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on behalf of himself and others similarly situated

[Additional counsel and party listed on following page]

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

OSCAR MORALES, on behalf of himself
and others similarly situated,

Plaintiff,

vs.

FAIRWAY STAFFING SERVICES, INC. a
California corporation; NEPTUNE FOODS,
a business entity of unknown form; and
DOES 1 through 50 inclusive,

Defendants.

Case No. 21STCV11632

Assigned for All Purposes To:

Hon. Timothy P. Dillon

Dept.: 15

**DECLARATION OF ENOCH J. KIM IN
SUPPORT OF PLAINTIFFS' MOTION FOR
APPROVAL OF PAGA SETTLEMENT**

[filed concurrently with Plaintiff's Notice of
Motion and Motion; Declaration of David
Yeremian; Declaration of Kane Moon;
Declaration of Kevin Lee; and [Proposed] Order]

Date: October 1, 2025

Time: 10:00 a.m.

Dept.: 15

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1 Complaint (“FAC”) adding a tenth cause of action for PAGA penalties under Labor Code §§2699.

2 5. On April 14, 2021, Plaintiff Sandoval filed a notice of intent to bring a Private Attorneys
3 General Act lawsuit with the LWDA. On April 15, 2021, Plaintiff Sandoval filed a class action
4 complaint alleging causes of action against Defendants for (1) Failure to Pay Minimum Wages; (2)
5 Failure to Pay Overtime Compensation; (3) Failure to Provide Meal Periods; (4) Failure to
6 Authorize and Permit Rest Breaks; (5) Failure to Indemnify Necessary Business Expenses; (6)
7 Failure to Timely Pay Final Wages at Termination; (7) Failure to Provide Accurate Itemized Wage
8 Statements and (8) Unfair Business Practices (“Sandoval Action”). On August 5, 2021, a notice of
9 relates cases was filed in the Sandoval Action. On August, 26, 2021, the Court issued a minute
10 order relating the Sandoval and Morales Actions. On December 2, 2021, the Court granted
11 Plaintiffs’ stipulation to consolidate the Sandoval and Morales Actions. On December 7, 2021,
12 Plaintiffs filed a Second Amended Consolidated Class Action Complaint (“the Operative
13 Complaint” and/or the “Action”). Plaintiffs’ PAGA Notices are attached hereto as **Exhibit 2.**

14 6. On August 24, 2022, the Parties attended mediation with Marc Feder and were unable to
15 settle the case despite engaging in post-mediation settlement discussions.

16 7. On February 2, 2023, Defendants filed their Motion to Compel Arbitration of Plaintiff
17 Morales’s claims after mediation efforts and post-mediation settlement discussions proved
18 unsuccessful. On February 2, 2024, the Court ordered Plaintiff Morales’s individual claims to
19 arbitration. On March 1, 2024, Plaintiff Morales initiated arbitration proceedings by filing a
20 Statement of Claims with JAMS.

21 8. Thereafter, the Parties again engaged in settlement discussions, which ultimately led to
22 an agreement to settle the Action.

23 9. Prior to mediation, Plaintiffs conducted comprehensive informal discovery and
24 Defendants provided a sampling of time and payroll data for the Aggrieved Employees, and figures
25 and information regarding the total number of Aggrieved Employees and PAGA Pay Periods. The
26 information and data exchanged by Plaintiffs and Defendants prior to and during mediation and
27 settlement negotiations were sufficient to reliably assess the merits of the Parties’ respective
28 positions, to compromise the issues on a fair and equitable basis, and to devise a formula for

1 distribution of civil penalties among the Aggrieved Employees that took into consideration the
2 strength of the PAGA claims.

3 **SETTLEMENT NEGOTIATIONS AND TERMS**

4 10. On August 24, 2022, the parties attended an all-day mediation with Marc Feder but were
5 unable to settle the case despite engaging in post-mediation settlement discussions. Thereafter, the
6 Parties again engaged in settlement discussions, which ultimately led to an agreement of settling
7 this matter. The Parties agreed to the general terms for settling this Action that were first
8 memorialized in a Memorandum of Understanding and thereafter in the long-form PAGA
9 Settlement Agreement now before the Court for approval.

10 11. The Parties believe and agree that the Settlement provides for a fair, adequate, and
11 reasonable resolution of the Action and have arrived at the Settlement after extensive, arm's length
12 negotiations, considering all relevant factors, present and potential. PAGA Counsel believes that
13 the Settlement confers real benefits upon Plaintiffs and the Aggrieved Employees and that an
14 independent review of the Settlement by the Court in the approval process will confirm this
15 conclusion.

16 12. For purposes of the Settlement, Aggrieved Employees are defined as: "all non-exempt
17 employees who were employed directly by Fisherman's Pride or employed and placed by Fairway
18 Staffing to work at Fisherman's Pride, in the state of California during the PAGA Period," which
19 is "the period from March 24, 2020, through July 29, 2024." Based on its records, Defendants
20 estimate that there are approximately 413 Aggrieved Employees who worked a total of 48,986
21 PAGA Pay Periods during the PAGA Period.

22 13. The Settlement Agreement requires Defendants to pay a maximum, non-revisionary
23 settlement amount of \$220,000.00 in full and final settlement of all claims alleged in the Action
24 (the "Gross Settlement Amount"). The Gross Settlement Amount will be allocated as follows,
25 pending Court approval:

- 26 a) Attorneys' fees in the amount not to exceed 1/3 (One-Third) of the Gross
27 Settlement Amount, which is currently estimated to be \$73,333.33 ("PAGA
28 Counsel Fees Payment"), and litigation costs of \$18,559.71 (\$11,231.84 for

1 D.Law, Inc., and \$7,327.87 for Moon Law Group, PC) (“PAGA Counsel
2 Litigation Expenses Payment”);

- 3 b) Administration costs of no more than \$6,500.00 to be paid to the Administrator
4 (“Administrator Expenses Payment”), Phoenix Settlement Administrators
5 (“Phoenix”), for sending notices and for calculating settlement shares and
6 preparing all checks and mailings; and
- 7 c) The remainder of the Gross Settlement Amount (the “Net Settlement Amount”)
8 after deducting the above costs is approximately \$121,606.96 and shall be
9 designated as PAGA Penalties Payment to be allocated between the LWDA and
10 the Aggrieved Employees pursuant to Labor Code section 2699(i), with 75%
11 (\$91,205.22) being paid to the LWDA (the “LWDA PAGA Payment”) and 25%
12 (\$30,401.74) being paid to the Aggrieved Employees on a pro-rata basis
13 (“Individual PAGA Payment”).

14 14. From PAGA Counsel’s review of the strengths and weaknesses of the case and the risks
15 and delays posed by further litigation, PAGA Counsel believes that the recovery for the State and
16 Aggrieved Employees is fair and reasonable. Further, and based on the settlement negotiations,
17 which were extensive and conducted in good faith and at arm’s length between attorneys with
18 substantial experience litigating PAGA actions, the Settlement was the product of a non-collusive
19 settlement process in which the parties were forced to make significant compromises in the interest
20 of reaching a full and complete settlement of the lawsuit.

21 **THE STRENGTH OF PLAINTIFF’S CASE**

22 **IN LIGHT OF THE SETTLEMENT AMOUNT**

23 15. Plaintiffs allege that Defendants violated various provisions of California law and seeks
24 civil penalties for the foregoing violations pursuant to Labor Code § 2699 *et seq.* Under Labor Code
25 § 2699, specifically, Plaintiffs alleged that Defendants:

- 26 • Failed to pay the Aggrieved Employees minimum wages and overtime for “off-the-
27 clock” work, such as “pre-shift” work for undergoing COVID temperature screening
28 prior to clocking into work, for putting on their uniforms which were kept in

Defendants' locker room area, and for hours worked during alleged meal periods.

- Failed to provide the Aggrieved Employees with compliant meal periods because they were frequently interrupted during meal periods, and regularly had to work through their meal periods. Furthermore, Defendants failed to compensate the Aggrieved Employees for each meal period not provided or inadequately provided, as required under Labor Code § 226.7.
- Failed to provide the Aggrieved Employees with compliant rest periods as they frequently received interrupted, shortened, or no rest periods. Furthermore, Defendants failed to compensate the Aggrieved Employees with an additional hour of pay at each Aggrieved Employee's effective hourly rate for each day that Defendants failed to provide them with adequate rest breaks, as required under Labor Code § 226.7.
- Failed to provide accurate itemized wage statements in writing. Specifically, the wage statements given to Aggrieved Employees by Defendants failed to accurately account for wages, overtime, and premium pay for deficient meal and rest periods, and failed to account for actual hours worked.
- Failed to reimburse the Aggrieved Employees for business expenses, including the costs of rubber boots, safety masks, and laundering of lab coats which were necessary to perform their duties under Defendants' employ.
- Failed to maintain accurate time and wage records for Plaintiffs and Aggrieved Employees as required by Labor Code § 1174.
- Failed to pay Aggrieved Employees all wages due and certain at the time of termination or within seventy-two (72) hours of resignation.

16. Defendants denied and continue to deny all of the claims made by Plaintiffs in this Action and contend that they acted at all relevant times in conformance with the law. Defendants contend that Plaintiffs and the Aggrieved Employees were paid for all hours worked, that Defendants prohibited Plaintiffs and the Aggrieved Employees from working beyond their scheduled shifts, and that any off-the-clock work was performed without Defendants' knowledge and was de minimis; that Defendants provided lawfully compliant meal and rest periods (and in fact provided

1 longer breaks than required by law) and that any deviations were at the voluntary election of
2 Plaintiffs and/or the Aggrieved Employees and not at the request of Defendants or due to work
3 requirements; that Defendants paid all wages due on a timely basis and using Labor Code compliant
4 instruments; that Defendants' wage statements complied with the law; and that neither Plaintiffs
5 nor any Aggrieved Employees incurred reasonable business related expenses for which they were
6 not reimbursed. Defendants further contend that their above defenses are supported by their written
7 policies applicable to Plaintiffs and Aggrieved Employees. As a result, PAGA Counsel had to
8 appropriately discount the amount recoverable from Defendants in a settlement.

9 **PAGA Penalties**

10 17. The Private Attorneys General Act, Labor Code § 2699 *et seq.*, allows Plaintiffs to obtain
11 civil penalties on behalf of themselves and other aggrieved employees for Defendants' violation of
12 any provision of the Labor Code enumerated under Labor Code § 2699.5. Where civil penalties are
13 provided in the statute, those civil penalties are recoverable; where no civil penalties are
14 recoverable, Labor Code § 2699(f) establishes civil penalties of one hundred dollars (\$100) for each
15 aggrieved employee per pay period for the initial violation and two hundred dollars (\$200) for each
16 aggrieved employee per pay period for each subsequent violation. Pursuant to Labor Code §
17 2699(i), seventy-five (75) percent of the penalties recovered must be allocated to the LWDA, with
18 the remaining twenty-five (25) percent allocated to the affected employees. However, under *Amaral*
19 *v. Cintas*, 163 Cal. App. 4th 1157, 1207-09 (2008) the Court held that a lower penalty amount of
20 \$100 per violation applies in the absence of a determination that a violation actually occurred.

21 18. Plaintiffs estimated that the maximum potential exposure on the PAGA claim is
22 \$4,898,600.00 calculated by multiplying the total number of PAGA Pay Periods (48,986) by \$100
23 per violation. Plaintiffs' calculation of the total potential exposure on the PAGA claim was based
24 on one PAGA penalty per pay period (i.e., Plaintiffs did not stack the PAGA penalties in their
25 damages calculation).

26 19. Case law supports the notion that it is inappropriate to "stack" penalties for multiple
27 violations, particularly when those violations all stem from the same alleged "injury" *Aguirre v.*
28 *Genesis Logistics*, 2015 U.S. Dist. LEXIS 78748 (citing *Villacres v. ABM Indus., Inc.*, 189

1 Cal.App.4th 562, 577 (2010)). (“One injury gives rise to only one claim for relief...The violation
2 of one primary right constitutes a single cause of action.”; *Crowley v. Katleman*, 8 Cal. 4th 666,
3 681-82) (1994); *Li v. A Perfect Day Franchise, Inc.*, 2012 WL 2236752, *17 (N.D. Cal.2012)
4 (“There is no authority that “would permit double recovery of essentially the same penalties.”)

5 20. PAGA penalties are not mandatory but permissive. Labor Code § 2699(e)(2) states that
6 “a court may award a lesser amount than the maximum civil penalty amount specified by this part
7 if, based on the facts and circumstances of the particular case, to do otherwise would result in an
8 award that is unjust, arbitrary and oppressive, or confiscatory.” (See *Thurman v. Bayshore* (2012)
9 203 Cal. App. 4th 1112 (substantially reducing PAGA penalties by 30% under this provision)
10 (emphasis added); see also *Carrington v. Starbucks Corp.*, 30 Cal. App. 5th 504, 529 (2018)
11 (affirming penalty reduction of 90% for practice that resulted in meal periods occasionally starting
12 minutes after the fifth hour of work); *Sanchez v. McDonald’s Corp.* (2017), LASC Case No. No.
13 BC 499888 (98% reduction from \$41 million to \$775,000); *Ghrdilyan v. RJ Financial* (2012),
14 LASC Case No. BC430633 (94% reduction from \$5.4 million to \$325,000); *Fleming v. Covidien*,
15 Inc. (2011), USDC Case No. ED CV 10-01487-RGK (OPx) (87% reduction from \$2.8 million to
16 \$375,000).). In departing from the \$100/pay period calculation to arrive at the \$220,000.00 Gross
17 Settlement Amount in this case, Plaintiffs considered what the realistic potential exposure could be
18 and why the Court may reduce any eventual recovery at its discretion, including Defendants’
19 defenses to the claims and the potential manageability issues with PAGA claims at trial. Based on
20 those considerations, Plaintiffs applied a discount of 90% to the maximum potential exposure
21 (which equates to \$10 penalty per pay period) to get a realistic potential exposure of \$489,860.00
22 (48,986 pay periods x \$10 penalty per pay period).

