AEGIS LAW FIRM, PC
KASHIF HAQUE, State Bar No. 218672
SAMUEL A. WONG, State Bar No. 217104
JESSICA L. CAMPBELL, State Bar No. 280626
JULIA M. TOSCANO, State Bar No. 326272
9811 Irvine Center Drive, Suite 100
Irvine, California 92618
Telephone: (949) 379-6250
Facsimile: (949) 379-6251
Email: jtoscano@aegislawfirm.com

Attorneys for Plaintiff Chadd Hunter Elam, individually, and on behalf of all others similarly situated.

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN DIEGO

CHADD HUNTER ELAM, individually and on behalf of all others similarly situated,

Plaintiff,

vs.

JEROME'S FURNITURE WAREHOUSE; and DOES 2 through 20, inclusive,

Defendants.

Case No. 37-2021-00043115-CU-OE-CTL

Assigned for all purposes to:
Hon. Mark T. Cumba, Dept. C-65

DECLARATION OF JULIA M. TOSCANO IN SUPPORT OF MOTION FOR APPROVAL OF PAGA SETTLEMENT

Date: February 27, 2026
Time: 8:30 a.m.
Dept: C-65

I, Julia M. Toscano, declare as follows:

1. I am an attorney licensed to practice law in the State of California. I am an associate with Aegis Law Firm, PC ("Aegis")and the attorney of record for Plaintiff Chadd Hunter Elam ("Plaintiff"). The following facts are within my personal knowledge and if called as a witness, I could and would competently testify thereto.

2. I submit this Declaration in support of Plaintiff's Motion for Approval of Private Attorneys General Act Representative Action Settlement.

3. On August 3, 2021, Plaintiff's counsel sent a letter to the California Labor & Workforce Development Agency ("LWDA") via online submission and to Defendant Jerome's Furniture Warehouse ("Defendant") via certified mail regarding Defendants' alleged violations.

4. The LWDA did not respond to this notice within 65 days, indicating it did not intend to investigate, thus allowing Plaintiff to file the instant lawsuit pursuant to Labor Code Section 2699.3(a)(2)(A).

5. On October 12, 2021 Plaintiff commenced this Action by filing a complaint alleging a single cause of action against Defendant for Violation of the California Labor Code Private Attorneys General Act Of 2004 (Cal. Lab. Code §§ 2698, et seq.). The Complaint is the operative complaint in the Action (the "Operative Complaint").

6. Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in in the Operative Complaint and denies any and all liability for the cause of action alleged.

7. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.

8. Prior to mediation, Plaintiff obtained, through formal and informal discovery, Plaintiff's personnel file, Plaintiff's time and pay records, a sampling of Aggrieved Employees' time and pay records, and Defendant's policy and procedure documents. The Parties agreed to attend private mediation for Plaintiff's individual and representative PAGA claims. In preparation for mediation, Defendant informally produced data and documents for Plaintiff to evaluate the PAGA claims and calculate the alleged exposure, including policy documents, a sample of time and payroll

records, and a list of aggrieved employees with dates of employment to calculate the pay periods worked. Plaintiff's Counsel engaged an expert to quantify the potential exposure using the time and payroll records, and then assessed the risks associated with each of the claims.

9. The parties attended mediation on January 9, 2025, with Eve Wagner, a respected class action and PAGA action mediator. After a full day of negotiating, the Parties agreed to a settlement amount and executed a Memorandum of Understanding with the material terms the parties had agreed to. The Parties spent the next few months negotiating the terms of the Settlement, which was finalized on September 26, 2025.

10. Plaintiff provided notice of the Settlement to the LWDA on November 20, 2025. Plaintiff also served a copy of this Motion on the LWDA on November 20, 2025.

11. The $307,000.00 Gross Settlement Fund is reasonable for a group of approximately 319 employees. A penalty of $307,000.00 is large enough to punish Defendant for alleged past violations and deter future violations. The settlement amount is equivalent to a penalty of about $962.38 per employee. At the same time, the penalty amount is not so large as to be unjust, oppressive or confiscatory, considering the company's potential exposure explained below.

12. The Gross Settlement Amount is also reasonable in light of the facts of the foregoing action, the real risk that no PAGA penalties would be paid, and inherent risks and uncertainties associated with PAGA claims.

13. Plaintiff calculated the potential exposure at the initial violation rate of $100.00 per pay period as follows: 18,350 x $100.00 per pay period is $1,835,000.00. If the Court stacked different types of penalties in each pay period, Plaintiff calculated the exposure as follows:

- 18,350 pay periods x $100 per pay period x 100% violation rate = $1,835,000.00 for rest break violations;
- 18,350 pay periods x $100 per pay period x 26% violation rate = $477,000.00 for meal period violations;
- 18,350 pay periods x $100 per pay period x 8% violation rate (for unpaid off-the-clock time worked) = $146,000.00 for unpaid wages;

- 18,350 pay periods x $250 per pay period x 100% violation rate =$458,750.00 for wage statement penalties and;
- 18,350 pay periods x $100 per pay period x 100% violate rate = $1,835,000.00 for unreimbursed business expenses.

14. Defendant raised a number of arguments during settlement negotiations and provided evidence that could have defeated Plaintiff's claims. For example, Defendant argued that it maintained compliant written meal and rest break policies, and in practice, meal and rest breaks were provided and premiums were paid for any non-compliant meal or rest breaks. Plaintiff also alleged that Aggrieved Employees worked off-the-clock hours that were unpaid, however Defendant responded that Plaintiff had only identified testimony-dependent incidents isolated to Plaintiff, not a group-wide issue capable of a manageable trial. Plaintiff also alleged Defendant failed to reimburse necessary business expenses by requiring employees to use personal phones for work-related purposes. However, Defendant responded by providing facts showing that Aggrieved Employees were not required to use their personal cell phones for work due to the provision of equivalent technology on Defendants' premises available to and intended for Aggrieved Employees' use.

15. Another crucial factor in evaluating the value of a PAGA-only case is that all PAGA awards are discretionary and can be reduced by the Court. Under Labor Code § 2699(e)(2), the Court can reduce the PAGA penalties "if, based on the facts and circumstances of the particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory." In other words, were this matter to go to trial, any award granted would be at the discretion of the Court. In settling this case, Plaintiff recognizes that, although he believes there would be no persuasive grounds to reduce the penalties, the Court could determine otherwise and significantly reduce the PAGA penalties, especially with such a small employer. The wide range of potential recovery and the additional delays and risks of trial justified settling for a reasonable amount of recovery.

16. Aegis prosecutes wage and hour cases, including class actions on behalf of employees and others who have had their rights violated. Aegis, either on its own, or with co-counsel is currently serving as plaintiffs' counsel of record in dozens of wage and hour and employment class action cases pending in both state and federal court.

17. The attorneys working on this case have been appointed class counsel in many cases, through both contested motions and settlement approval motions.

18. Aegis has litigated and successfully resolved many wage and hour class action cases involving failure to pay wages and derivative Labor Code claims and penalties. *See, e.g., Bonello v. Laboratory Express, Inc.*, San Bernardino Superior Court, Case No. CIVDS1714584 (class certification granted on May 14, 2021 for all current and former couriers misclassified as independent contractors on issues of inaccurate wage statements, failure to reimburse business expenses, and unfair competition); *Roman, et al. v. TRM Manufacturing, Inc.*, Riverside Superior Court, Case No. RIC1706458 (class certification granted on December 17, 2020 for all current and former non-exempt workers' on issues of rounding, meal period, and rest period claims); *Gamboa v. Kamran, et al.*, San Bernardino Superior Court, Case No. CIVDS1605273 (class certification granted on September 16, 2019, for factory workers on issues of rounding, automatic deduction of first meal period, and second meal period); *Romo, et. al, v. GMRI, Inc. d/b/a/ Olive Garden,* United States District Court Central District of California, Case No. EDCV-12-0715-JLQ (class certification granted for restaurant workers' rest period claims); *Sawyer v. Retail Data, LLC,* Orange County Superior Court, Case No. 30-2014-00753767-CU-OE-CXC (unpaid wage and rest break claims for piece rate workers); *Gonzalez v. SFFI Company, Inc., et. al,* San Bernardino County Superior Court, Case No. CIV DS1504287 (unpaid wages, meal period and rest break claims for non-exempt employees); *Antoine v. Riverstone Residential California, Inc., et. al,* Sacramento County Superior Court, Case No. 34-2013-00155974 (rate of pay, on-call time, unpaid wage, meal period, rest break, and expense reimbursement claims for non-exempt employees); *Nguyen v. Pharmerica,* Orange County Superior Court, Case No. 30-2014-00716072-CU-OE-CXC (unpaid wages and unreimbursed expenses for pharmacists); *Orellana v. Westlake,* Los Angeles County Superior Court, Case No. BC539614 (unpaid overtime, meal period and rest break claims for call center employees); *Kent v. Mountain View Child Care, Inc.,* Los Angeles County Superior Court, Case No. BC539633 (minimum wage, overtime, meal period, and rest break claims for hospital workers); *Durroh v. East West Bank,* Los Angeles County Superior Court, Case No. BC528860 (overtime claims for failure to include bonuses in regular rate of pay for bank workers); *O'Brien et al.* v. *Pizza Hut of Southeast*

Kansas, Inc. et al., Riverside County Superior Court, Case No MCC 1301030 (meal period and expense reimbursement claims for delivery drivers); *Bell v. Prime Healthcare,* Orange County Superior Court, Case No. 30-2011-00475240-CU-OE-CXC (overtime claims for failure to include shift premiums in regular rate of pay and failure to provide meal and rest periods to hospital workers), *Grana v. Toys R US-Delaware, Inc*., Central District of California, Case No. 2:13-cv-01302-DSF-JCG (bag check claims for unpaid wages and failure to provide meal periods and rest breaks to retail employees); *Mendez v. H.J. Heinz Company, L.P., et. al,* Orange County Superior Court, Case No. 30-2013-00644915-CU-OE-CXC (failure to pay all wages to factory workers due to rounding practice); *Fresh & Easy Wage and Hour Cases,* Los Angeles Superior Court, Cas No. JCCP 4705 (failure to provide meal and rest periods to supermarket workers)*; Lunsford v Stater Bros*., Riverside Superior Court, Case No. RIC 1104475 (failure to provide meal and rest periods to supermarket workers); *Gregg v. Belo,* Riverside Superior Court, Case No. RIC 523697 (unpaid wages and missed meal and rest periods due to misclassification of newspaper delivery employees); *Brown v. Experian Information Solutions, Inc., et. al.*, Orange County Superior Court, Case No. 30-2012-00375163 (misclassification of engineers and similar positions); *Tereth v. Shakey's USA, Inc.,* Los Angeles Superior Court, Case No. BC441359 (failure to provide meal and rest periods to restaurant employees); *Azurin v. Harbor Distributing LLC, et. al.,* Los Angeles Superior Court, Case No. BC421392 (failure to pay overtime wages, provide meal and rest periods, reimburse business expenses to Account Managers); *Caffero v. ABC* (failure to provide meal periods and reimburse expenses of therapists).

