

Edwin Aiwazian (SBN 232943)
Arby Aiwazian (SBN 269827)
Joanna Ghosh (SBN 272479)
Yasmin Hosseini (SBN 326399)
LAWYERS for JUSTICE, PC
410 West Arden Avenue, Suite 203
Glendale, California 91203
Tel: (818) 265-1020 / Fax: (818) 265-1021

Attorneys for Plaintiff Christian Rojas Cruz

James R. Hawkins (SBN 92925)
Gregory Mauro (SBN 222239)
Michael Calvo (SBN 314986)
Ava Issary (SBN 342252)
Lauren Falk (SBN 316893)
JAMES HAWKINS APLC
9880 Research Drive, Suite 200
Irvine, California 92618
Tel: (949) 387-7200 / Fax: (949) 387-6676

Attorneys for Plaintiff Miguel Chavarin

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES – SPRING STREET COURTHOUSE**

CHRISTIAN ROJAS CRUZ, individually,
and on behalf of other members of the general
public similarly situated;

Plaintiff,

vs.

SENSOR SYSTEMS, INC., a California
corporation; and DOES 1 through 100,
inclusive,

Defendants.

Case No.: 21STCV25102

Honorable Yvette M. Palazuelos
Department SSC9

CLASS ACTION

**[PROPOSED] ORDER GRANTING
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT**

Date: April 5, 2023
Time: 10:00 a.m.
Department: SSC9

Complaint Filed: July 8, 2021
Chavarin Action Filed: November 18, 2021
FAC Filed: January 27, 2022
Trial Date: None Set

1 This matter has come before the Honorable Yvette M. Palazuelos in Department SSC9 of
2 the Superior Court of the State of California, for the County of Los Angeles, on April 5, 2023 at
3 10:00 a.m. for Plaintiffs' Motion for Preliminary Approval of Class Action Settlement. Lawyers for
4 Justice, PC and James Hawkins APLC appear as counsel for Plaintiff Christian Rojas Cruz and
5 Proposed Plaintiff Miguel Chavarin (together, "Plaintiffs"), individually and on behalf of all others
6 similarly situated and other aggrieved employees. Soltman, Levitt, Flaherty & Wattles LLP appears
7 as counsel for Defendant Sensor Systems Inc., ("Defendant").

8 The Court, having carefully considered the papers, argument of counsel, and all matters
9 presented to the Court, and good cause appearing, hereby GRANTS Plaintiffs' Motion for
10 Preliminary Approval of Class Action Settlement.

11 **IT IS HEREBY ORDERED THAT:**

12 1. The Court preliminarily approves the Stipulation of Class Action and PAGA
13 Settlement ("Settlement," "Agreement," or "Settlement Agreement"), attached as "EXHIBIT 1" to
14 the Declaration of Yasmin Hosseini in Support of Plaintiffs' Motion for Preliminary Approval of
15 Class Action Settlement. This is based on the Court's determination that the Settlement falls within
16 the range of possible approval as fair, adequate, and reasonable.

17 2. This Order incorporates by reference the definitions in the Settlement Agreement,
18 and all capitalized terms defined therein shall have the same meaning in this Order as set forth in the
19 Settlement Agreement.

20 3. The Court hereby grants Plaintiff leave to file the [Proposed] First Amended Class
21 Action Complaint for Damages and Enforcement Under the Private Attorneys General Act, Cal.
22 Labor Code § 2698, *Et Seq.* ("First Amended Complaint") which is attached hereto as "**EXHIBIT**
23 **A.**" The First Amended Complaint shall be deemed filed as of the date of the entry of this Order,
24 and shall be the operative complaint in the Action for purposes of Settlement, including the release
25 of claims. Defendant shall file an Answer within twenty (20) days of the date the First Amended
26 Complaint is filed. In the event that the Settlement does not become final for any reason, the First
27 Amended Complaint shall be *void ab initio* and the Class Action Complaint for Damages shall be
28 the operative complaint for all purposes unless otherwise ordered by the Court.

1 4. It appears to the Court on a preliminary basis that the Settlement is fair, adequate
2 and reasonable. It appears to the Court that extensive investigation and research have been conducted
3 such that counsel for the parties at this time are able to reasonably evaluate their respective positions.
4 It further appears to the Court that the Settlement, at this time, will avoid substantial additional costs
5 by all parties, as well as avoid the delay and risks that would be presented by the further prosecution
6 of the cases. It further appears that the Settlement has been reached as the result of intensive, serious
7 and non-collusive, arms-length negotiations, and was entered into in good faith.

8 5. The Court preliminarily finds that the Settlement, including the allocations for the
9 Attorneys' Fees and Costs, Enhancement Payments, PAGA Penalty Amount, Settlement
10 Administration Costs, and payments to the Settlement Class Members and Aggrieved Employees
11 provided thereby, appear to be within the range of reasonableness of a settlement that could
12 ultimately be given final approval by this Court. Indeed, the Court has reviewed the monetary
13 recovery that is being granted as part of the Settlement and preliminarily finds that the monetary
14 settlement awards made available to the Class Members and Aggrieved Employees are fair,
15 adequate, and reasonable when balanced against the probable outcome of further litigation relating
16 to certification, liability, and damages issues.

17 6. The Court concludes that, for settlement purposes only, the proposed Class meets
18 the requirements for certification under section 382 of the California Code of Civil Procedure in
19 that: (a) the Class is ascertainable and so numerous that joinder of all members of the Class is
20 impracticable; (b) common questions of law and fact predominate, and there is a well-defined
21 community of interest amongst the members of the Class with respect to the subject matter of the
22 litigation; (c) Plaintiffs' claims are typical of the claims of the members of the Class; (d) Plaintiffs
23 will fairly and adequately protect the interests of the members of the Class; (e) a class action is
24 superior to other available methods for the efficient adjudication of the controversy; and (f) Class
25 Counsel is qualified to act as counsel for Plaintiffs in their individual capacities and as the
26 representatives of the Class.

27 7. The Court conditionally certifies, for settlement purposes only, the Class, defined as
28 follows:

1 All current and former hourly-paid or non-exempt employees of Defendant in
2 California employed between July 8, 2017 through June 20, 2022.

3 8. The Court provisionally appoints Edwin Aiwazian, Arby Aiwazian, Joanna Ghosh,
4 and Yasmin Hosseini of Lawyers *for Justice*, PC, as counsel for Plaintiff Christin Rojas Cruz and
5 James Hawkins and Gregory Mauro of James Hawkins, APLC, as counsel for Plaintiff Miguel
6 Chavarin (“Class Counsel”).

7 9. The Court provisionally appoints Plaintiff Christian Rojas Cruz and Proposed
8 Plaintiff Miguel Chavarin as the representatives of the Class (“Class Representatives”).

9 10. The Court provisionally appoints ILYM Group, Inc., (“ILYM”) to handle the
10 administration of the Settlement (“Settlement Administrator”).

11 11. Within twenty-one (21) calendar days of Preliminary Approval, Defendant shall
12 provide the Settlement Administrator with the following information about each Class Member: full
13 name, last known mailing address, Social Security Number, dates worked for Defendant during the
14 Class Period and, if applicable, during the PAGA Period, and dates of Company wide December
15 holiday closures and full workweeks of leave of absence and full workweeks of vacation neither
16 of which were included in the calculation, and such other information and data as necessary for
17 the Settlement Administrator to independently calculate the Workweeks (collectively referred to
18 as the “Class List”) in conformity with the Settlement Agreement.

19 12. The Court approves, both as to form and content, the Notice of Class Action
20 Settlement (“Class Notice”) attached hereto as “**EXHIBIT B.**” The Class Notice shall be provided
21 to Class Members in the manner set forth in the Settlement Agreement. The Court finds that the
22 Class Notice appears to fully and accurately inform the Class Members of all material elements of
23 the Settlement, of Class Members’ right to be excluded from the Class Settlement by submitting a
24 Request for Exclusion, of Class Members’ and Aggrieved Employees’ right to dispute the
25 Workweeks credited to each of them, and of each Settlement Class Member’s right and opportunity
26 to object to the Class Settlement by submitting an Notice of Objection to the Settlement
27 Administrator and/or by presenting their objection orally at the Final Approval Hearing. The Court
28 further finds that distribution of the Class Notice substantially in the manner and form set forth in

1 the Settlement Agreement and this Order, and that all other dates set forth in the Settlement
2 Agreement and this Order, meet the requirements of due process and shall constitute due and
3 sufficient notice to all persons entitled thereto. The Court further orders the Settlement
4 Administrator to mail the Class Notice by First-Class U.S. mail to all Class Members within fourteen
5 (14) calendar days of receipt of the Class List, pursuant to the terms set forth in the Settlement
6 Agreement.

7 13. The Court hereby preliminarily approves the proposed procedure, set forth in the
8 Settlement Agreement, for seeking exclusion from the Class Settlement. Any Class Member may
9 choose to be excluded from the Class Settlement by submitting a timely Request for Exclusion in
10 conformity with the requirements set forth in the Class Notice, to the Settlement Administrator,
11 postmarked no later than the date which is sixty (60) calendar days from the initial mailing of the
12 Class Notice to Class Members (“Response Deadline”), or, in the case of a re-mailed Class Notice,
13 the Response Deadline will be extended by fifteen (15) calendar days from the initial mailing of the
14 Class Notice. Any such person who timely and validly chooses to opt out of, and be excluded from,
15 the Class Settlement will not be entitled to any recovery under the Class Settlement and will not be
16 bound by the Class Settlement or have any right to object, appeal, or comment thereon. Class
17 Members who have not submitted a timely and valid request to be excluded from the Settlement
18 (i.e., Settlement Class Member) shall be bound by the terms and conditions of the Settlement
19 Agreement and any final judgment based thereon. Aggrieved Employees shall be bound to the
20 PAGA Settlement; if an Aggrieved Employee is also a Class Member, he or she will still be
21 bounded to the PAGA Settlement irrespective of whether he or she opts out of the Class
22 Settlement.

23 14. A Final Approval Hearing shall be held before this Court on
24 _____ at _____ a.m./p.m. in
25 Department SSC9 of the Los Angeles County Superior Court, located at 312 North Spring Street,
26 Los Angeles, CA 90012, to determine all necessary matters concerning the Settlement, including:
27 whether the proposed settlement of the action on the terms and conditions provided for in the
28 Settlement is fair, adequate, and reasonable and should be finally approved by the Court; whether a

judgment, as provided in the Settlement, should be entered herein; whether the plan of allocation contained in the Settlement should be approved as fair, adequate, and reasonable to the Class Members and Aggrieved Employees; and determine whether to finally approve the requests for the Attorneys' Fees and Costs, Enhancement Payments, and Settlement Administration Costs.

15. Class Counsel shall file a motion for final approval of the Settlement and for Attorneys' Fees and Costs, Enhancement Payments, and Settlement Administration Costs, along with the appropriate declarations and supporting evidence, including the Settlement Administrator's declaration, by _____, to be heard at the Final Approval Hearing.

