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**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ORANGE**

BRUCE A. GARCIA, as an individual and on
behalf of all others similarly situated,

Plaintiff,

vs.

CP-CARRILLO, INC., a California
corporation; and DOES 1 through 100,

Defendants.

Case No. 30-2021-01225816-CU-OE-CXC

*[Assigned for all purposes to the Hon. Peter J.
Wilson, Dept. CX-102]*

**DECLARATION OF PAUL K. HAINES IN
SUPPORT OF PLAINTIFF'S MOTION
FOR PRELIMINARY APPROVAL OF
CLASS ACTION SETTLEMENT**

Date: December 22, 2022
Time: 2:00 p.m.
Dept.: CX-102

Complaint Filed: October 8, 2021
Trial Date: None Set

1 I, PAUL K. HAINES, declare as follows:

2 1. I am a shareholder and principal of Haines Law Group, APC, and counsel for the
3 named Plaintiff Bruce A. Garcia (“Plaintiff”) and the proposed Settlement Class in the above-
4 captioned matter. I am a member in good standing of the bar of the State of California and am
5 admitted to practice in this Court. I have personal knowledge of the facts stated in this declaration
6 and could testify competently to them if called upon to do so.

7 2. I am a 2006 graduate of Pepperdine University School of Law, where I graduated
8 cum laude. During law school, I worked as a law clerk for the appellate firm of Horvitz & Levy,
9 located in Encino, California. I also spent a semester in law school working as an extern for the
10 Honorable Edward Rafeedie, District Judge for the United States District Court for the Central
11 District of California.

12 3. Since graduating from law school, my practice has focused almost exclusively on
13 employment litigation. In September 2007, I began working as an associate attorney at the
14 international law firm of Littler Mendelson P.C., at its Los Angeles office, which according to its
15 website is the “largest U.S.-based law firm exclusively devoted to representing management in
16 every aspect of labor and employment law.” While at Littler Mendelson, I was primarily staffed
17 on wage and hour class actions venued in both state and federal courts, and I also worked on a
18 number of single and multi-plaintiff wage and hour matters as well.

19 4. During my employment at Littler Mendelson, I played a significant role in the
20 class actions that I was staffed on, as I was often the only associate staffed on such cases. In
21 particular, I received a wide-array of wage and hour class action experience performing the
22 following types of tasks: drafting demurrers, motions to strike and/or dismiss; removing actions
23 from state court to federal court; drafting and responding to written discovery; drafting and
24 opposing discovery related motions; arguing discovery related motions; drafting motions to
25 consolidate related matters; interviewing putative class members and obtaining declarations in
26 connection with class certification; drafting oppositions to motions for class certification; drafting
27 motions for decertification following class certification; conducting exposure analyses to assess
28 the strengths and weaknesses of asserted claims, the likelihood of prevailing at class certification

1 and potential damages resulting from such claims; drafting mediation briefs; serving as the
2 primary contact to in-house counsel; deposing named plaintiffs and putative class members;
3 deposing retained expert witnesses; and defending the depositions of corporate witnesses. In
4 short, I played an integral role in all aspects of litigation from the inception of a matter through
5 and beyond class certification. I also supervised the work of several junior attorneys who were
6 staffed on the same wage and hour class actions.

7 5. In June 2011, I voluntarily resigned from Littler Mendelson in order to accept an
8 associate attorney position with the international law firm of Morgan, Lewis & Bockius LLP, at
9 its Los Angeles office, where I began working in July 2011. During my employment at Morgan,
10 Lewis & Bockius LLP, I worked exclusively on the defense of wage and hour class and collective
11 actions. For the vast majority of these cases, I was the only associate staffed on the matter, and I
12 performed the same job duties as described in the immediately preceding paragraph. In addition
13 to working on wage and hour class actions, I also worked on a number of “hybrid” actions
14 asserting nationwide wage and hour claims under the Fair Labor Standards Act (“FLSA”), as well
15 as California-specific claims under Rule 23 of the Rules of Civil Procedure.

16 6. In July 2012, I transitioned into litigating wage and hour class actions from the
17 Plaintiff’s side, first as a Partner with the law firm of Boren, Osher & Luftman, LLP, and since
18 February 2016, as a Shareholder of the Haines Law Group, APC. Currently, over ninety percent
19 (90%) of my practice is dedicated exclusively to the prosecution of wage and hour class actions,
20 and I am currently responsible for prosecuting over fifty (50) wage and hour class actions filed in
21 both State and Federal courts throughout California. I have been appointed as Class Counsel in
22 over one hundred (100) wage and hour class action settlements in state and federal courts within
23 California. A few examples of the matters in which I have been appointed as Class Counsel, all
24 of which have been granted final approval, include the following: *Sanchez v. Res-Care, Inc.*, Case
25 No. BC526175, California Superior Court, County of Los Angeles, Hon. John Shepard Wiley,
26 Jr., presiding; *Prado v. Warehouse Demo Services, Inc.*, Case No. CV14-3170 JFW (Ex), United
27 States District Court, Central District of California, Hon. John F. Walter presiding; *Tesla Motors*
28 *Wage and Hour Litigation*, JCCP 4792, California Superior Court, Santa Clara County, Hon.

Peter H. Kirwan presiding; *Bower v. Cycle Gear, Inc.*, Case No. CV14-2712 HSG, United States District Court, Northern District of California, Hon. Haywood S. Gilliam, Jr. presiding; *Longstreth v. PAQ, Inc., dba Food 4 Less*, Case No. 15CV-0206, California Superior Court, County of San Luis Obispo, Hon. Charles S. Crandall presiding; *Nunez v. CompuCom Systems, Inc.*, Case No. BC618385, California Superior Court, County of Los Angeles, Hon. John Shepard Wiley, Jr. presiding; *Mansilla v. Haeco Americas Line Services, LLC, et al*, Case No. BC615310, Superior Court of California, County of Los Angeles, Hon. Elihu M. Berle presiding; *Leverage, et al v. Traeger Pellet Grills, LLC, et al*, Case No. 4:16-cv-00784-KAW, United States District Court, Northern District of California, Hon. Kandis A. Westmore presiding.

7. I have also moved to certify and have received an order certifying a class action and/or conditionally certifying a collective action, in the following cases:

- *Medeiros v. Vortex Financial Management Inc.*, Case No. 30-2013-00644741-CU-OE-CXC, California Superior Court, County of Orange, Honorable Judge Gail A. Andler, presiding (certifying a class of employees who were misclassified as independent contractors);
- *Javine v. San Luis Ambulance Service, Inc.*, Case No. CV13-07480 BRO (SSx), United States District Court, Central District of California, Honorable Judge Beverly Reid O'Connell, presiding (conditionally certifying an unpaid FLSA overtime wage class);
- *Prado v. Warehouse Demo Services, Inc.*, Case No. CV14-3170 JFW (Ex), United States District Court, Central District of California, Honorable Judge John F. Walter, presiding (certifying a rest period violation class and conditionally certifying an FLSA unpaid overtime wage class);
- *Bower v. Cycle Gear, Inc.*, Case No. CV14-2712 HSG, United States District Court, Northern District of California, Honorable Judge Haywood S. Gilliam, Jr., presiding (conditionally certifying an unpaid FLSA overtime wage class);
- *Vega v. Weatherford U.S., Limited Partnership*, Case No. CV14-1790-JLT, United States District Court, Eastern District of California, Honorable Jennifer L. Thurston, presiding (conditionally certifying an unpaid FLSA overtime wage class);

- 1 • *Galvan v. AMVAC Chemical Corporation*, Case No. 30-2014-00716103-CU-OE-CXC,
2 California Superior Court, County of Orange, Honorable Judge William Claster, presiding
3 (certifying unpaid overtime wage class and waiting time penalty class);
- 4 • *Camacho v. Residential Fire Systems, Inc.*, Case No. 30-2015-775372-CU-OE-CXC,
5 California Superior Court, County of Orange, Honorable Glenda Sanders, presiding
6 (certifying piece rate pay plan classes, expense reimbursement class, wage statement
7 class, and waiting time penalties class);
- 8 • *Ontiveros v. Safelite Fulfillment, Inc., et al*, Case No. CV 15-7118-DMG (RAOx), United
9 States District Court, Central District of California, Honorable Dolly M. Gee presiding
10 (certifying six classes of employees for rest period violations, wage statement violations,
11 meal period violations, and overtime and double-time violations);
- 12 • *Vazquez, et al v. Kraft Heinz Foods Company*, Case No. 16-cv-2749-WQH-BLM, United
13 States District Court, Southern District of California, Honorable William Q. Hayes
14 presiding (certifying six classes of employees for unpaid wages, meal period violations,
15 wage statement violations, and waiting time penalties);
- 16 • *Caudle, et al. v. Sprint/United Management Company, et al.* Case No. C 17-06874-WHA,
17 United States District Court, Northern District of California, Honorable William H. Alsup
18 presiding (certifying three classes of employees for unlawful wage deduction violations,
19 wage statement violations, and waiting time violations);
- 20 • *Staublein v. Wells Fargo Bank*, No. CIVDS1712267, San Bernardino County Superior
21 Court, Honorable David S. Cohn presiding (certifying wage statement class);
- 22 • *Perez v. Sunbelt Rentals, Inc.* Case No. 37-2018-00026405-CU-OE-CTL, California
23 Superior Court, County of San Diego, Honorable Eddie C. Sturgeon presiding (certifying
24 class of employees for wage statement violations); and
- 25 • *Bowlin-Burdick, et al v. Life Care Centers of America, Inc.*, Case No. BC657139, Los
26 Angeles County Superior Court, Honorable Maren E. Nelson presiding (certifying four
27 classes for meal period violations, rest period violations, wage statement violations, and
28 waiting time penalties).

1 8. In 2015, 2016, and 2017, Thomson Reuters recognized me as a Top Young
2 Attorney in Southern California in the annual Rising Stars Edition of Super Lawyer. This is an
3 honor awarded to no more than two-and-a-half percent of attorneys under the age of forty in
4 Southern California each year. In 2018, 2019, 2020, and 2021, Thomson Reuters recognized me
5 as a “Super Lawyer” in the annual Super Lawyer magazine, an honor awarded to no more than
6 five percent of all attorneys in Southern California each year.

7 9. As counsel for Plaintiff and the proposed Settlement Class, I have been intimately
8 involved in every aspect of this case from its inception through the present, and I believe that the
9 proposed Settlement is an excellent result for the Settlement Class.

10 10. The proposed Stipulation of Settlement (“Settlement” or “Settlement Agreement”)
11 is attached hereto as **Exhibit 1**. The proposed Class Notice, Request for Exclusion Form, and
12 Notice of Estimated Settlement Award are attached to the Settlement as **Exhibits A, B, and C**,
13 respectively.