19. Samuel A. Wong is a graduate of University of Pennsylvania Law School, where he received his J.D. in 2001. Mr. Wong received a Bachelors of Arts in Sociology from the University of California at Berkeley in 1997.

20. After graduation from law school in 2001, the same year in which Mr. Wong took and successfully passed the California Bar Exam, Mr. Wong moved to back to Los Angeles, California where he was employed at Paul Hastings, Janofsky & Walker, LLP. While working in the employment department at Paul Hastings, he was involved in numerous wage and hour class action lawsuits and other employment related matters.

21. Mr. Wong became a founding partner of Aegis Law Firm, PC in 2003, and focused his practice on plaintiff's side employment work. Throughout his years of practice, Mr. Wong represented and obtained successful outcomes for his clients, including awards through arbitration and trial.

22. Mr. Wong is a member of the Orange County Bar Association, Orange County Trial Lawyers Association, and California Employment Lawyers Association.

23. Mr. Wong was chosen by Law and Politics Magazine as a Super Lawyer Rising Star, representing one of the top 2.5% of lawyers under 40 in Southern California in 2011, 2012, 2013, and 2014. He was chosen by Law and Politics Magazine as a Super Lawyer in 2015, 2016, 2017, and 2018. Mr. Wong was also chosen as a Top Attorney in the field of employment law by OC Metro in 2014, 2015, and 2018.

24. Kashif Haque received his J.D. in 2001 from Washington University School of Law. While in law school, Mr. Haque was a member of the Law Review Editorial Board, author of an article published in the Law Review, Executive Board Member of Moot Court, and a member of the Dean's List. He received a Bachelor's of Science in Business Administration from the University of Central Missouri in 1998, where he was a member of the Beta Alpha Psi honors fraternity.

25. Since 2004, Mr. Haque has exclusively focused his practice on plaintiff's employment litigation with a specific focus on wage and hour claims. Since then, he has represented over 500,000 employees with their employment claims, many of which included wage and hour claims. He has been appointed class counsel in approximately 100 cases and is currently litigating over 150 employment wage and hour class action cases.

26. Mr. Haque authored a book on employment litigation strategies with West Publishing and has been invited to speak on class action and wage and hour issues on numerous occasions. He has spoken at seminars by the State Bar of California, California Employment Lawyer's Association (CELA), Orange County Bar Association, and various other CLE providers. Mr. Haque is the former Chair for the Labor and Employment Section of the Orange County Bar Association. He was selected as one of the Top 50 Attorneys in Orange County by Super Lawyers for 2017 and 2019. He has been a Super Lawyer for every year from 2009 to the present. OC

Register/Metro has selected him as one of the Top 5 Employment Lawyers in Orange County for every year the list was published, from 2012 to 2018.

27. Jessica L. Campbell is a partner at Aegis Law Firm. Ms. Toscano was admitted to the California Bar in December of 2011, and received her J.D. from Santa Clara University School of Law and her B.A. from the University of California, Berkeley. Ms. Toscano has dedicated her career to plaintiffs' side class actions. Ms. Campbell's experience includes successful work on class action appeals, class certification motions, and class settlements. She was chosen by Law and Politics Magazine as a Super Lawyer Rising Star, representing one of the top 2.5% of lawyers under 40 in Southern California in 2018-2021.

28. Fawn Bekam is a former Senior Associate at Aegis Law Firm. Ms. Bekam is a graduate of University of California, Irvine School of Law, where she received her J.D. in 2015. She received her B.A. from University of California, Los Angeles in 2012. While in law school, Ms. Bekam was a recipient of numerous honors, including multiple Dean's Awards, Dean's Merit Scholarship, and pro bono graduation honors. Also during law school, she externed for Judge Di Cesare of the Orange County Superior Court, was a research assistant to Dean Erwin Chemerinsky, and participated in three semesters of the Immigrants Rights Clinic as a certified law student. She billed at a rate of $700.00 per hour while working on this case.

29. I am an associate attorney at Aegis Law Firm. I was admitted to the California Bar in June of 2019. I received my J.D. from the University of San Diego School of Law. I work exclusively on wage and hour class and representative action litigation at Aegis. Prior to Aegis Law Firm, my experience includes Plaintiff-side employment law litigation. I currently bill at a rate of $600 per hour.

30. In litigating this case, my office spent $43,217.17 in litigation costs, such as filing fees, expert fees, and mediation fees.

31. My firm spent over 200 hours working on this case, for a lodestar of at least $154,815.00 in fees. However, we are only requesting the fees provided in the Settlement, which are capped at $102,333.33. The chart below shows the calculation of hours spent by each of Aegis' attorneys on this case:

Attorney	Hours	Hourly Rate	Total
Sam Wong	68.3	$950.00	$64,885.00
Jessica L. Campbell	17.1	$800.00	$13,680.00
Julia M. Toscano	41.8	$600.00	$25,080.00
Fawn Bekam	73.1	$700.00	$51,170.00
Total	**200.3**		**$154,815.00**

32. Aegis' hourly rates are comparable to those charged by other class action plaintiff's counsel and the firms defending class actions. The attorneys at Aegis dedicated significant resources to this case by dividing the tasks required according to skill level; the professional hours generated by each attorney are not unreasonable or duplicative.

33. During the pendency of this action, Aegis thoroughly investigated and researched the claims in controversy, their defenses, and the relevant body of law. Overall, Aegis performed extensive work and obtained a favorable result through time-consuming litigation, substantial analysis of the records, a full day of mediation, and negotiation of the Settlement. This time could have been spent on other potentially lucrative cases. Aegis also took Plaintiff's case on a pure contingency basis, with no guarantee of any payment.

34. Attached hereto as **Exhibit 1** is a true and correct copy of the fully-executed settlement agreement between the Parties, entitled the Private Attorneys General Act Settlement Agreement and Limited Release. **Exhibit A** attached thereto is the notice to be mailed to the aggrieved employees.

35. Attached hereto as **Exhibit 2** is a true and correct copy of the letter Plaintiff sent to the LWDA and Defendants on August 3, 2021.

36. Plaintiff provided notice of the Settlement to the LWDA and served a copy of the motion on the LWDA. Attached hereto as **Exhibit 3** is a true and correct copy of the confirmation email we received after submitting the proposed settlement and Motion for Approval to the LWDA.

37. Attached hereto as **Exhibit 4** is a true and correct copy of my firm's cost journal for actual costs expended on this case.

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

Executed on November 20, 2025, in Irvine, California.

Julia M. Toscano

EXHIBIT 1

PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement ("Agreement") is made by and between plaintiff Chadd Hunter Elam ("Plaintiff") and defendant Jerome's Furniture Warehouse (collectively, "Defendant"). The Agreement refers to Plaintiff and Defendant collectively as "Parties," or individually as "Party."

1. DEFINITIONS.

1.1. "Action" means the Plaintiff's PAGA lawsuit alleging wage and hour violations against Defendant captioned *Elam v. Jerome's Furniture Warehouse*, Case No. 37-2021-000431150CU-OE-CTL initiated on October 12, 2021, and pending in Superior Court of the State of California, County of San Diego.

1.2. "Administrator" means Phoenix Settlement Administrators, the neutral entity the Parties have agreed to appoint to administer the Settlement.

1.3. "Administration Expenses Payment" means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator's "not to exceed" bid submitted to the Court in connection with approval of this Settlement.

1.4. "Aggrieved Employee" means a person employed by Defendant as a non-exempt employee in a sales position in California at any time during the PAGA Period, including but not limited to job titles such as: "Sales Associate", "Sales Supervisor", "~~Assistant Sales Manager~~", "Bedding Specialist", and "Web Sales Associate". AH

1.5. "Aggrieved Employee Data" means Aggrieved Employee identifying information in Defendant's possession including the Aggrieved Employee's name, last-known mailing address, Social Security number, and number of PAGA Pay Periods.

1.6. "Aggrieved Employee Address Search" means the Administrator's investigation and search for current Aggrieved Employee mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Aggrieved Employees.

1.7. "Approval Order" means the Court's Order granting approval of this Agreement.

1.8. "Court" means the Superior Court of California, County of San Diego.

1.9. "Defendant" means Jerome's Furniture Warehouse, the named defendant in the Action.

1.1. "Defense Counsel" means Janice P. Brown, Nadia Bermudez and Amanda Reasons of Meyers Nave.

