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UNITED STATES DISTRICT COURT

CENTRAL DISTRICT OF CALIFORNIA

RUTHIE BRASWELL, on behalf of herself, the State of California, and others similarly situated and aggrieved, Plaintiff, v. AHMC SAN GABRIEL VALLEY MEDICAL CENTER, LP., a California limited partnership; AHMC HEALTHCARE, INC., a California corporation, AHMC ANAHEIM REGIONAL MEDICAL CENTER LP, a California limited partnership; AHMC SETON MEDICAL CENTER LLC, a California limited partnership; AHMC MONTEREY PARK HOSPITAL LP, a California limited partnership; AHMC GREATER EL MONTE COMMUNITY HOSPITAL LP, a California limited partnership; AHMC GARFIELD MEDICAL CENTER LP, a California	Case No. 2:21-cv-09959-MWF-AGR **DECLARATION OF CHAD SAUNDERS IN SUPPORT OF RENEWED MOTION FOR APPROVAL OF SETTLEMENT UNDER PRIVATE ATTORNEYS GENERAL ACT** **Date: April 21, 2025** **Time: 10:00 a.m.** **Place: Courtroom 5A**

limited partnership; and AHMC WHITTIER HOSPITAL MEDICAL CENTER LP, a California limited partnership,

Defendants.

DECLARATION OF CHAD SAUNDERS

I, CHAD SAUNDRS, declare:

1. I am an attorney duly licensed to practice in California and before this Court, and I am a partner with Crosner Legal, PC, counsel of record for plaintiff Ruthie Braswell. I make this declaration in support of Plaintiff's Motion for Approval of Settlement under the Private Attorneys General Act. If called to testify as to the within facts, I would and could competently do so.

2. Attached hereto as Exhibit 1 is a true and correct, fully-executed copy of the Parties' PAGA Settlement Agreement (the "Settlement Agreement"). Attached hereto as Exhibit 2 is a true and correct copy of Plaintiff's PAGA Notice letter and proof of submission to the Labor & Workforce Development Agency ("LWDA"). Attached hereto as Exhibit 3 is a true and correct copy of proof of submission of the operative complaint to the LWDA. Attached hereto as Exhibit 4 is a true and correct copy of proof of submission and the LWDA's acknowledgment of receipt of the proposed settlement via its online portal.

3. I am aware of other pending cases that overlap with the claims alleged in this case and that the PAGA claims alleged in these matters will be extinguished by the settlement in this matter should the Court grant approval. These cases include: *Stacy Rivera v. AHMC Healthcare, Inc., et al.*, Los Angeles Superior Court Case No.21AHCV00100; *Stacy Rivera v. AHMC Healthcare, Inc., et al.*,American Arbitration Association Case No. 01-23-0003-2392; the PAGA letter submitted to the LWDA on behalf of Stacy Rivera on September 9, 2021; *Chantall Ramirez v. AHMC Healthcare, Inc., et al.*, Los Angeles Superior Court Case No. 23AHCV01423; *Chantall Ramirez v. AHMC Healthcare, Inc., et al.*, American Arbitration Association Case No. 01-23-0003-6368; the PAGA letter submitted to the LWDA on behalf of Chantall Ramirez on April 17, 2023; *Marlene Castro v. AHMC Seton Medical Center LLC*, San Mateo Superior Court Case No. 23-CIV-02862; *Liza Yap Gallinero v. AHMC Whittier Hospital Medical Center LP*, Los Angeles Superior

Court Case No. 23STCV23649; the PAGA letter submitted to the LWDA on behalf of Liza Yap Gallinero on October 30, 2023; *Brenda Garcia v. Monterey Park Hospital, Incorporated, et al.* Los Angeles Superior Court Case No. 24STCV06278; and the PAGA letter submitted to the LWDA on behalf of Brenda Garcia on March 13, 2024.

BACKGROUND

4. Defendant AHMC operates a number of hospitals in the greater Los Angeles Area, including AHMC San Gabriel Valley Medical Center LP, AHMC Anaheim Regional Medical Center LP, AHMC Seton Medical Center LLC, AHMC Monterey Park Hospital LP, AHMC Greater El Monte Community Hospital LP, AHMC Garfield Medical Center LP and AHMC Whittier Hospital Medical Center LP (collectively the "AHMC Entities" or "Defendants"). Plaintiff Braswell worked for Defendants and their predecessors for over 17 years, including working at the San Gabriel Valley Medical Center as a Licensed Vocational Nurse during the PAGA Period.

5. While employed with Defendants, Plaintiff alleged she was not paid for all hours worked because her time punches were rounded off, and she further alleged she did not receive all required meal and rest breaks on a fully-compliant basis, in that meal break times also were rounded off to show they lasted exactly 30 minutes regardless of how long the break actually lasted and that she did not always receive the required breaks.

6. On or about September 16, 2021, Plaintiff submitted appropriate notice to the LWDA regarding the alleged Labor Code violations at issue in this matter. After exhausting administrative remedies, Plaintiff commenced this Action on November 19, 2021 by filing a Complaint in the Los Angeles County Superior Court, Case No. 21STCV42872, alleging a single cause of action against all of the AHMC Entities for violation of PAGA, based on the alleged failure to pay all wages due, including both minimum and overtime wages, failure to provide meal periods, failure to provide rest periods, failure to provide accurate wage statements, failure to keep accurate records,

failure to reimburse business expenses, failure to provide proper sick leave, background check violations, and failure to pay all wages due on separation of employment.

7. After Plaintiff filed her initial complaint, Defendants removed the case to this Court based on federal preemption under the Labor Relations Management Act. Defendants then moved to dismiss, and Plaintiff moved to remand. The Court denied Plaintiff's motion to remand, and granted Defendants' motion in part and allowed the matter to proceed as to defendants AHMC Healthcare and AHMC San Gabriel Valley Medical Center only. Plaintiff then filed an amended complaint to conform the pleadings with the Court's order on the motion to dismiss. Plaintiff and Defendants AHMC Healthcare, Inc. and AHMC San Gabriel Valley Medical Center, LP then participated in a mediation on October 20, 2022, with Michael Loeb, Esq., a respected mediator with extensive wage and hour class/PAGA action experience, but were unable to resolve the case.

8. Following the failed mediation, Defendants moved to compel arbitration of Plaintiff's "individual" PAGA claims, which motion the Court granted. The Court further stayed the case with respect to Plaintiff's representative PAGA claims pending completion of the individual arbitration.

9. After Plaintiff filed her demand for arbitration on June 27, 2023, Defendants requested that the Parties schedule a further mediation to include all of Defendants' hospitals in California, as pleaded by Plaintiff in her initial complaint. The Parties further agreed to an informal exchange of documents and information before the mediation. Through this informal discovery, Defendants provided Plaintiff with information including, inter alia, Plaintiffs' personnel files, the number of potential Aggrieved Employees, the number of aggregate pay periods, pay stubs and time records for a sampling of the Aggrieved Employees, and relevant policy documents regarding Defendants' time keeping and reporting policies, among other pertinent materials.

10. In April 2024, the Parties mediated the case a second time with Paul Grossman, Esq., another respected employment lawyer and neutral with considerable

class action/wage and hour experience. Before and during the second mediation, Plaintiff and counsel analyzed, researched, and investigated the potential issues, including matters related to the calculation of damages, trial, and appellate issues and risks. During mediation, the Parties vigorously debated the likelihood of Plaintiff's ability to proceed on a representative basis as to the PAGA claims, the legal grounds for Plaintiff's claims and Defendants' defenses, and the Parties' data analyses and conclusions based on data provided by Defendants. After a contentious day of negotiations, the Parties reached agreement and subsequently formalized their tentative settlement in the Settlement Agreement now before the Court for approval.

11. Finally, consistent with the Parties' agreement to resolve alleged PAGA claims against all AHMC hospitals in California, Plaintiff filed a Second Amended Complaint on September 17, 2024 (Dkt. No. 44), which alleges PAGA claims against all of the AHMC Entities such that the pleadings conform with the scope of the proposed settlement.

SUMMARY OF SETTLEMENT TERMS

12. Under the settlement, Defendant will pay a non-reversionary settlement amount of $2,500,000 (the "Gross Settlement Amount" or "GSA"). The GSA is inclusive of all payments to the LWDA and Aggrieved Employees, an individual settlement payment to Plaintiff of $10,000 for her general release of claims and dismissal of her pending arbitration, modest service award to Plaintiff for her service as the named Plaintiff in the PAGA claims, costs of settlement administration (estimated at no more than $33,000), and reasonable attorney's fees and costs. After payment of settlement administration costs, Plaintiff's settlement and service award, and reasonable attorney's fees and costs from the GSA, Plaintiff presently estimates about $1,588,395.96 will remain (the "Net Settlement Amount" or "NSA"). Seventy-five percent of the NSA (about $1,191,296.97) will go to the LWDA, and the remaining 25% (about $397,098.99) will be distributed to the Aggrieved Employees in proportion to the total number of Pay Periods each individual worked during the PAGA Period of

September 15, 2020 through July 3, 2024. I estimate the average award will be about $42.20 per individual.

13. The Parties propose using Phoenix Settlement Administrators as the Settlement Administrator. Phoenix has extensive experience administering PAGA settlements, and has agreed to cap its fees at $33,000. The AHMC Entities will fund the GSA within 30 days of the Effective Date, and within 10 days of funding Phoenix will mail a Notice and settlement check to all Aggrieved Employees via regular First-Class U.S. Mail, using the most current, known mailing addresses identified in AHMC Entities' records. Aggrieved Employees need not submit claim forms and will automatically receive a Notice and settlement check. Settlement checks will be negotiable for 180 days, after which time any unclaimed residual funds will be forwarded to the California State Controller's Unclaimed Property Fund.

14. The California Supreme Court has explained that a judgment in "a representative action brought by an aggrieved employee under the Labor Code Private Attorneys General Act of 2004 ... is binding not only on the named employee plaintiff but also on government agencies and any aggrieved employee not a party to the proceeding." Arias v. Superior Court, 46 Cal.4th 969, 985-86 (2009). Accordingly, the release in the Settlement Agreement narrowly releases only civil penalty claims brought under PAGA. Under Arias, the order the Parties request the Court enter is intended to be "binding not only on the named employee plaintiff but also on government agencies and any aggrieved employee not a party to the proceeding." The Settlement Agreement protects the rights of the Aggrieved Employees to bring their own individual claims should they wish. For these reasons, the Parties contend the release narrowly applies only to the PAGA claims alleged, and the Settlement Agreement specifically provides the PAGA Release is inapplicable to any claims other than those brought under PAGA. Only the Plaintiff is entering into a general release of claims and waiver of California Civil Code § 1542 via the settlement of her individual claims and dismissal of the pending arbitration.

THE SETTLEMENT MEETS THE KULLAR FACTORS, INCLUDING THE STRENGTH OF PLAINTIFF'S CASE, THE DISCOVERY PERFORMED, AND AMOUNT OFFERED IN SETTLEMENT

15. Plaintiff's audit of Defendants' time sheets and corresponding pay records clearly indicate that the majority of time worked was rounded to the nearest quarter hour, or ".25," since employee time punches are recorded to the precise minute but the pay records show that, regardless of the actual hours clocked by Defendants' non-exempt employees were paid only in quarter-hour increments. Under California law, an employer is entitled to utilize a rounding policy "if the rounding policy is fair and neutral on its face and it is used in such a manner that it will not result, over a period of time, in failure to compensate the employees properly for all the time they have actually worked." Here, Plaintiff contends the AHMC Entities' rounding practice violated this mandate and, over time, resulted in the loss of compensable hours worked by employees due to the time rounding.

16. For her meal and rest break claims, Plaintiff again alleges AHMC Entities' time records show that meal breaks were rounded off to show they lasted precisely 30 minutes, regardless of the actual amount of time the meal break lasted and even when the meal periods shown in the time records are recorded to the minute. The California Supreme Court recently held that meal period times may not be rounded. This presumption will apply here because Defendants pay records show that they recorded thirty minutes for meal periods regardless of how long breaks actually lasted.

17. Plaintiff also alleges Defendants failed to provide compliant rest breaks and, despite Defendants' written policies, employees were instructed to take one 15-minute rest break per shift, instead of the two or more breaks they were entitled to under the law. Additionally, the significant constraints on the job required Plaintiff and the aggrieved employees to consistently work through rest periods, take them late in the day or only take very short breaks. Moreover, Plaintiff and the similarly situated non-exempt employees were required to be available to assist patients at any time during their shifts, and frequently had breaks interrupted by work.

18. Plaintiff also brings claims derivative of the foregoing claims, including a derivative wage statement claim based on the failure to pay all wages due, and she alleges a failure to pay all wages due and owing upon separation of employment under Labor Code §§ 201-203 based on the unpaid wage and break violation claims.

19. For mediation, the AHMC Entities indicated they employed approximately 9,408 non-exempt employees in California during the relevant time frame (including 1,931 former employees), and these individuals worked approximately 430,774 pay periods at during that time. Based on the data provided by Defendant, Plaintiffs estimated Defendant's maximum PAGA exposure at approximately $163,471,200 including approximately $43,077,400 on the unpaid wage claims, about $32,308,00 on the meal break claims, $43,077,400 on the the rest break claims, $43,077,400 on the wage statement claims, and about $1,931,000 in civil penalties for failing to timely pay wages on separation of employment.

