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13 public similarly situated

14 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
15 **FOR THE COUNTY OF KERN**

16 ARTURO GONZALEZ, on behalf of
17 himself and all "aggrieved employees"
pursuant to Labor Code § 2698 *et seq.*,
18

19 Plaintiffs,

20 v.

21 JTI ELECTRICAL &
INSTRUMENTATION,
22 LLC, a Delaware limited liability company,
and DOES 1 through 10, inclusive,

23 Defendants.

CLASS ACTION

CASE NO: BCV-21-102905

Assigned to the Hon. Thomas S. Clark, Dept. 17

**SETTLEMENT AGREEMENT AND
RELEASE OF CLAIMS**

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SETTLEMENT AGREEMENT AND RELEASE OF CLAIMS

1 **SETTLEMENT AGREEMENT AND RELEASE OF CLAIMS**

2 This Settlement Agreement and Release of Claims ("Settlement Agreement") is made and
3 entered into by and between Plaintiffs Arturo Gonzalez and Randall Hord (together, "Plaintiffs" or
4 "Class Representatives," individually, "Plaintiff Gonzalez" and "Plaintiff Hord," respectively),
5 individually and on behalf of all others similarly situated, and Defendant JTI Electrical &
6 Instrumentation, LLC, a Delaware limited liability company ("Defendant"), subject to the terms
7 and conditions herein and the Court's approval.

8 **A. Definitions.**

9 1. Plaintiffs, the Settlement Class (as defined below), and Defendant are collectively
10 referred to herein as "the Parties."

11 2. Daniel F. Gaines and Alex P. Katofsky of Gaines & Gaines, APLC are counsel of
12 record for Plaintiff Arturo Gonzalez, and James Kawahito of Kawahito Law Group APC is counsel
13 of record for Plaintiff Randall Hord. For purposes of this Settlement Agreement only, the firms of
14 Gaines & Gaines, APLC and Kawahito Law Group APC shall be designated as "Class Counsel."

15 3. The "Actions" means the cases of *Arturo Gonzalez, et al. v. JTI Electrical &*
16 *Instrumentation, LLC, et al.*, Kern County Superior Court Case. No. BCV-21-102905 (the
17 "Gonzalez Action"), and *Randall Hord, et al. v. JTI Electrical & Instrumentation, LLC, et al.*, Kern
18 County Superior Court Case No. BCV-22-101192 (the "Hord Action").

19 4. The "Settlement Class" shall be defined as "all non-exempt employees of Defendant
20 in California at any time between December 13, 2017 and June 30, 2023" (the "Class Period").
21 Defendant represents that this Class contains no more than approximately 469 Class Members who
22 worked no more than 25,225 workweeks during the Class Period.

23 5. The "Aggrieved Employees" shall be defined as "all non-exempt employees of
24 Defendant in California at any time between October 4, 2020 through June 30, 2023" (the "PAGA
25 Period").

26 6. Members of the Settlement Class shall collectively be referred to as a "Class
27 Member" or "Class Members." Any Class Member who files a timely request for exclusion, as
28 detailed below, will be excluded from the final Settlement Class.

1 7. The "Effective Date" is defined as the date the Court signs an order granting final
2 approval of the settlement and entering judgment thereon (the "Effective Date") If objections to
3 the settlement are filed, the Effective Date of the settlement is the sixty-fifth (65th) day after notice
4 of the final approval order is mailed, unless an appeal is filed, in which case the Effective Date is
5 the day after (1) the settlement is upheld by the Court of Appeals, or (2) all appeals are dismissed.

6 **B. General.**

7 1. On October 4, 2021, Plaintiff Gonzalez exhausted the pre-filing requirements of the
8 Labor Code Private Attorneys General Act of 2004 ("PAGA").

9 2. On December 13, 2021, Plaintiff Gonzalez initiated his Action in the Kern County
10 Superior Court by filing a complaint, pursuant to PAGA, on behalf of himself and all other
11 aggrieved employees. On May 13, 2022, Plaintiff Hord filed his Class Action in the Kern County
12 Superior Court.

13 3. Together, as set forth in the proposed First Amended Complaint (attached hereto as
14 **Exhibit 3**), which the Parties will seek to file in the Gonzalez Action as part of the motion for
15 preliminary approval of this Settlement Agreement, the Actions assert claims against Defendant for
16 (1) failure to pay all wages due (Labor Code §§ 510, 1194, and 1194.2 and IWC Wage Order 16-
17 2001); (2) failure to provide rest periods or compensation in lieu thereof (Labor Code § 226.7 and
18 IWC Wage Order 16-2001); (3) failure to provide meal periods or compensation in lieu thereof
19 (Labor Code §§ 226.7, 510, 512, and 1194 and IWC Wage Order 16-2001); (4) failure to reimburse
20 for necessary expenditures (Labor Code § 2802); (5) knowing and intentional failure to comply
21 with itemized employee wage statement provisions (Labor Code §§ 226(a) and (e)); (6) failure to
22 timely pay wages due at the separation of employment (Labor Code §§ 201-203 and 227.3); (7)
23 violation of Business and Professions Code § 17200 for underlying violations of the Labor Code
24 as set forth in the complaints in the Actions; and (8) civil penalties pursuant to PAGA for underlying
25 violations of the Labor Code as set forth in the complaints in the Actions.

26 4. Defendant denies any liability or wrongdoing of any kind associated with the claims
27 alleged in the Actions, and further denies that the Actions are appropriate for class treatment for
28 any purpose other than this settlement. Defendant contends that it has complied at all times with

1 the California Labor Code. It is Defendant's position that, if this case were to be litigated, class
2 certification would be inappropriate because Plaintiffs are not adequate class representatives,
3 Plaintiffs' claims are not typical of putative class members, and individual issues predominate over
4 class issues, among other defenses. The Actions, the negotiation and execution of this Settlement
5 Agreement, and all acts performed or documents executed pursuant to or in furtherance of this
6 Settlement Agreement (i) shall not be used as an admission, or as evidence of wrongdoing by the
7 Defendant, or for any other purpose whatsoever; (ii) shall not be an admission or evidence of fault
8 on behalf of Defendant in any action before a civil court, criminal court, administrative agency of
9 any type, or other tribunal; and (iii) shall not be deemed to be, and may not be used as, an admission
10 or evidence of the appropriateness of these or similar claims for class certification in the Actions
11 or with respect to any other proceeding whatsoever.

12 5. The Class Representatives contend that Defendant violated the California Labor
13 Code and Industrial Welfare Commission Wage Order(s), and that this case is appropriate for class
14 certification.

15 6. Class Counsel represent that they have conducted a thorough investigation into the
16 facts and law during the prosecution of this class action case, including the exchange of extensive
17 formal and informal discovery and the review and verification of statistical data and other facts and
18 information provided by Defendant. Counsel for the Parties also represent that they have
19 investigated the applicable law as applied to the facts discovered regarding the alleged claims of
20 Plaintiff and potential defenses thereto, and the damages and other losses claimed by Plaintiffs.

21 7. On March 27, 2023, following their exchange of information and documents
22 regarding the Settlement Class and the claims and defenses asserted by the Parties, the Parties
23 engaged in arm's-length negotiations with the assistance of an experienced wage and hour
24 mediator, the Hon. David I. Brown (Sacramento Superior Court, Ret.), where the Parties were able
25 to reach the resolution of the Actions set forth herein following their acceptance of a mediator's
26 proposal.

27 8. Based on their own independent investigation and evaluation, Class Counsel are of
28 the opinion (and will so represent to the Court) that settlement for the consideration and on the

1 terms set forth in this Settlement Agreement is fair, reasonable, and adequate and is in the best
2 interest of the Settlement Class in light of all known facts and circumstances, including the risk of
3 significant delay, the risk the Settlement Class will not be certified by the Court, and the defenses
4 asserted by Defendant. Defendant and its counsel also agree (and will so represent to the Court)
5 that this settlement is fair and in the best interest of the Settlement Class.

6 9. The Parties agree that the Settlement Class described herein may be certified for
7 settlement purposes only and that any motion for approval seeking, *inter alia*, certification of the
8 Settlement Class is for purposes of the settlement only. If for any reason the settlement is not
9 approved, the certification will have no force or effect and will immediately be revoked. The
10 Parties further agree that certification for purposes of the settlement is in no way an admission that
11 class certification is proper under the more stringent standard applied for litigation and that
12 evidence of this limited Settlement Agreement for settlement purposes only will not be admissible
13 for any purpose in this or any other proceeding.

14 **C. Terms of Settlement.**

15 1. The financial terms of the Settlement Agreement are as follows:

16 (a) **Gross Settlement Amount:** The Parties agree to settle the Actions for a
17 Gross Settlement Amount of One Million Four Hundred Fifty Thousand Dollars (\$1,450,000) ("the
18 Gross Settlement Amount"). The Gross Settlement Amount includes the attorneys' fees of Class
19 Counsel; litigation costs and expenses (which includes, without limitation, all such fees and costs
20 incurred to date, as well as such fees and costs to be incurred in documenting the settlement,
21 providing any notices required as part of the settlement, securing Court approval of the settlement,
22 and obtaining judgment in the Action); the Service Payments to the Class Representatives, as
23 approved by the Court; the payment to the California Labor and Workforce Development Agency
24 ("LWDA"); and all costs of administration, including, without limitation, settlement administration
25 fees and expenses. All employer payroll tax obligations due on wage payments made from the Net
26 Settlement Proceeds shall be paid from the Gross Settlement Amount.

27 (b) **Net Settlement Proceeds:** "Net Settlement Proceeds" is defined as the
28 Gross Settlement Amount less the amounts approved and awarded by the Court for: attorneys' fees

1 and documented litigation costs and expenses incurred or advanced by Class Counsel; the Service
2 Payments to the Class Representatives; the payment to the LWDA pursuant to PAGA; and the costs
3 of administering the settlement.

4 (c) **Calculation of the Individual Payment Amounts:** "Individual Payment
5 Amount" means the portion of the Net Settlement Proceeds distributable to each Class Member
6 who participates in the Class Settlement (i.e., who does not submit a valid request for exclusion
7 form) and each Aggrieved Employee, whether they participate in the Class Settlement or not. As
8 to participating Class Members, the class portion of the Individual Payment Amount will be
9 determined by dividing the Net Settlement Proceeds, less the \$36,250 PAGA allocation, by the
10 total number of weeks worked by the entire Settlement Class in non-exempt positions during the
11 Class Period, net of opt outs, resulting in the class workweek value; and then multiplying the class
12 workweek value by the number of weeks worked by each participating Class Member in a non-
13 exempt position during the Class Period. As to the Aggrieved Employees, the PAGA portion of
14 the Individual Payment Amount will be determined by dividing the PAGA settlement amount
15 (\$36,250) by the total number of weeks worked by all Aggrieved Employees in non-exempt
16 positions during the PAGA Period, resulting in the PAGA workweek value; and then multiplying
17 the PAGA workweek value by the number of weeks worked in a non-exempt position by each
18 Aggrieved Employee during the PAGA Period.