23 21. The Gross Settlement Amount of \$220,000.00 is approximately 45% of the realistic
24 potential exposure of \$489,860.00. PAGA Counsel submits that this is an excellent result for the
25 State and Aggrieved Employees in light of the strengths and weaknesses of the case and the risks
26 and delays posed by further litigation.

27 **REQUEST FOR ATTORNEYS’ FEES AND COSTS**

28 22. Pursuant to the Settlement Agreement, PAGA Counsel is requesting an award of

1 attorneys' fees in the amount of **\$73,333.33** ("PAGA Counsel Fees Payment") and an award of
2 litigation costs to PAGA Counsel of **\$18,559.71** (\$11,231.84 for D.Law, Inc., and \$7,327.87 for
3 Moon Law Group, PC), which is lower than the requested \$20,000.00 "not-to-exceed" amount in
4 the Settlement. D.Law, Inc.'s cost log for this matter is attached hereto as **Exhibit 3**.

5 23. This request is fair, reasonable, and adequate to compensate PAGA Counsel for the
6 substantial work they have put into this case and, moreover, the risk they assumed by taking it in
7 the first place. The attorneys' fees award is intended to reimburse PAGA Counsel for all
8 uncompensated work that they have already done and for all the work they will continue to do in
9 carrying out and overseeing the notification to the Aggrieved Employees, communicating with
10 Aggrieved Employees regarding their claims, and assisting in the administration of the Settlement
11 if it is approved.

12 24. Throughout this case, PAGA Counsel have borne, and continue to bear, the entire risk
13 and cost of litigation associated with this Action on a purely contingency basis. As a result, PAGA
14 Counsel have yet to receive any compensation for the amount of time and money invested in the
15 case to date.

16 25. Contingent-fee cases present the very real risk of working hundreds if not thousands of
17 hours that may never be entirely compensated. Moreover, while the case is being litigated, counsel
18 must pay overhead (salaries, rent, etc.), provide for their own expenses, and in most cases pay the
19 out-of-pocket expenses incurred on the plaintiff's behalf. And the prospect of a court-awarded fee
20 does not greatly reduce the risk posed by these cases. In many cases, the prospect is nothing more
21 than a potential that never materializes. First, you must win the case to get a court-awarded fee;
22 even those cases that seem strongest at the onset can be lost and sometimes are lost. Second, there
23 are always the pitfalls and unforeseen obstacles that arise along the way, such as settlement offers
24 that the client may accept without ensuring that we receive a reasonable fee or changes in the law
25 that substantially affect the merits of the case, or other uncertainties involving the client. Finally,
26 there is the great risk inherent in advancing tens if not hundreds of thousands of dollars in out-of-
27 pocket expenses. If that money were to be invested in some sort of financial investment, one would
28 expect a reasonable rate of return on that investment. Here, however, the best we can hope to

1 recover is our money, and then only if we are substantially successful; if we are not, all or part of
2 this “investment” can be lost.

3 26. PAGA Counsel is well acquainted with the contingent-fee market throughout California,
4 particularly as it pertains to PAGA and class action litigation. PAGA Counsel has negotiated
5 numerous contingency-fee agreements with plaintiffs, both as individuals and as representatives in
6 class-action and PAGA suits. Many of those agreements required that counsel receive a fee under
7 certain scenarios that exceeds one-third of the recovery. PAGA Counsel’s recent attorneys’ fees
8 awards in similar wage-and-hour class and PAGA actions have been 35% of the recovery.

9 27. PAGA counsel in contingency-fee cases have received attorneys’ fees up to 40% of the
10 gross settlement amount. See *Crandall v. U-Haul* (Los Angeles County Super. Ct., Case No.
11 BC178775), the Honorable Steven Czuleger awarded a 40% attorney fee request in an overtime-
12 exemption class action; in *Bushnell v. Cremer, Inc.* (Orange County Super. Ct., Case No. 657778),
13 the Honorable Donald E. Smallwood awarded attorneys’ fees in the amount of 38%; in *Abzug v.*
14 *Kerkorian* CA000981 (Los Angeles County Super. Ct., November 1990), the Honorable R. William
15 Schoettler awarded a 45% fee; in *Haitz v. Meyer, et al.*, Alameda County Super. Court, 8-20-1990
16 No. 572968-3, the court awarded a 40% fee; in *Elliott v. Clothestime* (Orange County Super. Ct.,
17 Case No. 01-CC00333) the Honorable Jonathan Cannon awarded a 40% fee in a wage-and-hour
18 class action which had not yet proceeded to the class certification stage; in both *Rippee v. Boston*
19 *Market Corporation*, Case No.: 05 CV 1359 BTM (JMA) and *Barile v. Boston Market Corporation*,
20 Case No.: 05 CV 1360 BTM (JMA), the Honorable Judge Barry T. Moskowitz awarded a 40% fee
21 to plaintiffs’ counsel in wage-and-hour class actions that had not proceeded to the class-certification
22 stage.

23 28. Moreover, PAGA Counsel spent substantial time on this matter. Aside from drafting the
24 initial complaint, PAGA Counsel conducted informal discovery, reviewed and analyzed time and
25 pay records, employment handbooks, Plaintiff’s personnel file, relevant policies and other
26 documentation, researched the applicable law and potential defenses, constructed damage models
27 based on interpretations of California law, reviewed information provided by Defendants at the
28 mediation, engaged in meet and confer efforts with Defendants, drafted and revised the settlement

1 agreement, and drafted this Motion. PAGA Counsel from D.Law, Inc. conservatively estimates that
2 it invested at least 144.64 hours of attorney time in this matter. Attorney Roman Shkodnik's current
3 billing rate is \$700.00 (12 years out of law school, Laffey Matrix rate of \$948.00), and he spent
4 approximately 95.23 hours in this matter with a lodestar amount of \$66,661.00. Attorney Emma
5 Geesaman's current billing rate is \$425.00 (1 year out of law school, Laffey Matrix rate of \$473.00),
6 and she spent approximately 11.1 hours in this matter with a lodestar amount of \$4,717.50. Attorney
7 Amanda Fazio's current billing rate is \$475.00 (2 years out of law school, Laffey Matrix rate of
8 \$473.00), and she spent approximately 2.3 hours in this matter with a lodestar amount of \$1,092.50.
9 Attorney Robert Payaslyan's billing rate was \$400.00 at the time of being employed at D.Law, Inc.
10 and he spent approximately 7 hours in this matter with a lodestar amount of \$2,800.00. Attorney
11 Mason Doige's current billing rate is \$425.00 (1 year out of law school, Laffey Matrix rate of
12 \$473.00), and he spent approximately 0.6 hours in this matter with a lodestar amount of \$255.00.
13 Attorney Enoch J. Kim's current billing rate is \$750.00 (16 years out of law school, Laffey Matix
14 rate of \$948.00), and he spent approximately 10 hours in this matter with a lodestar amount of
15 \$7,500.00. Attorney Norayr Zakaryan's current billing rate is \$400.00 (11 months out of law
16 school, Laffey Matrix rate of \$473.00), and he spent approximately 18.41 hours in this matter with
17 a lodestar amount of \$7,364.00. The total lodestar for PAGA Counsel from D.Law, Inc. is
18 \$90,390.00, which is above the fee request of \$73,333.33 and requires no multiplier.

19 29. In light of the foregoing, the fee request in an amount equal to one-third of the settlement
20 in this case is well within the bounds that have been established by the above-cited authority.

21 **EXPERIENCE AND VIEWS OF COUNSEL**

22 30. D.Law (formerly known as Davtyan Law Firm) prosecutes wage and hour cases,
23 including class actions and PAGA actions on behalf of employees and others who have had their
24 rights violated. D.Law, either on its own or with co-counsel, is currently serving as plaintiffs'
25 counsel of record in numerous wage and hour and employment class action and PAGA action cases
26 pending in both state and federal court.

27 31. D.Law is well-qualified and has ample experience, knowledge, and resources to act as
28 counsel and represent Plaintiffs and the Allegedly Aggrieved Employees in this action. Our practice

1 is exclusively focused on employment matters and representing plaintiffs in wage and hour actions
2 with the same or similar causes of actions brought forth in the matter pending before this Court.

3 32. D.Law has litigated and successfully resolved many wage and hour class action cases
4 involving failure to pay wages and derivative Labor Code claims and penalties. See e.g. De La Rosa
5 v. The Coca Cola Company et al. (Superior Court of California in Napa, 17CV000787), Harvey v.
6 Bed Bath & Beyond of California Limited Liability Company (Superior Court of California in
7 Alameda, RG17885153), Paredes v. Bottling Group LLC et. al. (Superior Court of California in
8 Kern), Ramirez v. Harris Ranch Beef Company (Superior Court of California in Fresno,
9 16CECG04103), Gates v. Gate Gourmet, Inc. et. al. (Southern District of California, 16-cv-01084-
10 L-AGS), Hargrave v. Antelope Valley Hospital (Superior Court of California in Los Angeles,
11 BC663252), Ramirez v. Milton Roy et. al. (Superior Court of California in Los Angeles, BC 632
12 276), Hawkins v. AvalonBay Communities (Superior Court of California in Santa Clara,
13 17CV316492), Jones Tharpe et al. v. Sprint Corporation et al. (Superior Court of California in Los
14 Angeles, BC644645), Ortega et al. v. Nestle Waters North America, Inc. et al. (Superior Court of
15 California in Los Angeles, BC623610), Schultz v. Jimbo's Natural Family, Inc. (Superior Court of
16 California in San Diego, 37-2017-00022348-CUE-OE-CTL), Ambrose v. Victor Valley Global et
17 al. (Superior Court of California in San Bernardino, CIVDS1709289), Puerta-Gildardo v. Real
18 Time Staffing Services LLC et. al. (Superior Court of California in Los Angeles, BC565445),
19 Vargo v. Pregis Innovative Packaging LLC (Superior Court of California in Tulare, 270836),
20 Conlin v. Aegis Senior Communities LLC (Northern District of California, 17-cv-05534-LHK),
21 Galarza v. Kloeckner Metals Corporation (Central District of California, 2:17-cv-04910-FMO),
22 Estes v. L3 Technologies, Inc. et al. (Southern District of California, 3:17-cv-02356-H-JMA),
23 Rowser v. Trunk Club, Inc. (Central District of California, 2:17-cv-05064-DSF-RAO), Leach v.
24 The Claremont Colleges, Inc. (Superior Court of California in Los Angeles, BC686451), Vaesau
25 v. PCT Enterprises, Inc. dba Precision Cabinets (Superior Court of California, County of Contra
26 Costa MSC18-02404), Terry v. TF Louderback, Inc. dba Bay Area Beverage Company (Superior
27 Court of the State of California, County of Contra Costa, MSC18-00859), Roach v. Westcare
28 California, Inc. (Superior Court of California in Kern County, BCV-17-102367-SDS), Patton v.

1 Church & Dwight Co., Inc. (Central District of California, EDCV 18-903-MWF (KKx)), Juarez v.
2 ISL Employees, Inc. (Superior Court of California in Madera, MCV074787), Ferraro v. USC
3 Verdugo Hill s Hospital, et al. (Superior Court of California in Los Angeles, 18STCV09463), Ford
4 v. Account Control Technology, Inc., et al. (Superior Court of California in Los Angeles,
5 19STCV09369), Ornelas v. iStorage, et al. (Superior Court of California in San Francisco, CGC-
6 18-571421), Martinez v. Ronpak, Inc. (Superior Court of California in Riverside, RIC1901307),
7 Barrera et al. v. Exclusive Wireless, Inc. (Superior Court of California in Stanislaus, 9000687),
8 Barajas v. Mancha Development Company LLC (Superior Court of California in Orange County,
9 30-2018-00974707-CU-OE-CXC), Prado v. IMAX Corporation dba IMAC Worldwide Home
10 (Superior Court of California in San Bernardino, CIVDS1820265), Rodriguez v. ND Industries,
11 Inc. (Superior Court of California in Los Angeles, 19STCV38096), Singletary v. Motel 6 Operating
12 LP, et al. (Southern District of California, 3:20-cv-0270-LAB-AHG), Quizon v. CF Watsonville
13 East, LLC, et al. (Superior Court of California in Santa Cruz, 20CV01868), Stephenson v.
14 Bakersfield Dodge, Inc. (Superior Court of California in Kern, BCV-20-102693), Bacerra v. Hugo
15 Boss Retail, Inc. (Superior Court of California in San Diego, 37-2021-00002933-CU-OE-CTL),
16 Walker v. Ariat International, Inc. (Superior Court of California in Alameda, HG19026439), Orr v.
17 Petvet Care Centers (California) Inc. (Superior Court of California in Santa Clara, 19CV354063),
18 Jimenez v. OEC Distribution Services, Inc. (Superior Court of California in San Bernardino,
19 CIVDS1915743), Virdi v. Absolute Security International (Superior Court of California in San
20 Bernardino, CIVDS 1909589), Raj v. First Transit, Inc (Superior Court of California in Sacramento,
21 34-2021-00295895-CU-OE-GDS), Marchbanks v. Torrid Administration, Inc. (Superior Court of
22 California in San Diego, 37-2020-00008179-CU-OE-NC), among others.

