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9 ELISA ORTEGO, individually, and on
behalf of other aggrieved employees

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11 SUPERIOR COURT OF THE STATE OF CALIFORNIA
12 COUNTY OF LOS ANGELES

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14 ELISA ORTEGO, an individual, and on behalf
of other aggrieved employees,

15 Plaintiff,

16 vs.
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18 MAGIC LAUNDRY SERVICES INC., a
corporation; and DOES 1 through 50,
19 inclusive,

20 Defendants.
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CASE NO. 22STCV01605

[Assigned for all purposes to the
Honorable James I. Montgomery, Dept. 58]

**DECLARATION OF DALIA KHALILI
IN SUPPORT OF PLAINTIFF'S
MOTION FOR APPROVAL OF PAGA
SETTLEMENT**

Reservation ID: 692900186633

Date: March 19, 2026

Time: 9:00 a.m.

Dept.: 58

Action Filed: January 12, 2022

Trial Date: None set

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8. Upon Defendant failing to timely pay an invoice for the arbitration, on July 29, 2024, Plaintiff filed a Motion to Vacate Order Compelling Arbitration, which was granted on September 17, 2024.

9. On October 31, 2024, the Court ordered Defendant to pay Plaintiff's counsel attorneys' fees in the amount of \$14,400 for 36 hours of work, pursuant to Code of Civil Procedure §§ 1281.99(a) and 1298(c)(1), because Defendant materially breached the arbitration agreement.

Discovery and Investigation

10. Prior to mediation, my office received timekeeping and payroll data for approximately 348 employees for the time period of November 9, 2020 through August 24, 2024. My office hired a data expert to analyze the data, which consisted of timekeeping records for 46,049 shifts. The analysis of the data expert assisted my office in preparing a model of the maximum potential civil penalties prior to the mediation. The expert extrapolated the data to the time period of November 9, 2020 to July 8, 2025. In addition, Defendant produced relevant written wage-and-hour policies and procedures. Based on this discovery and investigation, my office was able to act intelligently and effectively in negotiating the Settlement.

Settlement Negotiations

11. On July 8, 2025, the Parties participated in a private mediation with Steve Serratore.

12. On July 15, 2025, the Parties accepted a mediator's proposal to resolve the Action, subject to the Parties entering into a comprehensive written settlement agreement.

13. On November 14, 2025, the Parties fully executed a PAGA Settlement Agreement (“Settlement Agreement” or “Settlement”). A true and correct copy of the Settlement Agreement is attached hereto as **Exhibit B**.

14. On December 24, 2025, Defendant elected to exercise its option, pursuant to Section 8 of the Settlement Agreement, to modify the PAGA Period to remain under the threshold to trigger the escalator clause, making the PAGA period November 9, 2020 through December 14, 2024. Plaintiff's counsel will modify the Notice of Settlement Award attached as Exhibit A to

the Settlement Agreement to reflect the new PAGA Period prior to sending it to the Settlement Administrator.

15. On January 22, 2026, Defendant's counsel informed my office that the estimated number of employees during the PAGA Period is 2,679.

Amount in Controversy and Risks Associated with Proceeding with the Action

16. My office calculated the maximum potential civil penalties against Defendant to be approximately \$13,106,900 and believes this amount will be the maximum exposure in an "everything goes right" scenario if the case proceeded to trial. This estimate is based on an analysis of the timekeeping and payroll data produced by Defendant. Given Defendant exercising its option in the escalator clause, there are approximately **2,679 Aggrieved Employees** who worked **110,000 weekly PAGA Pay Periods**. A detailed explanation of my office's valuation is set forth below:

Meal Periods (Labor Code §§ 210, 226.7) – Violation Rate for Shifts >6 hours

Number of Pay Periods	110,000
Violation Rate	7.1%
PAGA Penalty	\$100
Total PAGA Penalties	\$781,000

Rest Periods (Labor Code §§ 210, 226.7)

Number of Pay Periods w/ at Least One Shift > 3.5 Hours	110,000
Violation Rate Per Pay Period	30%
PAGA Penalty	\$100
Total PAGA Penalties	\$3,300,000

Minimum Wage / Overtime – Off the Clock (Labor Code §§ 510, 1197.1)

Number of Pay Periods	110,000
Violation Rate Per Pay Period	20%
PAGA Penalty	\$100
Total PAGA Penalties	\$2,200,000

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Wage Statements (Labor Code § 226(a))

Number of Pay Periods	110,000
Violation Rate Per Pay Period	30%
PAGA Penalty	\$100
Total PAGA Penalties	\$3,300,000

Reimbursement (Labor Code § 2802)

Number of Pay Periods	110,000
Violation Rate Per Pay Period	30%
PAGA Penalty	\$100
Total PAGA Penalties	\$3,300,000

Waiting Time (Labor Code §§ 201-203, 256)

Number of Former Employees	2,259
PAGA Penalty	\$100
Total PAGA Penalties	\$225,900

Total PAGA Penalties:

Total PAGA Penalties	\$13,106,900
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17. During the mediation, my office discovered potential issues that could create substantial risks if my office were to proceed with litigation. For example, a significant number of Aggrieved Employees may have signed waivers to waive a meal break for shifts between five to six hours and may have signed acknowledgements confirming that they have received compliant meal and rest breaks. Defendant's expert found the meal break violation rate for shifts greater than six hours to be much lower than Plaintiff's expert. Further, Defendant stated that it had a bell system for many of its departments to alert for breaks. Last, the PAGA Pay Periods were weekly, not biweekly. In reaching the Settlement, my office looked at various factors, including significant risks in proceeding with litigation. Plaintiff risked the Court finding merit in Defendant's affirmative defenses. My office recognizes that proving liability and PAGA penalties at trial would be an expensive, time-consuming, and extremely uncertain proposition. Moreover, continued litigation would very likely reduce and substantially delay any recovery to the state and the Aggrieved Employees. Even if Plaintiff were to obtain a favorable judgment at trial, Defendant would likely appeal the judgment, which would further

1 delay any recovery. Additionally, this area of the law is constantly evolving, creating
2 uncertainty for employees.

3 18. My office also considered the reality that courts have discretion to substantially
4 reduce any award of civil penalties on the grounds that “to do otherwise would result in an
5 award that is unjust, arbitrary and oppressive, or confiscatory,” pursuant to Labor Code §
6 2699(e)(2).

7 19. Further, while Plaintiff and MLG remain confident in the merits of the case, a
8 legitimate controversy exists as to each predicate Labor Code claim. For example, Plaintiff
9 contends that, due to Defendant’s practices, Aggrieved Employees did not regularly receive
10 timely, uninterrupted meal and rest periods and were not paid all wages owed. On the other
11 hand, Defendant contends that Aggrieved Employees received meal and rest periods and were
12 paid for all hours worked. Defendant further contends that it maintained lawful meal and rest
13 break policies. Defendant also contends there were no daily overtime violations. As a result,
14 Defendant contends that, throughout the PAGA Period, it complied with applicable California
15 law. The Settlement removes all of these risks.

16 20. In evaluating the claims and the proposed settlement, Plaintiff’s Counsel took
17 these factors into consideration, as well as Defendant’s defenses to the underlying causes of
18 action, the unsettled state of the law, and the risks and costs of continued litigation. The
19 Settlement obviates all of these risks.

20 21. Indeed, because of the proposed Settlement, the State of California and the
21 Aggrieved Employees will receive timely relief and avoid the risk of an unfavorable judgment.
22 The Net Settlement Amount is currently estimated to be approximately \$92,963.13, if the Court
23 approves the requested attorneys’ fees and costs, enhancement award to Plaintiff, and
24 settlement administration costs. The Settlement provides a substantial benefit to the State of
25 California, with the LWDA receiving approximately \$69,722.35 as 75 percent of the Net
26 Settlement Amount to assist with the enforcement of labor laws. The Settlement also provides
27 a substantial benefit to the Aggrieved Employees, who will share approximately \$23,240.78 as
28 25 percent of the Net Settlement Amount. Based thereon, it is currently estimated that each

1 Aggrieved Employee, on average, will receive an Individual PAGA Payment of approximately
2 \$8.68 as part of the Settlement. Furthermore, the Gross Settlement Amount of \$200,000.00 is
3 significant enough to deter Defendant from future violations, creating a disincentive for
4 Defendant to engage in unlawful business practices.

5 22. Considering the risks of continued litigation, the burdens of proof necessary to
6 establish liability, the unsettled state of the law, the possibility that the Court would reduce an
7 award of civil penalties, and the probability of appeal of a favorable judgment, it is clear that
8 the non-reversionary settlement amount of \$200,000.00 is fair, adequate, and reasonable in light
9 of PAGA's purpose to remediate present labor law violations, to deter future violations, and to
10 maximize enforcement of the California Labor Code. Plaintiff objectively and knowledgeably
11 balanced the strengths and weaknesses of her claims against the risk of continued litigation and
12 was able to determine a realistic range of settlement recovery for PAGA penalties. Although
13 Plaintiff and my office were prepared to continue to litigate through trial and a possible appeal,
14 we support the proposed Settlement as being in the best interests of the Aggrieved Employees
15 and the State of California.

16 **Service Payment to Plaintiff**

17 23. Plaintiff faced many risks in bringing the Action. Plaintiff assumed the expense
18 and risk in prosecuting this matter and considered the best interests of the State of California
19 and Aggrieved Employees rather than her personal interests in agreeing to mediate and settle
20 the Action. Without the effort and risks taken by Plaintiff, the LWDA and the Aggrieved
21 Employees likely would not have received any financial benefit. Because of Plaintiff's efforts,
22 the State of California and approximately 2,679 Aggrieved Employees will now recover civil
23 penalties for the wage and hour violations they may never have known about on their own or
24 been willing to pursue on their own. If each Aggrieved Employee attempted to pursue civil
25 penalties individually, each person would have been required to expend a significant amount of
26 his or her own monetary resources and time. Plaintiff's willingness to assume the financial risk
27 is significant, as California law provides that the losing party must pay the prevailing party's
28 costs. As such, if Plaintiff would not have prevailed in this case, Defendant could have

1 attempted to recover a cost award in the amount of several thousands of dollars. Additionally,
2 as a result of filing a representative PAGA action against her employers, Plaintiff may face
3 reputational risk among potential future employers that could adversely impact her future job
4 opportunities because she may be viewed as litigious by certain prospective employers. This is
5 a significant concern.

6 24. In short, the Action would not have been possible without the aid of Plaintiff,
7 who put her own time and effort into the litigation, sacrificed the value of her own individual
8 claims, and placed herself at risk for the sake of the other Aggrieved Employees and the State
9 of California. By actively prosecuting the Action, Plaintiff furthered PAGA's purpose of
10 enforcing the State's labor laws. The result of the Settlement is excellent and it will provide
11 substantial penalties to the State of California to enforce the California Labor Code and to deter
12 future violations. The requested service payments do not significantly reduce the total amount
13 of the net settlement fund.

14 25. Furthermore, as part of the Settlement, Plaintiff has agreed to a general release of
15 all claims against the Released Parties and a waiver of California Civil Code § 1542.

16 26. For these reasons, I believe that an enhancement award in the amount of
17 \$5,000.00 to Plaintiff is fair and reasonable to compensate Plaintiff for her active participation
18 in the Action, the risks she faced, and her general release of all claims.

19 27. I am not aware of any conflict of interest between Plaintiff and the Aggrieved
20 Employees or the Settlement Administrator.

21 **Attorneys' Fees**

22 28. The Settlement provides for attorneys' fees to PAGA Counsel in an amount up to
23 one-third of the Gross Settlement Amount, for a maximum fee award of \$66,666.67.

24 29. Based on my extensive experience in wage and hour class actions and PAGA
25 actions, I am informed and believe that the attorneys' fees provision in the Settlement Agreement
26 is reasonable. The fee percentage requested is less than that charged by my office for other
27 employment cases, and it is in line with the one-third recovery that was recognized as standard for
28 class actions in the *In re Consumer Privacy Cases* (2009) 175 Cal.App.4th 545. The efforts of

1 PAGA Counsel have resulted in substantial benefits to the State and Aggrieved Employees in the
2 form of a significant settlement fund established to assist with the enforcement of labor laws and
3 to deter future Labor Code violations. On information and belief, without the efforts of PAGA
4 Counsel, the claims alleged in the Action would likely have gone without penalties being
5 imposed. My office invested significant time and resources in the case over the course of four
6 years with payment deferred to the end, and then, of course, contingent on the outcome.

7 30. The efforts expended by my firm in prosecuting the Action to achieve the excellent
8 result on behalf of the State and the Aggrieved Employees include, but are not limited to, the
9 following: interviewing Plaintiff and reviewing documents provided by Plaintiff; drafting a
10 PAGA notice letter on behalf of Plaintiff; drafting the complaint; preparing for and attending
11 numerous court hearings and status conferences; opposing Defendant's motion to compel
12 arbitration; initiating arbitration and attending an Arbitration Management Conference;
13 propounding discovery on behalf of Plaintiff; preparing motions to compel discovery responses;
14 meeting and conferring with Defendant's counsel to obtain relevant documents and information;
15 reviewing time and payroll records and other employment records produced by Defendant;
16 retaining a data expert to analyze voluminous time records and corresponding payroll data;
17 performing legal research regarding Plaintiff's claims; drafting a mediation brief and preparing a
18 damages analysis; attending a private mediation session; negotiating, drafting, and revising the
19 Settlement; and drafting the Motion for Approval of PAGA Settlement and accompanying
20 documents.