20. We calculated these amounts as follows:

Unpaid Wages

430,774 pay periods * 100% violation rate * $100/violation = $43,077,400

Meal Period Violations

430,774 pay periods * 75% violation rate * $100/violation = $32,308,000

Rest Period Violations

430,774 pay periods * 100% violation rate * $100/violation = $43,077,400

Wage Statement Violations

430,774 pay periods * 100% violation rate * $100/violation = $43,077,400

Untimely Final Wages

1,931 former employees * 100% violation rate * $100/violation = $1,931,000

21. In response to Plaintiff's unpaid wage/off the clock claim, AHMC Entities argued its time keeping policies are entirely consistent with California law and did not deprive class members of compensable hours worked. Per AHMC Entities to the extent time was rounded to the quarter-hour any such rounding was

entirely neutral in its overall effect, or even benefitted the employees, and did not result in the loss of any compensable time for Plaintiff and the Aggrieved Employees.

22. On the meal and rest break claims, the AHMC Entities emphasized their written policies are compliant and that they authorized and permitted employees to take all required breaks and thus met its obligations under the law. Defendant further argued its records accurately reflect that employees took timely and compliant meal breaks. AHMC Entities also noted that, in light of their compliant policies and extensive time records reflecting compliant meal breaks, whether an employee missed a meal period, received a late or short meal period, or missed a rest break, would have been aberrational would require vast numbers of individualized inquiries as to why a break arguably was missed or non-compliant. Defendants further emphasized they paid thousands of dollars in premiums for documented violations and accordingly would be able to show a concerted and good faith effort to comply with the law.

23. Defendant further argued that, since it is not required to record rest periods, any evidence of a failure to authorize rest periods and/or discouragement from taking rest periods would be purely anecdotal and may not result in certification of Plaintiff's rest period claims. Defendant also contended it is only liable if Plaintiff can prove, on a shift-by-shift basis, that Aggrieved Employees actually did not take a rest break or receive a compliant break. This arguably would have made trial of the PAGA claims unmanageable. Therefore, a sharp compromise was in order on this claim.

24. On the alleged derivative violations of Labor Code § 226 (wage statement violations) and §§ 201-203 (waiting time penalties), Defendants emphasized both claims, since they are entirely derivative, will rise or fall along with the primary unpaid wage claims and break violation claims, in addition to being subject to "good faith" and other defenses available to Defendants. Accordingly, Plaintiff discounted these claims significantly in light of these multiple potential defenses. Defendants

also contended a substantial discount should be applied to the civil penalties for these derivative (i.e., "stacked") violations, as it would be unfair to penalize Defendants multiple times for the same violation.

25. Defendants likewise emphasized PAGA gives courts wide latitude to reduce the amount of civil penalties "based on the facts and circumstances of a particular case" if "to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory." I am aware of several state and federal courts in California that have applied significant reductions to PAGA civil penalties even after plaintiffs prevailed on the merits. Here, no evidence came to light suggesting any of the alleged violations were deliberate or willful, or that any that Defendants were not operating under a good faith belief that their rounding policy, for example, violated the law or resulted in a loss of pay for any employee. Similarly, the fact that Defendants paid meal period premiums for documented violations also would support Defendants' good faith compliance arguments and arguably support a significant reduction in any penalties awarded. Consequently, we had to account for a high probability that the Court would apply substantial deductions to any penalties awarded after trial under Cal. Labor Code section 2699(e)(2).

26. Thus, Defendants raised various and multi-layered defenses to each of Plaintiff's claims, anyone of which, if successful, could have derailed Plaintiff's case. Defendants vowed to raise all of these defenses at trial even assuming Plaintiff prevailed in her individual arbitration and qualified as an "aggrieved employee" with standing to pursue these claims. Accordingly, Plaintiff faced risky issues going forward with the litigation, and it could have taken years to realize any recovery in this action along with high likelihood of post-trial appeals. In addition to its merits defenses and arguing trial would be unmanageable, Defendants also intended to raise additional defenses on damages, including the proper measure of civil penalties and the appropriate discount to place on any assessment of such penalties.

27. Although Plaintiff and counsel believe they could have prevailed, there was no such guarantee. When the risks of overcoming a manageability defense, prevailing at trial on the merits on all claims, securing the maximum theoretical civil penalties, and appellate risks all are factored into the equation, the settlement value is reasonable and supported. Of course, to recover anywhere near the maximum penalties Plaintiff would have to shoot the moon and win both liability and maximum penalties on all claims as to each and every pay period at issue, which outcome, for the reasons discussed, is unlikely. Given Defendant's various procedural and merits defenses, as well as the substantial penalty reductions ordered in the cases above – which occurred after trial – the proposed settlement is reasonable.

SUBMISSION TO THE LWDA

28. My office timely served the LWDA with the Settlement Agreement and this Motion, and notified the LWDA of this approval hearing. Accordingly, the LWDA will be able to weigh in as necessary and, importantly, many courts find it persuasive of approval if the LWDA ultimately declines to offer any comment or objection to a proposed PAGA settlement.

PLAINTIFF'S ENHANCEMENT IS REASONABLE

29. Pursuant to the Settlement Agreement, Plaintiff seeks an incentive award of $5,000. This request is reasonable given Plaintiff's efforts in this case and the risks she undertook on behalf of the Aggrieved Employees. By contacting and retaining counsel to pursue these claims, Plaintiff made this settlement possible for the other Aggrieved Employees and the LWDA, while shouldering the risk of being liable for Defendants' litigation costs if unsuccessful. Plaintiff also exposed herself to unwanted notoriety related to filing a public lawsuit (discoverable even through a simple google search) for the benefit of other employees, placing Plaintiff at risk of discrimination by future prospective employers. Among taking many other actions assisting in the successful litigation of this case, Plaintiff provided substantial factual information to counsel, participated in numerous phone calls and meetings with counsel to discuss the

case, and general kept up to speed and informed on the case's progress. The modest incentive payment to Plaintiff is appropriate and justified as part of the Settlement.

THE REQUESTED ATTORNEYS FEES AND COSTS ARE FAIR AND REASONABLE

30. Under the terms of the Settlement Agreement, Plaintiff's counsel respectfully request an award of attorney's fees equal to 1/3 Gross Settlement Amount, or $833,333.33. A one-third common fund attorney fee award is consistent with what courts have awarded Crosner Legal in other representative actions, and awarding attorney's fees of one-third of a gross settlement amount is favored by California courts when a fund established for the common benefit of others is involved, such as here.

31. There are several additional factors why I believe that the Court should award one-third of the common fund as a reasonable attorney's fee. First, Crosner Legal's efforts resulted in a common fund settlement amount of $2,500,000.00, which for the reasons explained, is fair and reasonable in light of the risks/defenses Defendants raised in litigation and threatened to raise at trial and in post-trial appeals. Further, this is a significant sum that furthers the purposes underlying PAGA such as augmenting the state's enforcement capabilities, encouraging compliance with Labor Code provisions, and deterring future non-compliance. Moreover, this result was achieved by the work and success of this office, who negotiated the settlement after extensive law and motion, preparation, informal discovery, and two full days of adversarial mediation.

32. Second, Plaintiff faced significant risks going forward with the litigation. As discussed above, Defendant raised various defenses to their claims, anyone of which, if successful, could have decimated Plaintiff's case. Further, it would have taken several more years to realize any recovery in this action along with the possibility of post-trial appeals.

33. Third, Plaintiff's counsel and Crosner Legal are experienced class and representative action litigators, and have achieved several approved PAGA settlements.

This experience and expertise, combined with the high quality of work performed, resulted in the settlement achieved in this case.

34. I received a Bachelor of Arts in Philosophy from the University of Maryland Baltimore County in 2001 and a Juris Doctor from New College of California School of Law in 2008. While a law student, I completed 600 hours of public interest law apprenticeship, at Legal Services for Children, Disability Rights California, and as a Certified Legal Intern with the Bay Area Legal Aid Housing Clinic. I have been a member of the California Bar since 2008. Since 2009, I have been a class action attorney, practicing mainly in the area of California wage and hour law, with the firms of Hoffman & Lazear, Kralowec Law P.C., Sundeen Salinas & Pyle, and Hunter Pyle Law. I joined Crosner Legal in May 2021 as a Senior Associate Attorney. I became a partner with Crosner Legal in September 2024. In this role I routinely draft complaints and discovery, brief motions, appear before California courts for law and motion and settlement hearings, lead mediation negotiations, and draft settlement approval documents. I also regularly communicate with class members, co-counsel, and opposing counsel. I have represented thousands of employees in both state and federal courts, involving class actions and PAGA claims, and I have assisted in obtaining millions of dollars for employees during my years of practice.

35. I have been approved as Class Counsel by numerous courts throughout California, including in the following cases: *Alonzo, et al. v. First Transit, Inc.* (Los Angeles Superior Court case no. BC433932; settled for $2 million); *Sadiq v. Greatwide Dedicated Transport II, LLC* (Alameda County Superior Court case no. RG15789114; settled for $762,500); *Kostyuk v. Golden State Overnight Delivery Service, Inc.* (Alameda County Superior Court case no. RG14727191; settled for $1.25 million); *Newcomb, et al. v. J.B. Hunt Transport, Inc*. (Alameda County Superior Court case no. RG16815734; settled for $750,000); *Hooper v. URS Midwest, Inc.,* (San Bernardino Superior Court Case No. CIV DS1607489; settled for approximately $3 million); *Brooks, et al. v. Chariot Transit, Inc.* (San Francisco

Superior Court case no. CGC-16-554398; settled for $750,000); *Austin, et al. v. Foodliner, Inc.* (Northern District of California, case number 16-cv-07185-HSG; settled for $1.2 million); *Castro, et al. v. ABM Industries, Inc., et al.* (Northern District of California, case number 17-cv-03026-YGR; settled for $5.4 million); *Benton v. Northern California InAlliance* (Sacramento County Superior Court, case number 34-2021-00293036; settled for $650,000); *French v. Lonza, Inc.* (Los Angeles County Superior Court, case number 21STCV08097; settled for $556,500); *McKinnie v. Iron Mountain Secure Shredding, Inc., et al.* (Los Angeles Superior County Superior Court, case number 21STCV05707; settled for $1.5 million); and *Bland v. Marin Airporter* (Marin County Superior Court, case number CIV 2003640; settled for $450,000).

36. Zach Crosner is a 2010 graduate of University San Diego School of Law, and has some 13 years of experience as a practicing attorney, all of which have focused on litigation of employment, labor law, consumer, and class action claims. Following graduation, he immediately began working for a nationally recognized plaintiff's complex litigation firm, CaseyGerry, where he had the fortune of working directly with past presidents of the consumer attorneys and recipients of trial attorneys of the year awards. He also worked for former CAALA and CLAY trial attorney of the year recipient, attorney Conal Doyle, as his sole associate attorney. During his tenure at these firms, he focused on advocating for the rights of consumers and employees in class action litigation, civil rights and employment litigation, catastrophic injuries, insurance bad faith and appellate litigation.

37. In 2013, Mr. Crosner founded the law firm of Crosner Legal, P.C. which since its inception has focused almost exclusively on wage and hour class actions and other labor and employment law cases representing plaintiffs. Currently, over ninety percent (90%) of his practice is dedicated exclusively to the prosecution of wage and hour class actions, and Crosner Legal is currently responsible as lead counsel or co-lead counsel for prosecuting well over fifty (50) wage and hour class actions and/or

PAGA representative actions in both federal and state courts throughout California.

38. Mr. Crosner currently is an executive board member of the Wage and Hour Committee and the Legislative Committee for the California Employment Lawyers Association; a member of the Grassroots Advocacy Team for the National Employment Lawyers Association; Wage and Hour Committee member and Class Action Committee member for the National Trial Lawyers; a member of the American Association for Justice; and member of the Pound Civil Justice Institute. He was selected for 2018-20 by Super Lawyers as a "Southern California Rising Star" for employment and labor law.

39. Jamie Serb is a partner with Crosner Legal and head of the firm's Wage and Hour practice group. She graduated from the University of California, San Diego in 2004, graduated from California Western School of Law in 2013, and has been a member of the California Bar since 2013. She gained extensive experience in wage and hour litigation, beginning work as a class action attorney in 2015 at the Mara Law Firm, PC (previously Turley & Mara Law Firm, APLC; Turley Law Firm, APLC). She has handled wage and hour class actions and PAGA lawsuits for nearly ten years and has assisted in obtaining millions of dollars for employees during her years of practice.

40. Brandon Brouillette is a graduate of Loyola Law School, Los Angeles, from which he received a *juris doctorate* degree in 2009. Prior to attending law school, he attended the University of Southern California, from which he received a bachelors of science in Business Administration in 2006.

41. Mr. Brouillette has been a Partner at Crosner Legal since February 1, 2023. Prior to joining Crosner Legal, he was a Senior Associate and Team Director of a Wage and Hour Litigation Team at Capstone Law APC, which he originally joined as an associate attorney in May 2016.

42. Since being admitted to the California State Bar in 2010, his entire legal career has been dedicated to protecting employee and consumer rights through the prosecution of class action and representative actions filed on behalf of plaintiffs in

class actions and statewide representative actions. Throughout my career he have managed or co-managed more than 100 class action and PAGA representative cases, from initial filing of the complaint through final resolution.

