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Attorneys for Plaintiffs, on a representative basis and on behalf of all others similarly situated

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF RIVERSIDE

VERONICA REDONDO, on behalf of all
PAGA Members and the State of California;
ANNEKA WOLFE, on behalf of all PAGA
Members and the State of California;
DANIEL ENRIQUEZ, on behalf of all PAGA
Members and the State of California; LISA
DAMMAN, on behalf of all PAGA Members
and the State of California; and SHERWIN
MOKTARI, on behalf of all PAGA Members
and the State of California.

Plaintiffs,

vs.

VERGE MOBILE CA EE, LP, a California
limited partnership; VERGE MOBILE CA
GP, LLC, a California limited liability
company; and DOES 1 through 20, inclusive;

Defendants.

Case No.: CVRI2200827
*[Assigned to Hon. Harold Hopp, Dept 1, for
all purposes]*

**DECLARATION OF BRIAN J. MANKIN,
ESQ., IN SUPPORT OF PLAINTIFFS'
MOTION TO APPROVE PAGA
SETTLEMENT**

I, Brian J. Mankin, state and declare:

1. I am an attorney licensed to practice before all of the courts of the State of California. I manage the employment law department and am a partner with the law firm of Lauby, Mankin & Lauby LLP, which has offices in Orange County and Riverside County. I am

DECLARATION OF BRIAN J. MANKIN, ESQ.,
IN SUPPORT OF MOTION TO APPROVE PAGA SETTLEMENT

1 thoroughly familiar with and have personal knowledge of all of the facts set forth herein. I
2 submit this declaration in support of Plaintiffs' Motion to Approve the PAGA Settlement. If
3 called as a witness, I could and would competently testify thereto.

4 **COUNSEL'S EXPERIENCE**

5 2. I have been a member, in good standing, of the State Bar of California since 2001.
6 I am admitted to practice in the United States District Courts for the Central and Southern
7 District of California and the Ninth Circuit Court of Appeal and have tried cases in various
8 courts in California.

9 3. I have handled well over 500 employee vs. employer litigation matters during my
10 23 years in practice. Over the last 18 years, my practice has almost entirely consisted of
11 representing employees, the majority of which has included class action and representative
12 action wage and hour matters. In total, I have handled over 300 class action and representative
13 action wage/hour cases, and have been appointed by the court as class counsel and have received
14 final court approval and judgment in over half of those actions to date, and anticipate receiving
15 final approval in many more of those in the future.

16 4. As part of these settlements and judgments, I have recovered in excess of \$250
17 million in damages for my clients and the class members (who often work as nurses, ambulance
18 drivers, technicians, warehouse workers, truck drivers, sales, professional occupations and
19 countless other trades). My team and I once held the record for the largest known PAGA-only
20 case in California's history - a \$12.5 million-dollar court approved settlement, which followed
21 extensive litigation, summary adjudication and writs to the CA Supreme Court against a Fortune
22 50 company (*Garcia v. Macy's*, Los Angeles Superior Court).

23 5. I have tried two major class and PAGA cases against Fortune 100 companies. In
24 2018, I was lead counsel in a PAGA case that my firm tried in the Orange County Superior Court
25 and received a \$425,000 judgment. In 2019, I was co-counsel in a class action case against
26 Walmart in District Court, wherein the jury awarded Plaintiffs and the class over \$6 million.
27 Both cases were appealed.
28

6. I was named by the LA Times as one “Southern California Leading Lawyers” in the May 2023 issue of Consumer Attorney’s of Southern California (a recognition given to 17 employment/labor law attorneys in 2023). Additionally, over the last six (or more) consecutive years, I have been selected by my peers as a “Super Lawyer” in Employment Litigation, a distinction that only 5% of lawyers receive.

BRIEF SUMMARY OF THE SETTLEMENT AND KEY TERMS

7. Following mediation, Plaintiffs and Defendants (the “Parties”) finalized and executed the “PAGA Settlement Agreement” (the “Settlement Agreement” or “S.A.”). A true and correct copy of the Settlement Agreement is attached hereto as **Exhibit A**.

8. Under the terms of the Settlement Agreement, Defendants agree to pay a non-reversionary settlement amount of \$950,000 (the “Gross Settlement Amount”), subject to increase if the “Escalator Clause” is triggered. Under the Settlement, the Gross Settlement Amount will be allocated as follows: \$850,000 to the PAGA Settlement and \$100,000 to the 5 separate Individual Settlement Agreements on behalf of the 5 named Plaintiffs. The PAGA Settlement will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, Plaintiffs’ Counsel Fees Payment, Plaintiffs’ Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The following chart reflects the estimated payments pursuant to the Settlement Agreement:

<i>Gross Settlement Amount</i>	\$ 950,000.00
Attorneys’ Fees (1/3)	\$ 316,666.67
Attorney Litigation Costs	\$ 35,169.09
Administrator Costs	\$ 10,854.00
Separate Statutory Settlements (\$13,333.33 each)	\$ 66,666.65
Service Awards to Plaintiffs (\$5,000 each)	\$ 25,000.00
<i>Net Settlement Amount (“NSA”)</i>	\$ 495,643.61
75% of NSA Payable to LWDA	\$ 371,732.71
25% of NSA Payable to PAGA Members	\$ 123,910.90

9. As such, the LWDA will receive approximately \$371,732.71 (75% of the Net Settlement Amount) and approximately 1,600 PAGA Members will collectively share in \$123,910.90 (the remaining 25% of the Net Settlement Amount), which will be paid on a pro-

1 rata basis based on the number of PAGA Pay Periods worked during the PAGA Period. Each
2 PAGA Member will receive approximately \$77.44 on average, although the actual amount will
3 be based on the number of PAGA Pay Periods each person worked.

4 10. In exchange for these payments, the Settlement Agreement grants Defendants a
5 release that is narrowly tailored to release the PAGA claims against Defendants. Moreover, the
6 release strictly complies with the Court’s “PAGA Case Management Order #1” (the “CMO”) ¶
7 E(8) in that it “bind[s] only the named plaintiff and the State of California” and “release[s] only
8 those claims described in the notice sent by the plaintiff to the LWDA, and only to the extent that
9 they are alleged in the complaint.” See S.A. ¶ 1.31 (“Released PAGA Claims”), ¶ 5.7.

10 PROCEDURAL BACKGROUND

11 11. After being retained by Plaintiff Redondo my office submitted a Notice Letter to
12 the California Labor & Workforce Development Agency (“LWDA”) and to Defendants
13 regarding the alleged violations, with true and correct copies of the LWDA letter attached hereto
14 as **Exhibit B**. At the same time, we sent a letter to Defendants requesting the production of
15 Plaintiff Redondo’s personnel and timekeeping records in order to further evaluate her wage and
16 hour claims.

17 12. Plaintiff Redondo filed a class action and representative PAGA complaint in
18 Riverside Superior Court on February 28, 2022, alleging class and PAGA claims for: (1) failure
19 to pay minimum wages, (2) failure to pay overtime wages, (3) failure to provide meal periods,
20 (4) failure to provide rest breaks, (5) failure to reimburse business expenses, (6) failure to timely
21 pay wages, (7) failure to provide accurate itemized wage statements, (8) unfair competition, and
22 (9) related claims under PAGA (“Redondo Action”). On approximately September 22, 2022,
23 following Defendants’ Motion to Compel Arbitration, the court dismissed Plaintiff Redondo’s
24 class claims and stayed the PAGA claims pending completion of arbitration. Redondo then filed
25 a demand for arbitration and the arbitration proceeded through discovery and approached a
26 hearing when the settlement was reached.

27 13. As the Redondo case was ongoing, Plaintiff Wolfe filed a putative class action
28 against Defendants and a PAGA action. However, based on an arbitration agreement, Plaintiff

1 Wolfe submitted her individual claims to arbitration.

2 14. While litigation was ongoing, Plaintiffs counsel joined forced and the Parties
3 agreed to attend a global mediation in February 2025. In preparation for mediation, the Parties
4 exchanged documents and information that allowed both sides to calculate the potential PAGA
5 penalties and evaluate potential risk. During this process, Plaintiffs and their counsel analyzed,
6 researched, and investigated the potential issues, such as the calculation of total penalties, trial,
7 and appellate issues and risks. During this exchange of information, pursuant to Plaintiffs'
8 counsel's informal requests, Defendants produced documents and pay records that enabled
9 Plaintiffs to conduct a thorough analysis of claims for unpaid wages, meal/rest break violations
10 and others.

11 15. On February 26, 2025, the Parties participated in an all-day mediation presided
12 over by Kevin Barnes, Esq. At the conclusion of mediation and extensive arms-length
13 negotiations, the Parties reached settlement and entered into this Settlement that called for the
14 filing of the Consolidated Complaint, which was filed on November 6, 2025. The Parties now
15 seek approval in compliance with the "PAGA Case Management Order #1" (the "CMO").

16 **ANALYSIS OF CLAIMS AND VALUATION**

17 16. Plaintiffs alleged numerous wage and hour violations on behalf of the PAGA
18 Members. However, Defendants vigorously contested and denied each of Plaintiffs' material
19 allegations on the merits and as to propriety of the PAGA representative action. Still, Plaintiffs
20 believed there were several strong claims.