16. To object to the Class Settlement, a Class Member may submit his or her Notice of Objection in writing to the Settlement Administrator on or before the Response Deadline or directly present his or her objection orally to the Court at the Final Approval Hearing, regardless of whether they submit a written objection. The Notice of Objection must be signed and must contain the information that is required, as set forth in the Class Notice, including and not limited to the grounds for the objection.

17. The Settlement is not a concession or admission, and shall not be used against Defendant as an admission or indication with respect to any claim of any fault or omission by Defendant. Whether or not the Settlement is finally approved, neither the Settlement, nor any document, statement, proceeding or conduct related to the Settlement, nor any reports or accounts thereof, shall in any event be construed as, offered or admitted into evidence as, received as or deemed to be in evidence for any purpose adverse to the Defendant, including, but not limited to, evidence of a presumption, concession, indication or admission by Defendant of any liability, fault, wrongdoing, omission, concession, or damage, except for legal proceedings concerning the implementation, interpretation, or enforcement of the Settlement.

18. In the event the Settlement does not become effective in accordance with the terms of the Settlement Agreement, or the Settlement is not finally approved, or is terminated, cancelled or fails to become effective for any reason, this Order shall be rendered null and void, shall be vacated, and the Parties shall revert back to their respective positions as of before entering into the

1 Settlement Agreement.

2 19. The Court reserves the right to adjourn or continue the date of the Final Approval
3 Hearing and any dates provided for in the Settlement Agreement without further notice to the Class
4 Members and Aggrieved Employees, and retains jurisdiction to consider all further applications
5 arising out of or connected with the Settlement.

6 **IT IS SO ORDERED.**

7
8 Dated: _____

By: _____

The Honorable Yvette M. Palazuelos
Judge of the Superior Court

EXHIBIT A

Edwin Aiwazian (SBN 232943)
Arby Aiwazian (SBN 269827)
Joanna Ghosh (SBN 272479)
LAWYERS for JUSTICE, PC
410 West Arden Avenue, Suite 203
Glendale, California 91203
Tel: (818) 265-1020 / Fax: (818) 265-1021

Attorneys for Plaintiff Christian Rojas Cruz

James R. Hawkins (SBN 192925)
Gregory Mauro (SBN 222239)
Michael Calvo (SBN 314986)
JAMES HAWKINS APLC
9880 Research Drive, Suite 200
Irvine, California 92618
Tel.: (949) 387-7200 / Fax: (949) 387-6676

Attorneys for Plaintiff Miguel Chavarin

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

CHRISTIAN ROJAS CRUZ, individually,
and on behalf of other members of the
general public similarly situated; MIGUEL
CHAVARIN, individually, and on behalf of
other members of the general public similarly
situated and on behalf of other aggrieved
employees pursuant to the California Private
Attorneys General Act;

Plaintiff,

vs.

SENSOR SYSTEMS, INC., a California
corporation; and DOES 1 through 100,
inclusive,

Defendants.

Case No.: 21STCV25102
Chavarin Case No.: 21STCV42647

**[PROPOSED] FIRST AMENDED CLASS
ACTION COMPLAINT FOR DAMAGES
AND ENFORCEMENT UNDER THE
PRIVATE ATTORNEYS GENERAL ACT,
CAL. LABOR CODE § 2698 ET SEQ.**

- (1) Violation of California Labor Code §§ 510 and 1198 (Unpaid Overtime);
- (2) Violation of California Labor Code §§ 226.7 and 512(a) (Unpaid Meal Period Premiums);
- (3) Violation of California Labor Code § 226.7 (Unpaid Rest Period Premiums);
- (4) Violation of California Labor Code §§ 1194, 1197, and 1197.1 (Unpaid Minimum Wages);
- (5) Violation of California Labor Code §§ 201 and 202 (Final Wages Not Timely Paid);
- (6) Violation of California Labor Code § 204 (Wages Not Timely Paid During Employment);
- (7) Violation of California Labor Code § 226(a) (Non-Compliant Wage Statements);
- (8) Violation of California Labor Code § 1174(d) (Failure To Keep Requisite Payroll Records);
- (9) Violation of California Labor Code

§§ 2800 and 2802 (Unreimbursed Business Expenses);
(10) Violation of California Business & Professions Code §§ 17200, et seq.
(11) Violation of California Labor Code § 2698, et seq. (Private Attorneys General Act of 2004)

DEMAND FOR JURY TRIAL

COME NOW, Plaintiffs CHRISTIAN ROJAS CRUZ (“Plaintiff CRUZ”), individually, and on behalf of other members of the general public similarly situated, and MIGUEL CHAVARIN (“Plaintiff CHAVARIN”), individually, and on behalf of other members of the general public similarly situated and on behalf of other aggrieved employees pursuant to the California Private Attorneys General Act (“PAGA”) (together, Plaintiffs CRUZ and CHAVARIN are referred to as “Plaintiffs”), allege as follows:

JURISDICTION AND VENUE

1. This class action is brought pursuant to the California Code of Civil Procedure section 382. The monetary damages and restitution sought by Plaintiffs exceeds the minimal jurisdiction limits of the Superior Court and will be established according to proof at trial.

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

3. This Court has jurisdiction over Defendant because, upon information and belief, Defendant is a citizen of California, has sufficient minimum contacts in California, or otherwise intentionally avails itself of the California market so as to render the exercise of jurisdiction over it by California courts consistent with traditional notions of fair play and substantial justice.

4. Venue is proper in this Court because, upon information and belief, Defendant maintains offices, has agents, employs individuals, and/or transacts business in the State of California, County of Los Angeles. The majority of acts and omissions alleged herein relating to Plaintiffs and the other class members and aggrieved employees took place in the State of California, including the County of Los Angeles. At all relevant times, Defendant maintained its

headquarters/“nerve center” within the State of California, County of Los Angeles.

PARTIES

5. Plaintiff CHRISTIAN ROJAS CRUZ is an individual residing in the State of California, County of Los Angeles.

6. Plaintiff MIGUEL CHAVARIN is an individual residing in the State of California, County of Los Angeles.

7. Defendant SENSOR SYSTEMS, INC., at all times herein mentioned, was and is, upon information and belief, a California corporation and, at all times herein mentioned, an employer whose employees are engaged throughout the State of California, including the County of Los Angeles.

8. At all relevant times, Defendant SENSOR SYSTEMS, INC. was the “employer” of Plaintiffs within the meaning of all applicable California laws and statutes.

9. At all times herein relevant, Defendants SENSOR SYSTEMS, INC. and DOES 1 through 100, and each of them, were the agents, partners, joint venturers, joint employers, representatives, servants, employees, successors-in-interest, co-conspirators and/or assigns, each of the other, and at all times relevant hereto were acting within the course and scope of their authority as such agents, partners, joint venturers, joint employers, representatives, servants, employees, successors, co-conspirators and/or assigns, and all acts or omissions alleged herein were duly committed with the ratification, knowledge, permission, encouragement, authorization and/or consent of each defendant designated as a DOE herein.

10. The true names and capacities, whether corporate, associate, individual or otherwise, of defendants DOES 1 through 100, inclusive, are unknown to Plaintiffs who sue said defendants by such fictitious names. Plaintiffs are informed and believes, and based on that information and belief allege, that each of the defendants designated as a DOE is legally responsible for the events and happenings referred to in this Complaint, and unlawfully caused the injuries and damages to Plaintiffs and the other class members and aggrieved employees as alleged in this Complaint. Plaintiffs will seek leave of court to amend this Complaint to show the true names and capacities when the same have been ascertained.

11. Defendant SENSOR SYSTEMS, INC. and DOES 1 through 100 will hereinafter collectively be referred to as “Defendants.”

12. Plaintiffs further alleges that Defendants directly or indirectly controlled or affected the working conditions, wages, working hours, and conditions of employment of Plaintiffs and the other class members and aggrieved employees so as to make each of said Defendant employers liable under the statutory provisions set forth herein.

CLASS ACTION ALLEGATIONS

13. Plaintiffs bring this action on their own behalf and on behalf of all other members of the general public similarly situated, and, thus, seek class certification under California Code of Civil Procedure section 382.

14. The proposed class is defined as follows:

All current and former hourly-paid or non-exempt employees who worked for any of the Defendants within the State of California at any time during the period from four years preceding the filing of this Complaint to final judgment and who reside in California.

(Subclass A.) All class members who were required by Defendants to stay on Defendants’ premises for rest breaks.

(Subclass B.) All class members who received overtime compensation at a rate lower than their respective regular rate of pay because Defendants failed to include all non-discretionary bonuses or other incentive-based compensation in the calculation of the regular rate of pay for overtime pay purposes.

(Subclass C.) All class members who were subject to Defendants’ practice of rounding time recorded for purposes of calculating compensation for time worked or for calculating meal periods.

15. Plaintiffs reserve the right to establish additional subclasses as appropriate.

16. The class is ascertainable and there is a well-defined community of interest in the litigation:

a. Numerosity: The class members are so numerous that joinder of all class

members is impracticable. The membership of the entire class is unknown to Plaintiffs at this time; however, the class is estimated to be greater than fifty (50) individuals and the identity of such membership is readily ascertainable by inspection of Defendants' employment records.

b. Typicality: Plaintiffs' claims are typical of all other class members as demonstrated herein. Plaintiffs will fairly and adequately protect the interests of the other class members with whom they have a well-defined community of interest.

c. Adequacy: Plaintiffs will fairly and adequately protect the interests of each class member, with whom they have a well-defined community of interest and typicality of claims, as demonstrated herein. Plaintiffs have no interest that is antagonistic to the other class members. Plaintiffs' attorneys, the proposed class counsel, are versed in the rules governing class action discovery, certification, and settlement. Plaintiffs have incurred, and during the pendency of this action will continue to incur, costs and attorneys' fees, that have been, are, and will be necessarily expended for the prosecution of this action for the substantial benefit of each class member.

d. Superiority: A class action is superior to other available methods for the fair and efficient adjudication of this litigation because individual joinder of all class members is impractical.

e. Public Policy Considerations: Certification of this lawsuit as a class action will advance public policy objectives. Employers of this great state violate employment and labor laws every day. Current employees are often afraid to assert their rights out of fear of direct or indirect retaliation. However, class actions provide the class members who are not named in the complaint anonymity that allows for the vindication of their rights.

17. There are common questions of law and fact as to the class members that

predominate over questions affecting only individual members. The following common questions of law or fact, among others, exist as to the members of the class:

- a. Whether Defendants' failure to pay wages, without abatement or reduction, in accordance with the California Labor Code, was willful;
- b. Whether Defendants' had a corporate policy and practice of failing to pay their hourly-paid or non-exempt employees within the State of California for all hours worked and missed (short, late, interrupted, and/or missed altogether) meal periods and rest breaks in violation of California law;
- c. Whether Defendants required Plaintiffs and the other class members to work over eight (8) hours per day and/or over forty (40) hours per week, and/or over six (6) days per workweek and failed to pay the legally required overtime compensation to Plaintiffs and the other class members;
- d. Whether Defendants deprived Plaintiffs and the other class members of meal and/or rest periods or required Plaintiffs and the other class members to work during meal and/or rest periods without compensation;
- e. Whether Defendants failed to pay minimum wages to Plaintiffs and the other class members for all hours worked;
- f. Whether Defendants failed to pay all wages due to Plaintiffs and the other class members within the required time upon their discharge or resignation;
- g. Whether Defendants failed to timely pay all wages due to Plaintiffs and the other class members during their employment;
- h. Whether Defendants complied with wage reporting as required by the California Labor Code; including, *inter alia*, section 226;
- i. Whether Defendants kept complete and accurate payroll records as required by the California Labor Code, including, *inter alia*, section 1174(d);
- j. Whether Defendants failed to reimburse Plaintiffs and the other class

members for necessary business-related expenses and costs;

k. Whether Defendants' conduct was willful or reckless;

l. Whether Defendants engaged in unfair business practices in violation of California Business & Professions Code section 17200, et seq.;

m. The appropriate amount of damages, restitution, and/or monetary penalties resulting from Defendants' violation of California law; and

n. Whether Plaintiffs and the other class members are entitled to compensatory damages pursuant to the California Labor Code.