19 (d) For tax purposes, the class portion of each Individual Payment Amount will
20 be apportioned (a) 20% as wages (reported on an IRS Form W-2 and subject to applicable
21 withholdings); and (b) 80% equally as penalties and interest (reported on an IRS Form 1099, if
22 required). The PAGA portion of each Individual Payment Amount will be apportioned 100% as
23 penalties (reported on an IRS Form 1099, if required). All Individual Payment Amounts paid to
24 Class Members and Aggrieved Employees will be subject to any applicable wage garnishments,
25 liens, or other legally mandated treatment as required by law.

26 (e) **PAGA Payments:** The Parties agree that One Hundred Forty-Five Thousand
27 Dollars (\$145,000) shall be allocated to settle Plaintiffs' claims brought pursuant to PAGA. Of this
28 amount, Seventy-Five percent (75%), or One Hundred Eight Thousand Seven Hundred Fifty

1 Dollars (\$108,750), shall be paid to the LWDA, and the remaining Twenty-Five percent (25%), or
2 Thirty-Six Thousand Two Hundred Fifty Dollars (\$36,250), shall be paid to Aggrieved Employees
3 as part of the Net Settlement Proceeds.

4 (f) **Service Payments and General Release Payments to Class**
5 **Representatives:** The amount awarded to each Class Representative as a "Service Payment" and
6 in exchange for a general release, as set forth in Paragraph D(2), below, will be set by the Court in
7 its discretion, not to exceed Twelve Thousand Dollars (\$12,000) each (\$24,000 total). This amount
8 will be deducted from the Gross Settlement Amount. An IRS Form 1099 will be issued to each
9 Class Representative for their Service Payment. Defendant agrees not to dispute or otherwise
10 object to the Service Payments if Plaintiffs each request \$12,000 or less.

11 (g) **Attorneys' Fees:** An award to Class Counsel of attorneys' fees will be
12 deducted from the Gross Settlement Amount in an amount to be set by the Court taking into account
13 the settlement award that has been made available for the Settlement Class by the efforts of Class
14 Counsel. The amount awarded shall not exceed 35% of the Gross Settlement Amount (i.e., Five
15 Hundred Seven Thousand Five Hundred Dollars (\$507,500)) and it will be paid 60% to Gaines &
16 Gaines, APLC and 40% to Kawahito Law Group, P.C., pursuant to an attorney fee sharing
17 agreement signed by Plaintiffs. An IRS Form 1099 will be issued to Class Counsel with respect to
18 its award of attorneys' fees. Defendant agrees not to dispute or otherwise object to the attorneys'
19 fee award requested by Class Counsel so long as the request does not exceed 35% of the Gross
20 Settlement Amount.

21 (h) **Attorneys' Costs and Expenses:** Class Counsel will be reimbursed from
22 the Gross Settlement Amount in an amount to be set by the Court for documented out-of-pocket
23 litigation costs and expenses, not to exceed Thirty Thousand Dollars (\$30,000). An IRS Form 1099
24 will be issued to Class Counsel with respect to its award of costs and expenses. Defendant agrees
25 not to dispute or otherwise object to the attorneys' cost award requested by Class Counsel so long
26 as the request does not exceed \$30,000.

27 (i) **Settlement Administration Costs:** The fees and other charges of the
28 Settlement Administrator to administer the Settlement are expected to total no more than Twelve

1 Thousand Dollars (\$12,000.00) and will be paid from the Gross Settlement Amount. These fees
2 shall include any costs associated with the required tax reporting on any Individual Payment
3 Amounts, and the issuing of any and all W-2 and 1099 forms. Subject to approval of the Court, the
4 Parties have agreed that Phoenix Settlement Administrator will serve as a neutral third-party
5 claims' administrator ("Settlement Administrator") to perform all acts related to providing notice
6 to the Settlement Class. Settlement Administrator shall be responsible for (a) printing and
7 distributing the Court-approved Notice of Class Action Settlement ("Class Notice") to all Class
8 Members; (b) administering the settlement; (c) processing exclusions, objections, and field
9 inquiries from Class Members; (d) resolving disputes; (e) calculating the Individual Payment
10 Amount each Participating Class Members is eligible to receive; (f) distributing the Gross
11 Settlement Amount as directed by the Court and set forth herein; (g) tax reporting; (h) providing
12 necessary weekly status reports; and (i) other duties and responsibilities set forth herein.

13 (j) **No Warranty by Defendant:** Plaintiffs understand and agree that
14 Defendant is not providing Plaintiffs or Class Members with tax or legal advice and that Defendant
15 makes no representations regarding tax obligations or consequences, if any, related to this
16 Settlement Agreement.

17 **D. Release of Claims.**

18 1. Upon the Effective Date, and subject to Defendant's full payment of the Gross
19 Settlement Amount, Plaintiffs and all Settlement Class Members who do not timely opt-out of the
20 Settlement will be deemed to have fully released and discharged Defendant JTI Electrical &
21 Instrumentation, LLC and its present and former officers, directors, members, owners, managers,
22 shareholders, agents, operators, partners, joint ventures, subsidiaries, parent companies, related
23 entities, consultants, attorneys, successors or assignees ("Released Parties") from any and all
24 Released Class Claims which arose during their employment in a non-exempt position in
25 California during the Class Period.

26 2. Upon the Effective Date, and subject to Defendant's full payment of the Gross
27 Settlement Amount, Plaintiffs and all Aggrieved Employees will be deemed to have fully released
28

1 and discharged the Released Parties from any and all Released PAGA Claims which arose during
2 their employment in a non-exempt position in California during the PAGA Period.

3 3. "Released Class Claims" means any and all claims and/or causes of action which
4 accrued during the Class Period during employment in a non-exempt position in California, that
5 are alleged, or that could have been alleged in the Actions based on the facts set forth in the First
6 Amended Complaint to-be-filed in the Gonzalez Action as part of the preliminary approval process
7 (which will include direct class action claims under Labor Code §§ 201-202, 226(a), 226.7, 227.3,
8 510, 512, 1194, and 2802 and under Business & Professions Code section 17200 *et seq.* predicated
9 on the underlying Labor Code claims alleged). No PAGA claims are encompassed in the Released
10 Class Claims.

11 4. "Released PAGA Claims" means any and all PAGA claims and/or causes of action
12 which accrued during the PAGA Period during employment in a non-exempt position in
13 California, that are alleged in the to-be-filed First Amended Complaint or any previous complaint
14 on file in the Gonzalez Action, or that could have been alleged in the Actions based on the facts
15 set forth in the First Amended Complaint. No Aggrieved Employee may opt out of the PAGA
16 portion of the Settlement.

17 5. Upon the Effective Date, and subject to Defendant's full payment of the Gross
18 Settlement Amount, Plaintiffs Gonzalez and Hord shall be deemed to have fully, finally, and
19 forever released the Released Parties from any and all claims, obligations, demands, actions,
20 rights, causes of action, and liabilities against the Released Parties, of whatever kind and nature,
21 character, and description, whether in law or equity, whether sounding in tort, contract, federal,
22 state and/or local law, statute, ordinance, regulation, common law, or other source of law, whether
23 known or unknown, and whether anticipated or unanticipated, including unknown claims covered
24 by Civil Code Section 1542, arising through the date of their signatures hereon, for any type of
25 relief, including, without limitation, claims for wages, damages, unpaid costs, penalties, liquidated
26 damages, punitive damages, interest, attorneys' fees, litigation costs, restitution, or equitable relief.
27 These claims include, but are not limited to, the Released Class Claims and Released PAGA
28 Claims, as well as any other claims under any provision of the California Labor Code or any

1 applicable California Industrial Welfare Commission Wage Orders, and claims under local, state,
2 or federal discrimination statutes, including, without limitation, the California Fair Employment
3 and Housing Act, California Government Code §§ 12940 et seq.; the Unruh Civil Rights Act,
4 California Civil Code §§ 51 et seq.; the California Constitution; Title VII of the Civil Rights Act
5 of 1964, 42 U.S.C. §§ 2000 et seq.; the Americans with Disabilities Act, 42 U.S.C. §§ 12101 et
6 seq.; the Employee Retirement Income Security Act of 1974, 29 U.S.C. §§ 1001 et seq.; and all of
7 their implementing regulations and interpretive guidelines. With respect to these Released Claims
8 as described in this Section, Plaintiffs Gonzalez and Hord shall be deemed to have expressly
9 waived and relinquished, to the fullest extent permitted by law, the provisions, rights, and benefits
10 he may otherwise have had pursuant to Section 1542 of the California Civil Code, which provides
11 as follows:

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

16 Notwithstanding Section 1542, Plaintiffs understand and agree that this Agreement shall act
17 as a release of all future claims that may arise from Plaintiffs Gonzalez and Hord's employment or
18 separation from employment with Defendant, or any other matters that existed between Plaintiffs
19 Gonzalez and Hord and the Released Parties up to the date of this Agreement, whether such claims
20 are currently known or unknown, and that Plaintiffs intentionally waive any rights they may have
21 under the provisions of Section 1542, as well as under any other statutes or common law principles
22 of similar effect in the State of California or in any other state.

23 **E. Notice and Exclusion Process.**

24 1. Within ten (10) calendar days after entry of the order granting preliminary approval
25 of this Settlement, Defendant shall provide to the Settlement Administrator a list of all Class
26 Members, including their last known addresses, telephone numbers, social security numbers, and
27 their dates of employment in a non-exempt position in California during the Class Period
28 ("Settlement Class Information"). The names, addresses, telephone numbers, and Social Security
numbers will only be disclosed to the Settlement Administrator and not to Plaintiffs' Counsel. All

1 information provided to the Settlement Administrator will be marked CONFIDENTIAL. This
2 information shall be kept confidential and shall not be disclosed, either in writing or orally, by the
3 Settlement Administrator. The Settlement Administrator shall use due care with respect to the
4 storage, custody, use, and/or dissemination of the confidential information. Such information must
5 be stored in a secure fashion and all persons who access the data must agree to keep it confidential.

6 2. A notice of pendency of class action, proposed settlement, and hearing date for
7 Court approval ("Class Notice") in the form attached hereto as **Exhibit 1**, and as approved by the
8 Court, shall be sent by the Settlement Administrator to the Class Members, by first class mail,
9 within twenty (20) calendar days after entry of the order granting preliminary approval. Attached
10 to the Class Notice will be a request for exclusion form ("Request for Exclusion Form") in the form
11 attached hereto as **Exhibit 2**.

