declarations, and other duties and responsibilities set forth herein to process this Settlement, and as requested by the Parties. Settlement Administration Costs shall not exceed Fifteen Thousand Dollars (\$15,000.00).

36. “Settlement Class Members” shall mean all Participating Class Members and the PAGA Members.

37. “Tax Rate Information” shall mean the tax rate currently paid by Defendants for the employer’s share of employment taxes in California.

38. “Workweek” shall mean any calendar week (*i.e.*, a week beginning with Sunday and ending with Saturday), in which a Class Member worked at least one (1) day during the Class Period.

TERMS OF AGREEMENT

39. Submission of PAGA Notice and Filing of Complaint: On February 1, 2021, Plaintiff, Silvia Osuna provided written notice to the California Labor and Workforce Development Agency (the “LWDA”) notifying the LWDA of her intent to seek PAGA Penalties on behalf of the state. The LWDA did not provide a response within sixty-five (65) days of Plaintiff’s submission. On May 26, 2021, Plaintiff, Osuna, filed a representative lawsuit against

M. Pernecky Management Corp. and Michael Emmet Pernecky for civil penalties pursuant to California’s Private Attorneys General Act (“PAGA”). On July 2, 2021, Plaintiff, Osuna filed a first amended complaint to include the following wage and hour class action claims: (1) Failure to Pay Overtime; (2) Failure to Pay Minimum Wage; (3) Failure to Provide Meal Periods; (4) Failure to Provide Rest Periods; (5) Waiting Time Penalties Pursuant to Labor Code section 203; (6) Wages Not Timely Paid During Employment Pursuant to Labor Code section 204; (7) Wage Statement Penalties Pursuant to Labor Code section 226(a); (8) Failure to Reimburse Business Expenses Pursuant to Labor Code sections 2800 and 2802; and (9) Unfair Business Practices. Plaintiff further alleged a claim for civil penalties under PAGA. On April 7, 2022, Plaintiff, Ashley Lopez provided written notice to the California Labor and Workforce Development Agency (the “LWDA”) notifying the LWDA of her intent to seek PAGA Penalties on behalf of the state. The LWDA did not provide a response within sixty-five (65) days of Plaintiff’s submission. On August 27, 2021, Plaintiff Ashley Lopez filed a class action lawsuit against M. Pernecky Management Corp., for the following—and similar—causes of action: 1) Failure to Pay Overtime; (2) Failure to Pay Minimum Wage; (3) Failure to Provide Meal and Rest Periods; (4) Waiting Time Penalties Pursuant to Labor Code section 203; (5) Wages Not Timely Paid During Employment Pursuant to Labor Code section 204; (6) Wage Statement Penalties Pursuant to Labor Code section 226; (7) Unfair Business Practices; and (8) Violation of Labor Code section 1391 and Education Code section 49116.

40. Settlement Consideration: Defendants shall fund the Gross Settlement Amount and all applicable employer-side payroll taxes following Final Approval by the Court and the Effective Date, and:

- (i) The First Installment payment of one million dollars and zero cents (\$1,000,000.00) to be paid on the Effective Date (the “First Installment”);
- (ii) The Second Installment payment of one million dollars and zero cents (\$1,000,000.00) to be paid on December 15, 2026 (the “Second Installment”);

The foregoing will be paid out of the Gross Settlement Amount: the sum of the Individual

1 Settlement Payments, the Class Representative Incentive Payment, Class Counsel's Fees and
2 Costs, the PAGA Penalties, and the Settlement Administration Costs, as specified in this
3 Agreement. Except for any employer-side taxes due on the Individual Settlement Payments, or as
4 a result of an increase in the number of Workweeks set forth below, Defendants shall not be
5 required to pay more than the Gross Settlement Amount. The Gross Settlement Amount is non-
6 reversionary; no portion of the Gross Settlement Amount will revert to Defendants.

7 41. Potential Increase to the Gross Settlement Amount: The Gross Settlement Amount
8 is based on Defendants' representation that the Class Members worked a total of 231,904 -
9 Workweeks during the Class Period. Should the qualifying Workweeks worked by the Class
10 Members during the Class Period ultimately increase by more than 10% (*i.e.*, exceed more than
11 255,094 Workweeks), Defendants shall have right at their sole discretion to either (1) reduce the
12 Class Period such that the workweeks do not exceed 255,094, or (2) pay a pro-rata increase in the
13 GSA equal to the percentage increase in workweeks above 255,094. For example, if the workweek
14 count increases by 12%, then Defendants may, at their sole discretion, elect to pay a 2% increase
15 to the GSA. Defendants shall confirm, through the Settlement Administrator, that the number of
16 Workweeks did not increase by more than 10%.

17 42. Distribution of the Gross Settlement Amount: Within fourteen (14) calendar days
18 of the funding of the Settlement, the Settlement Administrator will issue payments for: (a)
19 Individual Settlement Payments; (b) the PAGA Penalties to the LWDA; (c) the Class
20 Representative Incentive Payment; (d) Class Counsel's Fees and Costs; and (e) Settlement
21 Administration Costs. The back of each Settlement check mailed to Participating Class Members
22 shall state: "By endorsing this check, I acknowledge that I read, understood, and agree to the
23 terms set forth in the Notice of Class Action Settlement and elect to participate in the settlement
24 of any potential FLSA claims covered by the Agreement.

25 43. Attorneys' Fees and Costs: Defendants agree not to oppose any application or
26 motion by Class Counsel for attorneys' fees of not more than Seven Hundred Thousand Dollars
27 (\$700,000.00) plus the reimbursement of costs and expenses associated with the litigation and
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1 settlement of the Actions, in an amount not to exceed Fifty Thousand Dollars (\$50,000.00), both
2 of which will be paid from the Gross Settlement Amount. Any portion of the requested fees or
3 costs that are not awarded to the Class Counsel shall be reallocated to the Net Settlement Amount
4 and distributed to Participating Class Members as provided in this Agreement.

5 44. Class Representative Enhancement Payment: Defendants agree not to oppose or
6 object to any application or motion by Plaintiffs for Class Representative Enhancement Payments
7 of Ten Thousand Dollars (\$10,000.00) each (\$20,000.00 total) for Plaintiffs. The Class
8 Representative Enhancement Payments are in exchange for the General Release of the Plaintiffs'
9 individual claims and for their time, effort, and risk in bringing and prosecuting the Actions. Any
10 portion of the requested Class Representative Enhancement Payments that are not awarded to the
11 Class Representatives shall be reallocated to the Net Settlement Amount and distributed to
12 Participating Class Members as provided in this Agreement.

13 45. Settlement Administration Costs: The Settlement Administrator will be paid for
14 the reasonable costs of administration of the Settlement and distribution of payments from the
15 Gross Settlement Amount as further set forth in this Agreement. Settlement Administration Costs
16 shall not exceed Fifteen Thousand Dollars (\$15,000.00).

17 46. PAGA Penalties: One Hundred Thousand Dollars (\$100,000.00) shall be allocated
18 from the Gross Settlement Amount for settlement of claims for civil penalties under the PAGA.
19 The Settlement Administrator shall pay Seventy-Five Percent (75%) of the PAGA Penalties, or
20 Seventy-Five Thousand Dollars (\$75,000.00), to the LWDA. Twenty-Five Thousand Dollars
21 (\$25,000.00) will be distributed to PAGA Members on a *pro rata* basis based on the total number
22 of Pay Periods worked by each PAGA Member during the PAGA Period. PAGA Members shall
23 receive their portion of the PAGA Penalties regardless of their decision to opt-out of the Class
24 settlement.