21 31. The amount of requested attorneys' fees is also reasonable based upon PAGA
22 Counsel's lodestar. As of the filing date, MLG's lodestar for the Action is **\$212,797.50**, which is
23 based upon **310.2 attorney hours** at customary hourly rates. All of the hours were reasonable and
24 necessary to achieve the excellent result on behalf of the State and the Aggrieved Employees.
25 This amount does not include any estimate of the time MLG will invest to complete this case
26 following approval. Based upon my experience, I estimate that MLG will spend another 15-20
27 hours on this case, including preparing for and attending the hearing on the Motion for Approval
28 of PAGA Settlement, filing any supplemental papers with the Court in support of the motion,

1 monitoring the settlement administration process, and answering questions from Aggrieved
2 Employees and the settlement administrator. We expect to have numerous Aggrieved Employees
3 calling our office to inquire about the settlement payments and to ask for further information.
4 MLG also bears the risk of taking whatever actions are necessary if Defendant fails to pay.

5 32. The regular and customary practice at MLG is for all attorneys to maintain
6 electronic time records setting forth the amount of time spent (rounded to the nearest one-tenth of
7 an hour) on each task in each case, with explanatory descriptions of each task performed. My
8 colleagues and I followed this practice throughout this litigation. To calculate my firm's lodestar
9 for the Action, my bookkeeping department retrieved all of the attorney time records associated
10 with the case. My office reviewed those records and exercised billing judgment in eliminating any
11 time entries that may have been duplicative or inefficient. For example, my office excluded my
12 time, Matthew J. Matern's time, law clerks' and legal assistants' time, and the time of all
13 attorneys who billed fewer than five hours on the case. A table summarizing MLG's lodestar is as
14 follows:¹

Name	Year Admitted	Hours	Rate	Fees
Attorneys				
Matthew W. Gordon	2009	57.9	\$975	\$56,452.50
Max N. Sloves	2001	28.2	\$875	\$24,675.00
Erin R. Hutchins	2022	196.2	\$600	\$117,720.00
Margaret ("Meg") P. Crowley	2024	27.9	\$500	\$13,950.00
TOTAL LODESTAR:		310.2		\$212,797.50

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21 33. MLG is a 24-attorney law firm that is actively and continuously practicing in
22 employment litigation, almost exclusively representing employees in both individual and class
23 actions in both state and federal courts throughout California.

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26 ¹ This chart excludes the 36 hours spent drafting an opposition to and attending the hearing on
27 Defendant's motion to compel arbitration; initiating and engaging in arbitration; and preparing a
28 motion to vacate the order compelling arbitration, reviewing the opposition and reply, and
appearing at the hearing that was awarded to Plaintiff's counsel in the Court's order dated
October 31, 2024.

1 34. MLG is qualified to handle this litigation because the firm is experienced in
2 litigating Labor Code violations in individual actions, class actions, and PAGA actions. MLG has
3 handled, and is currently handling, numerous wage and hour class action and PAGA
4 representative action lawsuits.

5 35. MLG and the firm's principal, Matthew J. Matern, have been counsel in many
6 cases which resulted in published appellate victories including two of the leading "me-too"
7 witness cases in California, *Pantoja v. Anton* (2011) 198 Cal.App.4th 87 and *Meeks v.*
8 *Autozone, Inc.* (2018) 24 Cal.App.5th 855. Other published appellate victories include *Ibarra*
9 *v. Chuy & Sons Labor, Inc.* (Cal. Ct. App., June 18, 2024, No. 2D CIV. B329899) 2024 WL
10 3037693; *Argueta v. Worldwide Flight Servs., Inc.* (2023) 97 Cal.App.5th 822 (reversal of
11 defense verdict in sexual harassment trial); *Davis v. Shiekh Shoes, LLC* (2022) 84 Cal.App.5th
12 956 (affirming order denying motion to compel arbitration); *Zuniga v. Alexandria Care Center,*
13 *LLC* (2021) 67 Cal.App.5th 871 (defense verdict in PAGA bench trial reversed); *Julian v.*
14 *Glenair* (2017) 17 Cal.App.5th 853; *ABM Industries Overtime Cases* (2017) 19 Cal.App.5th
15 277; *Tellez v. Rich Voss Trucking, Inc.* (2015) 240 Cal. App. 4th 1052 (reversing order denying
16 motion for class certification); *Ventura v. ABM Industries Inc.* (2012) 212 Cal.App.4th 258;
17 *Franco v. Arakelian Enters., Inc.* (2012) 211 Cal.App.4th 314; *Fuentes v. AutoZone, Inc.* (2011)
18 200 Cal.App.4th 1221; and *Gutierrez v. California Commerce Club* (2010) 187 Cal.App.4th
19 969; *Franco v. Athens Disposal Co., Inc.* (2009) 171 Cal. App.4th 1277. Unreported appellate
20 victories include, inter alia, *Miranda v. Guess Retail, Inc.* (Cal. Ct. App., June 25, 2024, No.
21 B323439) 2024 WL 3158208; *Fredeen v. California Cemetery and Funeral Services, LLC* (Cal.
22 Ct. App., June 11, 2024, No. B326031) 2024 WL 2930024; *Morales v. Garfield Beach CVS,*
23 *LLC* (Cal. Ct. App., Jan. 31, 2024, No. B312212) 2024 WL 356877 (affirming approval of class
24 action and PAGA settlement); *Gabourel v. Luxottica of America, Inc.* (9th Cir., Jan. 24, 2024,
25 No. 23-55185), 2024 WL 260963 (affirming order denying motion to compel arbitration);
26 *Brown v. Cedars-Sinai Medical Center* (Cal. Ct. App., Dec. 6, 2023, No. B324446) 2023 WL
27 8442072 (affirming order denying petition to compel arbitration); *Schwade v. South Pasadena*
28 *Rehabilitation Center, LLC* (Cal. Ct. App., Dec. 5, 2023, No. B318644) 2023 WL 8414880

(reversing costs award to defendants in Labor Code action); *Mendocino Farms Wage and Hour Cases* (Cal. Ct. App., Dec. 4, 2023, No. C096869) 2023 WL 8376119 (affirming approval of class action settlement); *Haaverson v. Tavistock Freebirds, LLC* (Cal. Ct. App., Aug. 18, 2023, No. A164043) 2023 WL 5318401 (affirming attorney fee award in PAGA case); *Madeira v. Converse, Inc.* (9th Cir., Aug. 16, 2023, No. 22-55161) 2023 WL 5275011 (reversing denial of class certification for regular rate of pay subclass); *Rojas v. Glenair, Inc.* (Cal. Ct. App. Aug. 3, 2020) No. B302402, 2020 WL 4435156 (reversing order sustaining demurrer without leave to amend under relation-back theory); *Navarro v. 4 Earth Farms, Inc.* (Cal. Ct. App. Feb. 8, 2019) No. B284853, 2019 WL 493781 (affirming judgment in sexual harassment jury trial); *Soto v. Superior Court of San Bernardino Cty.* (Cal. Ct. App. Sept. 9, 2019) No. E071920, 2019 WL 4254631 (writ issued); *Pauley v. CF Entertainment* (9th Cir. 2019) 773 F. App'x 357 (reversing order dismissing comedy writers' claims against their employer for violation of the Labor Code and against their union for breach of duty of fair representation); *Pauley v. CF Entertainment* (9th Cir. 2016) 646 F. App'x 498 (same); *Olivares v. Fountain Valley Regional Hospital and Medical Center* (Cal. Ct. App., Jan. 9, 2018) 2018 WL 330134 (affirming order denying motion to compel arbitration); *Christman v. Apple Am. Grp. II, LLC* (Cal. Ct. App. Oct. 4, 2017) No. B271937, 2017 WL 4402124 (affirming denial of motion to compel arbitration of PAGA claim); *Cacho v. Eurostar, Inc., No. S260295* (request for depublication of opinion granted by California Supreme Court); and *Starks v. Vortex Industries, Inc., No S264854* (same).

36. I graduated from the University of California, Los Angeles in 2002 and received my J.D. from University of California, Hastings College of the Law (now known as the University of California, College of the Law) in 2007. I have been an active member of the California State Bar in good standing since 2007, and I have experience with single-plaintiff and class action lawsuits in state and federal courts throughout California. I have significant experience handling and resolving wage and hour class action matters involving claims relating to meal and rest break violations, minimum wage and overtime violations, and other wage theft issues. I have prevailed in both bench and jury trials on employment matters that I have first-chaired. Most noteworthy was a \$2,500,000 judgment in a sexual harassment case that I obtained

1 on behalf of two plaintiffs in *Juana Barba v. Blue Boys, Inc.*, Los Angeles Superior court Case
2 No. BC352054. I was selected to the Southern California Super Lawyers Rising Stars list from
3 2015 to 2021, the Southern California Super Lawyers Rising Stars Up-and-Coming 50 Women
4 from 2020 to 2021, and the Southern California Super Lawyers Rising Stars Up-and-Coming 100
5 for 2021. I was also recognized as a Southern California Super Lawyer for 2023 to the present.

6 37. Shareholder Matthew W. Gordon graduated *summa cum laude* from Princeton
7 University in 1995 and was elected to Phi Beta Kappa. He received his J.D. from the University
8 of California, Los Angeles School of Law in 2009. He became a member of the State Bar of
9 California in December 2009, and has been an active member in good standing continuously
10 since then. At MLG, Mr. Gordon has exclusively represented employees in wage and hour class
11 actions, PAGA actions, and cases under the Fair Employment and Housing Act (“FEHA”). He
12 has been appointed Class Counsel in several employment class actions in state and federal court.
13 The class action, PAGA, and FEHA cases he has worked on have recovered tens of millions of
14 dollars to employees. Mr. Gordon has tried FEHA claims in the Los Angeles Superior Court and
15 has arbitrated individual Labor Code and FEHA claims. Mr. Gordon has argued appeals in the
16 California Courts of Appeal, which resulted in decisions advancing workers’ rights, including
17 *Tellez v. Rich Voss Trucking, Inc.*, 240 Cal. App. 4th 1052 (2015), a published opinion reversing
18 the trial court’s order denying class certification and *Olivares v. Fountain Valley Regional*
19 *Hospital and Medical Center* (Cal. Ct. App., Jan. 9, 2018, No. G053514) 2018 WL 330134, a
20 case in which the Court of Appeal affirmed the denial of a motion to compel arbitration of a wage
21 and hour class action. He co-authored, with Vanessa M. Rodriguez, an article on “me-too”
22 evidence, entitled “The Compelling Evidence of Me Too,” in the September 2019 edition of *Los*
23 *Angeles Lawyer* magazine (Volume 42, No. 6, pp. 26-30). Mr. Gordon was selected to the
24 Southern California Rising Stars list in 2016, 2017, 2018, and 2019, and he was selected to
25 Southern California Super Lawyers in 2024 and 2025. Based on his skill and experience, Mr.
26 Gordon’s 2025 hourly billing rate of \$975.00 is reasonable.

27 38. Former Associate Attorney Max Sloves graduated from the University of
28 California, Santa Barbara in 1998, Phi Beta Kappa, with a B.S. in Environmental Studies and a

1 B.A. degree in Spanish. Mr. Sloves received his J.D. from the University of Southern California,
2 Gould School of Law in 2001 and was admitted to the California State Bar that same year. Mr.
3 Sloves joined MLG in 2019. Mr. Sloves' practice at MLG involved representing employees in all
4 aspects of employment litigation, including single-plaintiff and class and representative action
5 lawsuits. He was also an esteemed member of MLG's Appellate Team, successfully argued
6 before the California Court of Appeal, and authored or co-authored winning respondents' briefs
7 in *Marlen A. Beltran Zamora v. Overhill Farms, Inc.* (March 29, 2021, No. B302764),
8 and *Claudia Garcia v. ISS Facility Services, Inc., et. al*, (9th Cir. March 30, 2021). Based on his
9 skill and experience, Mr. Sloves' hourly billing rate of \$875.00 is reasonable.

10 39. Associate Attorney Erin R. Hutchins received her undergraduate degree from the
11 University of British Columbia in 2019 and graduated *magna cum laude* from the University of
12 California College of the Law, San Francisco (formerly UC Hastings) in 2022. Ms. Hutchins was
13 admitted to the State Bar of California in December 2022, and has been an active member in good
14 standing continuously since then. Ms. Hutchins began working in litigation during the summer
15 after her second year of law school in 2021 and has been practicing plaintiff-side employment law
16 since May 2023, working on both class action and individual cases. Based on her skill and
17 experience, Ms. Hutchins' 2025 hourly billing rate of \$600.00 is reasonable.

18 40. Former Associate Attorney Margaret "Meg" P. Crowley received her
19 undergraduate degree from the University of California, Davis in 2020 and graduated from the
20 University of California, College of the Law, San Francisco (formerly UC Hastings) in 2024.
21 While in law school, Ms. Crowley served as the Symposium Editor of the UC Law SF
22 Communications & Entertainment Journal. She received the CALI Excellence for the Future
23 Award for the highest grade in Employment Law and earned Honorable Mention for Best Oral
24 Argument in Legal Research & Writing II. Ms. Crowley was admitted to the State Bar of
25 California in December 2024. Since entering law school, Ms. Crowley has exclusively clerked for
26 plaintiff-side employment law firms. While at MLG, Ms. Crowley handled wage and hour class
27 and representative actions as well as employees in single-plaintiff disputes. Based on her skill and
28 experience, Ms. Crowley's hourly billing rate of \$500.00 is reasonable.