21 17. This section includes an analysis of the items required by CMO ¶ E(3). This
22 information was compiled with the assistance of Misty Lauby, who was responsible for
23 preparing the pre-mediation data and calculations, and primarily assisted in the preparation of
24 this analysis. As such, the following is based largely on information and belief, as it was largely
25 prepared with Ms. Lauby's assistance (but I reviewed all of the information).

26 **CMO ¶ E(3)(a): "Nature of the Alleged Violations"**

27 18. Plaintiffs alleged ten claims on behalf of the PAGA Members, including: (1)
28 failure to pay minimum wages, (2) failure to pay overtime wages, (3) failure to provide meal

1 periods, (4) failure to provide rest breaks, (5) failure to reimburse business expenses, (6) failure
2 to timely pay wages each period, (7) failure to timely pay final wages, (8) failure to provide
3 accurate itemized wage statements, (9) failure to maintain and provide employment records; and
4 (10) failure to provide a day of rest. However, as discussed herein, some of the claims are
5 overlapping due to the nature of the violation (so, in essence, there are not 10 distinct penalties
6 recoverable).

7 19. *First*, Plaintiffs alleged unpaid wage claims under two distinct theories of
8 liability. The primary theory was for off-the-clock claims. For example, Plaintiffs and
9 Aggrieved Employees regularly worked off-the-clock work that Defendants either knew or
10 should have known they were performing due to understaffing and high sales pressure resulting
11 in Plaintiffs' and Aggrieved Employees having meal periods interrupted by work calls while off-
12 the-clock. Plaintiffs and Aggrieved Employees also spent time off-the-clock opening and closing
13 the stores. Additionally, employees were required to travel to and attend meetings while off-the-
14 clock and were required to travel to other stores to obtain products for customers while off-the-
15 clock. Moreover, Plaintiffs and Aggrieved Employees were required to field questions from
16 supervisors and/or other employees on when not at work and hourly managers were required to
17 come in on days off to approve time for employees. Also, supervisors would adjust time to match
18 scheduled hours rather than the hours actually worked resulting in unpaid time. Defendants'
19 payroll records show additional direct violations, whereby the Plaintiffs and Aggrieved
20 Employees were paid on an hourly basis plus other nondiscretionary compensation (such as
21 bonuses and commissions), yet Defendants failed to properly include this compensation in the
22 regular rate calculations for meal premiums paid sick leave (*see* Labor Code § 246(l)(1) (sick
23 time must be paid at the "regular rate of pay")), and overtime compensation – in violation of
24 California law and decades of case law confirming the illegality of this practice. But Defendants
25 vehemently opposed each of the unpaid wage claims on the merits, arguing (for example) that
26 Plaintiffs' off-the-clock claim had no merit because their handbook strictly prohibited off-the-
27 clock work or that the required tasks took mere seconds and that was not compensable, and that
28 overtime rates and sick pay was properly calculated but labeled incorrectly on the wages

1 statements. PAGA Members.

2 20. *Second*, Plaintiffs and Aggrieved Employees were also denied the ability to take
3 compliant off-duty rest breaks because the Defendants failed to provide Plaintiffs with 10
4 minutes of net rest break time for every 4 hours worked, or major fraction thereof, as mandated
5 by California law. In fact, the Defendants scheduled Plaintiffs' workload in such a way that they
6 were often not authorized and/or permitted to take mandated rest breaks due to being
7 overwhelmed by a hectic workload, mandatory sales requirements and as a result of
8 understaffing. Furthermore, on occasions when Plaintiffs and Aggrieved Employees worked in
9 excess of 10 hours in a shift, Defendants failed to authorize and/or permit a third mandated rest
10 break. However, Defendants argued that it provided and made all mandated meal and rest breaks
11 available to the Class, and any employee who did not take a break did so entirely of their own
12 volition. Thus, Defendants argued that these claims were without merit because, for each
13 violation, a fact-finder would have to determine why a break was noncompliant, because if it was
14 by the employee's choice, no liability attaches to Defendants.

15 21. *Third*, Plaintiffs allege that Verge also required them to utilize their personal cell
16 phones and vehicles to carry out their tasks for Defendants, without reimbursement. *Grissom v.*
17 *Vons Companies, Inc.* (1991) 1 Cal.App.4th 52, 60 ("the obvious purpose of [§ 2802] is to
18 protect employees from suffering expenses in direct consequence of doing their jobs").
19 Moreover, Defendants failed to reimburse Plaintiffs and Aggrieved Employees for required
20 uniforms and uniform maintenance and use of personal vehicles. Defendants countered that they
21 began reimbursing for use of cell phones on January 1, 2024 and that use of personal vehicles
22 was extremely rare.

23 22. *Fourth*, Plaintiffs' claim for inaccurate and incomplete wage statements arises out
24 of Verge's failure to accurately state all necessary items required under Labor Code § 226,
25 including direct violations such as failing to show the rates and hours for the pay codes including
26 "Ret Reg," "TMB," and "Commission," and derivative violations of failure to accurately reflect
27 all hours, minimum, regular and overtime wages, meal period premiums, rest period premiums,
28 sick pay, overtime rate of pay, gross and net wages earned, and all deductions.

23. *Fifth*, Plaintiffs claim that Defendants violated Labor Codes §§ 551-552 by causing the employees to work more than six days in seven.

24. *Finally*, Defendants also failed to comply with the mandates of Labor Code § 204 regarding the timing of the payment of wages each period and failed to comply with the mandates of Labor Code §§ 201 – 203 regarding payment of final wages upon separation of employment. But Defendants argued these “derivative” claims were without merit and could not create standalone liability (and also that it was improper to “stack” a derivative penalty on top of a penalty for the actual violation itself).

CMO ¶ E(3)(b): “Number of Alleged Individual Violations”

25. Plaintiffs’ claims had a statutory period (the “PAGA Period”) of September 14, 2021 through May 6, 2025. During the PAGA Period, there were a total possible 29,387 violative PAGA pay periods. Thus, if Defendants’ argument that Plaintiffs cannot “stack” violations held true, then the total number of alleged individual violations was capped at 29,387. However, because we argued that “stacking” is not a valid defense, and that PAGA civil penalties were available for each unique Labor Code violation, we calculated there were a potential total of 131,167 separate Labor Code violations, broken down as follows: combined unpaid wage violations (75% violation rate = 22,040 violations), meal period violations (45.2% violation rate = 13,283 violations), rest break violations (96.8% violation rate = 28,446 violations), expense reimbursement violations (75% violation rate = 22,040 violations), derivative § 204 violations (75% violation rate = 2,204,025 violations), derivative § 203 violations (1,276 separated employees = 1,276 violations), and derivative § 226 violations (75% violation rate = 22,040 violations).

CMO ¶ E(3)(c): “Total Amount of Penalties [...] If All Allegations are Proven”

26. Assuming no risk, and assuming that Plaintiffs were allowed to “stack” multiple penalties in the same pay period, even for “derivative” claims, then we calculated the maximum possible PAGA penalties if all allegations are proven as \$13,116,654 (131,167 separate individual violations x \$100).

///

1 CMO ¶ E(3)(d): “Total Amount of Penalties Defendant is Likely to Be Found Liable at Trial”

2 27. Based on a detailed analysis of each claim, including the weight of the evidence,
3 clarity of applicable law, and strength of the factual and legal defenses asserted by Defendants,
4 Ms. Lauby and I calculated that the total amount of penalties for which Defendants would likely
5 be found liable at trial is \$3,279,163.50. This applied relative chances of success (and the
6 corresponding risks) for each claim, along with the likelihood that the Court would apply a
7 modest “discretionary reduction” due to Defendants’ compliant written policies and attempts to
8 comply with California law.

9 CMO ¶ E(3)(e): “Likelihood [...] Violations Would be Proven [as] Knowing and Intentional”

10 28. Due to the disputed facts, the uncertainty regarding applicable law as to certain
11 claims, and the fact that Defendants had compliant written policies, we did not believe there was
12 a high likelihood that most of the violations would be deemed knowing and intentional.
13 However, we did believe that the overtime miscalculations, if proven, would be found knowing
14 and intentional since these practices run afoul of decades of state and federal authority regarding
15 the regular rate of pay.

16 CMO ¶ E(3)(f): Facts re: Penalties “Unjust, Arbitrary and Oppressive, or Confiscatory”

17 29. The PAGA gives the court wide latitude to reduce the amount of civil penalties
18 “based on the facts and circumstances of a particular case” and if “to do otherwise would result
19 in an award that is unjust, arbitrary and oppressive, or confiscatory.” Labor Code § 2699(h).
20 Some factors courts have considered in reducing the amount of civil penalties include whether
21 (1) the violation arises from an unsettled legal obligation (*Cotter v. Lyft, Inc.*, (N.D. Cal. 2016)
22 193 F.Supp.3d 1030, 1037); and (2) the employer’s willingness to fix the violation. (*Fleming v.*
23 *Covidien*, (C.D. Cal. 2011) 2011 U.S. Dist. LEXIS 154590, *8-9). For instance, in the *Lyft* case,
24 the Court found that a \$1M PAGA settlement was fair and reasonable in light of the unsettled
25 nature of the law, which awarded \$2.52 per pay period (397,110 pay periods / \$1M PAGA
26 settlement), which was a 97.5% reduction from the maximum penalty. In *Fleming v. Covidien*,
27 the Court reduced the potential penalties by over 82 percent, awarding \$500,000 for 28,742 pay
28 periods at issue. Similarly, in *Sanchez v. McDonald’s Restaurants of California*, BC499888, Los

1 Angeles Superior Court entered summary adjudication against McDonald's for violating the
2 overtime laws, but the Court's tentative ruling at trial was to award only \$750,000 in PAGA
3 penalties against McDonald's, despite a substantial number of violations at 119 stores at issue.

