

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiffs Yvette Cosme, Cari Walker, and Flor Alejandra Rodriguez (together “Plaintiffs”) (collectively, “Class Representatives” or “Plaintiffs”), individually and on behalf of all putative class members, putative aggrieved employees, and the State of California, on the one hand, and Defendant Ambitions California, Inc. (“Ambitions”) on the other hand. The Settlement Agreement refers to Plaintiffs and Ambitions collectively as “Parties,” or individually as “Party.” This Settlement Agreement is subject to the terms and conditions set forth below and the Court’s approval. This Settlement Agreement completely resolves the Released Class Claims (as defined herein) and Released PAGA Claims (as defined herein) against the Released Parties (as defined herein).

1. DEFINITIONS.

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

- 1.1 “Action” means the Consolidated Complaint that will be filed by Plaintiffs, which consolidate the two lawsuits alleging wage and hour violations against Ambitions that were originally captioned *Cosme v. Ambitions California, Inc.*, pending in Superior Court of the State of California, County of Los Angeles, Case No. 20STCV08244 (the “*Cosme Case*”), and *Walker v. Ambitions California, Inc.*, Case No. 21STCV24620 (the “*Walker Case*”).
- 1.2 “Administrator” means Phoenix Class Action Administration Solutions (“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 Preliminary Approval of the Settlement. Phoenix has submitted “not to exceed” bid of \$16,500.00.
- 1.4 “Aggrieved Employee” means a person employed by Ambitions in California and classified as a non-exempt employee during the PAGA Period.
- 1.5 “Class” means, for the period from March 2, 2016 to July 1, 2017, all persons employed by Ambitions in California as non-exempt residential program employees, and for the period on or after July 2, 2017, all persons employed by Ambitions in California and classified as a non-exempt employee during the Class Period.
- 1.6 “Class Counsel” means Andrew Kearney, Prescott Littlefield and Richard Lambert from Kearney Littlefield, LLP, Kane Moon and Lilit Ter-Astvatsatryan from Moon & Yang, APC, and Brandon Littlefield from Littlefield Law.

- 1.7 “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.8 “Class Data” means Class Member identifying information in Ambitions’s possession including the Class Member’s name, last-known mailing address, Social Security number, and number of Workweeks worked in the Class Period and Pay Periods worked in the PAGA Period (as applicable).
- 1.9 “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).
- 1.10 “Class Member Address Search” means the Administrator’s investigation and search for current Class Member 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 Class Members.
- 1.11 “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English with a Spanish and Tagalog translation in the form, without material variation, attached as Exhibit B and incorporated by reference into this Agreement.
- 1.12 “Class Period” means, for Ambitions’ non-exempt residential program employees employed in California, the period from March 2, 2016 to July 1, 2017 and, for all Ambitions’ non-exempt employees employed in California, the period from July 2, 2017 to the latter of (1) the date the Court grants preliminary approval or (2) the date when the Workweeks for the Class reaches 111,358 Workweeks (the “Release End Date”).
- 1.13 “Class Representatives” means the named Plaintiffs in the Consolidated Complaint in the Action seeking Court approval to serve as a Class Representatives.
- 1.14 “Class Representatives Service Payments” mean the payments to the Class Representatives for initiating the Action and providing services in support of the Action.
- 1.15 “Court” means the Superior Court of California, County of Los Angeles.
- 1.16 “Ambitions” means named Defendant Ambitions California, Inc.
- 1.17 “Defense Counsel” means Brian D. Martin and Geoff La Val from Atkinson, Andelson, Loya, Ruud & Romo, and Diana Estrada from Wilson Elser Moskowitz Edelman & Dicker LLP.
- 1.18 “Effective Date” means the date by when both of the following have occurred:

(a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement, and the entered Judgment is served on Ambitions; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

- 1.19 “Final Approval” means the Court’s order granting final approval of the Settlement.
- 1.20 “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
- 1.21 “Final Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.
- 1.22 “Gross Settlement Amount” means Two Million Dollars and Zero Cents (\$2,000,000.00) which is the total amount Ambitions agrees to pay under the Settlement except as provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representatives Service Payments, and the Administrator’s Expenses.
- 1.23 “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.
- 1.24 “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of Workweeks worked during the PAGA Period.
- 1.25 “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.26 “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.27 “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.28 “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representatives Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.

- 1.29 “Non-Participating Class Member” means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 1.30 “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Ambitions for at least one day during the PAGA Period.
- 1.31 “PAGA Period” means the period from April 28, 2020 to the date the Court grants preliminary approval of the Settlement or the Release End Date, whichever is later.
- 1.32 “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.33 “PAGA Notice” means Plaintiff Walker’s July 1, 2021 letter to Ambitions and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a), of alleged Labor Code violations.
- 1.34 “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, which is Forty Thousand Dollars and Zero Cents (\$40,000.00), which is allocated 25% to the Aggrieved Employees (\$10,000) and the 75% to LWDA (\$30,000) in settlement of PAGA claims.
- 1.35 “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.36 “Plaintiff Cosme” means Yvette Cosme, a named plaintiff in the Action.
- 1.37 “Plaintiff Walker” means Cari Walker, a named plaintiff in the Action.
- 1.38 “Plaintiff Rodriguez” means Flor Alejandra Rodriguez, a named plaintiff in the Action.
- 1.39 “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.
- 1.40 “Preliminary Approval Order” means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.41 “Released Class Claims” means any and all claims, damages, or causes of action alleged in, or arising out of, the allegations in the Consolidated Complaint (as defined below) in the Action that arose during the Class Period and which were alleged, or could have been alleged, by Plaintiffs based on any of the factual allegations contained in the Consolidated Complaint in the Action, including, but not limited to, claims under state, federal (i.e., Fair Labor Standards Act (“FLSA”)) or local law including, but not limited to claims for unpaid minimum and overtime wages (including, *inter alia*, in connection with off-the-clock work and improper rounding of time), claims related to non-compliant meal and rest breaks or periods and nonpayment of premium pay for such, failure to comply with itemized employee wage statement provisions, failure to pay wages due at separation and associated waiting time penalties, failure to timely pay wages during employment, failure to maintain compliant time and payroll records, the failure to reimburse for

business expenses, and unfair or unlawful business practices pursuant to California Business and Professions Code § 17200, *et seq.* based on the aforementioned. The Released Class Claims specifically include, but are not limited to, all claims arising under California Labor Code sections 201, 202, 203, 204, 210, 218.5, 226, 226.7, 510, 512, 558, 558.1, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2800 and 2802, California Industrial Welfare Commission Wage Order 5-2001, California Business and Profession Code sections 17200, *et seq.*, California Code of Civil Procedure section 1021.5, and California common law of contract, interest and claims for attorney's fees relating in any way to those claims alleged and mentioned in the Operative Complaint in the Action.

- 1.42 "Released PAGA Claims" means any and all claims for civil penalties under PAGA based on the allegations in the PAGA Notice that arose during the PAGA Period, including violations of California Labor Code sections 201, 202, 203, 204, 226, 226.7, 510, 512, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2802, 2698, *et seq.*, and IWC Wage Order 5-2001 as well as all facts, theories, or claims for civil penalties that would be considered administratively exhausted under applicable law by the PAGA Notice submitted in the Action.
- 1.43 "Released Parties" means: Ambitions and each of its former and present directors, officers, shareholders, owners, attorneys, insurers, predecessors, successors, assigns, and affiliates.
- 1.44 "Request for Exclusion" means a Class Member's submission of a written request to be excluded from the Class Settlement signed by the Class Member.
- 1.45 "Response Deadline" means sixty (60) calendar days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional fourteen (14) calendar days beyond the Response Deadline has expired.
- 1.46 "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.
- 1.47 "Workweek" means any calendar week during which a Class Member worked for Ambitions for at least one day, during the Class Period.

2. **RECITALS.**

- 2.1 On March 2, 2016, Plaintiff Cosme commenced the Action by filing a Complaint alleging causes of action against Ambitions for (1) failure to authorize and permit rest periods; (2) failure to provide accurate itemized wage statements; (3) waiting time penalties; and (4) violations of Business and Professions Code section 17200. On September 18, 2020, Plaintiff Cosme filed a First Amended Complaint that added a cause of action for Ambitions's alleged failure to provide meal periods.

- 2.2 On July 2, 2021, Plaintiff Walker filed a complaint captioned *Cari Walker v. Ambitions California, Inc.*, Case No. 21STCV24620, which alleged causes of action against Ambitions 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.
- 2.3 Ambitions denies the allegations in the Action, denies any failure to comply with the laws identified in the Action, and denies any and all liability for the causes of action alleged therein.
- 2.4 Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff Walker gave timely written notice to Ambitions and the LWDA by sending the PAGA Notice.
- 2.5 On November 22, 2022, the Parties participated in an all-day mediation presided over by Steve Rottman, which led to this Agreement to settle the Action.
- 2.6 Prior to mediation and negotiating this Settlement, Class Counsel obtained, through formal discovery and deposition, as well as informal discovery, documents and information, including a representative sampling of putative class members time and corresponding pay records, which Class Counsel used to thoroughly assess the viability and support for the claims alleged in the Action. Plaintiffs' investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("Dunk/Kullar").
- 2.7 The Court has not granted class certification in either *Cari Walker v. Ambitions California, Inc.*, Case No. 21STCV24620 or *Cosme v. Ambitions California, Inc.*, Case No. 20STCV08244.
- 2.8 The Parties, Class 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 9 below, Ambitions promises to pay Two Million Dollars and Zero Cents (\$2,000,000.00) and no more as the Gross Settlement Amount and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. Ambitions has no obligation to pay the Gross Settlement Amount (or any payroll taxes) 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 Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Ambitions.

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 Final Approval:

3.2.1 To Plaintiff: Class Representatives Service Payments to each of the three Class Representatives of not more than Seven Thousand Five Hundred (\$7,500.00) each (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative may be entitled to receive as a Participating Class Member). Ambitions will not oppose Plaintiffs' request for the Class Representatives Service Payments that do not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiffs will seek Court approval for any Class Representatives Service Payments no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment to each of the Plaintiffs less than the amount requested, the Administrator will allocate the remainder in the Net Settlement Amount. The Administrator will pay the Class Representatives Service Payments using an IRS Form 1099. Plaintiffs assume full responsibility and liability for employee taxes owed on the Class Representatives Service Payments they receive.

3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than 33.33%, which is currently estimated to be Six Hundred Sixty-Six Thousand, Six Hundred Sixty-Six Dollars and Sixty-Seven Cents (\$666,666.67) and a Class Counsel Litigation Expenses Payment of not more than Fifty Thousand Dollars and Zero Cents (\$50,000.00). Ambitions will not oppose requests for these payments provided that Class Counsel does not request more than these amounts. Plaintiffs and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than sixteen (16) court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class 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 Class Counsel or any other Plaintiffs' Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Ambitions harmless, and indemnifies Ambitions, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.3 To the Administrator: An Administrator Expenses Payment not to exceed Fifty Thousand Dollars and Zero Cents (\$50,000.00) 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 this amount, the Administrator will allocate the remainder in the Net Settlement Amount.