1 41. My office requests the foregoing billable rates be applied in this case, as the rates
2 are more than reasonable in the Southern California legal market for attorneys who handle
3 complex class actions and PAGA actions involving hundreds of employees. Throughout my
4 practice as an attorney, I have become familiar with customary billing rates for attorneys of
5 comparable background, training, and experience as mine in California federal and state courts.
6 I have obtained knowledge of the prevailing hourly rates in the community for work of a similar
7 nature and complexity to the work in this case from a variety of sources, including: (a) my
8 communications with other employment law attorneys about their rates; (b) my familiarity with
9 fee applications and orders in other cases; (c) my independent research and knowledge of the
10 prevailing market rates based on fee requests of other counsel and my familiarity with rates
11 charged in other law firms; and (d) my independent reading and research of legal newspapers,
12 journals, and treatises regarding law firms' billing rates. Based on this information, I believe
13 that MLG's current rates are fully consistent with the market rate for attorneys with comparable
14 expertise, experience, and qualifications.

15 42. The hourly rates for MLG attorneys are commensurate with MLG's experience
16 in litigating complex cases. Indeed, MLG has been awarded fees by various courts based on
17 MLG's historical rates, including in the following cases:

18 A. In *Morgan v. Rohr, Inc., et al.*, United States District Court for the Central District
19 of California, Case No. 3:20-cv-00574, the court awarded MLG attorneys' fees based in part on
20 Mr. Gordon's 2025 hourly rate of \$975 and Ms. Hutchins' 2025 hourly rate of \$600.

21 B. In *Cabrales v. BAE Systems San Diego Ship Repair, Inc.*, United States District
22 Court for the Central District of California, Case No. 21-cv-02122-AJB, the court awarded MLG
23 attorneys' fees involving Mr. Gordon's 2025 hourly rate of \$975, Ms. Hutchins' 2025 hourly rate
24 of \$600, and Ms. Crowley's hourly rate of \$500.

25 C. In *Ordones v. Miracle Mile Properties, LP, et al.*, Los Angeles County Superior
26 Court, Case No. 21STCV32715, the court awarded MLG attorneys' fees involving Mr. Gordon's
27 2024 hourly rate of \$925, Mr. Sloves' rate of \$875, and Ms. Hutchins's 2024 hourly rate of \$550
28 ("The Court finds that PAGA Counsel's request for attorneys' fees ... is reasonable as a

1 percentage of the common fund with a lodestar cross -check. ... PAGA Counsel's hourly rates are
2 reasonable and in line with rates prevailing in the community.”)

3 A. In *Reyna v. Westrock Company, et al.*, United States District Court for the
4 Northern District of California, Case No. 20-cv-01666-BLF, the court awarded MLG attorneys’
5 fees based on a lodestar cross-check involving the following MLG attorneys’ 2024 hourly rates:
6 Matthew J. Matern: \$1,125; Max N. Sloves: \$875 (“The Court finds that ... Class Counsel's
7 hourly rates are reasonable and in line with rates prevailing in the community.”).

8 B. In *Escamilla v. Ono Hawaiian BBQ*, Los Angeles County Superior Court,
9 Case No. BC651992, the court awarded MLG attorneys’ fees based on a lodestar crosscheck,
10 based in part on the following 2023 hourly rates: Matthew J. Matern: \$1,075; Matthew W.
11 Gordon: \$875; Max N. Sloves: \$825 (“The Court finds that ... Class Counsel’s hourly rates are
12 reasonable and in line with rates prevailing in the community.”).

13 C. In *Phan v. Marshall Medical Center*, El Dorado County Superior Court,
14 Case No. PC20190029, the court awarded MLG attorneys’ fees based on a lodestar crosscheck,
15 with the application of a 4.76 multiplier, based in part on the following 2021 hourly rates:
16 Matthew J. Matern: \$975; Matthew W. Gordon: \$775; Vanessa M. Rodriguez: \$575.

17 D. In *Campos v. Borba Dairy Farms*, Merced County Superior Court, Case
18 No. 19CV-03966, the court awarded MLG attorneys’ fees based on a lodestar cross-check
19 involving the following MLG attorneys’ 2021 hourly rates: Matthew J. Matern: \$975; Matthew
20 W. Gordon: \$775; and Vanessa M. Rodriguez: \$575.

21 E. In *Negrete v. ConAgra Foods, Inc.*, United States District Court for the
22 Central District of California Case No. 2:16-cv-00631-FMO-AJW, the Honorable Fernando M.
23 Olguin awarded MLG attorneys’ fees based on a lodestar cross-check, with an approximate
24 multiplier of 1.81, which was supported by Matthew J. Matern’s 2021 rate of \$975.00 per hour.

25 F. In *Ayard v. Kuni Redwood Motors, LLC*, Santa Clara Superior Court Case
26 No. 20CV367003, the Honorable Drew C. Takaichi entered an order awarding MLG attorneys’
27 fees based on its lodestar, with the application of a 1.63 multiplier, and finding that the following
28

1 2021 hourly rates “are reasonable and in line with rates prevailing in the community”: Matthew J.
2 Matern, \$975; Matthew W. Gordon, \$775; Vanessa M. Rodriguez, \$575.

3 G. In *Cordova v. St. George Warehouse and Trucking Inc.*, LASC Case No.
4 20STCV04563, the Honorable Robert B. Broadbelt awarded MLG attorneys’ fees based on
5 Matthew J. Matern’s 2021 hourly rate of \$975, with application of a 2.01 multiplier, finding that
6 MLG’s rates “are reasonable and in line with rates prevailing in the community.”

7 H. In *Viamontes v. Adriana’s Insurance Services, Inc.*, LASC Case No.
8 BC502472, the Honorable Kenneth R. Freeman awarded MLG attorneys’ fees based in part on
9 Matthew J. Matern’s hourly rate of \$975.

10 I. In *Lopez v. Kintetsu World Express (USA), Inc.*, LASC Case No.
11 BC677417, the Honorable Yvette M. Palazuelos awarded MLG attorneys’ fees, finding that the
12 requested fees were “well-supported by the lodestar,” which was based in part on Matthew J.
13 Matern’s 2021 hourly rate of \$975, with application of a 1.49 multiplier.

14 J. In *Wilson v. Hydro Systems, Inc.*, LASC Case No. 19STCV41455, the
15 Honorable Daniel J. Buckley awarded MLG attorneys’ fees based on its lodestar with the
16 application of a 3.0 multiplier, which was based in part on Mattern J. Matern’s hourly rate of
17 \$975 and Launa Adolph’s hourly rate of \$900.

18 K. In *Leon v. Bristol Farms*, LASC Case No. BC597687, the Honorable Elihu
19 M. Berle awarded MLG attorneys’ fees based on its lodestar, with the application of a 1.06
20 multiplier, finding that the following MLG attorneys’ 2020 hourly rates are “reasonable and in
21 line with rates prevailing in the community”: Matthew J. Matern: \$950; Matthew W. Gordon:
22 \$725; and Vanessa M. Rodriguez: \$525.

23 L. In *Ramirez v. Zepexco, Inc.*, Orange County Superior Court Case Number
24 30-2019-01095469-CU-OE-CXC, the Honorable Randall J. Sherman entered an order awarding
25 MLG attorneys’ fees based on its lodestar, with the application of a 1.208 multiplier, and finding
26 that the following 2020 hourly rates “are reasonable and in line with rates prevailing in the
27 community”: Matthew J. Matern, \$950; Matthew W. Gordon, \$725; Vanessa M. Rodriguez,
28 \$525.

1 M. In *Fan v. Delta Air Lines, Inc.*, United States District Court Case No. 2:19-
2 cv-04599-SVW-SS, the Honorable Stephen V. Wilson awarded MLG attorneys' fees with a
3 multiplier of 1.78, finding that the following MLG attorneys' 2020 hourly rates were
4 "appropriately justified": Matthew J. Matern: \$950.00 and Matthew W. Gordon: \$725.00.

5 N. In *Kuhia v. California Supply, Inc.*, LASC Case No. BC668430, the
6 Honorable Daniel J. Buckley awarded MLG attorneys' fees based on the following 2019 billing
7 rates: Matthew J. Matern: \$925; Matthew W. Gordon: \$675; Vanessa Rodriguez: \$475.

8 O. In *Ramos-Rios v. Encore Hospitality Services, LLC*, LASC Case No.
9 BC685624, the Honorable Daniel J. Buckley awarded MLG attorneys' fees based on its lodestar,
10 which was based on the following MLG attorneys' 2019 hourly rates: Matthew J. Matern: \$925;
11 Matthew W. Gordon: \$675; and Vanessa M. Rodriguez: \$475.

12 P. In *Garcia v. Clougherty Packing, LLC*, LASC Case No. BC620644, the
13 Honorable Elihu M. Berle awarded MLG attorneys' fees according to MLG's lodestar, which was
14 based on the following 2019 hourly rates: Matthew J. Matern: \$925; Matthew W. Gordon: \$675;
15 and Vanessa M. Rodriguez: \$475.

16 Q. In *Espinoza v. Team Blaze*, LASC Case No. BC664645, the Honorable
17 Carolyn B. Kuhl awarded MLG attorneys' fees based on MLG's lodestar which was based on the
18 following 2019 hourly rates: Matthew J. Matern: \$925; Matthew W. Gordon: \$675; and Vanessa
19 M. Rodriguez: \$475.

20 R. In *Lopez Contreras v. CoreCare III LP, et al.*, Orange County Superior
21 Court, Case No. 30-2016-00851086-CU-OE-CXC, the court awarded MLG attorneys' fees based
22 on its lodestar, which was based on the following MLG attorneys' 2019 hourly rates: Matthew J.
23 Matern: \$925; Matthew W. Gordon: \$675.

24 43. MLG's hourly rates are also in line with the rates approved in other cases. *See*
25 *Roberti v. OSI Sys., Inc.*, No. CV1309174MWFMRW, 2015 WL 8329916, at *7 (C.D. Cal. Dec.
26 8, 2015) (finding rates between \$525 and \$975 per hour reasonable); *Rodriguez v. County of Los*
27 *Angeles*, 96 F.Supp.3d 1012, 1023 (C.D. Cal. 2014) (approving attorney rates in 2014 from \$500
28 to \$975); *Perfect 10, Inc. v. Giganews, Inc.*, No. CV 11-07098-AB SHX, 2015 WL 1746484, at

1 *15-18 (C.D. Cal. Mar. 24, 2015), *aff'd*, 847 F.3d 657 (9th Cir. 2017) (finding hourly rates of
2 \$825-\$930 for a senior partner, \$350-\$690 for associates, and \$290 and \$240 for support staff—
3 for work performed in 2011 and 2014—to be reasonable and prevailing market rates at that time).

4 44. Additionally, several courts have awarded MLG attorneys' fees in similar cases
5 based upon the common fund method:

6 A. In 2021, in the matter of *Petrelli v. Bakkavor Foods USA, Inc.*, LASC Case
7 No. BC595726, Judge Carolyn B. Kuhl awarded MLG's attorney fee request of one-third of the
8 Maximum Settlement Amount, finding that it is "reasonable under the common fund method."

9 B. In 2020, in the matter of *Lenard v. Buy Buy Baby, Inc.*, LASC Case No.
10 BC647134, Judge Maren E. Nelson awarded MLG's attorney fee request for one-third of the
11 Maximum Settlement Amount, stating that the request "is reasonable under the common fund
12 method."

13 C. In 2020, in the matter of *Morales v. Berkley Valley Convalescent Hospital,*
14 *Inc.*, LASC Case No. BC576116, Judge Daniel J. Buckley approved MLG's one-third fee request,
15 finding that it is "reasonable under the common fund method."

16 D. In 2020, in the matter of *Gunn v. Shimadzu Precision Instruments, Inc.*,
17 LASC Case No. BC719424, Judge Daniel J. Buckley approved MLG's fee request for 33.33% of
18 the Settlement Fund, finding that it is reasonable "as a percentage of the common fund."

19 E. In 2020, in the matter of *Arzmanians v. Wireless Advocates, LLC*, LASC
20 Case No. BC633344, Judge Amy D. Hogue found that MLG's requested fee "is reasonable under
21 the common fund...method[]."

22 45. PAGA Counsel also bear the risk of taking whatever actions are necessary if
23 Defendant fails to pay. In two recent cases, my firm spent over 500 hours post-final approval in
24 efforts to collect on behalf of the class.

25 46. My office took this case on a contingent basis and has put a substantial amount of
26 time and effort into litigating the claims, all while receiving no payment. Because of the
27 significant amount of attorney time devoted to this important case on behalf of approximately
28 2,679 Aggrieved Employees and the State of California, my office was precluded from working

1 on other employment cases over the course of four years. The risk to my office has been very
2 significant, given that, if the case was unsuccessful, MLG would not have received any
3 compensation for the hundreds of hours it spent litigating the case and almost \$27,000 in
4 expenses. For instance, in a pair of de-published opinions, the Court of Appeal affirmed the trial
5 court's order denying class certification in an action alleging that the defendant failed to provide
6 its restaurant workers with uninterrupted, 30-minute off-duty meal breaks: *Hernandez v. Chipotle*
7 *Mexican Grill, Inc.* (2012) 208 Cal.App.4th 1487 and *Hernandez v. Chipotle Mexican Grill*
8 (2010) 189 Cal.App.4th 751. Similarly, in *Gonzalez v. Officemax North America* (C.D. Cal. Nov.
9 5, 2012) Nos. SACV F07-00452 JVS (MLGx) and CV 07-04839 JVS MLGx) 2012 WL 5473764,
10 at *4-5, the court issued an order denying certification of plaintiffs' meal and rest break claims,
11 finding that the reason any particular employee missed any particular break required
12 individualized fact finding. In each of these cases, my firm incurred over \$100,000 in costs and
13 expended over 5,000 hours in attorney time, only to have class certification denied. In *Villegas v.*
14 *Six Flags Entertainment Corp.* (Los Angeles Superior Court Case No. BC505344), the trial court
15 denied class certification in a case in which my firm expended over 2,500 hours and incurred
16 costs totaling over \$340,000.