12 3. The Settlement Administrator will make reasonable efforts to ensure that the Class
13 Notice and Request for Exclusion Form are sent to all Class Members. It will conclusively be
14 presumed that if an envelope has not been returned within thirty (30) days of the mailing that the
15 Class Member received the Class Notice. In the event of returned or non-deliverable notices, the
16 Settlement Administrator will make reasonable efforts to locate Class Members and re-send the
17 notices.

18 4. Each Class Member will be fully advised of the settlement, the ability to object to
19 the settlement, and the ability to submit a Request for Exclusion Form. The Class Notice will
20 inform the Class Members of the Court-established deadlines for filing objections and a Request
21 for Exclusion Form.

22 5. Each Class Notice will contain personalized information setting forth the number of
23 weeks each Class Member worked for Defendant in California in a non-exempt position during the
24 Class Period and their estimated Individual Payment Amount. To the extent a Class Member
25 disputes any of the information listed on his or her Class Notice, the Class Member may produce
26 evidence to the Settlement Administrator showing such information the Class Member contends
27 should be reflected in the Class Notice. Defendant's records will be presumed determinative,
28

1 however, and the Settlement Administrator's decision on these matters will be final. The Class
2 Notice will also set forth IRS W-9 information if required.

3 6. All Class Members who do not submit a Request for Exclusion Form will be eligible
4 to receive an Individual Payment Amount and all Aggrieved Employees will be eligible to receive
5 a share of the PAGA allocation from the Net Settlement Proceeds, which shall be mailed to them
6 if and when the Effective Date occurs.

7 7. In order to elect not to participate in the Settlement, a Class Member must submit a
8 Request for Exclusion Form, and mail it to the Settlement Administrator no later than forty-five
9 (45) calendar days after the initial mailing of the Class Notice and Request for Exclusion Form to
10 Class Members, unless the Court requires a longer period, in which case the Court ordered
11 exclusion period will apply. The date of the postmark shall be deemed the date of submission. The
12 timeliness of submitted Request for Exclusion Forms will be determined by valid postmark. If the
13 45th day falls on a Sunday or federal holiday, the time to request exclusion will be extended to the
14 next day on which the U.S. Postal Service is open.

15 8. The deadline for submission of Exclusion Forms shall be extended once by 30 days
16 for those Class Members whose Class Notice and Exclusion Form are returned as "undeliverable."
17 If the 30th day falls on a Sunday or federal holiday, this deadline will be extended to the next day
18 on which the U.S. Postal Service is open.

19 9. The Settlement Administrator will search for additional addresses on returned mail
20 and will re-mail the Class Notice and Exclusion Form to an updated address (if any) within 15 days
21 of receipt of the returned mail. The 30-day extended time limit will run from the date of the second
22 mailing for those Class Members. To the extent a Class Notice from the initial mailing is not
23 returned within 30 days, it shall be deemed to have been sent to a valid address even if it is thereafter
24 returned. It is the intent of the Parties that reasonable, but not extraordinary, efforts be used to
25 locate Class Members. If the initial Class Notice and Request for Exclusion Form is returned, the
26 Settlement Administrator will search using the social security number for a more current address.
27 If no address is found within 10 days, no further action is required.

1 10. The Settlement Administrator will notify the Parties of the total number of valid
2 Request for Exclusion Forms within ten (10) calendar days after the deadline for receipt of the
3 Request for Exclusion Forms (fifty-five (55) days following the initial mailing of the Class Notice
4 and Request for Exclusion Forms to Class Members).

5 11. In order to object to the settlement, a Class Member must mail his or her objection
6 to the Settlement Administrator no later than forty-five (45) calendar days after the mailing of the
7 Class Notice and Request for Exclusion Form to Class Members, unless the Court requires a longer
8 period, in which case the Court ordered objection period will apply. If the 45th day falls on a
9 Sunday or federal holiday, the time to object to the settlement will be extended to the next day on
10 which the U.S. Postal Service is open. Under no circumstances shall the objection deadline be
11 extended for any reason.

12 12. The Settlement Administrator shall provide to the Parties, at least twelve (12)
13 calendar days prior to the final approval hearing, or as otherwise ordered by the Court, a declaration
14 of due diligence and proof of mailing with regard to the mailing of the Class Notice and Request
15 for Exclusion Forms. The Settlement Administrator will also provide to the Parties, at least twelve
16 (12) calendar days prior to the final approval hearing, or as otherwise ordered by the Court, a report
17 listing the amount of all payments to be made to each Class Member without names or personal
18 identifying information.

19 13. Defendant shall deposit the Gross Settlement Amount with the Settlement
20 Administrator no later than ten (10) calendar days after the Effective Date.

21 14. The Settlement Administrator shall disburse the Gross Settlement Amount within
22 fifteen (15) calendar days after its receipt thereof. Class Members and Aggrieved Employees must
23 cash each of their Individual Payment Amount checks within one hundred eighty (180) calendar
24 days after they are mailed by the Settlement Administrator. The value of any checks uncashed
25 more than one hundred eighty (180) days after mailing shall be paid to the State of California
26 Controller's Office – Unclaimed Property Fund, to be held in the name of the respective Class
27 Member or Aggrieved Employee.

1 **F. Duties of the Parties Prior to Court Approval.**

2 1. Promptly after execution of this Settlement Agreement, Plaintiffs shall move the
3 Court for preliminary approval of this settlement and entry of an order accomplishing the
4 following:

5 (a) scheduling a fairness hearing on the question of whether the proposed
6 settlement should be finally approved as fair, reasonable and adequate as to the Class Members;

7 (b) approving as to form and content the proposed Class Notice;

8 (c) approving as to form and content the proposed Request for Exclusion
9 Form;

10 (d) preliminarily certifying the Settlement Class for purposes of approving
11 the Settlement Agreement;

12 (e) preliminarily approving the PAGA payment of \$108,750 to the LWDA;

13 (f) preliminarily setting attorneys' fees and costs payable to Class Counsel;

14 (g) preliminarily setting the Service Payments to the Class Representatives;

15 (h) preliminarily approving Phoenix Settlement Administration as the
16 Settlement Administrator and its estimated fees and costs of \$12,000; and

17 (i) permitting Plaintiffs to file the First Amended Complaint.

18 2. The Parties shall submit this Settlement Agreement to the Court and the LWDA
19 in support of Plaintiffs' unopposed motion for preliminary approval of the settlement.

20 **G. Duties of the Parties in Connection with and Following Final Court Approval.**

21 1. In connection with the hearing on final approval of the settlement, the Parties will
22 submit a proposed final order no later than ten (10) calendar days prior to the scheduled date of
23 the hearing on final approval (unless otherwise ordered by the Court):

24 (a) approving the settlement, adjudging the terms thereof to be fair, reasonable
25 and adequate, and directing consummation of its terms and provisions;

26 (b) approving Class Counsel's application for an award of attorneys' fees and
27 reimbursement of documented litigation costs and expenses, the service payments to the Class
28

1 Representatives, the PAGA Payment to the LWDA, and the costs of administering the settlement;
2 and

3 (c) Entering judgment in the Gonzalez Action in accordance with this
4 Settlement Agreement, pursuant to Cal. Rules of Court, Rule 3.769(h), and dismissing the Hord
5 Action without prejudice.

6 2. Class Counsel shall file an application for attorneys' fees and reimbursement of
7 costs and expenses no later than ten (10) calendar days prior to the scheduled date of the hearing
8 on final approval (unless otherwise ordered by the Court).

9 **H. Miscellaneous Provisions:**

10 1. **Voiding the Agreement.**

11 A failure of the Court to approve any material condition of this Settlement Agreement which
12 effects "a fundamental change of the Parties' settlement," or if the settlement is reversed or
13 materially modified on appellate review, shall render the entire Settlement Agreement voidable and
14 unenforceable as to all Parties herein at the option of any Party.

15 2. **Parties' Authority.**

16 The signatories hereto represent that they are fully authorized to enter into this Settlement
17 Agreement and bind the Parties hereto to the terms and conditions hereof.

18 3. **Mutual Full Cooperation.**

19 The Parties agree to fully cooperate with each other to accomplish the terms of this
20 Settlement Agreement, including but not limited to, execution of such documents and such other
21 action as may reasonably be necessary to implement the terms of this Settlement Agreement. The
22 Parties to this Settlement Agreement shall use their best efforts, including all efforts contemplated
23 by this Settlement Agreement and any other efforts that may become necessary by order of the
24 Court, or otherwise, to effectuate this Settlement Agreement and the terms set forth herein. As
25 soon as practicable after execution of this Settlement Agreement, Class Counsel shall, with the
26 assistance and cooperation of Defendant and its counsel, take all necessary steps to secure the
27 Court's preliminary and final approval of the settlement.

28 ///

1 **4. No Prior Assignments.**

2 The Parties hereto represent, covenant, and warrant that they have not directly or indirectly,
3 assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or
4 entity any portion of any liability, claim, demand, action, cause of action or rights released and
5 discharged by this Settlement Agreement.

6 **5. No Admission.**

7 Nothing contained herein, nor the consummation of this Settlement Agreement, is to be
8 construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the part
9 of Defendant or any of the other Released Parties. Each of the Parties hereto has entered into this
10 Settlement Agreement with the intention of avoiding further disputes and litigation with the
11 attendant inconvenience and expenses. This Settlement Agreement is a settlement document and
12 shall, pursuant to California Evidence Code section 1152 and/or Federal Rule of Evidence 408
13 and/or any other similar law, be inadmissible in evidence in any proceeding, except an action or
14 proceeding to approve the settlement, and/or interpret or enforce this Settlement Agreement.

15 **6. Construction.**

16 The Parties hereto agree that the terms and conditions of this Settlement Agreement are the
17 result of lengthy, intensive arms' length negotiations between the Parties and that this Settlement
18 Agreement shall not be construed in favor of or against any Party by reason of the extent to which
19 any Party or her or its counsel participated in the drafting of this Settlement Agreement.

20 **7. Captions and Interpretations.**

21 Paragraph titles or captions contained herein are inserted as a matter of convenience and for
22 reference, and in no way define, limit, extend, or describe the scope of this Settlement Agreement
23 or any provision hereof. Each term of this Settlement Agreement is contractual and not merely a
24 recital.

25 **8. Modification.**

26 This Settlement Agreement may not be changed, altered, or modified, except in writing and
27 signed by the Parties hereto, and approved by the Court. This Settlement Agreement may not be
28 discharged except by performance in accordance with its terms or by a writing signed by each of

1 the Parties hereto on their attorneys.

2 **9. Integration Clause.**

3 This Settlement Agreement contains the entire agreement between the Parties relating to
4 the settlement and transactions contemplated hereby, and all prior or contemporaneous agreements,
5 understandings, representations, and statements, whether oral or written and whether by a Party or
6 such Party's legal counsel, are merged herein. No rights hereunder may be waived except in
7 writing.

8 **10. Binding on Assigns.**

9 This Settlement Agreement shall be binding upon and inure to the benefit of the Parties
10 hereto and their respective heirs, trustees, executors, administrators, successors, and assigns.