PAGA ALLEGATIONS

18. At all times herein set forth, PAGA was applicable to Plaintiff CHAVARIN's employment by Defendants.

19. At all times herein set forth, PAGA provides that any provision of law under the California Labor Code that provides for a civil penalty, including unpaid wages and premium wages, to be assessed and collected by the LWDA for violations of the California Labor Code may, as an alternative, be recovered through a civil action brought by an aggrieved employee on behalf of himself and other current or former employees pursuant to procedures outlined in California Labor Code section 2699.3.

20. Pursuant to PAGA, a civil action under PAGA may be brought by an "aggrieved employee," who is any person that was employed by the alleged violator and against whom one or more of the alleged violations was committed.

21. Plaintiff CHAVARIN was employed by Defendants and the alleged violations were committed against him during his time of employment and he is, therefore, an aggrieved employee. Plaintiff CHAVARIN and the other employees are "aggrieved employees" as defined by California Labor Code section 2699(c) in that they are current or former employees of Defendants, and one or more of the alleged violations were committed against them.

22. Pursuant to California Labor Code sections 2699.3 and 2699.5, an aggrieved employee, including Plaintiff CHAVARIN, may pursue a civil action arising under PAGA after the following requirements have been met:

- a. The aggrieved employee shall give written notice by certified mail (hereinafter “Employee's Notice”) to the LWDA and the employer of the specific provisions of the California Labor Code alleged to have been violated, including the facts and theories to support the alleged violations.
- b. The LWDA shall provide notice (hereinafter “LWDA Notice”) to the employer and the aggrieved employer by certified mail that it does not intend to investigate the alleged violation within sixty (60) calendar days of the postmark date of the Employee’s Notice. Upon receipt of the LWDA Notice, or if the LWDA Notice is not provided within sixty-five (65) calendar days of the postmark date of the Employee’s Notice, the aggrieved employee may commence a civil action pursuant to California Labor Code section 2699 to recover civil penalties in addition to any other penalties to which the employee may be entitled.

25. On November 18, 2021, Plaintiff CHAVARIN provided written notice by certified mail to the LWDA and to Defendants of the specific provisions of the California Labor Code alleged to have been violated, including the facts and theories to support the alleged violations. Therefore, the administrative prerequisites under California Labor Code section 2699.3(a) to recover civil penalties, including unpaid wages and premium wages per California Labor Code section 558 against Defendants, in addition to other remedies, for violations of California Labor Code sections 201, 202, 203, 204, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1175, 1194, 1197, 1197.1, 1198, and 2698 et seq. and Industrial Welfare Commission Wage Orders, including Wage Order No. 1-2001 have been satisfied.

GENERAL ALLEGATIONS

23. At all relevant times set forth herein, Defendants employed Plaintiffs and other persons as hourly-paid or non-exempt employees within the State of California, including the County of Los Angeles.

24. Defendants, jointly and severally, employed Plaintiff CRUZ as an hourly-paid, non-exempt employee, from approximately August 2016 to approximately April 2019, in the

1 State of California, County of Los Angeles.

2 25. Defendants, jointly and severally employed Plaintiff CHAVARIN as a non-
3 exempt employee, from approximately August 2018 to approximately March 2021, in the State
4 of California, County of Los Angeles.

5 26. Defendants hired Plaintiffs and the other class members and aggrieved
6 employees, classified them as hourly-paid or non-exempt employees, and failed to compensate
7 them for all hours worked and missed, short, late, and/or interrupted meal periods and/or rest
8 breaks.

9 27. Defendants had the authority to hire and terminate Plaintiffs and the other class
10 members and aggrieved employees, to set work rules and conditions governing Plaintiffs' and
11 the other class members' and aggrieved employees' employment, and to supervise their daily
12 employment activities.

13 28. Defendants exercised sufficient authority over the terms and conditions of
14 Plaintiffs' and the other class members' and aggrieved employees' employment for them to be
15 joint employers of Plaintiffs and the other class members and aggrieved employees.

16 29. Defendants directly hired and paid wages and benefits to Plaintiffs and the other
17 class members and aggrieved employees.

18 30. Defendants continue to employ hourly-paid or non-exempt employees within the
19 State of California.

20 31. Plaintiff and the other class members and aggrieved employees worked over eight
21 (8) hours in a day, forty (40) hours in a week, and/or over six (6) days in a workweek during
22 their employment with Defendants.

23 32. Plaintiffs are informed and believe, and based thereon allege, that Defendants
24 engaged in a uniform policy and systematic scheme of wage abuse against their hourly-paid or
25 non-exempt employees within the State of California. This scheme involved, *inter alia*, failing
26 to pay them for all hours worked and missed meal periods and rest breaks in violation of
27 California law.

28 33. Plaintiffs are informed and believe, and based thereon allege, that Defendants

1 knew or should have known that Plaintiffs and the other class members and aggrieved employees
2 were entitled to receive certain wages for overtime compensation and that they were not
3 receiving accurate overtime compensation for all overtime hours worked. The deficiencies
4 include, *inter alia*, requiring Plaintiffs and the other class members and aggrieved employees to
5 perform work overtime off-the-clock, the failure to include earned commissions, non-
6 discretionary bonuses, monetary and non-monetary incentives, non-discretionary production
7 and/or performance pay, and/or shift differentials to calculate the regular rate of pay used to
8 calculate the overtime rate, and an improper rounding policy.

9 34. Plaintiff are informed and believe, and based thereon allege, that Defendants
10 failed to provide Plaintiffs and the other class members and aggrieved employees all required
11 rest and meal periods during the relevant time period as required under the Industrial Welfare
12 Commission Wage Orders and thus they are entitled to any and all applicable premium wages.
13 Defendants' failure included, *inter alia*, failing to provide uninterrupted ten (10) minute rest
14 periods and timely, uninterrupted thirty (30) minute meal periods to Plaintiffs and the other class
15 members and aggrieved employees. Plaintiffs and the other class members were required to
16 perform work during meal periods and rest periods, and Defendant incentivized Plaintiffs and
17 the other class members and aggrieved employees to forego statutorily required meal periods
18 and rest periods.

19 35. Plaintiffs are informed and believe, and based thereon allege, that Defendants
20 knew or should have known that Plaintiffs and the other class members and aggrieved employees
21 were entitled to receive all meal periods or payment of one additional hour of pay at their
22 respective regular rate of pay when a meal period was missed, and they did not receive all meal
23 periods or payment of one additional hour of pay at their respective regular rate of pay when a
24 meal period was missed.

25 36. Plaintiffs are informed and believe, and based thereon allege, that Defendants
26 knew or should have known that Plaintiffs and the other class members and aggrieved employees
27 were entitled to receive all rest periods or payment of one additional hour of pay at their
28 respective regular rate of pay when a rest period was missed, late, short, and/or interrupted, and

1 they did not receive all rest periods or payment of one additional hour of pay at their respective
2 regular rate of pay when a rest period was missed, late, short, and/or interrupted.

3 37. Plaintiffs are informed and believe, and based thereon allege, that Defendants
4 knew or should have known that Plaintiffs and the other class members and aggrieved employees
5 were entitled to receive at least minimum wages for compensation and that they were not
6 receiving at least minimum wages for all hours worked.

7 38. Plaintiffs are informed and believe, and based thereon allege, that Defendants
8 knew or should have known that Plaintiffs and the other class members and aggrieved employees
9 were entitled to receive all wages owed to them upon discharge or resignation, including earned
10 and unpaid overtime wages, minimum wages, and meal and rest period premiums, and they did
11 not, in fact, receive all such wages owed to them at the time of their discharge or resignation.

12 39. Plaintiffs are informed and believe, and based thereon allege, that Defendants
13 knew or should have known that Plaintiffs and the other class members and aggrieved employees
14 were entitled to receive all wages owed to them during their employment. Plaintiffs and the
15 other class members and aggrieved employees did not receive payment of all wages, including
16 overtime and minimum wages and meal and rest period premiums, within any time permissible
17 under California Labor Code section 204.

18 40. Plaintiffs are informed and believe, and based thereon allege, that Defendants
19 knew or should have known that Plaintiffs and the other class members and aggrieved employees
20 were entitled to receive complete and accurate wage statements in accordance with California
21 law, but, in fact, they did not receive complete and accurate wage statements from Defendants.
22 The deficiencies included, *inter alia*, the failure to include the total number of hours worked by
23 Plaintiffs and other class members and aggrieved employees.

24 41. Plaintiffs are informed and believe, and based thereon allege, that Defendants
25 knew or should have known that Defendants had to keep complete and accurate payroll records
26 for Plaintiffs and the other class members and aggrieved employees in accordance with
27 California law, but, in fact, did not keep complete and accurate payroll records.

28 42. Plaintiffs are informed and believe, and based thereon allege, that Defendants

1 knew or should have known that Plaintiffs and the other class members and aggrieved employees
2 were entitled to reimbursement for necessary business-related expenses.

3 43. Plaintiffs are informed and believe, and based thereon allege, that Defendants
4 knew or should have known that they had a duty to compensate Plaintiffs and the other class
5 members and aggrieved employees pursuant to California law, and that Defendants had the
6 financial ability to pay such compensation, but willfully, knowingly, and intentionally failed to
7 do so, and falsely represented to Plaintiffs and the other class members and aggrieved employees
8 that they were properly denied wages, all in order to increase Defendants' profits.

9 44. During the relevant time period, Defendants failed to pay overtime wages to
10 Plaintiffs and the other class members and aggrieved employees for all overtime hours worked.
11 Plaintiffs and the other class members and aggrieved employees did not receive overtime
12 compensation at one-and-one-half times the regular rate for all hours spent performing job duties
13 in excess of eight (8) hours per day, forty (40) hours per week, and/or for the first eight (8) hours
14 worked on the seventh day of work in a workweek.

15 45. During the relevant time period, Defendants failed to provide all requisite
16 uninterrupted meal and rest periods to Plaintiffs and the other class members and aggrieved
17 employees.

18 46. During the relevant time period, Defendants failed to pay Plaintiffs and the other
19 class members and aggrieved employees at least minimum wages for all hours worked.

20 47. During the relevant time period, Defendants failed to pay Plaintiffs and the other
21 class members and aggrieved employees all wages owed to them upon discharge or resignation.

