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Attorneys for Plaintiffs JESSICA VASQUEZ and YANETH RODRIGUEZ MELGAR in a Representative capacity only, and on behalf of other members of the general public similarly situated,

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF CONTRA COSTA

JESSICA VASQUEZ and YANETH
RODRIGUEZ MELGAR, in a Representative
capacity only, and on behalf of other members of
the general public similarly situated,

Plaintiff,

v.

SALKHI FAMILY HOLDINGS, INC., a
California Corporation; SALKHI
PETROLEUM, INC., a California Corporation;
and DOES 1-10, inclusive.

Defendants.

CASE NO. MSC21-02223

**DECLARATION OF ERIC K. YAECKEL IN
SUPPORT OF PLAINTIFF'S *MOTION* RE:
UNOPPOSED PAGA APPROVAL**

Date:

Time:

Dept.: 12

Judge: Hon. Edward G. Weil

1 I, Eric K. Yaeckel declare as follows:

2 1. I am an attorney licensed to practice law before all the courts of the State of California, and am employed
3 with the law firm of SULLIVAN & YAECKEL LAW GROUP, APC, attorneys of record for JESSICA
4 VASQUEZ and YANETH RODRIGUEZ MELGAR, in a Representative capacity only, and on behalf
5 of other members of the general public similarly situated in this matter.

6 2. I make this declaration in support of Plaintiff's Unopposed Motion for PAGA Settlement Approval. I
7 am personally familiar with the facts set forth in this declaration and, if called to testify, could and would
8 do so.

9 **Background and Settlement**

10 3. On August 25, 2021, plaintiffs Jessica Vasquez and Yaneth Rodriguez Melgar submitted notice of their
11 PAGA claims with the LWDA. Specifically, Plaintiffs allege violations of the following: (1) Violations
12 of Cal Lab. Code §§ 226.7 and 512 (Meal Periods); (2) Violations of Cal Lab. Code §§ 226.7 (Rest
13 Breaks); (3) Violations of Cal Lab. Code §§ 204, 1194 and 1198 (Failure to Pay for all Hours Worked);
14 (4) Violations of Cal Lab. Code §§ 1182.12, 1194, and 1197 (Failure to Pay Minimum Wage); (5)
15 Violations of Cal Lab. Code §§ 510 and 1194 (Failure to Pay Overtime Wages); (6) Violations of Cal
16 Lab. Code §§ 226 (Failure to Provide Accurate, Itemized Wage Statements); and (7) Violations of Cal
17 Lab. Code §§ 201-203 (Waiting Time Penalties). November 3, 2021, Vasquez and Rodriguez
18 commenced this Action by filing a Complaint alleging causes of action against Defendants for penalties
19 pursuant to Labor Code section 2698.

20 4. Prior to attending mediation, Defendant provided Plaintiff with informal discovery as to the scope and
21 size of the PAGA group, all relevant employment policies and handbooks, and a large sampling of time
22 and wage data for the putative aggrieved employees. Based on information and evidence produced by
23 Defendants during discovery, Plaintiffs' Counsel determined that Aggrieved Employees worked during
24 an aggregate total of approximately 21,024 pay periods during the PAGA Statute of Limitations period
25 (16,542 pay periods for Salkhi Petroleum and 4,482 for Salkhi Family Holdings).

26 5. Following about one year of litigation, the Parties participated in full-day mediation with Anthony F.
27 Pantoni, Esq., on August 15, 2022. Mr. Pantoni is an experienced mediator of wage and hour actions
28 and helped to manage the Parties' expectations and provided a useful, neutral analysis of the issues and

- 1 risks to both sides. The Parties were unable to settle that day and litigation and discovery continued.
2 However, the Parties continued with arm's length negotiations that finally resulted in the instant
3 settlement. The terms of the settlement are now set forth in complete and final form in the PAGA
4 Settlement Agreement. At all times, the Parties' negotiations were adversarial and non-collusive. The
5 Settlement therefore constitutes a fair, adequate, and reasonable compromise of the claims at issue. A
6 true and correct copy of the parties "PAGA Settlement Agreement" is attached as **Exhibit 1**.
- 7 6. Plaintiff's Counsel conducted a thorough investigation into the factual and legal issues implicated by the
8 claims, and were able to objectively assess the settlement's reasonableness.
- 9 7. Following the filing of the Complaint, Plaintiffs' Counsel propounded sets of Requests for Admission,
10 Form Interrogatories, Special Interrogatories, and Requests for Production to Defendants on January 5,
11 2022. In response, Defendants produced nearly 400 pages of Plaintiffs' employment documents,
12 including time records, wage statements, and employee handbooks. Moreover, prior to mediation,
13 Defendants also produced identities of the Aggrieved Employees, Data points including the number of
14 employees and pay periods at issue, all applicable employment practices and a large sampling of time
15 and payroll data for various payroll periods throughout the limitations period.
- 16 8. By engaging in such a thorough investigation and evaluation of Plaintiffs' claims, Plaintiffs' Counsel
17 can opine that the Settlement, for the consideration and on the terms set forth in the Settlement
18 Agreement, is fair, reasonable, and adequate, and is in the best interests of the LWDA and the
19 Aggrieved Employees in light of all known facts and circumstances, including the risk of significant
20 delay and uncertainty associated with litigation, and various defenses asserted by Defendants.
- 21 9. The Total Value of the proposed Settlement is **\$575,000** which is broken down as follows:
- 22 * **\$191,667.00** Attorneys' Fees
23 * **\$9,610.68** Costs of Litigation.
24 * **\$7,850.00** Administration Expenses
25 * **\$20,000.00** Service Awards (\$10,000 each rep enhancement + individual 1542
26 release)
27 * Sub-Total of **\$335,872.32**, 75% (**\$251,904.24**) shall be assigned/paid to the LWDA as
28 penalties.

* The remaining 25% (\$83,968.08) in cash will be disbursed among all employees based on work weeks employed during the PAGA period.

Defendants will calculate each Aggrieved Employee's payment using the proportional number of pay periods during which the employee worked.