- 3.2.4 To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks.
- 3.2.4.1 Tax Allocation of Individual Class Payments. 33% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The 67% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and non-wage damages (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.
- 3.2.4.2 Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will allocate amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.
- 3.2.5 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of Forty Thousand Dollars and Zero Cents (\$40,000.00) to be paid from the Gross Settlement Amount, with 75% (\$30,000) allocated to the LWDA PAGA Payment and 25% (\$10,000) allocated to the Individual PAGA Payments.
- 3.2.5.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$10,000) 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 Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.
- 3.2.5.2 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 **Class Workweeks and Aggrieved Employee Pay Periods.** Based on a review of its records through November 22, 2022, Ambitions estimates there are 1,068 Class Members who collectively worked a total of 104,612 Workweeks between March 2, 2016 and November 22, 2022, and 560 Aggrieved Employees who worked a total of 18,939 Pay Periods in the PAGA Period.
- 4.2 **Class Data.** Not later than twenty-one (21) calendar days after the Court grants Preliminary Approval of the Settlement, Ambitions will simultaneously deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Ambitions has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Ambitions must send the Class 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 Class Data.
- 4.3 **Funding of Gross Settlement Amount.** Ambitions shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Ambitions's share of payroll taxes by transmitting the funds to the Administrator no later than thirty (30) calendar days after the Effective Date.
- 4.4 **Payments from the Gross Settlement Amount.** Within fourteen (14) calendar days after Ambitions funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representatives Service Payments. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representatives Service Payments shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.
- 4.4.1 The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 calendar days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who

qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. 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 a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within seven (7) calendar 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 Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.
- 4.4.3 For any Class Member whose Individual Class Payment check or 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 Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).
- 4.4.4 The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Ambitions to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. **RELEASES OF CLAIMS.** Effective on the date when Ambitions fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiffs, Class Members, and Class Counsel will release claims against all Released Parties as follows:

- 5.1 Plaintiffs' Releases. Plaintiffs and each of their respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences that occurred at any time (except as specified below), including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Action and (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Action, Plaintiff Walker's PAGA Notice, or ascertained during the Action and released under 5.2, below. ("Plaintiffs' Releases.") Plaintiffs' Releases does not extend to 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 Class Period. Plaintiffs acknowledge that Plaintiffs may hereafter 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' Releases 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' Releases, 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 Participating Class Members: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release the Released Parties from the Released Class Claims, as defined in Paragraph 1.41. Except as set forth in Section 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

5.3 Release by Aggrieved Employees: All Aggrieved Employees (whether they are Participating Class Members or Non-Participating Class Members) are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from the Released PAGA Claims, as defined in Paragraph 1.42.

6. **MOTION FOR PRELIMINARY APPROVAL.** The Parties agree to jointly prepare and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the Court's current checklist for Preliminary Approvals.

6.1 Filing of Consolidated Complaint. Within fourteen (14) calendar days of the full execution of this Agreement, the Parties will file a stipulation for Plaintiffs to file a Consolidated Class and PAGA Representative Action Complaint (in the form attached hereto as Exhibit A) which will consolidate the *Walker* Case into the *Cosme* Case, add a cause of action seeking recovery of civil penalties under PAGA, and add Flor Alejandra Rodriguez as a named plaintiff and class representative (the "Consolidated Complaint"). Plaintiffs will also seek to dismiss the *Walker* Case without prejudice. The stipulation will provide that Ambitions will answer the Consolidated Complaint within 20 days of notice of its filing. The Consolidated Complaint will provide that the for the time period of March 2, 2016 to July 1, 2017, the class definition will be the same as originally set forth in First Amended Complaint filed in the *Cosme* case and the class definition for the time period for July 2, 2017 and after will be a combined definition including the putative class

members originally identified in the *Cosme* Case and *Walker* Case. If for any reason the Court does not grant preliminary or final approval of this Settlement Agreement, the Parties agree to stipulate to the filing of additional complaints to put the Parties back in same position they were in before the filing of the Consolidated Complaint.

- 6.2 Ambitions's Declaration in Support of Preliminary Approval. Within fourteen (14) calendar days of the filing of the Answer to the Consolidated Complaint, Ambitions will prepare and deliver to Class Counsel a signed Declaration from Ambitions and Defense Counsel disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator. In their Declarations, Defense Counsel and Ambitions 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.
- 6.3 Plaintiffs' Responsibilities. Plaintiffs will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under Dunk/Kullar and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) 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 Class 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 Class Members; and the nature and extent of any financial relationship with Plaintiffs, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiffs confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, and/or the Administrator; (v) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), the Consolidated Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); (vi) a redlined version of the parties' Agreement showing all modifications made to the Model Agreement ready for filing with the Court; and (vii) all facts relevant to any actual or potential conflict of interest with Class Members, and the Administrator. In their Declarations, Plaintiffs and Class Counsel's Declarations 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.
- 6.4 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than thirty (30) calendar days after the filing of the answer to the Consolidated Complaint; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.

- 6.5 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class 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 Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class 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 calculating payroll tax withholdings and providing reports 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 Notice to Class Members.
- 7.4.1 No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, PAGA Members, total Workweeks, and total Pay Periods in the Class Data.
- 7.4.2 Using best efforts to perform as soon as possible, and in no event later than fourteen (14) calendar days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service ("USPS") mail, the Class Notice (with Spanish and Tagalog translations) substantially in the form attached to this Agreement as Exhibit B. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

- 7.4.3 Not later than three (3) business days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.
- 7.4.4 The deadlines for Class Members' written objections, challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional fourteen (14) calendar days beyond the sixty (60) calendar days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.
- 7.4.5 If the Administrator, Ambitions or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith, in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than fourteen (14) calendar days after receipt of Class Notice, or the deadline dates in the Class Notice, which ever are later.
- 7.5 Requests for Exclusion (Opt-Outs).
- 7.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than sixty (60) calendar days after the Administrator mails the Class Notice (plus an additional fourteen (14) calendar days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.
- 7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise

susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 5.2 and 5.3 of this Agreement, regardless whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

7.6 Challenges to Calculation of Workweeks. Each Class Member shall have sixty (60) calendar days after the Administrator mails the Class Notice (plus an additional fourteen (14) calendar days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination the challenges.

7.7 Objections to Settlement.

7.7.1 Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Class Representatives Service Payments.

- 7.7.2 Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than sixty (60) calendar days after the Administrator's mailing of the Class Notice (plus an additional fourteen (14) calendar days for Class Members whose Class Notice was re-mailed).
 - 7.7.3 Non-Participating Class Members have no right to object to any of the class action components of the Settlement.
- 7.8 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.
 - 7.8.1 Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representatives Service Payments, the Final Approval and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.
 - 7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than five (5) calendar days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion ("Exclusion List"); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).
 - 7.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments ("Weekly Report"). The Weekly Reports must include provide the Administrator's assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

- 7.8.4 Workweek and/or Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or Pay Periods. The Administrator's decision shall be final and not appealable or otherwise susceptible to challenge.
- 7.8.5 Administrator's Declaration. Not later than fourteen (14) calendar days before the date by which Plaintiffs are required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.
- 7.8.6 Final Report by Settlement Administrator. Within ten (10) calendar days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least fifteen (15) calendar days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

8. **CLASS SIZE ESTIMATES** Based on a review of its records through November 22, 2022, Ambitions estimates there are 1,068 Class Members who collectively worked a total of 104,612 Workweeks between March 2, 2016 and November 22, 2022, and 560 Aggrieved Employees who worked a total of 18,939 Pay Periods in the PAGA Period.
9. **AMBITIONS'S RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion identified in the Exclusion List exceeds one and eight tenths percent (1.8%) of the total of all Class Members, Ambitions may, but is not obligated, elect to withdraw from the Settlement. The Parties agree that, if Ambitions withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Ambitions will remain responsible for paying all Settlement Administration Expenses incurred to that point. Ambitions must notify Class Counsel and the Court of its election to withdraw not later than fourteen (14) calendar days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

10. **MOTION FOR FINAL APPROVAL.** Not later than sixteen (16) court days before the calendared Final Approval Hearing, Plaintiffs will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l), a Proposed Final Approval Order and a proposed Judgment (collectively “Motion for Final Approval”). Plaintiffs shall provide drafts of these documents to Defense Counsel not later than seven (7) calendar days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.
- 10.1 **Response to Objections.** Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five (5) court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.
- 10.2 **Duty to Cooperate.** If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court’s concerns by revising the Agreement as necessary to obtain Final Approval. The Court’s decision to award less than the amounts requested for the Class Representatives Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.
- 10.3 **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.
- 10.4 **Waiver of Right to Appeal.** Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment reflected set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, 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 an objector 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.
- 10.5 **Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment.** If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the

scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representatives Service Payments or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

11. AMENDED JUDGMENT. If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit and a proposed amended judgment.

12. ADDITIONAL PROVISIONS.

12.1 No Admission of Liability, Class Certification 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 Ambitions that any of the allegations in the Action have merit or that Ambitions has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that Ambitions's defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does grant Preliminary Approval, Final Approval or enter Judgment, Ambitions reserves the right to contest certification of any class for any reasons, and Ambitions reserves all available defenses to the claims in the Action, and Plaintiffs reserve the right to move for class certification on any grounds available and to contest Ambitions's defenses. The Settlement, this Agreement and 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).

12.2 Confidentiality Prior to Preliminary Approval. Plaintiffs, Class Counsel, Ambitions and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency.

Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiffs, Class Counsel, Ambitions and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for

Preliminary Approval, any with third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that “the matter was resolved,” or words to that effect. This paragraph does not restrict Class Counsel’s communications with Class Members in accordance with Class Counsel’s ethical obligations owed to Class Members.

- 12.3 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel’s ability to communicate with Class Members in accordance with Class Counsel’s ethical obligations owed to Class Members.
- 12.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 12.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Ambitions, 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.
- 12.6 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.
- 12.7 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.
- 12.8 No Tax Advice. Neither Plaintiffs, Class Counsel, Ambitions 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.
- 12.9 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.

- 12.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 12.11 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.
- 12.12 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.
- 12.13 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.
- 12.14 Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Ambitions in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than ninety (90) calendar days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiffs and Class Counsel shall destroy, all paper and electronic versions of Class Data received from Ambitions unless, prior to the Court's discharge of the Administrator's obligation, Ambitions makes a written request to Class Counsel for the return, rather than the destructions, of Class Data.
- 12.15 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.
- 12.16 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.
- 12.17 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:

Kane Moon
Lilit Ter-Astvatsatryan
MOON & YANG, APC
1055 W. Seventh St., Suite 1880
Los Angeles, California 90017

Telephone: (213) 232-3128
Facsimile: (213) 232-3125

Thomas A. Kearney
Prescott W. Littlefield
Richard D. Lambert
KEARNEY LITTLEFIELD, LLP
3436 N. Verdugo Rd., Ste. 230
Glendale, CA 91208

Brandon T. Littlefield
LITTLEFIELD LAW
450 N. Brand Blvd., Ste. 600
Glendale, CA 91203

To Ambitions:

Brian D. Martin
Geoff D. La Val
Atkinson, Andelson, Loya, Ruud & Romo
4275 Executive Square, Suite 700
La Jolla, California 92037

Diana Estrada
Wilson Elser Moskowitz Edelman & Dicker LLP
555 S. Flower Street - Suite 2900
Los Angeles, CA 90071-2407

- 12.18 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.
- 12.19 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 CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

SIGNATURES ON THE FOLLOWING PAGE

Dated: 3/6/23

AMBITIONS CALIFORNIA, INC.

By: Quinn Reese

Title: President

Dated:

YVETTE COSME

By: _____
Yvette Cosme

Dated:

CARI WALKER

By: _____
Cari Walker

Dated:

FLOR ALEJANDRA RODRIGUEZ

By: _____
Flor Alejandra Rodriguez

APPROVED AS TO FORM AND ATTORNEY OBLIGATIONS

Dated:

ATKINSON, ANDELSON, LOYA, RUUD & ROMO

By: _____

Brian D. Martin
Geoffrey D. La Val

Attorneys for Defendant Ambitions California, Inc.

Dated:

WILSON ELSEY MOSKOWITZ EDELMAN &
DICKER LLP

By: _____

Diana Estrada

Attorneys for Defendant Ambitions California, Inc.

Dated: AMBITIONS CALIFORNIA, INC.

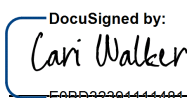
By: _____

Title:

Dated: 2/25/2023 YVETTE COSME

By: _____
Yvette Cosme

Dated: 3/02/2023 CARI WALKER

By: _____
Cari Walker

Dated: 3/02/2023 FLOR ALEJANDRA RODRIGUEZ

By: _____
Flor Alejandra Rodriguez

APPROVED AS TO FORM AND ATTORNEY OBLIGATIONS

Dated: March 6, 2023 ATKINSON, ANDELSON, LOYA, RUUD & ROMO

By: _____
Brian D. Martin
Geoffrey D. La Val

Attorneys for Defendant Ambitions California, Inc.