25 47. Net Settlement Amount for Payment of Class Claims: The Net Settlement Amount
26 will be used to satisfy the class portion of Participating Class Members' Individual Settlement
27 Payments in accordance with the terms of this Agreement. The estimated Net Settlement Amount
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is as follows:

Gross Settlement Amount	\$	2,000,000.00
Enhancement Payments:	\$	20,000.00 (\$10,000.00 x 2)
Class Counsel's Fees:	\$	700,000.00
Class Counsel's Costs:	\$	50,000.00
PAGA Penalties	\$	100,000.00
Settlement Administration Costs:	\$	15,000.00
Estimated Net Settlement Amount	\$	1,115,000.00

48. Individual Settlement Payment Calculations: Individual Settlement Payments will be paid from the Net Settlement Amount and the Twenty-Five Percent (25%) portion of the PAGA Penalties allocated for PAGA Members and shall be paid pursuant to the formula set forth herein:

a) Calculation of Class Portion of Individual Settlement Payments: The Settlement Administrator will calculate the total Workweeks for all Participating Class Members by adding the number of Workweeks worked by each Participating Class Member during the Class Period. The respective Workweeks for each Participating Class Member will be divided by the total Workweeks for all Participating Class Members, resulting in the Payment Ratio for each Participating Class Member. Each Participating Class Member's Payment Ratio will then be multiplied by the Net Settlement Amount to calculate each Settlement Class Member's estimated share of the Net Settlement Amount.

b) Calculation of PAGA Portion of Individual Settlement Payments: The Settlement Administrator will calculate the total Pay Periods for all PAGA Members by adding the number of Pay Periods worked by each PAGA Member during the PAGA Period. The respective Pay Periods for each PAGA Member will be divided by the total Pay Periods for all PAGA Members, resulting in the Penalties Ratio for each PAGA Member. Each PAGA Member's Penalties Ratio will then be multiplied by the employee portion of the PAGA Penalties

to calculate each PAGA Member's estimated share of the PAGA Penalties. PAGA Members shall receive this portion of their Individual Settlement Payment regardless of whether they opt out of the participation regarding the Class claims.

c) Allocation of Individual Settlement Payments: All Individual Settlement Payments will be allocated as follows: Twenty Percent (20%) of each Individual Settlement Payment will be allocated as wages; Forty Percent (40%) shall be allocated as interest; and Forty Percent (40%) shall be allocated as penalties. The portion of the Individual Settlement Payment allocated to wages will be reported by the Settlement Administrator on an IRS Form W-2. The remaining non-wage payments will be reported on an IRS Form-1099 by the Settlement Administrator.

49. No Credit Toward Benefit Plans: The Individual Settlement Payments made to Participating Class Members under this Settlement, as well as any other payments made pursuant to this Settlement, will not be utilized to calculate any additional benefits under any benefit plans to which any Class Members may be eligible, including, but not limited to profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not affect any rights, contributions, or amounts to which any Class Members may be entitled under any benefit plans.

50. Settlement Administration Process: The Parties agree to cooperate in the administration of the Settlement and to make all reasonable efforts to control and minimize the costs and expenses incurred in administration of the Settlement. The Settlement Administrator will provide the following services:

- a) Establish and maintain a Qualified Settlement Fund.
- b) Calculate the Individual Settlement Payment each Participating Class Member is eligible to receive and the portion of the PAGA Penalties each PAGA Member shall receive.
- c) Translate the Notice from English to Spanish.

- d) Print and mail the Notice in English and Spanish.
- e) Conduct additional address searches for mailed Notices that are returned as undeliverable.
- f) Process Requests for Exclusion, field inquiries from Class Members.
- g) Print and issue Settlement Payment Checks, prepare IRS W-2 and 1099 Tax Forms and any other filings required by any governmental taxing authority.
- h) Provide declarations and/or other information to the Court as requested by the Parties and/or the Court regarding the settlement administration process.
- i) Provide weekly status reports to counsel for the Parties.
- j) Posting a notice of final judgment online at Settlement Administrator's website.

51. Delivery of the Class List and Tax Rate Information: Within twenty-one (21) calendar days of Preliminary Approval, Defendants will provide the Class List and Tax Rate Information to the Settlement Administrator. This is a material term of the Agreement, and if Defendants fail to comply, Plaintiffs shall have the right to void the Agreement.

52. Notice by First-Class U.S. Mail: Within fourteen (14) calendar days after receiving the Class List from Defendants, the Settlement Administrator will mail the Notice to all Class Members via regular First-Class U.S. Mail, using the most current, known mailing addresses identified in the Class List.

53. Confirmation of Contact Information in the Class List: Prior to mailing, the Settlement Administrator will perform a search based on the National Change of Address Database for information to update and correct for any known or identifiable address changes. Any Notice returned to the Settlement Administrator as non-deliverable on or before the Response Deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto and the Settlement Administrator will indicate the date of such re-mailing on the Notice.

1 If no forwarding address is provided, the Settlement Administrator will promptly attempt to
2 determine the correct address using a skip-trace, or other search using the name, address and/or
3 Social Security number of the Class Member involved and will then perform a single re-mailing.
4 If any Notice sent to a Class Member by the Settlement Administrator is returned as undeliverable
5 to a current employee, then Defendants shall make all reasonable efforts to obtain the current
6 address from the Class Member and provide the same within seven (7) calendar days of notice
7 from the Settlement Administrator. Those Class Members who receive a re-mailed Notice,
8 whether by skip-trace or by request, will have between the later of (a) an additional fifteen (15)
9 calendar days or (b) the Response Deadline to postmark a Request for Exclusion, an Objection,
10 or Workweek dispute to the Settlement.

11 54. Notice: All Class Members will be mailed a Notice in English and Spanish. Each
12 Notice will provide: (a) information regarding the nature of the Action; (b) a summary of the
13 Settlement's principal terms; (c) the Class definition; (d) the total number of Workweeks each
14 respective Class Member worked for Defendants during the Settlement Class Period; (e) each
15 Class Member's estimated Individual Settlement Payment and the formula for calculating
16 Individual Settlement Payments; (f) the dates which comprise the Class Period; (g) the deadlines
17 by which the Class Member must postmark Requests for Exclusion, Objections to the Settlement,
18 or Workweek disputes; (h) the claims to be released, as set forth herein; and (j) the date for the
19 final approval hearing.

20 55. Disputed Information on Notice: Class Members will have an opportunity to
21 dispute the information provided in their Notice. To the extent Class Members dispute the number
22 of Workweeks with which they have been credited or the amount of their Individual Settlement
23 Payment, Class Members may produce evidence to the Settlement Administrator showing that
24 such information is inaccurate. Absent evidence rebutting Defendants' records, Defendants'
25 records will be presumed determinative. However, if a Class Member produces evidence to the
26 contrary by the Response Deadline, the Parties will evaluate the evidence submitted by the Class
27 Member and the Parties will make the final decision as to the number of eligible Workweeks that
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1 should be applied and/or the Individual Settlement Payment to which the Class Member may be
2 entitled. If the Parties do not agree, the dispute will be submitted to the Court.