43. In particular, he has served as class counsel in several certified class action cases, including:

a. *Party City Wage and Hour Cases*, JCCP4781 (class counsel for certified class of non-exempt hourly employees who worked for Defendants in California)

b. *Lewis v. Express Messenger Systems*, Los Angeles Superior Court Case No. BC501521 (class counsel for certified class of last-mile delivery drivers who were alleged to be misclassified as independent contractors)

c. *Ramirez-Vivar v. Grifols Diagnostic Solutions, Inc.*, *et al.*, Alameda County Superior Court, Case No. RG21099519 (class counsel for certified classes of non-exempt hourly employees who worked for Defendants in California)

d. *Jones v. LA Live* , Los Angeles County Case No. BC687908 (class counsel for certified issue classes consisting of hourly employees who worked at Staples Center and Nokia Theater)

44. The following is a representative sample of settlements in wage and hour class action and PAGA representative cases in which Mr. Brouillette was listed as an attorney of record and either managed, or co-managed with attorneys at my firm and other co-counsel:

e. *Cruz v. Walmart*, Los Angeles County Super. Ct. Case No. 18STCV03128 ($15 million global PAGA settlement on behalf of hourly employees statewide for alleged Labor Code violations.)

f. *Vorise v. 24 Hour Fitness USA, Inc.*, Contra Costa County Super. Ct., Case No. C 15-02051 ($11 million global PAGA settlement on behalf of over 36,000 employees for Labor Code violations.)

g. *Gross v. Sodexo*, Kern County Super Ct., Case No. BCV-18-101746 Capstone ($4.75 million class and PAGA settlement on behalf of class of non-hourly employees for Labor Code violations.)

h. *Campbell v. AEG* ($1.8M class and PAGA settlement on behalf of group of hourly employees who worked at concert venues in California for alleged Labor Code violations)

i. *Fiebelkorn v. AEG*, et al. Los Angeles Superior Court Case No. BC717337 ($1.75M class settlement on behalf of group of hourly employees who worked at Oakland Coliseum for alleged Labor Code violations)

j. *Amaro v. Anaheim Arena Management*, Orange County Superior Court Case No. 30-2017-00917542 ($2,212,500 class and PAGA settlement on behalf of group of hourly employees who worked at Honda center in Anaheim California for alleged Labor Code violations)

k. *Espindola v. Panda Express,* San Bernardino Superior Court Case No. CIVDS1931455 ($3.125M class and PAGA settlement on behalf of hourly employees statewide for alleged Labor Code violations)

l. *Gold v. Benihana*, San Diego Court Superior Court Case No. 37-2016-00022320-CU-OE-NC ($2.25M class and PAGA settlement on behalf of hourly employees statewide for alleged Labor Code violations)

m. *Party City Wage and Hour Cases*, JCCP4781 ($6.5M class and PAGA settlement on behalf of hourly employees statewide for alleged Labor Code violations)

n. *Lewis v. Express Messenger Systems*, Los Angeles County Super Court Case No. BC501521 ($10.5M class and PAGA settlement on behalf of a statewide group of independent contractor last-mile delivery drivers alleged to be misclassified)

o. *Flores v. Tesla*, Alameda County Superior Court Case No. RG18907072 ($4M class and PAGA settlement on behalf of statewide group of hourly employees for alleged Labor Code violations)

p. *Ruiz v. Disney Stores*, San Bernardino Superior Court Case No. CIVDS2016983 ($2M class and PAGA settlement on behalf of statewide group of hourly employees who worked at retail stores in California for alleged Labor Code violations)

q. *Ramirez v. Yin Management*, Sacramento County Superior Court Case No. 34-2021-00301530 ($1.8M class and PAGA settlement on behalf of statewide group of hourly employees who worked at Defendant's McDonald's franchises in California for alleged Labor Code violations).

r. *Suhartono v. RRG Besh*, Los Angeles County Superior Court Case No. 19STCV22184 ($2.25 class and PAGA settlement on behalf of statewide group of hourly employees who worked at Defendant's McDonald's franchises in California for alleged Labor Code violations).

s. *Gomes v. Kura Sushi*, Los Angeles County Superior Court Case No. 19STCV18977 ($1.75M class and PAGA settlement on behalf of statewide group of hourly employees who worked at Defendant's restaurants in California for alleged Labor Code violations)

t. *Saldana v. Hydrochem*, Contra Costa Superior Court Case No. CIVMSC19-02624 ($1.38M class and PAGA settlement on behalf of statewide group of hourly employees for alleged Labor Code violations).

45. In addition, below are settlements in consumer class action cases in which Mr. Brouillette was listed as an attorney of record and either managed, or co-managed with attorneys at my firm:

u. *Lopez v. Seterus*, *et al.*, Los Angeles Superior Court Case No. BC484297 ($3M Class settlement on half of thousands of borrowers in California, Florida, and Texas for UCL violations premised on improper late fee collections)

v. *McGill v. Citibank*, Riverside County Superior Court Case No. RIC 1109398

(in landmark case that established the 'McGill rule' precluding the waiver of public injunctive relief in pre0dsipute arbitration agreements, negotiated confidential settlement on behalf of consumer who sued for damages and class injunctive relief stemming from marketing of credit protector plan)

46. Finally, Mr. Brouillette was selected by his peers as a Super Lawyers 'Rising Star' every year from 2016 through 2022, which is a recognition that is provided to only 2.5% of active lawyers practicing within the State of California

47. Kiara Bramasco received her undergraduate degree, magna cum laude, from Loyola Marymount University in Political Science, and then received her JD from Loyola Law School in 2018. She then spent several years with well-known plaintiff's firm Moss Bollinger, first as a law clerk and then as an associate, where her practice focused on employment law, particularly wage and hour class action and PAGA litigation. She joined Crosner Legal in 2021.

48. Branden Hamilton obtained her undergraduate degree from UCLA in 2004, and her law degree from George Washington University in 2007. She has been affiliated with my firm since 2017 and became Of Counsel with Crosner Legal in 2019, and her practice focuses almost exclusively on wage and hour class and representative actions. She has spent her entire career representing plaintiffs in employment litigation, including several years as an associate at well-known plaintiff's firm Carlin & Buchsbaum.

49. Blake R. Jones graduated from the University of Missouri in 1996 with academic honors, and graduated from Tulane Law School, magna cum laude, in 2000, where he served on the Moot Court Board. Mr. Jones began working as an attorney that same year for Luce, Forward, Hamilton & Scripps, LLP. He left with his mentor in 2004 to open the San Diego office of Hooper, Lundy & Bookman, where he became a partner in 2008. Mr. Jones joined Gordon & Rees, LLP, in 2011 and served as a partner in its Employment Law practice group until 2020. He was "Of Counsel" to Crosner Legal from 2020-22. Mr. Jones has represented both employees and employers in several

hundred cases in both state and federal courts, including at least a hundred wage and hour class actions and Private Attorney General Representative Actions. He has obtained millions of dollars for employees in these cases.

50. Crosner Legal, P.C. has obtained several multi-million dollar wage and hour class action settlements while serving as lead class counsel in recent years, including but not limited to a $1.9 million wage and hour class action settlement in 2015 (*Smith v. Lux Retail North America, Inc.*, Case No. 3:13-cv-01579-WHA (N.D. Cal.)); a $4.1 million wage and hour class action settlement in 2016 (*Aguirre v. Mariani Nut Company, Inc. et al.*, Case No. 34- 2016-00190252 (Sacramento Cty. Super Ct.)); a $1.35 million wage and hour class action settlement in 2017 (*Montelone v. Ocean Cities Pizza, Inc.*, Case No. 56-2014-00458249 (Ventura Cty. Super. Ct.)), a $1.8 million wage and hour class action settlement in 2018 (*Latham v. K.W.P.H. Enterprises, Inc. dba American Ambulance*, Case No. 17C-0162 (Kings Cty. Super Ct.)), a $1.3 million wage and hour class action settlement in 2019 (*Means, et al. v. AirGas USA, LLC*, Case No. 17-CV-2160 JGB (C.D. Cal.)), a $1.5 million wage and hour settlement in 2020 (*Babouchian, et al. v. Wyndham Vacation Ownership, et al.*, Case No. CV18-14601 (San Diego Cty. Super. Ct.), a $1.15 million wage and hour class action settlement in 2020 (*Buford v. Medical Solutions LLC*, Case No. 4:18-CV-04864-YGR (N.D.Cal.)); a $7.25 million wage and hour class action settlement in 2020 in *Avina, et al. v. First Alarm Security & Patrol, Inc.*, Case No. 18CV323753 (Santa Clara Cty. Super Ct.); a $2.2 million wage and hour class action settlement in 2021 (*Ghorchian, et al. v. West Hills Hospital, et al.,* Case No. LS029737 (Los Angeles Cty. Super. Ct.));.a $2.85 million dollar wage and hour settlement in 2021 (*Valencia v. The Original Mowbray's Tree Service, Inc.*, Case No. CIVDS1825518 (San Bernardino Cty. Super. Ct.)); a $1 million wage and hour class action settlement in 2022 (*Duong v. Loan Factory, Inc.*, Case No. 21CV382467 (Santa Clara Cty. Super. Ct.)), a $1.4 million wage and hour class action settlement in 2023 in *Correa, et al. v. FedEx Supply Chain, Inc.*, Case No. CIVDS2023369 (San Bernardino Cty. Super. Ct.), a $2.38 million wage and hour class

action settlement in 2023 in *Michel, et al. v. Valley Thrift Store, Inc.*, Case No. 21STCV00925 (Los Angeles Cty. Super. Ct.); a $2.5 million wage and hour class action settlement in 2023 in *Jajuga v. Pilot Travel Centers*, Case No. CIVDS1931464 (San Bernardino Cty. Super. Ct.); $1.015 million wage and hour class action settlement in 2023 in *Gotishan v. Kyo Autism Therapy*, Case No. CGC-21-596378 (San Francisco Cty. Super. Ct); and a $1.15 million wage and hour PAGA settlement in 2023 in *Vaughn v. Public Health Foundation Enters., Inc.*, Case No. 21STCV18512 (Los Angeles Cty. Super. Ct.); a $1.5 million wage and hour class action settlement in *McKinnie v. Iron Mountain*, Case No. 21STCV05707 (Los Angeles Cty. Super. Court); a $1.3 million wage and hour class action settlement in *Ellsworth, et al. v. Hallcon*, Case No. 20STCV06618 (Los Angeles Cty. Super. Court); a $1.925 million wage and hour class settlement in 224 in *Lo v. Cyberpower, Inc.*, Case No. 21STCV31479 (Los Angeles Cty. Super. Ct); and a $1.19 million dollar wage and hour class action settlement in 2024 in *Herrera v. Signature Flight Support LLC*, Case No. 22STCV18367 (Los Angeles Cty. Super. Ct.).

51. Based upon the qualifications and experience set forth above, I believe the following hourly rates are reasonable: Zach Crosner $800/hr, Brandon Brouillette, Jamie Serb, Chad Saunders $750/hr, Branden Hamilton $600/hr; Kiara Bramasco, $650/hr, Blake Jones $850/hour.

52. I request the Court apply the above hourly billing rates in this case, as it reasonable in the California legal market for attorneys handling wage and hour class and PAGA actions. I have personal knowledge of the hourly rates charged by a number of plaintiff-side wage and hour class action firms in major California legal markets for partner-level attorneys with experience comparable to mine. These rates have ranged from $650 to $900 per hour for calendar years 2018-2023. Some examples include attorney Ron Makarem of Makarem & Associates in Los Angeles, with 28 years of experience, $900/hour (2023), Matthew Matern of Matern Law Group in Los Angeles, with approximately 26 years of experience $850/hour (2018); Craig Ackermann of

Ackermann & Tilajef, PC in Los Angeles with approximately 25 years of experience $850/hour (2021), Michael Singer and Isam Khoury of Cohelan Khoury & Singer in San Diego, 35 years and 45 years of experience respectively, both $825/hour (2018), and James Kawahito of Kawahito Law Group in Los Angeles, with approximately 16 years of experience $750/hour (2020).

53. The requested rates also comport with the adjusted Laffey Matrix, which provides that reasonable hourly rates for attorneys with 10+ years of experience, such as myself, Mr. Brouillette, Ms. Serb and Mr. Crosner, are over $800/hour, and for attorneys with 20 years of experience such as Mr. Jones are about $1000/hour. The adjusted Laffey Matrix may be found at http://www.laffeymatrix.com/see.html.

54. Fourth, Crosner Legal has been representing Plaintiff Braswell (and the State of California) in this matter on a strictly contingent basis and as such, had to forego other financial opportunities to litigate other cases, incurred the risk of non-recovery after a substantial investment of time, money, and resources, and have done so since the inception of this case without any payment or compensation. This is not an easy burden for a small firm. If, despite these hardships and risks, the best this office could hope for is merely to be paid our customary hourly rate multiplied by the number of hours worked on the case, then we would not be compensated for the hardships and serious risks it faced litigating this contingency case, and would not be incentivized to take on similar private attorney general cases in the future.