Dated: March 2, 2023 WILSON ELSEER MOSKOWITZ EDELMAN &
DICKER LLP

By: _____
Diana Estrada

Attorneys for Defendant Ambitions California, Inc.

Dated: 2/25/2023

KEARNEY LITTLEFIELD, LLP

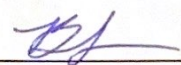
By: _____

Thomas A. Kearney
Prescott W. Littlefield
Richard D. Lambert

Attorneys for Plaintiff Cosme

Dated: 2/27/23

LITTLEFIELD LAW

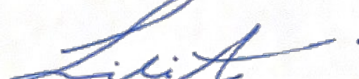
By: _____

Brandon T. Littlefield

Attorneys for Plaintiff Cosme

Dated: 3/02/2023

MOON & YANG, APC

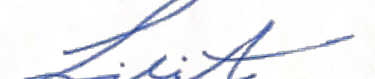
By: _____

Kane Moon
Lilit Ter-Astvatsatryan

Attorneys for Plaintiff Walker

Dated: 3/02/2023

MOON & YANG, APC

By: _____

Kane Moon
Lilit Ter-Astvatsatryan

Attorneys for Plaintiff Rodriguez

EXHIBIT A

Kane Moon (SBN 249834)
 kane.moon@moonyanglaw.com
 Lilit Ter-Astvatsatryan (SBN 320389)
 lilit@moonyanglaw.com

MOON & YANG, APC
 1055 W. Seventh St., Suite 1880
 Los Angeles, California 90017
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Attorneys for Plaintiffs YVETTE COSME,
 CARI WALKER, & FLOR ALEJANDRA RODRIGUEZ

SUPERIOR COURT OF CALIFORNIA

COUNTY OF LOS ANGELES

YVETTE COSME, CARI WALKER, FLOR
 ALEJANDRA RODRIGUEZ, individuals,
 on behalf of themselves and all others similarly
 situated,

Plaintiffs,

vs.

AMBITIONS CALIFORNIA, INC., a
 Washington Corporation, and DOES 1 through
 50, inclusive

Defendants.

CASE NO. 20STCV08244

CONSOLIDATED CLASS AND REPRESENTATIVE ACTION COMPLAINT FOR:

- 1) Failure to Pay Minimum Wages [Cal. Lab. Code §§ 204, 1194, 1194.2, and 1197];
- 2) Failure to Pay Overtime Compensation [Cal. Lab. Code §§ 1194 and 1198];
- 3) Failure to Provide Meal Periods [Cal. Lab. Code §§ 226.7, 512];
- 4) Failure to Authorize and Permit Rest Breaks [Cal. Lab. Code §§ 226.7];
- 5) Failure to Indemnify Necessary Business Expenses [Cal. Lab. Code § 2802];
- 6) Failure to Timely Pay Final Wages at Termination [Cal. Lab. Code §§ 201-203];
- 7) Failure to Provide Accurate Itemized Wage Statements [Cal. Lab. Code § 226];
- 8) Unfair Business Practices [Cal. Bus. & Prof. Code §§ 17200, et seq.]; and
- 9) Civil Penalties Under PAGA [Cal. Lab. Code § 2699, et seq.].

DEMAND FOR A JURY TRIAL

1 Thomas A. Kearney, State Bar No. 90045
2 Prescott W. Littlefield, State Bar No. 259049
3 Richard D. Lambert, State Bar No. 251148
4 **KEARNEY LITTLEFIELD, LLP**
5 3436 N. Verdugo Rd., Ste. 230
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10 Brandon T. Littlefield, State Bar No. 299153
11 LITTLEFIELD LAW
12 450 N. Brand Blvd., Ste. 600
13 Glendale, CA 91203
14 brandon@littlefieldlawpractice.com

15 Attorneys for Plaintiffs YVETTE COSME,
16 CARI WALKER, & FLOR ALEJANDRA RODRIGUEZ
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1 Plaintiff Yvette Cosme, Cari Walker, and Flor Alejandra Rodriguez, (collectively,
2 “Plaintiffs”), on behalf of themselves, all others similarly situated, and Cari Walker on behalf of
3 the State of California and all aggrieved employees, respectively, complain and allege as follows:

4 **INTRODUCTION**

5 1. Plaintiffs bring this action against Defendant Ambitions California, Inc. and Does 1
6 through 50 (collectively referred to as “Defendant”) for California Labor Code violations and
7 unfair business practices stemming from Defendant’s failure to pay minimum wages, failure to
8 pay overtime wages, failure to provide meal periods, failure to authorize and permit rest periods,
9 failure to indemnify necessary business expenses, failure to maintain accurate records of hours
10 worked and meal periods, failure to timely pay all wages to terminated employees, and failure
11 to furnish accurate wage statements.

12 2. Plaintiffs bring the First through Eight Causes of Action individually and as a class
13 action on behalf of themselves, and all non-exempt current and former employees of Defendant
14 (hereinafter collectively referred to as the “Class” or “Class Members” and defined more fully
15 below).

16 3. Plaintiff Walker brings the Ninth Cause of Action as a representative action under the
17 California Private Attorneys General Act (“PAGA”) to recover civil penalties on behalf of
18 Plaintiffs, the State of California, and past and present employees of Defendant (hereinafter
19 referred to as the “Aggrieved Employees”).

20 4. Defendant owns/owned and operates/operated an industry, business, and
21 establishment within the State of California, including Los Angeles County. As such and based
22 upon all the facts and circumstances incident to Defendant’s business in California, Defendant
23 is subject to the California Labor Code, one or more of the Wage Orders issued by the
24 Industrial Welfare Commission (“IWC”), and the California Business & Professions Code.

25 5. Defendant’s business also involves providing individual support services to people
26 with disabilities through either in-home or in one of its residential facilities. To provide services,
27 Defendant employs non-exempt hourly employees protected by provisions of the California
28 Labor Code and Wage Order 5-2001 of the Industrial Welfare Commission (“IWC”).

1 Exemptions to the pay, rest and meal periods, and overtime requirements of the California Labor
2 Code and Wage Order do not apply to the foregoing employees.

3 6. Throughout the statutory period Defendant maintained a systematic, company-wide
4 policy and practice of:

- 5 (a) Failing to pay employees for all hours worked, including all minimum
6 wages, and overtime wages in compliance with the California Labor
7 Code and IWC Wage Orders;
 - 8 (b) Failing to provide employees with legally compliant meal periods in
9 compliance with the California Labor Code and IWC Wage Orders,
10 failing to maintain accurate records of all meal periods taken or missed,
11 and failing to pay an additional hour's pay for each workday a meal
12 period violation occurred;
 - 13 (c) Failing to authorize and permit employees to take legally compliant rest
14 periods in compliance with the California Labor Code and IWC Wage
15 Orders, and failing to pay an additional hour's pay for each workday a
16 rest period violation occurred;
 - 17 (d) Failing to indemnify employees for necessary business expenses they
18 incurred;
 - 19 (e) Willfully failing to timely pay employees all wages owed to them during
20 their employment and upon separation of their employment, including,
21 but not limited to, minimum wages, overtime wages, meal period
22 premium wages, and rest period premium wages; and
 - 23 (f) Failing to maintain accurate records of the hours that employees worked.
 - 24 (g) Failing to provide employees with accurate, itemized wage statements
25 containing all the information required by the California Labor Code and
26 IWC Wage Orders.
- 27
28

FACTUAL ALLEGATIONS

10. Throughout the statutory period, Defendant failed to pay Plaintiffs for all hours worked (including minimum and overtime wages), failed to provide Plaintiffs with uninterrupted meal periods, failed to authorize and permit Plaintiffs to take uninterrupted rest periods, failed to indemnify Plaintiffs for necessary business expenses, failed to timely pay all final wages to Plaintiffs when Defendant terminated Plaintiffs' employment, and failed to furnish accurate wage statements to Plaintiffs. As discussed below, Plaintiffs' experience working for Defendant was typical and illustrative.

11. Throughout the statutory period, Defendant maintained a policy and practice of not paying Plaintiffs and the Class and the Aggrieved Employees for all hours worked, including all

1 overtime wages. Defendant regularly use a system of time rounding in a manner that resulted,
2 over a period of time, in failing to compensate Plaintiffs and the Class and the Aggrieved
3 Employees properly for all the time they have actually worked, even though the realities of
4 Defendant's operations are such that it is possible, practical, and feasible to count and pay for
5 work time to the minute. As a result, Defendant frequently paid Plaintiffs and the Class and the
6 Aggrieved Employees less than all their work time, some of which should have been paid at the
7 overtime rate. Also, throughout the statutory period, Plaintiffs and the Class and the Aggrieved
8 Employees earned non-discretionary bonuses, but all remuneration was not included in
9 determining the overtime rate of pay, thus leading to underpayment of overtime compensation.
10 In maintaining a practice of not paying all wages owed, Defendant failed to maintain accurate
11 records of the hours Plaintiffs and the Class and the Aggrieved Employees worked.

12 12. Throughout the statutory period, Defendant has wrongfully failed to provide
13 Plaintiffs and the Class and the Aggrieved Employees with legally compliant meal periods.
14 Defendant sometimes, but not always, required Plaintiffs and the Class and the Aggrieved
15 Employees to work in excess of five consecutive hours a day without providing 30-minute,
16 continuous and uninterrupted, duty-free meal period for every five hours of work, or without
17 compensating Plaintiffs and the Class and the Aggrieved Employees for meal periods that were
18 not provided by the end of the fifth hour of work or tenth hour of work. Further, Defendant auto-
19 deducted the time for employee meal periods, regardless of the meal period's length or when
20 they were taken. Defendant also did not adequately inform Plaintiffs and the Class and the
21 Aggrieved Employees of their right to take a meal period by the end of the fifth hour of work,
22 or, for shifts greater than 10 hours, by the end of the tenth hour of work. Further, Defendant
23 implemented an unlawful on-duty meal period because Plaintiffs and the Class and the
24 Aggrieved Employees were not in sole charge of residents, nor was it required for them to have
25 on-duty meal periods in order to meet regulatory or approved program standards, as is required
26 for the on-duty meal period exception of Wage Order 5. In addition, employees were not
27 provided the election to have an off-duty meal period as required by Wage Order 5. Accordingly,
28

1 Defendant's policy and practice was to not provide meal periods to Plaintiffs and the Class and
2 the Aggrieved Employees in compliance with California law.

3 13. Throughout the statutory period, Defendant has wrongfully failed to authorize and
4 permit Plaintiffs and the Class and the Aggrieved Employees to take timely and duty-free rest
5 periods. Defendant sometimes, but not always, required Plaintiffs and the Class and the
6 Aggrieved Employees to work in excess of four consecutive hours a day without Defendant
7 authorizing and permitting them to take a 10-minute, continuous and uninterrupted, rest period
8 for every four hours of work (or major fraction of four hours), or without compensating Plaintiffs
9 and the Class and the Aggrieved Employees for rest periods that were not authorized or
10 permitted. Defendant also did not adequately inform Plaintiffs and the Class and the Aggrieved
11 Employees of their right to take a rest period. Moreover, Defendant did not have adequate
12 policies or practices permitting or authorizing rest periods for Plaintiffs and the Class and the
13 Aggrieved Employees, nor did Defendant have adequate policies or practices regarding the
14 timing of rest periods. Defendant also did not have adequate policies or practices to verify
15 whether Plaintiffs and the Class and the Aggrieved Employees were taking their required rest
16 periods. Further, Defendant did not maintain accurate records of employee work periods, and
17 therefore Defendant cannot demonstrate that Plaintiffs and the Class and the Aggrieved
18 Employees took rest periods during the middle of each work period. Further, Defendant
19 implemented an unlawful on-duty rest period policy because Plaintiffs and the Class and the
20 Aggrieved Employees were not in sole charge of residents, as is required for the on-duty rest
21 period exception of Wage Order 5. Accordingly, Defendant's policy and practice was to not
22 authorize and permit Plaintiffs and the Class and the Aggrieved Employees to take rest periods
23 in compliance with California law.