1.2. "Effective Date" means the date the Court enters Judgment on its Approval Order.

1.3. "Gross Settlement Amount" means $307,000.00 which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 8 below. The Gross Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, Plaintiff's Individual Settlement Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administrator's Expenses Payment.

1.4. "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 35% of the PAGA Penalties calculated according to the number of Pay Periods the Aggrieved Employee worked during the PAGA Period.

1.5. "Judgment" means the judgment entered by the Court based upon the Approval Order.

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

1.7. "LWDA PAGA Payment" means the 65% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).

1.8. "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Plaintiff's Individual Settlement Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment.

1.9. "PAGA Counsel" means Samuel Wong, Kashif Haque, Jessica Campbell, and Julia Toscano of Aegis Law Firm, PC, the attorneys representing the Plaintiff in the Action.

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

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

1.12. "PAGA Period" means the period from August 3, 2020 through September 30, 2024.

1.13. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).

1.14. "PAGA Notice" means Plaintiff's August 3, 2021 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).

1.15. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Net Settlement Amount, allocated 35% to the Aggrieved Employees and 65% to the LWDA in settlement of PAGA claims.

1.16. "Plaintiff" means Chadd Hunter Elam, the named plaintiff in the Action.

1.17. "Released PAGA Claims" means the claims being released by Plaintiff on behalf of the State of California and Aggrieved Employees as described in Paragraph 5 below.

1.18. "Released Parties" means Defendant and its former and present directors, officers, shareholders, members, owners, attorneys, insurers, predecessors, successors, assigns, subsidiaries, and affiliates.

1.19. "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.

2. RECITALS.

2.1. On October 12, 2021, Plaintiff commenced this Action by filing a complaint alleging a single cause of action against Defendant for Violation of the California Labor Code Private Attorneys General Act Of 2004 (Cal. Lab. Code §§ 2698, et seq.). The Complaint is the operative complaint in the Action (the "Operative Complaint").

2.2. Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in in the Operative Complaint and denies any and all liability for the cause of action alleged.

2.3. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.

2.4. On January 9, 2025, the Parties participated in an all-day mediation presided over by Eve Wagner, which led to this Agreement to settle the Action.

2.5. Prior to mediation, Plaintiff obtained, through formal discovery, Plaintiff's personnel file, relevant wage and hour policies, and Aggrieved Employees' time and pay records.

3. MONETARY TERMS.

3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendant promises to pay $307,000.00 and no more as the Gross Settlement Amount. Defendant has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

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

3.2.1. To PAGA Counsel: A PAGA Counsel Fees Payment of not more than one-third of the Gross Settlement Amount, which is currently estimated to be $102,333.33 and PAGA Counsel Litigation Expenses Payment of not more than $55,000.00 Defendant will not oppose requests for Court approval of these payments provided that they do not exceed these amounts. Plaintiff and/or PAGA Counsel will file a motion for approval of the PAGA Counsel Fees Payment and PAGA Litigation Expenses Payment. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to PAGA Counsel or any other Plaintiff's Counsel arising from any claim to any portion any PAGA Counsel Fee Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Expenses Payment using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.2. To Plaintiff: An Individual Service Payment to Plaintiff in the amount of $15,000.00, in addition to any Individual PAGA Payment that Plaintiff is entitled to receive as an Aggrieved Employee. The Administrator will pay the Service Award Individual Service Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Individual Service Payment.

3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed $5,250.00 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 $5,250.00, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.4. To the LWDA and Aggrieved Employees: PAGA Penalties will be paid from the Net Settlement Amount, with 65% allocated to the LWDA PAGA Payment and 35% allocated to the Individual PAGA Payments.

3.2.4.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 35% share of PAGA Penalties by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Aggrieved Employee Pay Periods. Based on a review of its records, Defendant estimates there are approximately 18,350 PAGA Pay Periods during the PAGA Period.

4.2. Aggrieved Employee Data. Within 10 business days of the Approval Order, Defendant will deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employee' privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify PAGA Counsel if they discover that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data. Within 10 business days of receiving the Aggrieved Employee Data, the Administrator shall provide notify PAGA Counsel and Defense Counsel that the data has been received and state the number of Aggrieved Employees and PAGA Pay Periods in the Aggrieved Employee Data and provide Defense Counsel with instructions for funding the Gross Settlement Amount.

4.3. Funding of Gross Settlement Amount. Defendant shall fund the Gross Settlement Amount by transmitting the funds to the Administrator in two separate payments as follows: (1) the first payment of $153,500.00 shall be paid no later than 30 days after the Approval Order as well as receipt of payment instructions from the administrator and (2) the second payment of $153,500.00 shall be paid no later than 180 days thereafter.

4.4. Payments from the Gross Settlement Amount. Within 10 business days after Defendant fully funds the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, the Individual Settlement Payment for Plaintiff, the Administration Expenses Payment, the PAGA Counsel Expenses Payment, and the PAGA Counsel Fees Payment. Disbursement of the Individual Settlement Payment for Plaintiff, PAGA Counsel Litigation Expenses Payment, and PAGA Counsel Fees Payment shall not precede disbursement of Individual PAGA Payments.

4.4.1. The Administrator will issue checks for the Individual PAGA Payments and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. A notice letter explaining why the check is being sent, in a mutually-agreed upon form that has been approved by the Court, in substantially the form that is attached hereto as "Exhibit A," will be included in the mailing of each Individual PAGA Payment. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.4.2. The Administrator must conduct an Aggrieved Employee Address Search for all Aggrieved Employees whose checks are retuned undelivered without USPS forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Aggrieved Employee Address Search. The Administrator need not take further steps to deliver checks to Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, requested by the Aggrieved Employee prior to the void date.

4.4.3. For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Aggrieved Employee.

4.4.4. The payment of Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to the Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. **RELEASES OF CLAIMS**. Effective on the date when Defendant fully funds the entire Gross Settlement Amount, Plaintiff and all Aggrieved Employees 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 all claims for PAGA penalties arising during the PAGA Period that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and the PAGA Notice.

6. **MOTION FOR APPROVAL OF SETTLEMENT.**

Plaintiff will prepare and file a motion for approval of this Settlement.

7. **SETTLEMENT ADMINISTRATION.**

7.1 Selection of Administrator. The Parties have jointly selected Phoenix Settlement Administrators to serve as the Administrator and verified that, as a condition of appointment, Phoenix Settlement Administrators 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 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

8. ESCALATOR CLAUSE. If the number of PAGA Pay Periods exceeds 18,350 by more than 5%, the Gross Settlement Amount will increase pro rata per additional PAGA Pay Period.

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

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

10. ADDITIONAL PROVISIONS.

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

10.2 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

10.3 Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendants, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

10.4 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

10.5 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.

10.6 No Tax Advice. Neither Plaintiff, PAGA Counsel, Defendant, nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

10.7 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.

10.8 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

10.9 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.

10.10 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

10.11 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.

10.12 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.

10.13 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

10.14 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 Plaintiff:

Aegis Law Firm, PC
Kashif Haque
Samuel Wong
Jessica L. Campbell
jcampbell@aegislawfirm.com
Julia Toscano
jtoscano@aegislawfirm.com
9811 Irvine Center Drive, Suite 100
Irvine, California 92618

To Defendant:

Janice Brown
jbrown@meyersnave.com
Nadia Bermudez
nbermudez@meyersnave.com
Amanda Reasons
areasons@meyersnave.com
MEYERS NAVE
600 B. Street, Suite 1650
San Diego, CA 92101
Telephone: 619.330.1700
Facsimile: 619.330.1701

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

10.16 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.

Agreed to by the Parties:

Date: 9/26/2025 | 4:31 PM PDT

PLAINTIFF CHADD HUNTER ELAM

Signed by:
39F60529DC43401...

Chadd Hunter Elam

Date: 25 SEP 2025

DEFENDANT JEROME'S FURNITURE WAREHOUSE

By: Adrienne Navarra
SVP of People & Places

Agreed As to Form Only:

AEGIS LAW FIRM, PC

Dated: 9/29/2025

By:
Samuel Wong
Julia Toscano
Attorneys for Plaintiff

MEYERS NAVE

Dated: 9-25-25

By:
Nadia P. Bermudez
Attorneys for Defendant

EXHIBIT A

<<Mailing Date>>

To: <<First Name>><<Last Name>>
<<Address>>
<<City>> <<State>> <<Zip>>

Re: Individual PAGA Payment from *Elam v. Jerome's Furniture Warehouse*
San Diego County Superior Court, Case No. 37-2021-000431150CU-OE-CTL

Dear <<First Name>><<Last Name>>:

Please find enclosed a check in the amount of **<<amount of payment>>** ("Individual PAGA Payment"). This check is your payment from the settlement of a lawsuit entitled *Elam v. Jerome's Furniture Warehouse*, Case No. 37-2021-000431150CU-OE-CTL ("Action"), filed in the Superior Court of California for the County of San Diego ("Court").

The lawsuit was filed by Chadd Hunter Elam ("Plaintiff"), a former employee of Jerome's Furniture Warehouse ("Defendant"), on behalf of the State of California with respect to himself and other allegedly aggrieved employees, to seek recovery of civil penalties pursuant to the California Private Attorneys General Act of 2004, California Labor Code § 2698, *et seq.* ("PAGA"). Plaintiff alleged that Defendant violated the California Labor Code by failing to pay minimum wages and overtime wages; failing to provide meal periods and permit rest breaks; failing to reimburse business expenses; failing to provide accurate itemized wage statements; failing to pay wages timely during employment; and failing to pay all wages due upon separation of employment.

Defendant denies these allegations and denies any wrongdoing of any kind associated with these allegations.