55. Fifth, the request for attorney's fees in the amount of one-third of the common fund falls well within the norms accepted by state and federal courts in California in comparable wage and hour actions actually handled by this office. Moreover, the award of a one-third fee recovery under the common fund doctrine was recently approved by the California Supreme Court in <u>Laffitte v. Robert Half Int'l, Inc.</u> (2016) 1 Ca1.5th 480. For all of the above reasons, a common fund fee award here in the amount of one-third of the $2,500,000 common fund, or $833,333.33, is fair and reasonable.

56. Crosner Legal expended a total of 400.7 attorney hours on this matter, and accordingly the firm's lodestar totals approximately $307,000, excluding time to be incurred at the hearing on this motion and thereafter to implement and administer the settlement. Crosner Legal's lodestar is summarized in Exhibit 4 hereto. Accordingly, on a lodestar basis, the requested fees represent the base lodestar with a very reasonable 2.71 upward enhancement, which is entirely in line with California precedent, and represents a fair return on the contingency assumed in this matter.

57. As noted, Crosner Legal has represented Plaintiff for over three years with respect to this matter and has expended a significant amount of time and resources in that representation. We agreed to litigate this case on a purely contingent basis and in so doin2g assumed considerable risk of non-payment for its fees and costs, as discussed above, and as is the case with these matters in general. Under all relevant factors (as outlined herein and in the accompanying memorandum), we respectfully request the Court award the requested fees of $833,333.33 based on the common fund theory with a corresponding lodestar cross-check and a reasonable 2.71 lodestar enhancement.

58. I also request reimbursement of Crosner Legal's actual out-of-pocket expenses incurred to prosecute this action. These expenses were incidental and necessary to the effective representation of the employees.

59. Crosner Legal's costs are $30,271.71, including court filing/service of process fees, mediation fees, expert fees, and postage. Notably, the requested costs do not include any and all printing and research charges. A true and correct itemization of the costs and expenses incurred is set forth below:

Expense Category	Amount
Court Filing Fees/Service of Process/Attorney Service	$3,012.25
Mediation Fees	$23,975.00
Expert Fees	$2,600.00
PAGA Filing Fee	$75.00

Arbitration Fees	$362.25
Postage	$148.81
PACER/Copies	$97.40
Total Costs and Expenses	**$30,270.71**

The requested costs are reasonable and uncontested and should be approved in full.

60. Here, pursuant to the Settlement Agreement, Plaintiff seeks an incentive award of $5,000. The requests is reasonable given her respective efforts in this case and the risks she undertook on behalf of the Aggrieved Employees. Additionally, by contacting and retaining counsel to pursue these claims, Plaintiff made this settlement possible for the other Aggrieved Employees and the LWDA, while shouldering the risk of being liable for Defendants' litigation costs. Plaintiff also exposed herself to unwanted notoriety related to filing a public lawsuit (discoverable even through a simple google search) for the benefit of other employees, placing herself at risk of discrimination by future prospective employers. Among taking many other actions assisting in the successful litigation of this case, Plaintiff provided substantial factual information to her counsel, attended numerous meetings with my office to discuss the case, and generally participated in all phases of the litigation. Accordingly, the requested enhancement payment to Plaintiff is appropriate and justified as part of the Settlement.

61. For the foregoing reasons, it is respectfully requested that the Court approve the settlement in its entirety.

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct. Executed on October 17, 2024, at Berkeley, California.

/s/ Chad Saunders
Chad Saunders

EXHIBIT

1

PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement ("Agreement") is made by and between plaintiff Ruthie Braswell ("Plaintiff") and defendants AHMC San Gabriel Valley Medical Center LP and AHMC Healthcare, Inc. (together "AHMC"). The Agreement refers to Plaintiff and AHMC collectively as "Parties," or individually as "Party."

1. DEFINITIONS

1.1 "Action" means the Plaintiff's PAGA lawsuit alleging wage and hour violations against AHMC, *Braswell v. AHMC San Gabriel Valley Medical Center, et al.*, Case No. 2:21-cv-09959-MWF-AGR, initiated on November 19, 2021 and pending in United States District Court for the Central District of California.

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 all persons employed by (1) AHMC Healthcare Inc., (2) AHMC San Gabriel Valley Medical Center LP, (3) AHMC Anaheim Regional Medical Center LP, (4) AHMC Seton Medical Center LLC, (5) AHMC Monterey Park Hospital LP, (6) AHMC Greater El Monte Community Hospital LP, (7) AHMC Garfield Medical Center LP and, (8) AHMC Whittier Hospital Medical Center LP ("AHMC Facilities") in hourly or non-exempt positions in California during the PAGA Period.

1.5 "Aggrieved Employee Data" means Aggrieved Employee identifying information in AHMC'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 "Court" means the United States District Court for the Central District of California.

1.8 "Defense Counsel" means David Fishman, Matt Golper, and Keith Rossman, and Ballard Rosenberg Golper & Savitt, LLP, the attorneys representing AHMC in the Action.

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

1.10 "Gross Settlement Amount" means Two Million Five Hundred Thousand Dollars and No Cents ($2,500,000.00) which is the total amount AHMC agrees to pay under the Settlement. The Gross Settlement Amount will be used to pay Individual PAGA Payments, Plaintiff's PAGA Incentive Award, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment and the Administrator's Expenses Payment.

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

1.12 "Judgment" means the judgment entered by the Court based upon the Final Approval.

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

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

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

1.16 "PAGA Counsel" means Brandon Brouillette, Chad Saunders, and Zachary Crosner of Crosner Legal, PC, the attorneys representing the Plaintiff in the Action.

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

1.18 "PAGA Incentive Award" means the amount of Five Thousand Dollars and No Cents ($5,000.00) payable to Plaintiff from the Gross Settlement Amount for her service as the named plaintiff in the Action.

1.19 "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked at least one hour for AHMC in California during the PAGA Period.

1.20 "PAGA Period" means the time period from September 15, 2020 through July 3, 2024.

1.21 "PAGA" means the Private Attorneys General Act (Lab. Code, §§ 2698, et seq.).

1.22 "PAGA Notice" means Plaintiff's September 16, 2021 letter to AHMC and the LWDA providing notice pursuant to Labor Code section 2699.3, subdivision (a), and any amendments thereto necessary for the enforcement of this agreement.

1.23 "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees and the 75% to LWDA in settlement of PAGA claims.

1.24 "Plaintiff" means Ruthie Braswell, the named plaintiff in the Action.

1.25 "Plaintiff's Individual Payment" means the amount of Ten Thousand Dollars and No Cents ($10,000.00) payable to Plaintiff from the Gross Settlement Award in exchange for the dismissal with prejudice of her individual arbitration against AHMC.

1.26 "Plaintiff's Released Claims" means the claims being released by the Plaintiff only and as described in Paragraph 5.1 below.

1.27 "Approval Order" means the proposed Court Order Granting Approval of PAGA Settlement.

1.28 "Released PAGA Claims" means the claims being released by the Plaintiff and PAGA Counsel and as described in Paragraph 5 below.

1.29 "Released Parties" means AHMC Healthcare Inc., AHMC San Gabriel Valley Medical Center LP, AHMC Anaheim Regional Medical Center LP, AHMC Seton Medical Center LLC, AHMC Monterey Park Hospital LP, AHMC Greater El Monte Community Hospital LP, AHMC Garfield Medical Center LP and AHMC Whittier Hospital Medical Center LP (collectively, the "AHMC Entities"), and their respective former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries, and affiliates.

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

2. RECITALS

2.1 Plaintiff commenced this Action on November 19, 2021 by filing a Complaint in the Los Angeles County Superior Court, Case No. 21STCV42872, alleging a single cause of action against the AHMC Entities for violation of the Private Attorneys General Act, based on the alleged failure to pay all wages due, including both minimum and overtime wages, failure to provide meal periods, failure to provide rest periods, failure to provide accurate wage statements, failure to keep accurate records, failure to reimburse business expenses, failure to provide proper sick leave, background check violations, and failure to pay all wages due on separation of employment.

2.2 The AHMC Entities removed the Action to the United States District Court for the Central District of California on December 28, 2021.

2.3 On March 28, 2022, Plaintiff filed a First Amended Complaint ("FAC") in the Action against AHMC, AHMC denies the allegations in the FAC, denies any failure to comply with the laws identified in the FAC and denies any and all liability for the causes of action alleged.

2.4 Pursuant to Labor Code section 2699.3, subdivision (a), Plaintiff provided timely written notice to AHMC and the LWDA by sending the PAGA Notice.

2.5 Prior to mediation and negotiating the Settlement, Plaintiff obtained, through informal discovery, documents and records necessary to prepare for the mediation, including Plaintiff's personnel file, the number of potential Aggrieved Employees, the number of aggregate pay periods, payroll and time records for the Aggrieved Employees, and relevant policy documents regarding for instance, Defendant's time keeping and meal and rest break policies.

3. MONETARY TERMS

3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 10 below, AHMC promises to pay $2,500,000.00 and no more as the Gross Settlement Amount. AHMC has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 7.1 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 AHMC.

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

3.2.1 To PAGA Counsel: A PAGA Counsel Fees Payment of not more than 33.33% of the Gross Settlement Amount, which is currently estimated to be $833,333.33, and PAGA Counsel Litigation Expenses Payment of not more than $30,000.00. AHMC 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 an application or motion for PAGA Counsel Fees Payment and PAGA Litigation Expenses Payment. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to PAGA Counsel or any other 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 Litigation 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 AHMC harmless, and indemnifies AHMC, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.2 To the Plaintiff: Plaintiff's Individual Payment of $10,000 in exchange for a general release and dismissal of her pending individual arbitration, and Plaintiff's Incentive Award of $5,000.00 subject to the Court's approval. If the Court awards an Incentive Award less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount.

3.2.3 To the Administrator: An Administration Expenses Payment not to exceed $33,000.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than $33,000.00, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.4 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of $1,588,666.67 to be paid from the Gross Settlement Amount, with 75% ($1,191,500.00) allocated to the LWDA PAGA Payment and 25% ($397,166.67) 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' 25% share of PAGA Penalties ($397,166.67) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

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

4. SETTLEMENT FUNDING AND PAYMENTS

4.1 Aggrieved Employee Pay Periods. Based on a review of its records to date, AHMC estimates there are 9,408 Aggrieved Employees who worked a total of 430,774 PAGA Pay Periods during the PAGA period.

4.2 Aggrieved Employee Data. Within 15 days of the Effective Date, AHMC will deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employees' privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. AHMC has a continuing duty to immediately notify PAGA Counsel if it discovers that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which AHMC must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.

4.3 Funding of Gross Settlement Amount. AHMC shall fully fund the Gross Settlement Amount by transmitting the funds by wire transfer to the Administrator no later than 30 days after the Effective Date.

4.4 Payments from the Gross Settlement Amount. Within 10 days after AHMC funds the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, the PAGA Incentive Award, the Plaintiff's Individual Payment, the PAGA Counsel Litigation Expenses Payment, PAGA Counsel Fee Payment, and the LWDA PAGA Payment, and pay itself the Administration Expenses Payment.

4.4.1 The Administrator will issue checks for the Individual PAGA Payments and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.4.2 The Administrator must conduct an Aggrieved Employee Address Search for all Aggrieved Employees whose checks are 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 AHMC 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 AHMC fully funds the entire Gross Settlement Amount, Plaintiff and PAGA Counsel will release claims against all Released Parties as follows:

5.1 Plaintiff's Release. Plaintiff and her respective former and present spouses, representatives, agents, attorneys (including PAGA Counsel), heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained in the Operative Complaint and the PAGA Notice ("Plaintiff's Release"), including alleged violations of California Labor Code §§ 201, 202, 203, 204, 210, 216, 218.5, 218.6, 221, 222, 223, 226, 226.2, 226.3, 226.6, 226.7, 245-248.5, 432.5, 432.7, 510, 512, 551, 552, 558, 558.1, 1024.5, 1174, 1174.5, 1194, 1194.2, 1194.3, 1197, 1197.1, 1198, 1198.5, 1199, 2698, 2699, 2699.3, 2699.5, 2800, 2802, 2810.5, Business and Professions Code § 17200, California Code of Regulations, Title 8 section 11010, and the applicable Industrial Welfare Commission Wage Orders. Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

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

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

5.2 Release by Aggrieved Employees. All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint and the PAGA Notice, including alleged violations of California Labor Code §§ 201, 202, 203, 204, 210, 216, 218.5, 218.6, 221, 222, 223, 226, 226.2, 226.3, 226.6, 226.7, 245-248.5, 432.5, 432.7, 510, 512, 551, 552, 558, 558.1, 1024.5, 1174, 1174.5, 1194, 1194.2, 1194.3, 1197, 1197.1, 1198, 1198.5, 1199, 2698, 2699, 2699.3, 2699.5, 2800, 2802, 2810.5, Business and Professions Code § 17200, California Code of Regulations, Title 8 section 11010, and the applicable Industrial Welfare Commission Wage Orders.

Release by PAGA Counsel. PAGA Counsel release on behalf of their present and former attorneys, employees, agents, successors and assigns the Released Parties from all claims for PAGA Counsel Fees and Expenses incurred in connection with the Operative Complaint and the PAGA Period facts stated in the Operative Complaint and the PAGA Notice.