10. A true and correct copy of the parties Settlement Agreement is attached as **Exhibit 1**. There are no restrictions for any of the **1,500** employees to file individual actions, as the settlement agreement only covers PAGA claims. (See Exhibit 1, ¶23).

Experience of Counsel

11. I am co-lead trial counsel. I have over 14 years of experience as a licensed California attorney who is primarily engaged in prosecuting class and representative actions. I have spent my entire practice engaged in prosecuting class and representative actions. I became a partner in our law firm in 2020.

12. Our office are the attorneys of record in a matter recently (and favorably) decided before the California Supreme Court titled *Donohue v. AMN Services, LLC*, 11 Cal.5th 58 (2021). The *Donohue* matter is a certified class and PAGA action.

13. Our office is lead counsel on at least 40 employment "wage and hour" claims with class action, or representative action, allegations. These cases are set within the California Superior Court and Federal District Courts in California. Our office is currently lead counsel on claims that have been certified by both Court Order and by stipulation of the parties. In the last three years, Sullivan & Yaeckel Law Group has settled at least 15 employment "wage and hour" claims on behalf of a Certified Class.

14. In the last seven years, Sullivan & Yaeckel Law Group has tried three "Wage and Hour" Representative (PAGA) cases.

15. Our firm has the requisite experience knowledge of California law and the Federal Rules of Civil Procedure required to act on behalf of the Class. I consider the Settlement Agreement in this matter to represent a fair, adequate and reasonable settlement that is well within the accepted range of recoveries for similar wage and hour class actions. I also believe the Agreement is in the best interests of the Settlement Class Members. I am also aware that Defendants' counsel (both the firm, and individual attorneys working on this case) have extensive experience defending similar wage and hour class actions.

16. Based on the above experience, it is this firm's opinion that this settlement represents a fair and adequate

1 payment to the LWDA and aggrieved employees.

2 **The Lodestar Analysis**

3 17. Plaintiff seeks attorneys fees in the amount of one third of the total settlement amount, which is
4 **\$191,667.00** For purposes of a lodestar cross-check the firms' attorneys' fees incurred (to date) are
5 estimated to amount to approximately **\$100,380.00** If you add this to the hours worked by our co-
6 counsel, the total lodestar between all Plaintiffs is \$215,288.50. Our firm's attorney's fees are broken
7 down as follows:

8 a. I served as lead investigator and co-trial counsel, per the specific request of Plaintiff. My billing
9 rate is **\$700.00** per hour. Over the course of the investigation (including pre-filing), I have
10 currently expended approximately **92.1** hours in the service of this action. **92.1** hours times
11 **\$700.00** equals **\$64,470.00**. The work includes preliminary investigation, and the majority of
12 all client and aggrieved employee interactions, meetings and interviews. This also included a
13 substantive review and analysis of documents. During this time, I also investigated Defendants,
14 its business practices, and any variations in employee job duties and rates of pay. Aside from
15 supervising the primary associate, my work also included attending hearings and most of the
16 day to day communication with opposing counsel. I spent substantial time preparing for, and
17 attending, the mediation, including preparing a detailed mediation brief and damage analysis.
18 I also handled numerous exchanges between the mediator and Defense counsel to negotiate and
19 finalize the settlement. I also assisted with the review and drafting of settlement documents and
20 the approval motion.

21 b. Mr. Ryan Kuhn also served as the primary Associate Attorneys assigned to the case. The
22 associates' billing rate on this matter is **\$540.00** per hour. Mr. Kuhn expended approximately
23 **66.5** hours in the service of this action. **66.5** hours times **\$540.00** equals **\$35,910.00**. The work
24 performed by the associates consisted of, for the most part, analysis of Defendants' documents
25 and records, in preparation for person most knowledgble depositions and mediation. The
26 associates were also assigned to discovery creation/review, the preparation of "meet and confer"
27 letters and some other contact with defense counsel.

1 **The Reasonableness of Plaintiff's Hourly Rates**

- 2 18. I printed a copy of the Updated Laffey Matrix from the following website: www.laffeymatrix.com. A
3 true and correct copy is attached as **Exhibit 2**.
- 4 19. The referenced "Laffey" chart states that for the time periods in this case, for an attorney with 11-19 years
5 experience, the matrix states a reasonable fee is between \$829- \$948 per hour. I have over 14 years
6 experience working on class action litigation and only bill at the rate of \$700 per hour.
- 7 20. For an attorney with 4-7 years experience, the matrix states a reasonable fee is between \$508 - \$581 per
8 hour. The associate Mr. Kuhn, who was working on this matter has over 5 years experience and billed
9 at the rate of \$540 per hour.
- 10 21. Accordingly, we submit our rates are comparable to, or less than, those charged by other class action
11 plaintiffs' counsel and the firms defending class actions.
- 12 22. Our hourly rates have routinely been approved by numerous federal and state Courts.
- 13 23. In a recent successful PAGA trial, tried before in the San Diego Superior Court, our office was awarded
14 our full requested attorneys fees and was approved at the requested hourly rates (which are similar to the
15 fees/rates billed here). Please See *Carrington v. Starbucks Corp.* San Diego Superior Court, Case No.
16 37-2014-00018637-CU-OE-CTL and published appellate opinion 30 Cal.App.5th 504.

17 **Costs of Litigation**

- 18 24. PAGA Counsel's total costs expended in this matter will be \$7,136.19. This is less than the \$14,500
19 amount that Defendant agreed not to contest. The attached Cost Worksheet was contemporaneously
20 maintained and updated by my office. (See **Exhibit 3**). This is a true and accurate summary of the costs
21 incurred by Plaintiff's counsel. The costs include, filing and service fees (including the Complaint and
22 all other pleadings, all e-file charges, LWDA filing fees and attorney messenger fees; Mediation Fees;
23 Legal Research and Postage and Copying Costs). The costs for our co-counsels, Schneider Wallace
24 Cottrell Konecky LLP ("SWCK") and Capstone Law APC, was \$2,363.69 and \$110.80 respectively.
25 This brings Plaintiff's attorneys' cost to a total of \$9,610.68.