4 30. Additionally, Plaintiffs believe that the amount obtained in settlement, and the
5 reasonable estimates provided above, are justified given that Defendants vehemently argued
6 against any contention that its violations were "knowing and intentional" since it had compliant
7 policies and practices in place at all times.

8 31. Finally, the parties only reached settlement and the agreed-upon PAGA penalties
9 after mediation with an extensive exchange of information and arms-length negotiation between
10 the Parties.

11 CMO ¶ E(3)(g): How the PAGA "Penalties [were] Calculated or Otherwise Arrived At"

12 32. The total amount of PAGA penalties was not "calculated or otherwise arrived at."
13 Instead, the PAGA penalties make up the entire settlement amount, and the settlement only
14 occurred after arms-length negotiations and detailed factual and data analysis.

15 CMO ¶ E(3)(h): Other Factors Showing PAGA Penalties are Fair

16 33. I believe that this declaration, and the sections above, covers all factors material
17 to a determination that the penalties are fair.

18 **REQUESTED ATTORNEYS' FEES AND COSTS ARE REASONABLE**

19 34. Pursuant to CMO ¶ E(4), this section sets forth facts and evidence justifying the
20 attorneys' fees and costs requested by my firm and my co-counsel.

21 35. It has been my experience that the benchmark for attorney fee awards in
22 California state cases is one-third of a common settlement fund in most situations. Here,
23 pursuant to the Settlement Agreement, and in recognition of the work performed by Plaintiffs'
24 Counsel, and the results we achieved for the State and PAGA Members, my firm and our co-
25 counsel are collectively seeking a one-third fee, with my firm receiving 70%, Lavi &
26 Ebrahimian receiving 18% and W. Employment Law receiving 12%. These amounts were
27 disclosed to Plaintiffs in the Joint Prosecution Agreement.

1 36. In my experience, Courts award attorney's fees in the amount of one-third of the
2 common fund settlement amount in a PAGA only case.

3 37. At my office, this case was handled by Misty Lauby while I performed the role of
4 the supervising attorney. Ms. Lauby's experience is set forth in her declarations, but in sum, she
5 works exclusively with me on employment law matters and has been in practice for 16 years.
6 She bills at the hourly rate of \$650/hour. I have been in practice for over 23 years, with most of
7 those years handling complex litigation and for over the last 18 years, my practice has almost
8 entirely consisted of handling class action wage and hour matters. My billing rate is \$950/hour. I
9 believe these rates are consistent with Plaintiff and Defense attorneys who handle complex class
10 action litigation, if not somewhat lower.

11 38. Ms. Lauby has billed a total of 198.4 hours for a lodestar of \$128,960, as set forth
12 in her declaration. I have also spent 62 hours to date, plus I anticipate an additional 25 hours on
13 this case through completion for a lodestar of \$82,650 – leading to a total lodestar for my firm of
14 \$211,610. Additionally, as submitted by my co-counsel, they have also incurred a lodestar of
15 \$119,650 for Lavi & Ebrahimian and \$38,455 for W. Employment Law, which results in total
16 lodestar across all firms of \$369,715.

17 39. The hours incurred by my firm are reasonable, as are the rates utilized to arrive at
18 the lodestar figure. In fact, the rates are comparable to those of other attorneys with equal or
19 similar experience, if not somewhat lower (*i.e.*, the Laffey Matrix at www.laffeymatrix.com
20 indicates that the benchmark rates are: \$878/hour for a 11–19-year attorney and \$1,057/hour for
21 a 20+ year attorney).

22 40. The reasonableness of these rates is reinforced by facts showing that local
23 attorneys in Los Angeles engaged in complex litigation bill at rates far higher than my office –
24 and far higher than the Laffey Matrix. Recent public filings confirm that the Los Angeles
25 Department of Water and Power is paying outside counsel at minimum rates of \$1,800 for
26 partners, \$1,180 per hour for associates with 7 years of experience or more, and LADWP even
27 pays first year associates \$745 per hour. See <https://www.latimes.com/california/story/2025-02-14/law-firm-1975-an-hour-defend-against-palisades-fire-lawsuits>.
28

1 41. Moreover, the Wolters Kluwer 2023 Real Rate Report (“Real Rate Report”)
2 provides directly applicable information in this regard. The Real Rate Report is based on an
3 enormous and statistically significant compilation of data, comprising millions billing entries
4 from a hundred thousand individual timekeepers who worked at thousands of law firms. The
5 Real Rate Report then compiles and analyzes this data to provide the hourly rates for partners
6 and associates in major metropolitan areas. For the southern California area: (a) the rate for
7 partners in Los Angeles is between \$840 and \$1,159 per hour for the middle and upper quartiles,
8 and (b) the rates for associates with seven or more years of experience, the upper quartile rate is
9 \$888 per hour. And, perhaps most importantly, the information provided in the Real Rate Report
10 is not based on self-reported numbers, surveys, sampling, or reviews or other publications –
11 instead, the Real Rate Report is based on the actual hours and fees billed by law firms, which
12 makes it “a much better reflection of true market rates than self-reported rates in all practice
13 areas.” *Brown v. CVS Pharmacy, Inc.* (C.D. Cal. Apr. 24, 2017) 2017 U.S. Dist. LEXIS 182309,
14 at *21.

15 42. In the course of prosecuting this action, my firm has incurred expenses that were
16 incidental and necessary to the effective representation of the PAGA Members. These costs
17 include mediation fees, filing fees, and other costs that include Attorney Service charges,
18 CourtCall charges, and process service fees. My firm’s expenses total \$19,557.71 through the
19 conclusion of this matter, which includes costs of filing, serving and attend the approval hearing
20 (see **Exhibit C** attached hereto). Additionally, my co-counsel testifies that their firms incurred
21 total costs of \$11,769.72 for Lavi & Ebrahimian and \$3,841.66 for W. Employment Law,
22 resulting in total combined costs of \$35,169.09.

23 **PLAINTIFFS’ SEPARATE INDIVIDUAL SETTLEMENTS**

24 43. Plaintiffs also each separately resolved their individual, non-PAGA claims against
25 Defendants. This is explicitly permitted by California law and this section offers supporting case
26 law and, further, provides the information required by CMO ¶ E(5) for separate individual
27 settlements.
28

1 44. At the outset, it should be noted that that the California Labor Code specifically
2 permits Plaintiffs to resolve claims for individual damages, separate and distinct from a
3 settlement of PAGA claims. *See* Labor Code § 2699(g)(1) (“[n]othing in this part shall operate to
4 limit an employee’s right to pursue or recover other remedies available under state or federal
5 law, either separately or concurrently with an action taken under this part”). The rule permitting
6 employees to pursue separate individual claims while maintaining a PAGA claim aligns perfectly
7 with the general understanding that PAGA claims (which seek civil penalties on behalf of
8 aggrieved employees) are separate and distinct from individual claims for unpaid wages,
9 statutory penalties, and other individual claims. This principle was affirmed by the California
10 Supreme Court in *Iskanian*, where the Court held that “[t]he civil penalties recovered on behalf
11 of the state under the PAGA **are distinct** from the statutory damages to which employee may be
12 entitled in their individual capacities.” *Iskanian*, 59 Cal.4th at 381. And the California Supreme
13 Court recently expounded upon this position in *ZB, N.A. v. Superior Court* (2019) 8 Cal.5th 175,
14 187 (when discussing the difference between statutory damages/penalties (for an individual)
15 versus civil penalties (under PAGA), the court clearly held that “[p]ursuing civil penalties does
16 not prevent an employee from separately or concurrently pursuing unpaid wages and other
17 remedies already available to her”).

18 45. CMO ¶ E(5)(a): Plaintiffs alleged individual claims for the same underlying facts
19 and violations as raised in the PAGA case. Thus, Plaintiffs allege that they were subjected to the
20 same unpaid wage claims, same meal/rest break issues, and the same wage statement violations,
21 along with the other claims detailed above.

22 46. CMO ¶ E(5)(b): Plaintiffs allege that the total amount of damages, lost wages,
23 attorneys’ fees and costs, penalties, interest, and other relief that they would be awarded if
24 successful on all their individual claims is \$80,000 or more each. Then, after considering risks,
25 defenses, and the likelihood of prevailing, Plaintiffs allege that the total amount of damages, lost
26 wages, attorneys’ fees and costs, penalties, interest, or other relief that they could be reasonably
27 expected to be awarded at trial is approximately \$50,000 or more each.
28

1 47. CMO ¶ E(5)(c) and (d): Pursuant to the terms of the separate individual
2 settlement agreement, Plaintiffs will each receive confidential settlement amount in the lower to
3 mid five figures, plus attorneys fees and costs, in exchange for a release of all claims against
4 Defendants and Civil Code § 1542 waiver.