11 **11. Governing Law.**

12 All terms of this Settlement Agreement and its exhibits shall be governed by and interpreted
13 according to the laws of the State of California, without giving effect to any conflict of law
14 principles or choice of law principles.

15 **12. Signatures of All Class Members Unnecessary to be Binding.**

16 It is agreed that, because the members of the Settlement Class are numerous, it is impossible
17 or impractical to have each Class Member execute this Settlement Agreement. The Class Notice,
18 attached hereto as Exhibit 1, will advise all Class Members of the binding nature of the release
19 provided herein and such shall have the same force and effect as if this Settlement Agreement was
20 executed by each Class Member.

21 **13. Counterparts.**

22 This Settlement Agreement may be executed in counterparts, and when each Party has
23 signed and delivered at least one such counterpart, each counterpart shall be deemed an original,
24 and when taken together with other signed counterparts, shall constitute one fully-signed Settlement
25 Agreement, which shall be binding upon and effective as to all Parties.

26 **14. Confidentiality**

27 Until Plaintiffs file their motion for preliminary approval of the class action settlement of
28 the Actions, the Parties and their Counsel agree to maintain confidentiality as to the Settlement,

1 including the amount and terms of the Settlement, except as to spouses, tax or financial advisors,
2 attorneys, taxing agencies, or as otherwise required by law.

3 **15. No Publicity**

4 Plaintiffs and their Counsel will not contact the media about the Settlement Agreement or
5 respond to any inquiries by the media regarding the Settlement, other than to state that the matter
6 was amicably settled, and the Court did not find Defendant liable. Plaintiffs and their Counsel also
7 will not post any information about the Settlement Agreement on social media or their firms'
8 websites.

9 **16. Representation Regarding Class Size.**

10 Defendant has represented that Class Members worked no more than 25,225 workweeks
11 during the Class Period. Should this number increase by more than 10%, the Gross Settlement
12 Amount will increase by \$52.26 for each workweek in excess of 27,747. Alternatively, to avoid
13 an increase in the Gross Settlement Amount, Defendant may elect, in its sole discretion, to end the
14 Class Period and PAGA Period on the first day before the workweek count exceeds 27,747.

15 **17. Continuing Jurisdiction.**

16 The Parties agree that upon the occurrence of the entry of judgment in this case pursuant to
17 the terms of this Agreement, this Agreement shall be enforceable by the Court pursuant to Code
18 of Civil Procedure Section 664.6 and all other applicable law, and the Court shall retain exclusive
19 and continuing equity jurisdiction of this Action over all Parties and Class Members to interpret
20 and enforce the terms, conditions and obligation of the Agreement.

21 **18. Default; Notice; Cure; Acceleration; Time is of the Essence.**

22 Time is of the essence with respect to all provisions of this Agreement. If Defendant fails
23 to timely make the payment due hereunder, it shall be in default of its obligations. Plaintiffs shall
24 thereafter give notice of default and Defendant must cure said default within ten (10) calendar days
25 thereof. In the event of an uncured default, all unpaid amounts shall be due and payable with interest
26 at the legal rate from the date of default.

1 Dated: _____

By:

ARTURO GONZALEZ
Plaintiff and Class Representative

4 Dated: _____

By:

RANDALL HORD
Plaintiff and Class Representative

7 Dated: _____

JTI ELECTRICAL & INSTRUMENTATION,
LLC

By: Joseph R. Wilson
Its: Chief Executive Officer

11 **APPROVED AS TO FORM AND CONTENT:**

12 Dated: _____

GAINES & GAINES, APLC

By:

Daniel F. Gaines, Esq.
Alex P. Katofsky, Esq.
Counsel for Plaintiffs and Class
Representative

17 Dated: _____

KAWAHITO LAW GROUP, APC

By:

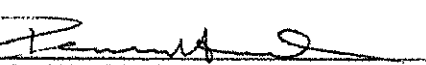
James Kawahito, Esq.
Counsel for Plaintiffs and Class
Representative

21 Dated: July 27, 2023

BELDEN BLAINE RAYTIS, LLP

By:

T. Scott Belden, Esq.
Kaleb L. Judy, Esq.
Counsel for Defendant

1 Dated: 06 / 14 / 2023 By: 
2 ARTURO GONZALEZ
3 Plaintiff and Class Representative
4 Dated: 7/26/2023 By: 
5 RANDALL HORD
6 Plaintiff and Class Representative
7 Dated: JTI ELECTRICAL & INSTRUMENTATION,
8 LLC
9 By:
10 Its:

11 **APPROVED AS TO FORM AND CONTENT:**

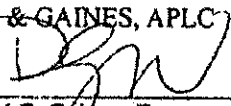
12 Dated: 6/14/2023 GAINES & GAINES, APLC
13 By: 
14 Daniel F. Gaines, Esq.
15 Alex P. Katofsky, Esq.
16 Counsel for Plaintiffs and Class
Representative
17 Dated: 7/27/2023 KAWAHITO LAW GROUP, APC
18 By: 
19 James Kawahito, Esq.
20 Counsel for Plaintiffs and Class
Representative
21 Dated: BELDEN BLAINE RAYTIS, LLP
22 By:
23 T. Scott Belden, Esq.
24 Kaleb L. Judy, Esq.
25 Counsel for Defendant
26
27
28

EXHIBIT 1

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

ARTURO GONZALEZ, on behalf of himself
and all "aggrieved employees" pursuant to Labor
Code § 2698 *et seq.*,

Plaintiffs,

v.

JTI ELECTRICAL & INSTRUMENTATION,
LLC, a Delaware limited liability company, and
DOES 1 through 10, inclusive,

Defendants.

CASE NO: BCV-21-102905

Assigned to the Hon. Thomas S. Clark, Dept. 17

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

**YOU MAY BE ENTITLED TO RECEIVE MONEY FROM A SETTLEMENT
PLEASE READ THIS NOTICE CAREFULLY. YOUR RIGHTS MAY BE AFFECTED.**

A California court authorized this notice. This is not a solicitation from a lawyer.

- A settlement will provide \$1,450,000 to pay claims to all individuals who worked for JTI Electrical & Instrumentation, LLC ("Defendant") as a non-exempt employee in California at any time between December 13, 2017 and June 30, 2023.
- The settlement resolves a lawsuit alleging that Defendant failed to pay all wages due; provide compliant meal and rest periods or premium compensation in lieu thereof; reimburse all business-related expenses; timely issue final wages upon separation of employment; and issue accurate and complete itemized wage statements. The Settlement avoids costs and risks of continuing the lawsuit, pays money to employees, and releases Defendant from liability from the claims asserted in this lawsuit.
- Lawyers for the employees will ask the Court to award them up to \$507,500 as attorneys' fees and \$30,000 as expenses for investigating the facts, litigating the case, and negotiating the settlement. This will be paid from the settlement amount.
- Defendant denies liability and believes all appropriate wages were paid and that it otherwise complied with any Labor Code obligations. The Parties disagree on how much money could have been awarded if employees won at trial.

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
Do Nothing	You do not need to take any action if you wish to receive your settlement payment. If the settlement is approved by the Court, you will automatically be mailed a settlement check at the address on file with the Settlement Administrator. If your address has changed, you must notify the Settlement Administrator of your new address. In exchange for the settlement payment, you will release claims against the Defendant, as detailed below.
Exclude Yourself	To exclude yourself, you must send a written Request for Exclusion to the Settlement Administrator by the applicable deadline, as detailed below. If you request exclusion, you will receive no money from the Settlement . This is the only option that allows you to ever be part of any other lawsuit against JTI Electrical & Instrumentation, LLC about the legal claims that were brought in this case. Even if you exclude yourself, you will still be an Aggrieved Employee subject to the PAGA settlement.
Object	Write to the Settlement Administrator about why you don't like the settlement by the applicable deadline, as detailed below, and/or appear at the Final Approval Hearing to make an oral objection.
Go to a Hearing	Ask to speak in Court about the fairness of the settlement, as detailed below.

WHY DID YOU RECEIVE THIS NOTICE?

This notice explains a proposed settlement of a class action lawsuit, and informs you of your legal rights under that proposed settlement. You are receiving this notice because you may be a member of the Class on whose behalf this class action lawsuit has been brought.

WHAT IS THIS LAWSUIT ABOUT?

On December 13, 2021, Plaintiff Arturo Gonzalez ("Plaintiff Gonzalez"), a former employee of JTI Electrical & Instrumentation, LLC ("Defendant"), filed this lawsuit in the Kern County Superior Court. In a separate action, Plaintiff Randall Hord ("Plaintiff Hord"), a former employee of Defendant, filed his lawsuit in the Kern County Superior Court on May 13, 2022 (hereinafter Plaintiffs Gonzalez and Hord are collectively referred to as "Plaintiffs"). The lawsuits allege violations of the California Labor Code and California Business and Professions Code. The lawsuits seek to certify a class of all current and former non-exempt California employees of Defendant at any time between December 13, 2017 and June 30, 2023. ("Class Period"). Specifically, the lawsuits allege that members of the Class were not paid all wages due; provided compliant meal and rest periods or premium compensation in lieu thereof; reimbursed for all business-related expenses; timely issued final wages upon separation of employment; or issued accurate and complete itemized wage statements. The lawsuits seek recovery of wages, expense reimbursement, damages, interest, statutory and civil penalties, restitution, attorneys' fees and costs. Defendant denies all of the material allegations in the lawsuit and denies that it owes Class Members any remedies. The Court has not made a ruling on the merits of the case.

The lawyers for the parties are:

Plaintiffs' Attorneys

Daniel F. Gaines, Esq.
Alex P. Katofsky, Esq.
Gaines & Gaines, APLC
4550 E. Thousand Oaks Blvd., Suite 100
Westlake Village, CA 91362
Phone: (866) 550-0855

James Kawahito, Esq.
Kawahito Law Group APC
300 Corporate Pointe, Suite 340
Culver City, CA 90230
Phone: (310) 746-5300

Defendant's Attorneys

T. Scott Belden, Esq.
Kaleb L. Judy, Esq.
Misty Franklin, Esq.
Belden Blaine Raytis, LLP
5016 California Avenue, Suite 3
Bakersfield, CA 93309

SUMMARY OF THE SETTLEMENT

A. Why is there a Settlement?

The Court did not decide in favor of Plaintiffs or Defendant. Plaintiffs believe they would have prevailed on their claims at a trial. Defendant does not believe that Plaintiffs would have won anything from a trial. There has been no trial. Instead, both sides agreed to a settlement, which is memorialized in the Settlement Agreement and Release of Claims ("Settlement" or "Settlement Agreement"), in order to avoid the further costs, risks, and uncertainty of a trial. Plaintiffs and Plaintiffs' Attorneys believe the settlement is fair, reasonable, adequate, and in the best interests of all Class Members.