3 56. Defective Submissions: If a Class Member's Request for Exclusion is defective as
4 to the requirements listed herein, that Class Member will be given an opportunity to cure the
5 defect(s). The Settlement Administrator will mail the Class Member a cure letter within three (3)
6 business days of receiving the defective submission to advise the Class Member that his or her
7 submission is defective and that the defect must be cured to render the Request for Exclusion
8 valid. The Class Member will have until the later of (a) the Response Deadline or (b) fifteen (15)
9 calendar days from the date of the cure letter, whichever date is later, to postmark a revised
10 Request for Exclusion. If a Class Member responds to a cure letter by filing a defective claim,
11 then the Settlement Administrator will have no further obligation to give notice of a need to cure.
12 If the revised Request for Exclusion is not postmarked within that period, it will be deemed
13 untimely.

14 57. Request for Exclusion Procedures: Any Class Member wishing to opt-out from the
15 Class settlement must sign and postmark a written Request for Exclusion to the Settlement
16 Administrator by the Response Deadline. The Request for Exclusion must include (a) the Class
17 Member's name, address, telephone number, and the last four digits of the Class Member's Social
18 Security number and/or the Employee ID number and (b) a clear statement requesting to be
19 excluded from the settlement of the Class claims. The date of the postmark on the return mailing
20 envelope receipt confirmation will be the exclusive means to determine whether a Request for
21 Exclusion has been timely submitted. All Requests for Exclusion will be submitted to the
22 Settlement Administrator, who will certify jointly to Class Counsel and Defendants' Counsel the
23 Requests for Exclusion that were timely submitted. All Class Members who do not request
24 exclusion from the Action will be bound by all terms of the Settlement Agreement if the
25 Settlement is granted final approval by the Court. The Request for Exclusion shall not be effective
26 as to the release of claims arising under the PAGA. The Parties agree that there is no right for a
27 PAGA Member to opt out of our object to the PAGA Settlement.

58. Defendants' Right to Rescind: If Ten Percent (10%) or more of the Class Members (rounded to the next whole number) elect not to participate in the Settlement, Defendants may, at their election, rescind the Settlement Agreement and all actions taken in furtherance of it will be thereby null and void. Defendants must meet and confer with Class Counsel prior to exercising this right and must make clear its intent to rescind the Agreement within fourteen (14) calendar days of the expiration of the opt-out period. If Defendants exercise its right to rescind the Agreement, Defendants shall be responsible for all Settlement Administration Costs incurred to the date of rescission.

59. Settlement Terms Bind All Class Members Who Do Not Opt-Out: Upon the complete funding of the Gross Settlement Amount, any Class Member who does not affirmatively opt-out of the Settlement by submitting a timely and valid Request for Exclusion will be bound by all of its terms, including those pertaining to the Released Class Claims, as well as any Judgment that may be entered by the Court if it grants final approval to the Settlement. Class Members who opt-out of the Settlement shall not be bound by such Judgment or release. The names of Class Members who have opted-out of the settlement shall be disclosed to the Counsel for both Plaintiffs and Defendants and noted in the proposed Judgment submitted to the Court.

60. Objection Procedures: To object to the Settlement, a Participating Class Member must postmark a valid Objection to the Settlement Administrator on or before the Response Deadline. The Objection must be signed by the Participating Class Member and contain all information required by this Settlement Agreement including the employees full name, address, telephone number, the last four digits of their social security number and/or Employee ID number, the name of the case and case number, and the specific reason including any legal grounds for the Participating Class Member's objection. The postmark date will be deemed the exclusive means for determining that the Notice of Objection is timely. Participating Class Members who fail to object in the manner specified above will be foreclosed from making a written objection, but shall still have a right to appear at the Final Approval Hearing in order to have their objections heard by the Court. At no time will any of the Parties or their counsel seek to solicit or otherwise

1 encourage Participating Class Members to submit written objections to the Settlement or appeal
2 from the Order and Judgment. Class Counsel will not represent any Class Members with respect
3 to any objections to this Settlement.

4 61. Certification Reports Regarding Individual Settlement Payment Calculations: The
5 Settlement Administrator will provide Defendants' Counsel and Class Counsel a weekly report
6 which certifies: (a) the number of Class Members who have submitted valid Requests for
7 Exclusion; (b) the number of Notices returned and re-mailed; and (c) whether any Class Member
8 has submitted a challenge to any information contained in the Notice. Additionally, the Settlement
9 Administrator will provide to Counsel for both Parties any updated reports regarding the
10 administration of the Settlement Agreement as needed or requested.

11 62. Uncashed Settlement Checks: Any checks issued by the Settlement Administrator
12 to Participating Class Members and PAGA Members will be negotiable for at least one hundred
13 eighty (180) calendar days. If a Participating Class Member or PAGA Member does not cash his
14 or her Settlement Check or PAGA payment check within one hundred eighty (180) days, the
15 uncashed funds, subject to Court approval, shall be distributed to the Controller of the State of
16 California to be held pursuant to the Unclaimed Property Law, California Civil Code § 1500, *et*
17 *seq.* for the benefit of those Participating Class Members and PAGA Members who did not cash
18 their checks until such time that they claim their property. The Parties agree that this disposition
19 results in no "unpaid residue" under California Civil Procedure Code § 384, as the entire Net
20 Settlement Amount will be paid out to Participating Class Members and PAGA Members,
21 whether or not they all cash their Settlement Checks or PAGA payment checks. Therefore,
22 Defendant will not be required to pay any interest on such amounts. The Individual Settlement
23 Payments provided to Participating Class Members and to PAGA Members shall prominently
24 state the expiration date or a statement that the Settlement Check will expire in one hundred eighty
25 (180) days, or alternatively, such a statement may be made in a letter accompanying the Individual
26 Settlement Payment. Expired Individual Settlement Payments will not be reissued, except for
27 good cause and as mutually agreed by the Parties in writing. The Parties agree no unclaimed funds
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will result from the Settlement, and therefore Defendants will not be required to pay any interest on such amounts.

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

64. Tax Liability: Defendants make no representations as to the tax treatment or legal effect of the payments called for hereunder, and Plaintiffs and Participating Class Members are not relying on any statement, representation, or calculation by Defendants or by the Settlement Administrator in this regard. Plaintiffs and Participating Class Members understand and agree that they will be solely responsible for the payment of any taxes and penalties assessed on the payments described herein. Defendants' share of any employer payroll taxes and other required employer withholdings due on the Individual Settlement Payments, including, but not limited to, Defendants' FICA and FUTA contributions, shall be paid separate and apart from the Gross Settlement Amount.

65. Circular 230 Disclaimer: Each Party to this Agreement (for purposes of this section, the "acknowledging party" and each Party to this Agreement other than the acknowledging party, an "other party") acknowledges and agrees that: (1) no provision of this Agreement, and no written communication or disclosure between or among the Parties or their attorneys and other advisers, is or was intended to be, nor shall any such communication or disclosure constitute or be construed or be relied upon as, tax advice within the meaning of United States Treasury Department circular 230 (31 CFR part 10, as amended); (2) the acknowledging party (a) has relied exclusively upon his, her or its own, independent legal and tax counsel for advice (including tax advice) in connection with this Agreement, (b) has not entered into this Agreement based upon the recommendation of any other Party or any attorney or advisor to any other Party, and (c) is not entitled to rely upon any communication or disclosure by any attorney

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

6 66. No Prior Assignments: The Parties and their Counsel represent, covenant, and
7 warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported
8 to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand,
9 action, cause of action or right herein released and discharged.