22 48. During the relevant time period, Defendants failed to pay Plaintiffs and the other
23 class members and aggrieved employees all wages within any time permissible under California
24 law, including, *inter alia*, California Labor Code section 204.

25 49. During the relevant time period, Defendants failed to provide complete or
26 accurate wage statements to Plaintiffs and the other class members and aggrieved employees.

27 50. During the relevant time period, Defendants failed to keep complete or accurate
28 payroll records for Plaintiffs and the other class members and aggrieved employees.

52. During the relevant time period, Defendants failed to properly compensate Plaintiffs and the other class members and aggrieved employees pursuant to California law in order to increase Defendants' profits.

53. California Labor Code section 218 states that nothing in Article 1 of the Labor Code shall limit the right of any wage claimant to “sue directly . . . for any wages or penalty due to him [or her] under this article.”

(Violation of California Labor Code §§ 510 and 1198)

(Against SENSOR SYSTEMS, INC. and DOES 1 through 100)

54. Plaintiffs incorporate by reference the allegations contained in Paragraphs 1 through 53, and each and every part thereof with the same force and effect as though fully set forth herein.

55. California Labor Code section 1198 and the applicable Industrial Welfare Commission (“IWC”) Wage Order provide that it is unlawful to employ persons without compensating them at a rate of pay either time-and-one-half or two-times that person’s regular rate of pay, depending on the number of hours worked by the person on a daily or weekly basis.

56. Specifically, the applicable IWC Wage Order provides that Defendants are and were required to pay Plaintiffs and the other class members employed by Defendants, and working more than eight (8) hours in a day, more than forty (40) hours in a workweek, and/or more than six (6) at the rate of time-and-one-half for all hours worked in excess of eight (8) hours in a day, more than forty (40) hours in a workweek, or the first eight (8) hours worked on the seventh day of work in a workweek.

57. The applicable IWC Wage Order further provides that Defendants are and were required to pay Plaintiffs and the other class members overtime compensation at a rate of two times their regular rate of pay for all hours worked in excess of twelve (12) hours in a day.

58. California Labor Code section 510 codifies the right to overtime compensation at one-and-one-half times the regular hourly rate for hours worked in excess of eight (8) hours in a day or forty (40) hours in a week or for the first eight (8) hours worked on the seventh day of work, and to overtime compensation at twice the regular hourly rate for hours worked in excess of twelve (12) hours in a day or in excess of eight (8) hours in a day on the seventh day of work.

59. During the relevant time period, Plaintiffs and the other class members worked in excess of eight (8) hours in a day, in excess of forty (40) hours in a week, and/or for the first eight (8) hours worked on the seventh day.

60. During the relevant time period, Defendants intentionally and willfully failed to pay overtime wages owed to Plaintiffs and the other class members.

61. Defendants' failure to pay Plaintiffs and the other class members the unpaid balance of overtime compensation, as required by California laws, violates the provisions of California Labor Code sections 510 and 1198, and is therefore unlawful.

62. Pursuant to California Labor Code section 1194, Plaintiffs and the other class members are entitled to recover unpaid overtime compensation, as well as interest, costs, and attorneys' fees.

SECOND CAUSE OF ACTION

(Violation of California Labor Code §§ 226.7 and 512(a))

(Against SENSOR SYSTEMS, INC. and DOES 1 through 100)

63. Plaintiffs incorporate by reference the allegations contained in paragraphs 1 through 62, and each and every part thereof with the same force and effect as though fully set forth herein.

64. At all relevant times, the IWC Order and California Labor Code sections 226.7 and 512(a) were applicable to Plaintiffs' and the other class members' employment by Defendants.

65. At all relevant times, California Labor Code section 226.7 provides that no employer shall require an employee to work during any meal or rest period mandated by an applicable order of the California IWC.

66. At all relevant times, the applicable IWC Wage Order and California Labor Code section 512(a) provide that an employer may not require, cause or permit an employee to work for a work period of more than five (5) hours per day without providing the employee with a meal period of not less than thirty (30) minutes, except that if the total work period per day of the employee is no more than six (6) hours, the meal period may be waived by mutual consent of both the employer and employee.

67. At all relevant times, the applicable IWC Wage Order and California Labor Code section 512(a) further provide that an employer may not require, cause or permit an employee to work for a work period of more than ten (10) hours per day without providing the employee with a second uninterrupted meal period of not less than thirty (30) minutes, except that if the total hours worked is no more than twelve (12) hours, the second meal period may be waived by mutual consent of the employer and the employee only if the first meal period was not waived.

68. During the relevant time period, Plaintiffs and the other class members who were scheduled to work for a period of time no longer than six (6) hours, and who did not waive their legally-mandated meal periods by mutual consent, were required to work for periods longer than five (5) hours without an uninterrupted meal period of not less than thirty (30) minutes and/or rest period.

69. During the relevant time period, Plaintiffs' and other class members' meal periods were missed, shortened, late, and/or were interrupted because Defendants required them to perform and complete work duties, even when it resulted in missed, shortened, late, or interrupted meal periods. Defendants interrupted Plaintiffs and the other class members during purported meal periods with business-related inquiries, instructions for tasks, and/or to require them to return to work before a full thirty (30) minutes elapsed to complete or begin tasks.

70. During the relevant time period, Defendants failed to relieve Plaintiffs and the other class members of all duties, failed to relinquish control over Plaintiffs' and the other class members' activities, failed to permit Plaintiffs and the other class members a reasonable opportunity to take, and impeded or discouraged them from taking thirty (30) minute uninterrupted meal periods no later than the end of their fifth hour of work for shifts lasting at

1 least six (6) hours, and/or to take second thirty (30) minute uninterrupted meal periods no later
2 than their tenth hour of work for shifts lasting more than ten (10) hours. Defendants also
3 automatically deducted meal periods from Plaintiff's and the other class members' time records
4 regardless of whether a compliant meal period was taken.

5 71. During the relevant time period, Plaintiffs and the other class members who were
6 scheduled to work for a period of time in excess of six (6) hours were required to work for
7 periods longer than five (5) hours without an uninterrupted meal period of not less than thirty
8 (30) minutes and/or rest period.

9 72. During the relevant time period, Defendants intentionally and willfully required
10 Plaintiffs and the other class members to work during meal periods and failed to compensate
11 Plaintiffs and the other class members the full meal period premium for work performed during
12 meal periods.

13 73. During the relevant time period, Defendants failed to pay Plaintiffs and the other
14 class members the full meal period premium due pursuant to California Labor Code section
15 226.7.

16 74. Defendants' conduct violates applicable IWC Wage Order and California Labor
17 Code sections 226.7 and 512(a).

18 75. Pursuant to applicable IWC Wage Order and California Labor Code section
19 226.7(b), Plaintiffs and the other class members are entitled to recover from Defendants one
20 additional hour of pay at the employee's regular rate of compensation for each work day that the
21 meal or rest period is not provided.

22 **THIRD CAUSE OF ACTION**

23 **(Violation of California Labor Code § 226.7)**

24 **(Against SENSOR SYSTEMS, INC. and DOES 1 through 100)**

25 76. Plaintiffs incorporate by reference the allegations contained in paragraphs 1
26 through 75, and each and every part thereof with the same force and effect as though fully set
27 forth herein.

28 77. At all times herein set forth, the applicable IWC Wage Order and California Labor

Code section 226.7 were applicable to Plaintiffs' and the other class members' employment by Defendants.

78. At all relevant times, California Labor Code section 226.7 provides that no employer shall require an employee to work during any rest period mandated by an applicable order of the California IWC.

79. At all relevant times, the applicable IWC Wage Order provides that "[e]very employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period" and that the "rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof" unless the total daily work time is less than three and one-half (3 ½) hours.

80. During the relevant time period, Defendants required Plaintiffs and other class members to work four (4) or more hours without authorizing or permitting a ten (10) minute rest period per each four (4) hour period worked.

81. During the relevant time period, Defendants willfully required Plaintiffs and the other class members to work during rest periods and failed to pay Plaintiffs and the other class members the full rest period premium for work performed during rest periods.

82. During the relevant time period, Defendants failed to pay Plaintiffs and the other class members the full rest period premium due pursuant to California Labor Code section 226.7.

83. Defendants' conduct violates applicable IWC Wage Orders and California Labor Code section 226.7.

84. Pursuant to the applicable IWC Wage Orders and California Labor Code section 226.7(c), Plaintiffs and the other class members are entitled to recover from Defendants one additional hour of pay at the employees' regular hourly rate of compensation for each work day that the rest period was not provided.

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FOURTH CAUSE OF ACTION

(Violation of California Labor Code §§ 1194, 1197, and 1197.1)

(Against SENSOR SYSTEMS, INC. and DOES 1 through 100)

85. Plaintiffs incorporate by reference the allegations contained in paragraphs 1 through 84, and each and every part thereof with the same force and effect as though fully set forth herein.

86. At all relevant times, California Labor Code sections 1194, 1197, and 1197.1 provide that the minimum wage is to be paid to employees, and the payment of a lesser wage than the minimum so fixed is unlawful.

87. During the relevant time period, Defendants failed to pay minimum wage to Plaintiffs and the other class members as required, pursuant to California Labor Code sections 1194, 1197, and 1197.1. Defendants' failure to pay wages required by law, including and not limited to, minimum, regular, and overtime wages included, *inter alia*, Defendants' effective payment of zero dollars per hour for hours Plaintiffs and the other class members worked off-the-clock performing work duties and automatically deducting meal periods from Plaintiff's and other class members' time records regardless of whether a compliant meal period was taken.

88. Defendants' failure to pay Plaintiffs and the other class members the minimum wage as required violates California Labor Code sections 1194, 1197, and 1197.1. Pursuant to those sections Plaintiffs and the other class members are entitled to recover the unpaid balance of their minimum wage compensation as well as interest, costs, and attorney's fees, and liquidated damages in an amount equal to the wages unlawfully unpaid and interest thereon.

89. Pursuant to California Labor Code section 1197.1, Plaintiffs and the other class members are entitled to recover a penalty of \$100.00 for the initial failure to timely pay each employee wages required by law, including and not limited to, minimum, regular, and overtime wages, and \$250.00 for each subsequent failure to pay each employee wages required by law.

90. Pursuant to California Labor Code section 1194.2, Plaintiffs and the other class members are entitled to recover liquidated damages in an amount equal to the wages unlawfully unpaid and interest thereon.

FIFTH CAUSE OF ACTION

(Violation of California Labor Code §§ 201 and 202)

(Against SENSOR SYSTEMS, INC. and DOES 1 through 100)

91. Plaintiffs incorporate by reference the allegations contained in paragraphs 1 through 90, and each and every part thereof with the same force and effect as though fully set forth herein.

92. At all relevant times herein set forth, California Labor Code sections 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and if an employee quits his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours' notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

93. During the relevant time period, Defendants intentionally and willfully failed to pay Plaintiffs and the other class members who are no longer employed by Defendants their wages, earned and unpaid, within seventy-two (72) hours of their leaving Defendants' employ. Plaintiffs and other class members were not paid at the time of their discharge wages earned and unpaid throughout their employment, including but not limited to, minimum wages for time worked off-the-clock to perform work duties, and for meal and rest period premium payments.