17 47. Because most individuals cannot afford to pay for representation in litigation on an
18 hourly basis, Matern Law Group, PC represents virtually all of its employment law clients on a
19 contingency fee basis. Pursuant to this arrangement, we are not compensated for our time unless
20 we prevail at trial or successfully settle our clients' cases. Because the firm is taking the risk that
21 we will not be reimbursed for our time unless our client settles or wins his or her case, we cannot
22 afford to represent an individual employee on a contingency basis if, at the end of our
23 representation, all we are to receive is our regular hourly rate for services. It is essential that we
24 recover more than our regular hourly rate when we win if we are to remain in practice so as to be
25 able to continue representing other individuals in civil rights employment disputes.

26 48. The efforts of PAGA Counsel have resulted in substantial benefits to the State of
27 California and Aggrieved Employees in the form of a settlement fund established to penalize
28 Defendant for the alleged violations, to deter future violations, to assist the LWDA with the

1 enforcement of state labor laws, and to compensate Aggrieved Employees for, among other
2 things, noncompliant meal and rest periods and overtime wages. I am informed and believe that,
3 without the efforts of PAGA Counsel, the Labor Code violations alleged in the complaint would
4 have gone without remedy.

PAGA Counsel's Litigation Costs

5 49. The Settlement provides for reimbursement of PAGA Counsel's litigation costs
6 and expenses not to exceed \$35,000.00. MLG's current litigation costs in the Action total
7 **\$26,910.20**. MLG expects to incur \$60.00 in future costs for the motion filing fee for a total of
8 **\$26,970.20** in costs. All of these costs are reasonable expenses which a fee-paying client would
9 ordinarily have to pay, were necessary to prosecute the Action, and were incurred for the benefit
10 of the State of California and PAGA Members. The following table shows a breakdown of the
11 costs incurred by MLG in this case:

Cost Description	Amount
Court Costs	\$10.80
Court Reporters	\$5,766.65
Filing Fees and Document Retrieval	\$722.31
Document Translation	\$175.00
Expert Services	\$4,005.00
Initial Filing Fees	\$439.20
Jury Fees	\$150.00
Mediation Fees	\$15,000.00
Process Service	\$60.00
Research Services	\$581.24
Total Current MLG Costs:	\$26,910.20
Projected Future Costs (Filing Fees)	\$60.00
Total Current and Projected MLG Costs:	\$26,970.20

21
22 50. I am not aware of any conflict of interest between MLG and the Aggrieved
23 Employees.

Settlement Administration Costs

24
25 51. The parties have agreed to use Xpand Legal Consulting LLC as the third-party
26 Settlement Administrator. No one at MLG has any financial interest in or otherwise has a
27 relationship with Xpand Legal Consulting LLC which would create a conflict of interest. Given
28 the number of Aggrieved Employees and the scope of the duties to be performed by the

1 Settlement Administrator, I believe that the settlement administration costs, which are estimated
2 not to exceed \$10,000, are reasonable.

3 **Submission of Proposed Amended Settlement Agreement to LWDA**

4 52. On January 28, 2026, my office submitted a copy of the proposed Settlement,
5 Amended Settlement, the Motion for Approval of PAGA Settlement, and all supporting papers
6 to the LWDA through its online portal. Attached hereto as **Exhibit C** is a true and correct copy
7 of the January 28, 2026 auto-reply email from the California LWDA DIR PAGA Unit,
8 confirming receipt of our submission of the proposed Settlement Agreement and other
9 documents.

10 I declare under penalty of perjury under the laws of the State of California that the
11 foregoing is true and correct. Executed on January 28, 2026 at Redondo Beach, California.

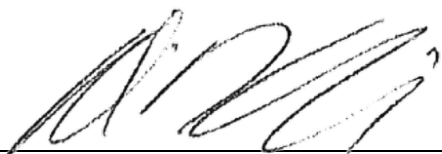
12
13 
14 _____
DALIA KHALILI

EXHIBIT A



MATERN LAW GROUP, PC

1230 Rosecrans Avenue, Suite 200
Manhattan Beach, California 90266
www.maternlawgroup.com
Tel: (310) 531-1900 | Fax: (310) 531-1901

October 5, 2021

Via Online Submission

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

Via Certified U.S. Mail – Return

Receipt Requested

Magic Laundry Services Inc.
412 Roosevelt Ave.
Montebello, California 90640
c/o Hrair Kertenian, Registered Agent

**Re: Notice Pursuant to California Labor Code § 2699.3
Employee: Elisa Ortego**

To Whom It May Concern:

This office represents Elisa Ortego (“Ms. Ortego”), a former employee of Magic Laundry Services Inc. (“Magic Laundry”). Pursuant to the California Labor Code Private Attorneys General Act of 2004 (“PAGA”), Labor Code § 2698, *et seq.*, this letter sets forth the specific provisions of the Labor Code and Industrial Welfare Commission (“IWC”) Wage Order No. 6-2001, which Ms. Ortego alleges Magic Laundry has violated, including the facts and theories to support the alleged violations. Please be advised that this letter constitutes written notice required by Labor Code § 2699.3, subdivisions (a)(1)(A) and (c)(1)(A) and may lead to immediate action against Magic Laundry in a court of law and/or administrative proceedings, as well as the imposition of substantial penalties and other remedies against Magic Laundry. Enclosed please find a draft of Ms. Ortego’s proposed complaint, which is incorporated by reference into this notice. Under separate cover, our office is paying \$75.00 to the Accounting Unit of the Department of Industrial Relations for the requisite filing fee, pursuant to Labor Code § 2699.3, subdivisions (a)(1)(B) and (c)(1)(B).

This letter also serves as notice of Ms. Ortego’s demand for preservation and non-spoliation of evidence, requesting that all relevant documents and data be saved and that all electronic files and hard-copy documents that are related to Ms. Ortego’s employment and potential claims must be preserved, even without a court order. Spoliation of evidence may result in legal claims for damages and monetary and evidentiary sanctions, including “adverse inference”

MATERN LAW GROUP, PC

October 5, 2021

Page 2 of 9

jury instructions. Furthermore, intentional spoliation of evidence may carry criminal consequences pursuant to California Penal Code § 135.

We are investigating a potential class and representative action on behalf of Magic Laundry's current and former non-exempt employees in the State of California regarding, among other things, the following violations: failure to provide meal and rest periods to employees in violation of Labor Code §§ 226.7 and 512 and Wage Order No. 6-2001, §§ 11-12; failure to pay one additional hour of compensation at the employee's regular rate of compensation for each workday that a meal or rest period is not provided in violation of Labor Code § 226.7 and Wage Order No. 6-2001, §§ 11(B) and 12(B); failure to pay employees minimum wages for all hours worked in violation of Labor Code §§ 1194, 1197 and 1197.1 and Wage Order No. 6-2001, § 4; failure to pay employees overtime wages in violation of Labor Code §§ 510 and 1194 and Wage Order No. 6-2001, § 3; failure to pay employees all wages due to reporting time pay in violation of Labor Code §§ 218 & 1194 and Wage Order No. 6-2001; failure to timely pay employees all wages earned in violation of Labor Code § 204; willful failure to pay all wages due to discharged and quitting employees in violation of Labor Code §§ 201-203; failure to furnish accurate itemized wage statements to employees in violation of Labor Code § 226; failure to maintain required records pursuant to Labor Code §§ 226, 1174 and 1174.5 and Wage Order No. 6-2001, § 7; and unlawful deductions and withholdings from employees' wages in violation of Labor Code §§ 221, 223 and 224.

The allegations made by Ms. Ortego on behalf of herself and all other similarly-situated current and former non-exempt employees of Magic Laundry in the State of California during the four years preceding the date of this notice are based on the following facts and theories: meal periods were less than thirty minutes, late (first meal periods starting after the fifth hour of work and/or second meal periods starting after the tenth hour), not given at all (including second meal periods after ten hours of work), or interrupted; rest periods were less than ten minutes, not provided, interrupted, and/or late; employees were not provided one hour of pay for each workday a meal period was not provided; employees were not provided one hour of pay for each workday a rest break was not authorized and permitted; and employees were not paid proper minimum and overtime wages for all hours worked as required by California law;¹ employees were required to incur expenses in the discharge of their job duties for which they were not reimbursed; and employees were not provided with accurate, itemized wage statements showing gross wages earned, total hours worked by the employee, the net wages earned, all deductions, the name and address of the legal entity that is the employer, or the hours worked at each rate of pay. Given the overtime, meal period and rest period violations and Magic Laundry's failure to compensate its employees fully, as set forth above, employees' wage statements were inaccurate and failed to comply with California law. In short, Magic Laundry's unlawful employment practices and policies have deprived its employees of earned wages and other compensation.

///

¹ "[T]he statement that defendant has not provided its employees with proper rest periods states both the facts and the theory." *Gutierrez v. California Commerce Club, Inc.* (2010) 187 Cal.App.4th 969, 979 n.5.

October 5, 2021

Page 3 of 9

Failure to Provide Meal Periods

Pursuant to Labor Code §§ 226.7 and 512 and Wage Order No. 6-2001, § 11, an employer is required to provide meal periods to its employees. An employer must provide a meal period to any employee who works a shift of more than five (5) hours and a second meal period to any employee who works a shift of more than ten (10) hours. Furthermore, an employer must pay one extra hour of compensation for each workday a meal period is not provided.

If an employee is not relieved of all duty during a meal period, the meal period shall be considered an “on duty” meal period and counted as time worked. A paid “on duty” meal period is permitted only when 1) the nature of the work prevents an employee from being relieved of all duty and 2) the parties have agreed in writing to on duty meal periods.

Ms. Ortego and other aggrieved employees are non-exempt employees and are entitled to the protections of California Labor Code §§ 226.7 and 512 and Wage Order No. 6-2001, § 11. Magic Laundry failed to provide its employees timely and uninterrupted thirty-minute meal breaks. In fact, Ms. Ortego’s and other aggrieved employees’ meal periods were short (less than thirty minutes), late (first meal periods after the fifth hour of work and second meal periods after the tenth hour), interrupted and/or missed. Magic Laundry consistently failed to provide Ms. Ortego and other aggrieved employees meal breaks because Ms. Ortego and other aggrieved employees were given too much work to perform to take meal breaks.

Magic Laundry further violated Labor Code § 226.7 and Wage Order No. 6-2001 by failing to compensate Ms. Ortego and other aggrieved employees who were not provided with meal periods in accordance with California law which requires one additional hour of pay at each employee’s regular rate of compensation for each workday a meal period was not provided.

Failure to Authorize and Permit Rest Periods

Pursuant to Labor Code § 226.7 and Wage Order No. 6-2001, § 12, an employer is required to provide rest periods to its employees. An employer must provide a ten (10) minute rest period for every four (4) hours worked or major action thereof which insofar as practicable shall be in the middle of each work period. Furthermore, an employer must pay one extra hour of compensation for each workday a rest period is not authorized and permitted.

Ms. Ortego and other aggrieved employees were and are non-exempt employees and are entitled to the protections of Labor Code § 226.7 and Wage Order No. 6-2001. Magic Laundry failed to authorize and permit its employees to take required rest periods. Specifically, Magic Laundry maintained a policy or practice of not authorizing and permitting Ms. Ortego and other aggrieved employees to take one 10-minute rest break for shifts 3.5-6.0 hours, a second rest break for shifts greater than 6 hours and less than or equal to 10 hours, and a third rest break for shifts in excess of 10 hours. Magic Laundry consistently failed to authorize and permit Ms. Ortego and other similarly-situated individuals to take rest breaks because Ms. Ortego and other similarly-situated individuals were given too much work to perform to take rest breaks. When Ms. Ortego and other aggrieved employees were able to take rest breaks, Magic Laundry failed to authorize

MATERN LAW GROUP, PC

October 5, 2021

Page 4 of 9

and permit Ms. Ortego and other aggrieved employees to take their rest breaks in the middle of each work period insofar as practicable, and the breaks were short (less than 10 minutes), late, or interrupted.

Magic Laundry further violated Labor Code § 226.7 and Wage Order No. 6-2001, § 12 by failing to pay Ms. Ortego and other aggrieved employees one additional hour of pay at each employee's regular rate of compensation for each workday a rest period was not authorized and permitted.

Failure to Pay Minimum Wages

Pursuant to Labor Code §§ 1194 and 1197 and Wage Order No. 6-2001, § 4, payment to an employee of less than the applicable minimum wage for all hours worked in a payroll period is unlawful.

Ms. Ortego and other aggrieved employees are current and former non-exempt employees and are entitled to the protections of Labor Code §§ 1194 and 1197 and Wage Order No. 6-2001, § 4. Magic Laundry failed to pay Ms. Ortego and other aggrieved employees minimum wages for all hours worked by, among other things: requiring, suffering or permitting Ms. Ortego and other similarly-situated individuals to work off-the-clock and failing to compensate them for this time; requiring, suffering or permitting Ms. Ortego and other aggrieved employees to work through their meal breaks but not compensating them for this time; illegally and inaccurately recording time worked by Ms. Ortego and other aggrieved employees; failing to properly maintain Ms. Ortego's and other aggrieved employees' records; failing to provide accurate itemized wage statements to Ms. Ortego and other aggrieved employees for each pay period; and other methods to be discovered.