10 67. Release by Participating Class Members: Upon the complete funding of the Gross
11 Settlement Amount and all applicable employer-side payroll taxes by Defendants, Participating
12 Class Members shall fully and finally release and discharge the Released Parties from the
13 Released Class Claims that arose during the Class Period. This release shall be binding on all
14 Participating Class Members.

15 68. Release by the State of California and LWDA: As of the date on which Defendants
16 fully fund the Settlement, Plaintiffs, the LWDA, and the State of California release the Released
17 Parties of and from the Released PAGA Claims that could have been asserted under PAGA based
18 on the facts alleged in the PAGA Notice provided to the LWDA and in the operative Complaint.
19 A copy of this Agreement will be provided to the LWDA concurrently with submission of the
20 Preliminary Approval Motion. Eligible PAGA Members will receive their share of the employee
21 portion of the PAGA Penalties and will be deemed to have released any claims arising out of
22 PAGA, regardless of whether they opt-out from the release of their Class claims.

23 69. Release of Additional Claims & Rights by Plaintiffs: Upon the funding of the
24 Gross Settlement Amount, Plaintiffs on behalf of themselves only—to the additional following
25 General Release: In consideration of Defendants' promises and agreements as set forth herein,
26 Plaintiffs hereby fully releases the Released Parties from any and all Released Class Claims and
27 Released PAGA Claims and any and all claims whatsoever Plaintiffs may have against Released
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Parties regarding Plaintiffs' employment and/or the termination of employment including, but not limited to, any claims for wages, penalties, bonuses, business related expenses, severance pay, vacation pay, employment benefits, stock options, violation of any personnel policy, any claims based on discrimination, harassment, unlawful retaliation, violation of public policy, or damages of any kind whatsoever, arising out of any common law torts, contracts, express or implied, any covenant of good faith and fair dealing, any theory of wrongful discharge, any theory of negligence, any theory of retaliation, any legal restriction on any Defendants' right to terminate the employment relationship, or any federal, state, or other governmental statute, executive order, regulation or ordinance, or common law, or any other basis whatsoever, to the fullest extent provided by law. Plaintiffs shall be deemed to have, and by operation of the Judgment shall have, expressly waived and relinquished to the fullest extent permitted by law the provisions, rights, and benefits of Section 1542 of the California Civil Code, or any other similar provision under federal or state law that purports to limit the scope of a general release. Plaintiffs, for themselves, have read Section 1542 of the Civil Code of the State of California, which provides as follows:

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

Plaintiffs understands that Section 1542 gives the right not to release existing claims of which he is not now aware, unless Plaintiffs voluntarily chooses to waive this right. Having been so apprised, Plaintiffs nevertheless voluntarily waive their rights described in Section 1542, and elect to assume all risks for claims that now exist in their favor, known or unknown. This release specifically excludes claims for unemployment insurance, disability, social security, and workers compensation (with the exception of claims arising pursuant to California Labor Code Sections 132(a) and 4553).

1 70. Neutral Employment Reference: In the event that any potential or future employers
2 of Plaintiffs request a reference regarding Defendants' employment of Plaintiffs, Defendants shall
3 not refer to the Action or this Settlement. This provision applies only to requests for employment
4 reference directed to Defendants.

5 71. Nullification of Settlement Agreement: In the event that: (a) the Court does not
6 finally approve the Settlement as provided herein; (b) the Court strikes or does not approve any
7 material term of this Settlement Agreement; or (c) the Settlement does not become final as written
8 and agreed to by the Parties for any other reason, then this Settlement Agreement, and any
9 documents generated to bring it into effect, will be null and void, all amounts deposited into the
10 QSF will be returned to Defendants, and the Parties shall be returned to their original respective
11 positions. Any order or judgment entered by the Court in furtherance of this Settlement
12 Agreement will likewise be treated as void from the beginning. Should the Court fail to approve
13 this Settlement for any reason, the Parties agree that they will return to and attend mediation with
14 a mutually agreed Mediator in an effort to reach a settlement that may be approved by the Court.

15 72. Preliminary Approval Hearing: Plaintiffs will obtain a hearing before the Court to
16 request Preliminary Approval of the Settlement Agreement, and the entry of a Preliminary
17 Approval Order for: (a) conditional certification of the Settlement Class for settlement purposes
18 only; (b) Preliminary Approval of the proposed Settlement Agreement; and (c) setting a date for
19 a Final Approval/Settlement Fairness Hearing. The Preliminary Approval Order will provide for
20 the Notice to be sent to all Class Members as specified herein. In conjunction with the Preliminary
21 Approval hearing, Plaintiffs will submit this Agreement, which sets forth the terms of the
22 Settlement, and will include the proposed Notice attached as Exhibit A. Defendants agree that
23 they will not oppose Plaintiffs' Motion for Preliminary Approval except to correct any material
24 misrepresentations or mischaracterizations in Plaintiffs' Motion. Class Counsel further agrees that
25 it/she/he will provide all necessary notices to the LWDA of the settlement concurrently with
26 Plaintiffs' Motion for Preliminary Approval. Any failure by the Court to fully and completely
27 approve the Agreement as to the Action will result in this Settlement Agreement entered into by
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the Parties, and all obligations under this Settlement Agreement being nullified and voided.

73. Final Settlement Approval Hearing and Entry of Judgment: Upon expiration of the deadlines to postmark Requests for Exclusion, Objections to the Settlement Agreement, or Workweek disputes, and with the Court's permission, a Final Approval/Settlement Fairness Hearing will be conducted to determine the Final Approval of the Settlement Agreement along with the amounts properly payable for: (a) Individual Settlement Payments; (b) the Attorneys' Fees and Costs; (c) the Class Representative Incentive Payment; and (d) the Settlement Administration Costs. Class Counsel will be responsible for drafting all documents necessary to obtain Final Approval. Any failure by the Court to fully and completely approve the Settlement Agreement as to all of the Action, or the entry of any Order by another Court with regard to any of the Action which has the effect of modifying material terms of this Agreement or preventing the full and complete approval of the Settlement Agreement as written and agreed to by the Parties, will result in this Agreement and all obligations under this Agreement being null and void. Defendants agree they shall not oppose the granting of the Motion for Final Approval except to correct any material misrepresentations or mischaracterizations in Plaintiffs' Motion.

74. Court Approval: If the Court fails to approve this Settlement for any reason, the Parties agree to attend mediation again in an effort and cooperate in good faith to reach a settlement approved by the Court. However, if ultimately after submitting the settlement for approval to the Court as set forth in the Settlement Agreement, any Court declines to enter the preliminary approval order, the final approval order, or judgment in substantially the form submitted by the Parties, or if the Stipulation of Settlement as agreed does not become final because of appellate court action, the terminating Party shall give to the other Party (through its/her/their counsel) written notice of its decision to terminate no later than fourteen (14) calendar days after receiving notice that one of the enumerated events has occurred. Termination shall have the following effects:

- a. The Settlement Agreement shall be terminated and shall have no force or effect, and no Party shall be bound by any of its terms.

b. In the event the Settlement Agreement is terminated, Defendants shall have no obligation to make any payments to any party, Class Member, the State of California, PAGA Member or attorney.

c. The preliminary approval order, final approval order and judgment shall be vacated.

d. The Stipulation of Settlement and all negotiations, statements and proceedings relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be restored to their respective positions prior to the Settlement.

e. Except as otherwise discoverable, neither the Settlement Agreement, nor any ancillary documents, actions, statements or filings in furtherance of settlement (including all matters associated with the mediation) shall be admissible or offered into evidence in this action or any other action for any purpose whatsoever.

f. Plaintiffs shall destroy all documents produced by Defendants pursuant to the Parties' agreement to exchange pre-mediation discovery.