94. Defendants' failure to pay Plaintiffs and the other class members who are no longer employed by Defendants' their wages, earned and unpaid, within seventy-two (72) hours of their leaving Defendants' employ, is in violation of California Labor Code sections 201 and 202.

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

96. Plaintiffs and the other class members are entitled to recover from Defendants the statutory penalty wages for each day they were not paid, up to a thirty (30) day maximum

pursuant to California Labor Code section 203.

SIXTH CAUSE OF ACTION

(Violation of California Labor Code § 204)

(Against SENSOR SYSTEMS, INC. and DOES 1 through 100)

97. Plaintiffs incorporate by reference the allegations contained in paragraphs 1 through 96, and each and every part thereof with the same force and effect as though fully set forth herein.

98. At all times herein set forth, California Labor Code section 204 provides that all wages earned by any person in any employment between the 1st and 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed.

99. At all times herein set forth, California Labor Code section 204 provides that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month.

100. At all times herein set forth, California Labor Code section 204 provides that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period.

101. During the relevant time period, Defendants intentionally and willfully failed to pay Plaintiffs and the other class members all wages due to them, within any time period permissible under California Labor Code section 204.

102. Plaintiffs and the other class members are entitled to recover all remedies available for violations of California Labor Code section 204.

SEVENTH CAUSE OF ACTION

(Violation of California Labor Code § 226(a))

(Against SENSOR SYSTEMS, INC. and DOES 1 through 100)

103. Plaintiffs incorporate by reference the allegations contained in paragraphs 1 through 102, and each and every part thereof with the same force and effect as though fully set

1 forth herein.

2 104. At all material times set forth herein, California Labor Code section 226(a)
3 provides that every employer shall furnish each of his or her employees an accurate itemized
4 statement in writing showing (1) gross wages earned, (2) total hours worked by the employee,
5 (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid
6 on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of
7 the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive
8 dates of the period for which the employee is paid, (7) the name of the employee and his or her
9 social security number, (8) the name and address of the legal entity that is the employer, and (9)
10 all applicable hourly rates in effect during the pay period and the corresponding number of hours
11 worked at each hourly rate by the employee. The deductions made from payments of wages
12 shall be recorded in ink or other indelible form, properly dated, showing the month, day, and
13 year, and a copy of the statement or a record of the deductions shall be kept on file by the
14 employer for at least three years at the place of employment or at a central location within the
15 State of California.

16 105. Defendants have intentionally and willfully failed to provide Plaintiffs and the
17 other class members with complete and accurate wage statements. The deficiencies include, but
18 are not limited to: the failure to include the total number of hours worked by Plaintiffs and the
19 other class members.

20 106. As a result of Defendants' violation of California Labor Code section 226(a),
21 Plaintiffs and the other class members have suffered injury and damage to their statutorily-
22 protected rights.

23 107. More specifically, Plaintiffs and the other class members have been injured by
24 Defendants' intentional and willful violation of California Labor Code section 226(a) because
25 they were denied both their legal right to receive, and their protected interest in receiving,
26 accurate and itemized wage statements pursuant to California Labor Code section 226(a).
27 Because Plaintiffs' and the other class members' wage statements did not reflect the accurate
28 number of hours worked, Plaintiffs and the other class members were unable to determine the total

1 amount they were owed, and were unable to verify they were paid the proper amount. In order to
2 determine how much Plaintiffs and the other class members should have been paid, Plaintiffs and
3 the other class members would have had to engage in discovery and mathematical computations
4 in order to reconstruct the missing information.

5 108. Plaintiffs and the other class members are entitled to recover from Defendants the
6 greater of their actual damages caused by Defendants' failure to comply with California Labor
7 Code section 226(a), or an aggregate penalty not exceeding four thousand dollars per employee.

8 109. Plaintiffs and the other class members are also entitled to injunctive relief to
9 ensure compliance with this section, pursuant to California Labor Code section 226(h).

10 **EIGHTH CAUSE OF ACTION**

11 **(Violation of California Labor Code § 1174(d))**

12 **(Against SENSOR SYSTEMS, INC. and DOES 1 through 100)**

13 110. Plaintiffs incorporate by reference the allegations contained in paragraphs 1
14 through 109, and each and every part thereof with the same force and effect as though fully set
15 forth herein.

16 111. Pursuant to California Labor Code section 1174(d), an employer shall keep, at a
17 central location in the state or at the plants or establishments at which employees are employed,
18 payroll records showing the hours worked daily by and the wages paid to, and the number of
19 piece-rate units earned by and any applicable piece rate paid to, employees employed at the
20 respective plants or establishments. These records shall be kept in accordance with rules
21 established for this purpose by the commission, but in any case shall be kept on file for not less
22 than two years.

23 112. Defendants have intentionally and willfully failed to keep accurate and complete
24 payroll records showing the hours worked daily and the wages paid, to Plaintiffs and the other
25 class members.

26 113. As a result of Defendants' violation of California Labor Code section 1174(d),
27 Plaintiffs and the other class members have suffered injury and damage to their statutorily-
28 protected rights.

114. More specifically, Plaintiffs and the other class members have been injured by Defendants' intentional and willful violation of California Labor Code section 1174(d) because they were denied both their legal right and protected interest, in having available, accurate and complete payroll records pursuant to California Labor Code section 1174(d).

NINTH CAUSE OF ACTION

(Violation of California Labor Code §§ 2800 and 2802)

(Against SENSOR SYSTEMS, INC. and DOES 1 through 100)

115. Plaintiffs incorporate by reference the allegations contained in paragraphs 1 through 114, and each and every part thereof with the same force and effect as though fully set forth herein.

116. Pursuant to California Labor Code sections 2800 and 2802, an employer must reimburse its employee for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her job duties or in direct consequence of his or her obedience to the directions of the employer.

117. Plaintiffs and the other class members incurred necessary business-related expenses and costs that were not fully reimbursed by Defendants.

118. Defendants have intentionally and willfully failed to reimburse Plaintiffs and the other class members for all necessary business-related expenses and costs, including, *inter alia*, the costs of steel-toed shoes.

119. Plaintiffs and the other class members are entitled to recover from Defendants their business-related expenses and costs incurred during the course and scope of their employment, plus interest accrued from the date on which the employee incurred the necessary expenditures at the same rate as judgments in civil actions in the State of California.

TENTH CAUSE OF ACTION

(Violation of California Business & Professions Code §§ 17200, et seq.)

(Against SENSOR SYSTEMS, INC. and DOES 1 through 100)

120. Plaintiffs incorporate by reference the allegations contained in paragraphs 1 through 119, and each and every part thereof with the same force and effect as though fully set

1 forth herein.

2 121. Defendants' conduct, as alleged herein, has been, and continues to be, unfair,
3 unlawful and harmful to Plaintiffs, other class members, to the general public, and Defendants'
4 competitors. Accordingly, Plaintiffs seek to enforce important rights affecting the public interest
5 within the meaning of Code of Civil Procedure section 1021.5.

6 122. Defendants' activities as alleged herein are violations of California law, and
7 constitute unlawful business acts and practices in violation of California Business & Professions
8 Code section 17200, et seq.

9 123. A violation of California Business & Professions Code section 17200, et seq. may
10 be predicated on the violation of any state or federal law. In this instant case, Defendants'
11 policies and practices of requiring employees, including Plaintiffs and the other class members,
12 to work overtime without paying them proper compensation violate California Labor Code
13 sections 510 and 1198. Additionally, Defendants' policies and practices of requiring employees,
14 including Plaintiffs and the other class members, to work through their meal and rest periods
15 without paying them proper compensation violate California Labor Code sections 226.7 and
16 512(a). Defendants' policies and practices of failing to provide a day of rest violate California
17 Labor Code sections 551 and 552. Defendants' policies and practices of failing to pay wages
18 required by law violate California Labor Code sections 1194, 1197, and 1197.1. Defendants'
19 policies and practices of failing to pay minimum wages violate California Labor Code sections
20 1194, 1197, and 1197.1. Moreover, Defendants' policies and practices of failing to timely pay
21 wages to Plaintiff and the other class members violate California Labor Code sections 201, 202,
22 and 204. Defendants also violated California Labor Code sections 201, 202, 203, 204, 226,
23 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1175, 1194, 1197, 1197.1, 1198, and 2698 et seq.

24 124. As a result of the herein described violations of California law, Defendants
25 unlawfully gained an unfair advantage over other businesses.

26 125. Plaintiffs and the other class members have been personally injured by
27 Defendants' unlawful business acts and practices as alleged herein, including but not necessarily
28 limited to the loss of money and/or property.

126. Pursuant to California Business & Professions Code sections 17200, et seq., Plaintiffs and the other class members are entitled to restitution of the wages withheld and retained by Defendants during a period that commences July 8, 2017; an award of attorneys' fees pursuant to California Code of Civil procedure section 1021.5 and other applicable laws; and an award of costs.

ELEVENTH CAUSE OF ACTION

(Violation of California Labor Code § 2698, et seq.)

(Against SENSOR SYSTEMS, INC. and DOES 1 through 100)

127. Plaintiff CHAVARIN incorporates by reference the allegations contained in Paragraphs 1 through 126, and each and every part thereof with the same force and effect as though fully set forth herein.

128. PAGA expressly establishes that any provision of the California Labor Code which provides for a civil penalty to be assessed and collected by the LWDA, or any of its departments, divisions, commissions, boards, agencies or employees for a violation of the California Labor Code, may be recovered through a civil action brought by an aggrieved employee on behalf of himself or herself, and other current or former employees.

129. Whenever the LWDA, or any of its departments, divisions, commissions, boards, agencies, or employees has discretion to assess a civil penalty, a court in a civil action is authorized to exercise the same discretion, subject to the same limitations and conditions, to assess a civil penalty.

130. Plaintiff CHAVARIN and the other hourly-paid or non-exempt employees, are "aggrieved employees" as defined by California Labor Code section 2699(c) in that they are all current or former employees of Defendants, and one or more of the alleged violations was committed against them.

Failure to Pay Overtime

131. Defendants' failure to pay overtime in violation of the Wage Orders and California Labor Code sections 510 and 1198, as alleged above, constitutes unlawful and/or unfair activity prohibited by California Labor Code sections 510 and 1198.

Failing to Provide Meal Periods

132. Defendants' failure to provide legally required meal periods in violation of the Wage Orders and California Labor Code sections 226.7 and 512(a), as alleged above, constitutes unlawful and/or unfair activity prohibited by California Labor Code sections 226.7 and 512(a).

Failure to Provide Rest Periods

133. Defendants' failure to provide legally required rest periods in violation of the Wage Orders and California Labor Code section 226.7, as alleged above, constitutes unlawful and/or unfair activity prohibited by California Labor Code section 226.7.

Failure to Pay Minimum Wages

134. Defendants' failure to pay minimum wages in violation of the Wage Orders and California Labor Code sections 1194, 1197 and 1197.1, as alleged above, constitutes unlawful and/or unfair activity prohibited by California Labor Code sections 1194, 1197 and 1197.1.