5 **REASONABLENESS OF REQUESTED SERVICE AWARDS**

6 48. I also believe that the requested service awards of \$5,000 to Plaintiff Redondo
7 and the others are fair and warranted given the time and effort they devoted to this case over its
8 more-than-3-year history. Their efforts included providing factual background for the claims,
9 providing documents and information about Defendants' compensation plan, actively
10 participating in the separate arbitrations, participating in phone calls to discuss litigation and
11 settlement strategy, making themselves available throughout the litigation to assist with
12 analyzing the claims and defenses, helping Counsel prepare for the mediation; and reviewing the
13 settlement documents. Each Plaintiff also assumed significant risk in bringing this litigation—
14 namely, had they lost, they could have been ordered to pay Defendants' costs. This request also
15 falls squarely in line with service awards with amounts that courts approved in similar litigation.

16 **APPOINTMENT OF SETTLEMENT ADMINISTRATOR**

17 49. After obtaining bids from multiple settlement administrators, the Parties selected
18 Phoenix Settlement Administrators as the Administrator to perform all duties relating to the
19 issuance of checks, mailing the notices, locating employees, and preparation and submission of
20 tax forms for a fee of \$10,854, which is a capped amount based on hourly rates, anticipated time
21 spent on each task, and per-unit costs for postage and other expenses. Phoenix Settlement
22 Administrators' proposal is attached as **Exhibit A** to the Declaration of Mike Moore explaining
23 their fee and experience.

24 **SUBMISSION TO THE LWDA**

25 50. The Motion and declarations, including the Settlement Agreement, have
26 concurrently been submitted to the LWDA through its online portal.

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52. True and correct copies Plaintiff Redondo's LWDA letters are attached hereto as **Exhibit B.**

54. The LWDA's confirmation of receipt of this Motion and Declarations is attached hereto as **Exhibit D**.

56. For the foregoing reasons, it is respectfully requested that the Court approve the settlement.

By: Brian J. Mankin
Brian J. Mankin, Esq.

EXHIBIT “A”

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF RIVERSIDE

VERONICA REDONDO, on behalf of all
Aggrieved Employees and the State of
California; ANNEKA WOLFE, on behalf of
all Aggrieved Employees and the State of
California; DANIEL ENRIQUEZ, on behalf
of all Aggrieved Employees and the State of
California; LISA DAMMAN, on behalf of all
Aggrieved Employees and the State of
California; and SHERWIN MOKTARI, on
behalf of all Aggrieved Employees and the
State of California.

Plaintiff,

vs.

VERGE MOBILE CA EE, LP, a California
limited partnership; VERGE MOBILE CA
GP, LLC, a California limited liability
company; and DOES 1 through 20, inclusive;

Defendants.

Case No.: CVRI2200827
*[Assigned to Hon. Harold Hopp, Dept 1, for
all purposes]*

PAGA SETTLEMENT AGREEMENT

Consolidated/Related Actions:

- *Wolfe v. Verge Mobile CA EE, LP*; Los Angeles Superior Court; Case No. 23STCV29891;
- *Wolfe v. Verge Mobile CA EE, LP*; Los Angeles Superior Court; Case No. 24STCV03671

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28 Attorneys for Defendants Verge Mobile CA EE, LP
and Verge Mobile CA GP, LLC

1 This PAGA Settlement Agreement (“Agreement” or “Settlement”) is made by and
2 between Plaintiffs Veronica Redondo, Anneka Wolfe, Daniel Enriquez, Lisa Damman, and
3 Sherwin Moktari (collectively, “Plaintiffs”) and Defendants Verge Mobile CA EE, LP and Verge
4 Mobile CA GP, LLC, (“Defendants”). The Agreement refers to Plaintiffs and Defendants
5 collectively as “Parties,” or individually as “Party.”

6 **1. DEFINITIONS.**

7 1.1. “Actions” collectively refers to the following wage-and-hour actions, arbitrations,
8 notices and demands brought by Plaintiffs:

- 9 a. *Anneka Wolfe v. Verge Mobile CA EE, LP*, filed in the Superior Court of the State
10 of California, County of Los Angeles, Case No. 23STCV29891, and any operative
11 complaint filed therein (“Wolfe Class Action”);
12 b. *Anneka Wolfe v. Verge Mobile CA EE, LP*, filed in the Superior Court of the State
13 of California, County of Los Angeles, Case No. 24STCV03671, and any operative
14 complaint filed therein (“Wolfe PAGA Action”);
15 c. *Anneka Wolfe v. Verge Mobile CA EE, LP*, filed in JAMS, Reference No.
16 5220005958 (“Wolfe Class Arbitration”);
17 d. *Anneka Wolfe v. Verge Mobile CA EE, LP*, filed in JAMS, Reference No.
18 5220008507 (“Wolfe PAGA Arbitration”);
19 e. *Veronica Redondo v. Verge Mobile CA EE, LP, et al.*, filed in the Superior Court of
20 the State of California, County of Riverside, Case No. CVRI2200827, and any
21 operative complaint filed therein (“Redondo Action”);
22 f. *Veronica Redondo v. Verge Mobile CA EE, LP, et al.*, filed in JAMS, Reference
23 No. 5230000126 (“Redondo Arbitration”);
24 g. *Daniel Enriquez v. Verge Mobile CA EE LP*, LWDA Case No. LWDA-CM-
25 1009873-24 (Enriquez PAGA Notice”);
26 h. *Anneka Wolfe v. Verge Mobile CA EE LP*, LWDA Case No. LWDA-CM-998576-
27 23 (“Wolfe PAGA Notice”);
28 i. Pre-litigation Demand Letter submitted on behalf of Lisa Damman (“Damman
Demand Letter”); and
j. Pre-litigation Demand Letter submitted on behalf of Sherwin Moktari (“Moktari
Demand Letter”).

1.2. “Administrator” means Phoenix Class Action Administration Solutions, the
neutral entity the Parties have agreed to appoint to administer the Settlement.

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

1 in connection with approval of the Settlement.

2 1.4. “Amended PAGA Notice” refers the amended notice of claim letter that Ms.
3 Redondo will submit to the California Labor & Workforce Development Agency (“LWDA”)
4 adding all the factual and legal allegations alleged in the related Actions as defined in Paragraph
5 1.1, and including all the factual and legal allegations in each of respective PAGA notice filed
6 with the LWDA for each Action listed in Paragraph 1.1.

7 1.5. “Approval Order” means the proposed Court order granting approval of PAGA
8 Settlement.

9 1.6. “Consolidated Action” or “Consolidated Lawsuit” means and refers to the
10 consolidated PAGA action Ms. Redondo will file by filing a Consolidated Complaint
11 incorporating all the factual and legal allegations pleaded in the related Actions identified in
12 Paragraph 1.1 above, and adding Anneka Wolfe, Daniel Enriquez, Lisa Damman and Sherwin
13 Moktari as named plaintiffs.

14 1.7. “Consolidated Complaint” refers to the operative First Amended PAGA
15 Complaint that Ms. Redondo will file consolidating and incorporating all the factual and legal
16 allegations pleaded in the related Actions identified in Paragraph 1.1., including the *Wolfe Class*
17 *Action and Wolfe PAGA Action*, as well as all claims alleged in the Amended PAGA Notice, and
18 adding Anneka Wolfe, Daniel Enriquez, Lisa Damman and Sherwin Moktari as named plaintiffs.

19 1.8. “Court” means the Superior Court of California, County of Riverside.

20 1.9. “Defendants” means named Defendants Verge Mobile CA EE, LP and Verge
21 Mobile CA GP, LLC.

22 1.10. “Defense Counsel” means Lara Besser and Annalyse Butler of Jackson Lewis P.C.

23 1.11. “Effective Date” shall be deemed the date when all of the following events have
24 occurred: (1) the PAGA Settlement Agreement has been executed by all Parties, Plaintiffs’
25 Counsel (as to form only), and Defendants’ Counsel (as to form only); (2) the Court has issued an
26 order approving the PAGA Settlement Agreement; and (3) sixty-six (66) calendar days have
27 passed since the Court has entered a final order and judgment approving the PAGA Settlement
28 Agreement or, if any appeal, writ, or other appellate proceeding opposing the Court’s final order

1 and judgment approving the PAGA Settlement Agreement has been filed, five (5) business days
2 after any appeal, writ, or other appellate proceedings opposing the PAGA Settlement Agreement
3 has been finally and conclusively dismissed/denied with no right to pursue further remedies or
4 relief.

5 1.12. "Gross Settlement Amount" or "Total Settlement Amount" means \$950,000.00,
6 which is the total amount Defendants agree to pay under the Settlement (except as provided in
7 Paragraph 8 below), and shall be allocated as follows, subject to Court approval: \$850,000 to the
8 PAGA Settlement and \$100,000 to the Individual Settlement Agreements. The PAGA Settlement
9 will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, Plaintiffs' Counsel
10 Fees Payment, Plaintiffs' Counsel Litigation Expenses Payment, and the Administration
11 Expenses Payment.

12 1.13. "Individual PAGA Payment" means the PAGA Member's pro rata share of 25%
13 of the PAGA Penalties calculated according to the number of PAGA Pay Periods the PAGA
14 Member worked during the PAGA Period.