23 33. I am Senior Counsel at D.Law where I manage the class action and PAGA settlement
24 department. I was admitted to the California Bar in December 2008. I received my J.D. from
25 Pepperdine University School of Law and B.S. from University of Southern California. Since
26 graduating from law school, I have dedicated virtually my entire career on the practice of
27 employment law. I have practiced employment law from the plaintiff's side, defense side, and from
28 an in-house position. I have significant experience specifically working on wage and hour class

1 actions from the plaintiff's side as well as the defense side, with the majority of my experience
2 coming from the plaintiff's side.

3 34. Attorney Roman Shkodnik received his Bachelor of Arts in history and political science
4 from the University of California, Los Angeles, in 2007. He then earned his Juris Doctorate from
5 Loyola Law School in May of 2011. Upon graduating from law school, he has exclusively focused
6 his practice on representing employees including in wage-and-hour class actions. During his career,
7 he has represented employees in over 100 wage-and-hour class action lawsuits as lead or co-lead
8 counsel (including in the Central, Southern, Eastern and Northern Districts of California), and he
9 has obtained six and seven figure settlements against a range of defendants, including Fortune 500
10 companies. These cases have involved the gamut of wage-and-hour claims, including claims for
11 failure to pay minimum wages, unpaid wages and overtime, inaccurate pay statements, and failure
12 to pay timely wages - similar to claims at issue in the present matter.

13 35. The collective experience of the D.Law attorneys in litigating employment wage and
14 hour matters has been integral in identifying legal issues, evaluating the strengths and weaknesses
15 of a case, and generally negotiating fair and reasonable class and representative action settlements.
16 This experience is helpful in assessing the reasonableness of settlements such as the one at issue
17 here. Based on our experience, PAGA Counsel concluded that this lawsuit could not have been
18 settled on better terms than provided under the present settlement agreement given the financial
19 limitations of Defendants.

20 36. In sum, PAGA Counsel are experienced in employment class action and PAGA litigation
21 and are adequate to represent the Allegedly Aggrieved Employees in the instant action.

22 **SUMMARY**

23 37. The parties agreed to use Phoenix as the third-party settlement administrator in this case.
24 Phoenix will be responsible for updating the addresses for the Aggrieved Employees, mailing the
25 Notice of PAGA Settlement and Release of Claims ("Notice of Settlement") and calculating and
26 distributing the settlement checks, among other duties. Phoenix capped its fees at \$6,500.00 for
27 administering the Settlement, and based on PAGA Counsel's experience in other class and PAGA
28 settlements, Phoenix's costs for administering this Settlement are fair and reasonable. The Notice

1 of Settlement is attached hereto as **Exhibit 4**.

2 38. On July 24, my office submitted the proposed Settlement and this Motion to the LWDA.
3 Attached hereto as **Exhibit 5** is a true and correct copy of the confirmatory email my office received
4 from the LWDA after submission of the Settlement and Motion.

5 39. I am not aware of any class or other representative action against Defendants in any
6 other court that asserts claims similar to those alleged in the action being settled.

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

9 Executed this 24th day of July, 2025, at Glendale, California.

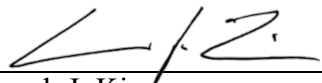
10
11 
12 Enoch J. Kim

EXHIBIT 1

PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement (“Agreement”) is made by and between plaintiffs Oscar Morales (“Morales”) and Brenda Karina Sandoval (“Sandoval,” together with Morales, “Plaintiffs”) on the one hand, and defendants Fairway Staffing Services, Inc. (“Fairway Staffing”) and Fisherman’s Pride Processors, Inc., dba Neptune Foods (“Fisherman’s Pride,” together with Fairway Staffing, “Defendants”) on the other hand. The Agreement refers to Plaintiffs and Defendants collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1 “Action” means Plaintiff Morales’s lawsuit filed against Defendants, captioned *Oscar Morales v. Fairway Staffing Services, Inc. et al.*, Case Number 21STCV11632, initiated on March 25, 2021 and amended on June 16, 2021 in Superior Court of the State of California, County of Los Angeles; and Plaintiff Sandoval’s lawsuit filed against Defendants, captioned *Brenda Karina Sandoval v. Fisherman’s Pride Processors, Inc., et al.*, Case Number 21STCV14436, initiated on April 15, 2021 in Superior Court of the State of California, County of Los Angeles. As of December 7, 2021, via the filing of a Second Amended Complaint, both lawsuits were consolidated for all purposes, with Plaintiff Sandoval joining Plaintiff Morales’ lawsuit (Case Number 21STCV11632).
- 1.2 “Administrator” means Phoenix Settlement Administrators (“Phoenix”), the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3 “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with approval of this Settlement.
- 1.4 “Aggrieved Employee” means all non-exempt employees who were employed directly by Fisherman’s Pride or employed and placed by Fairway Staffing to work at Fisherman’s Pride, in the state of California during the PAGA Period.
- 1.5 “Aggrieved Employee Data” means Aggrieved Employee identifying information in Defendants’ possession including the Aggrieved Employee’s name, last-known mailing address, Social Security number, hire date and termination date.
- 1.6 “Aggrieved Employee Address Search” means the Administrator’s investigation and search for current Aggrieved Employee mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces and direct contact by the Administrator with Aggrieved Employees.
- 1.7 “Aggrieved Employees’ Notice” shall mean the Notice of Settlement and Approval, a sample of which is attached hereto as Exhibit A. The Aggrieved Employees’ Notice shall further contain (i) an Aggrieved Employee’s first and last name, (ii) last known address,

(iii) employee identification number, if applicable, (iv) the Aggrieved Employee's individual pay periods, and (v) the Aggrieved Employee's individual share of the Aggrieved Employees' payment.

1.8 "Court" means the Superior Court of California, County of Los Angeles.

1.9 "Defense Counsel" means Buchalter APC, and Prince, Attorneys at Law, P.C.

1.10 "Effective Date" means the date by when of the following have occurred: (a) the Court enters a Judgment on its Order Approving the PAGA Settlement and (b) the Judgment is final.

1.11 "Gross Settlement Amount" means \$220,000.00 which is the total amount Defendants agree to pay under the Settlement except as provided in Paragraph 8 below. The Gross Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment and the Administrator's Expenses Payment.

1.12 "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of Pay Periods the Aggrieved Employee worked during the PAGA Period.

1.13 "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subdivision (i).

1.14 "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subdivision (i).

1.15 "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment and the Administration Expenses Payment. The remainder is to be paid to Aggrieved Employees as Individual PAGA Payments.

1.16 "PAGA Counsel" means David Yeremian & Associates, Inc., D.Law, Inc., and Moon Law Group, PC, the attorneys representing the Plaintiffs in the Action.

1.17 "PAGA Counsel Fees Payment" and "PAGA Counsel Litigation Expenses Payment" mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys' fees and expenses, respectively, incurred to prosecute the Action.

1.18 "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.

1.19 "PAGA Period" means the period from March 24, 2020, through July 29, 2024.

- 1.20 “PAGA” means the Private Attorneys General Act (Lab. Code, § 2698. *et seq.*).
- 1.21 “PAGA Notice” means Morales’s March 24, 2021 letter to Defendants and the LWDA providing notice pursuant to Labor Code section 2699.3, subdivision (a) and Sandoval’s April 14, 2021 letter to Defendants and the LWDA providing notice pursuant to Labor Code section 2699.3, subdivision (a).
- 1.22 “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees and the 75% to LWDA in settlement of PAGA claims.
- 1.23 “Plaintiffs” mean Oscar Morales and Brenda Karina Sandoval, the named plaintiffs in the Actions.
- 1.24 “Approval Order” means the proposed Court Order Granting Approval of PAGA Settlement.
- 1.25 “Released PAGA Claims” means the claims being released by the Plaintiffs, Aggrieved Employees, and PAGA Counsel and as described in Paragraph 5 below.
- 1.26 “Released Parties” means Defendants and each of its former and present directors, officers, shareholders, owners, members, attorneys, insurers, reinsurers predecessors, successors, parents, assigns, subsidiaries, joint employers, staffing agencies, and affiliates.
- 1.27 “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.
- 1.28 “Defendants” means named Defendants Fairway Staffing Services, Inc. and Fisherman’s Pride Processors, Inc. dba Neptune Foods.

2. RECITALS.

- 2.1 On March 24, 2021, Plaintiff Morales filed a notice of intent to bring a Private Attorneys General Act lawsuit with the Labor Workforce Development Agency. On March 24, 2021, Plaintiff Morales filed a class action complaint alleging causes of action against Defendants for (1) Failure to Pay Minimum Wages; (2) Failure to Pay Wages and Overtime under Labor Code § 510; (3) Meal-Period Liability under Labor Code § 226.7; (4) Rest-break Liability under Labor Code § 226.7; (5) Violation of Labor Code § 226(a); (6) Reimbursement of Necessary Expenditures under Labor Code § 2802; (7) Failure to Keep Payroll Records under Labor Code §§ 1174 and 1174.5; (8) Penalties Pursuant to Labor Code § 203; and (9) Violation of Business & Professions code § 17200 *et seq.* On June 16, 2021, Plaintiff Morales filed a First Amended Complaint alleging an additional cause of action against Defendants for penalties under PAGA. On April 14, 2021, Plaintiff Sandoval filed a notice of intent to bring a Private Attorneys General Act lawsuit with the Labor Workforce Development Agency. On April 15, 2021, Plaintiff Sandoval

filed a class action complaint alleging causes of action against Defendants for (1) Failure to Pay Minimum Wages; (2) Failure to Pay Overtime Compensation; (3) Failure to Provide Meal Periods; (4) Failure to Authorize and Permit Rest Breaks; (5) Failure to Indemnify Necessary Business Expenses; (6) Failure to Timely Pay Final Wages at Termination; (7) Failure to Provide Accurate Itemized Wage Statements and (8) Unfair Business Practices. On August 5, 2021, a notice of related cases was filed in the Sandoval Action. On August 26, 2021, the Court issued a minute order relating the Sandoval and Morales Actions. On December 2, 2021, the Court granted Plaintiffs' stipulation to consolidate the Sandoval and Morales Actions. On December 7, 2021, Plaintiffs filed a Second Amended Consolidated Class Action Complaint ("the Operative Complaint") against Defendants alleging wage and hour violations on a class-wide and PAGA basis.

2.2 Defendants deny the allegations in the Operative Complaint, deny any failure to comply with the laws identified in in the Operative Complaint and deny any and all liability for the causes of action alleged.

2.3 Pursuant to Labor Code section 2699.3, subdivision (a), Plaintiffs contend they gave timely written notice to Defendants and the LWDA by sending the PAGA Notices.

2.4 On August 24, 2022, the Parties attended mediation with Marc Feder and were unable to settle the case despite engaging in post-mediation settlement discussions.

2.5 On February 2, 2023, Defendants filed their Motion to Compel Arbitration of Plaintiff Morales's claims after mediation efforts and post-mediation settlement discussions proved unsuccessful. On February 2, 2024, the Court ordered Plaintiff Morales's individual claims to arbitration. On March 1, 2024, Plaintiff Morales initiated arbitration proceedings by filing a Statement of Claims with JAMS.

2.6 Thereafter, the Parties again engaged in settlement discussions, which ultimately led to this Agreement to settle the Actions.

2.7 Prior to mediation, Plaintiff obtained, through informal discovery, a sampling of time and payroll data for the aggrieved employees, and figures and information regarding the total number of aggrieved employees and PAGA pay periods.

2.8 The Parties, PAGA Counsel, and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the settlement.

3. MONETARY TERMS.

3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendant promises to pay \$220,000.00 and no more as the Gross Settlement Amount. Defendants have no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will

disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendants.

3.2 Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Approval Order:

- 3.2.1 To PAGA Counsel: A PAGA Counsel Fees Payment of not more than one-third, which is currently estimated to be \$73,333.33, and PAGA Counsel Litigation Expenses Payment of not more than \$20,000. Defendants will not oppose requests for Court approval of these payments provided that they do not exceed these amounts. Plaintiffs and/or PAGA Counsel will file an application or motion for PAGA Counsel Fees Payment and PAGA Litigation Expenses Payment. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to PAGA Counsel or any other Plaintiffs' Counsel arising from any claim to any portion any PAGA Counsel Fee Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Expenses Payment using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment and holds Released Parties harmless, and indemnifies Released Parties, from any dispute or controversy regarding any division or sharing of any of these Payments.
- 3.2.2 To the Administrator: An Administrator Expenses Payment not to exceed \$6,500 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$6,500, the Administrator will allocate the remainder to the Net Settlement Amount.
- 3.2.3 To the LWDA and Aggrieved Employees: After deducting the payments to PAGA Counsel and the Administrator pursuant to Sections 3.2.1 and 3.2.2 of this Agreement, the amount remaining in the Gross Settlement Amount shall be allocated as PAGA Penalties. PAGA Penalties (currently estimated \$120,166.67) to be paid from the Gross Settlement Amount, with 75% (\$90,125.00) allocated to the LWDA PAGA Payment and 25% (\$30,041.67) allocated to the Individual PAGA Payments.
 - 3.2.3.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties by the total number of PAGA Period Pay

Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.3.2 If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1 Aggrieved Employee Pay Periods. Based on a review of their records as of July 29, 2024, Defendants estimated there are 413 Aggrieved Employees who worked a total 48,986 PAGA Pay Periods during the PAGA Period.