14 11. Founded in 1963, Defendant CP-Carrillo, Inc. (“CP-Carrillo”) is a manufacturer
15 of pistons, rods, and other automotive hardware and operates out of a 32,000 square foot
16 manufacturing facility in Irvine, California. Plaintiff worked for CP-Carrillo as a non-exempt
17 Machine Operator from September 2018 to approximately May 28, 2021.

18 12. On October 8, 2021, Plaintiff filed the instant action against CP-Carrillo, alleging
19 claims for failure to pay overtime wages, failure to authorize and permit rest periods, failure to
20 provide meal periods, failure to issue accurate itemized wage statements, failure to timely pay all
21 final wages, and unfair competition. On November 8, 2021, Plaintiff filed his operative First
22 Amended Class and Representative Action Complaint to add a cause of action for PAGA civil
23 penalties. Attached hereto as **Exhibit 2** is a true and correct copy of Plaintiff’s correspondence
24 to the Labor & Workforce Development Agency (“LWDA”).

25 13. In connection with mediation, the Parties engaged in significant informal
26 discovery, including CP-Carrillo’s production of timekeeping and payroll data for 20% of
27 employees during the Class Period, its written policies in effect during the Class Period, as well
28 as relevant data points including the number of non-exempt employees employed during the Class

Period, the number of workweeks worked during the Class Period, and the number of pay periods and employees during the PAGA Period. Plaintiff hired a labor economist with a Ph.D in economics to assist Plaintiff in conducting a comprehensive analysis and extrapolation of the timekeeping and payroll data to calculate CP-Carrillo's potential exposure for each of Plaintiff's claims. This discovery allowed the Parties to assess the merits and value of Plaintiff's claims, the chances of certification of Plaintiff's claims, and CP-Carrillo's potential defenses.

14. The Parties attended a full-day mediation on May 24, 2022 with Steve G. Pearl, Esq., an experienced wage and hour class action mediator. During mediation, the Parties vigorously debated their legal positions, the likelihood of certification of Plaintiff's claims, and the legal bases for the claims and defenses. At the conclusion of mediation, Mr. Pearl issued a mediator's proposal for a class-wide settlement, which was ultimately accepted by the Parties. During the months that followed, the Parties negotiated and finalized the long-form Settlement now before the Court.

15. The monetary terms of the Settlement are summarized below:

• Gross Settlement Amount ("GSA"):	\$815,000.00
• Minus Court-approved attorney fees (one-third):	\$271,666.66
• Minus Court-approved verified costs (up to):	\$25,000.00
• Minus Court-approved Enhancement Payment:	\$7,500.00
• Minus Amount Set Aside as PAGA penalties:	\$50,000.00
• <u>Minus estimated settlement administration costs:</u>	<u>\$12,000.00</u>
Net Settlement Amount ("NSA"):	\$448,833.34
PLUS 25% "PAGA Amount" to Settlement Class:	\$12,500.00
Total Amount Paid to Settlement Class:	\$461,333.34

16. According to CP-Carrillo, there are approximately 315 Settlement Class members. Thus, the average Settlement Award from the NSA is estimated to be approximately \$1,424.87. Further, CP-Carrillo states that there are approximately 252 employees who fall within the PAGA Period. Therefore, the average PAGA share is estimated to be approximately \$49.60.

17. CP-Carrillo asserts that nearly all Settlement Class members signed valid and enforceable arbitration agreements with class action waivers. Setting aside any arguments as to the merits of Plaintiff's claims, CP-Carrillo contends that absent settlement, a classwide recovery was not possible and that only PAGA civil penalties could potentially be recovered on behalf of

1 a subset of the Settlement Class members. As such, CP-Carrillo contends that absent its agreement
2 not to raise the arbitration agreements as an affirmative defense, any recovery to the Settlement
3 Class members would be limited to only the employees' potential 25% share of the PAGA civil
4 penalties.

5 18. As described in the accompanying Motion for Preliminary Approval of Class
6 Action Settlement, Plaintiff alleges that CP-Carrillo failed to provide him and other Settlement
7 Class members with legally-compliant meal periods. Plaintiff alleges that due to strict production
8 schedules and work demands, first meal periods were regularly provided after the completion of
9 five hours of work, and occasionally not provided at all. Plaintiff also maintains that CP-Carrillo
10 failed to provide legally-compliant second meal periods during shifts in excess of 10.0 hours.
11 Based on Plaintiff's expert's review and extrapolation of employee timekeeping data, Plaintiff
12 estimated approximately 132,327 shifts reflected a non-compliant first meal period (i.e., late,
13 short, or missed first meal period(s)). Additionally, there were approximately 17,458 non-
14 compliant second meal periods on shifts where there was no first meal period violation. Therefore,
15 Plaintiff estimated there were a total of approximately 149,785 meal period violations during the
16 Class Period. Further, the data produced by CP-Carrillo reflected an average hourly rate of
17 approximately \$17.88 for Settlement Class members during the Class Period. Plaintiff therefore
18 estimated a maximum total exposure for this claim at approximately \$2,678,156 (149,785 non-
19 compliant meal periods * \$17.88 average premium). CP-Carrillo contends that it maintained
20 compliant written meal period policies throughout the Class Period, and provided all legally-
21 compliant meal periods in line with those policies. CP-Carrillo further argues that under *Brinker*,
22 it was only required to "provide" the opportunity to take meal periods, not "ensure" meal periods
23 are taken. CP-Carrillo also argues that any short, missed, or late first meal periods were the result
24 of lawful employee waiver or choice, thereby precluding liability. With respect to second meal
25 periods, CP-Carrillo argues that second meal periods may lawfully be waived on shifts of more
26 than 10.0 hours but less than 12.0 hours per Labor Code § 512, and that employees regularly did
27 so. Lastly, CP-Carrillo argues individualized inquiries would be needed to determine why each
28 meal period was taken late or short or missed by each employee, and whether there was a valid

1 waiver, making certification of the meal period claim unlikely. In light of these defenses, as well
2 as the risk that Plaintiff's class claims could be precluded by the arbitration agreements, Plaintiff
3 discounted the maximum amount by 75% for risk of non-certification and potential inability to
4 proceed on a classwide basis due to the arbitration agreements, and an additional 40% for risk of
5 being unsuccessful on the merits or failure to recover the full amount sought, to arrive at an
6 estimated realistic exposure of approximately \$401,724.

7 19. Plaintiff also alleges that CP-Carrillo failed to authorize and permit all legally-
8 compliant off-duty rest periods. Specifically, Plaintiff alleges that CP-Carrillo only authorized
9 and permitted a single 45-minute combined rest period and failed to authorize and permit a second
10 rest period during shifts of at least six (6) hours and/or a third rest period during shifts of at least
11 ten (10) hours. Plaintiff further alleges that CP-Carrillo failed to authorize and permit off-duty
12 rest periods as a result of CP-Carrillo's policy and practice of requiring him and other employees
13 to remain on company premises during rest periods. Based on Plaintiff's expert's analysis of
14 employee timekeeping records, there were approximately 153,050 shifts of 3.5 hours or more
15 worked by Settlement Class members during the Class Period. Thus, assuming a 100% violation
16 rate for those shifts, Plaintiff estimated the maximum potential exposure for this claim at
17 approximately \$2,736,534 (153,050 rest period violations * \$17.88 average premium). CP-
18 Carrillo counters that it has maintained compliant written rest period policies throughout the Class
19 Period and has always authorized and permitted employees a 10-minute rest period for each four
20 (4) hours worked, or major fraction thereof, as required under the Wage Order, and that any failure
21 to take rest periods was a result of employee choice, rather than any CP-Carrillo policy and/or
22 practice. With respect to Plaintiff's allegation that CP-Carrillo only provided one 45-minute
23 combined rest period during the entirety of his shift, CP-Carrillo produced its written rest period
24 policies which provide for a 10-minute rest period for each 4 hours worked, or major fraction
25 thereof, and specifically informs employees that they are entitled to three ten minute rest periods
26 when they work a shift of ten hours or more. Further, CP-Carrillo maintains that it never required
27 employees to remain on-premises during their rest periods. In fact, CP-Carrillo asserts that many
28 employees would testify that they did, in fact, leave the premises during rest periods. CP-Carrillo

1 further contends that, even if it (or individual managers) had required employees to remain on
2 premises, *Augustus* rejected Plaintiff's "on premises" theory when it observed that "one would
3 expect that employees will ordinarily have to remain onsite or nearby. This constraint, which is
4 of course common to all rest periods, is not sufficient to establish employer control. Finally, CP-
5 Carrillo argues that Plaintiff's rest period claim is not amenable to class treatment, since
6 individual inquiries would be required to determine which employees failed to take rest periods,
7 how many rest periods they failed to take, the reasons why each employee failed to take rest
8 period(s) on a particular shift, and whether each employee was in fact allowed to leave the
9 premises during each rest period. These manageability concerns are especially present with
10 respect to rest period claims, CP-Carrillo argues, given that rest periods are not recorded. In light
11 of these defenses, as well as the risk that Plaintiff's class claims could be precluded by the
12 arbitration agreements, Plaintiff discounted the maximum amount by 75% to account for the risk
13 of non-certification and potential inability to proceed on a classwide basis due to the arbitration
14 agreements, and an additional 65% for risk of being unsuccessful on the merits or failure to
15 recover the full amount sought, to arrive at an estimated realistic exposure of approximately
16 \$239,447.

17 20. Plaintiff alleges that CP-Carrillo underpaid Settlement Class members' overtime
18 wages due to its failure to include all remuneration in the regular rate of pay for overtime
19 purposes. Specifically, Plaintiff alleges CP-Carrillo paid its Settlement Class members non-
20 discretionary quarterly bonuses during the Class Period but did not include this payment into
21 Settlement Class members' regular rate of pay for overtime purposes, and thereby miscalculated
22 and underpaid Settlement Class members' overtime wages. However, CP-Carrillo contends that
23 it has always correctly included quarterly bonuses in the employees' regular rate of pay for the
24 purposes of overtime and provided Plaintiff with a spreadsheet exhibiting all such payments. CP-
25 Carrillo further contends that it stopped paying employees quarterly bonuses in 2020, thereby
26 cutting off its liability for this claim for a significant portion of the Class Period. After reviewing
27 the spreadsheet and information provided by CP-Carrillo, Plaintiff believes that CP-Carrillo was
28 correctly calculating the regular rate of pay and Plaintiff did not believe there was a realistic

1 chance of recovery for this claim. Accordingly, Plaintiff did not assign value to this claim.