24 14. Throughout the statutory period, Defendant wrongfully required Plaintiffs and the
25 Class and the Aggrieved Employees to pay expenses that they incurred in direct discharge of
26 their duties for Defendant without reimbursement. For example, Plaintiffs and the Class and the
27 Aggrieved Employees were required to purchase masks and disinfectants without
28 reimbursement. Further, Plaintiffs and the Class and the Aggrieved Employees were required to

1 use their personal vehicles in direct discharge of their duties without reimbursement. Further,
2 Plaintiffs and the Class and the Aggrieved Employees were required to use their personal cell
3 phones to access applications in order to check their work assignments without reimbursement.

4 15. Throughout the statutory period, Defendant willfully failed and refused to timely pay
5 Plaintiffs and the Class and the Aggrieved Employees at the conclusion of their employment all
6 wages owed, including all minimum wages, overtime wages, meal period premium wages, and
7 rest period premium wages.

8 16. Throughout the statutory period, Defendant failed to furnish Plaintiffs and the Class
9 and the Aggrieved Employees with accurate, itemized wage statements showing all applicable
10 hourly rates, and all gross and net wages earned (including correct hours worked, correct wages
11 earned for hours worked, correct overtime hours worked, correct wages for meal periods that
12 were not provided in accordance with California law, correct wages for rest periods that were
13 not authorized and permitted to take in accordance with California law, and Defendant's
14 address). As a result of these violations of California Labor Code § 226(a), the Plaintiffs and
15 the Class and the Aggrieved Employees suffered injury because, among other things:

16 (a) the violations led them to believe that they were not entitled to be paid all
17 wages owed, including minimum wages, overtime wages, meal period
18 premium wages, and rest period premium wages, even though they were
19 entitled;

20 (b) the violations led them to believe that they had been paid all wages owed,
21 including minimum wages, overtime wages, meal period premium wages,
22 and rest period premium wages, even though they had not been;

23 (c) the violations led them to believe they were not entitled to be paid all
24 wages owed, including minimum wages, overtime wages, meal period
25 premium wages, and rest period premium wages at the correct California
26 rate even though they were;

27 (d) the violations led them to believe they had been paid all wages owed,
28 including minimum wages, overtime wages, meal period premium wages,

1 and rest period premium wages at the correct California rate even though
2 they had not been;

3 (e) the violations hindered them from determining the amounts of all wages
4 owed, including minimum wages, overtime wages, meal period premium
5 wages, and rest period premium wages owed to them;

6 (f) in connection with their employment before and during this action, and in
7 connection with prosecuting this action, the violations caused them to
8 have to perform mathematical computations and refer to documents other
9 than their wage statement to determine the amounts of wages owed to
10 them, computations they would not have to make if the wage statements
11 contained the required accurate information;

12 (g) by understating the wages truly due them, the violations caused them to
13 lose entitlement and/or accrual of the full amount of Social Security,
14 disability, unemployment, and other governmental benefits;

15 (h) the wage statements inaccurately stated the wages, hours, and wages rates
16 to which Plaintiff and the Class were entitled, and Plaintiffs and the Class
17 and the Aggrieved Employees were paid less than the wages and wage
18 rates to which they were entitled.

19 Thus, Plaintiffs and the Class and the Aggrieved Employees are owed the amounts provided
20 for in California Labor Code § 226(e), including actual damages.

21 **JURISDICTION AND VENUE**

22 17. This Court has jurisdiction over Plaintiffs', the Class's, and the Aggrieved
23 Employees' claims. Venue is proper in this judicial district pursuant to California Code of Civil
24 Procedure section 395(a) as one or all Plaintiffs reside in the County of Los Angeles.

25 18. The amount in controversy exceeds the jurisdictional minimum of this Court.

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PARTY ALLEGATIONS

A. Plaintiffs

19. At all times at issue herein, Plaintiff Yvette Cosme was a resident of Los Angeles County, California. Plaintiff was hired by Defendant in or about November 2014. During the class period stated herein, Plaintiff was employed by Defendant as a non-exempt employee in Los Angeles County, California.

20. At all times at issue herein, Plaintiff Cari Walker was a California resident that worked for Defendant in the County of Los Angeles, State of California, as a direct support professional from approximately October 2018 to March 2021. During the class period stated herein, Plaintiff was employed by Defendant as a non-exempt employee in Los Angeles County, California. During the statutory period. Plaintiff Walker typically worked 5 days each workweek, and typically in excess of 8 hours each workday.

21. At all times at issue herein, Plaintiff Flor Alejandra Rodriguez was a California resident that worked for Defendant in the County of Los Angeles, State of California, as a direct support professional from approximately January 2020 to April 2022. During the class period stated herein, Plaintiff was employed by Defendant as a non-exempt employee in Los Angeles County, California.

22. Plaintiffs, like other similarly situated Class members and Aggrieved Employees, were paid an hourly wage during their employment with Defendant.

B. Defendant

23. Defendant is a corporation organized and formed under the laws of the state of Washington, with its principal place of business located in the State of California. Defendant operates throughout California and the acts complained of, which are the subject of this action, occurred, in substantial part, in the State of California. Defendant suffered and permitted Plaintiffs, the Class, and Aggrieved Employees to work, and/or controlled their wages, hours, or working conditions.

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1 **C. Doe Defendants**

2 24. Except as described herein, Plaintiffs are ignorant of the true names of Defendants
3 sued as DOES 1 through 50, inclusive, and the nature of their wrongful conduct, and therefore
4 sues these DOE Defendants by such fictitious names. Plaintiffs will seek leave of the Court to
5 amend this complaint to allege their true names and capacities when ascertained.

6 **D. Agency/Aiding And Abetting**

7 25. At all times herein mentioned, Defendant, and each of them, were agents or joint
8 venturers of each of the other Defendant, and in doing the acts alleged herein, were acting within
9 the course and scope of such agency. Each Defendant had actual and/or constructive knowledge
10 of the acts of each of the other Defendant, and ratified, approved, joined in, acquiesced and/or
11 authorized the wrongful acts of each co-Defendant, and/or retained the benefits of said wrongful
12 acts.

13 26. Defendant, and each of them, aided and abetted, encouraged and rendered substantial
14 assistance to the other Defendant in breaching their obligations to Plaintiffs and the Class and
15 the Aggrieved Employees, as alleged herein. In taking action, as particularized herein, to aid
16 and abet and substantially assist the commissions of these wrongful acts and other wrongdoings
17 complained of, each of the Defendant acted with an awareness of his/her/its primary wrongdoing
18 and realized that his/her/its conduct would substantially assist the accomplishment of the
19 wrongful conduct, wrongful goals, and wrongdoing.

20 **CLASS ALLEGATIONS**

21 27. This action may properly be maintained as a class action pursuant to § 382 of the
22 Code of Civil Procedure. The Class is sufficiently numerous, since it is estimated to include at
23 least 100 employees throughout California, the joinder of whom in one action is impracticable,
24 and the disposition of whose claims in a class action will provide substantial benefits to the
25 parties and the Court.

26 28. Class Definition: Without prejudice to later revisions, the Class which Plaintiffs seeks
27 to represent is composed of:
28

1 All non-exempt residential program employees who were employed by Defendant
2 in the State of California at any time from March 2, 2016 to July 1, 2017, and all
3 non-exempt employees (including non-exempt residential program employees)
4 who were, or currently are, employed by Defendant in the State of California from
5 July 2, 2017 and continuing through the date the Class is certified.

6 29. Throughout discovery in this litigation, Plaintiffs may find it appropriate and/or
7 necessary to amend the definition of the Class. Plaintiffs will formally define and designate a
8 class definition when they seek to certify the Class alleged herein.

9 30. Ascertainable Class: The Class is ascertainable in that each Class Member can be
10 identified using information contained in Defendant's payroll and personnel records.

11 31. Common Questions of Law or Fact Predominate: There is a well-defined community
12 of interest among the Class. The questions of law and fact common to the Class predominate
13 over questions which may affect individual Class Members. These questions of law and fact
14 include, but are not limited to, the following:

- 15 (a) Whether Defendant has failed to pay Class Members for all hours worked,
16 including minimum and overtime wages;
- 17 (b) Whether Defendant has policies and procedures that precluded the Class
18 from taking rest periods that Defendant was required to authorize and
19 permit;
- 20 (c) Whether Defendant has policies and procedures that precluded the Class
21 from taking meal periods that Defendant was required to provide;
- 22 (d) Whether the on-duty meal and/or rest period exceptions in Wage Order 5
23 apply to Class Members;
- 24 (e) Whether Defendant has a policy of not paying Class Members premium
25 wages for rest period violations;
- 26 (f) Whether Defendant has a policy of not paying Class Members premium
27 wages for meal period violations;
- 28 (g) Whether Defendant has a policy of not indemnifying Class Members for
necessary business expenses;
- (h) Whether Defendant failed to keep accurate records of Class Members'

schedules, all hours worked, and hours of pay due and owing, and all meal and/or rest periods taken or missed;

(i) Whether Defendant failed to promptly pay Class Members all wages due during and upon separation of their employment;

(j) Whether Defendant's systematic acts and practices violated, *inter alia*, California Labor Code §§ 201-203, 226, 226.7, and California Business & Professions Code §§ 17200, *et seq.*

(k) Whether Defendant failed to timely furnish Class Members with accurate, itemized wage statements showing, among other things, the total hours Class Members worked each pay period and the wages they were owed, including additional compensation owed for missed meal and/or rest periods.

32. Numerosity: The Class is so numerous that the individual joinder of all members of the Class is impractical under the circumstances of this case. While the exact number of members of the Class is unknown to Plaintiffs at this time, Plaintiffs are informed and believe the Class consists of hundreds of persons. Individual joinder of Members of the Class is also impracticable because the individual Members are dispersed throughout California.

33. Typicality: Plaintiffs' and the Class Members' claims for restitution and damages arise from and were caused by Defendant's wrongful conduct. Plaintiffs are like all other Class Members because Plaintiffs have suffered the same injuries as those suffered by the Class. For example, because Plaintiffs were routinely denied legally compliant meal and rest periods and denied all wages owed for the hours they worked, Plaintiffs are asserting claims that are typical of the claims of each member of the Class. Since Plaintiffs' claims and the claims of Class Members all derive from a common nucleus of operative facts, Plaintiffs are asserting claims that are typical of the claims of the entire Class.

34. Adequacy: Plaintiffs will fairly and adequately represent and protect the interests of the Class in that they have no disabling conflicts of interest that would be antagonistic to those of the other members of the Class. Plaintiffs seek no relief that is antagonistic or adverse to the

members of the Class and the infringement of the rights and the damages they have suffered are typical of all other Class Members. Plaintiffs have retained competent counsel, experienced in class action litigation and employment law.

35. Superiority: The nature of this action and the nature of laws available to Plaintiffs and the Class make the use of the class action device a particularly efficient and appropriate procedure to afford relief to Plaintiffs and the Class for the wrongs alleged because:

- (a) The individual amounts of damages involved, while not insubstantial, are such that individual actions or other individual remedies are impracticable and litigating individual actions would be too costly;
- (b) This case involves a large corporate employer and a large number of individual employees with many relatively small claims with common issues of law and fact;
- (c) If each Class Member was required to file an individual lawsuit, the Defendant would necessarily gain an unconscionable advantage since they would be able to exploit and overwhelm the limited resources of each individual Class Member with vastly superior financial and legal resources;
- (d) The costs of individual suits could unreasonably consume the amounts that would be recovered;
- (e) Requiring each Class Member to pursue an individual remedy would also discourage the assertion of lawful claims by employees who would be disinclined to pursue an action against their present employer for an appreciable and justifiable fear of retaliation and permanent damage to their immediate and/or future employment;
- (f) Proof of a common business practice or factual pattern which Plaintiffs experienced is representative of that experienced by the Class and will establish the right of each member of the Class to recover on the causes of action alleged; and
- (g) Individual actions would create a risk of inconsistent results and would be

unnecessary and duplicative of this litigation.