4.2 Aggrieved Employee Data. No later than the date on which the sixth monthly installment payment is due as described in Paragraph 4.3, Defendants will deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet or Microsoft Word Document. To protect Aggrieved Employees' privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. Defendants have a continuing duty to immediately notify PAGA Counsel if it discovers that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data to the Administrator as soon as reasonably feasible. Without any extension of the deadline by which Defendants must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.

4.3 Funding of Gross Settlement Amount. Defendants shall make the first of six monthly installments payments to the Settlement Administrator of \$20,000 within thirty (30) calendar days of the Effective Date. Defendants shall make the second through sixth installment payments in equal \$40,000 amounts for each successive thirty-day calendar period.

4.4 Payments from the Gross Settlement Amount. Within 14 calendar days of receiving the sixth installment payment and the Aggrieved Employee data, the Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the PAGA Counsel Expenses Payment. Disbursement of the PAGA Counsel Litigation Expenses Payment shall not precede disbursement of Individual PAGA Payments.

- 4.4.1 The Administrator will issue checks for the Individual PAGA Payments and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.
- 4.4.2 The Administrator must conduct an Aggrieved Employee Address Search for all Aggrieved Employees whose checks are returned undelivered without USPS forwarding address. Within 10 days of receiving a returned check, the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Aggrieved Employee Address Search. The Administrator need not take further steps to deliver checks to Aggrieved Employees whose remailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, requested by the Aggrieved Employee prior to the void date.
- 4.4.3 For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Aggrieved Employee.
- 4.4.4 The payment of Individual PAGA Payments shall not obligate Defendants to confer any additional benefits or make any additional payments to the Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. RELEASES OF CLAIMS. Effective on the date when Defendants fully fund the entire Gross Settlement Amount, Aggrieved Employees and PAGA Counsel will release claims against all Released Parties as follows:

- 5.1 Plaintiffs' Release: Plaintiffs and their former and present spouses, representatives, agents, attorneys (including PAGA Counsel), heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences [that occurred during the PAGA Period], including, but not limited to: (a) all claims that were, or reasonably could have been alleged, based on the facts contained in the Operative Complaint and the PAGA Notices ("Plaintiffs' Release"). Plaintiffs' Release does not extend any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability

benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the PAGA Period. Plaintiffs acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now know or believe to be true but agree, nonetheless, that Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them.

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

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

5.2 Release by Aggrieved Employees:

All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, heirs, administrators, successors and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint and the PAGA Notice, including for violations of Labor Code 201, 202, 203, 204, 210, 226, 226(a), 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1194, 1198, 1199, 2698, 2699 *et seq.*, and 2802.

5.3 Release by PAGA Counsel:

PAGA Counsel release on behalf of their present and former attorneys, employees, agents, successors and assigns the Released Parties from all claims for PAGA Counsel Fees Payment(s) and PAGA Counsel Litigation Expenses Payment(s) incurred in connection with the Operative Complaint and the PAGA Notice, and the PAGA Period facts stated in the Operative Complaint and the PAGA Notice, including for violations of Labor Code 201, 202, 203, 204, 210, 226, 226(a), 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1194, 1198, 1199, 2698, 2699 *et seq.*, and 2802.

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

6.1 Plaintiffs' Responsibilities. Plaintiffs will prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this Settlement under Labor Code section 2699, subdivision (f)(2)) including (i) a draft proposed Order Granting Approval of PAGA Settlement; (ii) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of

Aggrieved Employee Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Aggrieved Employees or the LWDA; and the nature and extent of any financial relationship with Plaintiffs, PAGA Counsel or Defense Counsel; (iii) a signed declaration from PAGA Counsel's firms attesting to their timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Lab. Code, §2699, subd. (l)(1)), this Agreement (Lab. Code, § 2699, subd. (l)(2)); and (iv) all facts relevant to any actual or potential conflict of interest with Aggrieved Employees and/or the Administrator. In their declarations, Plaintiffs and PAGA Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.2 Responsibilities of PAGA Counsel and Defense Counsel. PAGA Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the application or motion for approval of this Settlement no later than 60 days after the full execution of this Agreement and, if necessary, obtaining a prompt hearing date for the motion and appearing in Court to advocate in favor of the motion. PAGA Counsel is responsible for delivering the Court's Approval Order to the Administrator.

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

7. SETTLEMENT ADMINISTRATION.

7.1 Selection of Administrator. The Parties have jointly selected Phoenix to serve as the Administrator and verified that, as a condition of appointment, Phoenix agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

7.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of providing reports to state and federal tax authorities.

7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation section 468B-1.

7.4 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

8. AGGRIEVED EMPLOYEE SIZE ESTIMATES and ESCALATOR CLAUSE

Based on a review of their records as of July 29, 2024, Defendants estimated there are 413 Aggrieved Employees who worked a total 48,986 PAGA Pay Periods during the PAGA Period. If the total number of PAGA Pay Periods encompassed within the PAGA Period exceeds 48,986 by more than 10% (i.e., if the total PAGA Pay Periods exceeds 53,885 pay periods), then the Gross Settlement Amount shall be increased in proportion to the percentage increase in the number of PAGA Pay Periods encompassed in the PAGA Period in excess of 10% (e.g., if there was a 12% increase in PAGA Pay Periods, then Defendants would agree to increase the Gross Settlement Amount by 2%).

9. CONTINUING JURISDICTION OF THE COURT. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters and (iii) addressing such post-Judgment matters as are permitted by law.

9.1 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment, the Parties and their respective counsel waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If another party appeals the Judgment, the Parties’ obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

10. ADDITIONAL PROVISIONS

10.1 No Admission of Liability or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendants that any of the allegations in the Operative Complaint have merit or that Defendants have any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that Defendants’ defenses in the Action have merit. The Parties agree that representative treatment is for purposes of this Settlement only. If for any reason the Court does not approve this Settlement,

Defendants reserve all available defenses to the claims in the Action, and Plaintiffs reserve the right to contest Defendants' defenses. The Settlement, this Agreement and the Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

- 10.2 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the settlement of the PAGA Claims in the Actions, superseding any and all oral representations, warranties, covenants or inducements made to or by any Party.
- 10.3 Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Defendants, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 10.4 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 10.5 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered or purported to assign, transfer or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action or right released and discharged by the Party in this Settlement.
- 10.6 No Tax Advice. Neither Plaintiffs, PAGA Counsel, Defendants nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 10.7 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 10.8 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

- 10.9 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.
- 10.10 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 10.11 Confidentiality. To the extent permitted by law, all agreements made and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 10.12 Use and Return of Aggrieved Employee Data. Information provided to PAGA Counsel pursuant to Evidence Code section 1152, and all copies and summaries of the PAGA Data provided to PAGA Counsel by Defendants in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute or California Rules of Court rule. Not later than 90 days after the Administrator discharges its obligation to pay out of all Settlement funds, Plaintiffs shall destroy all paper and electronic versions of Aggrieved Employee Data received from Defendants unless, prior to the Administrator's payment of all Settlement Funds, Defendants make a written request to PAGA Counsel for the return, rather than the destruction, of Aggrieved Employee Data.
- 10.13 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 10.14 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 10.15 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiffs:

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Emil@d.law
Roman Shkodnik
r.shkodnik@d.law

Emma Geesaman
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To Defendants:

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Miles Prince
mlp@redchamber.com
1912 E. Vernon Ave., Suite 100
Los Angeles, CA 90058
Telephone: (323) 234-2989
Fax: (323) 234-2619

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

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

Dated: 3/11/2025, 2025

DocuSigned by:
Oscar Morales
By: _____
Plaintiff Oscar Morales

Dated: _____, 2025

By: _____
Plaintiff Brenda Karina Sandoval

Dated: _____, 2025

By: _____
Fairway Staffing Services, Inc.

By: _____

Its: _____

Dated: 3/24, 2025

Hector Poon
Fisherman's Pride Processors, Inc.

By: Hector Poon

Its: Chief Operating Officer

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

Dated: _____, 2025

By _____
Plaintiff Oscar Morales

3/6/2025

Dated: _____, 2025

By _____
Plaintiff Brenda Karina Sandoval

Firmado por:
Brenda Sandoval
63B6603B20A5408...

Dated: _____, 2025

By: _____
Fairway Staffing Services, Inc.

By: _____

Its: _____

Dated: _____, 2025

Fisherman's Pride Processors, Inc.

By: _____

Its: _____

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

Dated: _____, 2025

By _____
Plaintiff Oscar Morales

Dated: _____, 2025

By _____
Plaintiff Brenda Karina Sandoval

Dated: 2, 28, 2025

By: Ramon Gonzalez
Fairway Staffing Services, Inc.

By: Ramon Gonzalez
Its: Risk Manager

Dated: _____, 2025

Fisherman's Pride Processors, Inc.

By: _____

Its: _____

EXHIBIT 2

THE LAW OFFICES OF

**DAVID YEREMIAN
& ASSOCIATES INC**

535 N BRAND BLVD STE 705
GLENDALE CA 91203

818 230 8380
818 230 0308 FAX

DAVID@YEREMIANLAW.COM

March 24, 2021

VIA ON-LINE SUBMISSION ONLY TO:

<https://dir.tfaforms.net/128> (copy by certified mail to the below listed Defendants)

Fairway Staffing Services, Inc.
Maureen Amber Tyson
Agent for Service of Process
2693 E. Washington Blvd.
Pasadena, CA 91107
Certified Mail Tracking Number: 7019 2970 0000 5059 9272

Neptune Foods
888 Ways St
San Pedro, CA 90731
Certified Mail Tracking Number: 7019 2970 0000 5059 9326

Neptune Foods
4510 South Alameda
Vernon, CA 90058
Certified Mail Tracking Number: 7019 2970 0000 5059 9333

Re: Labor Code § 2699 Penalties
Morales v. Fairway Staffing Services, Inc. et al.

Gentlepersons:

This office represents Plaintiff Oscar Morales (“Plaintiff”) and other aggrieved employees (collectively “Aggrieved Employees”) for the violation of California Labor Code §§ 201, 202, 203, 204, 210, 226, 226.7, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1198, 1199, 2698, 2699, *et seq.*, and 2802; provisions of the Industrial Welfare Commission (IWC) Wage Order(s); and California Business & Professions Code § 17200 *et seq.*

Plaintiff wishes to bring a representative action on behalf of himself and the State of California against Defendants Fairway Staffing Services, Inc. a California corporation, Neptune Foods, an entity of unknown form, and DOES 1 through 50 inclusive (defendants being referred to herein collectively as “Defendants”).

Relevant Facts

Aggrieved Employees were employed by Defendants as non-exempt employees within the state of California within the statutory time period who suffer or suffered from the same wage and

hour violations outlined below. Defendants had a common policy and/or practice of failing to pay Aggrieved Employees minimum wages for all hours worked.

Defendant also had a common policy and/or practice of understating the hours worked by Aggrieved Employees. Specifically, Aggrieved Employees were required to work during their meal periods without pay but Defendant would automatically deduct 30 minutes of wages from Aggrieved Employees for alleged meal periods which Aggrieved Employees were continuously denied.

Additionally, Aggrieved Employees were forced to work “pre-shift” without compensation because prior to clocking in they would have to take time putting on their uniforms which they kept in Defendants’ locker room area. Thus, Aggrieved Employees were required to work hours, under the control of Defendants, without wages.

Defendants also failed to pay Aggrieved Employees proper overtime wages. Aggrieved Employees consistently worked in excess of eight (8) hours a day, and/or forty (40) hours a week including “pre-shift”. However, Aggrieved Employees were not always paid overtime wages for hours worked in excess of 8 hours a day. Moreover, the uncompensated time, discussed above, was worked by Aggrieved Employees in excess of 8 hours a day and/or 40 hours a week, further entitling Aggrieved Employees overtime wages which they were consistently denied, all in violation of Labor Code and applicable Wage Orders.

Defendants had a common policy and/or practice of denying Aggrieved Employees proper meal periods. Specifically, employees were required to work through their meal periods which they were consistently denied. Moreover, as discussed above, Defendants had a common policy and/or practice of automatically deducting 30 minutes of wages for alleged meal periods, which Aggrieved Employees were consistently denied. Also, what meal periods Aggrieved Employees did take, were consistently less than 30 minutes, and taken well after their fifth consecutive hour of work, all in violation of Labor Code and applicable Wage Orders. Similarly, Aggrieved Employees were required to work in excess of ten (10) hours a day, without ever receiving a second meal compliant period, all in violation of Labor Code and applicable Wage Orders.

Defendants have consistently failed to provide Aggrieved Employees with paid rest breaks of not less than 10 minutes for every work period of 4 or more consecutive hours, as required by Labor Code. Specifically, Aggrieved Employees were required to work through their periods which they were continuously denied. Moreover, Aggrieved Employees were not paid for whatever rest breaks they were provided.

Defendants had a common policy and practice of failing to reimburse Aggrieved Employees for necessary business expenditures incurred in execution of their duties under Defendants’ employ. Defendants required Aggrieved Employees to the cost of rubber boots and safety masks in order to execute their duties under Defendants’ employ, and for which they were never reimbursed which were necessary to perform their duties Defendants’ employ, and for which they were never reimbursed.

Defendants consistently failed to issue accurate itemized wage statements as required by Labor Code § 226(a), and Defendants failed to pay Aggrieved Employees all wages owed at the time of their termination or within seventy-two (72) hours of their resignation as required by Labor Code §§ 201-203. Defendants also consistently failed to pay Aggrieved Employees all wages due on a semi-monthly basis.