15 1.14. "Individual Settlement Payments" means and refers \$100,000 to be paid from the
16 Gross Settlement Amount in an equal share to the five named Plaintiffs (\$13,333.33 gross each
17 [before taxes and withholdings] after deducting one-third attorney's fees) for their separate
18 individual claims for unpaid wages, statutory penalties and interest. The individual settlements
19 will be memorialized in separate Individual Settlement Agreements, the enforceability of which
20 are contingent upon the Court's granting the Approval Order for this PAGA Settlement
21 Agreement.

22 1.15. "Judgment" means the judgment entered by the Court based upon the Court's
23 approval of the Settlement.

24 1.16. "LWDA" means the California Labor and Workforce Development Agency, the
25 agency entitled, under Labor Code section 2699, subd. (i).

26 1.17. "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the
27 LWDA under Labor Code section 2699, subd. (i).

1.18. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual Settlement Payments, Plaintiffs’ Counsels’ Fees Payment and Litigation Expenses Payment, Service Awards, and Administration Expenses Payment. The remainder will form the Net Settlement Amount which will be allocated to PAGA Penalties, which will be divided 75% to the LWDA and 25% to the PAGA Members.

1.19. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).

1.20. “PAGA Members” means all current and former non-exempt (hourly-paid) employees employed by Defendants in California during the PAGA Period.

1.21. “PAGA Member Data” means PAGA Member identifying information in Defendants’ possession including the PAGA Member’s name, last-known mailing address, telephone number or email address, Social Security number, and number of PAGA Pay Periods.

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

1.23. “PAGA Notice(s)” means Plaintiffs’ individual letters to the LWDA providing notice of their PAGA Claims, pursuant to Labor Code section 2699.3, subd.(a), and the Amended PAGA Notice.

1.24. “PAGA Pay Period” means any Pay Period during which a PAGA Member worked for Defendants for at least one day during the PAGA Period.

1.25. “PAGA Period” means the period from September 14, 2021, through May 6, 2025.

1.26. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Net Settlement Amount, allocated 25% to the PAGA Members and 75% to LWDA in settlement of PAGA claims. The PAGA Penalties are the Net Settlement Amount (i.e., Gross Settlement Amount, less the Individual Settlement Payments, and less the following payments in the amounts approved by the Court: Plaintiffs’ Counsel Fees Payment, Plaintiffs’ Counsel Litigation Expenses Payment, Service Awards and the Administration Expenses Payment).

1.27. "PAGA Settlement Amount" refers to the Parties' agreement to allocate \$850,000 of the Gross Settlement Amount to the PAGA Settlement, subject to Court approval, and inclusive of all amounts to be paid to the LWDA, PAGA Members, attorneys' fees, costs, Service Awards, and administration costs, which is the maximum that Defendant will pay to resolve the PAGA claims, unless the Escalator Clause is triggered (as defined below in Paragraph 8) and increases the PAGA Settlement Amount. The PAGA Settlement Amount shall be all-in with no reversion to Defendants.

1.28. "Plaintiffs" mean Veronica Redondo, Anneka Wolfe, Daniel Enriquez, Lisa Damman, and Sherwin Moktari who will be the named Plaintiffs in the Consolidated Complaint.

1.29. "Plaintiffs' Counsel" means Brian J. Mankin and Misty Lauby of Lauby, Mankin & Lauby LLP ("LML"), Joseph Lavi, Vincent Granberry, and Stephen Sloane of Lavi & Ebrahimi ("LE"), and Jacob Whitehead of W. Employment Law ("JC"), the attorneys representing the Plaintiffs in the Action.

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

1.31. "Released PAGA Claims" means the PAGA claims that Plaintiffs alleged against the Released Parties in the related Actions identified in Paragraph 1.1, including those based on the facts stated in the PAGA Notices, including all PAGA claims seeking civil penalties premised upon: (1) failure to pay all wages owed including minimum wages, regular, and overtime wages, (2) failure to provide compliant meal periods, (3) failure to provide compliant rest breaks, (4) failure to reimburse business expenses, (5) failure to timely pay earned wages during employment, (6) failure to provide accurate itemized wage statements, (7) failure to timely pay wages each period and upon separation of employment, (8) failure to provide a day of rest, (9) failure to maintain and provide employment records, and (10) all other claims for civil penalties recoverable under the Private Attorneys General Act, Labor Code former §§ 2698 et seq. based on the facts or legal theories alleged in the Amended PAGA Notice and Consolidated Complaint. The time period governing the Released PAGA Claims shall be the PAGA Period. The Released PAGA

1 Claims do not release any PAGA Member’s individual claims for wages or statutory penalties,
2 other than the Plaintiffs’ individual claims which will be released by their Individual Settlement
3 Agreements which are contingent upon the Court granting the Approval Order for this PAGA
4 Settlement Agreement.

5 1.32. “Released Parties” means Defendants Verge Mobile CA EE, LP, Verge Mobile
6 CA GP, LLC, and their respective officers, directors, employees and agents.

7 1.33. “Wolfe’s Separate Individual Action” refers to Ms. Wolfe’s separate action
8 involving claims related to wrongful termination, discrimination, and harassment, which are being
9 handled by separate counsel, and are specifically carved out from all releases set forth in this
10 Agreement and the Individual Settlement Agreements.

11 **2. RECITALS.**

12 2.1. The following is a summary of the *Redondo Action*, *Wolfe Class Action*, *Wolfe*
13 *PAGA Action*, *Enriquez Demand*, *Damman Demand*, and *Moktari Demand*.

14 a. *Redondo Action*: Plaintiff Redondo filed a class action and representative
15 PAGA complaint in Riverside Superior Court on February 28, 2022, alleging class and PAGA
16 claims for: (1) failure to pay minimum wages, (2) failure to pay overtime wages, (3) failure to
17 provide meal periods, (4) failure to provide rest breaks, (5) failure to reimburse business
18 expenses, (6) failure to timely pay wages, (7) failure to provide accurate itemized wage
19 statements, (8) unfair competition, and (9) related claims under PAGA (“Redondo Action”). On
20 approximately September 22, 2022, following Defendant’s Motion to Compel Arbitration, the
21 court dismissed Plaintiff Redondo’s class claims and stayed the PAGA claims pending
22 completion of arbitration. Redondo then filed a demand for arbitration. As discussed below,
23 pursuant to the Settlement, the *Redondo Action* was amended by way of the Consolidated
24 Complaint and now the Parties seek approval of the PAGA Settlement in the Consolidated
25 Action. After the Effective Date in the Consolidated Action, Redondo’s individual
26 arbitration/claims will be dismissed with prejudice.

27 b. *Wolfe Class Action and Wolfe PAGA Action*: On December 7, 2023,
28 Plaintiff Wolfe filed a class action in Los Angeles Superior Court alleging class claims for: (1)

1 failure to pay wages for all hours worked at the minimum wage, (2) failure to pay overtime wages
2 for daily overtime worked, (3) failure to authorize or permit meal periods, (4) failure to authorize
3 or permit rest periods, (5) failure to indemnify employees for employment-related
4 losses/expenditures, (6) failure to provide complete and accurate wage statements, (7) failure to
5 timely pay all earned wages and final paychecks due at time of separation of employment, and
6 (8) unfair business practices (“Wolfe Class Action”). On February 13, 2024, Plaintiff Wolfe
7 filed a representative PAGA complaint in Los Angeles Superior Court seeking civil penalties for
8 (1) failure to pay wages for all hours worked at the minimum wage, (2) failure to pay overtime
9 wages for daily overtime worked at the overtime rate of pay, (3) failure to pay wages for
10 workdays that Defendants failed to provide legally required and compliant meal periods, (4)
11 failure to pay wages for workdays that Defendants failed to provide legally required and
12 compliant rest periods, (5) failure to indemnify for losses and expenditures incurred as part of
13 employment, (6) failure to timely pay earned wages during employment, (7) failure to provide
14 complete and accurate wage statements, and (8) failure to pay employees all wages due at time
15 of termination/resignation (“Wolfe PAGA Action”). On April 22, 2024, the Court dismissed
16 Wolfe’s class claims without prejudice, submitted her individual claims to arbitration and stayed
17 the case pending completion of arbitration of her individual claims. Wolfe then filed a demand
18 for arbitration (“Wolfe Class Arbitration”) which the Parties agreed to stay pending the
19 completion of mediation. On October 2, 2024, the Court submitted Wolfe’s individual PAGA
20 claims to arbitration and stayed her representative PAGA claims pending completion of
21 arbitration of her individual PAGA claims. Wolfe then filed a demand for arbitration (“Wolfe
22 PAGA Arbitration”) which the Parties agreed to stay pending the completion of mediation. As
23 discussed below, pursuant to the Settlement, the *Wolfe Class Action* and *Wolfe PAGA Action*
24 were amended by way of the Consolidated Complaint and now the Parties seek approval of the
25 PAGA Settlement in the Consolidated Action. The Parties shall ask the Court to stay these cases
26 pending the Approval Order in the Consolidated Action. After the Effective Date in the
27 Consolidated Action, the *Wolfe Class Action* and *Wolfe PAGA Action* and Wolfe’s individual
28 claims/arbitrations will be dismissed with prejudice.

c. On February 8, 2024, Enriquez submitted a PAGA notice letter to the LWDA which includes the following claims: (1) Failure to Provide Labor Code Compliant Rest and Meal Breaks; (2) Failure to Compensate Employees for Every Hour Worked; (3) Failure to Maintain Accurate Records of Hours Worked; (4) Failure to Pay Overtime Pay; (5) Failure to Furnish Accurate Wage Statements; (6) Reimbursement of Work-Related Expenses; and (7) Failure to Timely Pay All Wages Due Upon Separation or Termination of Employment.

d. On April 16, 2024, Damman submitted a pre-litigation settlement demand letter asserting claims for violations of the Labor Code, disability discrimination, and wrongful termination.

e. On May 7, 2024, Muktari submitted a pre-litigation settlement demand letter asserting claims for violation of the Labor Code.