2 21. As a result of these alleged wage and hour violations, Plaintiff asserts that CP-
3 Carrillo failed to comply with its wage statement obligations, in violation of Labor Code § 226.
4 Plaintiff's analysis reflected that there were approximately 13,108 pay periods worked by
5 Settlement Class members within the one-year liability window under Labor Code §226. In
6 calculating CP-Carrillo's exposure, Plaintiff assumed he could recover the "initial" \$50 penalty
7 under Section 226(e) for each violation, for a total of \$655,400 (13,108 pay periods * \$50 "initial"
8 penalty) in potential penalties. CP-Carrillo contends that any alleged wage statement violations
9 could not be shown to be "knowing and intentional," particularly given its good-faith defenses;
10 that Plaintiff cannot show he or other employees "suffer[ed] injury" due to alleged wage statement
11 violations, as required by Lab. Code § 226(e); and that wage statements always accurately
12 reflected amounts paid to employees. Given CP-Carrillo's arguments that no violations occurred,
13 that Settlement Class members suffered no "injury," that any violations were not "knowing and
14 intentional," as well as the risk that Plaintiff's class claims could be precluded by the arbitration
15 agreements discussed above, Plaintiff discounted the maximum exposure by 75% for risk of non-
16 certification and potential inability to proceed on a classwide basis due to the arbitration
17 agreements, and by an additional 40% for risks on the merits, for an estimated realistic exposure
18 of approximately \$98,310.

19 22. As a result of CP-Carrillo's failure to pay all meal and rest period premiums,
20 Plaintiff alleges that CP-Carrillo is liable for waiting time penalties. Based on data produced by
21 CP-Carrillo, there are approximately 130 Settlement Class members who separated their
22 employment from CP-Carrillo at any time after October 8, 2020 and are therefore eligible for
23 waiting time penalties. Plaintiff estimated an average waiting time penalty of approximately
24 \$4,291 (\$17.88/hr * 8 hrs * 30 days), and calculated CP-Carrillo's maximum waiting time penalty
25 exposure as at approximately \$557,830 (130 former employees * \$4,291 average waiting time
26 penalty). CP-Carrillo asserts it has strong, good-faith defenses to Plaintiff's underlying claims,
27 precluding imposition of waiting time penalties, which are only available for the "willful" failure
28 to pay wages. Based on these defenses, as well as the risk that Plaintiff's class claims could be

precluded by the arbitration agreements, Plaintiff discounted CP-Carrillo's maximum exposure by 75% for risk of non-certification and potential inability to proceed on a classwide basis due to the arbitration agreements, and by an additional 40% for risk of being unsuccessful on the merits or failure to recover the full amount sought, to arrive at an estimated total of approximately \$83,675.

23. Plaintiff seeks civil penalties under the PAGA, based on the aforementioned claims. Plaintiff estimated a maximum PAGA exposure of \$1,426,600 (14,266 pay periods during PAGA Period * \$100 "initial" violation rate). CP-Carrillo contends that since Plaintiff's PAGA claim is derivative of his underlying wage claims, Plaintiff's PAGA claim would fail with those claims. CP-Carrillo further maintains that given its good-faith defenses, the Court would substantially reduce any PAGA penalties awarded. Thus, Plaintiff discounted the maximum figure by 60% for risk of losing on the merits and/or not recovering a PAGA penalty for each and every pay period, and by an additional 75% for risk of the Court reducing penalties, for an estimated exposure of approximately \$142,660.

24. Using these figures, Plaintiff estimated the realistic total recovery for the Settlement Class would be approximately \$965,816. Thus, the proposed \$815,000 settlement represents approximately 84.3% of Plaintiff's reasonably forecasted recovery.

25. At final approval, my office will apply for an attorneys' fee award of \$271,666.66, which amounts to one-third of the GSA, as well as up to \$25,000 in verified costs. My office has incurred substantial attorneys' fees in, among other things, conducting pre-filing investigation; analyzing Plaintiff's claims; conducting pre-filing investigation; legal research; analyzing Plaintiff's claims; analyzing employee timekeeping and payroll records and other data and documents; engaging in informal discovery; working with its expert to develop a comprehensive damages analysis and mediation brief; preparing for and attending mediation; negotiating the Settlement; preparing this Motion; and otherwise prosecuting this case. I also anticipate that my office will incur additional fees in appearing at the hearing on this Motion, supervising the Notice process, and preparing the Final Approval motion and appearing at the Final Approval Hearing.

26. Although the Parties engaged in significant informal discovery in advance of

1 mediation, the Parties still had substantial discovery to complete in formal litigation had the
2 matter not settled, which would have required the expenditure of substantial time and resources
3 by all parties. Even if Plaintiff obtained class certification, the Parties would incur considerable
4 attorneys' fees and costs through a possible decertification motion, trial, and possible appeal. The
5 Settlement avoids those risks and the accompanying delay and expense, and thus this factor
6 supports preliminary approval.

7 27. Plaintiff will also request an enhancement payment of \$7,500.00 at final approval.
8 As will be fully briefed at final approval, Plaintiff's requested enhancement payment is in
9 recognition of the time and effort he expended on behalf of the Settlement Class, including
10 providing factual information and documents to my office, identifying potential witnesses,
11 communicating with my office to discuss the claims and theories at issue in the litigation, and
12 otherwise actively participating in the prosecution of this litigation.

13 28. I am not aware of any conflict between myself or any member of my firm, Haines
14 Law Group, APC, and any member of the Settlement Class. Nor am I aware of any conflict
15 between Plaintiff and any member of the Settlement Class.

16 29. Under the proposed Settlement in this case, uncashed funds will be sent to *cy pres*
17 recipient Public Law Center ("PLC"). Neither I nor any attorney at my law firm have any personal
18 and/or financial interest and/or connection with PLC.

19 I declare under penalty of perjury under the laws of the State of California that the
20 foregoing is true and correct. Executed on November 18, 2022, at El Segundo, California.

21 

22 _____
Paul K. Haines

EXHIBIT 1

STIPULATION OF SETTLEMENT

This Stipulation of Settlement ("Settlement Agreement") is reached by and between Plaintiff Bruce A. Garcia ("Plaintiff"), individually and on behalf of all members of the Settlement Class (defined below), on one hand, and Defendant CP-Carrillo, Inc. (hereinafter "Defendant"), on the other hand. Plaintiff and Defendant are referred to herein collectively as the "Parties." Plaintiff and the Settlement Class are represented by Paul K. Haines and Sean M. Blakely of Haines Law Group, APC ("Class Counsel"). Defendant is represented by Nancy Rader Whitehead of Scott & Whitehead.

On October 8, 2021, Plaintiff filed a Class Action Complaint against Defendant in Orange County Superior Court, in the matter entitled *Bruce A. Garcia v. CP-Carrillo, Inc.*, Case No. 30-2021-01225816-CU-OE-CXC (the "Action"). On November 8, 2021, Plaintiff filed the operative First Amended Class and Representative Action Complaint ("FAC"). The FAC alleges the following causes of action: (i) failure to pay all overtime wages; (ii) meal period violations; (iii) rest period violations; (iv) wage statement penalties; (v) waiting time penalties; (vi) unfair competition; and (vii) civil penalties under the Private Attorneys General Act ("PAGA").

Defendant denies the claims raised in Plaintiff's Complaint and asserts that its wage and hour practices are proper and legal. Given the uncertainty of litigation, Plaintiff and Defendant wish to settle both individually and on behalf of the Settlement Class. Accordingly, Plaintiff and Defendant agree as follows:

1. **Settlement Class.** For the purposes of this Settlement Agreement only, Plaintiff and Defendant stipulate to the certification of the following Settlement Class:

All current and former non-exempt shop (production) employees who worked for Defendant CP-Carrillo, Inc. in California from October 8, 2017 until the date of preliminary approval ("Class Period").

The Parties agree that certification for purposes of settlement is not an admission that class certification is proper under Section 382 of the Code of Civil Procedure. If for any reason this Settlement Agreement is not approved, does not become Final as defined below, or is terminated or materially modified without agreement of the parties, in whole or in part, this conditional agreement to class certification will be inadmissible and will have no effect in this matter or in any claims brought on the same or similar allegations, and the Parties shall revert to the respective positions they held prior to entering into the Settlement Agreement.

2. **Release by Settlement Class Members and Plaintiff.** Upon the Effective Date (as defined below) and the complete funding of the Gross Settlement Amount, Plaintiff and every member of the Settlement Class (except those who opt out of the non-PAGA claims) will fully release and discharge Defendant, and all of its present and former officers, directors, employees, shareholders, agents, trustees, representatives, attorneys, insurers, reinsurers, parent companies, subsidiaries, divisions, affiliates, predecessors, successors, as well as any individual or entity that could be jointly liable with Defendant (collectively the "Released Parties"), as follows:

- A. Settlement Class members will release all claims, causes of action, and legal theories alleged or which could have been alleged based on the facts in the operative First Amended Class and Representative Action Complaint (“FAC”), including: (a) failure to pay all overtime wages; (b) failure to provide all meal periods in accordance with California law; (c) failure to authorize and permit all rest periods in accordance with California law; (d) failure to furnish accurate and itemized wage statements; (e) failure to pay all wages owed upon separation of employment; (f) all claims for unfair business practices that could have been premised on the facts, claims, causes of action or legal theories of relief pled in the FAC; (g) all claims for civil penalties under the PAGA that were or could have been alleged based on the claims, causes of action or legal theories described above or on any of the claims, causes of action, or legal theories of relief pled in the FAC; and (h) all damages, penalties, interest, costs (including attorney’s fees), and other amounts recoverable under said claims or causes of action as to the facts and/or legal theories alleged or which could have been alleged in the FAC (collectively, the “Released Claims”). The period of the Release shall extend to the limits of the Class Period. Notwithstanding the foregoing, the PAGA settlement and release provisions outlined in subsection (g) will apply to all Settlement Class members whether or not they exclude themselves from the class action settlement. Settlement Class members who were employed by Defendant at any time from March 8, 2020 through the date of preliminary approval of this settlement (the “PAGA Period”) and submit a valid and timely Request for Exclusion shall still be entitled to their portion of the PAGA Amount described below, and will release all claims for civil penalties under the PAGA that were or could have been alleged based on the claims, causes of action or legal theories of relief pled in the FAC, whether they submit a valid and timely Request for Exclusion or not.
3. **Gross Settlement Amount.** As consideration and subject to the express condition precedent that this Settlement Agreement becomes Final (as defined below), Defendant agrees to pay a non-reversionary “Gross Settlement Amount” of Eight Hundred Fifteen Thousand Dollars and Zero Cents (\$815,000.00) in full and complete settlement of the Action, as follows:
- A. The Parties have agreed to engage Phoenix Settlement Administrators as the “Settlement Administrator” to administer this Settlement.
- B. The Settlement will become final and effective when: (a) the Court’s final approval of the Settlement (if no timely objections by or on behalf of Settlement Class members have been filed, or any timely objections have been withdrawn); or (b) the time for appeal has expired if an objection has been filed and no appeal has been filed or withdrawn; or (c) the final resolution of any appeal that has been filed (“Effective Date”). The Gross Settlement Amount shall be deposited with the Settlement Administrator within thirty (30) days of the Final Effective Date.
- C. This is a non-reversionary settlement. The Gross Settlement Amount includes:
- (1) All payments (including interest) to the Settlement Class;

- (2) All costs of the Settlement Administrator and settlement administration, which are anticipated to be no greater than Twelve Thousand Dollars and Zero Cents (\$12,000.00);
- (3) Up to Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) for Plaintiff's Class Representative Enhancement Payment in recognition of his contributions to the Action and his service to the Settlement Class. If Plaintiff's request for his enhancement payment is not approved and/or reduced by the Court, any amount not approved and/or reduced by the Court will revert to the participating Settlement Class members;
- (4) Up to one-third of the Gross Settlement Amount in Class Counsel's attorneys' fees, plus actual costs and expenses incurred by Class Counsel related to the Action as supported by declaration, which are currently estimated to be no greater than Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00). If Class Counsel's request for attorneys' fees and/or reimbursement of litigation costs is not approved and/or reduced by the Court, any amount not approved and/or reduced by the Court will revert to the participating Settlement Class members; and
- (5) Fifty Thousand Dollars and Zero Cents (\$50,000.00) of the Gross Settlement Amount has been set aside by the Parties as PAGA civil penalties. Per Labor Code § 2699(i), seventy-five percent (75%) of such penalties, or Thirty-Seven Thousand and Five Hundred Dollars and Zero Cents (\$37,500.00) will be payable to the Labor & Workforce Development Agency ("LWDA"), and the remaining twenty-five percent (25%), or Twelve Thousand Five Hundred Dollars and Zero Cents (\$12,500.00) will be payable to the Settlement Class as the "PAGA Amount."