36. Plaintiffs and Class Members have all similarly suffered irreparable harm and damages as a result of Defendant's unlawful and wrongful conduct. This action will provide substantial benefits to Plaintiffs, the Class and the public because, absent this action, Plaintiffs and Class Members will continue to suffer losses, thereby allowing Defendant's violations of law to proceed without remedy and allowing Defendant to retain proceeds of their ill-gotten gains.

FIRST CAUSE OF ACTION

(Failure to Pay Minimum Wages for All Hours Worked)

37. Plaintiffs incorporate by reference and re-allege as if fully stated herein paragraphs 1 through 36 in this Consolidated complaint.

38. "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.

39. At all relevant times herein mentioned, Defendant knowingly failed to pay to Plaintiffs and the Class compensation for all hours they worked, including for all work performed off-the-clock. By their failure to pay compensation for each hour worked as alleged above, Defendant willfully violated the provisions of Section 1194 of the California Labor Code, and any additional applicable Wage Orders, which require such compensation to non-exempt employees.

40. Accordingly, Plaintiffs and the Class are entitled to recover minimum wages for all non-overtime hours worked for Defendant.

41. By and through the conduct described above, Plaintiffs and the Class have been deprived of their rights to be paid wages earned by virtue of their employment with Defendant.

42. By virtue of the Defendant's unlawful failure to pay additional compensation to Plaintiffs and the Class for their non-overtime hours worked without pay, Plaintiffs and the Class suffered, and will continue to suffer, damages in amounts which are presently unknown to Plaintiffs and the Class, but which exceed the jurisdictional minimum of this Court, and which

1 will be ascertained according to proof at trial.

2 43. By failing to keep adequate time records required by California Labor Code §
3 1174(d), Defendant has made it difficult to calculate the full extent of minimum wage
4 compensation due Plaintiffs and the Class.

5 44. Pursuant to California Labor Code section 1194.2, Plaintiffs and the Class are entitled
6 to recover liquidated damages (double damages) for Defendant's failure to pay minimum wages.

7 45. California Labor Code section 204 requires employers to provide employees with all
8 wages due and payable twice a month. Throughout the statute of limitations period applicable
9 to this cause of action, Plaintiffs and the Class were entitled to be paid twice a month at rates
10 required by law, including minimum wages. However, during all such times, Defendant
11 systematically failed and refused to pay Plaintiffs and the Class all such wages due, and failed
12 to pay those wages twice a month.

13 46. Plaintiffs and the Class are also entitled to seek recovery of all unpaid minimum
14 wages, interest, and reasonable attorneys' fees and costs pursuant to California Labor Code §§
15 218.5, 218.6, and 1194(a).

16 **SECOND CAUSE OF ACTION**

17 **(Failure to Pay Overtime Wages)**

18 47. Plaintiffs incorporate by reference and re-allege as if fully stated herein paragraphs 1
19 through 46 in this Consolidated complaint.

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

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

28 50. At all times relevant hereto, Plaintiffs and the Class have worked more than eight

1 hours in a workday of 40 hours in a workweek, as employees of Defendant.

2 51. At all times relevant hereto, Defendant failed to pay Plaintiffs and the Class overtime
3 compensation for the hours they have worked in excess of the maximum hours permissible by
4 law as required by California Labor Code § 510 and 1198. Plaintiffs and the Class are regularly
5 required to work overtime hours.

6 52. By virtue of Defendant's unlawful failure to pay additional premium rate
7 compensation to the Plaintiffs and the Class for their overtime hours worked, Plaintiffs and the
8 Class have suffered, and will continue to suffer, damages in amounts which are presently
9 unknown to them but which exceed the jurisdictional minimum of this Court and which will be
10 ascertained according to proof at trial.

11 53. By failing to keep adequate time records required by Labor Code § 1174(d),
12 Defendant has made it difficult to calculate the full extent of overtime compensation due to
13 Plaintiff and the Class.

14 54. Plaintiffs and the Class also request recovery of overtime compensation according to
15 proof, interest, attorneys' fees and costs pursuant to California Labor Code § 1194(a), as well as
16 the assessment of any statutory penalties against Defendant, in a sum as provided by the
17 California Labor Code and/or other statutes.

18 55. California Labor Code § 204 requires employers to provide employees with all wages
19 due and payable twice a month. The Wage Orders also provide that every employer shall pay to
20 each employee, on the established payday for the period involved, overtime wages for all
21 overtime hours worked in the payroll period. Defendant failed to provide Plaintiff and the Class
22 with all compensation due, in violation of California Labor Code § 204.

23 **THIRD CAUSE OF ACTION**

24 **(Failure to Provide Meal Periods)**

25 **(Violation of California Labor Code §§ 226.6, 512; Cal.Code Regs., tit. 8, § 11040(11))**

26 56. Plaintiffs incorporates by reference and re-allege as if fully stated herein paragraphs
27 1 through 55 in this Consolidated complaint.

28 57. Under California law, Defendant has an affirmative obligation to relieve the Plaintiffs

1 and the Class of all duty in order to take their first daily meal periods no later than the start of
2 Plaintiffs and the Class's fifth hour of work in a workday, and to take their second meal periods
3 no later than the start of the tenth hour of work in the workday. Section 512 of the California
4 Labor Code, and Section 11 of the applicable Wage Orders require that an employer provide
5 unpaid meal periods of at least 30 minutes for each five-hour period worked. It is a violation of
6 Section 226.7 of the California Labor Code for an employer to require any employee to work
7 during any meal period mandated under any Wage Order.

8 58. At all times mentioned therein, Plaintiffs and the members of the Class were non-
9 exempt employees subject to the "meal period" provisions of one or more of the applicable IWC
10 Wage Orders, and Labor Code sections 226.7 and 512. For example, the non-exempt residential
11 program employees who worked in Defendant's residential program facilities were governed by
12 IWC Wage Order No. 5.

13 59. Despite these legal requirements, Defendant regularly failed to provide Plaintiffs and
14 the Class with both meal periods as required by California law, including but not limited to
15 failing to provide timely, off-duty, 30-minute meal periods to the non-exempt residential
16 program employees in the Class.

17 60. Defendant cannot prove Plaintiffs and the Class were subject to an exception to the
18 meal period requirements, including but not limited to Defendant's obligation to provide
19 Plaintiffs and the Class timely, off-duty, 30-minute meal periods.

20 61. By their failure to permit and authorize Plaintiffs and the Class to take all meal
21 periods as alleged above (or due to the fact that Defendant made it impossible or impracticable
22 to take these uninterrupted meal periods), Defendant willfully violated the provisions of Sections
23 226.7 and 512 of the California Labor Code and the applicable Wage Orders.

24 62. Wages are due to employees for "all hours worked" under applicable IWC Wage
25 Orders, including No. 5, and applicable laws, rules, orders, requirements, and regulations. Wages
26 are also due to Plaintiffs and the Class as compensation for the meal periods that were denied
27 under applicable laws, rules requirements, and regulations. In addition, Plaintiff and the Class
28 are entitled to recover interest on the unpaid meal period wages due to them.

63. Under California law and specifically Labor Code section 226.7, Plaintiffs and the Class are entitled to be paid one hour of additional wages for each workday they were not provided with all required meal period(s), plus interest thereon. Plaintiffs also demands all applicable wages for meal periods not adequately provided by Defendant during which Plaintiffs and the Class remained subject to Defendant's control and are, thus, entitled to compensation.

FOURTH CAUSE OF ACTION

(Failure to Authorize or Permit Rest Periods)

(Violation of California Labor Code § 226.7; Cal. Code Regs., tit. 8, § 11040(12))

64. Plaintiffs incorporates by reference and re-allege as if fully stated herein paragraphs 1 through 63 in this Consolidated complaint. Defendant is 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), pursuant to the applicable IWC Wage Orders. For example, Section 12(A) of Wage Order 5-2001 (Cal. Code Regs., tit. 8, § 11050(12)(A)) states, "[e]very employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period. The authorized rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof. However, a rest period need not be authorized for employees whose total daily work time is less than three and one-half (3 ½) hours." During such a rest period, the employee is to be relieved of all duty.

65. The applicable Wage Orders require that the employer permit and authorize all employees to take paid rest periods of 10 minutes each for each 4-hour period worked. 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. It is a violation of Section 226.7 of the California Labor Code for an employer to require any employee to work during any rest period mandated under any Wage Order.

66. Plaintiffs and the members of the the Class were non-exempt employees and subject to the "rest period" provisions of IWC Wage Order 5-2001. No valid legal or

1 applicable exception to the rest period requirement existed to allow Defendant to avoid
2 providing Plaintiffs and the Class Members with regular rest period(s) as required by the
3 Welfare Commission, Labor Code, Wage Orders and/or regulations.

4 67. During the class period, Defendant failed to authorize or permit members of the the
5 Class with rest periods during which employees were relived of all duties. To the contrary, for
6 its non-exempt residential employees, Defendant maintained a strict written policy that
7 provided as follows:

8 Due to the staffing ratios for our Residential Programs required by Ambitions’
9 regulatory and Regional Center-approved program standards, each on-duty Direct
10 Support Employee is in sole charge of one or more residents regardless of how many
11 employees are currently on-shift. Because Residential Program Direct Support
12 Employees are paid during on-duty rest and meal periods, employees must remain
13 awake, on the premises, and maintain general supervision of residents during these
14 meal and rest periods. On-duty meal periods are counted as time worked.

15 68. The rest of the Class who were not employed in a residential program facility w were
16 subject to one or more IWC Wage Orders that required Defendant to provide the employees with
17 rest breaks with the same requirements of the applicable IWC Wage Orders, including Wage
18 Order 5-2001.

19 69. Despite these legal requirements, Defendant failed to authorize Plaintiffs and the
20 Class to take rest breaks pursuant to the applicable IWC Wage Orders, regardless of whether
21 employees worked more than 3.5 hours in a workday. By their failure to permit and authorize
22 Plaintiffs and the Class to take rest periods as alleged above (or due to the fact that Defendant
23 made it impossible or impracticable to take these uninterrupted rest periods), Defendant willfully
24 violated the provisions of Section 226.7 of the California Labor Code and the applicable Wage
25 Orders.

26 70. Wages are due to employees for “all hours worked” under the applicable IWC
27 Wage Orders. Wages are due to Plaintiffs and the Class as compensation for the rest periods
28 that were denied under applicable laws, rules requirements, and regulations. In addition,
Plaintiffs and the Class are entitled to recover interest on the unpaid rest period wages due to
them.

71. Under California Labor Code section 226.7(b) and the applicable IWC Wage Orders,

1 Plaintiffs and the Class are entitled to be paid one hour of premium wages rate for each rest
2 period he or she was not provided with all required rest break(s), plus interest thereon.

3 **FIFTH CAUSE OF ACTION**

4 **(Failure to Indemnify Necessary Business Expenses)**

5 72. Plaintiffs incorporate by reference and re-allege as if fully stated herein paragraphs 1
6 through 71 in this Consolidated complaint.

7 73. Defendant violated Labor Code section 2802 and the IWC Wage Orders, by failing
8 to pay and indemnify Plaintiffs and the Class for their necessary expenditures and losses incurred
9 in direct consequence of the discharge of their duties or of their obedience to directions of
10 Defendant, including, but limited to, the use of their personal vehicles and cell phones.

11 74. As a result, Plaintiffs and the Class were damaged at least in the amounts of the
12 expenses they incurred and were not reimbursed.