Magic Laundry's conduct violates Labor Code §§ 1194 and 1197 and Wage Order No. 6-2001, § 4.

Failure to Pay Overtime Wages

Pursuant to California Labor Code §§ 510 and 1194 and Wage Order No. 6-2001, § 3, an employer must compensate its employees for all overtime, which is calculated at one and one-half (1 ½) times the regular rate of pay for hours worked in excess of eight (8) hours per day and/or forty (40) hours per week, and for the first eight (8) hours on the seventh consecutive work day, with double time for all hours worked in excess of eight (8) hours on the seventh day of any workweek, or after twelve (12) hours in any workday.

Ms. Ortego and other aggrieved employees are current and former non-exempt employees and are entitled to the protections of Labor Code §§ 510 and 1194 and Wage Order No. 6-2001. Magic Laundry failed to compensate Ms. Ortego and other aggrieved employees for all overtime hours worked as required under the foregoing provisions of the Labor Code and IWC Wage Order by, among other things: failing to pay overtime at one and one-half (1 ½) times or double the regular rate of pay as provided by Labor Code §§ 510 and 1194 and Wage Order No. 6-2001, § 3;

October 5, 2021

Page 5 of 9

requiring, suffering or permitting Ms. Ortego and other aggrieved employees to work off-the-clock and failing to compensate them for this time; requiring, suffering or permitting Ms. Ortego and other aggrieved employees to work through meal periods but not compensating them for this time; illegally and inaccurately recording time worked by Ms. Ortego and other aggrieved employees; failing to properly maintain Ms. Ortego's and other aggrieved employees' records through falsifying hours worked; failing to provide accurate itemized statements to Ms. Ortego and other aggrieved employees for each pay period; and other methods to be discovered.

In violation of California law, Magic Laundry has refused to perform its obligations to compensate Ms. Ortego and other aggrieved employees for all wages earned and all hours worked. Magic Laundry's conduct violates Labor Code §§ 510 and 1194 and Wage Order No. 6-2001, § 3.

Failure to Pay All Wages Due Upon Separation

Pursuant to Labor Code § 201, 202 and 203, an employer is required to pay all earned and unpaid wages to an employee upon separation. Labor Code § 201 mandates that if an employer discharges an employee, the employee's wages accrued and unpaid at the time of discharge are due and payable immediately. Pursuant to Labor Code § 202, an employer is required to pay all accrued wages due to an employee no later than 72 hours after the employee quits his or her employment, unless the employee provided 72 hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

Labor Code § 203 provides that if an employer willfully fails to pay, in accordance with Labor Code §§ 201 and 202, any wages of an employee who is discharged or who quits, the employer is liable for waiting time penalties in the form of continued compensation to the employee at the same rate for up to thirty (30) days.

Magic Laundry willfully failed to pay accrued wages and other compensation to aggrieved employees in accordance with Labor Code §§ 201 and 202. Because Magic Laundry required Ms. Ortego and other aggrieved employees to work off-the-clock without compensation and through required meal breaks without compensation and failed to pay Ms. Ortego and other aggrieved employees the premium wages for all meal periods which were not provided and all rest periods which were not authorized or permitted, Magic Laundry failed and continues to fail to pay the full earned and unpaid wages due to aggrieved employees upon separation.

Failure to Furnish Accurate Itemized Wage Statements

Labor Code § 226 requires every employer to furnish each of its employees an accurate itemized wage statement in writing showing (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer, and (9) all

October 5, 2021

Page 6 of 9

applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee.

Magic Laundry failed to provide Ms. Ortego and other aggrieved employees with timely and accurate itemized wage statements in writing showing each employee's gross wages earned, total hours worked, the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, all deductions made, net wages earned, the inclusive dates of the period for which the employee is paid, the name and address of the legal entity or entities employing Ms. Ortego and other aggrieved employees, and all applicable hourly rates in effect during each pay period and the corresponding number of hours worked at each hourly rate, in violation of Labor Code § 226 and Wage Order No. 6-2001, § 7.

Specifically, Magic Laundry had knowledge it was not providing its employees with proper meal and rest breaks; nevertheless, Magic Laundry knowingly failed to include in the wage statements the extra hour of compensation owed for each workday a meal break was not provided and each workday a rest break was not authorized and permitted. As a result, Ms. Ortego and other aggrieved employees lost wages. In addition, Magic Laundry had knowledge it was requiring employees to work off-the-clock and was not properly compensating its employees for all hours worked, yet Magic Laundry knowingly failed to include this time worked in the wage statements. As a result, Ms. Ortego and other aggrieved employees lost wages. Magic Laundry also did not properly calculate the regular rate of pay of Ms. Ortego and other aggrieved employees. As a result, Ms. Ortego's and other aggrieved employees' wage statements did not include all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate.

Failure to Maintain Required Records

Magic Laundry failed to maintain records as required under Labor Code §§ 226 and 1174 and Wage Order No. 6-2001, § 7, including but not limited to the following records: total daily hours worked by each employee; applicable rates of pay; all deductions; meal periods; time records showing when each employee begins and ends each work period; and accurate itemized statements.

Specifically, Magic Laundry had knowledge it was not providing its employees with proper meal and rest breaks; nevertheless, Magic Laundry knowingly failed to include in the wage statements the extra hour of compensation owed for each workday a meal break was not provided and each workday a rest break was not authorized and permitted. In addition, Magic Laundry had knowledge it was requiring employees to work off-the-clock and was not properly compensating its employees for all hours worked, yet Magic Laundry knowingly failed to include this time worked in the regular rate of pay of aggrieved employees.

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October 5, 2021

Page 7 of 9

Failure to Indemnify Employees for Necessary Expenditures Incurred in Discharge of Duties

Labor Code § 2802(a) requires an employer to indemnify an employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her obedience to the directions of the employer. Magic Laundry failed to indemnify Ms. Ortego and other aggrieved employees for all business expenses and/or losses incurred in direct consequence of the discharge of their duties while working under the direction of Magic Laundry, including but not limited to expenses for cell phones, uniforms, travel-related expenses, and other employment-related expenses, in violation of Labor Code § 2802.

This notice is hereby given to Magic Laundry and any and all related and/or alter ego companies, corporations, partnerships, and/or business entities, as well as against any and all officers, owners, directors, managers, managing agents, or entities who are or may be liable under California law for any of the violations alleged herein as to any locations or employees who worked at any time in the State of California.

In addition, as noted above, this notice is hereby given to Magic Laundry and any of its client employers and/or labor contractors, pursuant to Labor Code § 2810.3.

This notice is made on behalf of all persons who are, were, or will be non-exempt employees of Magic Laundry, or any related or alter-ego company, corporation, partnership, and/or business entity at any time on or after a date four years prior to the date of this letter in the State of California.

This notice shall be construed as extending without limitation to any past, present, future, or continuing violation of the Labor Code, the applicable IWC Wage Order, or any applicable regulation which might be discovered as a result of a reasonable and diligent investigation made pursuant to this notice.

This notice shall further represent Ms. Ortego's reasonable attempt to settle her dispute with Magic Laundry prior to litigation. Pursuant to *Graham v. DaimlerChrysler Corp.*, 34 Cal. 4th 553 (2004), this notice serves to apprise Magic Laundry of Ms. Ortego's aforementioned grievances and the proposed remedies as detailed below, while affording Magic Laundry reasonable opportunity to meet Ms. Ortego's demands.

Demand is hereby made that Magic Laundry shall agree, in writing received at this office no later than 30 calendar days from the postmark date of this notice, as follows:

1. Magic Laundry shall pay Ms. Ortego and all other similarly-situated persons employed by Magic Laundry at any time during the past 48 months back pay and compensation for the above-referenced violations.

MATERN LAW GROUP, PC

October 5, 2021

Page 8 of 9

2. Magic Laundry shall comply with all California labor laws and ensure that its non-exempt employees are paid proper overtime compensation and given required meal and rest periods.

3. Magic Laundry shall conduct a survey or interview all current and former non-exempt employees in California during the past 48 months to obtain information from them regarding the number of meal breaks which were not provided, the number of rest breaks which were not authorized and permitted, and the number of employees who were required to pay for cell phones, uniforms, travel-related expenses or other expenditures in the discharge of their duties, with the investigation to be completed within 60 days.

4. Magic Laundry shall pay each employee one hour of pay for each workday he or she was not authorized and permitted one or more rest periods, as required by Labor Code § 226.7. Magic Laundry also shall pay each employee one hour of pay for each workday he or she was not provided one or more meal periods, as required by Labor Code § 226.7.

5. Magic Laundry shall reimburse those employees who were forced to pay for any business expenses incurred for Magic Laundry's benefit, including but not limited to cell phone, uniform, and travel-related expenses.

6. Magic Laundry shall pay waiting time penalties, equal to thirty days of pay, to each former employee who was not paid all wages due as described herein.

7. Magic Laundry shall pay accrued interest to all employees at the rate of ten percent per annum for said unpaid wages.

8. Magic Laundry shall pay all penalties arising from the violations of the Labor Code and IWC Wage Order sections referenced above and pursuant to PAGA, Labor Code § 2698 *et seq.*, including but not limited to penalties under Labor Code §§ 206.5, 210, 225.5, 226.3, 558, 1174.5, 1182.12, 1197.1, 1198, 1199 and 2699 and Wage Order No. 6-2001, § 20.

If the Labor and Workforce Development Agency intends to investigate the allegations set forth herein, please notify this office of that decision by certified mail addressed to Matern Law Group, PC, 1230 Rosecrans Avenue, Suite 200, Manhattan Beach, California 90266. Additionally, please advise us if the Agency or Magic Laundry require additional information regarding Ms. Ortego's complaints.

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MATERN LAW GROUP, PC

October 5, 2021

Page 9 of 9

Thank you for your prompt attention to this matter.

Very truly yours,

MATERN LAW GROUP, PC

A handwritten signature in purple ink, appearing to read 'MS', with a long horizontal flourish extending to the right.

Max N. Sloves, Esq.

MATERN LAW GROUP, PC

Matthew J. Matern (SBN 159798)

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1230 Rosecrans Avenue, Suite 200

Manhattan Beach, California 90266

Telephone: (310) 531-1900

Facsimile: (310) 531-1901

Attorneys for Plaintiff ELISA ORTEGO
individually, and on behalf of others
similarly situated

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

ELISA ORTEGO, individually, and on behalf
of others similarly situated

Plaintiff,

vs.

MAGIC LAUNDRY SERVICES INC., a
corporation; and DOES 1 through 50, inclusive,

DEFENDANTS

CASE NO.:

[DRAFT] COMPLAINT

CLASS ACTION:

1. Failure to Provide Required Meal Periods
2. Failure to Provide Required Rest Periods
3. Failure to Pay Overtime Wages
4. Failure to Pay Minimum Wages
5. Failure to Pay All Wages Due to Discharged and Quitting Employees
6. Failure to Maintain Required Records
7. Failure to Furnish Accurate Itemized Wage Statements
8. Failure to Indemnify Employees for Necessary Expenditures Incurred in Discharge of Duties
9. Unfair and Unlawful Business Practices

REPRESENTATIVE ACTION:

10. Penalties under the Labor Code Private Attorneys General Act, as Representative Action

DEMAND FOR JURY TRIAL

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1 situated class of individuals (“CLASS MEMBERS”): all current and former non-exempt
2 employees of DEFENDANTS in the State of California at any time within the period beginning
3 four (4) years prior to the filing of this action and ending at the time this action settles or proceeds
4 to final judgment (the “CLASS PERIOD”). PLAINTIFF reserves the right to name additional
5 class representatives.

6 DEFENDANTS

7 6. PLAINTIFF is informed and believes, and thereon alleges, that DEFENDANT
8 MAGIC LAUNDRY SERVICES INC. is, and at all times relevant hereto was, a California
9 corporation organized and existing under the laws of the State of California. PLAINTIFF is further
10 informed and believes, and thereon alleges, that DEFENDANT MAGIC LAUNDRY SERVICES
11 INC. is authorized to conduct business in the State of California, and does conduct business in the
12 State of California. Specifically, DEFENDANT MAGIC LAUNDRY SERVICES INC. maintains
13 offices and facilities and conducts business in, and engages in illegal payroll practices or policies
14 in, the County of Los Angeles, State of California.

15 7. The true names and capacities of DOES 1 through 50, inclusive, are unknown to
16 PLAINTIFF at this time, and PLAINTIFF therefore sues such DOE DEFENDANTS under
17 fictitious names. PLAINTIFF is informed and believes, and thereon alleges, that each Defendant
18 designated as a DOE is in some manner highly responsible for the occurrences alleged herein, and
19 that PLAINTIFF and CLASS MEMBERS’ injuries and damages, as alleged herein, were
20 proximately caused by the conduct of such DOE DEFENDANTS. PLAINTIFF will seek leave of
21 the court to amend this Complaint to allege the true names and capacities of such DOE
22 DEFENDANTS when ascertained.