D. Defendant's share of employer payroll taxes on the amounts of the settlement attributable as W-2 wages as provided in Section 4(D), below, shall be paid by Defendant separately from, and in addition to, the Gross Settlement Amount.

E. **Escalator Clause.** Defendant represents that that there were an estimated 30,000 total workweeks worked by the Settlement Class members during the Class Period. If the number of workweeks worked during the Class Period exceeds this figure by more than 10% (i.e., if there are 33,001 or more total workweeks), Defendant may elect to either: (a) increase the Gross Settlement Amount on a proportional basis (i.e., if there was a 12% increase in the number of total workweeks, Defendant shall increase the Gross Settlement Amount by 12%); or (b) cut off the Class Period as of the date that there are 33,000 workweeks worked.

4. **Payments to the Settlement Class.** Settlement Class members are not required to submit a claim form to receive a payment ("Settlement Award") from the settlement. Settlement Awards will be determined and paid as follows:

- A. The Settlement Administrator shall first deduct from the Gross Settlement Amount the amounts approved by the Court for Class Counsel's attorneys' fees, Class Counsel's costs and expenses, Plaintiff's Class Representative enhancement payment, the amount designated as PAGA civil penalties, and the Settlement Administrator's fees and expenses for administration. The remaining amount shall be known as the "Net Settlement Amount."
- B. From the Net Settlement Amount, the Settlement Administrator will calculate each Settlement Class member's Settlement Award based on the following formula:
- i. Payments to all participating Settlement Class members: Eighty percent (80%) of the Net Settlement Amount will be distributed to all participating Settlement Class members based on each participating Settlement Class member's proportionate workweeks worked during the Class Period, and will be calculated by multiplying 80% of the Net Settlement Amount by a fraction, the numerator of which is the participating Settlement Class member's number of workweeks worked during the Class Period, and the denominator of which is the total workweeks worked by all participating Settlement Class members during the Class Period.
 - ii. Waiting Time Amount: Ten Percent (10%) of the Net Settlement Amount shall be designated as the "Waiting Time Amount." Each participating Settlement Class member whose employment with Defendant ended at any time from October 8, 2018 to the date of preliminary approval, shall receive an equal share of the Waiting Time Amount. In other words, the Waiting Time Amount will be divided equally among all participating Settlement Class members whose employment with Defendant ended at any time from October 8, 2018 to the date of preliminary approval.
 - iii. Wage Statement Amount: Ten percent (10%) of the Net Settlement Amount shall be designated as the "Wage Statement Amount." Each participating Settlement Class member who was employed by Defendant at any time from October 8, 2020 to the date of preliminary approval shall receive a portion of the Wage Statement Amount proportionate to the number of workweeks that he or she worked during the period from October 8, 2020 to the date of preliminary approval, and which will be calculated by multiplying 10% of the Net Settlement Amount by a fraction, the numerator of which is the participating Settlement Class member's number of workweeks worked from October 8, 2020 to the date of preliminary approval, and the denominator of which is the total number of workweeks worked by all participating Settlement Class members during the time period from October 8, 2020 to the date of preliminary approval.
 - iv. PAGA Amount: Each Settlement Class member who was employed by Defendant at any time during the PAGA Period (including those who submit a valid and timely Request for Exclusion from the class action settlement) shall receive a portion of the Twelve Thousand Five Hundred

Dollars and Zero Cents (\$12,500.00) of the Gross Settlement Amount that has been designated as the "PAGA Amount" proportionate to the number of workweeks that he or she worked during the PAGA Period, and which will be calculated by multiplying the PAGA Amount by a fraction, the numerator of which is the Settlement Class member's number of workweeks worked during the PAGA Period, and the denominator of which is the total number of workweeks worked by all Settlement Class members during the PAGA Period (including those who submit a valid and timely Request for Exclusion from the class action settlement).

- C. Within ten (10) calendar days following Defendant's deposit of the Gross Settlement Amount with the Settlement Administrator, the Settlement Administrator will calculate Settlement Award amounts and provide the same to counsel for review and approval. Within seven (7) calendar days of approval by counsel, the Settlement Administrator will prepare and mail Settlement Awards, less applicable taxes and withholdings, to participating Settlement Class members. The Settlement Administrator shall simultaneously pay the withholdings to the applicable authorities with the necessary reports, submitting copies to Defendant's counsel. After Settlement Awards are mailed to Settlement Class members, the Settlement Administrator shall distribute the amounts approved for Class Counsel's attorneys' fees and litigation costs, Plaintiff's Enhancement Payment, payment to the LWDA for its share of PAGA civil penalties, and settlement administration expenses.
- D. For purposes of calculating applicable taxes and withholdings, each Settlement Award shall be allocated as follows: 80% as penalties and interest; and 20% as wages. The Settlement Administrator will be responsible for issuing to participating Settlement Class members IRS Forms W-2 for amounts deemed "wages" and IRS Forms 1099 for the amounts allocated as penalties and interest. Notwithstanding the treatment of the payments to each Settlement Class member above, none of the payments called for by this Settlement Agreement, including the wage portion, are to be treated as earnings, wages, pay or compensation for any purpose of any applicable benefit or retirement plan, unless required by such plans.
- E. Each Settlement Class member who receives a Settlement Award must cash that check within 180 days from the date the Settlement Administrator mails it. Any funds payable to Settlement Class members whose checks were not cashed within 180 days after mailing shall be distributed to Public Law Center (PLC) pursuant to California Code of Civil Procedure § 384 as the *cy pres* beneficiary designated by the Parties. Pursuant to California Code of Civil Procedure § 384(b), the Court shall set a deadline for the Parties to submit a final distribution report after the check-cashing deadline which includes the total amount that was paid to Settlement Class members and the number and amount of any uncashed checks. After the report is received, the Court shall amend the judgment to direct the Settlement Administrator to submit the funds from any uncashed checks to Public Law Center (PLC), including any interest accrued

- F. Neither Plaintiff nor Defendant shall bear any liability for lost or stolen checks, forged signatures on checks, or unauthorized negotiation of checks. Unless responsible by its own acts of omission or commission, the same is true for the Settlement Administrator.

5. **Attorneys' Fees and Costs.** Defendant will not object to Class Counsel's request for a total award of attorneys' fees of one-third of the Gross Settlement Amount, which is currently estimated to be Two Hundred Seventy-One Thousand Six Hundred Sixty-Six Dollars and Sixty-Six Cents (\$271,666.66). Additionally, Class Counsel will request an award of actual costs and expenses as supported by declaration, in an amount not to exceed Twenty-Five Thousand Dollars and Zero Cents (\$25,000.00), from the Gross Settlement Amount. These amounts will cover any and all work performed and any and all costs incurred in connection with this litigation, including without limitation: all work performed and all costs incurred to date; and all work to be performed and costs to be incurred in connection with obtaining the Court's approval of this Settlement Agreement, including any objections raised and any appeals necessitated by those objections. Class Counsel will be issued an IRS Form 1099 by the Settlement Administrator when the Settlement Administrator pays the fee award allowed by the Court.

6. **Class Representative Enhancement Payment.** Defendant will not object to a request for a Class Representative Enhancement Payment of up to Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) to Plaintiff for his time and risk in prosecuting this case, and his service to the Settlement Class. This payment will be in addition to Plaintiff's Settlement Award as a Settlement Class member and shall be reported on an IRS Form 1099 issued by the Settlement Administrator.

7. **Settlement Administrator.** Defendant will not object to the appointment of Phoenix Settlement Administrators as Settlement Administrator. Defendant will not object to Plaintiff seeking permission to pay up to Twelve Thousand Dollars and Zero Cents (\$12,000.00) for its services from the Gross Settlement Amount. The Settlement Administrator shall be responsible for sending notices and for calculating Settlement Awards and preparing all checks and mailings, calculating Defendant's share of taxes payable on the wages, and other duties as described in this Settlement Agreement. The Settlement Administrator shall be authorized to pay itself from the Gross Settlement Amount by Class Counsel only after Settlement Awards have been mailed to all participating Settlement Class members. The Settlement Administrator shall also give notice of final judgment by posting the final judgment to its website.