13 75. Plaintiffs and the Class they represent are entitled to attorney's fees, expenses, and
14 costs of suit pursuant to Labor Code section 2802(c) and interest pursuant to Labor Code section
15 2802(b).

16 **SIXTH CAUSE OF ACTION**

17 **(Failure to Pay Wages of Discharged Employees – Waiting Time Penalties)**

18 76. Plaintiffs incorporate by reference and re-alleges as if fully stated herein paragraphs
19 1 through 75 in this Consolidated complaint.

20 77. At all times herein set forth, California Labor Code §§ 201 and 202 provide that if an
21 employer discharges an employee, the wages earned and unpaid at the time of discharge are due
22 and payable immediately, and that if an employee voluntarily leaves his or her employment, his
23 or her wages shall become due and payable not later than seventy-two (72) hours thereafter,
24 unless the employee has given seventy-two (72) hours previous notice of his or her intention to
25 quit, in which case the employee is entitled to his or her wages at the time of quitting.

26 78. Within the applicable statute of limitations, the employment of Plaintiffs and many
27 other members of the Class ended, i.e. was terminated by quitting or discharge, and the
28 employment of others will be. However, during the relevant time period, Defendant failed, and

1 continue to fail to timely pay Class Members, without abatement, all wages owed at separation,
2 including rest break and meal break compensation earned while employed by Defendant during
3 the class period, and required to be paid by California Labor Code sections 201 and 202 either
4 at the time of discharge, or within seventy-two (72) hours of their leaving Defendant's employ.

5 79. Defendant's willful failure to pay Plaintiffs and those Class members who are no
6 longer employed by Defendant their wages earned and unpaid at the time of discharge, or within
7 seventy-two (72) hours of their leaving Defendant's employ, is in violation of California Labor
8 Code §§ 201 and 202.

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

13 81. Plaintiffs and the Class are entitled to recover from Defendant their additionally
14 accruing wages for each day they were not paid, at their regular hourly rate of pay, up to 30 days
15 maximum pursuant to California Labor Code § 203.

16 82. Pursuant to California Labor Code §§ 218.5, 218.6 and 1194, Plaintiffs and the Class
17 are also entitled to an award of reasonable attorneys' fees, interest, expenses, and costs incurred
18 in this action.

19 **SEVENTH CAUSE OF ACTION**

20 **(Failure to Furnish Timely and Accurate Wage Statements)**

21 83. Plaintiffs incorporate by reference and re-alleges as if fully stated herein paragraphs
22 1 through 82 in this Consolidated complaint.

23 84. Labor Code § 226(a) requires employers to furnish semi-monthly, or at the time of
24 each payment of wages, each employee with a statement itemizing particular pieces of
25 information, *inter alia*, the total hours of pay owed to the employee at the employees' regular
26 rate of compensation, gross wages, net wages, and hours owed at any applicable overtime rate
27 or other. Labor Code § 226(e) provides that if an employer knowingly and intentionally fails to
28 provide a statement itemizing, *inter alia*, the total hours owed to the employee, then the

1 employee is entitled to recover the greater of all actual damages, or fifty dollars (\$50) for the
2 initial violation and one hundred dollars (\$100) for each subsequent violation up to four thousand
3 dollars (\$4000).

4 85. During the class period, the wage statements for Plaintiffs and the Class have not
5 included the premium wages owed pursuant to Labor Code § 226.7.

6 86. Defendant knowingly and intentionally failed to furnish and continue to knowingly
7 and intentionally fail to furnish Plaintiffs and each Class Member with accurate itemized
8 statements as required by Labor Code § 226(a). As a result, Defendant is liable to Plaintiffs and
9 the Class for the amounts provided by Labor Code § 226.

10 87. At all times during the class period, Defendant knew or should have known that
11 Plaintiffs and members of the Class were entitled to accurate and complete wage statements and
12 that Plaintiffs and the Class were not receiving the same. Defendant also knew or should have
13 known that it was denying Plaintiffs and the Class off-duty rest breaks. Despite this, Defendant
14 did not supply Plaintiffs and the Class with complete and accurate wage statements showing all
15 hours worked, the corresponding hourly rate, and all wages earned.

16 88. As a consequence of Defendant's actions, Plaintiffs and the Class have been injured
17 by Defendant's intentional violation of California Labor Code § 226(a) because they were denied
18 both their legal right to receive, and their protected interest in receiving accurate, itemized wage
19 statements under California Labor Code § 226(a).

20 89. Calculation of the correct wages owed for Plaintiffs and the Class is difficult and time
21 consuming. As a result of the unlawful burden, Plaintiffs and the Class were also injured as a
22 result of having to bring this action and to attempt to obtain correct wage information following
23 Defendant's refusal to comply with many of the mandates of California's Labor Code and related
24 laws and regulations.

25 90. Plaintiffs and the Class and are entitled to their actual damages, all available statutory
26 penalties and damages, injunctive relief, costs and reasonable attorneys' fees, including those
27 provided in California Labor Code § 226(e) and (h), as well as all other available remedies.

28 **EIGHT CAUSE OF ACTION**

(Unlawful and Unfair Business Acts and Practices)

91. Plaintiffs incorporate by reference and re-alleges as if fully stated herein paragraphs 1 through 90 in this Consolidated complaint.

92. The acts, omissions, and practices of Defendant as alleged herein constituted, and continue to constitute, unlawful, unfair, and fraudulent business acts and practices within the meaning of Section 17200, *et seq.* of the California Business & Professions Code. Plaintiffs have standing to bring this action under Business & Professions Code § 17200 because they have suffered injury in fact and have lost money because of the Defendant's conduct.

93. Defendant has engaged in "unlawful" business acts and practices by their violation of the statutes and regulations, referenced above, including California Labor Code §§ 226 and 226.7, failure to pay minimum wages, failure to pay overtime wages, failure to maintain accurate records of all hours worked, failure to provide meal periods, failure to authorize and permit rest periods, failure to indemnify necessary business expenses, Business & Professions Code § 17200 *et seq.*; and the applicable IWC Wage Orders.

94. Defendant has also engaged in "unfair" business acts or practices in that the harm caused by Defendant's nonpayment of premium wages outweighs the utility of such conduct and the conduct offends public policy, is immoral, unscrupulous, unethical, deceitful, fraudulent, and offensive, causes substantial injury to Plaintiffs and the Class, and provides Defendant with an unfair competitive advantage over those employers that abide by the law and pay compensation in accordance with the law.

95. As a result of the conduct described above, Defendant has been and will be unjustly enriched at the expense of Plaintiffs and the Class. Specifically, Defendant has been unjustly enriched by the retention of hundreds of thousands, or millions of dollars in wages earned and wrongfully withheld from Plaintiffs and the Class.

96. The aforementioned unlawful, unfair, and fraudulent business acts or practices conducted by Defendant has been committed in the past and continue to this day. Defendant has failed to acknowledge the wrongful nature of its actions. Defendant has not corrected or publicly issued individual and comprehensive corrective notices to Plaintiffs and the Class or provided

1 full restitution and disgorgement of all ill-gotten monies either acquired or retained by Defendant
 2 as a result thereof, thereby depriving Plaintiffs and the Class the minimum working conditions
 3 and standards due them under California Labor Laws, and IWC Wage Orders.

4 97. Pursuant to the Business & Professions Code § 17203, Plaintiffs and the Class seek
 5 an order of this Court requiring Defendant to disgorge all ill-gotten gains and awarding Plaintiffs
 6 and the Class full restitution of all monies wrongfully acquired by Defendant by means of such
 7 “unlawful,” “unfair,” and “fraudulent” conduct, plus interest and attorneys’ fees pursuant to,
 8 *inter alia*, Code of Civil Procedure § 1021.5, so as to restore any and all monies to Plaintiffs and
 9 the Class and the general public, which were acquired and obtained by means of such “unlawful”
 10 and “unfair” conduct, and which ill-gotten gains are still retained by Defendant. Plaintiffs and
 11 the Class additionally request that such funds be impounded by the Court or that an asset freeze
 12 or constructive trust be imposed upon such monies by Defendant. Plaintiffs and the Class may
 13 be irreparably harmed and/or denied an effective and complete remedy if such an order is not
 14 granted.

15 98. Pursuant to Business & Professions Code § 17203, Plaintiffs and the Class seek an
 16 order of this Court for declaratory, equitable and/or injunctive relief in the form of requiring
 17 Defendant to restrain from engaging in any of the unlawful, unfair, or fraudulent business
 18 practices, to keep accurate records of time worked, and to insure the payment for missed rest
 19 break wages, and to ensure future employees are afforded lawful rest periods. Plaintiffs allege
 20 if Defendant is not enjoined from the conduct set forth herein above, it will continue to avoid
 21 paying the appropriate taxes, insurance and other withholdings.

22 **NINTH CAUSE OF ACTION**

23 **(Civil Penalties Under the Private Attorneys General Act of 2004, Cal. Lab. Code §§** 24 **2698, et seq.)**

25 99. Plaintiff Cari Walker (“Plaintiff Walker”) incorporates by reference and re-allege as
 26 if fully stated herein paragraphs 1 through 98 in this Consolidated complaint.

27 100. At all times herein mentioned, Defendant was subject to the Labor Code of the
 28 State of California and the applicable Industrial Welfare Commission Orders.

1 101. California Labor Code § 2699(a) specifically provides for a private right of action
2 to recover penalties for violations of the Labor Code: “Notwithstanding any other provision of
3 law, any provision of this code that provides for a civil penalty to be assessed and collected by
4 the Labor and Workforce Development Agency or any of its departments, divisions,
5 commissions, boards, agencies, or employees, for a violation of this code, may, as an alternative,
6 be recovered through a civil action brought by an aggrieved employee on behalf of himself or
7 herself and other current or former employees pursuant to the procedures specified in Section
8 2699.3.”

9 102. Plaintiff Walker has exhausted her administrative remedies pursuant to California
10 Labor Code § 2699.3. On July 1, 2021, Plaintiff Walker gave written notice by online filing to
11 the Labor and Workforce Development Agency and by certified mail to Defendant of the specific
12 provisions of the Labor Code that Defendant have violated against Plaintiff Walker and current
13 and former Aggrieved Employees, including the facts and theories to support the violations. At
14 the time of this filing, 65 days has elapsed since Plaintiff Walker provided notice, but the Labor
15 and Workforce Development Agency has not indicated that it intends to investigate Defendant’s
16 Labor Code violations discussed in the notice. Accordingly, Plaintiff Walker may commence a
17 civil action to recover penalties under Labor Code § 2699 pursuant to § 2699.3 for the violations
18 of the Labor Code described in this Consolidated complaint. These penalties include, but are
19 not limited to, penalties under California Labor Code §§ 210, 226.3, 558, 1197.1, and 2699(f)(2).

20 103. In addition, Plaintiff Walker seeks penalties for Defendant’s violation of
21 California Labor Code § 1174(d). Pursuant to California Labor Code § 1174.5, any person,
22 including any entity, employing labor who willfully fails to maintain accurate and complete
23 records required by California Labor Code § 1174 is subject to a penalty under § 1174.5.
24 Pursuant to the applicable IWC Order § 7(A)(3), every employer shall keep time records showing
25 when the employee begins and ends each work period. Meal periods, and total hours worked
26 daily shall also be recorded. Additionally, pursuant to the applicable IWC Order § 7(A)(5),
27 every employer shall keep total hours worked in the payroll period and applicable rates of pay.
28

1 104. Throughout the statutory period, Defendant maintained a policy and practice of
2 not paying Plaintiff Walker and the Aggrieved Employees for all hours worked, including all
3 overtime wages. Defendant regularly use a system of time rounding in a manner that resulted,
4 over a period of time, in failing to compensate Plaintiff Walker and the Aggrieved Employees
5 properly for all the time they have actually worked, even though the realities of Defendant's
6 operations are such that it is possible, practical, and feasible to count and pay for work time to
7 the minute. As a result, Defendant frequently paid Plaintiff Walker and the Aggrieved
8 Employees less than all their work time, some of which should have been paid at the overtime
9 rate. Also throughout the statutory period, Plaintiff Walker and the Aggrieved Employees
10 worked "off the clock". For example, Plaintiff Walker and the Aggrieved Employees were not
11 permitted to work after certain times, and therefore were required to complete their job after
12 clocking out of work, uncompensated. In maintaining a practice of not paying all wages owed,
13 Defendant failed to maintain accurate records of the hours Plaintiff Walker and the Aggrieved
14 Employees worked.