Plaintiff and Aggrieved Employees complain of the following violations:

Failure to Pay Minimum Wages

Defendants violated the law by failing to pay Aggrieved Employees minimum wages for all hours worked. California Labor Code § 1197, entitled “Pay of Less Than Minimum Wage” states, “[t]he minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a less wage than the minimum so fixed is unlawful.” The applicable minimum wages fixed by the commission for work during the relevant period is found in the Wage Orders. Defendants had a common policy and/or practice of failing to pay Aggrieved Employees minimum wages for all hours worked. Specifically, Defendant would automatically deduct 30 minutes of wages from Aggrieved Employees for alleged meal periods which Aggrieved Employees were continuously denied. Accordingly, Aggrieved Employees were required to work during their meal periods without pay. Furthermore, Defendants failed to pay Aggrieved Employees the minimum wage for all hours worked. Aggrieved Employees were forced to work “pre-shift” without compensation because prior to clocking in they would have to take time putting on their uniforms which they kept in Defendants’ locker room area. Additionally, Defendant also had a common policy and/or practice of understating the hours worked by Aggrieved Employees. Thus, Aggrieved Employees were required to work hours without wages. Defendants have the ability to pay minimum wages for all time worked and have willfully refused to pay such wages with the intent to secure for Defendants a discount upon this indebtedness with the intent to annoy, harass, oppress, hinder, delay, or defraud Aggrieved Employees.

In light of the forgoing, the Aggrieved Employees seek to recover penalties. The Aggrieved Employees are entitled to recover the unpaid minimum wages, liquidated damages in an amount equal to the minimum wages unlawfully unpaid, interest thereon and reasonable attorney’s fees and costs of suit pursuant to California Labor Code § 1194(a). The other Aggrieved employees further request recovery of all unpaid wages, according to proof, interest, statutory costs, as well as the assessment of any statutory penalties against Defendants, in a sum as provided by the California Labor Code and/or other applicable statutes, including pursuant to Labor Code § 558, and Wage Order provisions.

Failure to Pay Wages and Overtime in Violation of Labor Code § 510

Defendants violated the law by failing to pay Aggrieved Employees earned wages and overtime. Specifically, Aggrieved Employees consistently worked in excess of eight (8) hours a day, and/or forty (40) hours a week. However, Aggrieved Employees were not paid overtime wages for hours worked in excess of 8 hours a day. Additionally, Aggrieved Employees consistently worked in excess of eight (8) hours a day, and/or forty (40) hours a week including “pre-shift” hours. As discussed above Aggrieved Employees were forced to work “pre-shift” without compensation because prior to clocking in they would have to take time putting on their

uniforms which they kept in Defendants' locker room area. Additionally, the uncompensated time, spent working while clocked out for meal breaks caused Aggrieved Employees to work in excess of 8 hours a day and/or 40 hours a week, further entitling Aggrieved Employees overtime wages which they were consistently denied, all in violation of Labor Code § 510 and applicable Wage Orders.

In light of the forgoing, Aggrieved Employees seek to recover penalties pursuant to the California Labor Code, including Labor Code §§ 204, 510, 558, and 1194 (and the relevant orders of the Industrial Welfare Commission). Defendants are liable to Employees for the full amount of all their unpaid wages and overtime compensation, with interest, plus their reasonable attorneys' fees and costs, as well as the assessment of any statutory penalties against Defendants, and each of them, and any additional sums as provided by the Labor Code and/or other statutes and Wage Order provisions.

Meal-Period Liability Under Labor Code § 226.7

Defendants have regularly required Aggrieved Employees to work shifts in excess of five (5) hours and ten (10) hours without providing them with uninterrupted meal periods of not less than thirty (30) minutes for the first (5) hours and for the tenth hour as required under Labor Code §§ 226.7, 512, and applicable Wage Orders. Specifically, employees were required to work through their meal periods which they were consistently denied. Moreover, as discussed above, Defendants had a common policy and/or practice of automatically deducting 30 minutes of wages for alleged meal periods, which Aggrieved Employees were consistently denied. Also, what meal periods Aggrieved Employees did take, were consistently less than 30 minutes, and taken well after their fifth consecutive hour of work, all in violation of Labor Code and applicable Wage Orders. Similarly, Aggrieved Employees were required to work in excess of ten (10) hours a day, without ever receiving a second meal compliant period, all in violation of Labor Code and applicable Wage Orders. Defendants also failed to pay Aggrieved Employees "premium pay," i.e. one hour of wages at each Aggrieved Employee's effective regular rate of pay, for each meal period that Defendants failed to provide or deficiently provided. Therefore, pursuant to Labor Code § 226.7, Employees are entitled to damages in an amount equal to one (1) hour of wages at their effective hourly rates of pay for each meal period not provided or deficiently provided, as well as the assessment of any statutory penalties against the Defendants, and each of them, in a sum as provided by the Labor Code, including Labor Code § 558 and other applicable statutes and Wage Order provisions.

Rest-Break Liability Under Labor Code § 226.7

Defendants have consistently failed to provide Aggrieved Employees with paid rest breaks of not less than ten (10) minutes for every work period of four (4) or more consecutive hours, as required under Labor Code § 226.7. Specifically, Aggrieved Employees were required to work through their periods which they were continuously denied. Moreover, Aggrieved Employees were not paid for whatever rest breaks they were provided. Defendants also failed to pay Aggrieved Employees premium pay for each day on which requisite rest breaks were not provided or were deficiently provided. Therefore, pursuant to Labor Code § 226.7, Employees are entitled to damages in an amount equal to one (1) hour of wages at their effective hourly rates of pay for each rest period not provided or deficiently provided, as well as the assessment of any

statutory penalties against the Defendants, and each of them, in a sum as provided by the Labor Code, including Labor Code § 558 and other applicable statutes and Wage Order provisions.

Failure to Reimburse for Necessary Business Expenditures in Violation of Labor Code § 2802

Defendants have consistently required Aggrieved Employees to incur necessary business expenses in the execution of their duties under Defendants' employ. Specifically, Defendants required Aggrieved Employees to the cost of rubber boots and safety masks to execute their duties under Defendants' employ, and for which they were never reimbursed, in violation of Labor Code § 2802. In light of the forgoing, Aggrieved Employees seek to recover wages and penalties pursuant to Labor Code § 558.

Failure to Issue Accurate and Itemized Wage Statements in Violation of Labor Code § 226

California Labor Code § 226(a) requires an employer to furnish each of his or her employees with an accurate, itemized wage statements in writing. These statements must be appended to the detachable part of the check, draft, voucher, or whatever else serves to pay the employee's wages; or, if wages are paid by cash or personal check, these statements may be given to the employee separately from the payment of wages; in either case the employer must give the employee these statements twice a month or each time wages are paid.

Defendants failed to provide Aggrieved Employees with accurate itemized wage statements in writing, as required by the Labor Code. Specifically, the wage statements given to Aggrieved Employees failed to accurately account for unpaid wages, overtime, premium pay for deficiently provided meal periods and rest breaks, and unlawfully received or collected wages, as discussed above. In light of these violations, and pursuant to Labor Code §§ 226(a) and 226(e), Aggrieved Employees are entitled to recover the greater of all actual damages or fifty dollars (\$50) for the initial pay period in which a violation occurs and one hundred dollars (\$100) for each violation in a subsequent pay period, not exceeding an aggregate penalty of four thousand dollars (\$4,000). They are also entitled to an award of costs and reasonable attorneys' fees.

Labor Code § 226.3 provides that "[a]ny employer who violates subdivision (a) of Section 226 shall be subject to a civil penalty in the amount of two hundred fifty dollars (\$250) per employee per violation in an initial violation and one thousand dollars (\$1,000) per employee for each violation in a subsequent citation, for which the employer fails to provide the employee a wage deduction statement or fails to keep the required in subdivision (a) of Section 226." To the extent that Labor Code § 226.3 applies, Plaintiff and Aggrieved Employees also seeks such penalties on behalf of himself and the other Aggrieved Employees

Failure to Issue Semimonthly Payments in Violation of Labor Code § 204

In failing to pay Aggrieved Employees wages, overtime, premium pay, etc., Defendants failed to timely pay Aggrieved Employees wages on a semimonthly basis as required under Labor Code § 204. Defendants failed to maintain records showing accurate hours worked daily and the wages paid to Aggrieved Employees, as well as the meal and rest periods taken by Aggrieved Employees, as required by Labor Code § 1174 and the applicable IWC wage orders. In light of the forgoing, Aggrieved Employees seek to recover penalties pursuant to Labor Code § 558.

Failure to Keep Records In Accordance With Labor Code § 1174

Section 1174 requires employers to keep records showing payroll records and the hours worked daily by and the wages paid to employees. Failing to pay Aggrieved Employees proper wages, overtime, premium pay, etc., all discussed herein, Defendants failed to maintain proper employment records in accordance with Section 1174. In light of the forgoing, Aggrieved Employees seek to recover penalties pursuant to Labor Code §§ 1174.5 and 2699, *et seq.*

Waiting Time Penalties Pursuant to Labor Code § 203

Some Aggrieved Employees no longer work for Defendants; they either resigned or were terminated from Defendants' employ. Based on the forgoing, Defendants have had a consistent policy of failing to pay all wages fur and owed to Aggrieved Employees at the time of their termination of within seventy-two (72) hours of their resignation, as required by California under Labor Code § 203. In light of the forgoing, Aggrieved Employees seek to recover penalties pursuant to Labor Code § 558.

Unfair Competition Under Business and Professions Code § 17200, et seq.

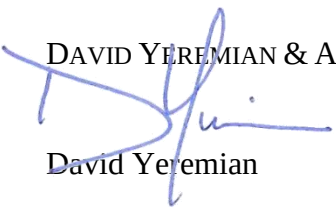
Consequently, Defendants' conduct has been and continues to be unfair, unlawful, and harmful to Aggrieved Employees and the general public in violation of Business & Professions Code § 17200 et seq.

We are constrained to move forward with the filing of this complaint, alleging the causes of action discussed herein, with or without the PAGA claim. Thus, any action by the LWDA would not resolve the entirety of the case, and the interest of judicial economy will be served by allowing the case to proceed as a cohesive whole.

Wherefore we request that you advise us, by certified mail within thirty (60) days of the postmark on this letter, whether you intend to proceed with these claims or whether Aggrieved Employees should include them as a § 2699 claim in an amended complaint.

Regards,

DAVID YEREMIAN & ASSOCIATES, INC.



David Yeremian

Cc: Above listed Defendants by Certified Mail

THE LAW OFFICES OF

**DAVID YEREMIAN
& ASSOCIATES INC**

535 N BRAND BLVD STE 705
GLENDALE CA 91203

818 230 8380
818 230 0308 FAX

DAVID@YEREMIANLAW.COM

April 6, 2021

VIA ON-LINE SUBMISSION ONLY TO:

<https://dir.tfaforms.net/128> (copy by certified mail to the below listed Defendants)

Fairway Staffing Services, Inc.
Nelson Gonzalez
Agent for Service of Process
17777 Center Court Dr. North #150
Cerritos, CA 90703
Certified Mail Tracking Number: 7019 2970 0000 5059 9593

Neptune Foods
888 Ways St.
San Pedro, CA 90731
Certified Mail Tracking Number: 7019 2970 0000 5059 9326

Neptune Foods
4510 South Alameda
Vernon, CA 90058
Certified Mail Tracking Number: 7019 2970 0000 5059 9333

Re: Labor Code § 2699 Penalties
Morales v. Fairway Staffing Services, Inc. et al.

Gentlepersons:

This office represents Plaintiff Oscar Morales (“Plaintiff”) and other aggrieved employees (collectively “Aggrieved Employees”) for the violation of California Labor Code §§ 201, 202, 203, 204, 210, 226, 226.7, 510, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1198, 1199, 2698, 2699, *et seq.*, and 2802; provisions of the Industrial Welfare Commission (IWC) Wage Order(s); and California Business & Professions Code § 17200 *et seq.*

Plaintiff wishes to bring a representative action on behalf of himself and the State of California against Defendants Fairway Staffing Services, Inc. a California corporation, Neptune Foods, an entity of unknown form, and DOES 1 through 50 inclusive (defendants being referred to herein collectively as “Defendants”).

Relevant Facts

Aggrieved Employees were employed by Defendants as non-exempt employees within the state of California within the statutory time period who suffer or suffered from the same wage and

hour violations outlined below. Defendants had a common policy and/or practice of failing to pay Aggrieved Employees minimum wages for all hours worked.

Defendant also had a common policy and/or practice of understating the hours worked by Aggrieved Employees. Specifically, Aggrieved Employees were required to work during their meal periods without pay but Defendant would automatically deduct 30 minutes of wages from Aggrieved Employees for alleged meal periods which Aggrieved Employees were continuously denied.

Additionally, Aggrieved Employees were forced to work “pre-shift” without compensation because prior to clocking in they would have to take time putting on their uniforms which they kept in Defendants’ locker room area. Thus, Aggrieved Employees were required to work hours, under the control of Defendants, without wages.

Defendants also failed to pay Aggrieved Employees proper overtime wages. Aggrieved Employees consistently worked in excess of eight (8) hours a day, and/or forty (40) hours a week including “pre-shift”. However, Aggrieved Employees were not always paid overtime wages for hours worked in excess of 8 hours a day. Moreover, the uncompensated time, discussed above, was worked by Aggrieved Employees in excess of 8 hours a day and/or 40 hours a week, further entitling Aggrieved Employees overtime wages which they were consistently denied, all in violation of Labor Code and applicable Wage Orders.