26 **Additional Factors Relevant to PAGA Approval**

- 27 25. Plaintiffs central allegations settled around the claim challenging whether Defendant maintained
28 lawful meal and rest periods. Plaintiffs alleged they- and other employees -were not properly

1 compensated due to Defendant's failure to maintain accurate time records. Finally, Plaintiffs also
2 challenged whether Defendant maintained lawful meal and rest period policies..

3 26. Defendants assert it had lawful wage and hour policies and practices that required all employees to
4 record all work time, take lawful meal and rest breaks, and provided for prompt reimbursement of all
5 reasonable business expenses. Defendants maintained that they strictly enforced these policies at all
6 times relevant to this litigation, that they had conducted an investigation that (according to Defendants)
7 confirmed that no systematic policy violations were taking place, and that any Labor Code violations
8 that may have occurred would have been isolated incidents. Therefore, Defendants contended that
9 Plaintiffs' claims were based on highly individualized facts that did not uniformly apply to other
10 employees, rendering the claims difficult to manage in the context of a representative action and
11 therefore also difficult to prove across the workforce.

12 27. Plaintiffs contended Defendants failed to pay all wages due because it rounded employee time punches,
13 which resulted in the Plaintiffs and Aggrieved Employees losing a few minutes of compensable hours
14 worked on many shifts. Defendants argued its time keeping and rounding policy is entirely neutral in
15 effect and did not deprive employees of compensable hours worked over time and, accordingly, does
16 not violate California law. Beyond that, Defendants argued its timekeeping and payroll policies fully
17 comply with California law.

18 28. Plaintiffs contended Defendants frequently underpaid the Class Members for their overtime, sick pay,
19 and meal period premium payments. While Plaintiffs believe this is one of the stronger claims, they also
20 recognize the exposure is nominal, as the bonuses that should factor into the regular rate of pay are
21 infrequently paid.

22 29. Plaintiffs contended their review of the sampling produced showed frequent (1) missing, (2) late and/or
23 (3) short meal periods without the payment of a meal period premium. Defendants offered multiple
24 defenses. First, it emphasized it authorized and permitted all necessary breaks, and that employees
25 received full uninterrupted lunch periods as reflected in Defendants' time records. Defendants also
26 argued that it had valid on-duty meal period agreements for certain employees who worked alone,
27 without someone to relieve them from their duties. Defendants further argued that even to the extent
28 meal breaks were missed or arguably non-compliant, it was in violation of company policy and

1 aberrational, and would require significant individual inquiries to determine the reasons underlying any
2 such alleged violations and whether it was by an employee's voluntary choice or some other reason.
3 Thus, per Defendants, any trial on this issue would be unmanageable because of these individualized
4 issues.

5 30. Plaintiffs further contend that Defendants' rest break policy violates California law, insofar as they claim
6 Defendants require employees to remain on-call and on premises. Defendant maintains its policies
7 comport with California law and that the evidence would demonstrate employees are relieved of all
8 duties during rest breaks and are provided with lawful rest breaks.

9 31. Plaintiffs assert that they and the Aggrieved Employees regularly had to use their personal phones while
10 on the clock and for work purposes to, inter alia, communicate with supervisors. Per Plaintiffs,
11 Defendants did not pay any reimbursement for use of personal phones. On the other hand, Defendants
12 argue that any use of personal mobile devices was unnecessary to perform the job and therefore was
13 purely for personal convenience. If so, then the expense was neither reasonable nor necessary, and
14 therefore no reimbursement was required.

15 32. Plaintiffs alleged derivative violations of Labor Code § 226 (wage statement violations) and §§ 201-203
16 (waiting time penalties). Both claims, since they are entirely derivative, will rise or fall along with the
17 primary claims, in addition to being subject to "good faith" and other defenses available to Defendants.
18 Accordingly, Plaintiffs had to discount the value of these claims significantly in light of these multiple
19 potential defenses. Defendants also contended a substantial discount should be applied to the civil
20 penalties for these derivative (i.e., "stacked") violations, as it would be unfair to penalize Defendants
21 multiple times for the same violation.

22 33. Defendant contends they had acted in good faith and at all relevant times had taken measures to ensure
23 compliance with workplace policies and the Labor Code. Thus, Defendants assert, even if Plaintiffs were
24 able to establish some violations, these would likely be technical or minor in nature, and therefore the
25 Court would exercise its discretion to award much less than the maximum amount of potential penalties.

26 34. Given the above authorities, Plaintiff conservatively estimated Defendant's exposure by assessing \$100
27 penalties for all pay periods worked during the Settlement Period. Accordingly, the total amount of
28 penalties for which Defendant is potentially liable if Plaintiffs' allegations were all proven as to all

alleged Labor Code violations is as follows:

- **Meal Period and Rest Period Violations:** Plaintiff alleges that all pay periods had either meal period or rest period violations. Defendant's exposure for PAGA penalties would therefore be \$4,204,800= 21,024 Pay Periods x \$100 penalties x 2 Labor Code Violations.
- **Minimum Wage Violations:** Plaintiff alleges that all pay periods had minimum wage violations. Defendant's exposure for PAGA penalties would therefore be \$2,102,400= 21,024 Pay Periods x \$100 penalties.
- **Overtime Violations:** Plaintiff alleges that all pay periods had overtime violations. Defendant's exposure for PAGA penalties would therefore be \$2,102,400= 21,024 Pay Periods x \$100 penalties.
- **Wage Statement Violations:** Plaintiff alleges that Defendant issued Aggrieved Employees non-compliant wage statements during every pay period. Defendant's exposure for PAGA penalties would therefore be \$2,102,400= 21,024 Pay Periods x \$100 penalties.
- **Business Expense Reimbursement Violations:** Plaintiff alleged that Aggrieved Employees had unreimbursed business expenses for Defendants' standard policies which required its employees to incur mileage and to use their own cell phones for work-related purposes without reimbursement. Defendant's maximum potential exposure for PAGA penalties would be \$2,102,400= 21,024 Pay Periods x \$100 penalties.
- **Pay Wages Upon Separation/Termination Violations:** Plaintiff alleges that Defendant is liable for penalties in connection with its failure to pay all wages upon separation/termination. Defendant's exposure for PAGA penalties would therefore be \$91,000= 910 Former Aggrieved Employees x \$100 penalties.