6. SECOND AMENDED COMPLAINT

Prior to filing any motion for approval of the settlement, the Parties stipulate for Plaintiff to file an amended complaint in the Action against all the AHMC Entities alleging all facts and theories of liability alleged during the pendency of this Action including at mediation. To the extent necessary to obtain an enforceable release of any and all PAGA claims that will be asserted in the Second Amended Complaint, Plaintiff will file an amended PAGA Notice against all AHMC Entities with the LWDA prior to filing the amended complaint. The amended complaint filed under this Paragraph shall be the Operative Complaint **("Operative Complaint").** for purposes of seeking Court approval of the Settlement.

7. MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT

The Parties agree to jointly prepare and file an application or motion for approval of this Settlement.

Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this Settlement under Labor Code section 2699, subdivision (f)(2)) including (i) a draft proposed Order Granting Approval of PAGA Settlement; (ii) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Aggrieved Employee Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Aggrieved Employees or the LWDA; and the nature and extent of any financial relationship with Plaintiff, PAGA Counsel or Defense Counsel; (iii) a signed declaration from PAGA Counsel firm attesting to its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Lab. Code, §2699, subd. (*l*)(1)), this Agreement (Lab. Code, § 2699, subd. (*l*)(2)); (iv) a redlined version of the parties' Agreement showing all modifications made to the Model Agreement ready for filing with the Court; and (v) all facts relevant to any actual or potential conflict of interest with Aggrieved Employees and/or the Administrator. In its Declaration, PAGA Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

7.1 Responsibilities of PAGA Counsel. PAGA Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the application or motion for approval of this Settlement no later than 30 days after the full execution of this Agreement and, if necessary, obtaining a prompt hearing date for the motion and appearing in Court to advocate in favor of the motion. PAGA Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.

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

8. SETTLEMENT ADMINISTRATION

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

8.2 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.

8.3 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.

8.4 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.

9. AGGRIEVED EMPLOYEE SIZE ESTIMATES

Based on its records, AHMC estimates that, as of the date of this Settlement Agreement, there are 9,408 Aggrieved Employees who worked 430,774 Pay Periods during the PAGA Period for the Released Parties.

10. CONTINUING JURISDICTION OF THE COURT

The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action and the Settlement solely for purposes of (i) enforcing this Agreement and/or

Judgment, (ii) addressing settlement administration matters and (iii) addressing such post-Judgment matters as are permitted by law.

10.1 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.

11. ADDITIONAL PROVISIONS

11.1 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 AHMC that any of the allegations in the Operative Complaint have merit or that AHMC has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that AHMC'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, AHMC reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to contest AHMC'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).

11.2 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.

11.3 Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and AHMC, 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.

11.4 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.

11.5 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.

11.6 No Tax Advice. Neither Plaintiff, PAGA Counsel, AHMC 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.

11.7 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.

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

11.9 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.

11.10 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.

11.11 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.

11.12 Use and Return of Aggrieved Employee Data. Information provided to PAGA Counsel pursuant to Evidence Code section 1152, and all copies and summaries of the PAGA Data provided to PAGA Counsel by AHMC in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute or California Rules of Court rule. Not later than 90 days after the Administrator discharges its obligation to pay out of all Settlement funds, Plaintiff shall destroy all paper and electronic versions of Aggrieved Employee Data received from AHMC unless, prior to the Administrator's payment of all Settlement Funds, AHMC makes a written request to PAGA Counsel for the return, rather than the destruction, of Aggrieved Employee Data.

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

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

11.15 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

Brandon Brouillette
Chad Saunders
Zachary Crosner
Crosner Legal, PC
9440 Santa Monica Blvd., Ste. 301
Beverly Hills CA 90210
brandon@crosnerlegal.com
chad@crosnerlegal.com
zach@crosnerlegal.com

To AHMC:

David Fishman
Matt Golper
Keith Rossman
Ballard Rosenberg Golper & Savitt, LLP
15760 Ventura Boulevard, 18th Floor
Encino, CA 91436
dfishman@brgslaw.com
mgolper@brgslaw.com
krossman@brgslaw.com

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

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

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SIGNATURES APPEAR ON THE NEXT PAGE.]

AGREED AS TO FORM AND CONTENT:

PLAINTIFF

Date: 09 / 04 / 2024

Ruthie Braswell

DEFENDANT AHMC SAN GABRIEL VALLEY MEDICAL CENTER LP

Date: ______________ Sign: ____________________________

Print Name: _____________________

Its: _____________________________

DEFENDANT AHMC HEALTHCARE, INC.

Date: ______________ Sign: ____________________________

Print Name: _____________________

Its: _____________________________

AGREED AS TO FORM:

Date: 8/30/24

CROSNER LEGAL, PC

Chad Saunders
Attorneys for Plaintiff Ruthie Braswell

Date: _______________

David Fishman
Attorneys for Defendants AHMC San Gabriel Valley Medical Center LP and AHMC Healthcare, Inc.

AGREED AS TO FORM AND CONTENT:

PLAINTIFF

Date: ____________

____
Ruthie Braswell

DEFENDANT AHMC SAN GABRIEL VALLEY MEDICAL CENTER LP

Date: ____________

Sign: ______________________

Print Name: ANTHONY NGUYEN

Its: CEO

DEFENDANT AHMC HEALTHCARE, INC.

Date: ____________

Sign: ______________________

Print Name: CONNIE WU

Its: Deputy General Counsel for AHMC Healthcare, Inc.

AGREED AS TO FORM:

Date: ____________

CROSNER LEGAL, PC

____
Chad Saunders
Attorneys for Plaintiff Ruthie Braswell

Date: September 3, 2024

____
David Fishman
Attorneys for Defendants AHMC San Gabriel Valley Medical Center LP and AHMC Healthcare, Inc.

EXHIBIT 2

CROSNER LEGAL
Public Interest Rights

Zachary Crosner, Esq.
Managing Attorney
Los Angeles Office
9440 Santa Monica Blvd.,
Ste. 301
Beverly Hills, CA 90210

zach@crosnerlegal.com
office: (310) 496-5818
fax: (310) 510-6429

September 15, 2021

VIA ONLINE FILING ONLY:
California Labor & Workforce
Development Agency
ATTN: PAGA Administrator
455 Golden Gate Avenue, 9th Floor
San Francisco, CA 94102
PAGAfilings@dir.ca.gov

VIA U.S. CERTIFIED MAIL:
Jonathan Wu,
Agent for Service of Process for
AHMC San Gabriel Valley Medical Center LP
55 S. Raymond Avenue, Ste 105
Alhambra, CA 91801

Jonathan Wu, Agent for Service of Process for
AHMC Healthcare, Inc.
55 South Raymond Avenue, Suite 105
Alhambra, CA 91801

Jonathan Wu, Agent for Service of Process for
San Gabriel Healthcare Inc.
55 South Raymond Avenue, Suite 105
Alhambra, CA 91801

Jonathan Wu, Agent for Service of Process for
SGVMC Healthcare LP
55 South Raymond Avenue, Suite 105
Alhambra, CA 91801

VIA U.S. CERTIFIED MAIL:
Jonathan Wu, Agent for Service of Process
for AHMC Anaheim Regional Medical
Center LP
55 South Raymond Avenue, Suite 105
Alhambra, CA 91801

Jonathan Wu, Agent for Service of Process
for AHMC Seton Medical Center LLC
55 South Raymond Avenue, Suite 105
Alhambra, CA 91801

Jonathan Wu, Agent for Service of Process
for AHMC Monterey Park Hospital LP
55 South Raymond Avenue, Suite 105
Alhambra, CA 91801

Jonathan Wu, Agent for Service of Process
for AHMC Greater El Monte Community
Hospital LP
55 South Raymond Avenue, Suite 105
Alhambra, CA 91801

Jonathan Wu, Agent for Service of Process
for AHMC Garfield Medical Center LP
55 South Raymond Avenue, Suite 105
Alhambra, CA 91801

Jonathan Wu, Agent for Service of Process
for AHMC Whittier Hospital Medical Center LP
55 South Raymond Avenue, Suite 105
Alhambra, CA 91801

NOTICE OF PRIVATE ATTORNEY GENERAL ACT CLAIM

To:	California Labor and Workforce Development Agency, AHMC San Gabriel Valley Medical Center LP, AHMC Healthcare, Inc., San Gabriel Healthcare Inc., SGVMC Healthcare LP, AHMC Anaheim Regional Medical Center LP, AHMC Seton Medical Center LLC, AHMC Monterey Park Hospital LP, AHMC Greater El Monte Community Hospital LP, AHMC Garfield Medical Center LP, and AHMC Whittier Hospital Medical Center LP
Date:	September 15, 2021
Subject:	*Ruthie Braswell v. AHMC San Gabriel Valley Medical Center LP. et al.* Notice of Labor Law Violations, CA Labor Code § 2699.3(a)

Introduction

This office represents COMPLAINANT, Ruthie Braswell (hereinafter "COMPLAINANT") in connection with COMPLAINANT's claims under the California Labor Code. COMPLAINANT was, at all relevant times herein mentioned, an employee of the following entities and individual managing agents of said entities: AHMC San Gabriel Valley Medical Center LP, AHMC Healthcare, Inc., San Gabriel Healthcare Inc., SGVMC Healthcare LP, AHMC Anaheim Regional Medical Center LP, AHMC Seton Medical Center LLC, AHMC Monterey Park Hospital LP, AHMC Greater El Monte Community Hospital LP, AHMC Garfield Medical Center LP, and AHMC Whittier Hospital Medical Center LP (hereinafter, these entities and managing agents are collectively referred to as "EMPLOYER"). EMPLOYER may be contacted directly at the addresses listed above.

Pursuant to California Labor Code sections 2699.3 and 2699.5, COMPLAINANT, on behalf of COMPLAINANT, and on behalf of all non-exempt current and former employees ("AGGRIEVED EMPLOYEES"), hereby gives written notice ("NOTICE") of COMPLAINANT's claims against EMPLOYER. This NOTICE is being provided via online filing to the California Labor and Workforce Development Agency ("LWDA") and EMPLOYER via its Agent(s) for Service of Process as provided to the California Secretary of State.

This NOTICE also serves to demonstrate COMPLAINANT's reasonable attempt at settlement with EMPLOYER. If EMPLOYER is interested in settling this matter before a lawsuit is filed, EMPLOYER may contact Crosner Legal, P.C. at the address listed at the close of this NOTICE. This settlement attempt is in compliance with relevant California law. *Graham v. Daimler Chrysler Corp.* (2004) 24 Cal.4th 553, 561.

This NOTICE is sent in compliance with the reporting requirements of California Labor Code sections 2699.3 and 2699.5. This NOTICE further reserves any and all rights by COMPLAINANT to amend this notice to include, amend, or add further charges upon discovery of new violations of any of the provisions of the California Labor Code. In addition, to the extent that entities and/or other individuals are named and charged with violations of the Labor Code—making them liable on an individual basis as permitted by numerous Labor Code sections including, but not limited to sections 558.1 and 1197.1—COMPLAINANT reserves any and all rights to add, substitute, or change the name of employer entities and/or individuals responsible for the violations at issue. Any further amendments and changes to this notice shall relate back to the date of this NOTICE. Consequently, EMPLOYER is on notice that COMPLAINANT continues its investigation, with the full intent to amend and/or change this notice, to add any undiscovered violations of *any* of the provisions of the California Labor Code—to the extent that are applicable to this case—and to change and/or add the identities of any entities and/or individuals responsible for the violations contained herein. If EMPLOYER intends to cure the alleged violations within the statutory time period set forth in sections 2699 and 2699.3(a), the EMPLOYER shall provide notice including a description of actions taken to cure. If the alleged violation is not cured within the statutory time period, COMPLAINANT will commence a civil action pursuant to section 2699.

Based on the following summary of the facts and theories upon which COMPLAINANT will base COMPLAINANT's claims, COMPLAINANT requests that the LWDA regard this NOTICE as written notice of COMPLAINANT's intent to seek civil penalties against EMPLOYER. The specific provisions of California law that EMPLOYER has violated, requiring this NOTICE, include but are not limited to: California Labor Code sections 201-202, 216, 221-223, 226, 226.7, 245-248.5, 432.5, 432.7, 510, 512, 558, 558.1, 1024.5, 1174, 1194, 1197, 1198, 1199, 2802, 2810.5 and all applicable Wage Orders.

The Named Entities Are Joint Employers of COMPLAINANT and AGGRIEVED EMPLOYEES

California courts have recognized that the definition of "employer" for purposes of enforcement of the California Labor Code goes beyond the concept of traditional employment to reach irregular working arrangements for the purpose of preventing evasion and subterfuge of California's labor laws. *Martinez v. Combs* (2010) 49 Cal.4th 35, 65. As such, anyone who directly or indirectly, or through an agent or any other person, engages, suffers, or permits any person to work or exercises control over the wages, hours, or working conditions of any person, may be liable for violations of the California Labor Code as to that person.

COMPLAINANT believes and hereon asserts that EMPLOYER and unknown entities must be classified as joint employers of COMPLAINANT for purposes of liability for civil penalties under PAGA, as the aforementioned entities engaged, suffered and permitted COMPLAINANT and AGGRIEVED EMPLOYEES to perform services from which they benefited, and furthermore that the aforementioned entities had the right to exercise control over the wages, hours and/or working conditions of COMPLAINANT at all relevant times herein, so as to be considered the joint employers of Complainant. By reason of their status as joint employers of COMPLAINANT and AGGRIEVED EMPLOYEES, they are each liable for civil penalties for violation of the California Labor Code and applicable Wage Orders as to COMPLAINANT and other AGGRIEVED EMPLOYEES.