2.2. The Consolidated Complaint in the Redondo Action is the operative complaint. Defendants' obligation to file an answer to the Consolidated Complaint is stayed pending the hearing on approval of the Settlement and will be mooted by Judgment in the Consolidated Action and the Effective Date occurring.

2.3. Upon the Approval Order by the Court and the Effective Date, Plaintiffs shall take all steps necessary to effectuate the dismissals of the claims set forth above. Enriquez, Damman, and Muktari agree not to file any lawsuits regarding the subject matter of this Agreement. Obtaining dismissals in the *Redondo Individual Arbitration*, the *Wolfe Class Action*, *Wolfe Class Arbitration*, *Wolfe PAGA Action* and *Wolfe PAGA Arbitration*, and promises not file lawsuits by Enriquez, Damman, and Muktari, are material terms of this Agreement. Should the court in the *Wolfe Class Action* or *Wolfe PAGA Action* decline to grant the requested dismissals, the Parties shall meet and confer about a mutually acceptable method to request the court close those Actions in a manner consistent with the terms of this Settlement.

2.4. Defendants deny the allegations in the Consolidated Complaint, deny any failure to comply with the laws identified in the Consolidated Complaint and deny any and all liability for the causes of action alleged in the Consolidated Complaint or the separate complaints filed in the Actions.

1 2.5. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiffs gave timely written
2 notice to Defendants and the LWDA by sending the PAGA Notices.

3 2.6. On February 26, 2025, the Parties participated in an all-day mediation presided
4 over by Kevin Barnes, Esq. which led to this Agreement to settle the Consolidated Action.

5 2.7. Prior to mediation, Plaintiffs obtained from Defendants, through informal
6 discovery, the number of comparable employees, the number of Pay Periods, average rates of pay,
7 sample time records, sample payroll records, written policies, and related information.

8 2.8. The Parties, Plaintiffs' Counsel and Defense Counsel represent that they are not
9 aware of any other pending matter or action asserting claims that will be extinguished or affected
10 by the Settlement, other than those identified in Paragraph 1.1 above, and other than the Individual
11 Settlement Agreements that the Parties will execute separately with Defendants.

12 2.9. Upon the Court issuing its Approval Order, and contingent upon the Court
13 granting the Approval Order, Plaintiffs shall enter into separate confidential individual Settlement
14 Agreements and Releases of All Claims ("Individual Settlement Agreements") with Defendants
15 for a payment to each individual Plaintiff to settle their individual wage and hour claims, and a
16 California Civil Code section 1542 release (except for Wolfe's Separate Individual Action), in the
17 following amounts:

- 18 • Plaintiff Redondo in the amount of \$13,333.33 (after fees/costs, before taxes
19 and withholdings);
- 20 • Plaintiff Wolfe in the amount of \$13,333.33 (after fees/costs, before taxes
21 and withholdings);
- 22 • Plaintiff Enriquez in the amount of \$13,333.33 (after fees/costs, before taxes
23 and withholdings);
- 24 • Fernando Damman in the amount of \$13,333.33 (after fees/costs, before taxes
25 and withholdings); and
- 26 • Francisco Muktari in the amount of \$13,333.33 (after fees/costs, before taxes
27 and withholdings).

2.10. Should the Court require submission of the separate Individual Settlement Agreements for review, Plaintiffs shall be permitted to submit drafts of such documents to the Court for *in camera* inspection.

3. MONETARY TERMS.

3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, and upon the Court granting the Approval Order, Defendant promises to pay \$950,000.00 and no more as the Gross Settlement Amount. Defendants have no obligation to pay the Gross Settlement Amount prior to the deadlines stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring PAGA Members to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendants.

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

a. Individual Settlement Payments: A total of \$66,666.65 shall be allocated to Plaintiffs from the Gross Settlement Amount for their Individual Settlement Payments of \$13,333.33 each (after fees/costs, before taxes and withholdings).

b. To Plaintiffs' Counsel for the Fees Payment and Litigation Expenses Payment: A Plaintiffs' Counsel Fees Payment of not more than 33.333% of the Gross Settlement Amount, which is currently estimated to be \$316,666.67 (subject to the Escalator Clause), which will be allocated as follows, pursuant to a Joint Prosecution Agreement: 70% to LML, 18% to LE and 12% to JC. Additionally, the Parties agree to pay Plaintiffs' Counsel's actual Litigation Expenses of not more than \$40,000.00, which shall be allocated according to proof submitted to, and awarded by, the Court. Defendants will not oppose requests for these payments provided that the requests do not exceed these amounts. Plaintiffs and/or Plaintiffs' Counsel will include a request or application for the Fees Payment and Litigation Expenses Payment as part of the motion to approve the PAGA Settlement. If the Court approves a Fees Payment and/or a Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder

1 to the Net Settlement Amount. Released Parties shall have no liability to Plaintiffs' Counsel or
2 any other plaintiffs' counsel arising from any claim to any portion of any Fees Payment and/or
3 Litigation Expenses Payment. The Administrator will pay Plaintiffs' Counsel Fees Payment and
4 Litigation Expenses Payment using one or more IRS 1099 Forms. Plaintiffs' Counsel assumes
5 full responsibility and liability for taxes owed on the Fees Payment and the Litigation Expenses
6 Payment and holds Defendants harmless, and indemnifies Defendants, from any dispute or
7 controversy regarding any division or sharing of any of these Payments.

8 c. To Plaintiffs as Service Awards: Defendants will not oppose Plaintiffs'
9 request for a service award not to exceed \$5,000 each (\$25,000 total), subject to Court approval.
10 IRS Form 1099 shall be issued for the service awards. In exchange, Plaintiffs will execute a full
11 general release with a Civil Code Section 1542 waiver, except for Wolfe's Separate Individual
12 Action which is carved out from all releases set forth in this Agreement and the Individual
13 Settlement Agreements. Any portion of the Service Awards not awarded to Plaintiffs shall be
14 added to the Net Settlement Amount by the Administrator.

15 d. To the Administrator: An Administration Expenses Payment not to exceed
16 \$10,854.00 except for a showing of good cause and as approved by the Court. To the extent the
17 Administration Expenses are less than \$10,854.00 or the Court approves payment less than
18 \$10,854.00, the Administrator will retain the remainder in the Net Settlement Amount.

19 e. To the LWDA and PAGA Members: PAGA Penalties shall be paid
20 from the Net Settlement Amount, with 75% allocated to the LWDA PAGA Payment and 25%
21 allocated to the Individual PAGA Payments.

22 The Administrator will calculate each Individual PAGA Payment by (a) dividing
23 the amount of the PAGA Members' 25% share of the Net Settlement Amount by
24 the total number of PAGA Pay Periods worked by all PAGA Members during the
25 PAGA Period and (b) multiplying the result by the number of each PAGA
26 Member's PAGA Pay Periods. PAGA Members assume full responsibility and
27 liability for any taxes owed on their Individual PAGA Payment. The
28 Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

1 **4. SETTLEMENT FUNDING AND PAYMENTS.**

2 4.1. PAGA Member Pay Periods. Based on a review of its records prior to the
3 mediation date, Defendant estimated there were a total of approximately 29,387 PAGA Pay
4 Periods during the PAGA Period.

5 4.2. PAGA Member Data. Within thirty (30) days of Court Approval of the
6 Settlement, Defendants will deliver the PAGA Member Data to the Administrator in the form of
7 a password protected Microsoft Excel spreadsheet. Within 10 calendar days of receipt of the
8 PAGA Member Data, the Administrator shall inform the parties if the Escalator Clause was
9 triggered, and if so, the revised number of PAGA Pay Periods, the updated Settlement Amount
10 and related calculations. To protect PAGA Members' privacy rights, the Administrator must
11 maintain the PAGA Member Data in confidence, use the PAGA Member Data only for purposes
12 of this Settlement and for no other purpose, and restrict access to the PAGA Member Data to
13 Administrator employees who need access to the PAGA Member Data to effect and perform under
14 this Agreement. Defendants have a continuing duty to immediately notify Plaintiffs' Counsel if it
15 discovers that the PAGA Member Data omitted or provided incorrect employee identifying
16 information and to provide complete, corrected or updated PAGA Member Data as soon as
17 reasonably feasible. Without any extension of the deadline by which Defendants must send the
18 PAGA Member Data to the Administrator, the Parties and their counsel will expeditiously use
19 best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing,
20 omitted or incorrect PAGA Member Data.