Failure to Timely Pay Wages Upon Termination

135. Defendants' failure to timely pay wages upon termination in violation of California Labor Code sections 201 and 202, as alleged above, constitutes unlawful and/or unfair activity prohibited by California Labor Code sections 201 and 202.

Failure to Timely Pay Wages During Employment

136. Defendants' failure to timely pay wages during employment in violation of California Labor Code section 204, as alleged above, constitutes unlawful and/or unfair activity prohibited by California Labor Code section 204.

Failure to Provide Compliant Wage Statements

137. Defendants' failure to provide compliant wage statements in violation of California Labor Code section 226(a), as alleged above, constitutes unlawful and/or unfair activity prohibited by California Labor Code section 226(a).

Failure to Keep Complete or Accurate Payroll Records

138. Defendants' failure to keep complete or accurate payroll records in violation of California Labor Code section 1174(d), as alleged above, constitutes unlawful and/or unfair activity prohibited by California Labor Code section 1174(d).

Failure to Reimburse Necessary Business Expenses

139. Defendants' failure to reimburse all necessary business-related expenses and costs in violation of California Labor Code sections 2800 and 2802, as alleged above, constitutes unlawful and/or unfair activity prohibited by California Labor Code sections 2800 and 2802.

140. Pursuant to California Labor Code section 2699, Plaintiff CHAVARIN, individually, and on behalf of all aggrieved employees, request and are entitled to recover from Defendants and each of them, business expenses, unpaid wages, and/or untimely wages according to proof, interest, attorneys' fees and costs pursuant to California Labor Code section 218.5, as well as all penalties against Defendants, and each of them, including but not limited to:

- a. Penalties under California Labor Code section 2699 in the amount of a hundred dollars (\$100) for each aggrieved employee per pay period for the initial violation, and two hundred dollars (\$200) for each aggrieved employee per pay period for each subsequent violation;
- b. Penalties under California Code of Regulations Title 8 section 11010, *et seq.* in the amount of fifty dollars (\$50) for each aggrieved employee per pay period for the initial violation, and one hundred dollars (\$100) for each aggrieved employee per pay period for each subsequent violation;
- c. Penalties under California Labor Code section 210 in addition to, and entirely independent and apart from, any other penalty provided in the California Labor Code in the amount of a hundred dollars (\$100) for each aggrieved employee per pay period for the initial violation, and two hundred dollars (\$200) for each aggrieved employee per pay period for each subsequent violation; and
- d. Any and all additional penalties and sums as provided by the California Labor Code and/or other statutes.

141. Pursuant to California Labor Code section 2699(i), civil penalties recovered by aggrieved employees shall be distributed as follows: seventy-five percent (75%) to the Labor and Workforce Development Agency for the enforcement of labor laws and education of

1 employers and employees about their rights and responsibilities and twenty-five percent (25%)
2 to the aggrieved employees.

3 142. Further, Plaintiff CHAVARIN is entitled to seek and recover reasonable attorneys'
4 fees and costs pursuant to California Labor Code sections 210, 218.5 and 2699 and any other
5 applicable statute.

6 **DEMAND FOR JURY TRIAL**

7 Plaintiffs, individually, and on behalf of other members of the general public similarly
8 situated, and Plaintiff CHAVARIN, individually and on behalf of other aggrieved employees
9 pursuant to the California Private Attorneys General Act, request a trial by jury.

10 **PRAYER FOR RELIEF**

11 WHEREFORE, Plaintiffs, individually, and on behalf of other members of the general
12 public similarly situated, and Plaintiff CHAVARIN, individually and on behalf of other
13 aggrieved employees pursuant to the California Private Attorneys General Act, pray for relief
14 and judgment against Defendants, jointly and severally, as follows:

15 **Class Certification**

- 16 1. That this action be certified as a class action;
17 2. That Plaintiffs be appointed as the representatives of the Class;
18 3. That counsels for Plaintiffs be appointed as Class Counsel; and
19 4. That Defendants provide to Class Counsel immediately the names and most
20 current/last known contact information (address, e-mail and telephone numbers) of all class
21 members.

22 **As to the First Cause of Action**

- 23 5. That the Court declare, adjudge and decree that Defendants violated California
24 Labor Code sections 510 and 1198 and applicable IWC Wage Orders by willfully failing to pay
25 all overtime wages due to Plaintiffs and the other class members;

- 26 6. For general unpaid wages at overtime wage rates and such general and special
27 damages as may be appropriate;

- 28 7. For pre-judgment interest on any unpaid overtime compensation commencing

1 from the date such amounts were due;

2 8. For reasonable attorneys' fees and costs of suit incurred herein pursuant to
3 California Labor Code section 1194; and

4 9. For such other and further relief as the Court may deem just and proper.

5 **As to the Second Cause of Action**

6 10. That the Court declare, adjudge and decree that Defendants violated California
7 Labor Code sections 226.7 and 512 and applicable IWC Wage Orders by willfully failing to
8 provide all meal periods (including second meal periods) to Plaintiffs and the other class
9 members;

10 11. That the Court make an award to Plaintiffs and the other class members of one
11 (1) hour of pay at each employee's regular rate of compensation for each workday that a meal
12 period was not provided;

13 12. For all actual, consequential, and incidental losses and damages, according to
14 proof;

15 13. For premium wages pursuant to California Labor Code section 226.7(c);

16 14. For pre-judgment interest on any unpaid wages from the date such amounts were
17 due;

18 15. For reasonable attorneys' fees and costs of suit incurred herein; and

19 16. For such other and further relief as the Court may deem just and proper.

20 **As to the Third Cause of Action**

21 17. That the Court declare, adjudge and decree that Defendants violated California
22 Labor Code section 226.7 and applicable IWC Wage Orders by willfully failing to provide all
23 rest periods to Plaintiffs and the other class members;

24 18. That the Court make an award to Plaintiffs and the other class members of one
25 (1) hour of pay at each employee's regular rate of compensation for each workday that a rest
26 period was not provided;

27 19. For all actual, consequential, and incidental losses and damages, according to
28 proof;

20. For premium wages pursuant to California Labor Code section 226.7(c);
21. For pre-judgment interest on any unpaid wages from the date such amounts were due; and
22. For such other and further relief as the Court may deem just and proper.

As to the Fourth Cause of Action

23. That the Court declare, adjudge and decree that Defendants violated California Labor Code sections 1194, 1197, and 1197.1 by willfully failing to pay minimum wages to Plaintiffs and the other class members;

24. For general unpaid wages and such general and special damages as may be appropriate;

25. For statutory wage penalties pursuant to California Labor Code section 1197.1 for Plaintiffs and the other class members in the amount as may be established according to proof at trial;

26. For pre-judgment interest on any unpaid compensation from the date such amounts were due;

27. For reasonable attorneys' fees and costs of suit incurred herein pursuant to California Labor Code section 1194(a);

28. For liquidated damages pursuant to California Labor Code section 1194.2; and

29. For such other and further relief as the Court may deem just and proper.

As to the Fifth Cause of Action

30. That the Court declare, adjudge and decree that Defendants violated California Labor Code sections 201, 202, and 203 by willfully failing to pay all compensation owed at the time of termination of the employment of Plaintiffs and the other class members no longer employed by Defendants;

31. For all actual, consequential, and incidental losses and damages, according to proof;

32. For statutory wage penalties pursuant to California Labor Code section 203 for Plaintiffs and the other class members who have left Defendants' employ;

33. For pre-judgment interest on any unpaid compensation from the date such amounts were due; and

34. For such other and further relief as the Court may deem just and proper.

As to the Sixth Cause of Action

35. That the Court declare, adjudge and decree that Defendants violated California Labor Code section 204 by willfully failing to pay all compensation owed at the time required by California Labor Code section 204 to Plaintiffs and the other class members;

36. For all actual, consequential, and incidental losses and damages, according to proof;

37. For pre-judgment interest on any unpaid compensation from the date such amounts were due; and

38. For such other and further relief as the Court may deem just and proper.

As to the Seventh Cause of Action

39. That the Court declare, adjudge and decree that Defendants violated the record keeping provisions of California Labor Code section 226(a) and applicable IWC Wage Orders as to Plaintiffs and the other class members, and willfully failed to provide accurate itemized wage statements thereto;

40. For actual, consequential and incidental losses and damages, according to proof;

41. For statutory penalties pursuant to California Labor Code section 226(e);

42. For injunctive relief to ensure compliance with this section, pursuant to California Labor Code section 226(h); and

43. For such other and further relief as the Court may deem just and proper.

As to the Eighth Cause of Action

44. That the Court declare, adjudge and decree that Defendants violated California Labor Code section 1174(d) by willfully failing to keep accurate and complete payroll records for Plaintiffs and the other class members as required by California Labor Code section 1174(d);

45. For actual, consequential and incidental losses and damages, according to proof;

46. For statutory penalties pursuant to California Labor Code section 1174.5; and

1 47. For such other and further relief as the Court may deem just and proper.

2 **As to the Ninth Cause of Action**

3 48. That the Court declare, adjudge and decree that Defendants violated California
4 Labor Code sections 2800 and 2802 by willfully failing to reimburse Plaintiffs and the other
5 class members for all necessary business-related expenses as required by California Labor Code
6 sections 2800 and 2802;

7 49. For actual, consequential and incidental losses and damages, according to proof;

8 50. For the imposition of civil penalties and/or statutory penalties;

9 51. For reasonable attorneys' fees and costs of suit incurred herein; and

10 52. For such other and further relief as the Court may deem just and proper.

11 **As to the Tenth Cause of Action**

12 53. That the Court decree, adjudge and decree that Defendants violated California
13 Business and Professions Code sections 17200, et seq. by failing to provide all meal and rest
14 periods to Plaintiffs and the other class members, failing to pay at least wages required by law,
15 including and not limited to, minimum, regular, and overtime wages to Plaintiffs and the other
16 class members, failing to pay Plaintiffs' and the other class members' wages timely, in violation
17 of California Labor Code sections 201, 202, 203, 204, 226, 226.3, 226.7, 510, 512, 558, 1174,
18 1174.5, 1175, 1194, 1197, 1197.1, 1198, and 2698 et seq.

19 54. For restitution of unpaid wages to Plaintiffs and all the other class members and
20 all pre-judgment interest from the day such amounts were due and payable;

21 55. For the appointment of a receiver to receive, manage and distribute any and all
22 funds disgorged from Defendants and determined to have been wrongfully acquired by
23 Defendants as a result of violation of California Business and Professions Code sections 17200,
24 et seq.;

25 56. For reasonable attorneys' fees and costs of suit incurred herein pursuant to
26 California Code of Civil Procedure section 1021.5;

27 57. For injunctive relief to ensure compliance with this section, pursuant to California
28 Business and Professions Code sections 17200, et seq.; and

1 58. For such other and further relief as the Court may deem just and proper.

2 **As to the Eleventh Cause of Action**

3 59. For civil penalties and wages pursuant to California Labor Code sections 2699(a),
4 (f) and (g) plus costs and attorneys' fees for violation of California Labor Code sections 201,
5 202, 203, 204, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1175, 1194, 1197, 1197.1,
6 1198, and 2698 et seq.; and

7 60. For such other and further relief as the Court may deem equitable and appropriate.