In summary, the total amount of penalties for which Defendant is potentially liable if Plaintiff's allegations were all proven at trial is approximately \$12,705,400.

35. As discussed above, Plaintiff estimated Defendant's *potential* exposure for PAGA civil penalties at approximately \$12,705,400. However, Plaintiff estimated that their odds of prevailing at trial on all of

- the alleged Labor Code violations at 15%. Discounting by the risks of continued litigation, therefore, Plaintiff would have recovered only approximately \$1,905,810 in penalties.
36. Moreover, Plaintiffs' counsel is aware of the Court's discretion to mitigate penalties pursuant to California Labor Code section 2699(e)(2). To confirm, Plaintiffs' counsel experienced the mitigation of "PAGA" penalties in *Carrington v. Starbucks Corp.* (2018) 30 Cal.App.5th 504. In *Carrington*, the Court significantly mitigated PAGA penalties (\$5 per violation), due to the efforts made by the employer to comply with the law.
37. Plaintiffs' counsel agrees that penalties *should* be mitigated where violations are minimal (or rare), or where the employer makes significant efforts to comply with the Labor Code.
38. After calculating Defendants' maximum exposure under PAGA, Plaintiffs then discounted that exposure for settlement purposes to account for the risks of continued litigation, including: (i) the strength of Defendants' defenses on the merits; (ii) the risk of losing at trial; (iii) the risk that the Court would exercise its discretion under PAGA to significantly reduce the maximum civil penalties available by statute, and/or would refuse to stack penalties; (iv) the chances of a favorable verdict being reversed on appeal; and (v) the difficulties attendant to collecting on a judgment. Taking into account the above contingencies, Plaintiffs determined that a \$575,000 settlement was warranted by the circumstances of the case.
39. As the above factors exist in this case, it is the opinion of Plaintiffs' counsel that the settlement is fair, adequate, and reasonable.
40. Plaintiff has uploaded this entire motion to the LWDA, concurrent with the filing. (See the concurrently submitted Proof of Service on the LWDA.) To date, Plaintiff has not received a response from the LWDA regarding the proposed settlement. If the LWDA contacts Plaintiff's counsel at any time prior to the hearing, Plaintiff's counsel will provide an updated declaration to the Court.
41. The parties proposed notice to accompany the settlement checks is attached as **Exhibit 4**.
42. The named Plaintiffs Jessica Vasquez and Yaneth Rodriguez Melgar contributed extensive time and resources in the prosecution of this case. Plaintiffs were able to provide information instrumental to the prosecution of this matter including identifying numerous witnesses that could corroborate the claims.

- 1 Plaintiffs also assisted with reviewing and providing insight on Defendant's documents produced.
2 Plaintiffs brought to our attention numerous Labor Code violations that formed the basis of the litigation.
3
4 43. I know (from experience) that any company who does a detailed background check, will be able to
5 determine that Plaintiffs are serving as PAGA and/or class representatives in a lawsuit against their
6 former employer.
7
8 44. An entire industry exists that allows employers to run extensive background searches on potential
9 employees. Companies who provide these services specifically highlight the fact that their services
10 allows employers to weed out litigious employment candidates. One such service outlines ways that
11 employers can "get a sense of whether a prospective employee is likely to sue" the employer, through
12 background checks and other means, to screen out these employees.
13 www.reliableplant.com/Read/6959/a-solution-to-fear-of-hiring-litigious-employees. Onicra Credit Rating
14 Agency of India states: "Background screening has become a necessity in today's litigious society." Back
15 Track Screening also represents: "In today's litigious culture, employers simply cannot afford to hire
16 employees who will put their company at risk." <http://www.btscreening.com/wp-content/uploads/2012/09/Screening-101.pdf>.
17
18 45. Finally, any employer may simply check the various Superior Court of California websites and conduct
19 a party name search to uncover whether an applicant has previously filed litigation against their
20 employer.
21
22 46. Plaintiffs also risked personally owing a large cost award, which I estimate would be well into the tens
23 of thousands of dollars, had the claims been unsuccessful.
24
25 47. Despite all the risks Plaintiffs, at all times remained committed to securing a monetary recovery on
26 behalf of the entire group of aggrieved employees.
27
28

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed this 2nd day of June, 2025 at San Diego, California.

Eric Yaeckel

Eric K. Yaeckel

Exhibit 1

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF CONTRA COSTA

JESSICA VASQUEZ, YANETH
RODRIGUEZ MELGAR, in a Representative
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SALKHI FAMILY HOLDINGS, INC., a
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Defendants.

Case No. MSC21-02223

PAGA SETTLEMENT AGREEMENT

PAGA SETTLEMENT AGREEMENT

Subject to Court approval by the Superior Court of the State of California for the County of Contra Costa ("Court"), Plaintiffs Jessica Vasquez, Yaneth Rodriguez Melgar and Kahlil Martin ("Plaintiffs") and Defendants Salkhi Family Holdings, Inc. and Salkhi Petroleum, Inc. ("Defendants") (collectively with Plaintiffs, the "Parties") hereby agree to the following binding settlement ("Settlement" or "Settlement Agreement") of Plaintiffs' claims under the Labor Code Private Attorneys General Act of 2004 ("PAGA").

DEFINITIONS

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

1. "Action" means the Complaint filed in the instant action entitled *Vasquez v. Salkhi Family*, No. MSC21-02223 (Contra Costa County Superior Court).

2. "Aggrieved Employees" means all persons who were employed by Defendants in the State of California in non-exempt positions at any time during the Settlement Period.

3. "Court" means the Superior Court for the State of California, County of Contra Costa.