A settlement was reached between Plaintiff and Defendant, on behalf of Plaintiff, the State of California, and the following Aggrieved Employees: all persons employed by Defendant in a sales position in California as a non-exempt employee at any time from August 3, 2020 through September 30, 2024. You are receiving a portion of the settlement (the enclosed Individual PAGA Payment check) because you have been identified as an Aggrieved Employee. You will not be retaliated against by Defendant for cashing your check.

On <<Approval Date>>, the settlement was approved by the Court, with a portion to be paid to the State of California and a portion to be paid to the Aggrieved Employees. Your Individual PAGA Payment is based on the total number of pay periods that you worked as an Aggrieved Employee during the period between August 3, 2020 through September 30, 2024 (the "PAGA Period"). The Individual PAGA Payment is considered to be 100% penalties, which will be reported on an IRS Form 1099. You are responsible for paying any and all taxes that may be due as a result of any payment issued to you under the settlement and should consult a tax advisor regarding the tax consequences of such payment.

By way of the settlement, you will be deemed to release Defendant and its former and present directors, officers, shareholders, members, owners, attorneys, insurers, predecessors, successors, assigns, subsidiaries, and affiliates (the "Released Parties") from any and all claims for PAGA penalties arising during the PAGA Period that were alleged or reasonably could have been alleged, based on the facts stated in the Operative Complaint and the PAGA Notice.

Your Individual PAGA Payment check is valid for 180 calendar days from the date of issuance, and if you do not cash, deposit, or otherwise negotiate the check within the 180-day timeframe, your Individual PAGA Payment will be cancelled and the funds will be transmitted to the State Controller's Office Unclaimed Property Fund in your name.

Do not call or write the Court or Office of the Clerk of the Court to ask questions about the settlement. If you have any questions concerning the settlement, you may contact the Settlement Administrator at <<INSERT CONTACT INFORMATION>>.

EXHIBIT 2

AEGIS LAW

AEGIS LAW FIRM, PC
9811 Irvine Center Drive, Suite 100
Irvine, California 92618
Telephone: 949.379.6250
Facsimile: 949.379.6251
www.aegislawfirm.com

August 3, 2021

VIA ONLINE SUBMISSION

California Labor and Workforce Development Agency
Attn: PAGA Administrator

VIA CERTIFIED MAIL (RETURN RECEIPT REQUESTED)

Agent for Service of Process for Jerome's Furniture Warehouse:
Daniel Reynolds
16960 Mesamint Street
San Diego, CA 92127

Re: *Chadd Hunter Elam v. Jerome's Furniture Warehouse*

Dear Labor and Workforce Development Agency; Jerome's Furniture Warehouse:

Please allow this correspondence to serve as written notice required by California Labor Code § 2699.3(a)(1) of the specific provisions of the Labor Code allegedly violated by Jerome's Furniture Warehouse ("Jerome's") and the facts and theories in support of said allegations. This firm represents Chad Hunter Elam ("Claimant"); we hereby notify you that Claimant intends to seek penalties against Jerome's under the Private Attorneys General Act of 2004, Cal. Lab. Code §§ 2698 *et seq.*, on Claimant's own behalf and all other aggrieved employees.

Specific Provisions of the Labor Code Allegedly Violated by Jerome's

The specific provisions of the Labor Code allegedly violated by Jerome's and the provisions under which Claimant submits this correspondence include the following: §§ 201, 202, 203, 204, 210, 226, 226.3, 226.7, 246, 510, 512, 558, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2800, and 2802.

Facts and Theories Supporting the Allegations Against Jerome's

Claimant and other aggrieved employees worked for Jerome's in California as non-exempt employees. Claimant was employed by Jerome's in California within the past year.

During the past year, Jerome's failed to provide 30-minute uninterrupted meal periods within the appropriate time intervals to aggrieved employees as required by Labor Code section 512 and section 11 of the applicable Wage Order. Aggrieved employees frequently worked shifts over five hours and did not receive lawful meal periods because they were interrupted during their meal periods, were required to work through their meal periods, and/or were not scheduled to be relieved by other employees at the appropriate intervals to receive all lawful meal periods. As a result, their meal periods were missed, late, short, and/or interrupted.

When aggrieved employees missed meal periods or if the meal periods were late, short, and/or interrupted, Jerome's violated Labor Code sections 226.7 and 512, as well as section 11 of the applicable Wage Order, by failing to pay an additional hour of pay at the regular rate of pay to aggrieved employees for every day in which they suffered a meal period violation. While Jerome's paid some premiums, it paid premiums at the base rate of pay instead of the regular rate of pay, which would include all non-discretionary pay such as commissions or other incentive pay.

Jerome's failed to authorize or permit paid 10-minute rest periods for every four hours or major fraction thereof worked because Claimant and other aggrieved employees were required to work through their rest periods, were interrupted during rest periods, were required to remain on premises during rest periods, were discouraged from taking their rest periods, and/or were not scheduled to be relieved by other employees at the appropriate intervals to receive all rest periods.

When Claimant and other aggrieved employees did not receive rest periods, Jerome's violated Labor Code section 226.7 and section 12 of the applicable Wage Order by failing to pay an additional hour of pay at the regular rate of pay to Claimant and other aggrieved employees. If Jerome's paid premiums, it paid them at the base rate of pay instead of the regular rate of pay, which would include all non-discretionary pay such as commissions or other incentive pay.

Jerome's failed to pay Claimant and other aggrieved employees at least the legal minimum wage and overtime wage for all hours worked (in violation of Labor Code sections 510, 558, 1182.12, 1194, 1194.2, 1197, 1197.1, and 1198) due to Jeromes' policy and practice of requiring Claimant and aggrieved employees to work off-the-clock, including to respond to messages from supervisors on the Mobile App employees were required to use. To the extent such work performed off-the-clock entitled employees to pay at the legal minimum wage rate or at the overtime rate of pay, Jerome's failed to pay Claimant and other aggrieved all minimum and overtime wages for these hours.

Claimant and other aggrieved employees incurred necessary business-related expenses as a direct consequence of the discharge of their job duties for the benefit of Jerome's. For example, Claimant and aggrieved employees incurred expenses associated with using their personal cell phones for work, such as for the Mobile messaging App Jerome's required them to use. As such, Jerome's violated Labor Code §§ 2800 and 2802 by failing to reimburse Claimant and other aggrieved employees for such expenses.

Jerome's also failed to pay Claimant's and other aggrieved employees' sick pay at the regular rate of pay, which would include all non-discretionary pay such as commissions or other incentive pay, as required by Labor Code Section 246. Instead, Jerome's apparently paid employees at their base rate of pay.

As a result of, and in addition to, these actions, Jerome's violated Labor Code sections 226, and 226.3 by failing to provide itemized wage statements that accurately reported the following: (1) gross wages earned; (2) total hours worked by the employee; (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis; (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item; (5) net wages earned; (6) the inclusive dates of the period for which the employee is paid; (7) the name of the employee and the last four digits of his or her social security number or an employee identification number other than a social security number; (8) the name and address of the legal entity that is the employer; and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. Specifically, the wage statements fail to list the correct hours, rates, and pay due to the above violations.

Jerome's violated Labor Code sections 1174 and 1174.5 by failing to maintain accurate and complete records showing the hours worked daily by the aggrieved employees and the wages earned by aggrieved employees (due to the same underpayment of wages referenced above).

Furthermore, Jerome's violated the Labor Code by failing to properly pay all these wages owed throughout aggrieved employees' employment and following the end of these workers' employment with Jerome's due to the above violations (in violation of Labor Code sections 201, 202, 203, 204). Claimant's final pay was not paid on the date of his termination but rather on the normal payday for the pay cycle, Claimant believes other aggrieved employees also suffered this violation.

Based on these violations, Claimant seeks attorneys' fees, interest, and penalties under the Labor Code. Enclosed and incorporated by reference is the class action complaint Claimant intends to file on behalf of himself and all other aggrieved employees against Jerome's. Claimant intends to amend the complaint to include a cause of action pursuant to Labor Code §§ 2698, *et seq.*, after the minimum required review period elapses and will file a conformed copy of the complaint after it has been filed with the court.

Thank you for your assistance on this matter. Should you have any questions or comments, please do not hesitate to contact the undersigned.

Very truly yours,
AEGIS LAW FIRM, PC

Jessica L. Campbell

Enclosure: Class Action Complaint

AEGIS LAW FIRM, PC
SAMUEL A. WONG, State Bar No. 217104
KASHIF HAQUE, State Bar No. 218672
JESSICA L. CAMPBELL, State Bar No. 280626
9811 Irvine Center Drive, Suite 100
Irvine, California 92618
Telephone: (949) 379-6250
Facsimile: (949) 379-6251
Email: jcampbell@aegislawfirm.com

Attorneys for Plaintiff Chadd Hunter Elam, individually, and on behalf of all others similarly situated.

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN DIEGO

CHADD HUNTER ELAM, individually and on behalf of all others similarly situated, Plaintiffs, v. JEROME'S FURNITURE WAREHOUSE; and DOES 1 through 20, inclusive, Defendants.	Case No. **CLASS ACTION COMPLAINT FOR:** 1. Failure to Pay Minimum Wages; 2. Failure to Pay Overtime Wages; 3. Failure to Provide Meal Periods; 4. Failure to Permit Rest Breaks; 5. Failure to Reimburse Business Expenses; 6. Failure to Provide Accurate Itemized Wage Statements; 7. Failure to Pay All Wages Due Upon Separation of Employment; and 8. Violation of Business and Professions Code §§ 17200, *et seq*. **DEMAND FOR JURY TRIAL**

Plaintiff Chadd Hunter Elam, individually and on behalf of others similarly situated, alleges as follows:

NATURE OF ACTION AND INTRODUCTORY STATEMENT

1. Plaintiff Chadd Hunter Elam ("Plaintiff") brings this putative class action against defendant Jerome's Furniture Warehouse, and DOES 1 through 20, inclusive (collectively, "Defendants"), on Plaintiff's own behalf and on behalf of a putative class of California citizens who are and were employed by Defendants as non-exempt employees throughout California.