Defendants had a common policy and/or practice of denying Aggrieved Employees proper meal periods. Specifically, employees were required to work through their meal periods which they were consistently denied. Moreover, as discussed above, Defendants had a common policy and/or practice of automatically deducting 30 minutes of wages for alleged meal periods, which Aggrieved Employees were consistently denied. Also, what meal periods Aggrieved Employees did take, were consistently less than 30 minutes, and taken well after their fifth consecutive hour of work, all in violation of Labor Code and applicable Wage Orders. Similarly, Aggrieved Employees were required to work in excess of ten (10) hours a day, without ever receiving a second meal compliant period, all in violation of Labor Code and applicable Wage Orders.

Defendants have consistently failed to provide Aggrieved Employees with paid rest breaks of not less than 10 minutes for every work period of 4 or more consecutive hours, as required by Labor Code. Specifically, Aggrieved Employees were required to work through their periods which they were continuously denied. Moreover, Aggrieved Employees were not paid for whatever rest breaks they were provided.

Defendants had a common policy and practice of failing to reimburse Aggrieved Employees for necessary business expenditures incurred in execution of their duties under Defendants’ employ. Defendants required Aggrieved Employees to the cost of rubber boots and safety masks in order to execute their duties under Defendants’ employ, and for which they were never reimbursed which were necessary to perform their duties Defendants’ employ, and for which they were never reimbursed.

Defendants consistently failed to issue accurate itemized wage statements as required by Labor Code § 226(a), and Defendants failed to pay Aggrieved Employees all wages owed at the time of their termination or within seventy-two (72) hours of their resignation as required by Labor Code §§ 201-203. Defendants also consistently failed to pay Aggrieved Employees all wages due on a semi-monthly basis.

Plaintiff and Aggrieved Employees complain of the following violations:

Failure to Pay Minimum Wages

Defendants violated the law by failing to pay Aggrieved Employees minimum wages for all hours worked. California Labor Code § 1197, entitled “Pay of Less Than Minimum Wage” states, “[t]he minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a less wage than the minimum so fixed is unlawful.” The applicable minimum wages fixed by the commission for work during the relevant period is found in the Wage Orders. Defendants had a common policy and/or practice of failing to pay Aggrieved Employees minimum wages for all hours worked. Specifically, Defendant would automatically deduct 30 minutes of wages from Aggrieved Employees for alleged meal periods which Aggrieved Employees were continuously denied. Accordingly, Aggrieved Employees were required to work during their meal periods without pay. Furthermore, Defendants failed to pay Aggrieved Employees the minimum wage for all hours worked. Aggrieved Employees were forced to work “pre-shift” without compensation because prior to clocking in they would have to take time putting on their uniforms which they kept in Defendants’ locker room area. Additionally, Defendant also had a common policy and/or practice of understating the hours worked by Aggrieved Employees. Thus, Aggrieved Employees were required to work hours without wages. Defendants have the ability to pay minimum wages for all time worked and have willfully refused to pay such wages with the intent to secure for Defendants a discount upon this indebtedness with the intent to annoy, harass, oppress, hinder, delay, or defraud Aggrieved Employees.

In light of the forgoing, the Aggrieved Employees seek to recover penalties. The Aggrieved Employees are entitled to recover the unpaid minimum wages, liquidated damages in an amount equal to the minimum wages unlawfully unpaid, interest thereon and reasonable attorney’s fees and costs of suit pursuant to California Labor Code § 1194(a). The other Aggrieved employees further request recovery of all unpaid wages, according to proof, interest, statutory costs, as well as the assessment of any statutory penalties against Defendants, in a sum as provided by the California Labor Code and/or other applicable statutes, including pursuant to Labor Code § 558, and Wage Order provisions.

Failure to Pay Wages and Overtime in Violation of Labor Code § 510

Defendants violated the law by failing to pay Aggrieved Employees earned wages and overtime. Specifically, Aggrieved Employees consistently worked in excess of eight (8) hours a day, and/or forty (40) hours a week. However, Aggrieved Employees were not paid overtime wages for hours worked in excess of 8 hours a day. Additionally, Aggrieved Employees consistently worked in excess of eight (8) hours a day, and/or forty (40) hours a week including “pre-shift” hours. As discussed above Aggrieved Employees were forced to work “pre-shift” without compensation because prior to clocking in they would have to take time putting on their

uniforms which they kept in Defendants' locker room area. Additionally, the uncompensated time, spent working while clocked out for meal breaks caused Aggrieved Employees to work in excess of 8 hours a day and/or 40 hours a week, further entitling Aggrieved Employees overtime wages which they were consistently denied, all in violation of Labor Code § 510 and applicable Wage Orders.

In light of the forgoing, Aggrieved Employees seek to recover penalties pursuant to the California Labor Code, including Labor Code §§ 204, 510, 558, and 1194 (and the relevant orders of the Industrial Welfare Commission). Defendants are liable to Employees for the full amount of all their unpaid wages and overtime compensation, with interest, plus their reasonable attorneys' fees and costs, as well as the assessment of any statutory penalties against Defendants, and each of them, and any additional sums as provided by the Labor Code and/or other statutes and Wage Order provisions.

Meal-Period Liability Under Labor Code § 226.7

Defendants have regularly required Aggrieved Employees to work shifts in excess of five (5) hours and ten (10) hours without providing them with uninterrupted meal periods of not less than thirty (30) minutes for the first (5) hours and for the tenth hour as required under Labor Code §§ 226.7, 512, and applicable Wage Orders. Specifically, employees were required to work through their meal periods which they were consistently denied. Moreover, as discussed above, Defendants had a common policy and/or practice of automatically deducting 30 minutes of wages for alleged meal periods, which Aggrieved Employees were consistently denied. Also, what meal periods Aggrieved Employees did take, were consistently less than 30 minutes, and taken well after their fifth consecutive hour of work, all in violation of Labor Code and applicable Wage Orders. Similarly, Aggrieved Employees were required to work in excess of ten (10) hours a day, without ever receiving a second meal compliant period, all in violation of Labor Code and applicable Wage Orders. Defendants also failed to pay Aggrieved Employees "premium pay," i.e. one hour of wages at each Aggrieved Employee's effective regular rate of pay, for each meal period that Defendants failed to provide or deficiently provided. Therefore, pursuant to Labor Code § 226.7, Employees are entitled to damages in an amount equal to one (1) hour of wages at their effective hourly rates of pay for each meal period not provided or deficiently provided, as well as the assessment of any statutory penalties against the Defendants, and each of them, in a sum as provided by the Labor Code, including Labor Code § 558 and other applicable statutes and Wage Order provisions.

Rest-Break Liability Under Labor Code § 226.7

Defendants have consistently failed to provide Aggrieved Employees with paid rest breaks of not less than ten (10) minutes for every work period of four (4) or more consecutive hours, as required under Labor Code § 226.7. Specifically, Aggrieved Employees were required to work through their periods which they were continuously denied. Moreover, Aggrieved Employees were not paid for whatever rest breaks they were provided. Defendants also failed to pay Aggrieved Employees premium pay for each day on which requisite rest breaks were not provided or were deficiently provided. Therefore, pursuant to Labor Code § 226.7, Employees are entitled to damages in an amount equal to one (1) hour of wages at their effective hourly rates of pay for each rest period not provided or deficiently provided, as well as the assessment of any

statutory penalties against the Defendants, and each of them, in a sum as provided by the Labor Code, including Labor Code § 558 and other applicable statutes and Wage Order provisions.

Failure to Reimburse for Necessary Business Expenditures in Violation of Labor Code § 2802

Defendants have consistently required Aggrieved Employees to incur necessary business expenses in the execution of their duties under Defendants' employ. Specifically, Defendants required Aggrieved Employees to the cost of rubber boots and safety masks to execute their duties under Defendants' employ, and for which they were never reimbursed, in violation of Labor Code § 2802. In light of the forgoing, Aggrieved Employees seek to recover wages and penalties pursuant to Labor Code § 558.

Failure to Issue Accurate and Itemized Wage Statements in Violation of Labor Code § 226

California Labor Code § 226(a) requires an employer to furnish each of his or her employees with an accurate, itemized wage statements in writing. These statements must be appended to the detachable part of the check, draft, voucher, or whatever else serves to pay the employee's wages; or, if wages are paid by cash or personal check, these statements may be given to the employee separately from the payment of wages; in either case the employer must give the employee these statements twice a month or each time wages are paid.

Defendants failed to provide Aggrieved Employees with accurate itemized wage statements in writing, as required by the Labor Code. Specifically, the wage statements given to Aggrieved Employees failed to accurately account for unpaid wages, overtime, premium pay for deficiently provided meal periods and rest breaks, and unlawfully received or collected wages, as discussed above. In light of these violations, and pursuant to Labor Code §§ 226(a) and 226(e), Aggrieved Employees are entitled to recover the greater of all actual damages or fifty dollars (\$50) for the initial pay period in which a violation occurs and one hundred dollars (\$100) for each violation in a subsequent pay period, not exceeding an aggregate penalty of four thousand dollars (\$4,000). They are also entitled to an award of costs and reasonable attorneys' fees.

Labor Code § 226.3 provides that "[a]ny employer who violates subdivision (a) of Section 226 shall be subject to a civil penalty in the amount of two hundred fifty dollars (\$250) per employee per violation in an initial violation and one thousand dollars (\$1,000) per employee for each violation in a subsequent citation, for which the employer fails to provide the employee a wage deduction statement or fails to keep the required in subdivision (a) of Section 226." To the extent that Labor Code § 226.3 applies, Plaintiff and Aggrieved Employees also seeks such penalties on behalf of himself and the other Aggrieved Employees

Failure to Issue Semimonthly Payments in Violation of Labor Code § 204

In failing to pay Aggrieved Employees wages, overtime, premium pay, etc., Defendants failed to timely pay Aggrieved Employees wages on a semimonthly basis as required under Labor Code § 204. Defendants failed to maintain records showing accurate hours worked daily and the wages paid to Aggrieved Employees, as well as the meal and rest periods taken by Aggrieved Employees, as required by Labor Code § 1174 and the applicable IWC wage orders. In light of the forgoing, Aggrieved Employees seek to recover penalties pursuant to Labor Code § 558.

Failure to Keep Records In Accordance With Labor Code § 1174

Section 1174 requires employers to keep records showing payroll records and the hours worked daily by and the wages paid to employees. Failing to pay Aggrieved Employees proper wages, overtime, premium pay, etc., all discussed herein, Defendants failed to maintain proper employment records in accordance with Section 1174. In light of the forgoing, Aggrieved Employees seek to recover penalties pursuant to Labor Code §§ 1174.5 and 2699, *et seq.*

Waiting Time Penalties Pursuant to Labor Code § 203

Some Aggrieved Employees no longer work for Defendants; they either resigned or were terminated from Defendants' employ. Based on the forgoing, Defendants have had a consistent policy of failing to pay all wages fur and owed to Aggrieved Employees at the time of their termination of within seventy-two (72) hours of their resignation, as required by California under Labor Code § 203. In light of the forgoing, Aggrieved Employees seek to recover penalties pursuant to Labor Code § 558.

Unfair Competition Under Business and Professions Code § 17200, et seq.

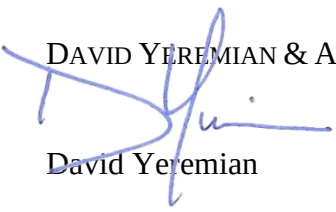
Consequently, Defendants' conduct has been and continues to be unfair, unlawful, and harmful to Aggrieved Employees and the general public in violation of Business & Professions Code § 17200 et seq.

We are constrained to move forward with the filing of this complaint, alleging the causes of action discussed herein, with or without the PAGA claim. Thus, any action by the LWDA would not resolve the entirety of the case, and the interest of judicial economy will be served by allowing the case to proceed as a cohesive whole.

Wherefore we request that you advise us, by certified mail within thirty (60) days of the postmark on this letter, whether you intend to proceed with these claims or whether Aggrieved Employees should include them as a § 2699 claim in an amended complaint.

Regards,

DAVID YEREMIAN & ASSOCIATES, INC.



David Yeremian

Cc: Above listed Defendants by Certified Mail

MOON & YANG, APC

ATTORNEYS AT LAW
WWW.MOONYANGLAW.COM

1055 W. SEVENTH ST., SUITE 1880
LOS ANGELES, CALIFORNIA 90017
TELEPHONE: (213) 232-3128
FACSIMILE: (213) 232-3125

Kane Moon, Esq.
Kane.Moon@moonyanglaw.com

April 14, 2021

VIA ONLINE SUBMISSION

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

VIA CERTIFIED MAIL

Fisherman's Pride Processors, Inc.
4510 S. Alameda
Vernon, CA 90058

Notice of Labor Code Violations and PAGA Penalties

Re: ***Sandoval v. Fisherman's Pride Processors, Inc.***

To Whom It May Concern:

Please be advised that my office has been retained by Brenda Karina Sandoval ("Plaintiff") to pursue a Labor Code Private Attorney General Act (PAGA) representative action (Cal. Lab. Code §§ 2699, *et seq.*) against his former employer, Fisherman's Pride Processors, Inc. ("Defendant"). The purpose of this letter is to comply with PAGA and set forth the facts and theories of California Labor Code violations which we allege Defendant engaged in with respect to Plaintiff and all of Defendant's aggrieved employees.