4. "Gross Settlement Amount" means the settlement amount of Five Hundred Seventy-Five Thousand Dollars (\$575,000) to be paid by Defendants in full satisfaction of all Settled Claims arising from the Action.

5. "LWDA" means the California Labor and Workforce Development Agency.

6. "Martin Action" means the Complaint filed by Kahlil Martin against Defendants in Alameda County Superior Court, Case No. 22CV012416.

7. "PAGA Penalties Fund" means the Gross Settlement Amount less the Attorneys' Fees and Costs, Service Awards, and Settlement Administrator Costs.

8. "Plaintiffs' Counsel" means Capstone Law APC, Sullivan & Yaeckel Law Group, APC and Schneider Wallace Cottrell Konecky, LLP.

9. "Service Awards" means the amounts to be paid to Plaintiffs as payment for their service on behalf of the LWDA and Aggrieved Employees and for general releases of all claims arising out of their employment with Defendants.

10. "Settled Claims" means any and all claims for PAGA civil penalties under the California Labor Code, Wage Orders, regulations, and/or other provisions of law alleged or could have been alleged to have been violated in the Action with respect to Aggrieved Employees based on the facts alleged in the Action during the Settlement Period.

11. "Settlement Period" means August 25, 2020 through June 1, 2024.

TERMS

12. Amendment of Operative Pleadings. The parties stipulate to the filing of an amended Complaint that adds all of the PAGA claims alleged by Plaintiff Martin in the related action. Martin will file a dismissal of the Martin Action within 10 days of the Approval of this Settlement.

13. Gross Settlement Amount. In consideration for Plaintiffs' promises and representations described in this Settlement Agreement, and subject to all of the conditions of the Settlement being met, Defendants will pay Five Hundred Seventy-Five Thousand Dollars (\$575,000) ("Gross Settlement Amount") to settle the Action. The Gross Settlement Amount includes Plaintiffs' attorneys' fees, litigation costs and expenses, consideration for Plaintiffs' service on behalf of the LWDA and Aggrieved Employees, Settlement Administration Costs, and payments to Aggrieved Employees and the LWDA for their share of the PAGA Penalties Fund. No portion of the Gross Settlement Amount will be retained by, or revert to, Defendants.

14. PAGA Penalties Fund. The PAGA Penalties Fund will be paid to Aggrieved Employees and the LWDA in full satisfaction of all claims for PAGA civil penalties under the California Labor Code, Wage Orders, regulations, and/or other provisions of law alleged to have been violated in the Action with respect to Aggrieved Employees. Pursuant to PAGA, Seventy-Five Percent (75%) of the PAGA Penalties Fund will be paid to the LWDA, and the remaining Twenty-Five Percent (25%) will be paid to all Aggrieved Employees according to the following formula:

14(a) Defendants will calculate: (i) the total number of pay periods worked by each Aggrieved Employee during the Settlement Period, and (ii) the total number of pay periods worked by all Aggrieved Employees during the Settlement Period.

14(b) To determine each Aggrieved Employee's payment from the PAGA

Penalties Fund, Defendants will use the following formula: Settlement Payment = 25% of PAGA Penalties Fund × [Pay Periods Worked by Individual Aggrieved Employee During the Settlement Period ÷ Total Pay Periods Worked by All Aggrieved Employees during the Settlement Period].

14(c) This Settlement is entered based on Defendants' estimate that Aggrieved Employees worked during the Settlement Period a total of 16,542 pay periods for Salkhi Petroleum and 4,482 for Salkhi Family Holdings. _ If the total number of Pay Periods worked during the Settlement Period is greater than ten percent (10%) of this estimate, Defendants shall increase the Gross Settlement Amount on a pro-rata basis equal to the percentage increase in the number of pay periods worked by the Aggrieved Employees (e.g., if the number of pay periods increases by 11%, the Gross Settlement Amount will increase by 1%). Alternatively, the Defendants can elect to decrease the Settlement Period to limit the number of pay periods to no more than the total number stated above, plus 10%.

14(d)

15. Attorneys' Fees and Costs. Defendants agree not to oppose or impede any application or motion by Plaintiffs' Counsel for Attorneys' Fees and Costs of not more than One Hundred Ninety One Thousand Six Hundred Sixty Seven Dollars (\$191,667), plus the reimbursement of all out-of-pocket costs and expenses associated with Plaintiffs' Counsel's litigation and settlement of the Action (including expert/consultant fees, investigations costs, etc.), not to exceed Fourteen Thousand Five Hundred _Dollars (\$14,500.00), both of which will be paid from the Gross Settlement Amount. Any portion of the Attorneys' Fees and Costs not awarded to Plaintiffs' Counsel will be added to the PAGA Penalties Fund.

16. Service Awards. For general releases of all claims Plaintiffs may have against Defendants, and/or Defendants' past or present parents, subsidiaries, affiliated companies, officers, directors, owners, employees, partners, agents or insurers, arising out of their employment, and for their

service on behalf of the LWDA and Aggrieved Employees, Defendants agree not to oppose or impede any application or motion by Plaintiffs for a service award of up to Ten Thousand Dollars (\$10,000), each ("Service Awards"). Upon receipt of the Service Awards, Plaintiffs will be deemed to have fully released and discharged Defendants from any and all claims, demands, obligations, causes of action, rights, or liabilities of any kind which have been or could have been asserted against Defendants arising out of, or relating to, Plaintiffs' employment with Defendants or termination thereof, including but not limited to claims for wages, restitution, penalties, retaliation, defamation, discrimination, harassment or wrongful termination of employment. This release specifically includes any and all claims, demands, obligations and/or causes of action for damages, restitution, penalties, interest, and attorneys' fees and costs (except provided by the Settlement) relating to or in any way connected with the matters referred to herein, whether or not known or suspected to exist, and whether or not specifically or particularly described herein. Specifically, Plaintiffs will be deemed to have waived all rights and benefits afforded by California Civil Code Section 1542, which provides:

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.