8. **Preliminary Approval.** Within a reasonable time after execution of this Settlement Agreement by the Parties, Plaintiff shall apply to the Court for the entry of an Order:

- A. Conditionally certifying the Settlement Class for purposes of this Settlement Agreement;
- B. Appointing Paul K. Haines and Sean M. Blakely of Haines Law Group, APC as Class Counsel;
- C. Appointing Bruce A. Garcia as Class Representative for the Settlement Class;
- D. Approving Phoenix Settlement Administrators as Settlement Administrator;

- E. Preliminarily approving this Settlement Agreement and its terms as fair, reasonable, and adequate;
 - F. Approving the form and content of the Notice Packet (which is comprised of the Class Notice, Request for Exclusion Form, and Notice of Estimated Settlement Award), and directing the mailing of same; and
 - G. Scheduling a Final Approval hearing.
9. **Notice to Settlement Class.** Following preliminary approval, the Settlement Class shall be notified as follows:
- A. Within ten (10) business days after entry of an order preliminarily approving this Agreement, Defendant will provide the Settlement Administrator with the names, last known addresses, phone numbers, social security numbers, positions held, and workweek information for each Settlement Class member employed during the Class Period (the "Class Data"). The Class Data shall be provided to the Settlement Administrator in an electronic format reasonably satisfactory to the Settlement Administrator.
 - B. Within ten (10) business days from receipt of the information provided for in Paragraph 9(A), the Settlement Administrator shall: (i) run the names of all Settlement Class members through the National Change of Address ("NCOA") database to determine any updated addresses for Settlement Class members; (ii) update the address of any Settlement Class member for whom an updated address was found through the NCOA search; (iii) calculate the estimated Settlement Award for each Settlement Class member; and (iv) mail a Notice Packet to each Settlement Class member at his or her last known address or at the updated address found through the NCOA search, and retain proof of mailing.
 - C. Requests for Exclusion. Any Settlement Class member who wishes to opt-out of the settlement must complete and mail a Request for Exclusion Form to the Settlement Administrator within sixty (60) calendar days of the date of the initial mailing of the Notice Packets (the "Response Deadline").
 - i. The Notice Packet shall state that a Settlement Class member who wishes to exclude themselves from the settlement must submit a Request for Exclusion Form by the Response Deadline. The Request for Exclusion Form must: (1) contain the name, address, telephone number and the last four digits of the Social Security number of the Settlement Class member; (2) contain a statement that the Settlement Class member wishes to be excluded from the settlement; (3) be signed by the Settlement Class member; and (4) be postmarked by the Response Deadline and mailed to the Settlement Administrator at the address specified in the Class Notice. If the Request for Exclusion Form does not contain the information listed in (1)-(3), it will not be deemed valid for exclusion from the settlement, except a Request for Exclusion Form not containing a Settlement Class member's telephone number and/or last four

digits of the Social Security number will be deemed valid. The date of the postmark on the Request for Exclusion Form shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Any Settlement Class member who requests to be excluded from the Settlement Class will not be entitled to any recovery under this Settlement Agreement and will not be bound by the terms of the settlement or have any right to object, appeal or comment thereon. Notwithstanding the foregoing, the PAGA settlement and release provisions will apply to all Settlement Class members employed during the PAGA Period, whether or not they exclude themselves from the class action settlement. Settlement Class members who were employed by Defendant at any time during the PAGA Period and submit a valid and timely Request for Exclusion shall still be entitled to their portion of the PAGA Amount described above, and will release all claims for civil penalties under the PAGA that were or could have been alleged based on the claims, causes of action or legal theories of relief pled in the FAC, whether they submit a valid and timely Request for Exclusion or not.

- ii. At no time will the Parties or their counsel seek to solicit or otherwise encourage any Settlement Class member to object to the settlement or opt out of the Settlement Class or encourage any Settlement Class member to appeal from the final judgment.
- iii. Notwithstanding any other provisions of this Agreement, in the event that five percent (5%) or more of the total Settlement Class members exclude themselves and opt out of the settlement, Defendant may, in its sole discretion, unilaterally withdraw from and terminate the settlement no later than five (5) days prior to the date of the Final Approval Hearing. In the event of Defendant's withdrawal, no party may use the fact that the Parties agreed to the Resolution for any reason. In the event that Defendant elects to terminate this settlement under this provision, Defendant shall pay all of the Administrative Costs incurred by the Settlement Administrator up to that point.

- D. Objections. Settlement Class members who do not request exclusion may object to this Settlement Agreement as explained in the Class Notice by filing a written objection with the Settlement Administrator (who shall serve all objections as received on Class Counsel and Defendant's counsel via e-mail, as well as file all such objections with the Court). Defendant's counsel and Class Counsel shall file any responses to objections no later than the deadline to file the Motion for Final Approval, unless the objections are filed within ten (10) days of the Motion for Final Approval filing deadline, in which case Defendant's counsel and Class Counsel shall have ten (10) days from the date of service to the objections by the Settlement Administrator to file a response to the objections. All objections should contain the objecting Settlement Class member's full name and current address, as well as contact information for any attorney representing the objecting Settlement Class member for purposes of the objection. Settlement Class members may also

appear at the final approval hearing to orally object, even if they have not submitted a written objection.

- E. Notice of Estimated Settlement Award / Disputes. Each Notice Packet mailed to a Settlement Class member shall disclose the amount of the Settlement Class member's estimated Settlement Award as well as all of the information that was used from Defendant's records in order to calculate the Settlement Award. Settlement Class members will have the opportunity, should they disagree with Defendant's records regarding the information stated in the Notice of Estimated Settlement Award, to provide documentation and/or an explanation to show contrary information. Any such dispute, including any supporting documentation, must be mailed to the Settlement Administrator and postmarked by the Response Deadline. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. The Settlement Administrator shall initially determine the eligibility for, and the amounts of, any Settlement Awards under the terms of this Settlement Agreement. However, the Court shall have the right to review the Settlement Administrator's initial determination, and the Court shall make the final determination regarding the eligibility for and amount of any Settlement Award, and the Court's determination shall be binding upon the Settlement Class members and the Parties.
- F. Any Notice Packets returned to the Settlement Administrator as non-deliverable on or before the Response Deadline shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall make reasonable efforts, including utilizing a "skip trace," to obtain an updated mailing address within five (5) business days of receiving the returned Notice Packet. If an updated mailing address is identified, the Settlement Administrator shall resend the Notice Packet to the Settlement Class member immediately, and in any event within five (5) business days of obtaining the updated address. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Settlement Class member. It will be conclusively presumed that, if an envelope so mailed has not been returned within thirty (30) days of the mailing, the Settlement Class member received the Notice Packet. Settlement Class members to whom Notice Packets are re-mailed after having been returned as undeliverable to the Settlement Administrator shall have fourteen (14) calendar days from the date of re-mailing, or until the Response Deadline has expired, whichever is later, to submit a Request for Exclusion, Objection, or dispute. Notice Packets that are re-mailed shall inform the recipient of this adjusted deadline. If a Settlement Class member's Notice Packet is returned to the Settlement Administrator more than once as non-deliverable, then an additional Notice Packet shall not be mailed. Nothing else shall be required of, or done by, the Parties, Class Counsel, or Defendant's Counsel to provide notice of the proposed settlement.

10. **Final Approval.** Following preliminary approval and the close of the period for filing requests for exclusion, objections, or disputes under this Settlement Agreement, Plaintiff shall apply to the Court for entry of an Order:

- A. Granting final approval to the Settlement Agreement and adjudging its terms to be fair, reasonable, and adequate;
- B. Approving Plaintiff's and Class Counsel's application for attorneys' fees and costs, Class Representative enhancement payment, LWDA payment, and settlement administration costs; and
- C. Entering judgment pursuant to California Rule of Court 3.769. Said judgment shall be posted on the website of the Settlement Administrator.

11. **Non-Admission of Liability.** Nothing in this Settlement Agreement shall operate or be construed as an admission of any liability or that class certification is appropriate in any context other than this settlement. Each of the Parties has entered into this Settlement Agreement to avoid the burden and expense of further litigation. Pursuant to California Evidence Code Section 1152, this Settlement Agreement is inadmissible in any proceeding, except a proceeding to approve, interpret, or enforce this Settlement Agreement. If Final Approval does not occur, the Parties agree that this Settlement Agreement is void, but remains protected by California Evidence Code Section 1152.

12. **Non-disclosure and Non-publication.** Plaintiff and Class Counsel agree that they have not and will not publish the Settlement Agreement, except to Settlement Class members and as shall be contractually required to effectuate the terms of the Settlement Agreement as set forth herein. Class Counsel shall not report the Settlement Agreement in any medium or in any publication, shall not post or report anything regarding the claims of Plaintiff, the Settlement Class, or the settlement on their website, and shall not contact any reporters or media regarding the settlement. However, for the limited purpose of allowing Class Counsel to prove adequacy as class counsel in other actions, Class Counsel may disclose the names of the Parties in this Action, the venue/case number of this Action, and a general description of the Action, to a court in a declaration by Class Counsel.

13. **Waiver and Amendment.** The Parties may not waive, amend, or modify any provision of this Settlement Agreement except by a written agreement signed by all of the Parties, and subject to any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision.

14. **Notices.** All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by receipted delivery and by e-mail at the addresses set forth below, or such other addresses as either Party may designate in writing from time to time:

if to Defendant: Nancy Rader Whitehead, Scott & Whitehead, 4675 MacArthur Court, Suite 1240, Newport Beach, CA 92660; nwhitehead@employerlaw.com.

if to Plaintiff: Paul K. Haines, Haines Law Group, APC, 2155 Campus Drive, Suite 180, El Segundo, California 90245; phaines@haineslawgroup.com.

15. **Entire Agreement.** This Settlement Agreement contains the entire agreement between the Parties with respect to the transactions contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts, and writings prior to the date hereof relating to the subject matters hereof.

16. **Counterparts.** This Settlement Agreement may be executed by one or more of the Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

17. **Enforcement and Continuing Jurisdiction of the Court.** To the extent consistent with class action procedure, this Settlement Agreement shall be enforceable by the Court pursuant to California Code of Civil Procedure section 664.6. The Court shall retain continuing jurisdiction over this Lawsuit and over all Parties and Settlement Class members, to the fullest extent to enforce and effectuate the terms and intent of this Settlement Agreement, and to adjudicate any claimed breaches of this Settlement Agreement. In the event that one more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this settlement or to declare rights and/or obligations under this settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

DATED: 8/26/2022

CP-Carrillo, Inc.

By: Harry Glicder
Its: CEO

DATED: Sep 12, 2022

Bruce A. Garcia

By: 
Plaintiff and Settlement Class Representative

APPROVED AS TO FORM:

DATED:

SCOTT & WHITEHEAD

By:



Nancy Whitehead
Attorneys for Defendant

DATED:

HAINES LAW GROUP, APC

By:



Paul K. Haines
Sean M. Blakely
Attorneys for Plaintiff

EXHIBIT A

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF ORANGE

BRUCE A. GARCIA, as an individual and on behalf of
all others similarly situated,

Plaintiff,

vs.

CP-CARRILLO, INC., a California corporation; and
DOES 1 through 100,

Defendants.

Case No. 30-2021-01225816-CU-OE-CXC

**NOTICE OF PENDENCY OF CLASS
ACTION AND PROPOSED SETTLEMENT**

To: All current and former non-exempt shop (production) employees who worked for Defendant CP-Carrillo, Inc. in California from October 8, 2017, until <<PRELIM APPROVAL DATE>> ("Class Period").

**PLEASE READ CAREFULLY
YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR NOT
THIS NOTICE IS BEING PROVIDED TO YOU IN ENGLISH AND SPANISH**

Why should you read this Notice?

The Court has granted preliminary approval of a proposed settlement (the "Settlement") in the matter of *Bruce A. Garcia v. CP-Carrillo, Inc.*, Orange County Superior Court Case No. 30-2021-01225816-CU-OE-CXC (the "Action"). Because your rights may be affected by the Settlement, it is important that you read this Notice carefully.

You may be entitled to money from this Settlement. CP-Carrillo, Inc.'s ("CP-Carrillo") records show that you were employed at CP-Carrillo as a non-exempt shop (production) employee in California between October 8, 2017, and <<PRELIM APPROVAL DATE>> (the "Class Period"). The Court ordered that this Notice be sent to you because you may be entitled to money under the Settlement and because the Settlement affects your legal rights.