Plaintiff wishes to pursue a PAGA representative action on behalf of Plaintiff as an aggrieved employee, on behalf of the State of California, and on behalf of all other current and former aggrieved employees who worked for Defendant in California as an hourly paid, non-exempt employee at any time within the applicable statutory period (hereafter, the "Aggrieved Employees").

Plaintiff and the Aggrieved Employees of Defendant suffered the Labor Code violations described below.

Factual Background Regarding Plaintiff's Employment with Defendant

Defendant owns and operates an industry, business, and establishment within the State of California, including Los Angeles County. As such, Defendant is subject to the California Labor Code and the Wage Orders issued by the Industrial Welfare Commission ("IWC").

Plaintiff worked for Defendant as a packer, primarily in Los Angeles County. Defendant classified Plaintiff as non-exempt from overtime. During the time period that Plaintiff was employed by Defendant, Plaintiff typically worked 5 days per week, and in excess of 8 hours each workday.

Throughout Plaintiff's employment, Defendant committed numerous labor code violations under state law. As discussed below, Plaintiff's experience working for Defendant was typical and illustrative.

Failure to Pay for All Hours Worked, Including Overtime

Under California law, an employer must pay for all hours worked by an employee. "Hours worked" is the time during which an employee is subject to the control of an employer, and includes all the time the employee is suffered or permitted to work, whether or not required to do so.

In addition, Labor Code § 510 provides that employees in California shall not be employed more than eight (8) hours in any workday or forty (40) hours in a workweek unless they receive additional compensation beyond their regular wages in amounts specified by law.

Labor Code §§ 1194 and 1198 also provide that employees in California shall not be employed more than eight hours in any workday unless they receive additional compensation beyond their regular wages in amounts specified by law. Additionally, Labor Code § 1198 states that the employment of an employee for longer hours than those fixed by the Industrial Welfare Commission is unlawful.

Throughout the statutory period, Defendants maintained a policy and practice of not paying Plaintiffs and the Aggrieved Employees for all hours worked, including all overtime wages. Throughout the statutory time, Plaintiff and the Aggrieved Employees were required to work "off the clock". For example, Plaintiff and the Aggrieved Employees were required to change into their rain boots and lab coats prior to clocking into work each workday. Further, Plaintiff and the Aggrieved Employees were required to wait in line in order to clock into work, and when returning from meal periods. Further, Plaintiff and the Aggrieved Employees were subjected to COVID temperature screening prior to clocking into work. As a result, Plaintiff and the Aggrieved Employees were not paid all wages owed to them, and Defendants failed to pay for all hours worked.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210, 558, 1197.1, and 2699(f)(2) for failing to pay for all hours worked, including overtime.

Failure to Provide Meal Periods

Under California law, employers have an affirmative obligation to relieve employees of all duty in order to take their first 30-minute, duty-free meal periods no later than the start of sixth hour of work in a workday, and to allow employees to take their second 30-minute, duty-free meal period no later than the start of the eleventh hour of work in the workday. Further, employees are entitled to be paid one hour of additional wages for each workday they were not provided with all required meal period(s).

Despite these legal requirements, Defendant wrongfully failed to provide Plaintiff and the Aggrieved Employees with legally compliant meal periods. Defendant regularly required Plaintiff and the Aggrieved Employees to work in excess of five consecutive hours a day without providing a 30-minute, continuous and uninterrupted, duty-free meal period for every five hours of work, or without compensating Plaintiff and the Aggrieved Employees for meal periods that were not provided by the end of the fifth hour of work or tenth hour of work. Defendant did not adequately inform Plaintiff and the Aggrieved Employees of their right to take a meal period by the end of the fifth hour of work, or, for shifts greater than 10 hours, by the end of the tenth hour of work. Moreover, Defendant did not have adequate written policies or practices providing meal periods for Plaintiff and the Aggrieved Employees, nor did Defendant have adequate policies or practices regarding the timing of meal periods. Defendant also did not have adequate policies or practices to verify whether Plaintiff and the Aggrieved Employees were taking their required meal periods. Accordingly, Defendant's policy and practice was to not provide meal periods to Plaintiff and the Aggrieved Employees in compliance with California law.

Plaintiff and the Aggrieved Employees are thus entitled to be paid one hour of additional wages for each workday he or she was not provided with all required meal period(s). Defendant, however, regularly failed to pay Plaintiff and the Aggrieved Employees the additional wages to which they were entitled for meal periods and that were not provided.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210, 558, and 2699(f)(2) for failing to provide meal periods and pay meal period premium wages.

Failure to Authorize and Permit Rest Periods

Employers are required by California law to authorize and permit breaks of 10 uninterrupted minutes for each four hours of work or major fraction of four hours (i.e. more than two hours).

Thus, for example, if an employee's work time is 6 hours and ten minutes, the employee is entitled to two rest breaks. Each failure to authorize rest breaks as so required is itself a violation of California's rest break laws.

Defendant, however, wrongfully failed to authorize and permit Plaintiff and the Aggrieved Employees to take timely and duty-free rest periods. Defendant regularly required Plaintiff and the Aggrieved Employees to work in excess of four consecutive hours a day without Defendant authorizing and permitting them to take a 10 minute, continuous and uninterrupted, rest period for every four hours of work (or major fraction of four hours), or without compensating Plaintiff and the Aggrieved Employees for rest periods that were not authorized or permitted. Defendant did not adequately inform Plaintiff and the Aggrieved Employees of their right to take a rest period. Moreover, Defendant did not have adequate policies or practices permitting or authorizing rest periods for Plaintiff and the Aggrieved Employees, nor did Defendant have adequate policies or practices regarding the timing of rest periods. Defendant also did not have adequate policies or practices to verify whether Plaintiff and the Aggrieved Employees were taking their required rest periods. Further, Defendant did not maintain accurate records of employee work periods, and therefore Defendant cannot demonstrate that Plaintiff and the Aggrieved Employees took rest periods during the middle of each work period. Accordingly, Defendant's policy and practice was for Plaintiff and the Aggrieved Employees to work through rest periods and to not authorize or permit them to take any rest periods.

Plaintiff and the Aggrieved Employees are thus entitled to be paid one hour of additional wages for each workday he or she was not authorized and permitted to take all required rest period(s). Defendant, however, regularly failed to pay Plaintiff and the Aggrieved Employees the additional wages to which they were entitled for rest periods and that they were not authorized and permitted to take.

As a result, Defendant are liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210, 558, and 2699(f)(2) for failing to authorize and permit rest periods and pay rest period premium wages.

Failure to Maintain Accurate Records of Hours Worked and Meal Periods

Plaintiff seeks penalties under Labor Code § 1174(d). Pursuant to Labor Code § 1174.5, any person, including any entity, employing labor who willfully fails to maintain accurate and complete records required by Labor Code § 1174 is subject to a penalty under § 1174.5. Pursuant to the applicable IWC Order § 7(A)(3), every employer shall keep time records showing when the employee begins and ends each work period. Meal periods and total hours worked daily shall also be recorded.

Defendant, however, failed to maintain accurate records of hours worked and all meal periods taken or missed by Plaintiff and the Aggrieved Employees.

Defendant's failure to provide and maintain records required by the Labor Code IWC Wage Orders deprived Plaintiff and the Aggrieved Employees the ability to know, understand and question the accuracy and frequency of meal periods, and the accuracy of their hours worked stated in Defendant's records. Therefore, Plaintiff and the Aggrieved Employees had no way to dispute the resulting failure to pay wages, all of which resulted in an unjustified economic enrichment to Defendant. As a direct result, Plaintiff and the Aggrieved Employees have suffered and continue to suffer, substantial losses related to the use and enjoyment of such wages, lost interest on such wages and expenses and attorney's fees in seeking to compel Defendant to fully perform its obligation under state law, all to their respective damage in amounts according to proof at trial. As a result of Defendant's knowing failure to comply with the Labor Code and applicable IWC Wage Orders, Plaintiff and the Aggrieved Employees have also suffered an injury in that they were prevented from knowing, understanding, and disputing the wage payments paid to them.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 1174.5 for failing to maintain accurate records of hours worked and meal periods.

Failure to Reimburse and Indemnify Expenses

California Labor Code § 2802 requires employers to reimburse employees for their necessary expenditures and losses incurred in direct consequence of the discharge of their duties or of their obedience to directions of the employer.

Throughout the statutory period, Defendant wrongfully required Plaintiff and the Aggrieved Employees to pay expenses that they incurred in direct discharge of their duties for Defendant without reimbursement, which included the purchase and laundering of lab coats. Plaintiff and the Aggrieved Employees incurred these substantial expenses as a direct result of performing their job duties for Defendant, and Defendant has failed to indemnify Plaintiff and the Aggrieved Employees for these employment-related expenses.

Failure to Timely Pay All Wages at Termination

Labor Code §§ 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and that if an employee voluntarily leaves his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-

two (72) hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

Within the applicable statute of limitations, the employment of Plaintiff and many other Aggrieved Employees ended, i.e. was terminated by quitting or discharge, and the employment of others will be. However, during the relevant time period, Defendant failed, and continues to fail to pay Plaintiff and terminated Aggrieved Employees, without abatement, all wages required to be paid by Labor Code sections 201 and 202 either at the time of discharge, or within seventy-two (72) hours of their leaving Defendant's employ. These unpaid wages include wages for unpaid work time (including minimum and straight time wages), missed meal periods, and missed rest periods.

Defendant's conduct violates Labor Code §§ 201 and 202. Labor Code § 203 provides that if an employer willfully fails to pay wages owed, in accordance with sections 201 and 202, then the wages of the employee shall continue as a penalty wage from the due date, and at the same rate until paid or until an action is commenced; but the wages shall not continue for more than thirty (30) days.

Accordingly, Plaintiff and the Aggrieved Employees are entitled to recover from Defendant their additionally accruing wages for each day they were not paid, at their regular hourly rate of pay, up to 30 days maximum pursuant to Labor Code § 203.

Moreover, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 2699(f)(2) for failing to timely pay all wages at termination.

Failure to Furnish Accurate Itemized Wage Statements

Labor Code § 226(a) provides that every employer shall furnish each of his or her employees an accurate itemized wage statement in writing showing nine pieces of information, including: (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 the last four digits of his or her social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer, and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. An employee is presumed to suffer an injury if this information is missing. (Lab. Code § 226(e)(2)(B)(iii).)

The statute further provides: “An employee suffering injury as a result of a knowing and intentional failure by an employer to comply with subdivision (a) is entitled to recover the greater of all actual damages or fifty dollars (\$50) for the initial pay period in which a violation occurs and one hundred dollars (\$100) per employee for each violation in a subsequent pay period, not to exceed an aggregate penalty of four thousand dollars (\$4,000), and is entitled to an award of costs and reasonable attorney’s fees.” (Lab. Code § 226(e)(1).)

Defendant intentionally and willfully failed to provide employees with complete and accurate wage statements. The deficiencies include, among other things, the failure to correctly identify hourly rates, the failure to correctly list gross wages earned, and the failure to list the true net wages earned, including wages for meal periods that were not provided in accordance with California law, wages for rest periods that were not authorized and permitted to take in accordance with California law, and correct wages earned for all hours worked.

As a result of Defendant violating Labor Code § 226, Plaintiff and similarly Aggrieved Employees suffered injury and damage to their statutorily protected rights.

Accordingly, Plaintiff and similarly Aggrieved Employees are entitled to recover from Defendant the greater of their actual damages caused by Defendant’s failure to comply with Labor Code § 226(a), or an aggregate penalty not exceeding \$4,000 dollars per employee.

Moreover, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 226.3 for failing to furnish accurate itemized wage statements.

Failure to Pay All Earned Wages Twice Per Month

Based on its failure to pay Plaintiff and the Aggrieved Employees for all wages as discussed above, Defendant also violated Labor Code § 204.

Labor Code § 204 requires employers to pay employees all earned wages two times per month. Throughout the statute of limitations period applicable to this cause of action, employees were entitled to be paid twice a month at their regular rates, including all meal period premium wages owed, rest period premium wages owed, and wages owed for hours worked. However, during all such times, Defendant systematically failed and refused to pay the employees all wages due, and failed to pay those wages twice a month, in that employees were not paid all wages for all meal periods not provided by Defendant, all wages for all rest periods not authorized and permitted by Defendant, and all wages for all hours worked. As a result, Defendant owes employees the legally required wages for unpaid wages, and Plaintiff and the Aggrieved Employees suffered damages in those amounts.

Moreover, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 210 for failing to pay all earned wages twice per month.

Action for Civil Penalties Under PAGA

In light of the above, Plaintiff alleges that Defendant violated the following provisions of the Labor Code with respect to the Aggrieved Employees:

1. Labor Code § 204, 510, 1194, 1197, and 1198 by failing to pay for all hours worked, including minimum wages, straight time wages and overtime wages;
2. Labor Code § 226.7, 512 and applicable Wage Orders by failing to provide meal periods;
3. Labor Code § 226.7 and applicable Wage Orders by failing to authorize and permit rest periods;
4. Labor Code § 1174.5 and applicable Wage Orders by failing to maintain accurate records of hours worked and meal periods taken or missed;
5. Labor Code § 2802 by failing to reimburse and indemnify employees for expenses and losses in the direct consequence and discharge of their duties;
6. Labor Code §§ 201 to 203 by willfully failing to pay all wages owed at termination;
7. Labor Code § 226 by failing to provide accurate itemized wage statements; and
8. Labor Code § 204 by failing to pay all earned wages two times per month.