17. Plaintiffs understand and agree that this Settlement Agreement shall remain in full force and effect even if the full amount of Service Awards sought by Plaintiffs is not ultimately awarded by the Court.

18. Settlement Administration Costs. The Parties will retain ILYM Group, Inc., as the third-party settlement administrator ("Settlement Administrator"). The Settlement Administrator will be responsible for establishing a qualified settlement fund ("QSF") and issuing payments and appropriate tax forms to Aggrieved Employees, the LWDA, Plaintiffs, and Plaintiffs' Counsel. The Settlement Administration Costs will be paid from the Gross Settlement Amount. Based on the estimate that there are approximately One Thousand Five Hundred (1,500) Aggrieved Employees, Settlement Administration Costs are estimated at Seven Thousand Eight Hundred Fifty Dollars (\$7,850).

1 19. Court Approval of the Settlement and Distribution of Settlement Payments. The Parties
2 will present this Settlement Agreement to the Court and the LWDA. The Parties will request that the
3 Court issue an order and judgment approving and incorporating by reference the terms and conditions of
4 the Settlement Agreement (the "Order and Judgment").

5 20. Funding of the Settlement. Within thirty (30) calendar days after entry of the Order and
6 Judgment, Defendants will deposit half of the Gross Settlement Amount into the QSF to be established
7 by the Settlement Administrator ("First Installment"). Within two hundred and forty (240) calendar days
8 after the First Installment, Defendants will deposit the remaining half of the Gross Settlement Amount
9 into the QSF ("Second Installment"). Within fourteen (14) calendar days aft the Second Installment, the
10 Settlement Administrator will issue payments to: (a) Aggrieved Employees; (b) the Labor and
11 Workforce Development Agency; (c) Plaintiffs; (d) Plaintiffs' Counsel; and (e) itself. The Settlement
12 Administrator, and not Defendants, will issue the appropriate tax forms for all payments issued under
13 this Settlement.

14 21. List of Aggrieved Employees. On or before the date of the Second Installment,
15 Defendants will provide the Settlement Administrator a complete list of all Aggrieved Employees
16 ("Aggrieved Employee List"). The Aggrieved Employee List will be formatted in Microsoft Office
17 Excel and will include each Aggrieved Employees full name; most recent mailing address and telephone
18 number; Social Security number; the respective number of pay periods during which each Aggrieved
19 Employee worked during the Settlement Period; and any other relevant information needed to calculate
20 settlement payments.

21 22. Settlement Payments to Aggrieved Employees. The Settlement Administrator will issue
22 each Aggrieved Employee one check for his or her share of the PAGA Penalties Fund along with an
23 explanatory letter, attached as Exhibit A. Prior to mailing, the Settlement Administrator will perform a
24 search based on the National Change of Address Database for information to update and correct for any
25 known or identifiable address changes. Any checks returned as non-deliverable on or before the check
26 cashing deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address
27 affixed thereto. If no forwarding address is provided, the Settlement Administrator will promptly attempt
28 to determine the correct address using a skip-trace, or other search using the name, address or Social

Security number of the Aggrieved Employee involved, and will then perform a single re-mailing. Checks will remain negotiable for 180 days. Those funds represented by un-cashed checks which remain outstanding 180 days after the mailing of the Settlement checks by the Settlement Administrator will be tendered to the LWDA. All settlement payments to Aggrieved Employees will be treated as miscellaneous income for which a 1099 will be issued.

23. Settled Claims. Upon entry of the Order and Judgment, Plaintiffs and all Aggrieved Employees, including by the Court's approval of this Settlement the State of California to the extent represented in this Action by the plaintiffs as proxies of the State of California and the LWDA, will be forever barred from pursuing against Defendants and/or Defendants' past or present parents, subsidiaries, affiliated companies, officers, directors, owners, employees, partners, agents or insurers, any and all Settled Claims during the Settlement Period. Aggrieved Employees, other than Plaintiffs, will not be deemed to have released any individual wage and hour claims by virtue of this Settlement.

24. No Right to Exclusion or Objections by Representative Action Members. Because this settlement resolves claims and actions brought pursuant to PAGA by Plaintiffs acting as proxies and as Private Attorneys General of, and for, the State of California and the LWDA, the Parties agree that no Aggrieved Employee has the right to exclude himself or herself from the Settlement. Aggrieved Employees will be bound by the terms of the Settlement Agreement, upon its approval by the Court, regardless of whether he or she cashes any payment received as a result of this Settlement. The Parties also agree that no Aggrieved Employee has the right to object to the terms of the Settlement Agreement.

25. No Credit Toward Benefit Plans. Payments to Aggrieved Employees as referenced herein will not be utilized to calculate any additional benefits under any benefit plans to which any Aggrieved Employee may be eligible, including, but not limited to profit-sharing plans, bonus plans, 401(k) plans, stock purchase plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties' intention that this Settlement Agreement will not affect any rights, contributions, or amounts to which any Aggrieved Employee may be entitled under any benefit plans.

26. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of

1 action or right herein released and discharged.

2 27. Nullification of Settlement Agreement. In the event that: (i) the Court does not approve
3 the Settlement as provided herein; or (ii) the Settlement does not become final for any other reason, then
4 this Settlement Agreement, and any documents generated to bring it into effect, will be null and void,
5 and the Parties will be returned to their original respective positions.

6 28. Judgment and Continued Jurisdiction. After entry of the Order and Judgment, the Court
7 will have continuing jurisdiction solely for purposes of addressing: (i) the interpretation and enforcement
8 of the terms of the Settlement, (ii) settlement administration matters, and (iii) such post-Judgment matters
9 as may be appropriate under court rules or as set forth in this Settlement.

10 29. Entire Agreement. This Settlement Agreement constitutes the entirety of the Parties'
11 settlement terms. No other prior or contemporaneous written or oral agreements may be deemed binding
12 on the Parties.

13 30. Amendment or Modification. This Settlement Agreement may be amended or modified
14 only by a written instrument, signed by either the Parties or their successors-in-interest or counsel for all
15 Parties, and approved by the Court.