8 Dated: October 4, 2022

LAWYERS for JUSTICE, PC

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10 By: 
11 Edwin Aiwanian
12 Attorneys for Plaintiff Christian Rojas
13 Cruz
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EXHIBIT B

NOTICE OF CLASS ACTION SETTLEMENT

***Christian Rojas Cruz v. Sensor Systems, Inc., Superior Court of California for the County of Los Angeles,
Case No. 21STCV25102***

***Miguel Chavarin v. Sensor Systems, Inc., Superior Court of California for the County of Los Angeles,
Case No. 21STCV42647***

PLEASE READ THIS NOTICE CAREFULLY.

You have received this Notice because Defendant's records indicate that you may be eligible to take part in the class action settlement reached in the above-referenced case.

You do not need to take any action to receive a settlement payment.

This Notice is designed to advise you of your rights and options with respect to the settlement, and how you can request to be excluded from the Class Settlement, object to the Class Settlement, and/or dispute the number of Workweeks that you are credited with, if you so choose.

YOU ARE NOTIFIED THAT: A class and representative action settlement has been reached between Plaintiffs Christian Rojas Cruz and Miguel Chavarin (together, "Plaintiffs") and Defendant Sensor Systems, Inc. ("Defendant") (Plaintiffs and Defendant are collectively referred to as the "Parties") in the cases entitled *Christian Rojas Cruz v. Sensor Systems Inc.*, Superior Court of California for the County of Los Angeles, Case No. 21STCV25102 and *Miguel Chavarin v. Sensor Systems Inc.*, Superior Court of California for the County of Los Angeles, Case No. 21STCV42647 (together "Lawsuit"), which may affect your legal rights. On [date of Preliminary Approval], the Court granted preliminary approval of the settlement and scheduled a hearing on [hearing date] at [hearing time] ("Final Approval Hearing") to determine whether or not the Court should grant final approval of the settlement.

I. IMPORTANT DEFINITIONS

"**Aggrieved Employees**" means all current and former hourly-paid or non-exempt employees of Defendant in California employed between April 5, 2020 through June 20, 2022.

"**Class**" mean all current and former hourly-paid or non-exempt employees of Defendant in California employed between July 8, 2017 through June 20, 2022.

"**Class Member**" means a member of the Class.

"**Class Period**" means the time period from July 8, 2017 through June 20, 2022.

"**Class Settlement**" means the settlement and release of the Released Class Claims.

"**PAGA Period**" means the period from April 5, 2020 through June 20, 2022.

"**PAGA Settlement**" means the settlement and release of the Released PAGA Claims.

II. BACKGROUND OF THE LAWSUIT

On July 8, 2021, Christian Rojas Cruz commenced a putative class action lawsuit by filing the Class Action Complaint for Damages ("*Cruz Complaint*") in the Los Angeles County Superior Court, Case No. 21STCV25102 ("*Cruz Action*").

On November 18, 2021, Miguel Chavarin filed a Class Action Complaint for Damages in the Los Angeles Superior Court, Case No. 21STCV42647 ("*Chavarin Action*").

On November 18, 2021, Miguel Chavarin also provided written notice to the Labor and Workforce Development Agency ("LWDA") and Defendant of the specific provisions of the California Labor Code that Defendant is alleged to have violated and of his intent to pursue civil penalties under PAGA ("*Chavarin PAGA Notice*").

On January 27, 2022, Miguel Chavarin filed a First Amended Class Action Complaint Pursuant to California Code of Civil Procedure § 382, adding a Private Attorneys General Act (“PAGA”) cause of action (“*Chavarin* Complaint”).

On February 10, 2022, Defendant filed a Notice of Related Case, deeming the *Cruz* Action and *Chavarin* related in the Los Angeles County Superior Court (together, the *Cruz* Action and *Chavarin* Action are referred to as “Lawsuit”).

On [date], Plaintiff Christian Rojas Cruz filed a First Amended Class Action Complaint for Damages and Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq. in the *Cruz* Action (“Operative Complaint”), adding Miguel Chavarin as a plaintiff and his class and PAGA claims, including and not limited to those asserted in the *Chavarin* Action and the Chavarin PAGA Notice.

Plaintiffs allege that Defendant violated the California Labor Code by failing to properly pay minimum and overtime wages, provide compliant meal and rest breaks and associated premiums, timely pay wages during employment and upon termination of employment and associated waiting-time penalties, provide accurate wage statements, keep requisite payroll records, and reimburse business expenses, and thereby engaged in unfair business practices in violation of California Business & Professions Code section 17200, *et seq.* and engaged in conduct that gives rise to civil penalties under California Labor Code section 2698, *et seq.* (“PAGA”). Plaintiffs seek, among other things, recovery of unpaid wages and meal and rest period premiums, unreimbursed business expenses, restitution, penalties, interest, and attorneys’ fees and costs.

Defendant denies all of the allegations in the Lawsuit or that it violated any law.

The Parties participated in a full-day mediation session with a respected class action mediator, and as a result, the Parties reached a settlement. The Parties have since entered into the Stipulation of Class Action and PAGA Settlement (“Settlement” or “Settlement Agreement”).

On [date of Preliminary Approval], the Court entered an order preliminarily approving the Settlement. The Court has appointed Simpluris, Inc. as the administrator of the Settlement (“Settlement Administrator”), Plaintiffs Christian Rojas Cruz and Miguel Chavarin as representatives of the Class (“Class Representatives”), and the following Plaintiffs’ attorneys as counsel for the Class (“Class Counsel”):

Edwin Aiwarzian
Arby Aiwarzian
Joanna Ghosh
Yasmin Hosseini
Lawyers for Justice, PC
410 West Arden Avenue, Suite 203
Glendale, California 91203
Telephone: (818) 265-1020 / Fax: (818) 265-1021

James Hawkins
Gregory Mauro
James Hawkins, APLC
9880 Research Drive, Suite 200
Irvine, California 92618
Telephone: (949) 387-7200 / Fax: (949) 387-6676

If you are a Class Member, you do not need to take any action to receive an Individual Settlement Payment. If you are a Class Member, you have the opportunity to request exclusion from the Class Settlement (in which case you will not receive an Individual Settlement Payment), object to the Class Settlement, and/or dispute the Workweeks credited to you, if you so choose, as explained more fully in Section III below. If you are an Aggrieved Employee, you will automatically receive an Individual PAGA Payment; you will not have the opportunity to object to or seek exclusion from the PAGA Settlement; all Aggrieved Employees will be bound to the PAGA Settlement if the Court grants final approval of the Settlement.

The Settlement represents a compromise and settlement of highly disputed claims. Nothing in the Settlement is intended or will be construed as an admission by Defendant that the claims in the Lawsuit have merit or that Defendant has any liability to Plaintiffs, Class Members, the State of California, and/or Aggrieved Employees. Plaintiffs and Defendant, and their respective counsel, have concluded and agree that, in light of the risks and uncertainties to each side of continued litigation,

the Settlement is fair, reasonable, and adequate, and is in the best interests of Class Members, the State of California, and Aggrieved Employees. The Court has made no ruling on the merits of the claims in the Lawsuit and has determined only that certification of the Class for settlement purposes is appropriate under California law.

III. SUMMARY OF THE PROPOSED SETTLEMENT

A. Settlement Formula

The total gross settlement amount is Nine Hundred Fifty Thousand Dollars (\$950,000) (the “Total Settlement Amount”). The portion of the Total Settlement Amount that is available for payment to Class Members who do not opt out of the Class Settlement (“Settlement Class Members”) is referred to as the “Net Settlement Amount.” The Net Settlement Amount will be the Total Settlement Amount less the following payments which are subject to approval by the Court: (1) attorneys’ fees in an amount of up to thirty-five percent (35%) of the Total Settlement Amount (i.e., \$332,500) and reimbursement of actual costs and expenses in an amount not to exceed Thirty Three Thousand Dollars (\$33,000) to Class Counsel (collectively, “Attorneys’ Fees and Costs”); (2) enhancement payments in an amount not to exceed Ten Thousand Dollars (\$10,000) each to Plaintiffs Christian Rojas Cruz and Miguel Chavarin (totaling \$20,000) for their services (“Enhancement Payments”); (3) the allocation of Two Hundred Thousand Dollars (\$200,000) to settle all claims under PAGA (“PAGA Penalty Amount”), of which 75%, or \$150,000, will be paid to the LWDA (“LWDA Payment”) and the remaining 25%, or \$50,000, will be paid to Aggrieved Employees on a *pro rata* basis; and (4) settlement administration costs in an amount not to exceed Ten Thousand Dollars (\$10,000) to the Settlement Administrator (“Settlement Administration Costs”).

Class Members are eligible to receive payment under the Class Settlement of their *pro rata* share of the Net Settlement Amount (“Individual Settlement Share”) based on the number of weeks that each Class Member was credited to have worked for Defendant as an hourly paid or non-exempt employee during the Class Period, which will be calculated by the Settlement Administrator by determining the number of workweeks paid and excluding those weeks during which the Company was closed in December and full workweeks on leave of absence and full workweeks on vacation, neither of which were included in the calculation (“Workweeks”).

The Settlement Administrator has divided the Net Settlement Amount by the Workweeks of all Class Members to yield the “Estimated Workweek Value,” and multiplied each Class Member’s individual Workweeks by the Estimated Workweek Value to yield his or her estimated Individual Settlement Share that he or she may be eligible to receive under the Settlement (which is listed in Section III.C below). Class Members who do not submit a valid and timely Request for Exclusion (“Settlement Class Members”) will be issued payment of their final Individual Settlement Share.

Each Individual Settlement Share will be allocated twenty percent (20%) wages which will be reported on an IRS Form W2 and eighty percent (80%) penalties and interest which will be reported on an IRS Form 1099 (if applicable). Each Individual Settlement Share will be subject to reduction for the employee’s share of taxes and withholdings with respect to the wages portion of Individual Settlement Shares, resulting in a net payment to the Settlement Class Member (“Individual Settlement Payment”).

Aggrieved Employees will receive payment under the PAGA Settlement of their *pro rata* share of the 25% share of the PAGA Penalty Amount (“Individual PAGA Payment”) based on the number of Workweeks that each PAGA Member worked during the PAGA Period.

The Settlement Administrator has divided the 25% of the PAGA Penalty Amount by the Workweeks during the PAGA Period for all Aggrieved Employees to yield the “PAGA Workweeks Value,” and multiplied each Aggrieved Employee’s individual Workweeks during the PAGA Period by the PAGA Workweeks Value to yield his or her estimated Individual PAGA Payment that he or she may be eligible to receive under the PAGA Settlement (which is listed in Section III.C below). Aggrieved Employees shall receive an Individual PAGA Payment and shall be bound to the PAGA Settlement irrespective of whether they exercise their option to opt out of the Class Settlement.

Each Individual PAGA Payment will be allocated as follows: one hundred percent (100%) penalties and will be reported on an IRS Form 1099 (if necessary). The Settlement Administrator will issue checks to Aggrieved Employees for the full amount of their Individual PAGA Payments without undertaking any withholdings.