23 8. At all relevant times herein, DEFENDANTS were the joint employers of
24 PLAINTIFF and CLASS MEMBERS. PLAINTIFF is informed and believes, and thereon allege,
25 that at all times material to this complaint DEFENDANTS were the alter egos, divisions, affiliates,
26 integrated enterprises, joint employers, subsidiaries, parents, principals, related entities, co-
27 conspirators, authorized agents, partners, joint venturers, and/or guarantors, actual or ostensible, of
28 each other. Each Defendant was completely dominated by his, her or its co-Defendant, and each

1 was the alter ego of the other.

2 9. At all relevant times herein, PLAINTIFF and CLASS MEMBERS were employed
3 by DEFENDANTS under employment agreements that were partly written, partly oral, and partly
4 implied. In perpetrating the acts and omissions alleged herein, DEFENDANTS, and each of them,
5 acted pursuant to, and in furtherance of, their policies and practices of not paying PLAINTIFF and
6 CLASS MEMBERS all wages earned and due, through methods and schemes which include, but
7 are not limited to, failing to pay overtime premiums; failing to provide rest and meal periods; failing
8 to properly maintain records; failing to provide accurate itemized statements for each pay period;
9 failing to properly compensate PLAINTIFF and CLASS MEMBERS for necessary expenditures;
10 and requiring, permitting or suffering the employees to work off the clock, in violation of the
11 California Labor Code and the applicable Welfare Commission (“IWC”) Orders.

12 10. PLAINTIFF is informed and believes, and thereon alleges, that each and every one
13 of the acts and omissions alleged herein were performed by, and/or attributable to, all
14 DEFENDANTS, each acting as agents and/or employees, and/or under the direction and control of,
15 each of the other DEFENDANTS, and that said acts and failures to act were within the course and
16 scope of said agency, employment and/or direction and control.

17 11. Pursuant to California Labor Code § 558.1, DEFENDANTS and any person acting
18 on behalf of any of the DEFENDANTS, is liable for violating, or causing to violate, any provision
19 regulating minimum wages or hours and days of work in any order of the Industrial Welfare
20 Commission, or Labor Code §§ 203, 226, 226.7, 1193.6, 1194, or 2802.

21 12. As a direct and proximate result of the unlawful actions of DEFENDANTS,
22 PLAINTIFF and CLASS MEMBERS have suffered, and continue to suffer, from loss of earnings
23 in amounts as yet unascertained, but subject to proof at trial, and within the jurisdiction of this
24 Court.

25 **CLASS ACTION DESIGNATION**

26 13. This action is appropriately suited for a Class Action because:

27 a. The potential class is a significant number. Joinder of all current and former
28 employees individually would be impractical.

1 b. This action involves common questions of law and fact to the potential class
2 because the action focuses on DEFENDANTS' systematic course of illegal payroll practices and
3 policies, which was applied to all non-exempt employees in violation of the Labor Code, the
4 applicable IWC wage order, and the Business and Professions Code which prohibits unfair business
5 practices arising from such violations.

6 c. The claims of PLAINTIFF are typical of the class because DEFENDANTS
7 subjected all non-exempt employees to identical violations of the Labor Code, the applicable IWC
8 wage order, and the Business and Professions Code.

9 d. PLAINTIFF is able to fairly and adequately protect the interests of all
10 members of the class because it is in her best interests to prosecute the claims alleged herein to
11 obtain full compensation due to them for all services rendered and hours worked.

12 **FIRST CAUSE OF ACTION**

13 **Failure to Provide Required Meal Periods**

14 **[Cal. Labor Code §§ 226.7, 510, 512, 1194, 1197; IWC Wage Order No. 6-2001, § 11]**

15 **(Against all DEFENDANTS)**

16 14. PLAINTIFF incorporates herein by specific reference, as though fully set forth, the
17 allegations in the foregoing paragraphs.

18 15. During the CLASS PERIOD, as part of DEFENDANTS' illegal payroll policies and
19 practices to deprive their non-exempt employees all wages earned and due, DEFENDANTS
20 required, permitted or otherwise suffered PLAINTIFF and CLASS MEMBERS to take less than
21 the 30-minute meal period, or to work through them, and have failed to otherwise provide the
22 required meal periods to PLAINTIFF and CLASS MEMBERS pursuant to California Labor Code
23 § 226.7, 512 and IWC Order No. 6-2001, § 11.

24 16. DEFENDANTS further violated California Labor Code §§ 226.7 and IWC Wage
25 Order No. 6-2001, § 11 by failing to compensate PLAINTIFF and CLASS MEMBERS who were
26 not provided with a meal period, in accordance with the applicable wage order, one additional hour
27 of compensation at each employee's regular rate of pay for each workday that a meal period was
28 not provided.

1 17. DEFENDANTS further violated California Labor Code §§ 226.7, 510, 1194, 1197,
2 and IWC Wage Order No. 6-2001 by failing to compensate PLAINTIFF and CLASS MEMBERS
3 for all hours worked during their meal periods.

4 18. As a proximate result of the aforementioned violations, PLAINTIFF and CLASS
5 MEMBERS have been damaged in an amount according to proof at trial, and seek all wages earned
6 and due, interest, penalties, expenses, and costs of suit.

7 **SECOND CAUSE OF ACTION**

8 **Failure to Provide Required Rest Periods**

9 **[Cal. Labor Code §§ 226.7, 512; IWC Wage Order No. 6-2001, § 12]**

10 **(Against all DEFENDANTS)**

11 19. PLAINTIFF incorporates herein by specific reference, as though fully set forth, the
12 allegations in the foregoing paragraphs.

13 20. At all times relevant herein, as part of DEFENDANTS' illegal payroll policies and
14 practices to deprive their non-exempt employees all wages earned and due, DEFENDANTS failed
15 to provide rest periods to PLAINTIFF and CLASS MEMBERS as required under California Labor
16 Code §§ 226.7 and 512, and IWC Wage Order No. 6-2001, § 12.

17 21. DEFENDANTS further violated California Labor Code § 226.7 and IWC Wage
18 Order No. 6-2001, § 12 by failing to pay PLAINTIFF and CLASS MEMBERS who were not
19 provided with a rest period, in accordance with the applicable wage order, one additional hour of
20 compensation at each employee's regular rate of pay for each workday that a rest period was not
21 provided.

22 22. As a proximate result of the aforementioned violations, PLAINTIFF and CLASS
23 MEMBERS have been damaged in an amount according to proof at trial, and seek all wages earned
24 and due, interest, penalties, expenses, and costs of suit.

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1 **THIRD CAUSE OF ACTION**

2 **Failure to Pay Overtime Wages**

3 **[Cal. Labor Code §§ 510, 1194, 1198; IWC Wage Order No. 6-2001, § 3]**

4 **(Against all DEFENDANTS)**

5 23. PLAINTIFF incorporates herein by specific reference, as though fully set forth, the
6 allegations in the foregoing paragraphs.

7 24. Pursuant to California Labor Code §§ 510, 1194, and IWC Wage Order No. 6-2001,
8 § 3, DEFENDANTS are required to compensate PLAINTIFF and CLASS MEMBERS for all
9 overtime, which is calculated at one and one-half (1 ½) times the regular rate of pay for all hours
10 worked in excess of eight (8) hours per day and/or forty (40) hours per week, and for the first eight
11 (8) hours on the seventh consecutive workday, with double time for all hours worked in excess of
12 twelve (12) hours in any workday and for all hours worked in excess of eight (8) hours on the
13 seventh consecutive day of work in any workweek.

14 25. PLAINTIFF and CLASS MEMBERS are current and former non-exempt
15 employees entitled to the protections of California Labor Code §§ 510, 1194, and IWC Wage Order
16 No. 6-2001. During the CLASS PERIOD, DEFENDANTS failed to compensate PLAINTIFF and
17 CLASS MEMBERS for all overtime hours worked as required under the foregoing provisions of
18 the California Labor Code and IWC Wage Order by, among other things: failing to pay overtime
19 at one and one-half (1 ½) or double the regular rate of pay as provided by California Labor Code
20 §§ 510, 1194, and IWC Wage Order No. 6-2001, § 3; requiring, permitting or suffering PLAINTIFF
21 and CLASS MEMBERS to work off the clock; requiring, permitting or suffering PLAINTIFF and
22 CLASS MEMBERS to work through meal and rest breaks; illegally and inaccurately recording
23 time in which PLAINTIFF and CLASS MEMBERS worked; failing to properly maintain
24 PLAINTIFF's and CLASS MEMBERS' records; failing to provide accurate itemized wage
25 statements to PLAINTIFF for each pay period; and other methods to be discovered.

26 26. In violation of California law, DEFENDANTS have knowingly and willfully
27 refused to perform their obligations to compensate PLAINTIFF and CLASS MEMBERS for all
28 wages earned and all hours worked. As a proximate result, PLAINTIFF and CLASS MEMBERS

1 have suffered, and continue to suffer, substantial losses related to the use and enjoyment of such
2 wages, lost interest on such wages, and expenses and attorneys' fees in seeking to compel
3 DEFENDANTS to fully perform their obligations under state law, all to their respective damages
4 in amounts according to proof at time of trial, and within the jurisdiction of this Court.

5 27. DEFENDANTS' conduct described herein violates California Labor Code §§ 510,
6 1194, 1198 and IWC Wage Order No. 6-2001, § 3. Therefore, pursuant to California Labor Code
7 §§ 200, 203, 226, 558, 1194, 1197.1, and other applicable provisions under the California Labor
8 Code and IWC Wage Orders, PLAINTIFF and CLASS MEMBERS are entitled to recover the
9 unpaid balance of wages owed to them by DEFENDANTS, plus interest, penalties, attorneys' fees,
10 expenses, and costs of suit.

11 **FOURTH CAUSE OF ACTION**

12 **Failure to Pay Minimum Wages**

13 **[Cal Labor Code §§ 1194, 1197; IWC Wage Order No. 6-2001, § 4]**

14 **(Against all DEFENDANTS)**

15 28. PLAINTIFF incorporates herein by specific reference, as though fully set forth, the
16 allegations in the foregoing paragraphs.

17 29. Pursuant to California Labor Code §§ 1194, 1197, and IWC Wage Order No. 6-
18 2001, § 4, payment to an employee of less than the applicable minimum wage for all hours worked
19 in a payroll period is unlawful.

20 30. During the CLASS PERIOD, DEFENDANTS failed to pay PLAINTIFF and
21 CLASS MEMBERS minimum wages for all hours worked by, among other things: requiring,
22 permitting or suffering PLAINTIFF and CLASS MEMBERS to work off the clock; requiring,
23 permitting or suffering PLAINTIFF and CLASS MEMBERS to work through meal and rest breaks;
24 illegally and inaccurately recording time in which PLAINTIFF and CLASS MEMBERS worked;
25 failing to properly maintain PLAINTIFF's and CLASS MEMBERS' records; failing to provide
26 accurate itemized wage statements to PLAINTIFF and CLASS MEMBERS for each pay period;
27 and other methods to be discovered.

28 31. DEFENDANTS' conduct described herein violates California Labor Code §§ 1194,

1 1197, and IWC Wage Order No. 6-2001, § 4. As a proximate result of the aforementioned
2 violations, PLAINTIFF and CLASS MEMBERS have been damaged in an amount according to
3 proof at trial. Therefore, pursuant to California Labor Code §§ 200, 203, 226, 558, 1194, 1197.1,
4 and other applicable provisions under the Labor Code and IWC Wage Orders, PLAINTIFF and
5 CLASS MEMBERS are entitled to recover the unpaid balance of wages owed to them by
6 DEFENDANTS, plus interest, penalties, attorneys' fees, expenses, and costs of suit.

7 **FIFTH CAUSE OF ACTION**

8 **Failure to Pay All Wages Due to Discharged and Quitting Employees**

9 **[Cal. Labor Code §§ 201, 202, 203]**

10 **(Against all DEFENDANTS)**

11 32. PLAINTIFF incorporates herein by specific reference, as though fully set forth, the
12 allegations in the foregoing paragraphs.

13 33. Pursuant to California Labor Code § 201, 202, and 203, DEFENDANTS are
14 required to pay all earned and unpaid wages to an employee who is discharged. California Labor
15 Code § 201 mandates that if an employer discharges an employee, the employee's wages accrued
16 and unpaid at the time of discharge are due and payable immediately.

17 34. Furthermore, pursuant to California Labor Code § 202, DEFENDANTS are required
18 to pay all accrued wages due to an employee no later than 72 hours after the employee quits his or
19 her employment, unless the employee provided 72 hours previous notice of his or her intention to
20 quit, in which case the employee is entitled to his or her wages at the time of quitting.

21 35. California Labor Code § 203 provides that if an employer willfully fails to pay, in
22 accordance with California Labor Code §§ 201 and 202, any wages of an employee who is
23 discharged or who quits, the employer is liable for waiting time penalties in the form of continued
24 compensation to the employee at the same rate for up to 30 workdays.

25 36. During the CLASS PERIOD, DEFENDANTS have willfully failed to pay accrued
26 wages and other compensation to PLAINTIFF and CLASS MEMBERS in accordance with
27 California Labor Code §§ 201 and 202.

28 37. As a result, PLAINTIFF and CLASS MEMBERS are entitled to all available

1 statutory penalties, including the waiting time penalties provided in California Labor Code § 203,
2 together with interest thereon, as well as other available remedies.

3 38. As a proximate result of DEFENDANTS' unlawful actions and omissions,
4 PLAINTIFF and CLASS MEMBERS have been deprived of compensation in an amount according
5 to proof at the time of trial, but in excess of the jurisdiction of this Court, and are entitled to recovery
6 of such amounts, plus interest thereon, and attorneys' fees and costs, pursuant to California Labor
7 Code §§ 1194 and 2699.