75. Judgment and Continued Jurisdiction: Upon Final Approval of the Settlement by the Court or after the Final Approval/Settlement Fairness Hearing, the Parties will present the Judgment to the Court for its approval. After entry of the Judgment, the Court will have continuing jurisdiction solely for purposes of addressing: (a) the interpretation and enforcement of the terms of the Settlement; (b) Settlement administration matters; and (c) such post-Judgment matters as may be appropriate under court rules or as set forth in this Settlement.

76. Exhibits Incorporated by Reference: The terms of this Settlement include the terms set forth in any attached Exhibit(s), which are incorporated by this reference as though fully set forth herein. Any Exhibit(s) to this Settlement are an integral part of the Settlement.

77. Entire Agreement: This Settlement Agreement and any attached Exhibit(s) constitute the entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties.

78. Amendment or Modification: Subject to the Court's approval, this Settlement Agreement may be amended or modified only by a written instrument signed by counsel for all

Parties or their successors-in-interest.

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

80. California Law Governs: All terms of this Settlement Agreement and Exhibit(s) hereto will be governed by and interpreted according to the laws of the State of California.

81. Execution and Counterparts: This Settlement Agreement is subject only to the execution of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All executed counterparts and each of them, including facsimile and scanned copies of the signature page, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange among themselves original signed counterparts.

82. Acknowledgement that the Settlement is Fair and Reasonable: The Parties believe this Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at this Settlement after arm's-length negotiations and in the context of adversarial litigation, taking into account all relevant factors, present and potential. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Settlement.

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

84. Waiver of Certain Appeals: The Parties agree to waive appeals and to stipulate to class certification for purposes of this Settlement only; except, however, that either party may appeal any court order that materially alters the Settlement Agreement's terms.

85. Class Action Certification for Settlement Purposes Only: The Parties agree to stipulate to class action certification only for purposes of the Settlement. If, for any reason, the

1 Settlement is not approved, the stipulation to certification will be void. The Parties further agree
2 that certification for purposes of the Settlement is not an admission that class action certification
3 is proper under the standards applied to contested certification motions and that this Agreement
4 will not be admissible in this or any other proceeding as evidence that either: (a) a class action
5 should be certified or (b) Defendants are liable to Plaintiffs or any Class Member, other than
6 according to the Settlement's terms.

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

21 87. Captions: The captions and section numbers in this Agreement are inserted for the
22 reader's convenience, and in no way define, limit, construe or describe the scope or intent of the
23 provisions of this Agreement.

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

1 89. Dispute About Terms: Should a dispute arise about the terms of this Agreement,
2 such disputes shall be submitted to Kevin Barnes, Esq. for consultation.

3 90. Enforcement Action: In the event that one or more of the Parties institutes any
4 legal action or other proceeding against any other Party or Parties to enforce the provisions of this
5 Settlement or to declare rights and/or obligations under this Settlement, the successful Party or
6 Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys'
7 fees and costs, including expert witness fees incurred in connection with any enforcement actions.

8 91. Mutual Preparation: The Parties have had a full opportunity to negotiate the terms
9 and conditions of this Agreement. Accordingly, this Agreement will not be construed more
10 strictly against one Party than another merely by virtue of the fact that it may have been prepared
11 by counsel for one of the Parties, it being recognized that, because of the arms-length negotiations
12 between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

13 92. Representation By Counsel: The Parties acknowledge that they have been
14 represented by counsel throughout all negotiations that preceded the execution of this Agreement,
15 and that this Agreement has been executed with the consent and advice of counsel and reviewed
16 in full. Further, Plaintiffs and Class Counsel warrant and represent that there are no liens on the
17 Agreement.

18 93. All Terms Subject to Final Court Approval: All amounts and procedures described
19 in this Settlement Agreement herein will be subject to final Court approval.

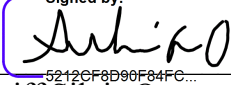
20 94. Cooperation and Execution of Necessary Documents: The Parties agree to
21 cooperate to promote participation in the Settlement, and in seeking court approval of the
22 Settlement. The Parties and their counsel agree not to take any action to encourage any Class
23 Members to opt out of and/or object to the Settlement. Defendants agree not to obtain waivers or
24 *Pick-Up Stix* agreements from the Class Members during the Settlement approval process and
25 will work in good faith to reach an agreement approved by the Court. Defendants further agree
26 that they will not oppose Plaintiffs' motion for preliminary approval and/or motion for final
27 approval, so long as the motion for preliminary approval and/or motion for final approval are
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entirely consistent with the terms of this Settlement Agreement.

95. Confidentiality: Plaintiffs and Class Counsel will not make any public disclosure of the Settlement until after the filing of the motion for preliminary approval of the Settlement. Plaintiffs and their counsel represent that they have not made any such disclosure. Plaintiffs and Class Counsel shall not encourage members of the Settlement Class to opt-out or object, or any PAGA Members to intervene or object. Class Counsel will take all steps necessary to ensure that Plaintiffs are aware of, and will encourage him to adhere to, the restriction against any public disclosure of the Settlement until after the Settlement is preliminarily approved by the Court. Thereafter, Class Counsel and named Plaintiffs agrees not to publicize the terms of this Settlement via any medium, including but not limited to, any newspaper, journal, magazine, website, online reporter of settlements, social media, and/or direct mail.

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

DATED: 5/20/2025

Signed by:

 5212CF8D90F84FC...
 Plaintiff Silvia Osuna

05 / 21 / 2025
 DATED:


 Plaintiff Ashley Lopez

DATED:

Defendant M. Pernecky Management Corp.

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Name: _____

Title: _____

DATED: _____

Defendant Michael Emmett Pernecky

Name: _____

Title: _____

1 **Approved as to Form:**

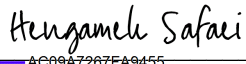
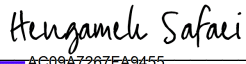
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3 DATED: May 20, 2025

PROTECTION LAW GROUP, LLP

4
5 By: 
6 Heather Davis
7 Amir Nayebdadash
8 Brendan Burton
9 Shadi Sahebghalam
10 *Attorneys for Plaintiff*
11 SILVIA OSUNA

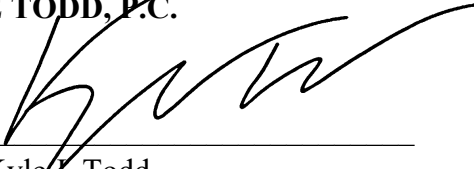
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13 5/20/2025
14 DATED: May __, 2025

PROXY LAW FIRM, LLP

15
16 Signed by:
17 
18 By: 
19 AC09A7267FA9455...
20 Rana Nader
21 Hengameh S. Safaei
22 *Attorneys for Plaintiff*
23 SILVIA OSUNA

24
25 5/20/2025
26 DATED: May __, 2025

KYLE TODD, P.C.