The purpose of this Notice is to provide you with a brief description of the Action, to inform you of the terms of the Settlement, to describe your rights in connection with the Settlement, and to explain what steps you may take to participate in, object to, or exclude yourself from the Settlement. If you do not exclude yourself from the Settlement and the Court finally approves the Settlement, you will be bound to the terms of the Settlement and any final judgment.

What is this case about?

Plaintiff Bruce A. Garcia ("Plaintiff") brought this Action against CP-Carrillo on a class and representative action basis on behalf of a class of non-exempt shop (production) employees within the State of California employed by CP-Carrillo from October 8, 2017, through <<PRELIM APPROVAL DATE>>. Plaintiff is known as the "Class Representative," and his attorneys, who also represent the interests of all Settlement Class members, are known as "Class Counsel."

Plaintiff alleges that CP-Carrillo failed to pay Settlement Class members all overtime wages owed; failed to provide all meal periods in accordance with California law; failed to authorize and permit all rest periods in accordance with California law; failed to furnish accurate and itemized wage statements to Settlement Class members; and failed to timely pay all wages owed upon separation of employment. As a result of the foregoing alleged violations, Plaintiff alleges that CP-Carrillo engaged in unfair business practices and is liable for civil penalties under the Labor Code Private Attorneys General Act ("PAGA").

CP-Carrillo denies Plaintiff's claims and denies that it has violated any laws or done anything wrong. CP-Carrillo also denies that it owes Settlement Class members any wages, restitution, penalties, damages, or other amounts.

Additionally, CP-Carrillo contends that each employee is subject to an agreement for binding arbitration which would prevent class treatment of the claims brought in the Action. Accordingly, the Settlement constitutes a compromise of disputed claims and should not be construed as an admission of liability on the part of CP-Carrillo, by whom all liability is expressly denied.

The Court has not ruled on the merits of Plaintiff's claims. However, to avoid additional expense, inconvenience, and interference with its business operations, CP-Carrillo has agreed to settle the Action on the terms summarized in this Notice. After Class Counsel had the opportunity to review certain relevant information, the Settlement was reached after mediation and arm's length negotiations between the parties.

The Class Representative and Class Counsel support the Settlement. Among the reasons for support are the defenses to liability potentially available to CP-Carrillo, the risk of the Action being sent to binding arbitration on an individual basis only, the risk of denial of class certification, the inherent risk of trial on the merits, and the delays and uncertainties associated with ongoing litigation.

If you are still employed by CP-Carrillo, your decision about whether to participate in the Settlement will not affect your employment. California law strictly prohibits unlawful retaliation. CP-Carrillo will not take any adverse employment action against or otherwise target, retaliate, or discriminate against any Settlement Class member because of his/her decision to either participate or not participate in the Settlement.

Who are the Attorneys?

Attorneys for Plaintiff/Settlement Class: HAINES LAW GROUP, APC Paul K. Haines phaines@haineslawgroup.com Sean M. Blakely sblakely@haineslawgroup.com Alexandra R. McIntosh amcintosh@haineslawgroup.com 2155 Campus Drive, Suite 180 El Segundo, California 90245 Tel: (424) 292-2350 Fax: (424) 292-2355 haineslawgroup.com	Attorneys for CP-Carrillo: SCOTT & WHITEHEAD Nancy Whitehead nwhitehead@employerlaw.com 4675 MacArthur Court, Suite 1240 Newport Beach, California 92660 Tel: (949) 222-0166 Fax: (949) 222-0133 www.employerlaw.com
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What are the terms of the Settlement?

On <<PRELIM APPROVAL DATE>>, the Court preliminarily certified a class, for settlement purposes only, of all current and former non-exempt shop (production) employees who are or were employed by CP-Carrillo in the State of California from October 8, 2017, through <<PRELIM APPROVAL DATE>>. Settlement Class members who do not opt out of the Settlement pursuant to the procedures set forth in this Notice will be bound by the Settlement and will release their claims against CP-Carrillo as described below.

CP-Carrillo has agreed to pay \$815,000.00 (the "Gross Settlement Amount") to fully resolve all claims in the Action, including payments to Settlement Class members, Class Counsel's attorneys' fees and expenses, settlement administration costs, payment to the Labor & Workforce Development Agency ("LWDA") for its share of civil penalties under the PAGA, and the Class Representative enhancement payment.

The following deductions from the Gross Settlement Amount will be requested by the parties:

Attorneys' Fees and Expenses. Class Counsel have been prosecuting the Action on behalf of Settlement Class members on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses. The Court will determine the actual amount awarded to Class Counsel as attorneys'

fees, which will be paid from the Gross Settlement Amount. Settlement Class members are not personally responsible for any of Class Counsel's attorneys' fees or expenses. Class Counsel will ask for up to one-third of the Gross Settlement Amount, which is currently estimated at \$271,666.66, as reasonable compensation for the work Class Counsel performed and will continue to perform in this Action through Settlement finalization. Class Counsel also will ask for reimbursement of up to \$25,000.00 in verified costs incurred in connection with the Action.

Settlement Administration Costs. The Court has approved Phoenix Settlement Administrators to act as the "Settlement Administrator," who is sending this Notice to you and will perform many other duties relating to the Settlement. The Parties request setting aside up to \$12,000.00 from the Gross Settlement Amount to pay the settlement administration costs.

Class Representative Enhancement Payment. Class Counsel will ask the Court to award the Class Representative an enhancement payment in the amount of \$7,500.00 to compensate him for his service and extra work provided on behalf of the Settlement Class.

PAGA Payment to State of California. The parties have agreed to allocate \$50,000.00 towards the Settlement of the PAGA claims in the Action. \$37,500.00 will be paid to the State of California Labor & Workforce Development Agency, representing its 75% share of the civil penalties. The remaining \$12,500.00 will be allocated to Settlement Class members as described below.

Calculation of Individual Settlement Class Members' Settlement Awards. After deducting the Court-approved amounts above, the balance of the Gross Settlement Amount will form the Net Settlement Amount, which will be distributed to all Settlement Class members who do not submit a valid and timely Request for Exclusion from the Settlement. The Net Settlement Amount is estimated at approximately \$448,833.34, and will be divided as follows:

- (i) 80% of the Net Settlement Amount will be allocated to all participating Settlement Class members in proportion to the number of workweeks that he or she worked during the Class Period.
- (ii) 10% of the Net Settlement Amount shall be designated as the "Waiting Time Amount" and will be allocated in equal amounts to all participating Settlement Class members whose employment with CP-Carrillo ended at any time between October 8, 2018, through <<PRELIM APPROVAL DATE>>.
- (iii) 10% of the Net Settlement Amount shall be designated as the "Wage Statement Amount." Each participating Settlement Class member who was employed by CP-Carrillo at any time from October 8, 2020, to <<PRELIM APPROVAL DATE>> shall receive a portion of the Wage Statement Amount proportionate to the number of workweeks that he or she worked during the time period of October 8, 2020, to <<PRELIM APPROVAL DATE>>.

Payment from PAGA Amount: In addition to the Net Settlement Amount, \$12,500.00 of the Gross Settlement Amount has been designated as the "PAGA Amount." Each Settlement Class member who was employed by CP-Carrillo at any time from March 8, 2020, to <<PRELIM APPROVAL DATE>> (including those who opt out of the class action settlement) shall receive a portion of the PAGA Amount proportionate to the number of workweeks that he or she worked during the time period of March 8, 2020, to <<PRELIM APPROVAL DATE>>.

Payments to Settlement Class members. If the Court grants final approval of the Settlement, individual Settlement Awards will be mailed to all Settlement Class members who did not submit a valid and timely Request for Exclusion from the Settlement. Settlement Class Members may not opt-out of the release of PAGA claims (as described in the "Release" Paragraph on page 4) and will thus receive payment for their share of the PAGA Amount even if they opt out of the Settlement.

Settlement checks will be valid for 180 days. Any funds payable to Settlement Class members whose checks were not cashed within 180 days after mailing shall be distributed to Public Law Center ("PLC") pursuant to California Code of Civil Procedure § 384 as the *cy pres* beneficiary designated by the Parties.

Allocation and Taxes. For tax purposes, each Settlement Award shall be treated as follows: 20% as “wages,” for which an IRS Form W-2 will be issued; and 80% as “penalties” and “interest” for which an IRS Form 1099 will be issued. Settlement Class members are responsible for the proper income tax treatment of the individual Settlement Awards. The Settlement Administrator, CP-Carrillo and its counsel, and Class Counsel cannot provide tax advice. Accordingly, Settlement Class members should consult with their tax advisors concerning the tax consequences and treatment of payments they receive under the Settlement.

Release. If the Court approves the Settlement, and upon CP-Carrillo’s complete funding of the Gross Settlement Amount, Plaintiff and every member of the Settlement Class (except those who opt out of the non-PAGA claims) will fully release and discharge CP-Carrillo, and all of its present and former officers, directors, employees, shareholders, agents, trustees, representatives, attorneys, insurers, reinsurers, parent companies, subsidiaries, divisions, affiliates, predecessors, successors, as well as any individual or entity that could be jointly liable with CP-Carrillo (collectively the “Released Parties”), from all claims, causes of action, and legal theories alleged or which could have been alleged based on the facts in the operative First Amended Class and Representative Action Complaint (“FAC”), including: (a) failure to pay all overtime wages; (b) failure to provide all meal periods in accordance with California law; (c) failure to authorize and permit all rest periods in accordance with California law; (d) failure to furnish accurate and itemized wage statements; (e) failure to pay all wages owed upon separation of employment; (f) all claims for unfair business practices that could have been premised on the facts, claims, causes of action or legal theories of relief pled in the FAC; (g) all claims for civil penalties under the PAGA that were or could have been alleged based on the claims, causes of action or legal theories described above or on any of the claims, causes of action, or legal theories of relief pled in the FAC; and (h) all damages, penalties, interest, costs (including attorney’s fees), and other amounts recoverable under said claims or causes of action as to the facts and/or legal theories alleged or which could have been alleged in the FAC (collectively, the “Released Claims”). The period of the Release shall extend to the limits of the Class Period.

Regardless of whether Settlement Class Members submit a valid and timely Request for Exclusion Form, Settlement Class members who worked for CP-Carrillo between March 8, 2020 and <<PRELIM APPROVAL DATE>>, will release and discharge the Released Parties from all claims for civil penalties under the PAGA that were or could have been alleged based on the claims, causes of action or legal theories of relief pled in the FAC.

Conditions of Settlement. The Settlement is conditioned upon the Court entering an order at or following the Final Approval Hearing finally approving the Settlement as fair, reasonable, adequate, and in the best interests of the Settlement Class, and the entry of a Judgment.

How can I claim money from the Settlement?