21 4.3. Funding of Gross Settlement Amount. Defendants shall fund the Gross
22 Settlement Amount, by wire transfer to the Administrator, in accordance with the following
23 payment plan:

- 24 a. Payment #1: 25% of the Gross Settlement Amount within 30 days of the Effective
25 Date;
26 b. Payment #2: 25% of the Gross Settlement Amount within 210 days of the
27 Effective Date;
28

- 1 c. Payment #3: 25% of the Gross Settlement Amount within 390 days of the
2 Effective Date; and
3 d. Payment #4: 25% of the Gross Settlement Amount within 570 days of the
4 Effective Date.

5 4.4. Payments from the Gross Settlement Amount. The Administrator shall disburse
6 the payments in accordance with the following plan:

7 Disbursement #1: Upon receipt of Payment #1, the Administrator shall issue the
8 following disbursement within 10 calendar days:

- 9
10 a. \$66,666.65 to the 5 Plaintiffs in an equal share (\$13,333.33 each) for their
11 Individual Settlement Payments, which shall be allocated for each Payment as
12 \$2,000 to wages less employee withholdings (W-2 reporting) and the remainder to
13 interest and statutory penalties (1099 reporting); and
14 b. 25% of the PAGA Penalties (i.e., Net Settlement Amount) to the PAGA
15 Members for their Individual PAGA Payments in accordance with the formula set
16 forth herein. All checks not cashed within 180 days of payment shall be submitted
17 to the California Unclaimed Property Fund in the name of the respective PAGA
18 Member.
19 c. The remaining balance shall be held in the Administrator's account.

20 Disbursement #2: Upon receipt of Payment #2, the Administrator shall issue the
21 following disbursement within 10 calendar days:

- 22 a. Service Awards, as approved by the Court;
23 b. Plaintiffs' Counsel Litigation Expenses, as approved by the Court;
24 c. Administration Expenses Payment, as approved by the Court; and
25 d. Remaining balance to Plaintiffs' Counsel Fees Payment.

26 Disbursement #3: Upon receipt of Payment #3, the Administrator shall issue the
27 following disbursement within 10 calendar days:
28

1 a. Remainder of Plaintiffs' Counsel Fees Payment owed to Plaintiffs'
2 Counsel; and

3 b. Remaining Balance to the LWDA.

4 Disbursement #4: Upon receipt of Payment #4, the Administrator shall issue the
5 following disbursement within 10 calendar days:
6

7 a. Balance owed to the LWDA.
8

9 4.5 Payments to PAGA Members. The Administrator will issue checks for the
10 Individual PAGA Payments and send them to the PAGA Members via First Class U.S. Mail,
11 postage prepaid. The face of each check shall prominently state the date (not less than 180 days
12 after the date of mailing) when the check will be voided. The Administrator will cancel all checks
13 not cashed by the void date. Before mailing any checks, the Administrator must update the
14 recipients' mailing addresses using the National Change of Address Database. The Administrator
15 must send **Exhibit A** with the Individual PAGA Payments. The Administrator shall translate
16 **Exhibit A** into Spanish and include the Spanish translation in the mailing.

17 a. The Administrator must conduct a PAGA Member Address Search for all
18 PAGA Members whose checks are returned undelivered without a USPS forwarding address.
19 Within seven (7) days of receiving a returned check, the Administrator must re-mail checks to
20 the USPS forwarding address provided or to an address ascertained through the PAGA Member
21 Address Search. The Administrator need not take further steps to deliver checks to PAGA
22 Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly
23 send a replacement check to any PAGA Member whose original check was lost or misplaced, if
24 requested by the PAGA Member prior to the void date.

25 b. For any PAGA Member whose Individual PAGA Payment check is
26 uncashed and cancelled after the void date, the Administrator shall transmit the funds represented
27 by such check to the California Controller's Unclaimed Property Fund in the name of the PAGA
28 Member.

1 c. The payment of Individual PAGA Payments shall not obligate Defendants
2 to confer any additional benefits or make any additional payments to PAGA Members (such as
3 401(k) contributions or bonuses) beyond those specified in this Agreement. All Individual PAGA
4 Payments to PAGA Members shall be deemed to be paid to any such individual solely in the year
5 in which such payments actually are received by the individual. It is expressly understood and
6 agreed that the receipt of such Individual PAGA Payments will not entitle any individual to
7 additional compensation or benefits under any company bonus, contest, or other compensation
8 or benefit plan or agreement in place during the period covered by the Settlement, nor will it
9 entitle any individual to any increased retirement, 401K benefit or matching benefit, or deferred
10 compensation benefit. It is the intent of this Settlement that the Individual PAGA Payments
11 provided for in this Settlement are the sole payments to be made by Defendants to the PAGA
12 Members, and that the PAGA Members are not entitled to any new or additional compensation or
13 benefits as a result of having received the Individual PAGA Payments (notwithstanding any
14 contrary language or agreement in any benefit or compensation plan document that might have
15 been in effect during the period covered by this Settlement).

16 **5. RELEASES OF CLAIMS.**

17 5.5. Upon the Court's entry of its Approval Order and Defendants fully funding the
18 Gross Settlement Amount, all Released Parties will be released, as follows:

19 5.6. Plaintiffs' Release. Except for Wolfe's Separate Individual Action, Plaintiffs and
20 their respective former and present spouses, representatives, agents, attorneys, heirs,
21 administrators, successors, and assigns generally, release and discharge Released Parties from all
22 claims, transactions, or occurrences that occurred during the PAGA Period, including, but not
23 limited to, all claims that were, or reasonably could have been, alleged, based on the facts
24 contained in the Consolidated Complaint and the PAGA Notices ("Plaintiffs' Release").
25 Plaintiffs' Release does not extend to any claims or actions to enforce this Agreement, or to any
26 claims for vested benefits, unemployment benefits, disability benefits, social security benefits,
27 workers' compensation benefits that arose at any time, or based on occurrences outside the PAGA
28 Period, or to any claims that cannot be released as a matter of law. Plaintiffs acknowledge that

1 Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs
2 now know or believe to be true but agree, nonetheless, that Plaintiffs' Release shall be and remain
3 effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery
4 of them.

5 a. Plaintiffs' Waiver of Rights Under California Civil Code Section 1542. For
6 purposes of Plaintiffs' Release, Plaintiffs expressly waive and relinquish the provisions, rights,
7 and benefits, if any, of section 1542 of the California Civil Code, which reads:

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

11 The Parties agree that the Plaintiffs' Release excludes any claims covered by the Individual
12 Settlement Agreements that Plaintiffs and Defendants will enter into and which are contingent
13 upon the Court granting the Approval Order. Further, the Parties also agree that nothing in the
14 Individual Settlement Agreements deprives Plaintiffs of their standing to obtain approval of this
15 Settlement or prevents Plaintiffs from recovering or waives their rights to recover the Individual
16 PAGA Payments that they are entitled to under this Agreement.

17 5.7. PAGA Release:

18 a. Upon the Court's entry of its Approval Order and Defendants fully funding
19 the Gross Settlement Amount, Plaintiffs – in their individual capacity and on behalf of the State
20 of California and LWDA – shall completely release and discharge the Released Parties from the
21 Released PAGA Claims for the PAGA Period.

22 b. PAGA Members may not object or opt out of either (1) the release of the
23 Released PAGA claims; or (2) payments for their release of the Released PAGA claims.

24 c. In accordance with *Arias v. Superior Court*, 46 Cal. 4th 969, the Approval
25 Order and Judgment shall have a preclusive effect upon Plaintiffs, the LWDA, and PAGA
26 Members, whereby they shall fully, finally, and forever release, relinquish and discharge
27 Defendants and the Released Parties from all Released PAGA Claims. PAGA Members may not
28 object or opt-out of the Settlement and will be bound by the Released PAGA Claims during the

1 PAGA Period.

2 d. The proposed Settlement Approval Order to be submitted to the Court is to
3 be mutually agreed upon by the Parties.

4 **6. MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT.** Plaintiffs, with
5 input from Defendants, agree to file an application or motion for approval of this Settlement.

6 6.1 Plaintiffs' Responsibilities. Plaintiffs will prepare and deliver to Defense
7 Counsel all documents necessary for obtaining approval of this Settlement under Labor Code
8 Section 2699, subd. (f)(2)) including (i) a draft application or motion for approval, a draft
9 proposed Order Granting Approval of Settlement; (ii) a signed declaration from the Administrator
10 attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness
11 to serve; competency; operative procedures for protecting the security of PAGA Member Data;
12 amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all
13 facts relevant to any actual or potential conflicts of interest with PAGA Members or the LWDA;
14 and the nature and extent of any financial relationship with Plaintiffs, PAGA Counsel or Defense
15 Counsel; (iii) a signed declaration from Plaintiffs' Counsel's firm attesting to its timely
16 transmission to the LWDA of all necessary PAGA documents; (iv) this Agreement and all facts
17 relevant to any actual or potential conflict of interest with PAGA Members and/or the
18 Administrator. At this time, no other PAGA Member or other individual has retained Plaintiffs'
19 Counsel to file a lawsuit against Defendants, or any Released Party and Plaintiffs' Counsel are
20 currently not aware of any PAGA Members or other individuals who intend to file individual or
21 representative actions (including putative class actions) against Defendants or any Released
22 Party. In their Declarations, Plaintiffs and Plaintiffs' Counsel shall aver that they are not aware
23 of any other pending matter or action asserting claims that will be extinguished or adversely
24 affected by the Settlement.