15 105. Throughout the statutory period, Defendant wrongfully failed to provide Plaintiff
16 Walker and the Aggrieved Employees with legally compliant meal periods. Defendant regularly
17 required Plaintiff Walker and the Aggrieved Employees to work in excess of five consecutive
18 hours a day without providing a 30-minute, continuous and uninterrupted, duty-free meal period
19 for every five hours of work, or without compensating Plaintiff Walker and the Aggrieved
20 Employees for meal periods that were not provided by the end of the fifth hour of work or tenth
21 hour of work. Defendant did not adequately inform Plaintiff Walker and the Aggrieved
22 Employees of their right to take a meal period by the end of the fifth hour of work, or, for shifts
23 greater than 10 hours, by the end of the tenth hour of work. Moreover, Defendant did not have
24 adequate written policies or practices providing meal periods for Plaintiff Walker and the
25 Aggrieved Employees, nor did Defendant have adequate policies or practices regarding the
26 timing of meal periods. Defendant also did not have adequate policies or practices to verify
27 whether Plaintiff Walker and the Aggrieved Employees were taking their required meal periods.
28

1 Accordingly, Defendant's policy and practice was to not provide meal periods to Plaintiff
2 Walker and the Aggrieved Employees in compliance with California law.

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

20 107. During the time period of employment for Plaintiff Walker and the Aggrieved
21 Employees, Defendant failed to maintain records pursuant to the Labor Code and IWC Orders
22 by failing to maintain accurate records showing meal periods, and accurate records showing
23 when employees begin and end each work period. Defendant's failure to provide and maintain
24 records required by the Labor Code IWC Wage Orders deprived Plaintiff Walker and the
25 Aggrieved Employees the ability to know, understand and question the accuracy and frequency
26 of meal periods, and the accuracy of their hours worked stated in Defendant's records.
27 Therefore, Plaintiff Walker and the Aggrieved Employees had no way to dispute the resulting
28 failure to pay wages, all of which resulted in an unjustified economic enrichment to Defendant.

1 As a direct result, Plaintiff Walker and the Aggrieved Employees have suffered and continue to
2 suffer, substantial losses related to the use and enjoyment of such wages, lost interest on such
3 wages and expenses and attorney's fees in seeking to compel Defendant to fully perform its
4 obligation under state law, all to their respective damage in amounts according to proof at trial.
5 Because of Defendant's knowing failure to comply with the Labor Code and applicable IWC
6 Wage Orders, Plaintiff Walker and the Aggrieved Employees have also suffered an injury in that
7 they were prevented from knowing, understanding, and disputing the wage payments paid to
8 them.

9 108. Throughout the statutory period, Defendant wrongfully required Plaintiff Walker
10 and the Aggrieved Employees to pay expenses that they incurred in direct discharge of their
11 duties for Defendant without reimbursement, which included, *inter alia*, the purchase of masks
12 and disinfectants. Plaintiff Walker and the Aggrieved Employees incurred these substantial
13 expenses as a direct result of performing their job duties for Defendant, and Defendant has failed
14 to indemnify Plaintiff Walker and the Aggrieved Employees for these employment-related
15 expenses.

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

24 110. Throughout the statutory period, Defendant intentionally and willfully failed to
25 provide Plaintiff Walker and the Aggrieved Employees with complete and accurate wage
26 statements. The deficiencies include, among other things, the failure to correctly identify hourly
27 rates, the failure to correctly list gross wages earned, and the failure to list the true net wages
28 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.

111. Throughout the statutory period, 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 Walker and the Aggrieved Employees suffered damages in those amounts.

112. Based on the conduct described in this Consolidated complaint, including Defendant's violations of, *inter alia*, Labor Code sections 201, 202, 203, 204, 226, 226.7, 510, 512, 1174.5, 1194, 1197, 1198, 2802, Plaintiffs are entitled to an award of civil penalties under Labor Code sections 210, 226.3, 558, 1174.5, 1197.1, 2802, and 2699(f)(2), respectively, on behalf of herself, the State of California, and similarly Aggrieved Employees of Defendant. The exact amount of the applicable penalties, in all, is in an amount to be shown according to proof at trial. These penalties are in addition to all other remedies permitted by law.

113. In addition, Plaintiff Walker seeks an award of reasonable attorney's fees and Costs pursuant to California Labor Code § 2699(g)(1), which states, "Any employee who prevails in any action shall be entitled to an award of reasonable attorney's fees and costs."

PRAYER FOR RELIEF

Plaintiffs, individually, and on behalf of all others similarly situated, pray for relief and judgment against Defendant, jointly and severally, as follows:

Class Certification

1. That this action be certified as a class action with respect to the First, Second, Third, Fourth, Fifth, Sixth, Seventh, and Eighth Causes of Action;
2. That Plaintiffs be appointed as the representatives of the Class; and
3. That counsel for Plaintiffs be appointed as Class Counsel.

As to the First Cause of Action

4. That the Court declare, adjudge and decree that Defendant violated California

1 Labor Code §§ 204 and 1194 and applicable IWC Wage Orders by willfully failing to pay all
2 minimum wages due;

3 5. For general unpaid wages as may be appropriate;

4 6. For pre-judgment interest on any unpaid compensation commencing from the date
5 such amounts were due;

6 7. For liquidated damages;

7 8. For reasonable attorneys' fees and for costs of suit incurred herein pursuant to
8 California Labor Code §§ 218.5 and 1194(a); and,

9 9. For such other and further relief as the Court may deem equitable and appropriate.

10 As to the Second Cause of Action

11 10. That the Court declare, adjudge and decree that Defendant violated California
12 Labor Code §§ 510 and 1198 and applicable IWC Wage Orders by willfully failing to pay all
13 overtime wages due;

14 11. For general unpaid wages at overtime wage rates as may be appropriate;

15 12. For pre-judgment interest on any unpaid overtime compensation commencing
16 from the date such amounts were due;

17 13. For reasonable attorneys' fees and for costs of suit incurred herein pursuant to
18 California Labor Code §§ 218.5 and 1194(a); and,

19 14. For such other and further relief as the Court may deem equitable and appropriate.

20 As to the Third Cause of Action

21 15. That the Court declare, adjudge and decree that Defendant violated California
22 Labor Code §§ 226.7 and 512, and all applicable IWC Wage Orders, including No. 5-2001, by
23 failing to provide Plaintiffs and the Class lawful meal periods;

24 16. For unpaid meal period premium wages as may be appropriate;

25 17. For pre-judgment interest on any unpaid compensation commencing from the date
26 such amounts were due;

27 18. For reasonable attorneys' fees under California Code of Civil Procedure §§ 218.5
28 and 1021.5,

1 and for costs of suit incurred herein; and

2 19. For such other and further relief as the Court may deem equitable and appropriate.

3 As to the Fourth Cause of Action

4 20. That the Court declare, adjudge and decree that Defendant violated California
5 Labor Code §§ 226.7, and all applicable IWC Wage Orders, including No. 5-2001, by failing to
6 provide Plaintiffs and the Class lawful rest breaks;

7 21. For unpaid rest period premium wages as may be appropriate;

8 22. For pre-judgment interest on any unpaid compensation commencing from the
9 date such amounts were due;

10 23. For reasonable attorneys' fees under California Code of Civil Procedure §§ 218.5
11 and 1021.5,

12 and for costs of suit incurred herein; and

13 24. For such other and further relief as the Court may deem equitable and appropriate.

14 As to the Fifth Cause of Action

15 25. That the Court declare, adjudge and decree that Defendant violated Labor Code
16 § 2802 and the IWC Wage Orders;

17 26. For general unpaid wages and reimbursement of business expenses as may be
18 appropriate;

19 27. For pre-judgment interest on any unpaid compensation commencing from the
20 date such amounts were due;

21 28. For reasonable attorneys' fees and for costs of suit incurred herein; and

22 29. For such other and further relief as the Court may deem equitable and appropriate.

23 As to the Sixth Cause of Action

24 30. That the Court declare, adjudge and decree that Defendant violated California
25 Labor Code §§ 201, 202, and 203 by willfully failing to pay all compensation owed at the time
26 of termination of the employment;

27 31. For statutory wage penalties pursuant to California Labor Code § 203 for former
28 employees who have left Defendant's employ;

32. For pre-judgment interest on any unpaid wages from the date such amounts were due;

33. For reasonable attorneys' fees and for costs of suit incurred herein; and

34. For such other and further relief as the Court may deem equitable and appropriate.

As to the Seventh Cause of Action

35. That the Court declare, adjudge and decree that Defendant violated California Labor Code § 226 and applicable IWC Wage Orders, by failing to record, keep and timely furnish to Plaintiff, the Class, and aggrieved employees accurate itemized wage statements thereto, including showing all wages due to each of them;

36. For penalties and actual damages pursuant to California Labor Code § 226(e);

37. For injunctive relief to ensure compliance with this section, pursuant to California Labor Code § 226(h);

38. For reasonable attorneys' fees and for costs of suit incurred herein; and

39. For such other and further relief as the Court may deem equitable and appropriate.

As to the Eighth Cause of Action

40. That the Court declare, adjudge and decree that Defendant violated California Business & Professions Code §§ 17200, *et seq.* including by failing to pay wages for all hours worked (including minimum and overtime wages), failing to provide meal periods, failing to maintain accurate records of meal periods, failing to authorize and permit rest periods, and failing to maintain accurate records of all hours worked and meal periods, failing to furnish accurate wage statements, and failing to indemnify necessary business expenses;

41. For restitution of unpaid wages to Plaintiff and all Class Members and prejudgment interest from the day such amounts were due and payable;

42. For the appointment of a receiver to receive, manage and distribute any and all

1 funds disgorged from Defendant and determined to have been wrongfully acquired by
2 Defendant as a result of violations of California Business & Professions Code §§ 17200 *et*
3 *seq.*;

4 43. For reasonable attorneys' fees and costs of suit incurred herein pursuant to
5 California Code of Civil Procedure § 1021.5;

6 44. For injunctive relief to ensure compliance with this section and to cease and desist
7 from unlawful activities, pursuant to
8 California Business & Professions Code §§ 17200, *et seq.*; and,

9 45. For such other and further relief as the Court may deem equitable and
10 appropriate.

11 As to the Ninth Cause of Action

12 46. That the Court declare, adjudge and decree that Defendant violated the
13 California Labor Code by failing to pay wages for all hours worked (including minimum and
14 overtime wages), failing to provide meal periods, failing to maintain accurate records of meal
15 periods, failing to authorize and permit rest periods, failing to indemnify necessary business
16 expenses, failing to pay final wages during employment and at separation of employment, and
17 failing to furnish accurate wage statements;

18 47. For all actual, consequential and incidental losses and damages, according to
19 proof. For all civil penalties pursuant to California Labor Code § 2699, *et seq.*, and all other
20 applicable Labor Code provisions;

21 48. For reasonable attorneys' fees and costs of suit incurred herein pursuant to
22 California Labor Code § 2699;

23 49. For such other and further relief as the Court may deem equitable and appropriate.

24 ///

25 ///

26 ///

27 ///

28 ///

As to all Causes of Action

50. For any additional relief that the Court deems just and proper.

Respectfully submitted,

Dated: February 24, 2023

MOON & YANG, APC

By: _____

Kane Moon
Lilit Ter-Astvatsatryan
Jessica M. Abreu

Attorneys for Plaintiff

Dated: February 24, 2023

KEARNEY LITTLEFIELD, LLP

By: _____

Prescott W. Littlefield

Attorneys for Plaintiff

DEMAND FOR JURY TRIAL

Plaintiffs demand a trial by jury as to all causes of action triable by jury.