Do Nothing. If you do nothing, you will be entitled to your share of the Settlement based on the proportionate number of workweeks you worked during the Class Period, whether you have separated employment from CP-Carrillo between October 8, 2018 and <<PRELIM APPROVAL DATE>>, the proportionate number of workweeks you worked between October 8, 2020 and <<PRELIM APPROVAL DATE>>, and the proportionate number of workweeks you worked between March 8, 2020 and <<PRELIM APPROVAL DATE>>, as stated in the accompanying Notice of Estimated Settlement Award. You also will be bound by the Settlement, including the release of claims stated above.

What other options do I have?

Dispute Information in Notice of Estimated Settlement Award. Your award is based on the proportionate number of workweeks you worked during the Class Period, whether you have separated employment from CP-Carrillo between October 8, 2018, and <<PRELIM APPROVAL DATE>>, the proportionate number of workweeks you worked between October 8, 2020, and <<PRELIM APPROVAL DATE>>, and the proportionate number of workweeks you worked between March 8, 2020 and <<PRELIM APPROVAL DATE>>. The information contained in CP-Carrillo’s records regarding each of these factors, along with your estimated Settlement Award, is listed on the accompanying Notice of Estimated Settlement Award. If you disagree with the information in your Notice of Estimated Settlement Award, you may submit a dispute, along with any supporting documentation, in accordance with the procedures stated in the Notice of Estimated Settlement Award. Any disputes, along with supporting documentation, must be

postmarked no later than <<RESPONSE DEADLINE>>. **DO NOT SEND ORIGINALS; DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED.**

The Parties and the Settlement Administrator will evaluate the evidence submitted and discuss in good faith how to resolve any disputes submitted by Settlement Class members. The Settlement Administrator shall make an initial determination regarding any disputes submitted by Settlement Class members, however, the Court shall have the right to review the Settlement Administrator's initial determination and the Court shall make the final decision regarding any dispute submitted by Settlement Class members.

Exclude Yourself from the Settlement. If you **do not** wish to take part in the Settlement, you may exclude yourself by sending to the Settlement Administrator an executed Request for Exclusion Form no later than <<RESPONSE DEADLINE>>, with your name, address, telephone number, last four digits of your social security number, and your signature. A Request for Exclusion Form is included with this Notice.

Send the Request for Exclusion Form directly to the Settlement Administrator at <<INSERT ADMINISTRATOR CONTACT INFO>>. Any person who submits a timely Request for Exclusion Form shall, upon receipt by the Settlement Administrator, no longer be a Settlement Class member, shall be barred from participating in any portion of the class action Settlement, and shall receive no benefits from the class action Settlement. However, all Settlement Class members who worked for CP-Carrillo during the PAGA Period, including those who opt out, will be bound by the PAGA portion of the Settlement and will receive a portion from the PAGA Amount. **Do not submit both a Dispute and a Request for Exclusion.** If you do, the Request for Exclusion will be invalid, you will be included in the Settlement Class, and you will be bound by the terms of the Settlement.

Objecting to the Settlement. You also have the right to object to the terms of the Settlement. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement. If you wish to object to the Settlement, or any portion of it, you may mail a written objection to the Settlement Administrator at <<INSERT ADMINISTRATOR CONTACT INFO>>. All objections and correspondence must be sent directly to the Settlement Administrator, please do not send objections or correspondence to the Court. Any objections will be provided to the Court by Plaintiff in connection with the Final Approval Hearing. Your written objection should include your name, address, as well as contact information for any attorney representing you regarding your objection, and the case name and number. Objections should be in writing and must be postmarked on or before <<RESPONSE DEADLINE>>. Notwithstanding the foregoing, you do not need to object in writing to be heard at the Final Approval Hearing.

You may also appear at the Final Approval Hearing scheduled for **INSERT DATE**, at **INSERT TIME** in Department CX102 of the Orange County Superior Court, located at 751 West Santa Ana Boulevard, Santa Ana, California 92701. You have the right to appear either in person or through your own attorney at this hearing. All objections or other correspondence must state the name and number of the case, which is *Bruce A. Garcia v. CP-Carrillo, Inc.*, Orange County Superior Court Case No. 30-2021-01225816-CU-OE-CXC.

If you object to the Settlement, you will remain a member of the Settlement Class, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Settlement Class members who do not object.

What is the next step?

The Court will hold a Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement on **INSERT DATE**, at **INSERT TIME** in Department CX102 of the Orange County Superior Court, located at 751 West Santa Ana Boulevard, Santa Ana, California 92701. The Court will also be asked to rule on Class Counsel's request for attorneys' fees and reimbursement of documented costs and expenses, and the Class Representative enhancement payment. The Final Approval Hearing may be postponed without further notice to Settlement Class members. You may contact Class Counsel using the contact information provided above to confirm the address and time of the hearing. **You are not required to attend the Final Approval Hearing, although any Settlement Class member is welcome to attend the hearing.**

If the Court grants Final Approval, the Court will issue a final judgment which shall be posted on the Settlement Administrator's website (<http://www.phoenixclassaction.com>).

How can I get additional information?

This Notice is only a summary of the Action and the Settlement. For more information, you may inspect the Court's files and the Settlement Agreement at the Office of the Clerk of the Orange County Superior Court, located at 751 West Santa Ana Boulevard, Santa Ana, California 92701, during regular court hours. You may also visit the Orange County Superior Court website at www.occourts.org to inspect the Court's files by going to the "Online Case Access" tab, selecting "Civil Case & Document Access," and entering the case number information. You may also contact Class Counsel using the contact information listed above for more information.

PLEASE DO NOT CALL OR WRITE TO THE COURT, CP-CARRILLO, OR ITS ATTORNEYS FOR INFORMATION ABOUT THIS SETTLEMENT OR THE SETTLEMENT PROCESS

REMINDER AS TO TIME LIMITS

The deadline for submitting any Disputes, Requests for Exclusion, or Objections is <<RESPONSE DEADLINE>>. These deadlines will be strictly enforced.

EXHIBIT B

REQUEST FOR EXCLUSION FORM

Bruce A. Garcia v. CP-Carrillo, Inc.
Orange County Superior Court
Case No. 30-2021-01225816-CU-OE-CXC

IF YOU DO NOT WISH TO BE PART OF THE CLASS ACTION SETTLEMENT, YOU MUST COMPLETE, SIGN AND MAIL THIS FORM, POSTMARKED ON OR BEFORE [INSERT DATE], ADDRESSED AS FOLLOWS:

PHOENIX SETTLEMENT ADMINISTRATORS
BRUCE A. GARCIA V. CP-CARRILLO, INC.
SETTLEMENT ADMINISTRATOR

ADDRESS
ADDRESS
PHONE
FAX

DO NOT SUBMIT THIS FORM IF YOU WISH TO RECEIVE A PAYMENT UNDER THE SETTLEMENT.

By signing, filling out, and returning this form, I confirm that I **do not** want to be included in the Settlement of the lawsuit entitled *Bruce A. Garcia v. CP-Carrillo, Inc.*, Orange County Superior Court Case No. 30-2021-01225816-CU-OE-CXC.

I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE *BRUCE A. GARCIA V. CP-CARRILLO, INC.* LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE MONEY FROM THE CLASS SETTLEMENT OF THIS LAWSUIT. HOWEVER, I MAY STILL BE ENTITLED TO RECEIVE A PORTION OF THE SETTLEMENT OF THE CLAIMS BROUGHT PURSUANT TO THE LABOR CODE PRIVATE ATTORNEYS GENERAL ACT OF 2004 ("PAGA") AS DESCRIBED IN THE ACCOMPANYING NOTICE OF PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENT.

Name

Telephone Number

Address

Date

Signature

Last Four Digits of Social Security Number: _____

EXHIBIT C

NOTICE OF ESTIMATED SETTLEMENT AWARD

BRUCE A. GARCIA V. CP-CARRILLO, INC.
ORANGE COUNTY SUPERIOR COURT CASE NO. 30-2021-01225816-CU-OE-CXC

Please complete and return this Form to <<ADMINISTRATOR CONTACT INFO>> **ONLY IF** (1) your personal contact information has changed, and/or (2) you wish to dispute any of the items listed in Section (III), below. It is your responsibility to keep a current address on file with the Settlement Administrator.

(I) Please type or print your name:

(First, Middle, Last)

(II) Please type or print the following identifying information if your contact information has changed:

Former Names (if any)

New Street Address

City

State

Zip Code

(III) Information Used to Calculate Your Settlement Award:

According to CP-Carrillo, Inc.'s ("CP-Carrillo") records:

- (a) you worked for CP-Carrillo in California from _____ to _____;
- (b) you worked _____ Workweeks between October 8, 2017, and <<PRELIM APPROVAL DATE>>, for CP-Carrillo;
- (c) you worked _____ Workweeks between October 8, 2020, and <<PRELIM APPROVAL DATE>>, for CP-Carrillo;
- (d) you worked _____ Workweeks between March 8, 2020, and <<PRELIM APPROVAL DATE>>, for CP-Carrillo; and
- (e) your employment with CP-Carrillo <<DID/DID NOT>> end between October 8, 2018, and <<PRELIM APPROVAL DATE>>.

Based on the above, your Settlement Award is estimated at \$ _____.

(IV) If you disagree with items (a), (b), (c), (d), and/or (e) in Section (III) above, please explain why in the space provided below and include copies of any supporting evidence or documentation with this Form:

If you dispute the above information from CP-Carrillo's records, please provide documentation that establishes that CP-Carrillo's records are mistaken. If there is a dispute about whether CP-Carrillo's information or yours is accurate, the dispute will be submitted to the Parties and the Settlement Administrator as described in the "Notice of Pendency of Class Action and Proposed Settlement" that accompanies this Form. The Court shall have the right to review the

Settlement Administrator's initial determination and will make a final determination regarding any disputes submitted by Settlement Class members.

**ANY DISPUTES, ALONG WITH ANY SUPPORTING DOCUMENTATION, MUST BE POSTMARKED
NO LATER THAN <<RESPONSE DEADLINE>>.**

EXHIBIT 2

HAINES LAW GROUP
EMPLOYMENT ATTORNEYS

September 2, 2021

VIA LWDA WEBSITE

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

Re: *Bruce Garcia v. CP-Carrillo, Inc.*

To Whom It May Concern:

Please be advised that this law firm represents Bruce Garcia (“Mr. Garcia”) in claims arising from his employment with CP-Carrillo, Inc.; and Does 1 through 100 (collectively “CP-Carrillo”). Mr. Garcia is an “aggrieved employee” as defined by Labor Code Section 2698 *et seq.*, due to CP-Carrillo’s numerous violations of the Labor Code as set forth below. The purpose of this letter is to comply with Labor Code Section 2699.3, which requires aggrieved employees to notify their employer and the Labor & Workforce Development Agency (“LWDA”) of the specific provisions of the Labor Code allegedly violated. For purposes of this letter, “aggrieved employees” include all of CP-Carrillo’s non-exempt employees who worked for CP-Carrillo in California during the one year immediately preceding the date of this letter through the present.