8 **SIXTH CAUSE OF ACTION**

9 **Failure to Maintain Required Records**

10 **[Cal. Labor Code §§ 226; IWC Wage Order No. 6-2001, § 7]**

11 **(Against all DEFENDANTS)**

12 39. PLAINTIFF incorporates herein by specific reference, as though fully set forth, the
13 allegations in the foregoing paragraphs.

14 40. During the CLASS PERIOD, as part of DEFENDANTS' illegal payroll policies and
15 practices to deprive PLAINTIFF and CLASS MEMBERS of all wages earned and due,
16 DEFENDANTS knowingly and intentionally failed to maintain records as required under
17 California Labor Code §§ 226, 1174, and IWC Wage Order No. 6-2001, § 7, including but not
18 limited to the following records: total daily hours worked by each employee; applicable rates of
19 pay; all deductions; meal periods; time records showing when each employee begins and ends each
20 work period; and accurate itemized statements.

21 41. As a proximate result of DEFENDANTS' unlawful actions and omissions,
22 PLAINTIFF and CLASS MEMBERS have been damaged in an amount according to proof at trial,
23 and are entitled to all wages earned and due, plus interest thereon. Additionally, PLAINTIFF and
24 CLASS MEMBERS are entitled to all available statutory penalties, including but not limited to
25 civil penalties pursuant to California Labor Code §§ 226(e), 226.3, and 1174.5, and an award of
26 costs, expenses, and reasonable attorneys' fees, including but not limited to those provided in
27 California Labor Code § 226(e), as well as other available remedies.

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1 **SEVENTH CAUSE OF ACTION**

2 **Failure to Furnish Accurate Itemized Wage Statements**

3 **[Cal. Labor Code §§ 226, 1174; IWC Wage Order No. 6-2001, § 7]**

4 **(Against all DEFENDANTS)**

5 42. PLAINTIFF incorporates herein by specific reference, as though fully set forth, the
6 allegations in the foregoing paragraphs.

7 43. During the CLASS PERIOD, DEFENDANTS routinely failed to provide
8 PLAINTIFF and CLASS MEMBERS with timely, accurate, and itemized wage statements in
9 writing showing each employee's gross wages earned, total hours worked, all deductions made, net
10 wages earned, the name and address of the legal entity or entities employing PLAINTIFF and
11 CLASS MEMBERS, and all applicable hourly rates in effect during each pay period and the
12 corresponding number of hours worked at each hourly rate, in violation of California Labor Code
13 § 226 and IWC Wage Order No. 6-2001, § 7.

14 44. During the CLASS PERIOD, DEFENDANTS knowingly and intentionally failed to
15 provide PLAINTIFF and CLASS MEMBERS with timely, accurate, and itemized wage statements
16 in accordance with California Labor Code § 226(a).

17 45. As a proximate result of DEFENDANTS' unlawful actions and omissions,
18 PLAINTIFF and CLASS MEMBERS have been damaged in an amount according to proof at trial,
19 and seek all wages earned and due, plus interest thereon. Additionally, PLAINTIFF and CLASS
20 MEMBERS are entitled to all available statutory penalties, including but not limited to civil
21 penalties pursuant to California Labor Code §§ 226(e), 226.3, and 1174.5, and an award of costs,
22 expenses, and reasonable attorneys' fees, including but not limited to those provided in California
23 Labor Code § 226(e), as well as other available remedies.

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1 **EIGHTH CAUSE OF ACTION**

2 **Failure to Indemnify Employees for Necessary Expenditures Incurred in Discharge of**
3 **Duties**

4 **[Cal. Labor Code § 2802]**

5 **(Against all DEFENDANTS)**

6 46. PLAINTIFF incorporates herein by specific reference, as though fully set forth, the
7 allegations in the foregoing paragraphs.

8 47. California Labor Code § 2802(a) requires an employer to indemnify an employee
9 for all necessary expenditures or losses incurred by the employee in direct consequence of the
10 discharge of his or her duties, or of his or her obedience to the directions of the employer.

11 48. During the CLASS PERIOD, DEFENDANTS knowingly and willfully failed to
12 indemnify PLAINTIFF and CLASS MEMBERS for all business expenses and/or losses incurred
13 in direct consequence of the discharge of their duties while working under the direction of
14 DEFENDANTS, including but not limited to expenses for uniforms, cell phone usage, and other
15 employment-related expenses, in violation of California Labor Code § 2802.

16 49. As a proximate result of DEFENDANTS' unlawful actions and omissions,
17 PLAINTIFF and CLASS MEMBERS have been damaged in an amount according to proof at trial,
18 and seek reimbursement of all necessary expenditures, plus interest thereon pursuant to California
19 Labor Code § 2802(b). Additionally, PLAINTIFF and CLASS MEMBERS are entitled to all
20 available statutory penalties and an award of costs, expenses, and reasonable attorneys' fees,
21 including those provided in California Labor Code § 2802(c), as well as other available remedies.

22 **NINTH CAUSE OF ACTION**

23 **Unfair and Unlawful Business Practices**

24 **[Cal. Bus. & Prof. Code §§ 17200 et. seq.]**

25 **(Against all DEFENDANTS)**

26 50. PLAINTIFF incorporates herein by specific reference, as though fully set forth, the
27 allegations in the foregoing paragraphs.

28 51. Each and every one of DEFENDANTS' acts and omissions in violation of the

1 California Labor Code and/or the applicable IWC Wage Order as alleged herein, including but not
2 limited to DEFENDANTS' failure and refusal to provide required meal periods, DEFENDANTS'
3 failure and refusal to provide required rest periods, DEFENDANTS' failure and refusal to pay
4 overtime compensation, DEFENDANTS' failure and refusal to pay minimum wages,
5 DEFENDANTS' failure and refusal to pay all wages due to discharged or quitting employees,
6 DEFENDANTS' failure and refusal to furnish accurate itemized wage statements;
7 DEFENDANTS' failure and refusal to maintain required records, DEFENDANTS' failure and
8 refusal to indemnify PLAINTIFF and CLASS MEMBERS for necessary expenditures and/or losses
9 incurring in discharging their duties, constitutes an unfair and unlawful business practice under
10 California Business and Professions Code § 17200 et seq.

11 52. DEFENDANTS' violations of California wage and hour laws constitute a business
12 practice because DEFENDANTS' aforementioned acts and omissions were done repeatedly over a
13 significant period of time, and in a systematic manner, to the detriment of PLAINTIFF and CLASS
14 MEMBERS.

15 53. DEFENDANTS have avoided payment of wages, overtime wages, meal periods,
16 rest periods, and other benefits as required by the California Labor Code, the California Code of
17 Regulations, and the applicable IWC Wage Order. Further, DEFENDANTS have failed to record,
18 report, and pay the correct sums of assessment to the state authorities under the California Labor
19 Code and other applicable regulations.

20 54. As a result of DEFENDANTS' unfair and unlawful business practices,
21 DEFENDANTS have reaped unfair and illegal profits during the CLASS PERIOD at the expense
22 of PLAINTIFF, CLASS MEMBERS, and members of the public. DEFENDANTS should be made
23 to disgorge their ill-gotten gains and to restore them to PLAINTIFF and CLASS MEMBERS.

24 55. DEFENDANTS' unfair and unlawful business practices entitle PLAINTIFF and
25 CLASS MEMBERS to seek preliminary and permanent injunctive relief, including but not limited
26 to orders that DEFENDANTS account for, disgorge, and restore to PLAINTIFF and CLASS
27 MEMBERS the wages and other compensation unlawfully withheld from them. PLAINTIFF and
28 CLASS MEMBERS are entitled to restitution of all monies to be disgorged from DEFENDANTS

1 in an amount according to proof at the time of trial, but in excess of the jurisdiction of this Court.

2
3 **TENTH CAUSE OF ACTION**

4 **Representative Action for Civil Penalties**

5 **[Cal. Labor Code §§ 2698–2699.5]**

6 **(Against All DEFENDANTS)**

7 56. PLAINTIFF incorporates herein by specific reference as though fully set forth the
8 allegations in all preceding paragraphs, with exception of the allegations in paragraph 13 and the
9 subparagraphs thereto.

10 57. PLAINTIFF is an “aggrieved employee” within the meaning of California Labor
11 Code § 2699(c), and a proper representative to bring a civil action on behalf of herself and other
12 current and former employees of DEFENDANTS pursuant to the procedures specified in California
13 Labor Code § 2699.3, because PLAINTIFF and CLASS MEMBERS were employed by
14 DEFENDANTS and the alleged violations of the California Labor Code were committed against
15 PLAINTIFF and CLASS MEMBERS.

16 58. Pursuant to the California Private Attorneys General Act of 2004 (“PAGA”), Labor
17 Code §§ 2698–2699.5, PLAINTIFF and CLASS MEMBERS seeks to recover civil penalties,
18 including but not limited to penalties under California Labor Code §§ 2699, 210, 226.3, 558,
19 1174.5, 1197.1, and IWC Wage Order No. 6-2001, § 20, from DEFENDANTS in a representative
20 action for the violations set forth above, including but not limited to violations of California Labor
21 Code §§ 201, 202, 203, 204, 226, 226.7, 510, 512, 1174, 1194, 1197, 1198, and 2802. PLAINTIFF
22 and CLASS MEMBERS are also entitled to an award of reasonable attorneys’ fees and costs
23 pursuant to California Labor Code § 2699(g)(1).

24 59. Pursuant to California Labor Code §§ 2699.3, PLAINTIFF gave written notice on
25 October 5, 2021 by online filing to the California Labor and Workforce Development Agency
26 (“LWDA”) and by certified mail to DEFENDANTS of the specific provisions of the California
27 Labor Code and IWC Wage Orders alleged to have been violated, including the facts and theories
28 to support the alleged violations. More than sixty-five (65) days have passed and the LWDA has

1 not provided notice to PLAINTIFF that it intends to investigate the alleged violations.

2 60. Therefore, PLAINTIFF has complied with all of the requirements set forth in
3 California Labor Code § 2699.3 to commence a representative action under PAGA.

4 **PRAYER FOR RELIEF**

5 **WHEREFORE**, PLAINTIFF, individually and on behalf of all other persons similarly
6 situated, respectfully prays for relief against DEFENDANT MAGIC LAUNDRY SERVICES INC.
7 and DOES 1 through 50, inclusive, and each of them, as follows:

- 8 1. For compensatory damages in an amount to be ascertained at trial;
- 9 2. For restitution of all monies due to PLAINTIFF and CLASS MEMBERS, as well
10 as disgorged profits from DEFENDANTS' unfair and unlawful business practices;
- 11 3. For meal and rest period compensation pursuant to California Labor Code § 226.7
12 and IWC Wage Order No. 6-2001;
- 13 4. For liquidated damages pursuant to California Labor Code §§ 1194.2 and 1197.1;
- 14 5. For preliminary and permanent injunctive relief enjoining DEFENDANTS from
15 violating the relevant provisions of the California Labor Code and the IWC Wage Orders, and from
16 engaging in the unlawful business practices complained of herein;
- 17 6. For waiting time penalties pursuant to California Labor Code § 203;
- 18 7. For statutory and civil penalties according to proof, including but not limited to all
19 penalties authorized by the California Labor Code §§ 226(e) and §§ 2698–2699.5;
- 20 8. For interest on the unpaid wages at 10% per annum pursuant to California Labor
21 Code §§ 218.6, 1194, 2802, California Civil Code §§ 3287, 3288, and/or any other applicable
22 provision providing for pre-judgment interest;
- 23 9. For reasonable attorneys' fees and costs pursuant to California Labor Code §§ 1194,
24 2699, 2802, California Civil Code § 1021.5, and any other applicable provisions providing for
25 attorneys' fees and costs;
- 26 10. For declaratory relief;
- 27 11. For an order requiring and certifying the First, Second, Third, Fourth, Fifth, Sixth,
28 Seventh, Eighth, and Ninth Causes of Action as a class action;

12. For an order appointing PLAINTIFF as class representative, and PLAINTIFF's counsel as class counsel; and

13. For such further relief that the Court may deem just and proper.

DATED: October 5, 2021

Respectfully submitted,

MATERN LAW GROUP, PC

By: _____

Matthew J. Matern
Tagore O. Subramaniam
Max N. Sloves
Attorneys for Plaintiff
ELISA ORTEGO, individually, and on
behalf of other persons similarly situated

DEMAND FOR JURY TRIAL

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

DATED: October 5, 2021

Respectfully submitted,

MATERN LAW GROUP, PC

By:

Matthew J. Matern
Tagore O. Subramaniam
Max N. Sloves
Attorneys for Plaintiff ELISA ORTEGO,
individually, and on behalf of other persons
similarly situated

EXHIBIT B

PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiff Elisa Ortego (“Plaintiff”) and Defendant Magic Laundry Services Inc. (“Defendant”). The Agreement refers to Plaintiff and Defendant collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

1.1. “Action” mean Plaintiff’s PAGA lawsuit alleging wage and hour violations against Defendant captioned “Elisa Ortego v. Magic Laundry Services Inc.” (Case No. 22STCV01605) initiated on January 13, 2022 and pending in Superior Court of the State of California, County of Los Angeles.

1.2. “Administrator” means Xpand Legal Consulting LLC, the neutral entity the Parties have agreed to appoint to administer the Settlement.

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

1.4. “Aggrieved Employee” means a person currently or formerly employed by Defendant in California as a non-exempt or hourly employee during the PAGA Period.

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

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

1.7. “Court” means the Superior Court of California, County of Los Angeles.