Individual Liability Under Labor Code § 558.1

Labor Code section 558.1 permits joint and several liability as to both an individual and employer for violations of Labor Code sections 203, 226, 226.7, 1194, and 2802. EMPLOYER, at all relevant times, was an employer or person acting on behalf of an employer(s) who violated COMPLAINANT and other AGGRIEVED EMPLOYEES' rights by violating various sections of the California Labor Code. The California Legislature defines "other person acting on behalf of an employer" as "*a natural person* who is an owner, director, officer, or managing agent of the employer." The "managing agent" definition mirrors that found in California's punitive damages statute (subdivision (b) of section 3294 of the Civil Code). Under that statute and supporting case law, "managing agents" are all employees who exercise substantial independent authority and judgment in their corporate decision-making such that their decisions ultimately determine corporate policy. *White v. Ultramar, Inc.* (1999) 21 Cal. 4th 563, 566-67. For the reasons set forth above and others, at all relevant times, the above-listed individuals meet the criteria of managing agents under California law, and therefore, may be held liable under California Labor Code sections 558 and 558.1 for violations of Labor Code §§ 203, 226, 226.7, and 1194 as further described in detail below.

COMPLAINANT intends to further name any unknown individuals responsible for violations arising under Labor Code sections 558 and 558.1 after further discovery. COMPLAINANT will ask the Court to relate the amendment of the PAGA charge and the operative complaint to the date of filing of these charges. COMPLAINANT asks and demands that EMPLOYER put these individuals on notice immediately to provide them as much notice possible to mount in defense. In the alternative, COMPLAINANT also offers to EMPLOYER to place those individuals on notice if EMPLOYER voluntarily provides their contact information.

General Information

AHMC San Gabriel Valley Medical Center LP, AHMC Healthcare, Inc., San Gabriel Healthcare Inc., SGVMC Healthcare LP, AHMC Anaheim Regional Medical Center LP, AHMC Seton

Medical Center LLC, AHMC Monterey Park Hospital LP, AHMC Greater El Monte Community Hospital LP, AHMC Garfield Medical Center LP, and AHMC Whittier Hospital Medical Center LP and its managing agents own, operate, or otherwise manage hospitals/medical centers. While EMPLOYER may operate successful companies or have a noble mission, EMPLOYER does not comply with California labor law.

COMPLAINANT worked for EMPLOYER, from in or about 2004 until late September 2020 when she went out on disability leave. COMPLAINANT and similarly AGGRIEVED EMPLOYEES worked as nurses for EMPLOYER. COMPLAINANT and similarly AGGRIEVED EMPLOYEES were paid hourly. At all relevant times, COMPLAINANT and similarly AGGRIEVED EMPLOYEES were hourly paid, non-exempt employees.

Among other things, EMPLOYER (1) failed and continues to fail to keep accurate and complete time records for COMPLAINANT and similarly AGGRIEVED EMPLOYEES; (2) failed and continues to fail to pay COMPLAINANT and similarly AGGRIEVED EMPLOYEES for all hours worked; (3) failed and continues to fail to pay employees at least minimum wage for all hours worked and overtime/regular rates for corresponding work; (4) failed and continues to fail to provide COMPLAINANT and similarly AGGRIEVED EMPLOYEES with proper meal or rest breaks, and/or compensate COMPLAINANT and similarly AGGRIEVED EMPLOYEES an additional hour of premium pay for missed/improper meal and/or rest periods; (5) refused and continues to refuse to make and/or falsely denied the amount of payments due to COMPLAINANT and similarly AGGRIEVED EMPLOYEES, including but not limited to, owed sick pay; (6) failed and continues to fail to place COMPLAINANT and similarly AGGRIEVED EMPLOYEES on proper notice of their workplace rights, including but not limited to owed sick pay; (7) failed and continues to fail to provide legally compliant wage statements to COMPLAINANT and similarly AGGRIEVED EMPLOYEES; (8) made unlawful deductions from COMPLAINANT and similarly AGGRIEVED EMPLOYEES' paychecks; (9) failed and continues to fail to timely pay wages to COMPLAINANT and similarly AGGRIEVED EMPLOYEES during employment and upon separation of employment; (10) failed and continues to fail to reimburse COMPLAINANT and similarly AGGRIEVED EMPLOYEES for business expenses incurred on behalf of EMPLOYER; (11) conducts illegal background checks as a condition of COMPLAINANT and similarly AGGRIEVED EMPLOYEES' hire or maintaining their employment; and (12) requires COMPLAINANT and similarly AGGRIEVED EMPLOYEES to impermissibly disclose arrests on their employment applications and sign off on same. Further descriptions of the above-mentioned violations and others are explained below.

Labor Code Violations

Recordkeeping Requirement Violations: California Labor Code section 1174 requires employers to keep "accurate and complete" payroll records showing, among other things, the hours worked daily by COMPLAINANT and similarly AGGRIEVED EMPLOYEES. IWC Wage Order 4-2001, section 7 similarly requires employers to keep time records reflecting the times during which all owed meal periods were provided each day.

At all relevant times, EMPLOYER has failed, and continues to fail, to keep accurate and complete payroll records as required by law.

EMPLOYER has failed and continues to fail to keep accurate and complete records showing total hours worked by COMPLAINANT and similarly AGGRIEVED EMPLOYEES by virtue of EMPLOYER's automatic meal break deductions and time rounding policies and practices, described below.

EMPLOYER further failed and continues to fail to keep accurate and complete records showing total hours worked by virtue of EMPLOYER's failure to relieve COMPLAINANT and similarly AGGRIEVED EMPLOYEES of all duties and EMPLOYER's control for unpaid meal periods, resulting in unpaid hours worked.

EMPLOYER further failed, and continues to fail, to record the true start and end times of COMPLAINANT and similarly AGGRIEVED EMPLOYEES' meal periods. Based on information and belief, during the relevant time period, EMPLOYER implemented a policy and practice of simply recording (and deducting for) a thirty-minute meal period per shift (whether a compliant meal period had been taken or not) without recording the start and end times of those meal periods, in violation of California's record-keeping laws.

EMPLOYER's failure to keep "accurate and complete" payroll records for COMPLAINANT and similarly AGGRIEVED EMPLOYEES violates Labor Code sections 1174, 1198, 1199, and Wage Order 4-2001, section 7. These violations subject EMPLOYER to civil penalties under Labor Code sections 558.1, 226.6, 1174.5 and 2699. Each violation of each Labor Code section and Wage Order provision, for each aggrieved employee, results in a separate civil penalty.[1]

Meal Period Violations: California law requires employers to provide employees a duty-free, uninterrupted thirty (30) minute meal period when an employee works more than five (5) hours in a workday, and it must be provided within the first five (5) hours the employee works. Lab. Code § 512 (and all applicable IWC Wage Orders), §11(A) and (C); *Brinker Restaurant Corp. v. Superior Court* (2012) 53 Cal.4th 1004. Employers must also provide employees with a second duty-free, uninterrupted thirty (30) minute meal period when an employee works more than (10) hours in a workday, and it must be provided before the end of the 10th hour of work. *Ibid*. Meal periods can be waived, but only under the following circumstances: (1) if an employee's total work period in a day is over five (5) hours but no more than six (6) hours, the required meal period may be waived by mutual consent of the employer and employee, and (2) if an employee's total work period in a day is over ten (10) hours but no more than twelve (12) hours, the required second meal period may be waived by mutual consent of the employer and employee, but only if the first meal period was not waived. *Ibid*.

Employers covered by any and all applicable IWC Wage Orders have an obligation to both (1) relieve their employees for at least one meal period for shifts over five hours (see above), *and* (2)

[1] See Lab. Code §2699(f)(2) (establishing that the civil penalty is "for each aggrieved employee per pay period").

to record having done so. If the employer fails to properly record a valid meal period, it is presumed that no meal period was provided. IWC Wage Order 4-2001, §7(A)(3) ("Meal periods . . . shall also be recorded"); *Brinker, supra,* 53 Cal.4th 1004, 1052-1053, citing §7(A)(3) ("If an employer's records show no meal period for a given shift over five hours, a rebuttable presumption arises that the employee was not relieved of duty and no meal period was provided").

Employers must pay employees an additional hour of wages at the employees' regular rate of pay for each missed or improper (e.g., less than 30 minutes, interrupted meal period, first meal period provided after 5 hours, second meal period provided after 10 hours) meal period. Lab. Code § 226.7; all applicable IWC Wage Orders, §11(B) ("If an employer fails to provide an employee a meal period in accordance with the employee's regular rate of compensation for each workday that the meal period is not provided"); *Brinker, supra,* 53 Cal.4th 1004.

COMPLAINANT and similarly AGGRIEVED EMPLOYEES were consistently unable to take timely, off duty, thirty-minute, uninterrupted meal periods, often being forced to take late meal periods and/or work through part or all their meal periods due to the nature and constraints of their job duties and or commentary from supervisors pressuring them to take non-compliant breaks or skip breaks completely. For example, COMPLAINANT reports COMPLAINANT would be interrupted during COMPLAINANT's meal periods with calls on COMPLAINANT's personal cell phone from management to return to work to assist a patient.

Moreover, EMPLOYER's time and pay records reveal late and or missed first and second meal periods with no meal period premiums paid during those pay periods.

EMPLOYER implemented a policy and practice of automatically deducting thirty minutes per shift for these missed/improper meal periods, despite having actual and/or constructive knowledge that COMPLAINANT and other AGGRIEVED EMPLOYEES did not receive compliant meal periods.

EMPLOYER further implemented policies and practices that failed to relieve COMPLAINANT and other AGGRIEVED EMPLOYEES of all duties and EMPLOYER's control during unpaid meal breaks.

Based on further information and belief, EMPLOYER rounded the start and end times of employee meal periods resulting in COMPLAINANT and other AGGRIEVED EMPLOYEES not being paid for all time worked as well as late or shortened meal periods.

Based on information and belief, EMPLOYER did not have a written meal break policy, nor did EMPLOYER have any sort of compliant policy in practice. Liability for the aggrieved employees can be established by evidence that an employer adopted a uniform corporate break policy that failed to give full effect to California law and the applicable Wage Order requirements. The fact that employees may legally waive meal breaks does not affect this result. *Brinker, supra,* 53 Cal.4th 1004.

COMPLAINANT is further informed and believes and thereon alleges that EMPLOYER had actual or constructive knowledge that its time-rounding and auto-deduction policies and practices resulted in the denial of meal periods owed COMPLAINANT and other AGGRIEVED EMPLOYEES, in violation of California's meal period laws.

EMPLOYER never paid COMPLAINANT and other AGGRIEVED EMPLOYEES an additional hour of wages at their respective regular rates of pay for each workday a proper meal period was not provided. *Brinker, supra,* 53 Cal.4th 1004.

COMPLAINANT and other AGGRIEVED EMPLOYEES consistently worked shifts of five and a half hours or more. COMPLAINANT and other AGGRIEVED EMPLOYEES would not receive a single thirty (30) minute meal break. EMPLOYER did not provide COMPLAINANT and other AGGRIEVED EMPLOYEES with proper meal breaks. After five hours of work, COMPLAINANT and other AGGRIEVED EMPLOYEES would be required to work through part or all of their meal periods. Despite not providing COMPLAINANT and other AGGRIEVED EMPLOYEES with the meal breaks to which they were legally entitled, EMPLOYER did not pay any premiums for these missed meal breaks or failed to pay proper premiums for failure to incorporate all non-discretionary remuneration, including but not limited to shift differential pay, into the regular rate for purposes of calculating the owed meal period premiums.

The aforementioned conduct results in violations of Labor Code sections 226.7, 512, and 1198-1199, and all applicable IWC Wage Orders, §11(A) and (C) along with all applicable IWC Wage Orders. These violations subject EMPLOYER to civil penalties under Labor Code sections 558.1, 558 and 2699, and all applicable IWC Wage Orders, §20. Each violation of each Labor Code section and Wage Order provision results in a *separate* civil penalty, for each aggrieved employee for each pay period during which the referenced statutes and Wage Order provisions were violated.[2] EMPLOYER's failure to provide valid meal periods, and the automatic deduction for meal periods that were not provided/valid, ultimately results in further violations, such as violation of Labor Code sections 1174, 1199, 226.6, discussed above, and other violations discussed below.

<u>Rest Period Violations</u>: California law requires employers to provide employees a paid, duty-free ten (10) minute rest period for each four (4) hours worked, or major fraction thereof. *See* applicable IWC Wage Order, §12(A). Employers must pay employees an additional hour of wages at the employee's regular rate of pay for each missed or improper (e.g., less than 10 minutes, interrupted rest period, rest period(s) at improper time(s) during shift(s)) rest period. Lab. Code §226.7; applicable IWC Wage Order, §12(B) ("If an employer fails to provide an employee a rest period in accordance with the applicable provisions of this order, the employer shall pay the employee

[2] See Lab. Code §2699(f)(2) (establishing that the civil penalty is "for each aggrieved employee per pay period"); Lab. Code §558 (establishing that the civil penalty is "for each underpaid employee for each pay period for which the employee was underpaid"); IWC Wage Order 4-2001, §20 (establishing that "<u>[i]n addition to any other civil penalties provided by law</u>, any employer or any other person acting on behalf of the employer who violates, or causes to be violated, the provisions of this order, shall be subject to the civil penalty…for each underpaid employee for each pay period during which the employee was underpaid").

one (1) hour of pay at the employee's regular rate of compensation for each work day that the rest period is not provided").