Therefore, on behalf of all Aggrieved Employees, Plaintiff seeks applicable penalties related to the violations alleged above pursuant to the PAGA. These include, but are not limited to, penalties under Labor Code §§ 210, 226.3, 558, 1174.5, 1197.1, 2802, and 2699(f)(2).

Plaintiff has placed Defendant on notice by mailing a certified copy of this correspondence to its corporate address, as indicated on the first page.

Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact me.

Sincerely,

MOON & YANG, APC



Kane Moon
Attorney at Law

EXHIBIT 3

Morales v. Fairway Staffing Services

Litigation Costs

Service Date	Details	Provider	Amount
3/25/21	LWDA Letter	LWDA	\$ 75.00
3/25/21	Summons and Complaint	Rapid Legal	\$ 1,579.73
4/7/21	Process of Service - Fairway Staffing Services	Rapid Legal	\$ 160.04
4/8/21	Process of Serving - Neptune Foods	Rapid Legal	\$ 191.01
4/13/21	POS of Summons - Fairway Staffing Services	Rapid Legal	\$ 30.98
4/16/21	POS of Summons - Neptune Foods	Rapid Legal	\$ 30.98
4/27/21	Notice of Initial Status Conference and Order for Complex Designation	Rapid Legal	\$ 67.11
6/16/21	First Amended Complaint	Rapid Legal	\$ 98.09
6/28/21	Process of Service - FAC - Neptune Foods	Rapid Legal	\$ 77.44
6/28/21	Process of Service - FAC - Fairway Staffing Services	Rapid Legal	\$ 77.44
6/29/21	POS of Summons - FAC - Fairway Staffing Services	Rapid Legal	\$ 30.98
7/1/21	POS of Summons - FAC - Neptune Foods	Rapid Legal	\$ 36.14
7/20/21	Joint Initial Status Conference Report	Rapid Legal	\$ 72.28
12/1/21	Joint Conference Status Report	Rapid Legal	\$ 16.73
12/1/21	Stipulation & Proposed Order to Consolidate	Rapid Legal	\$ 37.38
12/7/21	Notice of Entry of Order Granting Stipulation to Consolidate	Rapid Legal	\$ 16.73
2/16/22	Stipulation & Proposed Order to Continue Class Certification Deadline (Rejected)	Rapid Legal	\$ 12.39
2/17/22	Stipulation & Proposed Order to Continue Class Certification Deadline	Rapid Legal	\$ 37.38
2/17/22	Courtesy Copy - Stipulation & Proposed Order to Continue Class Certification Deadline	Rapid Legal	\$ 61.95
2/18/22	Courtesy Copy - Stipulation & Proposed Order to Continue Class Certification Deadline	Rapid Legal	\$ 61.95
3/1/22	Ntc of Entry of Order Granting Stipulation to Continue Motion for Class Certification Deadline	Rapid Legal	\$ 16.73
3/2/22	Courtesy Copy - Ntc of Entry of Order Granting Stip to Cont Mtn for Class Cert Deadline	Rapid Legal	\$ 61.95
4/9/22	Notice of Change of Address	Rapid Legal	\$ 16.73
5/2/22	Courtesy Copy - Notice of Change of Address	Rapid Legal	\$ 61.95
8/8/22	Mediation Fee	Marc J. Feder Mediation Services	\$ 4,000.00
8/28/22	Berger Consulting Fee	Berger Consulting Group	\$ 2,350.00
2/6/23	Joint Status Conference Report	Rapid Legal	\$ 16.77
3/9/23	Opposition to Motion to Compel Arbitration	Rapid Legal	\$ 16.77
4/6/23	Courtesy Copy - Stipulation & Proposed Order to Continue Class Certification Deadline	Rapid Legal	\$ 61.80
4/26/23	Stipulation & Proposed Order to Continue Class Certification Deadline	Rapid Legal	\$ 37.29
4/26/23	Stipulation & Proposed Order to Continue Class Certification Deadline (Rejected)	Rapid Legal	\$ 12.36
5/1/23	Courtesy Copy - Stipulation & Proposed Order to Continue Class Certification Deadline	Rapid Legal	\$ 61.80
5/31/23	Joint Stipulation Request for Amended Order to Continue Class Certification Deadline	Rapid Legal	\$ 37.29
6/1/23	Amended Proposed Order to Continue Class Certification Deadline	Rapid Legal	\$ 16.69
6/28/23	Stip to Continue Arbitration Hearing	Rapid Legal	\$ 37.29
7/10/23	Berger Consulting Fee	Berger Consulting Group	\$ 225.00
9/19/23	Notice of Association & Change of Address (Rejected)	Rapid Legal	\$ 13.39
9/26/23	Notice of Association & Change of Address	Rapid Legal	\$ 17.72
10/5/23	Stipulation to Continue Motion to Compel Arbitration Hearing	Rapid Legal	\$ 38.32
10/5/23	Case Anywhere System Access	Case Anywhere LLC	\$ 126.00
11/1/23	Joint Initial Status Conference Report	Rapid Legal	\$ 17.72
11/28/23	Third Stipulation & Proposed Order to Continue Class Certification Deadline	Rapid Legal	\$ 38.32
1/5/24	Case Anywhere System Access	Case Anywhere LLC	\$ 144.00
3/1/24	Arbitration Initiation Fee	JAMS, Inc.	\$ 411.96
4/2/24	System Access Fee	Case Anywhere LLC	\$ 120.00
7/3/24	System Access Fee	Case Anywhere LLC	\$ 120.00
8/15/24	Notice of Disassociation	Rapid Legal	\$ 11.33
10/3/24	Notice of Change of Address - Brand Blvd.	Rapid Legal	\$ 15.66
10/5/24	System Access Fee	Case Anywhere LLC	\$ 126.00
12/12/24	Notice of Unavailability	Rapid Legal	\$ 17.25
4/4/25	System Access Fee	Case Anywhere LLC	\$ 40.00
5/2/25	System Access Fee	Case Anywhere LLC	\$ 40.00
5/9/25	Notice of Association	Rapid Legal	\$ 17.34
7/23/25	Joint Status Conference Report	Rapid Legal	\$ 17.34
FUTURE	Motion for Approval of Settlement	Rapid Legal	\$ 80.00
FUTURE	Notice of Entry of Order	Rapid Legal	\$ 17.34

Total	\$ 11,231.84
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EXHIBIT 4

NOTICE OF PAGA SETTLEMENT AND RELEASE OF CLAIMS

Oscar Morales v. Fairway Staffing Services, Inc., et al.
Superior Court of the State of California for the County of Los Angeles
Case No. 21STCV11632

<<DATE>>

<<FIRST_NAME>> <<LAST_NAME>>

<<ADDRESS 1>>

<<ADDRESS 2>>

Re: Payment from *Oscar Morales v. Fairway Staffing Services, Inc., et al.*

Dear <<FIRST_NAME>> <<LAST_NAME>>:

Enclosed you will find a check made payable to you. This is your payment from the settlement of the lawsuit (“Settlement”) *Oscar Morales v. Fairway Staffing Services, Inc., et al.*, Los Angeles County Superior Court (“Court”), Case No. 21STCV11632. The Court has approved the settlement and this payment to you.

WHAT IS THE CASE ABOUT?

This case was filed by Plaintiff Oscar Morales (“Plaintiff Morales”) and Plaintiff Brenda Karina Sandoval (“Plaintiff Sandoval”) (together referred to as “Plaintiffs”) against Defendants Fairway Staffing Services, Inc. (“Defendant Fairway Staffing” or “Fairway Staffing”), and Fisherman’s Pride Processors, Inc., dba Neptune Foods (“Defendant Fisherman’s Pride” or “Fisherman’s Pride”) (collectively “Defendants,” Plaintiffs and Defendants collectively referred to as the “Parties”), pursuant to the California Private Attorneys General Act of 2004, Cal. Lab. Code § 2698 *et seq.* (“PAGA”), which permits aggrieved employees to sue their employers for Labor Code violations and seek civil penalties on behalf of the state. Plaintiffs filed the lawsuit on behalf of themselves, the State of California, and all non-exempt employees who were employed directly by Fisherman’s Pride or employed and placed by Fairway Staffing to work at Fisherman’s Pride, in the state of California during the PAGA Period,” which is “the period from March 24, 2020, through July 29, 2024 (“PAGA Period”). The group of employees referenced above is called the “Aggrieved Employees,” and you have been identified as an Aggrieved Employee.

In this case, Plaintiffs alleged that Defendants owed civil penalties under PAGA for certain California Labor Code (the “Labor Code”) violations, including (1) Failure to Pay Minimum Wages; (2) Failure to Pay Wages and Overtime Under Labor Code § 510; (3) Meal-Period Liability Under Labor Code § 226.7; (4) Rest-Break Liability Under Labor Code § 226.7; (5) Violation of Labor Code § 226(a); (6) Reimbursement of Necessary Expenditures Under Labor Code § 2802; (7) Failure to Keep Required Payroll Records Under Labor Code §§ 1174 and 1174.5; (8) Penalties Pursuant to Labor Code § 203; and (9) Violation of Business and Professions Code § 17200 *et seq.* Plaintiffs alleged Defendants failed to pay at least minimum wages and overtime wages to Aggrieved Employees for all hours worked, including off-the-clock work, failed to timely pay all

wages due to Aggrieved Employees during their employment and timely upon separation from employment, failed to provide Aggrieved Employees with legally compliant meal and rest periods, failed to reimburse business expenses incurred by Aggrieved Employees, failed to maintain Aggrieved Employees' payroll records, failed to issue accurately itemized wage statements to Aggrieved Employees and required Aggrieved Employees to agree to unlawful and unenforceable releases to representative claims under Labor Code § 2699 *et seq.* Defendants deny the allegations in the lawsuit, any failure to comply with the laws identified in the lawsuit, and any and all liability for the causes of action alleged.

WHAT ARE THE IMPORTANT TERMS OF THE SETTLEMENT?

The Parties agreed to resolve the case, and as part of the Settlement, Defendants agreed to pay Two Hundred Twenty Thousand Dollars and Zero Cents (\$220,000.00), which is called the Gross Settlement Amount. From the Gross Settlement Amount, and as approved by the Court, Plaintiffs' counsel ("PAGA Counsel") will receive a PAGA Counsel Fees Payment of \$73,333.33 for attorneys' fees and a PAGA Counsel Litigation Expenses Payment of \$18,559.71 for litigation costs incurred in prosecuting the lawsuit. In addition, and as approved by the Court, the Settlement Administrator will receive an Administration Expenses Payment of \$6,500.00 for its services in administering the settlement. The balance of the monies, called the Net Settlement Amount, in the amount of \$121,606.96, represents the "PAGA Penalties."

Under PAGA, the law requires that PAGA Penalties get divided between the California Labor and Workforce Development Agency (the "LWDA") and the Aggrieved Employees, with 75% of the settlement going to the LWDA and 25% being divided amongst the Aggrieved Employees. As a result, and as approved by the Court, \$91,205.22 will be paid to the LWDA for its share of the PAGA Penalty payment, and \$30,401.74 will be paid to the Aggrieved Employees as Individual PAGA Payments. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment. The Administrator will report all Individual PAGA Payments on IRS 1099 Forms.

The settlement of this action does not constitute an admission by Defendants of any of the matters alleged in the case or an admission of liability. Defendants deny violating any laws or failing to pay any wages. Defendants contend they complied with all applicable laws.

YOUR SETTLEMENT CHECK AND THE RELEASE OF CLAIMS

The enclosed check, in the amount of \$, represents your Individual PAGA Payment, which is based on the number of pay periods you worked during the PAGA Period. As an Aggrieved Employee, you are legally barred from asserting any of the claims released under the Settlement. This means that you, along with all Aggrieved Employees, cannot sue, continue to sue, or participate in any other PAGA claim against Defendants or the Released Parties based on the facts alleged in the case to have occurred during the PAGA Period and resolved by this Settlement. The release by Aggrieved Employees is as follows:

Release by Aggrieved Employees:

All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, heirs, administrators, successors and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint and the PAGA Notice, including for violations of Labor Code sections 201, 202, 203, 204, 210, 226, 226(a), 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1194, 1198, 1199, 2698, 2699 *et seq.*, and 2802.

“Released Parties” means Defendants and each of its former and present directors, officers, shareholders, owners, members, attorneys, insurers, reinsurers predecessors, successors, parents, assigns, subsidiaries, joint employers, staffing agencies, and affiliates.

“Operative Complaint” means the Second Amended Consolidated Class Action Complaint filed by Plaintiffs on December 7, 2021 in this lawsuit.

“PAGA Notice” means Plaintiffs’ PAGA Notice letters to Defendants and the LWDA submitted on March 24, 2021 (LWDA Case No. LWDA-CM-826923-21) by Plaintiff Morales, and on April 14, 2021 (LWDA Case No. LWDA-CM-829342-21) by Plaintiff Sandoval respectively, providing notice pursuant to Labor Code section 2699.3, subd. (a).

This release applies to you, regardless of whether you cash your check, and regardless of whether this letter can be delivered to you. Aggrieved Employees have no right to object to this settlement, and they cannot opt out of this settlement. You will be bound by this release whether you cash your check or not.

QUESTIONS?

If you have any questions, you can contact the Settlement Administrator (whose contact information is at the top of this letter).

Very Truly Yours,

Phoenix Settlement Administrators

[INSERT CONTACT INFORMATION]

PLEASE DO NOT CONTACT THE COURT ABOUT THIS NOTICE

EXHIBIT 5