CP-Carrillo is a manufacturer of pistons, rods and other automotive hardware. Mr. Garcia was employed by CP-Carrillo as a non-exempt “machine operator” from approximately September 2018 until approximately May 28, 2021. During Mr. Garcia’s employment with CP-Carrillo, Mr. Garcia was typically scheduled to work Monday through Friday, from 4:30 p.m. – 4:30 a.m. Additionally, Mr. Garcia was also required to occasionally work on Saturdays.

Throughout Mr. Garcia’s employment with CP-Carrillo, CP-Carrillo failed to provide Mr. Garcia and other aggrieved employees with all legally compliant meal periods due to CP-Carrillo’s meal period policies/practices, which have frequently resulted in late (i.e., commencing after the fifth hour of work) first meal periods. Specifically, due to work demands imposed by CP-Carrillo, Plaintiff and other aggrieved employees were often not provided with a first meal period prior to the conclusion of their fifth hour of work. Moreover, Plaintiff was required to work in excess of 6.0 hours on Saturdays, however, Plaintiff was not always provided with a meal period on Saturday shifts due to CP-Carrillo’s meal period policies/practices, which fail to provide for legally compliant first meal periods. Additionally, CP-Carrillo failed to provide Mr. Garcia and other aggrieved employees with second meal periods on shifts over 10.0 hours. On those occasions when Mr. Garcia and other aggrieved employees were not provided with all legally compliant

meal periods to which they were entitled, CP-Carrillo failed to compensate Mr. Garcia and other aggrieved employees with the required meal period premium(s) for each workday there was a meal period violation as mandated by Labor Code § 226.7. Upon information and belief, CP-Carrillo maintained no mechanism for the payment of meal period premium payments as required by Labor Code § 226.7 in the event that a legally compliant meal period was not provided to their non-exempt employees.

Mr. Garcia and other aggrieved employees were not authorized and permitted to take a rest period for every four hours worked (or major fraction thereof) due to CP-Carrillo's rest period policies/practices, which fail to authorize and permit all legally compliant rest periods. Specifically, Mr. Garcia and other aggrieved employees were not authorized and permitted to take separate rest periods throughout the workday and were only authorized and permitted a single 45-minute combined rest period at approximately 1:30 a.m. during their 12-hour shift, in violation of California law. *See Rodriguez v. E.M.E., Inc.* (2016) 246 Cal.App.4th 1027 (holding that in a shift with a single meal period, the preferred schedule requires the provision of a rest period in the middle of each "work period" before and after the meal break, and that "a departure from the preferred schedule is permissible only when the departure (1) will not unduly affect employee welfare and (2) is tailored to alleviate a material burden that would be imposed on the employer by implementing the preferred schedule."). Furthermore, despite working in excess of 3.5 hours on Saturdays, Mr. Garcia was not authorized and permitted any off-duty rest periods during his shifts. In the event that a required rest period was not authorized and permitted, CP-Carrillo did not pay Mr. Garcia the rest period premium wages required by Labor Code § 226.7. Upon information and belief, during at least a portion of the relevant time period, CP-Carrillo did not maintain a payroll code or other mechanism for the payment of rest period premiums under Labor Code § 226.7 in the event they failed to provide a legally compliant rest period to their non-exempt employees.

During Mr. Garcia's and other aggrieved employees' employment with CP-Carrillo, Mr. Garcia and other aggrieved employees occasionally worked in excess of eight hours per work day and/or more than forty hours per work week, but did not receive overtime compensation equal to one and one-half times their regular rate of pay for working overtime hours. Specifically, Mr. Garcia and other aggrieved employees received non-discretionary bonuses (appearing on their wage statements as "Bonus"), and/or other forms of pay not excludable as a matter of law when calculating an employee's regular rate of pay (hereinafter the aforementioned forms of pay are collectively referred to as "Incentive Pay"). CP-Carrillo failed to accurately calculate Mr. Garcia's and other aggrieved employees' regular rates of pay as a result of receiving Incentive Pay, as Mr. Garcia and other aggrieved employees were only paid one-and-a-half times their base rate of pay, thereby causing Mr. Garcia and other aggrieved employees to be underpaid all their required overtime wages.

As a result of CP-Carrillo's failure to pay all overtime wages and failure to pay all meal and rest period premium wages, CP-Carrillo failed to timely pay all final wages to Mr. Garcia and other former employees upon their separation of employment from CP-

Carrillo. As a further result of CP-Carrillo's failure to pay all overtime wages and failure to pay all meal and rest period premium wages, CP-Carrillo maintained inaccurate payroll records and issued inaccurate wage statements to Mr. Garcia and other aggrieved employees.

As described above, CP-Carrillo committed the following violations of the Labor Code, and Industrial Welfare Commission Wage Order 1 ("Wage Order 1"):

Overtime Wage Violations

CP-Carrillo was required to pay Mr. Garcia and other aggrieved employees overtime wages for all hours worked in excess of eight hours per workday and/or forty hours per workweek. *See* Labor Code §§ 1194(a) and 1198; Wage Order 1, § 3. According to Labor Code § 510(a), "Any work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee." This Section further provides, "Any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee. In addition, any work in excess of eight hours on any seventh day of a workweek shall be compensated at the rate of no less than twice the regular rate of pay of an employee." As alleged above, CP-Carrillo caused Mr. Garcia and other aggrieved employees to work overtime hours, but did not compensate Mr. Garcia and other aggrieved employees at one- and one-half times their regular rate of pay for such hours. As a result of these policies/practices, Mr. Garcia and other aggrieved employees were not compensated for all overtime and double-time wages.

Meal Period Violations

As alleged above, CP-Carrillo failed to provide Mr. Garcia and other aggrieved employees with all required and compliant meal periods. *See* Labor Code §§ 226.7 and 512; Wage Order 1, § 11. As a result, Mr. Garcia and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday they experienced a meal period violation. *See* Labor Code § 226.7 ("If an employer fails to provide an employee a meal or rest or recovery period in accordance with ... [an] order of the Industrial Welfare Commission ... the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest or recovery period is not provided.").

Rest Period Violations

As alleged above, CP-Carrillo failed to authorize and permit Mr. Garcia and other aggrieved employees to take all required rest periods. *See* Labor Code §§ 226.7 and 516; Wage Order 1, § 12. As a result, Mr. Garcia and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday that they were not authorized and permitted to take all legally required rest periods. *See* Labor Code

§ 226.7 (“If an employer fails to provide an employee a meal period or rest period in accordance with an applicable order of the Industrial Welfare Commission, the employer shall pay the employee one additional hour of pay at the employee’s regular rate of compensation for each workday that the meal or rest period is not provided.”).

Wage Statement Violations

CP-Carrillo was required to furnish Mr. Garcia and other aggrieved employees with complete and accurate itemized wage statements that showed, among other things, their rates of pay, corresponding number of hours worked at each rate of pay, total gross wages earned, and total net wages earned. *See* Labor Code §§ 226(a) and 1174(d); Wage Order 1, § 7. As a result of CP-Carrillo’s failure to pay all overtime wages and failure to pay all required meal and rest period premium wages, CP-Carrillo maintained inaccurate payroll records and issued inaccurate wage statements to Mr. Garcia and other aggrieved employees in violation of Labor Code § 226. CP-Carrillo’s failure to comply with its wage statement obligations was knowing and intentional, and Mr. Garcia and other aggrieved employees have suffered injury as a result.

Waiting Time Penalties

Labor Code §§ 201 and 202 require that employees receive all of their final wages at the time of their separation of employment. CP-Carrillo failed to timely pay Mr. Garcia and other aggrieved employees all of their final wages at the time of separation, which included all overtime wages as well as all meal and rest period premium wages. Pursuant to Labor Code § 203, CP-Carrillo’s failure to pay all final wages due to Mr. Garcia and other aggrieved employees was willful and, consequently, entitles Mr. Garcia and other aggrieved employees to waiting time penalties equal to one day of wages at their standard hourly rate for each day CP-Carrillo failed to pay their final wages after their separation, up to a maximum of thirty days.

As an “aggrieved employee,” Mr. Garcia will initiate a civil action on behalf of himself and other aggrieved employees to recover civil penalties resulting from the wage and hour violations alleged herein. Based on Mr. Garcia’s own investigation, and on information and belief, CP-Carrillo committed and continues to commit the following Labor Code violations:

- a. CP-Carrillo violated Labor Code §§ 204, 510, 558, 1194, and 1198 by failing to pay Mr. Garcia and other aggrieved employees all overtime compensation earned;
- b. CP-Carrillo violated Labor Code §§ 226.7, 512, 558, and 1198 by failing to provide meal periods as required by law and failing to pay meal period premiums to Mr. Garcia and other aggrieved employees at these employees’ respective regular rates of compensation for meal period violations;

- c. CP-Carrillo violated Labor Code §§ 226.7, 516, 558, and 1198 by failing to authorize and permit Mr. Garcia and other aggrieved employees all required rest periods and failing to pay rest period premiums to Mr. Garcia and other aggrieved employees at these employees' respective regular rates of compensation for rest period violations;
- d. CP-Carrillo violated Labor Code § 226 by failing to furnish Mr. Garcia and other aggrieved employees with accurate and compliant itemized wage statements;
- e. CP-Carrillo violated Labor Code §§ 201, 202, and 203 by failing to timely pay all final wages due to Mr. Garcia and other aggrieved employees;
- f. CP-Carrillo violated Labor Code § 204 by failing to pay Mr. Garcia and other aggrieved employees all wages earned at least twice during each calendar month; and
- g. CP-Carrillo violated Labor Code §§ 1174 and 1198 by failing to maintain accurate records on behalf of Mr. Garcia and other aggrieved employees.

Pursuant to Labor Code Section § 2699.3(a)(2)(A), please notify us and CP-Carrillo if the LWDA intends to investigate these alleged violations of the Labor Code. Please contact me should you require additional information.

Very truly yours,
HAINES LAW GROUP, APC



Paul K. Haines

cc: CP-Carrillo, Inc. (via certified mail)

CERTIFIED MAIL

USPS CERTIFIED MAIL

Haines Law Group
STE 180
2155 Campus Drive
El Segundo CA 90245



9214 8901 9403 8348 4619 54

CP-CARRILLO INC
C/O: HUGH T VERANO
STE 145
30900 RANCHO VIEJO R
SAN JUAN CAPO CA 926

09/02/2021 09:02:45



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09/02/2021 09:02:45

From: noreply@salesforce.com on behalf of [LWDA DO NOT REPLY](#)
To: [Aaron Clark](#)
Subject: Thank you for submission of your PAGA Case.
Date: Thursday, September 02, 2021 3:19:31 PM

9/2/2021

LWDA Case No. LWDA-CM-843361-21
Law Firm : Haines Law Group, APC
Plaintiff Name : Bruce Garcia
Employer: CP-Carrillo, Inc.
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