EMPLOYER did not properly authorize and provide COMPLAINANT and other AGGRIEVED EMPLOYEES with appropriate rest periods at a rate of every four (4) hours worked or major fraction thereof.

COMPLAINANT and other AGGRIEVED EMPLOYEES were not adequately informed, authorized, instructed about, nor permitted an opportunity to take proper rest breaks per California law.

EMPLOYER had a policy of allowing only a single fifteen-minute rest period per shift despite COMPLAINANT and other AGGRIEVED EMPLOYEES regularly working shifts of eight (8) hours or more and thus being entitled to at least two (2) rest periods per shift. Even the single purported rest period was typically interrupted, cut short, on duty, and or late due to the nature and constraints of COMPLAINANT and other AGGRIEVED EMPLOYEES' job duties and or commentary from supervisors pressuring them to take non-compliant rest breaks.

COMPLAINANT and other AGGRIEVED EMPLOYEES were pressured to complete their work duties according to a designated schedule such that rest breaks were only taken once jobs were completed/as time permitted.

EMPLOYER had no policy in place nor instruction as to the taking, timing, or duty-free nature of rest periods. COMPLAINANT and other AGGRIEVED EMPLOYEES were never paid a rest period premium for any missed/improper rest period in violation of California law. *Bluford v. Safeway Stores, Inc.* (2013) 216 Cal. App. 4th 864, 872.

The aforementioned conduct results in violations of Labor Code sections 226.7, and 1198-1199, and IWC Wage Order 4-2001, §12(A). These violations subject EMPLOYER to civil penalties under Labor Code section 2699, and all applicable IWC Wage Orders, §20. Each violation of each Labor Code section and Wage Order provision results in a *separate* civil penalty, for each aggrieved employee for each pay period during which the referenced statutes and Wage Order provisions were violated.

Minimum Wage Violations: Labor Code section 1197 states the California requirement that employees must be paid at least the minimum wage fixed by the Commission, and any payment of less than the minimum wage is unlawful. The minimum wage standard applies to each hour employees worked for which they were not paid. Therefore, an employer's failure to pay for any particular hour worked by an employee is unlawful even if averaging an employee's total pay over all hours worked, paid or not, results in an average hourly wage above minimum wage. *Armenta v. Osmose, Inc.* (2005) 135 Cal.App.4th 314, 324.

EMPLOYER failed to compensate COMPLAINANT and other AGGRIEVED EMPLOYEES for all hours worked by virtue of EMPLOYER'S automatic deduction and time rounding policies, and failure to relieve employees of all duties/employer control during unpaid meal periods or otherwise unlawful practices for missed or improper meal periods. Specifically, COMPLAINANT alleges that EMPLOYER implemented a time-shaving and time-rounding system that systematically deprived COMPLAINANT and other AGGRIEVED EMPLOYEES of compensable time, because the time-rounding system understated actual compensable work time. Based on information and belief, EMPLOYER rounded hours worked to the nearest quarter hour, resulting in the underpayment of minimum wages owed.

COMPLAINANT and other AGGRIEVED EMPLOYEES were consistently unable to take off duty, thirty-minute, uninterrupted meal periods, often being forced to work through part or all their meal periods due to the nature and constraints of their job duties and or commentary from supervisors pressuring COMPLAINANT and other AGGRIEVED EMPLOYEES to take non-compliant breaks or skip breaks completely.

EMPLOYER implemented a policy and practice of automatically deducting thirty minutes per shift for meal periods, despite having actual and/or constructive knowledge that COMPLAINANT and other AGGRIEVED EMPLOYEES were working through part or all these meal periods.

Based on further information and belief, EMPLOYER rounded the start and end times of employee meal periods resulting in COMPLAINANT and other AGGRIEVED EMPLOYEES not being paid for all time worked.

In addition, COMPLAINANT and other AGGRIEVED EMPLOYEES were suffered or permitted to start working before clocking in and or to continue working after clocking out; for example, several times a week, COMPLAINANT would work approximately thirty to forty minutes after clocking out to finish tending to patients/complete work tasks. This off-the-clock work resulted in minimum wage law violations.

Based on information and belief, EMPLOYER had actual or constructive knowledge that its time-rounding and auto-deduction/other off-the clock work policies and practices and failure to provide off-duty meal periods resulted in the underpayment of minimum wages owed COMPLAINANT and other AGGRIEVED EMPLOYEES, in violation of California's minimum wage laws.

These violations subject EMPLOYER, to civil penalties under Labor Code sections 558, 558.1, 1197.1 and Wage Order 4-2001, §20. Each violation of each Labor Code section and Wage Order provision results in a *separate* civil penalty, for each aggrieved employee, for each pay period during which the referenced statutes and Wage Order provisions were violated.[3]

[3] See Lab. Code §1197.1(a) (establishing that the civil penalty is "for each underpaid employee for each pay period for which the employee was underpaid"); IWC Wage Order 4-2001, §20 (establishing that "[i]n addition to any other civil penalties provided by law, any employer or any other person acting on behalf of the employer who violates, or causes to be violated, the provisions of this order, shall be subject to the civil penalty…for each underpaid employee for each pay period during which the employee was underpaid").

Overtime Violations: California law requires employers to pay overtime equal to one and one-half times the regular hourly rate of pay for each hour worked beyond eight (8) hours per workday and each hour worked beyond forty (40) hours per work week. Lab. Code §510; IWC Wage Order 4-2001, §3. Employers must pay overtime equal to double the regular hourly rate of pay for each hour worked beyond twelve (12) hours per workday and for all hours worked in excess of eight (8) hours on the seventh consecutive day or work in a work week. *Ibid.*

EMPLOYER violated California's overtime laws by, among other things, failing to correctly calculate, or record at all, the total number of hours worked by COMPLAINANT and other AGGRIEVED EMPLOYEES and not paying proper overtime rates for overtime worked by virtue of same.

Namely, EMPLOYER's automatic deduction and time rounding policies and practices for meal periods described herein resulted in the failure to account for all hours worked and thus the denial of minimum wages as well as overtime wages for COMPLAINANT and those AGGRIEVED EMPLOYEES who worked more than eight (8) hours in a day or more than forty hours in a week.

In addition, COMPLAINANT and other AGGRIEVED EMPLOYEES were suffered or permitted to start working before clocking in and or to continue working after clocking out; for example, COMPLAINANT reports that several times a week she would work approximately thirty to forty minutes after clocking out to finish tending to patients/complete work tasks, which resulted in the denial of overtime wages, given COMPLAINANT's work schedule.

EMPLOYER also failed to incorporate all forms of non-discretionary remuneration, including but not limited to, shift differential pay, into the regular pay rate for purposes of calculating the owed overtime rate during pay periods in which overtime was worked and non-discretionary remuneration earned. This resulted in the underpayment of overtime wages.

EMPLOYER sometimes paid AGGRIEVED EMPLOYEES multiple rates of pay in one pay period for the same kind of work but failed to average the rates of pay when calculating overtime. Under California law, "[w]here two rates of pay are paid during a workweek, the California method for determining the regular rate of pay for calculating overtime in that workweek mirrors the federal method, based upon the weighted average of all hourly rates paid." DLSE Manual 49.2.5 (citing 29 CFR § 778.115). This "weighted average" method provides, "[w]here an employee in a single workweek works at two or more different types of work for which different non-overtime rates of pay (of not less than the applicable minimum wage) have been established, their regular rate for that week is the weighted average of such rates. That is, the total earnings (except statutory exclusions) are computed to include his compensation during the workweek from all such rates, and are then divided by the total number of hours worked at all jobs. . ." 29 CFR § 778.115. Defendant's failure to average the rates of pay when calculating overtime resulted in underpaid overtime at times, as well as inaccurate and incomplete wage statements.

This conduct results in violations of Labor Code sections 218.5, 510, 558, 558.1, 1198-1199, and IWC Wage Order 4-2001, §12(A). These violations subject EMPLOYER to civil penalties under

Labor Code sections 558, 558.1, 218.5, and 2699, and Wage Order 4-2001, §20. Each violation of each Labor Code section and Wage Order provision results in a *separate* civil penalty, for each aggrieved employee, for each pay period during which the referenced statutes and Wage Order provisions were violated.

Violation of California Labor Code §§ 245-248.5: Throughout the relevant time period, EMPLOYER failed to provide proper paid sick leave to COMPLAINANT and other AGGRIEVED EMPLOYEES, due to, including but not limited to, EMPLOYER's failure to account for true actual hours worked (by virtue of the auto-deduction and time rounding policies and failure to pay for all hours worked, as described herein) and or failure to incorporate all forms of non-discretionary remuneration, including but not limited to, shift pay differential, into the sick pay calculation.

EMPLOYER further failed to put them on notice of their paid sick leave rights—or thereby putting their entitlement to sick leave in a Labor Code § 2810.5 notice.

In addition, EMPLOYER failed to maintain accurate records of used sick leave and the balance of paid sick leave left to the employee throughout the relevant time period.

Throughout the relevant time period, EMPLOYER failed to provide notice of sick leave amount balance left for COMPLAINANT and all AGGRIEVED EMPLOYEES, and thus affecting their intelligent exercise of their paid sick leave.

But for this failure, COMPLAINANT and all AGGRIEVED EMPLOYEES would have used their paid sick leave at least prior to their respective separation, for as on several occasions thereafter, he or she would have been entitled to use the banked sick leave and earn appropriate compensation.

This illegal retention of paid sick leave is unlawful and COMPLAINANT seeks all forms of injunctive relief, restitution, and declaratory relief as permitted by California law, on behalf of COMPLAINANT and all AGGRIEVED EMPLOYEES.

In violation of Labor Code § 247.5, EMPLOYER failed to maintain records documenting the hours worked and paid sick days accrued and used by COMPLAINANT and all AGGRIEVED EMPLOYEES, permitting the presumption that COMPLAINANT all AGGRIEVED EMPLOYEES were entitled to the maximum number of hours accruable under this article at the time of his termination.

EMPLOYER further failed and continues to fail to comply with Labor Code § 246, by providing COMPLAINANT all AGGRIEVED EMPLOYEES with a Labor Code section 226 wage statement, or separate writing containing amount of paid sick leave available, or paid time off leave an employer provides in lieu of sick leave, at the time it pays wages.

EMPLOYER unlawfully retained and continues to retain paid sick leave that should have been paid and wasn't as a result of its failure to properly institute a paid sick leave program.

On information and belief, COMPLAINANT alleges that all of these practices were experienced and continue to be experienced by other similarly AGGRIEVED EMPLOYEES.

COMPLAINANT requests all appropriate relief under the PAGA and these statutes, including but not limited to the restitution of earned paid sick leave that could have been used, but was not due to EMPLOYER's sole failure to institute such a paid sick leave entitlement or paid sick leave bank as required by California law.

Accordingly, COMPLAINANT and other AGGRIEVED EMPLOYEES are entitled to injunctive relief, attorney's fees, declaratory relief, restitution, and penalties as permitted by law. COMPLAINANT requests all relief pursuant to the aforementioned code provisions, including but not limited to Labor Code §§ 233 and 234, which incorporates the paid sick leave requirements.

Business Expense Violations: California law requires employers to indemnify their employees for all necessary expenditures incurred by the employee in direct consequence of the discharge of their duties or of their obedience to the directions of the employer. *See* Cal. Lab. Code § 2802(a) and all applicable Wage Orders, § 9 (b). Furthermore, "for purposes of [section 2802], the term 'necessary expenditure or losses' shall include all reasonable costs, including, but not limited to, attorneys' fees incurred by the employee enforcing the rights granted by this section."

Among other things, under California law, when tools or equipment are required by the employer or are necessary to the performance of a job, such tools and equipment shall be provided and maintained by employer, except that an employee whose wages are at least two (2) times the minimum wage provided herein may be required to provide and maintain hand tools and equipment customarily required by the trade or craft. *See* applicable IWC Wage Order, § 9 (b).

Among other things, under California law, when employees must use their personal cellphones for work-related purposes, the employer must reimburse them for a reasonable percentage of their cell phone bills. *See Cochran v. Schwan's Home Services, Inc.* (2014) 228 Cal.App.4th 1137, 1140. To show liability, an employee will only need to show that he or she was required to use their personal cellphone for work-related purposes and not reimbursed for the use. *Id.* 1144-1145. California law also requires employers to reimburse employees for automobile expenses incurred for the business use of personal vehicles, such as for mileage, gas, and the wear and tear on the vehicle. *See Gattuso v. Harte-Hanks Shoppers, Inc.* (2007) 42 Cal.4th 554. Further, "any contract or agreement, express or implied, made by any employee to waive the benefits of this article or any part thereof, is null and void, and this article shall not deprive any employee or his personal representative of any right or remedy to which he is entitled to under the laws of this State." *See* Cal. Lab. Code § 2804.

COMPLAINANT and other AGGRIEVED EMPLOYEES were improperly required to provide and maintain work tools that are supposed to be the responsibility of the employer.