Respectfully submitted,

Dated: February 24, 2023

MOON & YANG, APC

By: _____

Kane Moon
Lilit Ter-Astvatsatryan
Jessica M. Abreu

Attorneys for Plaintiff

Dated: February 24, 2023

KEARNEY LITTLEFIELD, LLP

By: _____

Prescott W. Littlefield

Attorneys for Plaintiff

EXHIBIT B

**COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND
HEARING DATE FOR FINAL COURT APPROVAL**

Yvette Cosme, et al. v. Ambitions California, Inc.

Los Angeles County Superior Court Case No. 20STCV08244

*The Superior Court for the State of California authorized this Notice. Read it carefully!
It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.*

You may be eligible to receive money from an employee class action lawsuit (“Action”) against Ambitions California, Inc. (“Ambitions” is used herein as a placeholder) for alleged wage and hour violations. The Action was filed by three former Ambitions employees, Yvette Cosme, Cari Walker, and Flor Alejandra Rodriguez (“Plaintiffs”) and seeks payment of (1) back wages and other relief for the Class, *i.e.* all non-exempt residential program employees who worked for Ambitions during the period of March 2, 2016 to July 1, 2017 and all non-exempt employees who worked for Ambitions during the period of July 2, 2017 to [PRELIM APP. DATE] (“Class Period”); and (2) penalties under the California Private Attorneys General Act (“PAGA”) for all non-exempt employees who worked for Ambitions during the PAGA Period (April 28, 2020 to [PRELIM APP. DATE]) (“Aggrieved Employees”).

The proposed Settlement has two main parts: (1) a Class Settlement requiring Ambitions to fund Individual Class Payments, and (2) a PAGA Settlement requiring Ambitions to fund Individual PAGA Payments and pay penalties to the California Labor and Workforce Development Agency (“LWDA”).

Based on Ambitions’s records, and the Parties’ current assumptions, your Individual Class Payment is estimated to be \$[amount] (less withholding) and your Individual PAGA Payment is estimated to be \$[amount]. The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to Ambitions’s records you are not eligible for an Individual PAGA Payment under the Settlement because you didn’t work during the PAGA Period.)

The above estimates are based on Ambitions’s records showing that you worked [amount] workweeks during the Class Period and you worked [amount] pay periods during the PAGA Period. If you believe that you worked more workweeks during either period, you can submit a challenge by the deadline date. For more information on how to submit a challenge, please refer to Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiffs and Plaintiffs’ attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires Ambitions to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Ambitions.

If you worked for Ambitions during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

- (1) **Do Nothing.** You don't have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against Ambitions.
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against Ambitions, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

Ambitions will not retaliate against you for any actions you take with respect to the proposed Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if applicable to you). In exchange, you will give up your right to assert the wage claims against Ambitions that are covered by this Settlement ("Released Claims").
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is [DEADLINE]	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. For more information on how to submit a Request for Exclusion, please refer to Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. Ambitions must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to

Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by [DEADLINE]	All Class Members who do not opt-out (“Participating Class Members”) can object to any aspect of the proposed Settlement. The Court’s decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiffs who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiffs. You can object to the amounts requested by Class Counsel or Plaintiffs if you think they are unreasonable. For more information on how to submit an objection, please refer to Section 7 of this Notice.
You Can Participate in the [HEARING DATE] Final Approval Hearing	The Court’s Final Approval Hearing is scheduled to take place on [HEARING DATE] at __:__ __.m. in Department __ of the Los Angeles County Superior Court located at 312 North Spring Street, Los Angeles, CA 90012. You don’t have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court’s virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. For more information, please refer to Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by _____	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number of Class Period Workweeks and number of PAGA Period Pay Periods you worked according to Ambitions’s records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by [RESPONSE DEADLINE]. See Section

1. WHAT IS THE ACTION ABOUT?

Plaintiffs are former Ambitions employees. The Action accuses Ambitions of violating California labor laws by failing to pay overtime wages, minimum wages, wages due upon termination and reimbursable expenses and failing to provide meal periods, rest breaks and accurate itemized wage statements. Based on the same claims, Plaintiff Cari Walker has also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) (“PAGA”). Plaintiffs are represented by attorneys in the Action: Andrew Kearney, Prescott Littlefield and Richard Lambert from Kearney Littlefield, LLP, Kane Moon and Lilit Ter-Astvatsatryan from Moon & Yang, APC, and Brandon Littlefield from Littlefield Law (“Class Counsel.”) Ambitions strongly denies violating any laws or failing to pay any wages and contends it complied with all applicable laws.

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

So far, the Court has made no determination whether Ambitions or Plaintiffs are correct on the merits.

In the meantime, Plaintiffs and Ambitions hired an experienced, neutral mediator in an effort to resolve the Action by negotiating an to end the case by agreement (settle the case) rather than continuing the expensive, time-consuming, and uncertain process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement (“Agreement”) and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiffs and Ambitions have negotiated a proposed Settlement that is subject to the Court’s Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Ambitions does not admit any violations or concede the merit of any claims.

Plaintiffs and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Ambitions has agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court has preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

1. Ambitions Will Pay \$2,000,000 as the Gross Settlement Amount (Gross Settlement). Ambitions has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel’s attorney’s fees and expenses, the Administrator’s expenses, and penalties to be paid to the California Labor and Workforce Development Agency (“LWDA”). Assuming the Court grants Final Approval, Ambitions will fund the Gross Settlement not more than 30 business days after the Judgment entered by the Court becomes final. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.
2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiffs and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - A. Up to \$666,666.67 (33% of the Gross Settlement] to Class Counsel for attorneys’ fees and up to \$50,000 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.

- B. Up to \$22,500 in the aggregate as Class Representative Awards for Plaintiffs for having filed the Action, worked with Class Counsel and their efforts representing the Class. Class Representative Awards will be the only monies Plaintiffs will receive other than Plaintiffs' Individual Class Payments and any Individual PAGA Payments, as applicable.
- C. Up to \$50,000 to the Administrator for services administering the Settlement.
- D. Up to \$40,000 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.

Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.

- 3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement to Class Members based on their Class Period Workweeks.
- 4. Taxes Owed on Payments to Class Members. Plaintiffs and Ambitions are asking the Court to approve an allocation of 33% of each Individual Class Payment to taxable wages ("Wage Portion") and 67% to non-wage statutory damages and interest ("Non-Wage Portion."). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Ambitions will separately pay employer payroll taxes it owes on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

Although Plaintiffs and Ambitions have agreed to these allocations, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any Payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

- 5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller's Unclaimed Property Fund in your name.

If the monies represented by your check is sent to the Controller's Unclaimed Property, you should consult the rules of the Fund for instructions on how to retrieve your money.

6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than [RESPONSE DEADLINE] that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the [RESPONSE DEADLINE] Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member's name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (*i.e.*, Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against Ambitions.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against Ambitions based on the PAGA Period facts alleged in the Action.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and Ambitions have agreed that, in either case, the Settlement will be void, Ambitions will not pay any money, and Class Members will not release any claims against Ambitions.
8. Administrator. The Court has appointed a neutral company, [TBD] (the "Administrator") to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section 9 of this Notice.
9. Participating Class Members' Release. After the Judgment is final and Ambitions has fully funded the Gross Settlement (and separately paid all employer payroll taxes), Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Ambitions or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

The Participating Class Members will release Ambitions and each of its former and present directors, officers, shareholders, owners, attorneys, insurers, predecessors, successors, assigns, and affiliates ("Released Parties") from the following claims:

[A]ny and all claims, damages, or causes of action alleged in, or arising out of, the allegations in the Consolidated Complaint (as defined below) in the Action that arose during the Class Period and which were alleged, or could have been alleged, by Plaintiffs based on any of the factual allegations contained in the Consolidated Complaint in the Action, including, but not limited to, claims under state, federal (*i.e.*, Fair Labor Standards Act (“FLSA”)) or local law including, but not limited to claims for unpaid minimum and overtime wages (including, *inter alia*, in connection with off-the-clock work and improper rounding of time), claims related to non-compliant meal and rest breaks or periods and nonpayment of premium pay for such, failure to comply with itemized employee wage statement provisions, failure to pay wages due at separation and associated waiting time penalties, failure to timely pay wages during employment, failure to maintain compliant time and payroll records, the failure to reimburse for business expenses, and unfair or unlawful business practices pursuant to California Business and Professions Code § 17200, *et seq.* based on the aforementioned. The Released Class Claims specifically include, but are not limited to, all claims arising under California Labor Code sections 201, 202, 203, 204, 210, 218.5, 226, 226.7, 510, 512, 558, 558.1, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2800 and 2802, California Industrial Welfare Commission Wage Order 5-2001, California Business and Profession Code sections 17200, *et seq.*, California Code of Civil Procedure section 1021.5, and California common law of contract, interest and claims for attorney’s fees relating in any way to those claims alleged and mentioned in the Operative Complaint in the Action.

10. Aggrieved Employees’ PAGA Release. After the Court’s judgment is final, and Ambitions has paid the Gross Settlement (and separately paid the employer-side payroll taxes), all Aggrieved Employees will be barred from asserting PAGA claims against Ambitions, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against Ambitions or its related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement.

The Aggrieved Employees’ release the Released Parties from the following PAGA claims:

[A]ny and all claims for civil penalties under PAGA based on the allegations in the PAGA Notice that arose during the PAGA Period, including violations of California Labor Code sections 201, 202, 203, 204, 226, 226.7, 510, 512, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2802, 2698, *et seq.*, and IWC Wage Order 5-2001 as well as all facts, theories, or claims for civil penalties that would be considered administratively exhausted under applicable law by the PAGA Notice submitted in the Action.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$10,000 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.
3. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Ambitions's records, are stated in the first page of this Notice. You have until **[RESPONSE DEADLINE]** to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Ambitions's calculation of Workweeks and/or Pay Periods based on Ambitions's records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek and/or Pay Period challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and Ambitions's Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (*i.e.*, every Class Member who doesn't opt-out) including those who also qualify as Aggrieved Employees. The single

check will combine the Individual Class Payment and the Individual PAGA Payment.

2. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (*i.e.*, every Non-Participating Class Member).

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.

6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Yvette Cosme, et al. v. Ambitions California, Inc.* (LASC Case No. 20STCV08244), and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. The Administrator must be sent your request to be excluded by [RESPONSE DEADLINE], or it will be invalid. Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiffs and Ambitions are asking the Court to approve. At least 16 court days before the [HEARING DATE] Final Approval Hearing, Class Counsel and/or Plaintiffs will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Award stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiffs are requesting for their Class Representative Service Awards. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website [Admin URL] or the Court's website [Court URL]. A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Awards may wish to object. The deadline for sending written objections to the Administrator is [RESPONSE DEADLINE]. Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action *Yvette Cosme, et al. v. Ambitions California, Inc.* (LASC Case No. 20STCV08244) and include your name, current address, telephone number, and approximate dates of employment for Ambitions and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at their own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on [HEARING DATE] at [HEARING TIME] in Department 11 of the Los Angeles Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiffs, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via LACourtConnect (<https://www.lacourt.org/lacc/>). Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website [Admin URL] beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Ambitions and Plaintiffs have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to [TBD]'s website at [Admin URL]. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (<http://www.lacourt.org/casesummary/ui/index.aspx>) and entering the Case Number for the Action, Case No. 20STCV08244. You can also make an appointment to personally review court documents in the Clerk's Office at the Stanley Mosk Courthouse by calling (213) 830-0800.

DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.

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Settlement Administrator:

Name of Company:

Email Address:

Mailing Address:

Telephone:

Fax Number:

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void you should consult the Unclaimed Property Fund for instructions on how to retrieve the funds.

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.