1.8. “Defense Counsel” means Mark D. Kemple and Matthew J. Weber of Greenberg Traurig, LLP.

1.9. “Effective Date” means the later of: (i) the sixty-fifth (65) day after the Court enters a Judgment on its Order Approving the PAGA Settlement, provided no appeal has been initiated and no motion to vacate, motion to intervene, or motion to reconsider has been filed; or (ii) if such an appeal or motion to vacate, motion to intervene, or motion to reconsider initiated, fifteen (15) business days after final resolution of that appeal or motion (including any requests for rehearing or appeals, including petitions for certiorari), resulting in final judicial approval of the Settlement.

- 1.10. “Gross Settlement Amount” means \$200,000.00 (Two Hundred Thousand Dollars) which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 8 below. The Gross Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, the PAGA Representative Service Payment, the PAGA Counsel Fees Payment, the PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment.
- 1.11. “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of PAGA Pay Periods the Aggrieved Employee worked during the PAGA Period.
- 1.12. “Judgment” means the judgment entered by the Court based upon the Approval Order.
- 1.13. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.14. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.15. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: PAGA Representative Service Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is the Net Settlement Amount to be paid as PAGA Penalties.
- 1.16. “Complaint” means the complaint filed on January 13, 2022 in the Action.
- 1.17. “PAGA Counsel” means Matthew J. Matern, Matthew W. Gordon, and Erin R. Hutchins of Matern Law Group, PC, the attorneys representing Plaintiff in the Action.
- 1.18. “PAGA Counsel Fees Payment” and “PAGA Counsel Litigation Expenses Payment” mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.19. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period. Each Aggrieved Employee will be deemed to have worked at least one PAGA Pay Period.
- 1.20. “PAGA Period” means the period from November 9, 2020 to the date of approval, or September 6, 2025, whichever is sooner.
- 1.21. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.22. “PAGA Notice” means Plaintiff’s October 5, 2021 letter to Defendant and the LWDA pursuant to Labor Code section 2699.3, subd. (a).

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

1.24. “PAGA Representative Service Payment” is the amount to be paid to Plaintiff for her service as a PAGA Representative.

1.25. “Plaintiff” means Elisa Ortego, the named Plaintiff in the Action.

1.26. “Approval Order” means the proposed Court Order Granting Approval of PAGA Settlement.

1.27. “Released PAGA Claims” means the claims being released by the Aggrieved Employees as described in Paragraph 5.3 below.

1.28. “Released Parties” means: Defendant and any of its past, present and future direct or indirect parents, subsidiaries, predecessors, successors, assigns, and affiliates, joint venturers, as well as its past, present and future owners, officers, directors, employees, associates, partners, shareholders, members, agents, attorneys, insurers, reinsurers, and any individual or entity that could be jointly liable with Defendant.

1.29. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.

1.30. “Defendant” means named Defendant Magic Laundry Services Inc.

2. RECITALS.

2.1. On January 13, 2022, Plaintiff Elisa Ortego commenced this action by filing a Complaint in this Court alleging a cause of action for civil penalties pursuant to the Private Attorneys General Act of 2004, Labor Code § 2698, *et seq.* against Magic Laundry Services Inc. and Does 1 to 50. Defendant denies the allegations in Plaintiff’s Complaint, denies any failure to comply with the laws identified in Plaintiff’s Complaint and denies any and all liability for the causes of action alleged.

2.2. Pursuant to Labor Code section 2699.3, subd. (a), Plaintiff submitted a PAGA Letter to the LWDA.

2.3. On July 8, 2025, counsel for Plaintiff and Defendant participated in an all-day mediation presided over by Steve Serratore, which led to this Agreement to settle the Action.

2.4. Prior to mediation Plaintiff obtained, through formal and informal discovery, PAGA group information for the PAGA period, time and wage records for a sample of the Aggrieved Employees, Plaintiff’s personal files, information regarding Defendant’s policies and practices during the PAGA period, to aid in preparation of Plaintiff’s evaluation of the claims and formulation of a damages model. Plaintiff’s investigation was sufficient to satisfy the criteria for

court approval set forth in *Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 (“*Dunk/Kullar*”).

2.5. The Parties, PAGA Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS

3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendant promises to pay \$200,000.00 (Two Hundred Thousand Dollars) and no more as the Gross Settlement Amount. Defendant has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

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

3.2.1. To PAGA Counsel: A PAGA Counsel Fees Payment of not more than one-third (\$66,666.67) of the Gross Settlement Amount and PAGA Counsel Litigation Expenses Payment of not more than \$35,000. Defendant will not oppose requests for Court approval of these payments provided that they do not exceed these amounts. Plaintiff and/or PAGA Counsel will file an application or motion for PAGA Counsel Fees Payment and PAGA Litigation Expenses Payment. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to PAGA Counsel or any other Plaintiff's Counsel arising from any claim to any portion any PAGA Counsel Fee Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Expenses Payment using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.2. To Plaintiff: A PAGA Representative Service Payment to Plaintiff of up to \$5,000 in exchange for her service in the Action and the release of her individual claims stated in Paragraphs 5.1 and 5.2, subject to the approval of the Court. Defendant will not oppose Plaintiff's request for a PAGA Representative Service Payment that does not exceed that amount. The Administrator will issue an IRS Form 1099 to Plaintiff for the PAGA Representative Service Payment. If the Court approves a PAGA Representative Service Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount.

3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed \$10,000 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$10,000, the Administrator will allocate the remainder to the Net Settlement Amount.

3.2.4. To the LWDA and Aggrieved Employees: 75% of PAGA Penalties shall be allocated to the LWDA PAGA Payment and 25% allocated to the Individual PAGA Payments.

3.2.5. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's number of PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment. Aggrieved Employees shall not be permitted to opt out of the Settlement.

3.2.6. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Aggrieved Employees and PAGA Pay Periods. Based on a review of its records, Defendant estimates there are approximately 2,907 Aggrieved Employees who worked a total of 100,000 PAGA Pay Periods.

4.2. Aggrieved Employee Data. Within 14 days of the Effective Date, Defendant will deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employees' privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify PAGA Counsel if it discovers that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.

4.3. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than 21 days after the Effective Date, or if that date falls on a weekend or holiday, the next day that is not a weekend or holiday.

4.4. Payments from the Gross Settlement Amount. Within 14 days after Defendant funds the Gross Settlement Amount, the Administrator will calculate the Individual PAGA Payments and mail checks for all Individual PAGA Payments, the PAGA Representative Service Payment, the

LWDA PAGA Payment, the Administration Expenses Payment, the PAGA Counsel Fees Payment, and the PAGA Counsel Litigation Expenses Payment. Disbursement of the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment shall not precede disbursement of Individual PAGA Payments.

4.4.1. The Administrator will issue checks for the Individual PAGA Payments, along with the Notice of Settlement Award, in English and Spanish, substantially in the form attached hereto as “Exhibit A,” and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. Before mailing any checks or the Notice of Settlement Award, the Settlement Administrator must update the recipients’ mailing addresses using the National Change of Address Database.

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

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

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

5. **RELEASES OF CLAIMS.** Effective on the date when Defendant fully funds the entire Gross Settlement Amount, Plaintiff, the Aggrieved Employees, and PAGA Counsel will release claims against all Released Parties as follows:

5.1. Plaintiff’s Release. In exchange for a PAGA Representative Service Payment, Plaintiff and her respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge the Released Parties from all claims, transactions, or occurrences that occurred during the PAGA Period, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained in the Complaint and the PAGA Notice and all PAGA claims that were, or reasonably could have been alleged based on facts ascertained during the Action and released under paragraph 5.2

below (“Plaintiff’s Release”). Plaintiff’s Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers’ compensation benefits that arose at any time, or based on occurrences outside the PAGA Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff’s Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff’s discovery of them.

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

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

5.3. Release by Aggrieved Employees. All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Complaint and/or the PAGA Notice (“Released PAGA Claims”).

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

6. **MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT.** The Parties agree that Plaintiff will file an application or motion for approval of this Settlement.

6.1. Responsibilities of PAGA Counsel. PAGA Counsel is responsible for expeditiously finalizing and filing the motion for approval of this Settlement no later than 75 days after the full execution of this Agreement and obtaining a prompt hearing date for the motion and appearing in Court to advocate in favor of the motion. PAGA Counsel will provide a draft of the proposed Judgment to Defense Counsel at least three days before filing the motion for approval of this Settlement. PAGA Counsel is responsible for delivering evidence of the Court’s Approval to the Administrator and the LWDA.

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

work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to see if they can reach agreement to modify the Agreement and satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

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

7.2. Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.

7.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.

7.4. Administrator Duties. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

8. AGGRIEVED EMPLOYEE SIZE ESTIMATES AND ESCALATOR CLAUSE.

Based on its records, Defendant estimates that (1) there are approximately 2,907 Aggrieved Employees who worked approximately 100,000 PAGA Pay Periods from November 9, 2020 through the date of mediation on July 8, 2025. In the event the number of PAGA Pay Periods exceeds 100,000 PAGA Pay Periods by more than 10%, Defendant shall have the option that either (1) the Gross Settlement Amount will be increased on a pro-rata basis for the excess pay periods about the 10% overage (thus, if the number of pay periods exceeds 100,000 by 11%, then 1% would be added to the Gross Settlement Amount); or (2) the PAGA Period shall be reduced at Defendant's election to a date range such that the Pay Periods do not exceed 110% of 100,000 pay periods (i.e., do not exceed 110,000). Defendant must notify Plaintiff of its election no later than 45 days after the full execution of this Agreement, or it will lose the right to make the election to reduce the PAGA Period.

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

9.1. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment, the Parties, their respective counsel waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate

proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If another party appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

10. ADDITIONAL PROVISIONS.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

To Plaintiff:

MATERN LAW GROUP, PC
Matthew J. Matern (SBN 159798)
mmatern@maternlawgroup.com
Matthew W. Gordon (SBN 267971)
mgordon@maternlawgroup.com
Erin R. Hutchins (SBN 346557)
ehutchins@maternlawgroup.com
2101 E. El Segundo Boulevard, Suite 403
El Segundo, California 90245
Telephone: (310) 531-1900
Facsimile: (310) 531-1901

To Defendant:

Mark D. Kemple (SBN CA 145219)
kemplem@gtlaw.com
Matthew J. Weber (SBN CA 318097)
Matthew.Weber@gtlaw.com
Michael James Kolvek (SBN CA 347032)
Michael.Kolvek@gtlaw.com
GREENBERG TRAURIG, LLP
1840 Century Park East, Suite 1900
Los Angeles, California 90067-2121
Telephone: 310.586.7700
Facsimile: 310.586.7800

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

10.17. Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the full execution of this Agreement, and pursuant to Code of Civil Procedure § 583.330(a), the time within which the Action must be brought to trial shall be extended by that period of time from the date of execution of this Agreement to the date on which the Court enters judgment or the date on which the Court enters an order declining to grant approval of this Agreement, and that said period of time shall not be included in the computation of the five-year period specified in Code of Civil Procedure § 583.310.

[SIGNATURES ON NEXT PAGE]

Dated: Nov 4, 2025

PLAINTIFF ELISA ORTEGO


Elisa Ortego (Nov 4, 2025 16:36:05 PST)
Elisa Ortego

Dated: 11/14/25

MAGIC LAUNDRY SERVICES INC.

Signature

By: HARRY KERTIEN
Name

Its: CEO
Title

APPROVED AS TO FORM

Dated: 11/14/25

GREENBERG TRAURIG, LLP

Mark D. Kemple
Attorneys for Defendant Magic Laundry
Services Inc.

Dated: November 4, 2025

MATERN LAW GROUP, PC

Matthew W. Gordon
Attorneys for Plaintiff Elisa Ortego

EXHIBIT A

NOTICE OF SETTLEMENT AWARD

Elisa Ortego v. Magic Laundry Services Inc., et al.
LOS ANGELES COUNTY SUPERIOR COURT CASE NO. 22STCV01605

This check is provided as your portion of the settlement in the above captioned action: *Elisa Ortego v. Magic Laundry Services Inc., et al.*, Los Angeles County Superior Court, Case No. 22STCV01605 (“Ortego”).

A. NATURE OF THE SETTLED LAWSUIT

Ortego is a Private Attorneys General Act (“PAGA”) action.

On January 13, 2022, Plaintiff Elisa Ortego (“Plaintiff”) commenced this action by filing a complaint with a single cause of action against Defendant Magic Laundry Services Inc. (“Defendant”) for penalties under the Private Attorneys General Act of 2004 (the “Complaint”).

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

The Superior Court of California, County of Los Angeles has not made a ruling on the merits of Plaintiff’s claims or Defendant’s defenses.

B. CLAIMS RELEASED

All persons currently or formerly employed by Defendant in California as non-exempt or hourly employees during the PAGA Period (November 9, 2020 to September 6, 2025) (“Aggrieved Employees”) are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, Defendant and any of its past, present and future direct or indirect parents, subsidiaries, predecessors, successors, assigns, and affiliates, joint venturers, as well as its past, present and future owners, officers, directors, employees, associates, partners, shareholders, members, agents, attorneys, insurers, reinsurers, and any individual or entity that could be jointly liable with Defendant (“Released Parties”) from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Complaint and/or Plaintiff’s October 5, 2021 letter to Defendant and the Labor and Workforce Development Agency pursuant to Labor Code section 2699.3, subd. (a) (“PAGA Notice”) (“Released PAGA Claims”).

EXHIBIT C