27
28 By: 
Kyle J. Todd
Attorneys for Plaintiff
ASHLEY LOPEZ

DATED: May __, 2025

O'HAGAN MEYER

By: _____
Vickie V. Grasu
Attorneys for Defendants
M PERNECKY MANAGEMENT CORP. and
MICHAEL EMMETT PERNECKY

Title	M. Pernecky - Joint Stip of Class and PAGA Settlement...
File name	M. Pernecky - Joi...ent (Final)-1.pdf
Document ID	36c34fab581d9f9e8da2dc28715be16dd262dafa
Audit trail date format	MM / DD / YYYY
Status	● Signed

Document History



SENT

05 / 20 / 2025

23:37:17 UTC

Sent for signature to Ashley Lopez
(lopezz.ashley@gmail.com) from kyle@kyletodd.com
IP: 2600:6c50:a7f:1a9:698b:61f4:7e84:42ea



VIEWED

05 / 21 / 2025

18:13:44 UTC

Viewed by Ashley Lopez (lopezz.ashley@gmail.com)
IP: 169.235.95.214



SIGNED

05 / 21 / 2025

18:27:46 UTC

Signed by Ashley Lopez (lopezz.ashley@gmail.com)
IP: 169.235.95.214



COMPLETED

05 / 21 / 2025

18:27:46 UTC

The document has been completed.

entirely consistent with the terms of this Settlement Agreement.

95. Confidentiality: Plaintiffs and Class Counsel will not make any public disclosure of the Settlement until after the filing of the motion for preliminary approval of the Settlement. Plaintiffs and their counsel represent that they have not made any such disclosure. Plaintiffs and Class Counsel shall not encourage members of the Settlement Class to opt-out or object, or any PAGA Members to intervene or object. Class Counsel will take all steps necessary to ensure that Plaintiffs are aware of, and will encourage him to adhere to, the restriction against any public disclosure of the Settlement until after the Settlement is preliminarily approved by the Court. Thereafter, Class Counsel and named Plaintiffs agrees not to publicize the terms of this Settlement via any medium, including but not limited to, any newspaper, journal, magazine, website, online reporter of settlements, social media, and/or direct mail.

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

DATED: _____

Plaintiff Silvia Osuna

DATED: _____

Plaintiff Ashley Lopez

DATED: May 23, 2025



Defendant M. Pernecky Management Corp.

Name: Mike Pernecky

Title: President

DATED: May 23, 2025



Defendant Michael Emmett Pernecky

Name: Mike Pernecky

Title: _____

1 **Approved as to Form:**

2
3 DATED: May __, 2025

PROTECTION LAW GROUP, LLP

5 By: _____

6 Heather Davis
7 Amir Nayebdadash
8 Brendan Burton
9 Shadi Sahebghalam
10 *Attorneys for Plaintiff*
11 SILVIA OSUNA

12 DATED: May __, 2025

PROXY LAW FIRM, LLP

13 By: _____

14 Rana Nader
15 Hengameh S. Safaei
16 *Attorneys for Plaintiff*
17 SILVIA OSUNA

18 DATED: May __, 2025

KYLE TODD, P.C.

19 By: _____

20 Kyle J. Todd
21 *Attorneys for Plaintiff*
22 ASHLEY LOPEZ

23 DATED: May 23, 2025

O'HAGAN MEYER

24 By:  _____

25 Vickie V. Grasu
26 *Attorneys for Defendants*
27 M PERNECKY MANAGEMENT CORP. and
28 MICHAEL EMMETT PERNECKY

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EXHIBIT A

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

Osuna v. M. Pernecky Management Corp., et al.
Los Angeles County Superior Court, Case No. 21STCV19885

**THIS IS A COURT-AUTHORIZED NOTICE. IT IS NOT A SOLICITATION.
PLEASE READ THIS NOTICE CAREFULLY.
YOUR LEGAL RIGHTS ARE AFFECTED WHETHER YOU ACT OR DO NOT ACT.**

To: All current and former hourly paid or non-exempt employees employed by M. Pernecky Management Corp., and Michael Emmett Pernecky, within the State of California at any time between May 26, 2017, and February 28, 2025.

BASIC INFORMATION

1. What Is This Settlement About?

A lawsuit was commenced by Silvia Osuna and Ashley Lopez (“Plaintiffs”), former employees of M. Pernecky Management Corp., and Michael Emmett Pernecky (“Defendants”) (collectively with Plaintiffs, the “Parties”), on March 26, 2021. The Parties agreed to allow the filing of an amended complaint adding a cause of action under the Private Attorneys General Act of 2004 (“PAGA”). On July 2, 2021, Plaintiffs filed a first amended complaint adding PAGA (the “Lawsuit”).

The Lawsuit claims that Defendants violated sections of the California Labor Code and California Business and Professions Code. Specifically, Plaintiffs allege that Defendants failed to provide compliant meal and rest periods or pay meal and rest break premiums, did not properly pay employees overtime or pay minimum wage for all time worked, did not keep accurate and complete payroll records, did not provide accurate wage statements, did not timely pay all wages during employment and all wages owed at termination of employment, failed to reimburse employees for business expenses, and maintained unfair business practices. The settlement also seeks to recover penalties pursuant to the PAGA. The Lawsuit alleges that Defendants violated the California Labor Code and the California Business and Professions Code, entitling Class Members to, *inter alia*, damages, penalties, and restitution. Defendants deny all alleged violations and deny that they owe Class Members any remedies. The Court has not made a ruling on the merits of the Lawsuit.

2. Why Is This A Class Action?

In a class action, one or more people called the Class Representative (in this case, Silvia Osuna and Ashley Lopez) sue on behalf of people who appear to have similar claims. All these people are referred to here as Class Members. In a class action, the court resolves the issues for all Class Members in one lawsuit, except for those who exclude themselves from the Class. The Los Angeles County Superior Court (“Court”) is in charge of this class action.

3. Why Is There A Settlement?

The Court has not decided in favor of the Plaintiffs or Defendants. Instead, both sides agreed to a settlement, which is memorialized in the Joint Stipulation of Class Action and PAGA Settlement (“Agreement” or “Settlement”).

On [REDACTED], the Court granted preliminary approval of the Settlement, appointed Plaintiffs Silvia

Osuna and Ashley Lopez as the Class Representative, and appointed their attorneys Protection Law Group, LLP, Proxy Law Firm, LLP, and Kyle Todd, P.C., as counsel for the Class (“Class Counsel”). The Class Representative and Class Counsel think the Settlement is best for the Class.

WHO IS IN THE SETTLEMENT?

4. How Do I Know If I Am Part Of The Settlement?

You are part of the Settlement, and a Class Member, if you were employed by Defendant as an hourly paid non-exempt employee in the State of California at any time between May 26, 2017, to February 28, 2025 (the “Class Period”).

You are part of the Settlement, and a PAGA Member, if you were employed by Defendant as an hourly paid non-exempt employee in the State of California at any time between July 2, 2020, to February 28, 2025 (the “PAGA Period”).

THE SETTLEMENT BENEFITS—WHAT YOU GET

5. What Does The Settlement Provide?

The Settlement provides that Defendants will pay a maximum amount of Two Million Dollars (\$2,000,000.00) (“Gross Settlement Amount”). This includes all costs and attorneys’ fees for Class Counsel.