2. Defendants are in the furniture retail industry.

3. Through this action, Plaintiff alleges that Defendants engaged in a systematic pattern of wage and hour violations under the California Labor Code and Industrial Welfare Commission ("IWC") Wage Orders, all of which contribute to Defendants' deliberate unfair competition.

4. Plaintiff is informed and believe, and thereon alleges, that Defendants have increased their profits by violating state wage and hour laws by, among other things:

(a) failing to pay all wages (including minimum wages and overtime wages);

(b) failing to provide lawful meal periods or compensation in lieu thereof;

(c) failing to authorize or permit lawful rest breaks or provide compensation in lieu thereof;

(d) failing to reimburse necessary business-related costs;

(e) failing to provide accurate itemized wage statements; and

(f) failing to pay all wages due upon separation of employment.

5. Plaintiff seeks monetary relief against Defendants on behalf of himself and all others similarly situated in California to recover, among other things, unpaid wages, un-reimbursed business expenses, benefits, interest, attorneys' fees, costs and expenses, and penalties pursuant to Labor Code §§ 201, 202, 203, 204, 210, 226, 226.7, 510, 512, 1182.12, 1194, 1194.2, 1197, 1198, 2800, and 2802, and Code of California Civil Procedure § 1021.5.

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JURISDICTION AND VENUE

6. This is a class action pursuant to California Code of Civil Procedure § 382. The monetary damages and restitution sought by Plaintiff exceed the minimal jurisdictional limits of the Superior Court and will be established according to proof at trial.

7. This Court has jurisdiction over this action pursuant to the California Constitution, Article VI, § 10, which grants the Superior Court original jurisdiction in all causes except those given by statutes to other courts. The statutes under which this action is brought do not specify any other basis for jurisdiction.

8. This Court has jurisdiction over all Defendants because, upon information and belief, they are citizens of California, have sufficient minimum contacts in California, or otherwise intentionally avail themselves of the California market so as to render the exercise of jurisdiction over them by the California courts consistent with traditional notions of fair play and substantial justice.

9. Venue is proper in this Court because, upon information and belief, Defendants reside, transact business, or have offices in this county, and/or the acts and omissions alleged herein took place in this county.

THE PARTIES

10. Plaintiff is a resident of California and worked for Defendants during the relevant time periods as alleged herein.

11. Plaintiff is informed and believes, and thereon alleges that at all times hereinafter mentioned, Defendants were and are subject to the Labor Code and IWC Wage Orders as employers, whose employees were and are engaged throughout this county and the State of California.

12. Plaintiff is unaware of the true names or capacities of the defendants sued herein under the fictitious names DOES 1 through 20, but will seek leave of this Court to amend this Complaint and serve such fictitiously named defendants once their names and capacities become known.

13. Plaintiff is informed and believes, and thereon alleges, that DOES 1 through 20 are or were the partners, agents, owners, shareholders, managers, or employees of Defendants at all relevant times.

14. Plaintiff is informed and believes, and thereon alleges, that each defendant acted in all respects pertinent to this action as the agent of the other defendant, carried out a joint scheme, business plan, or policy in all respects pertinent hereto, and the acts of each defendant are legally attributable to the other defendant. Furthermore, defendants in all respects acted as the employer and/or joint employer of Plaintiff and the class members.

15. Plaintiff is informed and believes, and thereon alleges, that each and all of the acts and omissions alleged herein were performed by, or are attributable to, Defendants and/or DOES 1 through 20, acting as the agent or alter ego for the other, with legal authority to act on the other's behalf. The acts of any and all Defendants were in accordance with, and represent, the official policy of Defendants.

16. At all relevant times, Defendants, and each of them, acted within the scope of such agency or employment, or ratified each and every act or omission complained of herein. At all relevant times, Defendants, and each of them, aided and abetted the acts and omissions of each and all the other Defendants in proximately causing the damages herein alleged.

17. Plaintiff is informed and believes, and thereon alleges, that each of said Defendants is in some manner intentionally, negligently, or otherwise responsible for the acts, omissions, occurrences, and transactions alleged herein.

CLASS ACTION ALLEGATIONS

18. Plaintiff brings this action under Code of Civil Procedure § 382 on Plaintiff's own behalf and on behalf of all others similarly situated who were affected by Defendants' Labor Code, Business and Professions Code §§ 17200, and IWC Wage Order violations.

19. All claims alleged herein arise under California law for which Plaintiff seeks relief authorized by California law.

20. Plaintiff's proposed class consists of and is defined as follows:

Class

All California citizens currently or formerly employed by Defendants as non-exempt employees in the State of California at any time between February 6, 2017[1] and the date of class certification ("Class").

21. Plaintiff also seeks to certify the following subclasses of employees:

Waiting Time Subclass

All members of the Class who separated their employment with Defendant at any time between February 6, 2018 and the date of class certification ("Waiting Time Subclass").

22. Plaintiff reserves the right to modify or re-define the Class, establish additional subclasses, or modify or re-define any class or subclass definition as appropriate based on investigation, discovery, and specific theories of liability.

23. Members of the Class and the Waiting Time Subclass described above will be collectively referred to as "Class Members."

24. There are common questions of law and fact as to the Class Members that predominate over any questions affecting only individual members including, but not limited to, the following:

(a) Whether Defendants failed to pay Plaintiff and Class Members all wages (including minimum wages and overtime wages) for all hours worked by Plaintiff and Class Members.

(b) Whether Defendants required Plaintiff and Class Members to work over eight (8) hours per day, over twelve (12) hours per day, and/or over forty (40) hours per week and failed to pay them proper overtime compensation for all overtime hours worked.

[1] The statute of limitations for this matter was tolled between April 6, 2020 and October 1, 2020 pursuant to Cal. Rules of Court, Appendix I, Emergency Rule No. 9.

(c) Whether Defendants deprived Plaintiff and Class Members of timely meal periods or required Plaintiff and Class Members to work through meal periods without legal compensation at the regular rate of pay.

(d) Whether Defendants deprived Plaintiff and Class Members of rest breaks or required Plaintiff and Class Members to work through rest breaks without legal compensation at the regular rate of pay.

(e) Whether Defendants failed to reimburse Plaintiff and Class Members for necessary business-related costs expended for the benefit of Defendants.

(f) Whether Defendants failed to provide Plaintiff and Class Members accurate itemized wage statements.

(g) Whether Defendants failed to timely pay the Waiting Time Subclass all wages due upon termination or within seventy-two (72) hours of resignation.

(h) Whether Defendants' conduct was willful or reckless.

(i) Whether Defendants engaged in unfair business practices in violation of Business and Professions Code §§ 17200, *et seq*.

25. There is a well-defined community of interest in this litigation and the proposed Class and subclasses are readily ascertainable:

(a) Numerosity: The Class Members are so numerous that joinder of all members is impractical. Although the members of the Class are unknown to Plaintiff at this time, on information and belief, the Class is estimated to be greater than fifty (50) individuals. The identities of the Class Members are readily ascertainable by inspection of Defendants' employment and payroll records.

(b) Typicality: Plaintiff's claims (or defenses, if any) are typical of the claims (or defenses, if any) of the Class Members because Defendants' failure to comply with the provisions of California's wage and hour laws entitled each Class Member to similar pay, benefits, and other relief. The injuries sustained by Plaintiff are also typical of the injuries sustained by the Class Members, because they arise out of and are caused by Defendants' common course of conduct as alleged herein.

(c) Adequacy: Plaintiff will fairly and adequately represent and protect the interests of all Class Members because it is in Plaintiff's best interest to prosecute the claims alleged herein to obtain full compensation and penalties due. Plaintiff's attorneys, as proposed class counsel, are competent and experienced in litigating large employment class actions and versed in the rules governing class action discovery, certification, and settlement. Plaintiff has incurred and, throughout the duration of this action, will continue to incur attorneys' fees and costs that have been and will be necessarily expended for the prosecution of this action for the substantial benefit of the Class Members.

(d) Superiority: The nature of this action makes use of class action adjudication superior to other methods. A class action will achieve economies of time, effort, and expense as compared with separate lawsuits and will avoid inconsistent outcomes because the same issues can be adjudicated in the same manner for the entire Class and Waiting Time Subclass at the same time. If appropriate, this Court can, and is empowered to, fashion methods to efficiently manage this case as a class action.

(e) Public Policy Considerations: Employers in the State of California violate employment and labor laws every day. Current employees are often afraid to assert their rights out of fear of direct or indirect retaliation. Former employees are fearful of bringing actions because they believe their former employers might damage their future endeavors through negative references and/or other means. Class actions provide class members who are not named in the complaint with a type of anonymity that allows for the vindication of their rights while affording them privacy protections.

GENERAL ALLEGATIONS

26. At all relevant times mentioned herein, Defendants employed Plaintiff and other California citizens as non-exempt employees or employees throughout California at Defendants' California business location(s).

27. Defendants continue to employ non-exempt employees or employees within California.

28. Plaintiff is informed and believes, and thereon alleges, that at all times herein mentioned, Defendants were advised by skilled lawyers, employees, and other professionals who were knowledgeable about California's wage and hour laws, employment and personnel practices, and the requirements of California law.

29. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or should have known that Plaintiff and Class Members were entitled to receive wages for all time worked (including minimum wages and overtime wages) and that they were not receiving all wages earned for work that was required to be performed. In violation of the Labor Code and IWC Wage Orders, Plaintiff and Class Members were not paid all wages (including minimum wages and overtime wages) for all hours worked, including, but not limited to requiring Plaintiff and Class Members to work off-the-clock, and failing to compensate Plaintiff and Class Members for these hours.

30. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or should have known that Plaintiff and Class Members were entitled to receive all required meal periods or payment of one (1) additional hour of pay at Plaintiff's and Class Members' regular rate of pay when they did not receive a timely, uninterrupted meal period. In violation of the Labor Code and IWC Wage Orders, Plaintiff and Class Members did not receive all meal periods or payment of one (1) additional hour of pay at Plaintiff's and Class Members' regular rate of pay when they did not receive a timely, uninterrupted meal period. When meal period premiums were paid, the base rate of pay was used instead of the regular rate of pay, which would include all non-discretionary pay such as commissions or other incentive pay.

31. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or should have known that Plaintiff and Class Members were entitled to receive all rest breaks or payment of one (1) additional hour of pay at Plaintiff's and Class Members' regular rate of pay when a rest break was late, missed, or interrupted. In violation of the Labor Code and IWC Wage Orders, Plaintiff and Class Members did not receive all rest breaks or payment of one (1)

additional hour of pay at Plaintiff's and Class Members' regular rate of pay when a rest break was missed, late, or interrupted. If rest period premiums were paid, the base rate of pay was used instead of the regular rate of pay, which would include all non-discretionary pay such as commissions or other incentive pay.

32. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or should have known that Plaintiff and Class Members were entitled to reimbursement and/or indemnification for all necessary business expenditures or losses as a direct consequence of the discharge of their duties, or of their obedience to the directions of Defendants. In violation of the Labor Code and IWC Wage Orders, Plaintiff and Class Members incurred necessary business expenses or losses, such as cell phones, but were not reimbursed nor indemnified of such expenses or losses that were incurred as a direct consequence of the discharge of their duties, or of their obedience to the directions of Defendants.

33. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or should have known that Plaintiff and Class Members were entitled to receive itemized wage statements that accurately showed the following information pursuant to the Labor Code: (1) gross wages earned; (2) total hours worked by the employee; (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis; (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item; (5) net wages earned; (6) the inclusive dates of the period for which the employee is paid; (7) the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number; (8) the name and address of the legal entity that is the employer; and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. In violation of the Labor Code, Plaintiff and Class Members were not provided with accurate itemized wage statements.

34. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or should have known that the Waiting Time Subclass was entitled to timely payment of wages due

upon separation of employment. In violation of the Labor Code, the Waiting Time Subclass did not receive payment of all wages within the permissible time periods.

35. Plaintiff is informed and believes, and thereon alleges, that Defendants knew or should have known they had a duty to compensate Plaintiff and Class Members, and Defendants had the financial ability to pay such compensation but willfully, knowingly, and intentionally failed to do so in order to increase Defendants' profits.

36. Therefore, Plaintiff brings this lawsuit seeking monetary and injunctive relief against Defendants on Plaintiff's own behalf and on behalf of all Class Members to recover, among other things, unpaid wages (including minimum wages and overtime wages), unpaid meal period premium payments, unpaid rest period premium payments, unreimbursed business expenditures, interest, attorneys' fees, penalties, costs, and expenses.

FIRST CAUSE OF ACTION

FAILURE TO PAY MINIMUM WAGES

(Violation of Labor Code §§ 1194, 1194.2, and 1197; Violation of IWC Wage Order §3-4)

37. Plaintiff hereby re-alleges and incorporates by reference all paragraphs above as though fully set forth herein.

38. Labor Code §§ 1194 and 1197 provide that the minimum wage for employees fixed by the IWC is the minimum wage to be paid to employees, and the payment of a lesser wage than the minimum so fixed is unlawful.

39. Plaintiff and Class Members were employees entitled to the protections of Labor Code §§ 1194 and 1197.

40. During the relevant time period, Defendants failed to pay Plaintiff and Class Members all wages owed when Defendants did not pay for all hours worked, including, but not limited to, hours spent working off-the-clock, among others.

41. During the relevant time period, Defendants failed to pay at least minimum wage to Plaintiff and Class Members for all hours worked pursuant to Labor Code §§ 1194 and 1197.

42. Defendants' failure to pay Plaintiff and Class Members the required minimum wage violates Labor Code §§ 1194 and 1197. Pursuant to these sections, Plaintiff and Class

Members are entitled to recover the unpaid balance of their minimum wage compensation as well as interest, costs, and attorneys' fees.

43. Pursuant to Labor Code § 1194.2, Plaintiff and Class Members are entitled to recover liquidated damages in an amount equal to the wages unlawfully unpaid and the accrued interest thereon.

SECOND CAUSE OF ACTION

FAILURE TO PAY OVERTIME

(Violation of Labor Code §§ 510, 1194, and 1198; Violation of IWC Wage Order § 3)

44. Plaintiff hereby re-alleges and incorporates by reference all paragraphs above as though fully set forth herein.

45. Labor Code § 1198 and the applicable IWC Wage Order provide that it is unlawful to employ persons without compensating them at a rate of pay either one and one-half (1½) or two (2) times the person's regular rate of pay, depending on the number of hours worked by the person on a daily or weekly basis.

46. Specifically, the applicable IWC Wage Orders provide that Defendants are and were required to pay overtime compensation to Plaintiff and Class Members at the rate of one and one-half times (1½) their regular rate of pay when working and for all hours worked in excess of eight (8) hours in a day or more than forty (40) hours in a workweek and for the first eight (8) hours of work on the seventh day of work in a workweek.

47. The applicable IWC Wage Orders further provide that Defendants are and were required to pay overtime compensation to Plaintiff and Class Members at a rate of two times their regular rate of pay when working and for all hours worked in excess of twelve (12) hours in a day or in excess of eight (8) hours on the seventh day of work in a workweek.

48. California Labor Code § 510 codifies the right to overtime compensation at one and one-half (1½) times the regular hourly rate for hours worked in excess of eight (8) hours in a day or forty (40) hours in a week and for the first eight (8) hours worked on the seventh consecutive day of work, and overtime compensation at twice the regular hourly rate for hours

worked in excess of twelve (12) hours in a day or in excess of eight (8) hours in a day on the seventh day of work in a workweek.

49. Labor Code § 510 and the applicable IWC Wage Orders provide that employment of more than six days in a workweek is only permissible if the employer pays proper overtime compensation as set forth herein.

50. Plaintiff and Class Members were employees entitled to the protections of California Labor Code §§ 510 and 1194.

51. During the relevant time period, Defendants required Plaintiff and Class Members to work in excess of eight (8) hours in a day, forty (40) hours in a week, and/or on a seventh consecutive day of work, entitling them to overtime wages.

52. During the relevant time period, Defendants failed to pay Plaintiff and Class Members overtime wages for all overtime hours worked when Defendants failed to pay for time spent working off-the-clock, among other reasons. To the extent these hours qualify for the payment of overtime wages, Plaintiff and Class Members were not paid proper overtime wages.

53. In violation of California law, Defendants knowingly and willfully refused to perform their obligations and compensate Plaintiff and Class Members for all wages earned and all hours worked.

54. Defendants' failure to pay Plaintiff and Class Members the unpaid balance of overtime compensation, as required by California law, violates the provisions of Labor Code §§ 510 and 1198, and is therefore unlawful.

55. Pursuant to Labor Code § 1194, Plaintiff and Class Members are entitled to recover their unpaid overtime and double time compensation as well as interest, costs, and attorneys' fees.

THIRD CAUSE OF ACTION

<u>FAILURE TO PROVIDE MEAL PERIODS</u>

(Violation of Labor Code §§ 226.7 and 512; Violation of IWC Wage Order § 11)

56. Plaintiff hereby re-alleges and incorporates by reference all paragraphs above as though fully set forth herein.

57. Labor Code § 226.7 provides that no employer shall require an employee to work during any meal period mandated by the IWC Wage Orders.

58. Section 11 of the applicable IWC Wage Order states, "[n]o employer shall employ any person for a work period of more than five (5) hours without a meal period of not less than 30 minutes, except that when a work period of not more than six (6) hours will complete the day's work the meal period may be waived by mutual consent of the employer and the employee."

59. Labor Code § 512(a) provides that an employer may not require, cause, or permit an employee to work for a period of more than five (5) hours per day without providing the employee with an uninterrupted meal period of not less than thirty (30) minutes, except that if the total work period per day of the employee is not more than six (6) hours, the meal period may be waived by mutual consent of both the employer and the employee.

60. Labor Code § 512(a) also provides that an employer may not employ an employee for a work period of more than ten (10) hours per day without providing the employee with a second meal period of not less than thirty (30) minutes, except that if the total hours worked is no more than twelve (12) hours, the second meal period may be waived by mutual consent of the employer and the employee only if the first meal period was not waived.

61. During the relevant time period, Plaintiff and Class Members did not receive compliant meal periods for working more than five (5) and ten (10) hours per day because their meal periods were missed, late, short, interrupted, and/or they were not permitted to take a second meal period.

62. Labor Code § 226.7(b) and section 11 of the applicable IWC Wage Order require an employer to pay an employee one (1) additional hour of pay at the employee's regular rate of compensation for each work day that a compliant meal period is not provided.

63. At all relevant times, Defendants failed to pay Plaintiff and Class Members meal period premiums for missed, late, and/or short meal periods pursuant to Labor Code § 226.7(b) and section 11 of the applicable IWC Wage Order. When meal period premiums were paid, the

base rate of pay was used instead of the regular rate of pay, which would include all non-discretionary pay such as commissions or other incentive pay.