B. Who is in the Settlement Class?

The Settlement encompasses a class composed of all individuals who worked for Defendant JTI Electrical & Instrumentation, LLC as a non-exempt employee in California at any time between December 13, 2017 and June 30, 2023. It also encompasses Aggrieved Employees, who are all individuals who worked for Defendant as a non-exempt employee in California at any time between October 4, 2020 and June 30, 2023.

C. What does the Settlement provide?

1. Gross Settlement Amount.

The Settlement provides that Defendant will pay \$1,450,000 (the "Gross Settlement Amount") to settle the lawsuit.

2. Net Settlement Proceeds.

The "Net Settlement Proceeds" is the portion of the Gross Settlement Amount that will be available for distribution to Class Members who do not submit timely and valid requests for exclusion and Aggrieved Employees in exchange for the release of their class claims. The Net Settlement Proceeds includes both the employer and employee payroll taxes due under the Settlement. The Net Settlement Proceeds is the Gross Settlement Amount less the following amounts that will be requested at the Final

Approval Hearing and are subject to comment or objection by Participating Class Members. The Court will set these amounts at the Final Approval Hearing.

- (a) **Class Counsel's Attorneys' Fees** in an amount set by the Court, not to exceed \$507,500;
- (b) **Class Counsel's Documented Litigation Costs/Expenses** in an amount set by the Court, not to exceed \$30,000;
- (c) **Service Payments to the Class Representatives** in an amount set by the Court, not to exceed \$12,000 to each Plaintiff for their service in the lawsuit;
- (d) **Settlement Administration Costs** which are currently estimated to not exceed \$12,000, for administering the settlement; and
- (e) **PAGA Payment** in the total amount of \$145,000 for the settlement of claims arising under the California Private Attorneys General Act ("PAGA"). 75% or \$108,750, shall be paid to the California Labor and Workforce Development Agency ("LWDA"). The remaining 25% or \$36,250, shall be included in the Net Settlement Proceeds for payment to Aggrieved Employees.

3. Individual Payment Amount.

Your share of the Net Settlement Proceeds will be determined by the formula detailed in section E below.

D. What Are You Giving Up To Get A Payment Or Stay In The Class?

Upon the Effective Date, and subject to Defendant's full payment of the Gross Settlement Amount, Plaintiffs and all Settlement Class Members who do not timely opt-out of the Settlement will be deemed to have fully released and discharged Defendant JTI Electrical & Instrumentation, LLC and its present and former officers, directors, members, owners, managers, shareholders, agents, operators, partners, joint ventures, subsidiaries, parent companies, related entities, consultants, attorneys, successors or assignees ("Released Parties") from any and all Released Class Claims which arose during their employment in a non-exempt position in California during the Class Period.

The "Released Class Claims" include all claims and/or causes of action which accrued during the Class Period during employment in a non-exempt position in California, that are alleged, or that could have been alleged in the Actions based on the facts set forth in the First Amended Complaint to-be-filed in the Gonzalez Action as part of the preliminary approval process (which will include direct class action claims under Labor Code §§ 201-202, 226(a), 226.7, 227.3, 510, 512, 1194, and 2802 and under Business & Professions Code section 17200 et seq. predicated on the underlying Labor Code claims alleged). No PAGA claims are encompassed in the Released Class Claims.

Upon the Effective Date, and subject to Defendant's full payment of the Gross Settlement Amount, Plaintiffs and all Aggrieved Employees will be deemed to have fully released and discharged the Released Parties from any and all Released PAGA Claims which arose during their employment in a non-exempt position in California during the PAGA Period.

The "Released PAGA Claims" include all PAGA claims and/or causes of action which accrued during the PAGA Period during employment in a non-exempt position in California, that are alleged in the to-be-filed First Amended Complaint or any previous complaint on file in the Gonzalez Action, or that

could have been alleged in the Actions based on the facts set forth in the First Amended Complaint. No Aggrieved Employee may opt out of the PAGA portion of the Settlement.

E. How Is My Share Of The Settlement Calculated?

Each participating Class Member (those who do not opt out of the Settlement) shall receive an "Individual Payment Amount," which is distributable to each Class Member who participates in the Settlement (i.e., who does not submit a valid request for exclusion form), and a PAGA portion of the Individual Payment Amount, which is distributable to each Aggrieved Employees regardless of whether they participate in the Settlement (Aggrieved Employees will receive the PAGA portion of the Individual Payment Amount even if they exclude themselves from the Settlement).

"Individual Payment Amount" means the portion of the Net Settlement Proceeds distributable to each Class Member who participates in the Class Settlement (i.e., who does not submit a valid request for exclusion form) and each Aggrieved Employee, whether they participate in the Class Settlement or not. As to participating Class Members, the class portion of the Individual Payment Amount will be determined by dividing the Net Settlement Proceeds, less the \$36,250 PAGA allocation, by the total number of weeks worked by the entire Settlement Class in non-exempt positions during the Class Period, net of opt outs, resulting in the class workweek value; and then multiplying the class workweek value by the number of weeks worked by each participating Class Member in a non-exempt position during the Class Period.

As to the Aggrieved Employees, the PAGA portion of the Individual Payment Amount will be determined by dividing the PAGA settlement amount (\$36,250) by the total number of weeks worked by all Aggrieved Employees in non-exempt positions during the PAGA Period, resulting in the PAGA workweek value; and then multiplying the PAGA workweek value by the number of weeks worked in a non-exempt position by each Aggrieved Employee during the PAGA Period.

For tax purposes, the class portion of each Individual Payment Amount will be apportioned (a) 20% as wages (reported on an IRS Form W-2 and subject to applicable withholdings); and (b) 80% equally as penalties and interest (reported on an IRS Form 1099, if required). The PAGA portion of each Individual Payment Amount will be apportioned 100% as penalties (reported on an IRS Form 1099, if required). All Individual Payment Amounts paid to Class Members and Aggrieved Employees will be subject to any applicable wage garnishments, liens, or other legally mandated treatment as required by law.

According to the records of Defendant, you worked [] weeks while employed as a non-exempt employee in California from December 13, 2017 and June 30, 2023 and [] weeks while employed as a non-exempt employee in California from October 4, 2020 and June 30, 2023. Based on these weeks worked, you are entitled to an Individual Payment Amount of approximately \$[]. This amount is subject to change based on the final ruling of the Court.

Please be advised that the individual data above is presumed to be correct unless you submit documentation proving otherwise. If you disagree with the data, please submit an explanation and evidence in support of your position to the Settlement Administrator no later than [], 2023. In the event of a dispute, the Settlement Administrator will resolve the challenge with input from the Defendant and will make a final and binding determination without a hearing or right of appeal by you.

THE SETTLEMENT HEARING

The Court will conduct a final fairness hearing regarding the proposed settlement (the "Final Settlement Hearing") on _____, at 8:30 a.m., in the Courtroom of Judge Thomas Clark of the Kern County Superior Court, Department 17, located at 1415 Truxtun Avenue, Bakersfield, CA 93301. The Court will determine: (i) whether the lawsuit should finally be certified as a class action for settlement purposes; (ii) whether the settlement should be given the Court's final approval as fair, reasonable, adequate and in the best interests of the Settlement Class Members; (iii) whether the Settlement Class Members should be bound by the terms of the settlement; (iv) the amount of the attorneys' fees and costs to be awarded to Plaintiffs' Attorneys; and (v) the amount that should be awarded to Plaintiffs as service payments. At the Final Settlement Hearing, the Court will hear all properly filed objections, as well as arguments for and against the proposed settlement. You have a right to attend this hearing, but you are not required to do so. You also have the right to hire an attorney to represent you, or to enter an appearance and represent yourself.

WHAT ARE YOUR OPTIONS?

- **OPTION 1 – DO NOTHING AND PARTICIPATE IN THE SETTLEMENT**

IF YOU TAKE NO ACTION IN RESPONSE TO THIS NOTICE, YOU WILL AUTOMATICALLY RECEIVE YOUR SHARE OF THE SETTLEMENT IF IT IS APPROVED BY THE COURT. YOU ARE NEVER REQUIRED TO GO TO COURT OR PAY ANYTHING TO THE LAWYERS IN THIS CASE. If you move, you must update your address with the Settlement Administrator. If you disagree with pre-printed data indicated in section E above, you must submit an explanation and/or documentation to the Settlement Administrator to justify your position, postmarked no later than _____. The Settlement Administrator's address is [Settlement Administrator address].

- **OPTION 2 – OBJECT TO THE SETTLEMENT**

If you wish to remain a Settlement Class Member, but you object to the proposed settlement (or any of its terms) and wish the Court to consider your objection at the Final Settlement Hearing, you may object to the proposed settlement in writing. You may also appear at the Final Approval Hearing, either in person or through an attorney at your own expense. All written objections, supporting papers, and/or notices of intent to appear at the Final Approval Hearing must clearly identify the case name and number and be mailed to the Settlement Administrator at [Settlement Administrator address]. Written objections must be postmarked no later than _____.

- **OPTION 3 – EXCLUDE YOURSELF FROM THE SETTLEMENT**

You have a right to exclude yourself ("opt out") from the Settlement Class, but if you choose to do so, you will not receive any benefits from the proposed settlement. You will not be bound by a class judgment in this case and you will have the right to file your own lawsuit against the Defendant and pursue your own claims in a separate suit. If you exclude yourself, you will still be bound by the Released PAGA Claims and receive a share of the PAGA Settlement. You can opt out of the Class by completely filling out and mailing the enclosed Request for Exclusion Form to the Settlement Administrator at the above-stated address, such that it is postmarked no later than _____.

ARE THERE MORE DETAILS ABOUT THE SETTLEMENT?

The above is a summary of the basic terms of the settlement. For the precise terms and conditions of the settlement, you should review the detailed "Settlement Agreement and Release of Claims" which is on file with the Clerk of the Court. The pleadings and other records in the Lawsuit may be examined

at any time during regular business hours at the Office of the Clerk of the Kern County Superior Court, located at 1415 Truxtun Avenue, Bakersfield, CA 93301.

IF YOU NEED MORE INFORMATION OR HAVE ANY QUESTIONS, you may contact the Settlement Administrator at [address], [telephone number] or the attorneys at Gaines & Gaines, APLC at (866) 550-0855.

PLEASE DO NOT TELEPHONE THE COURT FOR INFORMATION ABOUT THIS SETTLEMENT OR THE CLAIMS PROCESS.

**BY ORDER OF THE SUPERIOR COURT OF
THE STATE OF CALIFORNIA**

EXHIBIT 2

REQUEST FOR EXCLUSION

ONLY COMPLETE THIS REQUEST FOR EXCLUSION FORM IF YOU WANT TO OPT OUT OF (NOT PARTICIPATE IN) THE SETTLEMENT OF THE ACTION KNOWN AS *Arturo Gonzalez, et al. v. JTI Electrical & Instrumentation, LLC, et al.*, Kern County Superior Court, Case No. BCV-21-102905. IF YOU OPT OUT OF THE SETTLEMENT, YOU WILL NOT RECEIVE ANY PORTION OF THE SETTLEMENT AMOUNT.