The “Net Settlement Amount” is the portion of the Gross Settlement Amount that will be available for distribution to Class Members who do not submit timely and valid requests for exclusion in exchange for the release of their class claims. The Net Settlement Amount is the Gross Settlement Amount less the following amounts (which are subject to Court approval):

- A. **Attorneys’ Fees to Class Counsel** not to exceed 35% of the Gross Settlement Amount or One Hundred and Seven Hundred Thousand Dollars (\$700,000.00);
- B. **Litigation Costs/Expenses to Class Counsel** not to exceed Fifty Thousand Dollars (\$50,000.00);
- C. **Enhancement Payment to the Class Representative** in an amount not to exceed Ten Thousand Dollars (\$10,000.00) for each Plaintiff, Silvia Osuna and Ashley Lopez (\$20,000.00 total);
- D. **Settlement Administration Costs** in an amount not to exceed Fifteen Thousand Dollars (\$15,000.00); and
- E. **PAGA Penalties** in the amount of One-Hundred Thousand Dollars (\$100,000.00) for the settlement of claims arising under PAGA. Seventy-five percent (75%) of this amount (\$75,000.00) shall be paid to the California Labor and Workforce Development Agency (“LWDA”). The remaining twenty-five percent (25%) of this amount (\$25,000.00) will be distributed to PAGA Members.

The amount you are eligible to receive from the Settlement, your “Individual Settlement Payment” will be determined on a *pro rata* basis, based on the number of weeks you worked in California as an hourly paid non-exempt employee of Defendants between May 26, 2017, to February 28, 2025 (“Workweeks”). Your Individual Settlement Payment includes both your estimated share of the Net Settlement Amount and, if eligible, your share of the PAGA Penalties.

Your Individual Settlement Payment will be apportioned as twenty percent (20%) wages; forty percent (40%) shall be allocated as interest; and forty percent (40%) shall be allocated as penalties. The wage portion of the

Individual Settlement Payment will be subject to tax withholdings customarily made from an employee's wages and all other authorized and required withholdings and will be reported on a W-2 Form. Both employee and employer-side payroll taxes on the wage portion of Individual Settlement Payments shall be deducted from the Net Settlement Amount. The penalties and interest portions of each Class Member's settlement payment shall be subject to all authorized and required withholdings other than the tax withholdings customarily made to an employee's wages and will be reported on an IRS Form 1099.

You worked **XXX Workweeks during the Class Period. Your Individual Settlement Payment is \$**XXX.XX**. The amount of the payment may change depending on the number of timely and valid requests for exclusions submitted, if any, required tax withholdings, and the terms of the Court's final order approving the Settlement.**

You worked **XXX Pay Periods during the PAGA Period. Your estimated share of the PAGA Penalties is \$**XXX.XX**.**

The Individual Settlement Payment was determined based on Defendants' records of your employment between May 26, 2017, to February 28, 2025, and is presumed correct. Your PAGA Penalties were determined based on Defendants' records of your employment between July 2, 2020, to February 28, 2025. If you dispute the accuracy of Defendants' records as to the number of Workweeks worked during the Class Period or Pay Periods during the PAGA Period, provide any documentation you have supporting such dispute by **[RESPONSE DEADLINE]**. All disputes regarding your Workweeks and Pay Periods will be resolved and decided by the Settlement Administrator subject to review by the Court. The Settlement Administrator's contact information is listed below:

[Settlement Administrator]

[Address]

[Telephone No.]

[Fax No.]

HOW TO GET A PAYMENT FROM THE SETTLEMENT

6. How Can I Get A Payment?

You do not have to do anything to qualify for a payment of your portion of the Settlement.

7. What Am I Giving Up If I Do Not Request To Be Excluded From The Settlement?

Upon the complete funding of the Gross Settlement Amount, in exchange for the consideration set forth by the Settlement, Class Members who do not submit a timely, valid request for exclusion will release the "Released Parties" from the "Released Class Claims" that arose during the "Class Period."

The "Released Parties" includes Defendants M. Pernecky Management Corp., Michael Emmett Pernecky ("Defendants"), and any and all of their past, present and future direct or indirect parents, sister or related entities, acquired companies, subsidiaries, predecessors, successors and affiliates as well as each of its or their past, present and future owners, including the Pernecky family, officers, directors, employees, partners, members, shareholders and agents, attorneys, insurers, reinsurers, heir, representatives, accountants, auditors, consultants, and any individual or entity which could be jointly liable with Defendants.

The "Released Class Claims" include all claims, rights, demands, liabilities and causes of action that are alleged, or reasonably could have been alleged based on the same or similar facts and claims asserted in Plaintiffs'

February 21, 2021, PAGA Notice Letter in this Action including the following claims:

- a. (1) Violation of California Labor Code §§ 510 and 1198 (Unpaid Overtime); (2) Violation of California Labor Code §§ 226.7 and 512(a) (Unpaid Meal Period Premiums), including any claims regarding failure to pay premium pay and/or to pay premium pay at the correct rate of pay; (3) Violation of California Labor Code § 226.7 (Unpaid Rest Period Premiums), including any claims regarding failure to pay premium pay and/or to pay premium pay at the correct rate of pay; (4) Violation of California Labor Code §§ 1194, 1197 and 1197.1 (Unpaid Minimum Wages); (5) Violation of California Labor Code §§ 201 and 202 (Final Wages Not Timely Paid); (6) Violation of California Labor Code § 204 (Wages Not Timely Paid During Employment); (7) Violation of California Labor Code § 226(a) (Non-Compliant Wage Statements), including any alleged failure to provide complete and/or accurate wage statements; (8) Violation of California Labor Code § 1174(d) (Failure to Keep Requisite Payroll Records); (9) Violation of California Labor Code §§ 2800 and 2802 (Unreimbursed Business Expenses); (10) Violation of California Business and Professions Code § 17200, *et seq.*, including all claims for injunctive relief, declaratory relief, restitution, unfair business practices alleged or which could have been alleged in connection with any other claims; and (11) Violation of Labor Code § 2698, *et seq.* (Private Attorneys General Act of 2004 (PAGA)), including those claims set forth in Plaintiff Silvia Osuna's Letter to the Labor & Workforce Development Agency for alleged violations of Labor Code sections 201, 202, 203, 204, 218.5, 221, 226(a), 226.3, 226.7, 246, 510, 512(a), 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800, 2802, and the IWC Wage Orders generally, including but not limited to overtime pay, minimum wage, regular wages and/or sick pay whether contractual or statutory, as well as any and all other claims under California common law, the California Labor Code including but not limited to the Private Attorneys General Act, California Industrial Welfare Commission Wage Orders, and the California Business and Professions Code alleged in or that could have been alleged under the same or similar facts, allegations and/or claims pleaded in the Action, also including any claims for penalties (statutory, civil or otherwise), attorneys' fees, costs, interest, penalties, or premiums in connection with the claims in this Paragraph. All federal claims shall likewise be released, and shall be barred by the settlement by virtue of res judicata, in accordance with *Rangel v. PLS Check Cashers of Cal., Inc.* 889 F.3d 1106 (9th Cir. 2018).

The "Class Period" during which the release of Released Class Claims pertains is from May 26, 2017, to February 28, 2025.

All Class Members will be deemed to have fully, finally and forever released, settled, compromised, relinquished, and discharged any and all Released Class Claims arising under PAGA with respect to all of the Released Parties irrespective of whether a Class Member submits a request for exclusion.

The "Released PAGA Claims" means any and all PAGA claims that could have been asserted under the California Labor Code Private Attorneys General Act of 2004 based on the same or similar factual allegations and claims in the operative Complaint (the First Amended Complaint) in this Action or in Plaintiffs' February 21, 2021, PAGA Notice Letter for the PAGA Period.