If the Court grants final approval of the Settlement, Individual Settlement Payments will be mailed to Settlement Class Members and Individual PAGA Payments will be mailed to Aggrieved Employees at the address that is on file with the

Settlement Administrator by way of check following the deposit of the Total Settlement Amount by Defendant. The Settlement Administrator may, at its discretion, distribute the Individual Settlement Payment and Individual PAGA Payment by way of a single check that combines both payments (if applicable). **If the address to which this Notice was mailed is not correct, or if you move after you receive this Notice, you must provide your correct mailing address to the Settlement Administrator as soon as possible to ensure you receive any payment that you may be entitled to under the Settlement.**

B. Your Workweeks Based on Defendant's Records

According to Defendant's records, you have worked for Defendant as a direct or temporary non-exempt employee in California for:

- [REDACTED] **Workweeks during the Class Period, i.e., from July 8, 2017 through June 20, 2022.**
- [REDACTED] **Workweeks during the PAGA Period, i.e., from April 5, 2020 through June 20, 2022.**

If you wish to dispute the Workweeks credited to you, you must submit your dispute by way of written letter that is sent to the Settlement Administrator. The written letter must: (a) contain the case name and number of the *Cruz* Action; (b) be signed by you; (c) contain your full name, address, telephone number, and the last four digits of your Social Security Number; (d) state that you dispute the number of Workweeks credited to you and what you contend is the correct number that should be credited to you; (e) include information and/or attach documentation demonstrating that the number of Workweeks that you contend should be credited to you is correct; and (f) be returned by mail to the Settlement Administrator at the address specified in Section IV.B below, postmarked **on or before [Response Deadline]**.

C. Your Estimated Individual Settlement Share and/or Individual PAGA Payment

As explained above, your estimated Individual Settlement Share is based on the number of Workweeks credited to you during the Class Period and your estimated Individual PAGA Payment is based on the number of Workweeks credited to you during the PAGA Period.

- **Under the terms of the Settlement, your Individual Settlement Share is estimated to be \$ [REDACTED]. The Individual Settlement Share is subject to reduction for the employee's share of taxes and withholding with respect to the wages portion of the Individual Settlement Share and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.**
- **Your Individual PAGA Payment is estimated to be \$ [REDACTED] and will only be distributed if the Court approves the Settlement and after the Settlement goes into effect.**

The settlement approval process may take multiple months. Your Individual Settlement Share and/or Individual PAGA Payment reflected in this Notice is only an estimate. Your actual Individual Settlement Payment and/or Individual PAGA Payment may be higher or lower.

D. Release of Claims

Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiffs, all Class Members who do not submit a valid and timely Request for Exclusion (i.e., Settlement Class Members) will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released Class Claims he or she may have or had.

Upon the Effective Date and full funding of the Gross Settlement Amount, Plaintiffs, Aggrieved Employees, and the State of California (with respect to employment of Aggrieved Employees by Defendant during the PAGA Period) will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties of all Released PAGA Claims he, she, or it may have or had. The Aggrieved Employees are bound by the PAGA Settlement regardless of whether they cash or deposit their Individual PAGA Payment check, and even if they object to or opt out of the Class Settlement.

"Released Class Claims" means any and all claims under state, federal, or local law, arising out of the facts alleged in the Operative Complaint, arising during the Class Period, including but not limited to claims under the California Labor Code, Industrial Welfare Commission Wage Orders, regulations, and/or other provisions of law for failure to pay overtime wages,

failure to provide compliant meal periods and associated premiums, failure to provide compliant rest periods and associated premiums, failure to pay minimum wages, failure to timely pay wages upon termination, failure to timely pay wages during employment, failure to provide compliant wage statements, failure to keep requisite payroll records, failure to reimburse necessary business expenses, and violation of California's unfair competition law.

"Released PAGA Claims" means any and all claims for civil penalties under the Private Attorneys General Act (California Labor Code § 2698, et seq.), arising out of the facts alleged in Plaintiff Chavarin's PAGA Notice, arising during the PAGA Period, for failure to pay overtime wages, failure to provide compliant meal period and associated premiums, failure to provide compliant rest periods and associated premiums, failure to pay minimum wages, failure to timely pay wages upon termination, failure to timely pay wages during employment, failure to provide compliant wage statements, failure to keep requisite payroll records, failure to reimburse necessary business expenses.

"Released Parties" means Defendant, and all of its present and former parent companies, subsidiaries, and divisions, and their shareholders, directors, officers, agents, employees, attorneys, insurers, successors, and assigns.

E. Attorneys' Fees and Costs to Class Counsel

Class Counsel will seek attorneys' fees in an amount of up to thirty-five percent (35%) of the Total Settlement Amount (i.e., up to \$332,500) and reimbursement of actual costs and expenses in an amount not to exceed Thirty-Three Thousand Dollars (\$33,000) (collectively, "Attorneys' Fees and Costs"), subject to approval by the Court. All Attorneys' Fees and Costs awarded by the Court will be paid from the Total Settlement Amount. Class Counsel have been prosecuting the Lawsuit on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses.

F. Enhancement Payments to Plaintiffs

Plaintiffs will seek the amount of Ten Thousand Dollars (\$10,000) to each of them ("Enhancement Payments"), in recognition of their services in connection with the Lawsuit. The Enhancement Payments will be paid from the Total Settlement Amount, subject to approval by the Court, and if awarded, will be paid to Plaintiffs in addition to their Individual Settlement Payments and/or Individual PAGA Payments (if applicable) that they are entitled to under the Settlement.

G. Settlement Administration Costs to Settlement Administrator

Payment to the Settlement Administrator is estimated not to exceed Ten Thousand Dollars (\$10,000) ("Settlement Administration Costs") for the costs of the notice and settlement administration process, including and not limited to, the expense of notifying the Class Members and Aggrieved Employees of the Settlement, processing Requests for Exclusion, Notices of Objection, and disputes of Workweeks, calculating Individual Settlement Shares, Individual Settlement Payments, and Individual PAGA Payments, and distributing payments and tax forms under the Settlement, and shall be paid from the Total Settlement Amount, subject to approval by the Court.

IV. WHAT ARE YOUR RIGHTS AND OPTIONS AS A CLASS MEMBER?

A. Participate in the Class Settlement

If you want to participate in the Class Settlement and receive money from the Class Settlement, you do not have to do anything. You will automatically be included in the Class Settlement and issued your Individual Settlement Payment unless you decide to exclude yourself from the Class Settlement. Unless you elect to exclude yourself from the Class Settlement, you will be bound by the terms of the Class Settlement and any judgment that may be entered by the Court based thereon, and you will be deemed to have released the Released Parties for the Released Class Claims described in Section III.D above.

If you are an Aggrieved Employee, you will automatically be bound to the PAGA Settlement and issued your Individual PAGA Payment.

As a Class Member or Aggrieved Employee, you will not be separately responsible for the payment of attorney's fees or litigation costs and expenses, unless you retain your own counsel, in which event you will be responsible for your own attorney's fees and expenses.

B. Request Exclusion from the Class Settlement

If you do not wish to participate in the Class Settlement, you must seek exclusion from the Class Settlement by submitting a timely, written request for exclusion from the Class Settlement (“Request for Exclusion”) to the Settlement Administrator at the following address:

[Settlement Administrator]

[Mailing Address]

A Request for Exclusion must: (a) contain the case name and number of the *Cruz* Action; (b) be signed by you; (c) state your full name, address, telephone number, and last four digits of your Social Security Number; (d) contain a statement indicating that you do not wish to be included in the Class Settlement; and (e) be submitted to the Settlement Administrator by mail, postmarked **on or before** [Response Deadline].

If the Court grants final approval of the Settlement, any Class Member who submits a valid and timely Request for Exclusion from the Class Settlement will not be entitled to receive an Individual Settlement Payment from the Class Settlement, will not be bound by the Class Settlement (and the release of Released Class Claims described in Section III.D above), and will not have any right to object to, appeal, or comment on the Class Settlement. Any Class Members who do not submit a valid and timely and valid request for exclusion from the Class Settlement will be deemed Settlement Class Members and will be bound by all terms of the Class Settlement, including those pertaining to the release of Released Class Claims described in Section III.D above, as well as the contemplated judgment to be entered by the Court (as it pertains to the Class Settlement), if the Court grants final approval of the Settlement. However, consistent with applicable law, Aggrieved Employees may not exclude themselves from the PAGA Settlement and will be bound by all terms of the PAGA Settlement, including those pertaining to the release of Released PAGA Claims described in Section III.D above, and any judgment that may be entered by the Court (as it pertains to the PAGA Settlement), if it grants final approval to the Settlement.

C. Object to the Class Settlement

You can object to the terms of the Class Settlement as long as you have not submitted a Request for Exclusion from the Class Settlement, by submitting a written objection (“Notice of Objection”) to the Settlement Administrator or presenting your objection at the Final Approval Hearing.

A Notice of Objection must: (a) contain the case name and number of the *Cruz* Action; (b) contain your full name, signature, address, telephone number, and the last four digits of your Social Security Number; (c) a written statement of all grounds for the objection accompanied by any legal support for such objection; (d) contain copies of any papers, briefs, or other documents upon which the objection is based; and (f) be mailed to the Settlement Administrator at the address listed in Section IV.B above, postmarked **on or before** [Response Deadline].

V. FINAL APPROVAL HEARING

The Court will hold a Final Approval Hearing in Department 9 of the Los Angeles County Superior Court, Spring Street Courthouse, located at 312 North Spring Street, Los Angeles, California 90012, on [date], at [time] a.m., to determine whether the Settlement should be finally approved as fair, reasonable, and adequate. The Court also will be asked to approve and award Attorneys’ Fees and Costs to Class Counsel, Enhancement Payments to Plaintiffs, and Settlement Administration Costs to the Settlement Administrator.

The hearing may be continued without further notice to Class Members. It is not necessary for you to appear at the Final Approval Hearing, although you may appear remotely if you wish to.

Please note, due to COVID-19, there are limitations on personal appearances and telephonic appearances are an option. You can find the Court’s most current COVID-19 guidelines online at: <https://www.lacourt.org/>. You can find information regarding appearing remotely through LA Court Connect online at: <http://www.lacourt.org/laccedibility/ui/civil.aspx?casetype=ci>. Please note that there may be deadlines to reserve a remote appearance and reservation fees or charges may apply.

VI. ADDITIONAL INFORMATION

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the Settlement

Agreement, you should review the detailed Settlement Agreement and other papers which are on file with the Court.

You may view the Settlement Agreement and other court records in the Lawsuit for a fee by making an appointment in advance and visiting the civil clerk's office, located at Stanley Mosk Courthouse, 111 North Hill Street, California, 90012, during business hours, or online by visiting the following website:
<http://www.lacourt.org/casesummary/ui/index.aspx?casetype=civil>.

PLEASE DO NOT TELEPHONE THE COURT OR THE OFFICE OF THE CLERK FOR INFORMATION REGARDING THIS SETTLEMENT.

IF YOU HAVE ANY QUESTIONS, YOU MAY CALL THE SETTLEMENT ADMINISTRATOR AT THE FOLLOWING TOLL-FREE NUMBER: [INSERT], OR YOU MAY ALSO CONTACT CLASS COUNSEL.