I confirm that I was employed by Defendant JTI Electrical & Instrumentation, LLC as a non-exempt employee in California between December 13, 2017 and June 30, 2023.

I do not wish to receive any payment under the terms of the proposed class action settlement or to otherwise participate in the proposed settlement.

Date: _____

Signature: _____

Print Name: _____

Residence Street Address: _____

City, State and Zip Code: _____

IN ORDER TO BE VALID, THIS REQUEST FOR EXCLUSION FORM MUST BE COMPLETED, SIGNED, MAILED BY FIRST CLASS MAIL, AND POSTMARKED ON OR BEFORE [45 days after mailing of Notice]. Send this signed request for exclusion form to the Settlement Administrator:

JTI Electrical & Instrumentation, LLC Claims Administrator
c/o Phoenix Settlement Administration

EXHIBIT 3

1 DANIEL F. GAINES, ESQ. SBN 251488
daniel@gaineslawfirm.com
2 ALEX P. KATOFISKY, ESQ. SBN 202754
alex@gaineslawfirm.com
3 EVAN S. GAINES, ESQ. SBN 287668
evan@gaineslawfirm.com
4 **GAINES & GAINES, APLC**
4550 East Thousand Oaks Boulevard, Suite 100
5 Westlake Village, CA 91362
Telephone: (818) 703-8985
6 Facsimile: (818) 703-8984

7 Attorneys for Plaintiff Arturo Gonzalez, on behalf of himself and all "aggrieved employees"
pursuant to Labor Code § 2698 *et seq.*

8 JAMES KAWAHITO, ESQ. SBN 234851
jkawahito@kawahitolaw.com
9 **KAWAHITO LAW GROUP APC**
300 Corporate Pointe, Suite 340
10 Culver City, CA 90230
Telephone: (310) 746-5300
11 Facsimile: (310) 593-2520

12 Attorneys for Plaintiff Randall Hord, individually, and on behalf of other members of the general
13 public similarly situated

14 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

15 **FOR THE COUNTY OF KERN**

16 ARTURO GONZALEZ, on behalf of himself
17 and all "aggrieved employees" pursuant to
Labor Code § 2698 *et seq.*,

18 Plaintiffs,

19 v.

20 JTI ELECTRICAL & INSTRUMENTATION,
21 LLC, a Delaware limited liability company,
22 and DOES 1 through 10, inclusive,

23 Defendants.

CASE NO: BCV-21-102905

*Assigned to the Hon. Thomas S. Clark, Dept.
17*

**FIRST AMENDED CLASS AND
REPRESENTATIVE ACTION
COMPLAINT FOR:**

- 24 **1. FAILURE TO PAY ALL WAGES DUE
(LABOR CODE §§ 510, 1194 AND 1194.2;
IWC WAGE ORDER 16-2001)**
- 25 **2. FAILURE TO PROVIDE REST
PERIODS OR COMPENSATION IN LIEU
THEREOF (LABOR CODE § 226.7; IWC
WAGE ORDER 16-2001)**
- 26 **3. FAILURE TO PROVIDE MEAL
PERIODS OR COMPENSATION IN LIEU
THEREOF (LABOR CODE §§ 226.7, 510,
27 512, AND 1194; IWC WAGE ORDER 16-
28 2001)**

1 4. FAILURE TO REIMBURSE FOR
2 NECESSARY EXPENDITURES (LABOR
CODE § 2802)

3 5. KNOWING AND INTENTIONAL
4 FAILURE TO COMPLY WITH
5 ITEMIZED EMPLOYEE WAGE
STATEMENT PROVISIONS (LABOR
CODE § 226(a), (e))

6 6. FAILURE TO TIMELY PAY WAGES
7 DUE AT SEPARATION OF
8 EMPLOYMENT (LABOR CODE §§ 201-
203 AND 227.3)

9 7. VIOLATION OF BUSINESS AND
PROFESSIONS CODE § 17200

10 8. CIVIL PENALTIES PURSUANT TO
11 LABOR CODE § 2699(f) FOR
12 VIOLATIONS OF LABOR CODE §§ 201-
13 202, 226(a), 226.7, 227.3, 510, 512, 1194,
AND 2802 AND PURSUANT TO LABOR
CODE § 2699(a) FOR VIOLATIONS OF
LABOR CODE §§ 226.3 AND 558

14 **DEMAND FOR JURY TRIAL**

15 *Complaint Filed: December 13, 2021*

16
17 Plaintiffs ARTURO GONZALEZ and RANDALL HORD (collectively, "Plaintiffs"),
18 individually and on behalf of all similarly situated individuals ("Class Members"), and on behalf of
19 the general public, and each as an "aggrieved employee" under the Labor Code Private Attorneys
20 General Act of 2004, complain of JTI ELECTRICAL & INSTRUMENTATION, LLC, a Delaware
21 limited liability company, and/or any subsidiaries or affiliated companies (hereinafter referred to as
22 "Defendants"), as follows:

23 **I.**

24 **INTRODUCTION AND FACTUAL BACKGROUND**

25 1. This is a Class Action and Representative Action, pursuant to Code of Civil Procedure
26 § 382 and Labor Code § 2698 *et seq.*, on behalf of Plaintiffs and all other non-exempt employees who
27 work or formerly worked for Defendants within the State of California.
28

2. From December 13, 2017 through the present, Defendants have had a consistent policy of failing to pay Class Members (as defined below) all wages due; provide legally compliant meal and rest periods or compensation in lieu thereof to Class Members; reimburse all necessary expenditures to Class Members; provide accurately itemized wage statements to Class Members; and to timely pay wages upon separation of employment to Class Members.

3. Plaintiffs, on behalf of themselves and members of the Class, bring this action pursuant to Labor Code §§ 201-203, 226(a), 226.3, 226.7, 227.3, 510, 512, 558, 1194, 1194.2, and 2802 seeking compensation for all unpaid wages, meal and rest period premium wages, and expense reimbursement, civil and statutory penalties, injunctive and other equitable relief, and reasonable attorneys' fees and costs.

4. Plaintiffs, on behalf of themselves and Class Members and pursuant to Business & Professions Code §§ 17200-17208, seek injunctive relief, restitution, and disgorgement of all benefits Defendants enjoyed from their failure to pay all wages and expense reimbursement due to Class Members.

5. Plaintiffs, on behalf of themselves and all aggrieved employees pursuant to Labor Code § 2698 *et seq.*, seeks penalties for Defendants' various violations of the California Labor Code.

6. Venue is proper in this judicial district, pursuant to Code of Civil Procedure § 395 because Defendants employed Plaintiffs and Class Members in Kern County, California.

II.

PARTIES

A. Plaintiffs

7. Plaintiff ARTURO GONZALEZ was employed by Defendants from 2016 through July 2021 as a non-exempt employee in Kern County, California.

8. Plaintiff RANDALL HORD was employed by Defendants from March 2019 through September 2021 as a non-exempt employee in Kern County, California.

9. During their work with Defendants, Plaintiffs were:

a. Willfully denied the payment of all wages due;

- b. Willfully denied meal and rest periods, or premium compensation in lieu thereof;
- c. Willfully denied reimbursement for necessary business expenditures;
- d. Willfully denied accurately itemized wage statements; and
- e. Willfully denied the timely payment of all wages upon separation of their employment.

B. Defendants

10. Defendant JTI ELECTRICAL & INSTRUMENTATION, LLC, is a Delaware limited liability company that employed Plaintiffs and Class Members in Kern County, California.

11. The true names and capacities, whether individual, corporate, associate, or otherwise, of Defendants sued herein as DOES 1 to 10, inclusive, are currently unknown to Plaintiffs, who therefore sues Defendants by such fictitious names under Code of Civil Procedure § 474. Plaintiffs are informed and believe, and based thereon allege, that each of the Defendants designated herein as a DOE is legally responsible in some manner for the unlawful acts referred to herein. Plaintiffs will seek leave of court to amend this Complaint to reflect the true names and capacities of the Defendants designated hereinafter as DOES when such identities become known.

12. Plaintiffs are informed and believe, and based thereon allege, that each Defendant acted in all respects pertinent to this action as the agent of the other Defendants, carried out a joint scheme, business plan or policy in all respects pertinent hereto, and the acts of each Defendant are legally attributable to the other Defendants.

13. The Defendants named herein as DOE 1 through DOE 10 are and were persons acting on behalf of, or acting jointly with, Defendants, who violated, or caused to be violated, one or more provisions of the California Labor Code as alleged herein.

III.

CLASS ACTION ALLEGATIONS

14. Plaintiffs bring this action on behalf of themselves, and all others similarly situated as a Class Action pursuant to § 382 of the Code of Civil Procedure. Plaintiffs seek to represent the following class composed of and defined as follows:

1 **THE CLASS**

2 All current and/or former non-exempt employees of Defendants in
3 California at any time between December 13, 2017 and the present.

4 15. Plaintiffs reserve the right under Rule 3.765, California Rules of Court, to amend or
5 modify this class description with greater specificity or further division into subclasses or limitation
6 to particular issues.

7 16. This action has been brought and may properly be maintained as a class action under
8 the provisions of § 382 of the Code of Civil Procedure because there is a well-defined community of
9 interest in the litigation and each proposed Class is easily ascertainable.

10 **A. Numerosity**

11 17. The potential members of each Class as defined are so numerous that joinder of all
12 class members is impracticable. While the precise number of members of each Class has not been
13 ascertained at this time, Plaintiffs are informed and believe, and based thereon allege, that Defendants
14 currently employ, and during the relevant time periods employed, over 100 persons in the State of
15 California who fall within the Class definition.

16 18. Accounting for employee turnover during the relevant period necessarily increases this
17 number. Plaintiffs allege Defendants' employment records would provide information as to the
18 number and location of members of each Class. Joinder of members of each Class is not practicable.