64. As a result of Defendants' failure to pay Plaintiff and Class Members an additional hour of pay for each day a compliant meal period was not provided, Plaintiff and Class Members suffered and continue to suffer a loss of wages and compensation.

FOURTH CAUSE OF ACTION

FAILURE TO PERMIT REST BREAKS

(Violation of Labor Code §§ 226.7; Violation of IWC Wage Order § 12)

65. Plaintiff hereby re-alleges and incorporates by reference all paragraphs above as though fully set forth herein.

66. Labor Code § 226.7(a) provides that no employer shall require an employee to work during any rest period mandated by the IWC Wage Orders.

67. Section 12 of the applicable IWC Wage Order 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[,]" and the "[a]uthorized 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[,]" unless the total daily work time is less than three and one-half (3½) hours.

68. During the relevant time period, Plaintiff and Class Members did not receive a ten (10) minute rest period for every four (4) hours or major fraction thereof worked, including working in excess of ten (10) hours in a day, because they were required to work through their rest periods and/or were not authorized to take their rest periods.

69. Labor Code § 226.7(b) and section 12 of the applicable IWC Wage Order requires an employer to pay an employee one (1) additional hour of pay at the employee's regular rate of compensation for each work day that a compliant rest period is not provided.

70. At all relevant times, Defendants failed to pay Plaintiff and Class Members rest period premiums for missed, late, and/or interrupted rest periods pursuant to Labor Code § 226.7(b) and section 12 of the applicable IWC Wage Order. If rest period premiums were paid,

the base rate of pay was used instead of the regular rate of pay, which would include all non-discretionary pay such as commissions or other incentive pay.

71. As a result of Defendants' failure to pay Plaintiff and Class Members an additional hour of pay for each day a compliant rest period was not provided, Plaintiff and Class Members suffered and continue to suffer a loss of wages and compensation.

FIFTH CAUSE OF ACTION

FAILURE TO REIMBURSE BUSINESS EXPENSES

(Violation of Labor Code §§ 2800, 2802)

72. Plaintiff hereby re-alleges and incorporates by reference all paragraphs above as though fully set forth herein.

73. Labor Code § 2800 states that "[a]n employer shall in all cases indemnify his employee for losses caused by the employer's want of ordinary care."

74. Labor Code § 2802(a) states that "[a]n employer shall indemnify his or her employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her obedience to the directions of the employer . . . ."

75. Labor Code § 2802(b) states that "[a]ll awards made by a court . . . for reimbursement of necessary expenditures under this section shall carry interest at the same rate as judgments in civil actions. Interest shall accrue from the date on which the employee incurred the necessary expenditure or loss."

76. Labor Code § 2802(c) states that "[f]or purposes of this section, the term "necessary expenditures or losses" shall include all reasonable costs, including, but not limited to, attorney's fees incurred by the employee enforcing the rights granted by this section."

77. During the relevant time period, Plaintiff and Class Members incurred necessary business-related costs that were not fully reimbursed by Defendants, including, but not limited to, cell phone use required for work.

78. In violation of Labor Code §§ 2800 and 2802, Defendants failed to reimburse or indemnify Plaintiff and Class Members for their expenses due to Defendants' knowing and

intentional failure to reimburse necessary business expenditures in connection with Plaintiff's and Class Members' work and job duties.

79. As a direct result, Plaintiff and Class Members have suffered and continue to suffer losses, and therefore seek complete reimbursement and indemnification of necessary business expenditures or losses, interest thereon at the required rate, and all reasonable costs in enforcing the rights under Labor Code § 2802, including, but not limited to attorneys' fees.

SIXTH CAUSE OF ACTION

FAILURE TO PROVIDE ACCURATE ITEMIZED WAGE STATEMENTS

(Violation of Labor Code § 226; Violation of IWC Wage Order)

80. Plaintiff hereby re-alleges and incorporates by reference all paragraphs above as though fully set forth herein.

81. Labor Code § 226(a) requires Defendants to provide each employee with an accurate wage statement in writing showing nine pieces of information, including, the following: (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and the last four digits of his or her social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer, and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee.

82. During the relevant time period, Defendants have knowingly and intentionally failed to comply with Labor Code § 226(a) on wage statements that were provided to Plaintiff and Class Members. The deficiencies include, among other things, the failure to correctly state the employer's name, the gross and net wages earned, total hours worked, all applicable hourly rates in effect, and the number of hours worked at each hourly rate by Plaintiff and Class Members.

83. As a result of Defendants' knowing and intentional failure to comply with Labor Code § 226(a), Plaintiff and Class Members have suffered injury and damage to their statutorily-protected rights. Specifically, Plaintiff and Class Members are deemed to suffer an injury pursuant to Labor Code § 226(e) where, as here, Defendants intentionally violated Labor Code § 226(a). Plaintiff and Class Members were denied both their legal right to receive, and their protected interest in receiving, accurate itemized wage statements under Labor Code § 226(a). In addition, because Defendants failed to provide the accurate rates of pay on wage statements, Defendants prevented Plaintiff and Class Members from determining if all hours worked were paid at the appropriate rate and the extent of the underpayment. Plaintiff had to file this lawsuit in order to analyze the extent of the underpayment, thereby causing Plaintiff to incur expenses and lost time. Plaintiff would not have had to engage in these efforts and incur these costs had Defendants provided the accurate hours worked, wages earned, and rates of pay. This has also delayed Plaintiff's ability to demand and recover the underpayment of wages from Defendants.

84. Plaintiff and Class Members are entitled to recover from Defendants the greater of all actual damages caused by Defendants' failure to comply with Labor Code § 226(a) or fifty dollars ($50.00) for the initial pay period in which a violation occurred and one hundred dollars ($100.00) per employee for each violation in subsequent pay periods in an amount not exceeding four thousand dollars ($4,000.00) per employee, plus attorneys' fees and costs.

85. Defendants' violations of California Labor Code § 226(a) prevented Plaintiff and Class Members from knowing, understanding, and disputing the wages paid to them and resulted in an unjustified economic enrichment to Defendants. As a result of Defendants' knowing and intentional failure to comply with California Labor Code § 226(a), Plaintiff and Class Members have suffered an injury, in the exact amount of damages and/or penalties to be shown according to proof at trial.

SEVENTH CAUSE OF ACTION

FAILURE TO PAY ALL WAGES DUE UPON SEPARATION OF EMPLOYMENT

(Violation of Labor Code §§ 201, 202, and 203)

86. Plaintiff hereby re-alleges and incorporates by reference all paragraphs above as though fully set forth herein.

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

88. During the relevant time period, Defendants willfully failed to pay the Waiting Time Subclass all their earned wages upon termination, including, but not limited to, proper minimum wage and overtime compensation, meal period premiums, and rest period premiums either at the time of discharge or within seventy-two (72) hours of their leaving Defendants' employ.

89. Defendants' failure to pay the Waiting Time Subclass all their earned wages at the time of discharge or within seventy-two (72) hours of their leaving Defendants' employ is in violation of Labor Code §§ 201 and 202.

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

91. Pursuant to Labor Code § 203, the Waiting Time Subclass is entitled to recover from Defendants the statutory penalty, which is defined as the Waiting Time Subclass members' regular daily wages at their regular hourly rate of pay for each day they were not paid, up to a maximum of thirty (30) days.

EIGHTH CAUSE OF ACTION

VIOLATION OF BUSINESS AND PROFESSIONS CODE §§ 17200, *ET SEQ.*

(Violation of Business and Professions Code §§ 17200, *et seq.*)

92. Plaintiff hereby re-alleges and incorporates by reference all paragraphs above as though fully set forth herein.

93. California Business and Professions Code §§ 17200, *et seq.*, prohibits acts of unfair competition, which includes any "unlawful, unfair or fraudulent business act or practice . . . ."

94. A violation of California Business and Professions Code §§ 17200, *et seq.*, may be predicated on a violation of any state or federal law. In the instant case, Defendants' policies and practices violated state law, causing Plaintiff and Class Members to suffer and continue to suffer injuries-in-fact.

95. Defendants' policies and practices violated state law in at least the following respects:

(a) Failing to pay all wages earned (including, sick pay, minimum wage and overtime wages) to Plaintiff and Class Members at the proper rate in violation of Labor Code §§ 246, 510, 1194, 1194.2, 1197, and 1198.

(b) Failing to provide compliant meal periods without paying Plaintiff and Class Members premium wages at the regular rate of compensation for every day said meal periods were not provided in violation of Labor Code §§ 226.7 and 512.

(c) Failing to authorize or permit compliant rest breaks without paying Plaintiff and Class Members premium wages at the regular rate of compensation for every day said rest breaks were not authorized or permitted in violation of Labor Code § 226.7.

(d) Failing to reimburse Plaintiff and Class Members for necessary business-related expenses in violation of Labor Code §§ 2800 and 2802.

(e) Failing to provide Plaintiff and Class Members with accurate itemized wage statements in violation of Labor Code § 226.

(f) Failing to timely pay all earned wages to the members of the Waiting Time Subclass upon separation of employment in violation of Labor Code §§ 201, 202, and 203.

96. As alleged herein, Defendants systematically engaged in unlawful conduct in violation of the California Labor Code and IWC Wage Orders, such as failing to pay all wages (minimum and overtime wages), failing to provide meal periods and rest breaks or compensation at the regular rate of pay in lieu thereof, failing to reimburse necessary business-related costs and expenses, failing to furnish accurate wage statements, and failing to pay all wages due and owing upon separation of employment in a timely manner to the Waiting Time Subclass, all in order to decrease their costs of doing business and increase their profits.

97. At all relevant times herein, Defendants held themselves out to Plaintiff and Class Members as being knowledgeable concerning the labor and employment laws of California.