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

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

27 33. California Law Governs. All terms of this Settlement Agreement will be governed by
28 and interpreted according to the laws of the State of California.

1 34. Execution and Counterparts. This Settlement Agreement is subject only to the execution
2 of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All
3 executed counterparts and each of them, including electronic signatures (e.g., Docusign), facsimiles, and
4 scanned copies of the signature pages, will be deemed to be one and the same instrument.

5 35. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this
6 Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at this
7 Settlement after arm's-length negotiations by experienced counsel. The Parties further acknowledge that
8 they are each represented by competent counsel and that they have had an opportunity to consult with
9 their counsel regarding the fairness and reasonableness of this Settlement.

10 36. Waiver of Certain Appeals. The Parties agree to waive appeals; except, however, that
11 Plaintiffs may appeal any reduction to the Attorneys' Fees and Costs below the amount they request
12 from the Court, and either party may appeal any court order that materially alters the Settlement's terms.

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

17 38. Captions. The captions and section numbers in this Settlement Agreement are inserted
18 for the reader's convenience, and in no way define, limit, construe or describe the scope or intent of the
19 provisions of this Settlement Agreement.

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

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

28 41. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and

conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed more strictly against one party merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arm's-length negotiations between the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

42. Representation By Counsel. The Parties acknowledge that they have been represented by counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and that this Settlement Agreement has been executed with the consent and advice of counsel, and reviewed in full.

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

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

45. Confidentiality. The Parties agree to keep the terms and existence of this Agreement strictly confidential, and shall not reveal the terms and existence of this Agreement to any other person or entity, except as required by operation of this Agreement, including notification to the Court, the LWDA, the administrator, and the Aggrieved employees. Thereafter, the Parties agree to make no comments to the media or otherwise publicize the terms and existence of this Agreement and Settlement.

46. Denial of Liability. The Parties expressly recognize that the making of this agreement does not in any way constitute an admission or concession of wrongdoing on the part of Defendants. Nothing in this Settlement, nor any action taken in implementation thereof, nor any statements, discussions or communications, nor any materials prepared, exchanged, issued or used during the pendency of the Action, is intended by the Parties to, nor will any of the foregoing constitute, be introduced, be used or be admissible in any way in any other judicial, arbitral, administrative, investigative or other forum or proceeding, as evidence of any violation of any federal, state, or local law,

statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity.
Notwithstanding the foregoing, this agreement may be used in any proceeding in the Court that has as its
purpose the interpretation, implementation, or enforcement of the Settlement or any orders or judgments
of the Court entered into in connection therewith.

READ CAREFULLY BEFORE SIGNING

Dated: 2/21/2025

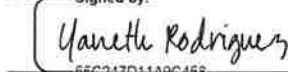
PLAINTIFF



Jessica Vasquez

Dated: 2/21/2025

PLAINTIFF



Yaneth Rodriguez Melgar

Dated:

PLAINTIFF

Kahlil Martin

Dated:

DEFENDANT

Authorized Signatory for Salkhi Family Holdings,
Inc.

Dated:

DEFENDANT

Authorized Signatory for Salkhi Petroleum, Inc.

statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity.
Notwithstanding the foregoing, this agreement may be used in any proceeding in the Court that has as its
purpose the interpretation, implementation, or enforcement of the Settlement or any orders or judgments
of the Court entered into in connection therewith.

READ CAREFULLY BEFORE SIGNING

PLAINTIFF

Dated: _____

Jessica Vasquez

PLAINTIFF

Dated: _____

Yaneth Rodriguez Melgar

PLAINTIFF

Dated: 12 / 27 / 2024



Kahlil Martin

DEFENDANT

Dated: 03/18/2025



Arash Salkhi (Mar 18, 2025 10:22 PDT)

Authorized Signatory for Salkhi Family Holdings,
Inc.

DEFENDANT

Dated: 03/18/2025



Arash Salkhi (Mar 18, 2025 10:22 PDT)

Authorized Signatory for Salkhi Petroleum, Inc.

Salkhi Long Form Pltfs Signatures

Final Audit Report

2025-03-18

Created:	2025-03-17
By:	Michael Farbstein (maf@farbstein.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAIO1hZ8u_ivIP5-hgw6BJuYrFhReX-Ms4

"Salkhi Long Form Pltfs Signatures" History

-  Document created by Michael Farbstein (maf@farbstein.com)
2025-03-17 - 6:56:50 PM GMT
-  Document emailed to Arash Salkhi (asalkhi@salkhi.com) for signature
2025-03-17 - 6:56:55 PM GMT
-  Email viewed by Arash Salkhi (asalkhi@salkhi.com)
2025-03-18 - 5:06:51 PM GMT
-  Document e-signed by Arash Salkhi (asalkhi@salkhi.com)
Signature Date: 2025-03-18 - 5:22:57 PM GMT - Time Source: server
-  Agreement completed.
2025-03-18 - 5:22:57 PM GMT

Exhibit 2

LAFFEY MATRIX

[History](#)
[Case Law](#)
[See the Matrix](#)
[Contact us](#)
[Home](#)