19 **B. Commonality**

20 19. There are questions of law and fact common to the Class that predominate over any
21 questions affecting only individual Class Members. These common questions of law and fact include,
22 without limitation:

- 23 a. Whether Defendants failed to pay all wages due to Plaintiffs and Class
24 Members, in violation of Labor Code §§ 510, 1194, and 1194.2 and IWC Wage
25 Order 16-2001;
26 b. Whether Defendants failed to properly provide rest periods, or compensation
27 in lieu thereof to Plaintiffs and Class Members, in violation of Labor Code §
28 226.7 and IWC Wage Order 16-2001;

- 1 c. Whether Defendants failed to properly provide meal periods, or compensation
2 in lieu thereof to Plaintiffs and Class Members, in violation of Labor Code §§
3 226.7, 510, 512, and 1194 and IWC Wage Order 16-2001;
- 4 d. Whether Defendants failed to reimburse Plaintiffs and Class Members for
5 necessary business expenditures, in violation of Labor Code § 2802;
- 6 e. Whether Defendants failed to provide Plaintiffs and Class Members with
7 accurately itemized wage statements, in accordance with Labor Code § 226(a)
8 and (e);
- 9 f. Whether Defendants failed to timely pay Plaintiffs and Class Members all
10 wages due and owing at the separation of their employment, in violation of
11 Labor Code §§ 201-203 and 227.3; and
- 12 g. Whether Plaintiffs and Class Members are entitled to equitable relief pursuant
13 to Business & Professions Code § 17200 *et seq.*

14 **C. Typicality**

15 20. The claims of the named Plaintiffs are typical of the claims of members of the Classes.
16 Plaintiffs and members of the Class sustained injuries and damages arising out of and caused by
17 Defendants' common course of conduct in violation of laws, regulations that have the force and effect
18 of law, and statutes as alleged herein.

19 **D. Adequacy of Representation**

20 21. Plaintiffs will fairly and adequately represent and protect the interests of members of
21 the Class. Counsel who represents Plaintiffs are competent and experienced in litigating large
22 employment class actions.

23 **E. Superiority of Class Action**

24 22. A class action is superior to other available means for the fair and efficient adjudication
25 of this controversy. Individual joinder of all proposed members of the Class is not practicable, and
26 questions of law and fact common to the proposed Class predominate over any questions affecting
27 only individual members of the proposed Class. Each member of the proposed Class has been
28 damaged and is entitled to recovery by reason of Defendants' illegal policies and/or practices.

23. Class action treatment will allow those similarly situated persons to litigate their claims in the manner that is most efficient and economical for the parties and the judicial system. Plaintiffs are unaware of any difficulties that are likely to be encountered in the management of this action that would preclude its maintenance as a class action.

IV.

CAUSES OF ACTION

FIRST CAUSE OF ACTION

PLAINTIFFS AND CLASS MEMBERS AGAINST ALL DEFENDANTS

FAILURE TO PAY ALL WAGES DUE

(LABOR CODE §§ 510, 1194, AND 1194.2 AND IWC WAGE ORDER 16-2001)

24. Plaintiffs incorporate paragraphs 1 through 23 of this Complaint as though fully set forth herein.

25. During the liability period, Defendants required Plaintiffs Class Members to perform work-related activities off-the-clock, including, but not limited to, attending to possible incoming work after clocking-out of their shift, collecting tools and other materials from Defendants' premises prior to clocking in for their shifts, attending mandatory trainings, and traveling to job sites. They were not compensated for this time. An employer is obligated to pay the wages of an hourly employee for all time that the employee is under the control of the employer, and this includes all the time the employee is suffered or permitted to work, whether or not required to do so. When Plaintiffs and Class Members performed work-related activities off-the-clock, they were under the control of Defendants and required to be compensated for these hours worked. Defendants, however, failed to do so, in violation of Labor Code §§ 510, 558, and 1194 and IWC Wage Order 16-2001.

26. Additionally, Defendants failed to properly compute bonuses, incentive pay, and other non-base hourly wages earned by Plaintiffs and Class Members into their regular rate of pay for purposes of paying them overtime wages at the correct rates, in violation of Labor Code §§ 510 and 1194. Defendants paid Plaintiffs and Class Members bonuses, incentive pay, and other non-base hourly wages, however, Defendants failed to properly blend these, and instead paid Plaintiffs and Class Members overtime wages based only on the base hourly rate of pay, thus depriving Plaintiff

1 and other Aggrieved Employees of all overtime wages earned. This violates Labor Code §§ 510 and
2 1194.

3 27. As a result of the unlawful acts of Defendants in willfully failing to pay all wages due,
4 Plaintiffs and Class Members have been deprived of wages in amounts to be determined at trial, and
5 are entitled to restitution and recovery of such amounts, plus interest thereon, attorneys' fees, and
6 costs, pursuant to Labor Code § 1194 and liquidated damages, pursuant to Labor Code § 1194.2.

7 Wherefore, Plaintiffs and the Class they seek to represent request relief as described below.

8 **V.**

9 **SECOND CAUSE OF ACTION**

10 **PLAINTIFFS AND CLASS MEMBERS AGAINST ALL DEFENDANTS**

11 **FAILURE TO PROVIDE REST PERIODS OR COMPENSATION IN LIEU THEREOF**

12 **(LABOR CODE § 226.7 AND IWC WAGE ORDER 16-2001)**

13 28. Plaintiffs incorporate paragraphs 1 through 27 of this Complaint as though fully set
14 forth herein.

15 29. Plaintiffs and Class Members are entitled to one hour of pay for each day that
16 Defendants failed to properly provide one or more rest periods as set forth in Labor Code § 226.7 and
17 IWC Wage Order 16-2001.

18 30. Defendants failed to pay premium wages to Plaintiffs and Class Members who were
19 denied rest periods, in violation of Labor Code § 226.7 and IWC Wage Order 16-2001. Plaintiffs and
20 Class Members were routinely unable to take a 10-minute rest period for every four (4) hours of work
21 or major fraction thereof, but were not paid premium wages of one hour's pay for each missed rest
22 period. When they were able to take a rest period, they were oftentimes late, cut short, interrupted, or
23 on duty and required to remain on Defendants' premises and subject to their control. These instances
24 violate Labor Code § 226.7 and IWC Wage Order 16-2001.

25 31. Pursuant to Labor Code § 226.7 and IWC Wage Order 16-2001, Plaintiffs seek the
26 payment of all rest period compensation which they and Class Members are owed for four years
27 preceding the filing of this Action, according to proof.

28 Wherefore, Plaintiffs and the Class they seek to represent request relief as described below.

1 VI.

2 THIRD CAUSE OF ACTION

3 PLAINTIFFS AND CLASS MEMBERS AGAINST ALL DEFENDANTS

4 FAILURE TO PROVIDE MEAL PERIODS OR COMPENSATION IN LIEU THEREOF
5 (LABOR CODE §§ 226.7, 510, 512, AND 1194 AND IWC WAGE ORDER 16-2001)

6 32. Plaintiffs incorporate paragraphs 1 through 31 of this Complaint as though fully set
7 forth herein.

8 33. Plaintiffs and Class Members are entitled to one hour of pay for each day that
9 Defendants failed to properly provide one or more meal periods as set forth in Labor Code §§ 226.7
10 and 512 and IWC Wage Order 16-2001.

11 34. Defendants failed to pay premium wages to Plaintiffs and Class Members who were
12 denied meal periods, in violation of Labor Code §§ 226.7 and 512 and IWC Wage Order 16-2001.
13 Plaintiffs and Class Members were routinely denied, and not authorized to take, an uninterrupted, 30-
14 minute meal period for every shift worked that exceeded five hours in duration, and a second meal
15 period when they worked shifts greater than ten hours, but were not paid premium wages of one
16 hour's pay for each missed meal period. When Plaintiffs and Class Members were provided with
17 meal periods, they were either provided late (past the 5th hour), or they were required to work through
18 them. Defendants also required Plaintiffs and Class Members to write down that they took a meal
19 period even when they did not, thereby depriving Plaintiffs and Class Members of all minimum and
20 overtime wages due. These instances violate Labor Code §§ 226.7, 510, 512, and 1194.

21 35. Pursuant to Labor Code §§ 226.7 and 512 and IWC Wage Order 16-2001, Plaintiffs
22 seek the payment of all meal period compensation which they and Class Members are owed for four
23 years preceding the filing of this Action, according to proof.

24 Wherefore, Plaintiffs and the Class they seek to represent request relief as described below.

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VII.

FOURTH CAUSE OF ACTION

PLAINTIFFS AND CLASS MEMBERS AGAINST ALL DEFENDANTS

FAILURE TO REIMBURSE FOR NECESSARY EXPENDITURES

(LABOR CODE § 2802)

36. Plaintiffs incorporate paragraphs 1 through 35 of this Complaint as though fully set forth herein.

37. Pursuant to California Labor Code § 2802, Defendants are required to fully reimburse Plaintiffs and Class Members for all out-of-pocket expenses incurred by them in the performance of their job duties.

38. Plaintiffs and Class Members were not reimbursed by Defendants for necessary expenditures as a direct consequence of the discharge of their duties. Defendants required Plaintiffs and Class Members to purchase tools, among other things and use their personal cell phones for work-related purposes, but failed to reimburse them for these expenses as required by Labor Code § 2802.

39. As a proximate result of the aforementioned violations, Plaintiffs and Class Members have been damaged in an amount according to proof at the time of trial.

40. Pursuant to Labor Code § 2802, Plaintiffs and Class Members are entitled to recover from Defendants the full amount of the expenses they incurred in the performance of their job duties that have not been reimbursed, plus interest, reasonable attorney's fees, and costs of suit.

Wherefore, Plaintiffs and the Class they seek to represent request relief as described below.

VIII.

FIFTH CAUSE OF ACTION

PLAINTIFFS AND CLASS MEMBERS AGAINST ALL DEFENDANTS

KNOWING AND INTENTIONAL FAILURE TO COMPLY WITH ITEMIZED

EMPLOYEE WAGE STATEMENT PROVISIONS

(LABOR CODE § 226(a), (e))

41. Plaintiffs incorporate paragraphs 1 through 41 of this Complaint as though fully set forth herein.

1 42. Section 226(a) of the California Labor Code requires Defendants to provide wage
2 statements to employees. In those wage statements, Defendants must provide an accurate itemized
3 statement in writing showing (1) gross wages earned, (2) total hours worked by the employee..., (3)
4 the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-
5 rate basis, (4) all deductions, provided that all deductions made on written orders of the employee
6 may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period
7 for which the employee is paid, (7) the name of the employee and only the last four digits of his or
8 her social security number or an employee identification number other than a social security number,
9 (8) the name and address of the legal entity that is the employer..., and (9) all applicable hourly rates
10 in effect during the pay period and the corresponding number of hours worked at each hourly rate by
11 the employee. Defendants have knowingly and intentionally failed to comply with Labor Code §
12 226(a).

13 43. Defendants failed to issue Plaintiffs and Class Members wage statements that fully
14 and accurately itemized the requirements set forth in Labor Code § 226(a). Plaintiffs and Class
15 Members were not paid all wages due, as stated above. As such, the wage statements provided by
16 Defendants failed to accurately state all gross wages earned, in violation of Labor Code § 226(a)(1),
17 total hours worked, in violation of Labor Code § 226(a)(2), net wages earned, in violation of Labor
18 Code § 226(a)(5), and all applicable hourly rates in effect during the pay period and the corresponding
19 number of hours worked, in violation of Labor Code § 226(a)(9).