98. At all times relevant herein, Defendants intentionally avoided paying Plaintiff and Class Members wages and monies, thereby creating for Defendants an artificially lower cost of doing business in order to undercut their competitors and establish and/or gain a greater foothold in the marketplace.

99. By violating the foregoing statutes and regulations as herein alleged, Defendants' acts constitute unfair and unlawful business practices under California Business and Professions Code §§ 17200, *et seq*.

100. As a result of the unfair and unlawful business practices of Defendants as alleged herein, Plaintiff and Class Members are entitled to injunctive relief, disgorgement, and restitution in an amount to be shown according to proof at trial.

101. Plaintiff seeks to enforce important rights affecting the public interest within the meaning of California Code of Civil Procedure § 1021.5. Defendants' conduct, as alleged herein, has been and continues to be unfair, unlawful, and harmful to Plaintiff, Class Members, and the general public. Based on Defendants' conduct as alleged herein, Plaintiff and Class Members are entitled to an award of attorneys' fees pursuant to California Code of Civil Procedure § 1021.5.

PRAYER FOR RELIEF

On Plaintiff's own behalf and on behalf of all others similarly situated, Plaintiff prays for relief and judgment against Defendants, jointly and severally, as follows:

1. For certification under California Code of Civil Procedure § 382 of the proposed Class and any other appropriate subclass;

2. For appointment of Chadd Hunter Elam as class representative;

3. For appointment of Aegis Law Firm, PC, as class counsel for all purposes;

4. For compensatory damages in an amount according to proof at trial;

5. For an award of damages in the amount of unpaid compensation including, but not limited to, unpaid wages, unreimbursed expenses, benefits, and penalties;

6. For economic and/or special damages in an amount according to proof at trial;

7. For liquidated damages pursuant to Labor Code § 1194.2;

8. For statutory penalties to the extent permitted by law, including those pursuant to the Labor Code and IWC Wage Orders;

9. For injunctive relief as provided by the California Labor Code and California Business and Professions Code §§ 17200, *et seq.*;

10. For restitution as provided by Business and Professions Code §§ 17200, *et seq.*;

11. For an order requiring Defendants to restore and disgorge all funds to each employee acquired by means of any act or practice declared by this Court to be unlawful, unfair, or fraudulent and, therefore, constituting unfair competition under Business and Professions Code §§ 17200, *et seq*.;

12. For pre-judgment interest;

13. For reasonable attorneys' fees, costs of suit, and interest to the extent permitted by law, including, but not limited to, Code of Civil Procedure § 1021.5 and Labor Code §§ 226(e) and 1194; and

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14. For such other relief as the Court deems just and proper.

Dated: August 3, 2021 **AEGIS LAW FIRM, PC**

By:
Jessica L. Campbell
Attorneys for Plaintiff Chadd Hunter Elam

DEMAND FOR JURY TRIAL

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

Dated: August 3, 2021 **AEGIS LAW FIRM, PC**

By:
Jessica L. Campbell
Attorneys for Plaintiff Chadd Hunter Elam

SENDER: *COMPLETE THIS SECTION*

- Complete items 1, 2, and 3.
- Print your name and address on the reverse so that we can return the card to you.
- Attach this card to the back of the mailpiece, or on the front if space permits.

1. Article Addressed to:

Agent for Jerome's Furniture
Warehouse: Daniel Reynolds
16960 Mesamint Street
San Diego, CA 92127

9590 9402 6744 1060 5523 69

2. Article Number *(Transfer from service label)*

7021 0350 0000 8284 8907

COMPLETE THIS SECTION ON DELIVERY

A. Signature

X

☐ Agent
☐ Addressee

B. Received by *(Printed Name)*

C. Date of Delivery

D. Is delivery address different from item 1? ☐ Yes
If YES, enter delivery address below: ☐ No

3. Service Type

☐ Adult Signature
☐ Adult Signature Restricted Delivery
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Elam v. Jerome's

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Aegis Law Firm
9811 Irvine Center Drive
Suite 100
Irvine, CA 92618

Elam v. Jerome's 778

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stamps

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Agent for Jerome's Furniture Warehouse:
Daniel Reynolds
16960 Mesamint Street
San Diego CA 92127-2407

Delaney Graves

From: noreply@salesforce.com on behalf of LWDA DO NOT REPLY
Sent: Tuesday, August 3, 2021 4:37 PM
To: dgraves@aegislawfirm.com
Subject: Thank you for submission of your PAGA Case.

8/3/2021

LWDA Case No. LWDA-CM-840189-21
Law Firm : Aegis Law Firm, P.C.
Plaintiff Name : Chadd Hunter Elam
Employer: Jerome's Furniture Warehouse
Filing Fee : $75.00
IFP Claimed : No

Item submitted: Initial PAGA Notice

Thank you for your submission to the Labor and Workforce Development Agency. Please make a note of the LWDA Case No. above as you may need this number for future reference when filing any subsequent documents for this Case.

If you have questions or concerns regarding this submission or your case, please send an email to pagainfo@dir.ca.gov.

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website: http://labor.ca.gov/Private_Attorneys_General_Act.htm

EXHIBIT 3

EXHIBIT 4

Matter Billing Detail

Aegis Law Firm, PC

Date Range: **01/01/1900 to 11/20/2025**
Client: **547566 - Chad Hunter Elam**
Matter: **660 - Elam v. Jerome's Furniture (PAGA)**

Date	Expense Code	Description	Debit	Credit	Billing Status	On Hold	Invoice Number	Check Number	Payee
		Balance Forward:	$0.00						
08/03/2021	FF	LWDA Filing Fee	$75.00		Unbilled				
08/04/2021	FF	Filing Fee - S&C	$1,435.00		Unbilled				
08/04/2021	AFF	Administrative Filing Fee - S&C	$54.69		Unbilled				
08/05/2021	SOP	Service of Process - S&C	$132.65		Unbilled				
08/06/2021	AFF	Administrative Filing Fee - POS	$30.00		Unbilled				
10/12/2021	FF	Filing Fee - S&C	$1,435.00		Unbilled				
10/12/2021	AFF	Administrative Filing Fee - S&C	$54.69		Unbilled				
10/14/2021	SOP	S&C, CCCS, Ntc of Case Assignment, Stip to use ADR	$121.60		Unbilled				
10/19/2021	FF	POS	$30.00		Unbilled				
11/03/2021	FF	Req for Dismissal; Decl	$9.75		Unbilled				
03/10/2022	FF	Filing Fee - CMS	$9.75		Unbilled				
08/16/2022	RES	Database Research Fee	$7.99		Unbilled				
12/23/2022	FF	Filing Fee	$9.75		Unbilled				
01/18/2023	FF	Filing Fee - AAA Arbitration Initiation	$362.25		Unbilled				
06/23/2023	FF	Filing Fee	$75.10		Unbilled				
09/28/2023	FF	Filing Fee	$10.25		Unbilled				
11/08/2023	MED	Vendor: Signature Resolution; Date: 11/8/2023 - Mediation Services-	$7,950.00		Unbilled			996591	Signature Resolution
01/10/2024	FF	Filing Fee	$77.35		Unbilled				
01/18/2024	FF	Filing Fee	$14.95		Unbilled				
05/03/2024	FF	Filing Fee	$14.95		Unbilled				
05/06/2024	FF	Filing Fee	$14.95		Unbilled				
05/06/2024	COU	Courier Charges	$57.10		Unbilled				
05/06/2024	FF	Filing Fee	$14.95		Unbilled				
01/02/2025	MED	Vendor: Signature Resolution; Date: 1/2/2025 - Mediation Services-	$11,495.00		Unbilled			997000	Signature Resolution

Matter Billing Detail

Aegis Law Firm, PC

Date	Expense Code	Description	Debit	Credit	Billing Status	On Hold	Invoice Number	Check Number	Payee
01/17/2025	FF	Filing Fee	$37.50		Unbilled				
01/29/2025	EXP	Vendor: Berger Consulting Group, LLC; Date: 1/29/2025 - Expert Witness Fee-	$11,340.00		Unbilled			997027	Berger Consulting Group, LLC
03/20/2025	EXP	Vendor: Berger Consulting Group, LLC; Date: 3/20/2025 - Expert Witness Fee-	$6,565.00		Unbilled			997069	Berger Consulting Group, LLC
07/29/2025	FF	Filing Fee	$39.70		Unbilled				
11/20/2025	CC	Cumulative Copies, Faxes, Scans, Postage	$1,742.25		Unbilled				
		Total:	$43,217.17	$0.00					
		Balance:	$43,217.17						

Total Fees Billed- - - - - - - - - - - - - - - - - - -	**$0.00**
Total Fees Unbilled : - - - - - - - - - - - - - - - -	**$0.00**
Total Fees Received : - - - - - - - - - - - - - - - -	**$0.00**
Total Soft Cost Billed : - - - - - - - - - - - - - -	**$0.00**
Total Soft Cost Unbilled : - - - - - - - - - - -	**$0.00**
Total Soft Cost Received : - - - - - - - - - - -	**$0.00**
Total Hard Cost Billed : - - - - - - - - - - - - -	**$0.00**
Total Hard Cost Unbilled : - - - - - - - - - - -	**$43,217.17**
Total Hard Cost Received : - - - - - - - - - - -	**$0.00**
Total Taxes Billed : - - - - - - - - - - - - - - - - -	**$0.00**
Total Taxes Unbilled : - - - - - - - - - - - - - - -	**$0.00**
Total Taxes Received : - - - - - - - - - - - - - - -	**$0.00**
Total Late Charges Billed : - - - - - - - - - -	**$0.00**
Total Late Charges Unbilled: - - - - - - - -	**$0.00**
Total Late Charges Received : - - - - - - - -	**$0.00**
Trust Balance: -	**$0.00**