The "PAGA Period" during which the release of the Released PAGA Claims pertain is from July 2, 2020, to February 28, 2025.

EXCLUDING YOURSELF FROM THE RELEASE OF NON-PAGA CLAIMS

If you want to keep the right to sue or continue to sue Defendants with respect to the Released Class Claims (other than those which arise under the PAGA (California Labor Code sections 2698, *et seq.*), then you must submit a Request for Exclusion in conformity with the requirements set forth herein. If you exclude yourself, you will not receive payment from the Net Settlement Amount. However, if eligible, you will still receive a payment in an amount equal to your estimated *pro rata* share of the PAGA Penalties because a request for exclusion does not apply to the PAGA claim.

8. How Can I Not Participate In The Settlement?

If you do not wish to take part in the Class Settlement, you must submit a written Request for Exclusion to the Settlement Administrator by no later than **[RESPONSE DEADLINE]**. You must include your name, address, telephone number and the last four digits of your social security number and/or Employee ID number. Your request for exclusion must also include a statement that you do not wish to be included in this action. There is no specific language required to opt-out, but you may state something similar to the following: “I wish to exclude myself from the class action settlement reached in the matter of *Osuna v. M. Pernecky Management Corp., et al.* I understand that by excluding myself I will not receive money from the class settlement.”

The written request for exclusion must be mailed to the Settlement Administrator at the address listed below, post-marked by **[RESPONSE DEADLINE]**. You cannot exclude yourself by phone.

[Settlement Administrator]

[Address]

[Telephone No.]

[Fax No.]

If you ask to be excluded, you will not receive payment of any portion of the Net Settlement Amount and you cannot object to the Settlement. You will not be legally bound by the release of Released Class Claims (except for Released PAGA Claims that arise under the PAGA (California Labor Code sections 2698 *et seq.*)).

If you ask to be excluded, you may be able to sue Defendants and/or the Released Parties or continue any suit you have pending against Defendants or the Released Parties, regarding the Released Class Claims (except for Released PAGA Claims that arise under the PAGA (California Labor Code sections 2698, *et seq.*)).

9. If I Don’t Exclude Myself, Can I Sue Defendant For The Same Thing Later?

No. Unless you submit a request for exclusion, you give up the right to sue Defendants and the other Released Parties for the Released Class Claims. If you have a pending lawsuit involving the Released Class Claims, speak to your lawyer in that lawsuit immediately.

10. If I Exclude Myself, Can I Get Money From This Settlement?

No. You will not receive money from the Net Settlement Amount. If you worked between May 26, 2017, to February 28, 2025, you will still receive a share of the PAGA Penalties as an opt-out request does not apply to the PAGA claim.

THE LAWYERS REPRESENTING THE PROPOSED CLASS

11. Do I Have A Lawyer In This Case?

The Court has approved PROTECTION LAW GROUP, LLP, PROXY LAW FIRM LLP, and KYLE TODD, P.C., as Class Counsel. The firm’s contact information is as follows:

PROTECTION LAW GROUP, LLP

Heather Davis
Amir Nayebdadash

Brendan J. Burton
Shadi Sahebghalam
149 Sheldon Street
El Segundo, California 90245
Telephone: (424) 290-3095

PROXY LAW FIRM, LLP
Hengameh S. Safaei
Rana Nader
10880 Wilshire Boulevard, Suite 1101
Los Angeles, California 90024
Telephone: (310) 853-8333

KYLE TODD, P.C.
Kyle Todd
171 N. Altadena Dr., Ste. 270
Pasadena, CA 91107
Telephone: (323) 208-9171

Class Counsel will ask the Court for attorneys' fees of up to thirty-five percent of the Gross Settlement (estimated to be \$700,000.00) and reimbursement of litigation costs/expenses of up to \$50,000.00. These amounts are subject to Court approval and the Court may award less than these amounts.

OBJECTING TO THE SETTLEMENT

You can object to the Settlement or some part of it.

12. How Do I Tell The Court If I Don't Like The Settlement?

If you are a Class Member, you can object to the Settlement and you can give reasons for why you think the Court should not approve it. The Court will consider your views. To object, you must mail your objection to the Settlement Administrator no later than [RESPONSE DEADLINE]. Your objection must include (i) your full name, current address, and signature; (ii) a clear reference to the Lawsuit; and (iii) a statement of the specific reasons why you believe the Settlement is unfair or why you object to the Settlement. All objections shall be signed by the objecting Class Member or the Class Member's legally authorized representative. You may also come to the Final Approval Hearing on [DATE] and make an objection at that time, regardless of whether you submitted a written objection.

13. What Is The Difference Between Objecting And Excluding?

Objecting is simply telling the Court that you do not like something about the Settlement. You can object only if you stay in the Class. Excluding yourself is telling the Court that you do not want to be part of the Settlement. If you exclude yourself, you have no basis to object because the case no longer affects you.

THE COURT'S FINAL APPROVAL HEARING

The Court will hold a hearing to decide whether to grant final approval of the Settlement ("Final Approval Hearing"). You may attend, but you do not have to attend.

14. When And Where Will The Court Decide Whether To Approve The Settlement?

The Court will hold the Final Approval Hearing at [REDACTED] a.m./p.m. on [REDACTED], at the Santa Clara County Superior Court, located at 312 North Spring Street, Los Angeles, California 90012.

At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate, and determine whether to grant final approval of the Settlement. If there are objections, the Court will consider them.

15. Do I Have To Come To The Hearing?

No. If you agree to the Settlement, you do not have to come to Court to talk about it. However, you may attend either virtually or in-person. You may also retain your own lawyer at your expense to attend on your behalf.

The Final Approval Hearing may be postponed without further notice to Settlement Class members. Any changes to the date, time, or location of the Final Approval Hearing will be posted on the Settlement Administrator's website at (<http://.com>).

16. How Will I Learn If The Settlement Was Approved?

A notice of final judgment will be posted on the Settlement Administrator's website located at [www.\[REDACTED\].com](http://www.[REDACTED].com).

IF YOU DO NOTHING

17. What Happens If I Do Nothing At All?

If you do nothing, you will receive your share of the Settlement, and you will release the Released Class Claims. You will not be able to start a lawsuit, continue with a lawsuit, or be part of any other lawsuit against Defendants or the other Released Parties about the Released Class Claims, ever again. Your Individual Settlement Payment will be mailed to you and remain valid and negotiable for 180 days. If you do not cash your settlement check within 180 days, these funds will be transferred to the Controller of the State of California's Unclaimed Property Fund. You may then claim these funds from there via https://www.sco.ca.gov/upd_msg.html.

GETTING MORE INFORMATION

18. How Do I Get More Information?

This notice summarizes the proposed Settlement. More details are in the Settlement Agreement. You can get a copy of the Settlement Agreement by viewing the settlement located on the Settlement Administrator's website at [REDACTED] or by contacting the Settlement Administrator or Class Counsel.

WHAT IF MY INFORMATION CHANGES?

19. What If My Contact Information Changes?

It is your responsibility to inform the Settlement Administrator of your updated information to ensure receipt of

settlement payments or communications regarding this matter. You can change or update your contact information by contacting the Settlement Administrator.

**DO NOT ADDRESS ANY QUESTIONS ABOUT THE SETTLEMENT OR
THE LITIGATION TO THE CLERK OF THE COURT OR THE JUDGE.**

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EXHIBIT 3