20 44. As a consequence of Defendants' willful conduct in failing to provide Class Members
21 with accurate itemized wage statements, Plaintiffs and Class Members have been injured because
22 they have not been paid all wages due and were issued wage statements which do not reflect, and fail
23 to state, all information required by Labor Code § 226(a). The missing information cannot be
24 discerned at all from the face of the wage statements themselves. As a result, Plaintiffs and Class
25 Members are entitled to penalties pursuant to Labor Code § 226(e) to recover the greater of all actual
26 damages or \$50 for the initial pay period in which a violation occurs and \$100 per employee for each
27 violation in a subsequent pay period, not exceeding an aggregate penalty of \$4,000 per employee, and
28 are entitled to an award of costs and reasonable attorneys' fees pursuant to Labor Code § 226(h).

Wherefore, Plaintiffs and the Class they seek to represent request relief as described below.

IX.

SIXTH CAUSE OF ACTION

PLAINTIFFS AND CLASS MEMBERS AGAINST ALL DEFENDANTS

FAILURE TO TIMELY PAY WAGES DUE AT SEPARATION OF EMPLOYMENT

(LABOR CODE §§ 201-203 AND 227.3)

45. Plaintiffs incorporate paragraphs 1 through 44 of this Complaint as though fully set forth herein.

46. California Labor Code § 201 and § 202 require Defendants to pay employees all wages due within 72 hours after resignation of employment or the day of termination of employment. Labor Code § 203 provides that if an employer willfully fails to timely pay such wages, the employer must, as a penalty, continue to pay the subject employee's daily wages until the back wages are paid in full or an action is commenced. The penalty cannot exceed 30 days of wages.

47. Defendants paid Plaintiffs and Class Members their final wages beyond the time frames set forth in Labor Code §§ 201 and 202 in violation of Labor Code § 203. Plaintiffs and Class Members were not paid all wages due and owing throughout the course of their employment, as detailed above. Consequently, at the time of their separation from employment with Defendants, they were not paid all final wages due and owing for the entirety of their employment.

48. Furthermore, Defendants maintained a use it or lose it vacation policy whereby Defendants removed a certain percentage of accrued vacation time that Plaintiffs and other Class Members had earned if they did not use it by a certain date each year. Defendants also maintained a policy whereby only a limited amount of accrued vacation would carry over to the following year, in violation of Labor Code § 227.3. Because of these policies, when Plaintiffs were terminated, they were not issued all of their accrued, but unused PTO and/or vacation wages upon their termination.

49. Plaintiffs allege that Defendants maintain a policy to untimely pay final wages to former employees. This violates Labor Code §§ 201-203 and 227.3 and is alleged on behalf of Plaintiffs and certain Class Members no longer employed by Defendants.

50. More than 30 days have passed since Plaintiffs and certain Class Members have left Defendants' employ.

51. As a consequence of Defendants' willful conduct in not paying wages owed timely upon separation of employment, Plaintiffs and Class Members are entitled to up to 30 days' wages as a penalty under Labor Code § 203 for Defendants' failure to timely pay legal wages at separation of employment.

Wherefore, Plaintiffs and the Class they seek to represent request relief as described below.

X.

SEVENTH CAUSE OF ACTION

PLAINTIFFS AND CLASS MEMBERS AGAINST ALL DEFENDANTS

UNFAIR COMPETITION PURSUANT TO

BUSINESS & PROFESSIONS CODE § 17200 ET SEQ.

52. Plaintiffs incorporate paragraphs I through 51 of this Complaint as though fully set forth herein.

53. This is a Class Action for Unfair Business Practices. Plaintiffs, on their own behalf and on behalf of the general public, and on behalf of others similarly situated, bring this claim pursuant to Business & Professions Code § 17200 *et seq.* The conduct of all Defendants as alleged in this Complaint has been and continues to be unfair, unlawful, and harmful to Plaintiffs, the general public, and Class Members. Plaintiffs seek to enforce important rights affecting the public interest within the meaning of Code of Civil Procedure § 1021.5.

54. Plaintiffs are each a “person” within the meaning of Business & Professions Code § 17204, and therefore have standing to bring this cause of action for injunctive relief, restitution, and other appropriate equitable relief.

55. Business & Professions Code § 17200 *et seq.* prohibits unlawful and unfair business practices.

56. Wage and hour laws express fundamental public policies. Properly providing employees with all wages due and reimbursement of necessary business expenditures are fundamental public policies of this State and of the United States. Labor Code § 90.5(a) articulates the public

1 policies of this State to enforce vigorously minimum labor standards, to ensure that employees are
2 not required or permitted to work under substandard and unlawful conditions, and to protect law-
3 abiding employers and its employees from competitors who lower their costs by failing to comply
4 with minimum labor standards.

5 57. Defendants have violated statutes and public policies. Through the conduct alleged
6 in this Complaint, Defendants, and each of them, have acted contrary to these public policies, have
7 violated specific provisions of the Labor Code, and have engaged in other unlawful and unfair
8 business practices in violation of Business & Professions Code § 17200 *et seq.* depriving Plaintiffs,
9 and all persons similarly situated, and all interested persons of rights, benefits, and privileges
10 guaranteed to all employees under law.

11 58. Defendants' conduct, as alleged herein, constitutes unfair competition in violation of
12 §17200 *et seq.* of the Business & Professions Code.

13 59. Defendants, by engaging in the conduct herein alleged, either knew or in the exercise
14 of reasonable care should have known that the conduct was unlawful. As such, it is a violation of §
15 17200 *et seq.* of the Business & Professions Code.

16 60. As a proximate result of the above-mentioned acts of Defendants, Plaintiffs and others
17 similarly situated have been damaged in a sum as may be proven.

18 61. Unless restrained by this Court, Defendants will continue to engage in the unlawful
19 conduct, as alleged above. Pursuant to Business & Professions Code § 17200 *et seq.*, this Court
20 should make such orders or judgments, including the appointment of a receiver, as may be necessary
21 to prevent the use or employment, by Defendants, its agents, or employees, of any unlawful or
22 deceptive practice prohibited by the Business & Professions Code, and/or, including but not limited
23 to, disgorgement of profits which may be necessary to restore Plaintiffs and Class Members to the
24 money Defendants have unlawfully failed to pay.

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1 XI.

2 EIGHTH CAUSE OF ACTION

3 PLAINTIFFS AND ALL AGGRIEVED EMPLOYEES AGAINST ALL DEFENDANTS
4 CIVIL PENALTIES PURSUANT TO LABOR CODE § 2699(f) FOR VIOLATIONS OF
5 LABOR CODE §§ 201-202, 226(a), 226.7, 227.3, 510, 512, 1194, 1194.2, AND 2802 AND
6 PURSUANT TO LABOR CODE § 2699(a) FOR VIOLATIONS OF LABOR CODE §§ 226.3
7 AND 558

8 62. Plaintiffs incorporate paragraphs 1 through 61 of this Complaint as though fully set
9 forth herein.

10 63. As a result of the acts alleged above, including the Labor Code violations set forth
11 herein, Plaintiffs seek civil penalties pursuant to Labor Code § 2698 *et seq.*

12 64. For each such violation, Plaintiffs and all other aggrieved employees are entitled to
13 penalties in an amount to be shown at the time of trial subject to the following formula:

- 14 a. Pursuant to Labor Code § 2699(f), \$100 for each initial violation and \$200 for
15 each subsequent violation of Labor Code §§ 201-202, 226(a), 226.7, 227.3,
16 510, 512, 1194, 1194.2, and 2802; and
17 b. Pursuant to Labor Code § 2699(a), the civil penalties as authorized by Labor
18 Code §§ 226.3 and 558.

19 65. Penalties recovered will be allocated 75% to the Labor and Workforce Development
20 Agency, and 25% to the affected employees.

21 66. On October 4, 2021, Plaintiff Gonzalez sent a letter, by online submission to the
22 LWDA and by certified mail, return receipt requested, to Defendants setting forth the facts and
23 theories of the violations alleged against Defendants, as prescribed by Labor Code § 2698 *et seq.*
24 Pursuant to Labor Code § 2699.3(a)(2)(A), no notice was received by Plaintiff Gonzalez from the
25 LWDA within sixty-five (65) calendar days in response to the October 4, 2021 correspondence.
26 Plaintiffs may therefore commence this action to seek civil penalties pursuant to Labor Code § 2698
27 *et seq.*
28

Wherefore, Plaintiffs and the aggrieved employees they seek to represent request relief as described below.

RELIEF REQUESTED

WHEREFORE, Plaintiffs pray for the following relief:

1. For compensatory damages and liquidated damages, pursuant to Labor Code §§ 1194 and 1194.2, respectively, in the amount of all unpaid minimum and overtime wages due to Plaintiff and members of the Class;
2. For compensatory damages, pursuant to Labor Code § 227.3, in the amount of all unpaid vacation wages due to Plaintiff and members of the Class;
3. For compensatory damages in the amount of one hour of wages for each day on which a meal and/or rest period was not properly provided to Plaintiffs and Class Members, pursuant to Labor Code § 226.7;
4. For penalties pursuant to Labor Code § 226(e) for Plaintiffs and Class Members;
5. For penalties pursuant to Labor Code § 203 for Plaintiffs and Class Members;
6. For reimbursement of all expenses incurred by Plaintiffs and Class Members pursuant to Labor Code § 2802;
7. For restitution for unfair competition pursuant to Business & Professions Code § 17200 *et seq.* for Plaintiffs and Class Members;
8. An award providing for payment of attorneys' fees and costs of suit pursuant to Labor Code §§ 226(h), 1194, 2802, and other applicable law;
9. For civil penalties pursuant to Labor Code § 2698 *et seq.* for Plaintiffs and all other Aggrieved Employees;
10. An award of prejudgment and post-judgment interest; and

1 11. Such other and further relief as this Court may deem just and proper.

2 Dated: June 13, 2023

Respectfully submitted,

3 GAINES & GAINES
4 A Professional Law Corporation

5 By: _____
6 DANIEL F. GAINES
7 EVAN S. GAINES
8 Attorneys for Plaintiffs

9 Dated: June 13, 2023

Respectfully submitted,

10 KAWAHITO LAW GROUP, APC

11 By: _____
12 JAMES KAWAHITO
13 Attorneys for Plaintiffs

14 **DEMAND FOR JURY TRIAL**

15 Plaintiffs hereby demand a trial of their claims by jury to the extent authorized by law.

16 Dated: June 13, 2023

Respectfully submitted,

17 GAINES & GAINES
18 A Professional Law Corporation

19 By: _____
20 DANIEL F. GAINES
21 EVAN S. GAINES
22 Attorneys for Plaintiffs

23 Dated: June 13, 2023

Respectfully submitted,

24 KAWAHITO LAW GROUP, APC

25 By: _____
26 JAMES KAWAHITO
27 Attorneys for Plaintiffs