At all relevant times hereto, EMPLOYER shifted its costs of doing business onto COMPLAINANT and other AGGRIEVED EMPLOYEES by requiring them to pay for its business expenses, including but not limited to, use of COMPLAINANT's mobile phone and data usage and costs associated with uniform purchase and or maintenance.

As a pattern and practice, EMPLOYER regularly failed to reimburse and indemnify COMPLAINANT and other AGGRIEVED EMPLOYEES for business expenses. Pursuant to California Labor Code section 2802, COMPLAINANT and other AGGRIEVED EMPLOYEES were entitled to be reimbursed for all reasonable expenses associated with carrying out orders by their employer and/or carrying out the duties assigned by their employers.

COMPLAINANT and other AGGRIEVED EMPLOYEES were improperly required to pay for business expenses that are supposed to be the responsibility of EMPLOYER, including but not limited to, cell phone/data plan charges and costs associated with uniform purchase and or maintenance.

EMPLOYERS' failure to provide COMPLAINANT and other AGGRIEVED EMPLOYEES with full reimbursement for all reasonable expenses associated with carrying out their duties required that COMPLAINANT and other AGGRIEVED EMPLOYEES subsidize and/or carry the burden of business expenses in violation of Labor Code section 2802.

Wage Statement Violations: California law requires every employer semi-monthly or at the time of each payment of wages to furnish each of his or her employees with an accurate itemized wage statement in writing that contains 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; (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. Cal. Lab. Code. § 226.

EMPLOYER's wage statements that it provided to COMPLAINANT and all AGGRIEVED EMPLOYEES failed to indicate the "total hours worked" by the COMPLAINANT and all AGGRIEVED EMPLOYEES (by virtue of the automatic deduction for on-duty/shortened/interrupted meal periods. time-rounding practices, and other off-the-clock work, all described in greater detail *supra*).

In addition, because of the violations detailed above, including not paying regular and overtime wages for all hours worked and failing to provide meal and rest break premiums, EMPLOYER has violated California Labor Code § 226 by willfully failing to furnish COMPLAINANT and all AGGRIEVED EMPLOYEES with accurate, itemized wage statements.

As a result, the wage statements provided to COMPLAINANT and all AGGRIEVED EMPLOYEES were not accurate and did not include all of the statutorily required information, such as, but not limited to, all gross and net wages earned and total hours worked.

These violations subject EMPLOYER to civil penalties under Labor Code § 226. Each violation results in a *separate* civil penalty, for each aggrieved employee, for each pay period during which the statute provisions were violated.[4]

Standard Conditions of Labor Violations: Together, Labor Code §§ 1198 and 1199 make unlawful any employment of any employee under conditions of labor prohibited by the Wage Orders, and any violation, refusal, or neglect to comply with any provision within Part 4, Chapter 1 of the Labor Code, including sections 1174, 1197, and 1198, or order or ruling of the commission.

Therefore, EMPLOYER's violations with respect to meal periods, rest periods, recordkeeping provisions, minimum wages and overtime wages result in separate violations of sections 1198 and 1199, which subject EMPLOYER to civil penalties under Labor Code sections 1197.1 and 2699.

Refusal to Make Payment: Labor Code § 216 declares unlawful an employer's refusal to pay wages due and payable and/or denial of the validity of any claim to wages due.

EMPLOYER violated and continues to violate Labor Code § 216 by failing to pay COMPLAINANT and all AGGRIEVED EMPLOYEES for all hours worked at the proper wage rate and by failing to pay COMPLAINANT and all AGGRIEVED EMPLOYEES an additional hour of pay for each meal or rest period not provided or that was invalid. *Gould v. Maryland Sound Industries, Inc.* (1995) 31 Cal.App.4th 1137, 1154-1155.

These violations subject EMPLOYER to civil penalties under Labor Code § 225.5. Each violation results in a *separate* civil penalty, for each aggrieved employee, for each pay period during which the statute provisions were violated.[5]

Statutory Wage Violations: California Labor Code § 223 makes it unlawful for an employer to secretly pay wages lower than required by statute while purporting to pay legal wages.

As described above, EMPLOYER willfully and systematically denied COMPLAINANT and other AGGRIEVED EMPLOYEES minimum wage compensation for all hours worked which resulted in the payment of less than statutorily required wages to them. EMPLOYER acted with the intent to deprive them of statutory wages, including, but not limited to, overtime wages and minimum wages, to which they were entitled to under California law.

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[4] See Lab. Code §226.3 (establishing that the civil penalty is "per employee per violation").

[5] Labor Code § 225.5 (establishing that "[i]n addition to, and entirely independent and apart from, any other penalty provided in this article, every person who unlawfully withholds wages due any employee in violation of sections 212, 216, 221, 222, or 223 shall be subject to a civil penalty…for each failure to pay each employee") (emphasis added).

Thus, EMPLOYER paid COMPLAINANT and all AGGRIEVED EMPLOYEES lower wages than those they were entitled to while purporting that COMPLAINANT and all AGGRIEVED EMPLOYEES were properly paid. COMPLAINANT and all AGGRIEVED EMPLOYEES are entitled to recover penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code § 2699(f)-(g).

Background Check Violations: The California Labor Code places certain procedural and substantive limits on employers' ability to conduct employee background checks and on how employers can use the information they obtain through those background checks. Labor Code Section 1024.5 states that employers, except for financial institutions, may order a credit check only if the individual works (or is applying to work) in certain positions (e.g., managerial positions, financially-related positions, and certain government positions). Labor Code § 432.7 prohibits an employer from asking applicants about past arrest(s) unless they resulted in conviction(s) and even then, certain limitations apply. Additionally, the Investigative Consumer Reporting Agencies Act (ICRAA- CA Civil Code §1786, et seq.) and the Fair Credit Reporting Act (FCRA - 15 U.S.C. § 1681, et seq.) mandate several requirements prior to and following an employee background check, including but not limited to identifying an appropriate reason for the background check, a separate consent form with required disclosures and certain formatting requirements, additional forms such as a summary of rights, as well as proper notice of adverse actions taken, among other statutory requirements.

Based on information and belief, EMPLOYER required COMPLAINANT and all AGGRIEVED EMPLOYEES to submit to an unlawful criminal and/or financial background check as a condition of obtaining and/or holding employment in violation of Labor Code § 1024.5 and 432.7.

EMPLOYER also required COMPLAINANT and other AGGRIEVED EMPLOYEES to agree in writing to a background check which failed to abide by the requirements set forth in CA Civil Code §1786, et seq. and 15 U.S.C. § 1681, et seq., and thus was an unlawful background check.

EMPLOYER knew that requiring COMPLAINANT and AGGRIEVED EMPLOYEES to agree to these criminal and/or financial background checks as a condition of obtaining and/or holding employment was unlawful.

By having COMPLAINANT and other AGGRIEVED EMPLOYEES sign off on the illegal background checks, Employer also violated Labor Code § 432.5 (stating that "no employer…shall require any employee or applicant for employment to agree, in writing, to any term or condition which is known by such employer…to be prohibited by law.").

Furthermore, in violation of California law, EMPLOYER asked about arrests not resulting in convictions on its employment application.

Final Pay Violations: Labor Code section 201 requires employers to pay all wages earned and unpaid at the time of discharge, immediately upon discharge. Pursuant to Labor Code section 203, an employer that willfully fails to pay wages due an employee who is terminated or resigns must pay (in addition to the unpaid wages) a penalty equal to the employee's daily wages for each day, not exceeding 30 days, that the wages are unpaid. This 30-day waiting time penalty is recoverable under the PAGA via Labor Code Section 256. See, *Iskanian v. CLS Transportation Los Angeles, LLC*, 59 Cal.4th 348 (2014); see also, *Caliber Bodyworks, Inc. v. Superior Court*, 134 Cal. App. 4th 365 (2005).

EMPLOYER failed to timely pay those AGGRIEVED EMPLOYEES who are no longer employed by EMPLOYER all wages that were due and owing upon termination or resignation.

Upon separation of employment, AGGRIEVED EMPLOYEES' final paychecks were not timely provided, and AGGRIEVED EMPLOYEES' final paychecks, once provided, did not include all remuneration owed as they were devoid of, including but not limited to, all owed minimum and overtime wages and all owed sick pay.

EMPLOYER has violated the above-referenced California Labor Code provisions, as well as other laws, and is liable for all applicable premium wages, statutory and civil penalties, interest, attorneys' fees, and costs. The civil penalties COMPLAINANT and other AGGRIEVED EMPLOYEES seek to recover include, but are not limited to, the statutory and civil penalties specified above.

These violations subject EMPLOYER to civil penalties under Labor Code section 203, 210, and/or 256. Each violation results in a *separate* civil penalty, for each aggrieved employee for each pay period during which the statute provisions were violated.[6]

<u>Conclusion</u>

Labor Code § 2699.3 requires that a claimant send a certified letter (i.e. this NOTICE) to the employer in question and file an online claim to the LWDA setting forth the claims and the basis for the claims, thereby giving the LWDA an opportunity to investigate the claims and/or take any action it deems appropriate.

The purpose of this NOTICE is to satisfy the requirement created by Labor Code §§ 2699, 2699.3(a), and 2699.5, prior to seeking penalties and premium wages allowed by law for the aforementioned statutory violations in a civil action. We look forward to determining whether the LWDA intends to take any action in reference to these claims. We kindly ask that you respond to this NOTICE according to the time frame contemplated by the code.

If the LWDA elects not to take any action with respect to any of the foregoing claims, COMPLAINANT will seek these penalties in a civil action, on behalf of COMPLAINANT and all other AGGRIEVED EMPLOYEES of EMPLOYER within one year of the date of this letter as allowed by law.

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[6] (establishing that "<u>[i]n addition to, and entirely independent and apart from, any other penalty provided in this article,</u> every person who fails to pay the wages of each employee as provided in Sections 201.3, 204, 204b, 204.1, 204.2, 205, 205.5, 1197.5, shall be subject to a civil penalty…for each failure to pay each employee").

Please advise if your office intends to investigate any of the factual and legal allegations and provide notice within sixty days of this NOTICE to our office and to that of other charged parties. Thank you for your attention to this matter. If you have any questions, please contact me at the phone number or address below:

Zachary Crosner
Crosner Legal, PC
9440 Santa Monica Blvd., Ste. 301
Beverly Hills, CA 90210
Main: 310.496.5818
Fax: 310.510.6429
Email: zach@crosnerlegal.com

Thank you for your attention to this matter.

Best Regards,

Zachary M. Crosner

Zachary M. Crosner, Esq.
CROSNER LEGAL, PC

Ashley Gutierrez <agutierrez@crosnerlegal.com>

Thank you for submission of your PAGA Case.

1 message

LWDA DO NOT REPLY <lwdadonotreply@dir.ca.gov> Thu, Sep 16, 2021 at 12:17 PM
To: "zach@crosnerlegal.com" <zach@crosnerlegal.com>

9/16/2021

LWDA Case No. LWDA-CM-844836-21
Law Firm : Crosner Legal PC
Plaintiff Name : Ruthie Braswell
Employer: AHMC San Gabriel Valley Medical Center LP. et al.
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

CROSNER LEGAL PUBLIC INTEREST RIGHTS

Jessica Ball <jessica@crosnerlegal.com>

Thank you for your Court Complaint Submission.

1 message

DIR PAGA Unit <no-reply@formassembly.com> Wed, Mar 19, 2025 at 11:34 AM
To: jessica@crosnerlegal.com

03/19/2025 11:33:56 AM

Thank you for your submission to the Labor and Workforce Development Agency.

Item submitted: Court Complaint
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 4

CROSNER LEGAL
PUBLIC INTEREST RIGHTS

Jessica Ball <jessica@crosnerlegal.com>

Thank you for your Proposed Settlement Submission

1 message

DIR PAGA Unit <no-reply@formassembly.com> Wed, Mar 19, 2025 at 1:47 PM
To: jessica@crosnerlegal.com

03/19/2025 01:47:03 PM

Thank you for your submission to the Labor and Workforce Development Agency.

Item submitted: Proposed Settlement
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

5

Braswell v. AHMC San Gabriel Valley Medical Center, et al.
Crosner Legal Time Report

Tasks	Zachary Crosner	Blake Jones	Jamie Serb	Brandon Brouillette	Chad Saunders	Branden Hamilton	Kiara Bramasco
Pre-filing Case Investigation	9.3	.9	0.0	0.0	0.0	6.7	4.1
Pleadings and Law and Motion	16.6	2.2	0.0	13.4	52.7	8.1	14.3
Discovery and Post-Filing Investigation	15.2	0.0	0.0	12.8	26.4	0.0	0.0
Court Appearances	0.0	0.0	0.0	0.0	5.6	0.0	0.0
Case Management; Litigation Strategy & Analysis	26.3	1.8	20.8	20.5	29	0.0	0.0
Mediation and Settlement	28.5	0.0	13.1	34.3	45.6	0.0	0.0
Total Hours	95.9	4.9	33.9	80.5	159.3	14.8	18.4
Hourly Rate	$800	$850	$750	$750	$750	$600	$650
Lodestar	$76,720	$4,165	$25,425	$60,375	$119,475	$8,880	$11,960

Total Hours: 400.7 **Total Lodestar: $307,000**