			Years Out of Law School *				
Year	Adjustmt Factor**	Paralegal/ Law Clerk	1-3	4-7	8-10	11-19	20 +
6/01/24- 5/31/25	1.080182	\$258	\$473	\$581	\$839	\$948	\$1141
6/01/23- 5/31/24	1.059295	\$239	\$437	\$538	\$777	\$878	\$1057
6/01/22- 5/31/23	1.085091	\$225	\$413	\$508	\$733	\$829	\$997
6/01/21- 5/31/22	1.006053	\$208	\$381	\$468	\$676	\$764	\$919
6/01/20- 5/31/21	1.015894	\$206	\$378	\$465	\$672	\$759	\$914
6/01/19- 5/31/20	1.0049	\$203	\$372	\$458	\$661	\$747	\$899
6/01/18- 5/31/19	1.0350	\$202	\$371	\$455	\$658	\$742	\$894
6/01/17- 5/31/18	1.0463	\$196	\$359	\$440	\$636	\$717	\$864
6/01/16- 5/31/17	1.0369	\$187	\$343	\$421	\$608	\$685	\$826
6/01/15- 5/31/16	1.0089	\$180	\$331	\$406	\$586	\$661	\$796
6/01/14- 5/31/15	1.0235	\$179	\$328	\$402	\$581	\$655	\$789
6/01/13- 5/31/14	1.0244	\$175	\$320	\$393	\$567	\$640	\$771
6/01/12- 5/31/13	1.0258	\$170	\$312	\$383	\$554	\$625	\$753
6/01/11- 5/31/12	1.0352	\$166	\$305	\$374	\$540	\$609	\$734
6/01/10- 5/31/11	1.0337	\$161	\$294	\$361	\$522	\$589	\$709
6/01/09- 5/31/10	1.0220	\$155	\$285	\$349	\$505	\$569	\$686
6/01/08- 5/31/09	1.0399	\$152	\$279	\$342	\$494	\$557	\$671
6/01/07-5/31/08	1.0516	\$146	\$268	\$329	\$475	\$536	\$645
6/01/06-5/31/07	1.0256	\$139	\$255	\$313	\$452	\$509	\$614
6/1/05-5/31/06	1.0427	\$136	\$249	\$305	\$441	\$497	\$598
6/1/04-5/31/05	1.0455	\$130	\$239	\$293	\$423	\$476	\$574
6/1/03-6/1/04	1.0507	\$124	\$228	\$280	\$405	\$456	\$549
6/1/02-5/31/03	1.0727	\$118	\$217	\$267	\$385	\$434	\$522
6/1/01-5/31/02	1.0407	\$110	\$203	\$249	\$359	\$404	\$487
6/1/00-5/31/01	1.0529	\$106	\$195	\$239	\$345	\$388	\$468
6/1/99-5/31/00	1.0491	\$101	\$185	\$227	\$328	\$369	\$444
6/1/98-5/31/99	1.0439	\$96	\$176	\$216	\$312	\$352	\$424
6/1/97-5/31/98	1.0419	\$92	\$169	\$207	\$299	\$337	\$406
6/1/96-5/31/97	1.0396	\$88	\$162	\$198	\$287	\$323	\$389

6/1/95-5/31/96	1.032	\$85	\$155	\$191	\$276	\$311	\$375
6/1/94-5/31/95	1.0237	\$82	\$151	\$185	\$267	\$301	\$363

The methodology of calculation and benchmarking for this Updated Laffey Matrix has been approved in a number of cases. See, e.g., *DL v. District of Columbia*, 267 F.Supp.3d 55, 69 (D.D.C. 2017)

* $\frac{1}{2}$ Years Out of Law School $\frac{1}{2}$ is calculated from June 1 of each year, when most law students graduate. $\frac{1}{2}$ 1-3" includes an attorney in his 1st, 2nd and 3rd years of practice, measured from date of graduation (June 1). $\frac{1}{2}$ 4-7" applies to attorneys in their 4th, 5th, 6th and 7th years of practice. An attorney who graduated in May 1996 would be in tier $\frac{1}{2}$ 1-3" from June 1, 1996 until May 31, 1999, would move into tier $\frac{1}{2}$ 4-7" on June 1, 1999, and tier $\frac{1}{2}$ 8-10" on June 1, 2003.

** The Adjustment Factor refers to the nation-wide Legal Services Component of the Consumer Price Index produced by the Bureau of Labor Statistics of the United States Department of Labor.

Exhibit 3

LWDA	\$75.00	
Postage	\$22.20	
Knox	\$375.80	
Signature Resolution	\$4,700.00	
One Legal	\$1,132.19	
Transportation	\$109.55	
Research	\$492.00	
Copies	\$229.45	
Subtotal	\$7,136.19	8/15/2023

2nd Sub-total	\$7,136.19
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Exhibit 4

<<DATE>>

<<FIRST_NAME>> <<LAST_NAME>>

<<ADDRESS 1>>

<<ADDRESS 2>>

Re: VASQUEZ, ET AL. V. SALKHI FAMILY HOLDING, INC., ET AL.'S PAGA SETTLEMENT

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

Enclosed you will find a check made payable to you. This is your payment from the settlement of the lawsuit entitled *Jessica Vasquez, et al. v. Salkhi Family Holdings, Inc., et al.*, No. MSC21-02223 (Contra Costa County Superior Court) (the "Action").

The Action was filed against Salkhi Family Holdings, Inc., and Salkhi Petroleum, Inc.. ("Defendants") by a former employee of Defendants who sought to recover penalties pursuant to the California Private Attorneys General Act of 2004, Cal. Lab. Code § 2698, *et seq.* ("PAGA") on behalf of the State of California and all allegedly "aggrieved employees" of Defendants. You have been identified as one of the "aggrieved employees" in this Action.

The Plaintiff alleged that Defendants owed civil penalties recoverable under PAGA for alleged violations of the California Labor Code and California Wage Orders. Defendants denies that it violated the Labor Code or California Wage Orders. Moreover, in agreeing to this settlement, Defendant does not admit that it is liable in any way for any penalties.

The Court has not made a determination about Plaintiff's allegations. This Notice is not to be understood as an expression of any opinion by the Court as to the merits of the claim.

Defendants maintain that it was in compliance with the California Labor Code at all times and enters into this Settlement with no admission of liability and solely for the purposes of compromising and settling the action to avoid the cost and operational burden of continued litigation.

The Court has not ruled on the merits of the Action but it has approved the settlement of PAGA civil penalties, of which 75% will be paid to the California Labor and Workforce Development Agency, and the remaining 25% will be paid to aggrieved employees. Pursuant to the settlement, enclosed is a check for your share of a portion of the civil penalties.

You are not a party to this lawsuit, but you and the government will be bound by the settlement in this matter as to civil penalties. If you have any questions, you can contact the settlement administrator (whose contact information is at the top of this letter).

Very Truly Yours,

[Administrator]