25 6.2 Responsibilities of Counsel. Plaintiffs Counsel and Defense Counsel are jointly
26 responsible for expeditiously finalizing and filing the application or motion for approval of this
27 Settlement as soon thereafter as practical after the full execution of this Agreement and, if
28 necessary, obtaining a prompt hearing date for the motion and appearing in Court to advocate in

1 favor of the motion. Plaintiffs Counsel is responsible for delivering the Court's Approval to the
2 Administrator. Plaintiffs Counsel will provide Defense Counsel a courtesy copy of the motion or
3 application for approval for review and comment at least seven (7) calendar days prior to filing
4 the motion or application with the Court.

5 6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed
6 application or motion for approval of this Settlement and/or the supporting declarations and
7 documents, Plaintiffs' Counsel and Defense Counsel will expeditiously work together on behalf
8 of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement.
9 If the Court does not grant the motion for approval of this Settlement or conditions its approval
10 on any material change to this Agreement, Plaintiffs' Counsel and Defense Counsel will
11 expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in
12 good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

13 **7. SETTLEMENT ADMINISTRATION.**

14 7.1 Selection of Administrator. The Parties have jointly selected the Administrator
15 and verified that, as a condition of appointment, the Administrator agrees to be bound by this
16 Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for
17 payment of Administration Expenses. The Parties and their Counsel represent that they have no
18 interest or relationship, financial or otherwise, with the Administrator other than a professional
19 relationship arising out of prior experiences administering settlements.

20 7.2 Employer Identification Number. The Administrator shall have and use its own
21 Employer Identification Number for purposes of providing reports to state and federal tax
22 authorities.

23 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund
24 that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury
25 Regulation section 468B-1.

26 7.4 Administrator Duties. The Administrator has a duty to perform or observe all
27 tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.
28 The Administrator will mail the letter attached as **Exhibit A** along with settlement payments to

PAGA Members. Plaintiff's Counsel will ask the Court to approve the mailing of this letter as part of its request for approval of the Settlement.

a. The Administrator shall be responsible for calculating the number of PAGA Pay Periods worked by the PAGA Members during the PAGA Period and the Individual PAGA Payments for each PAGA Member. Defendants' PAGA Member Data will be presumed to be correct. All Pay Period calculations will be determined by the Administrator and the Administrator's decisions on all Pay Period calculations based upon Defendants' records will be final and non-appealable.

8. ESTIMATED NUMBER OF PAGA PAY PERIODS and ESCALATOR CLAUSE.

Based on its records, Defendants estimate that the PAGA Members collectively worked 29,387 PAGA Pay Periods during the PAGA Period. The Parties agree that, should the total number of PAGA Pay Periods in the PAGA Period exceed 32,326 (which is 10% more than Defendants' estimation), then the Gross Settlement Amount shall increase by \$28.92 (\$850,000 divided by 29,387) for each additional PAGA Pay Period above 32,326.

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

9.1 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Plaintiffs' Counsel Fees Payment and Plaintiffs' Counsel Litigation Expenses Payment, the Parties and their respective counsel waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If another party appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the PAGA

1 Penalties.

2 **10. ADDITIONAL PROVISIONS.**

3 10.1 No Admission of Liability or Representative Manageability for Other Purposes.
4 This Agreement represents a compromise and settlement of highly disputed claims. Nothing in
5 this Agreement is intended or should be construed as an admission by Defendants that any of the
6 allegations in the Consolidated Complaint have merit or that Defendants have any liability for any
7 claims asserted; nor should it be intended or construed as an admission by Plaintiffs that
8 Defendants' defenses in the Consolidated Action have merit. The Parties agree that representative
9 treatment is for purposes of this Settlement only. If, for any reason the Court does not approve
10 this Settlement, Defendants reserve all available defenses to the claims in the Actions, and
11 Plaintiffs reserve the right to contest Defendants' defenses. The Settlement, this Agreement and
12 Parties' willingness to settle the Consolidated Action will have no bearing on, and will not be
13 admissible in connection with, any litigation (except for proceedings to enforce or effectuate the
14 Settlement and this Agreement). Finally, the Parties agree that the Settlement shall not be deemed
15 a finding or determination that any of Defendants' policies or practices were unlawful in the Actions
16 or any other action.

17 10.2 Integrated Agreement. Upon execution by all Parties and their counsel, this
18 Agreement together with its attached exhibits, shall constitute the entire agreement between the
19 Parties relating to the Settlement, superseding any and all oral representations, warranties,
20 covenants, or inducements made to or by any Party.

21 10.3 Attorney Authorization. Plaintiffs' Counsel and Defense Counsel separately
22 warrant and represent that they are authorized by Plaintiffs and Defendants, respectively, to take
23 all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement
24 to effectuate its terms, and to execute any other documents reasonably required to effectuate the
25 terms of this Agreement including any amendments to this Agreement.

26 10.4 Cooperation. The Parties and their counsel will cooperate with each other and
27 use their best efforts, in good faith, to implement the Settlement by, among other things,
28 modifying the Settlement Agreement, submitting supplemental evidence and supplementing

1 points and authorities as requested by the Court. In the event the Parties are unable to agree upon
2 the form or content of any document necessary to implement the Settlement, or on any
3 modification of the Agreement that may become necessary to implement the Settlement, the
4 Parties will seek the assistance of a mediator and/or the Court for resolution.

5 10.5 No Prior Assignments. The Parties separately represent and warrant that they
6 have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer,
7 or encumber to any person or entity any portion of any liability, claim, demand, action, cause of
8 action, or right released and discharged by the Parties in this Settlement.

9 10.6 No Tax Advice. Neither Plaintiffs, Plaintiffs; Counsel, Defendants nor Defense
10 Counsel are providing any advice regarding taxes or taxability, nor shall anything in this
11 Settlement be relied upon as such within the meaning of United States Treasury Department
12 Circular 230 (31 CFR Part 10, as amended) or otherwise.

13 10.7 Modification of Agreement. This Agreement, and all parts of it, may be amended,
14 modified, changed, or waived only by an express written instrument signed by all Parties or their
15 representatives, and approved by the Court.

16 10.8 Agreement Binding on Successors. This Agreement will be binding upon, and
17 inure to the benefit of, the successors of each of the Parties.

18 10.9 Applicable Law. All terms and conditions of this Agreement and its exhibits will
19 be governed by and interpreted according to the internal laws of the state of California, without
20 regard to conflict of law principles.

21 10.10 Cooperation in Drafting. The Parties have cooperated in the drafting and
22 preparation of this Agreement. This Agreement will not be construed against any Party on the
23 basis that the Party was the drafter or participated in the drafting.

24 10.11 Confidentiality. To the extent permitted by law, all agreements made, and orders
25 entered during Actions and in this Agreement relating to the confidentiality of information shall
26 survive the execution of this Agreement. Plaintiff, Plaintiffs' Counsel, Defendants, and Defense
27 Counsel agree that, other than with respect to the motion for settlement approval, and related
28 filings and actions to give effect to or enforce its terms, they will not disclose, disseminate and/or

1 publicize or cause or permit another person to disclose, disseminate or publicize, any of the terms
2 of the Agreement directly or indirectly, specifically or generally, to any person, corporation,
3 association, government agency, or other entity except: (1) to the Parties' attorneys, accountants,
4 or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in any
5 potentially-related matter; (3) to the extent necessary to report income or other amounts to
6 appropriate taxing authorities; (4) in response to a court order or subpoena or as otherwise required
7 to comply with law or government orders including the Securities and Exchange Commission
8 (SEC); (5) in response to an inquiry or subpoena issued by a state or federal government agency
9 or (6) with respect to Defendants, to provide information with respect to resolution of the Actions
10 to employees/managers/board members regarding the status and fact of the Settlement. Each Party
11 agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena
12 seeking such information. This paragraph does not restrict communications with PAGA Members
13 or the LWDA nor does it restrict communications acknowledging the filing of the complaints,
14 denying the allegations in the complaints, stating that the matter was resolved/settled, or the ability
15 of Plaintiffs' Counsel to demonstrate adequacy in other actions.

16 10.12 Use and Return of PAGA Member Data. Information provided to Plaintiffs'
17 Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the PAGA Member
18 Data provided to Plaintiffs' Counsel by Defendants in connection with the mediation, other
19 settlement negotiations, or in connection with the Settlement, may be used only with respect to
20 this Settlement, and for no other purpose, and may not be used in any way that violates any
21 existing contractual agreement, statute, or rule of court. Not later than 90 days after the
22 Administrator discharges its obligation to pay out all Settlement funds, Plaintiffs shall destroy all
23 paper and electronic versions of PAGA Member Data received from Defendants unless, prior to
24 the Administrator's payment of all Settlement funds, Defendants make a written request to
25 Plaintiffs' Counsel for the return, rather than the destructions, of PAGA Member Data.

26 10.13 Headings. The descriptive heading of any section or paragraph of this Agreement
27 is inserted for convenience of reference only and does not constitute a part of this Agreement.
28

1 10.14 Calendar Days. Unless otherwise noted, all reference to “days” in this Agreement
2 shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a
3 weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

4 10.15 Notice. All notices, demands or other communications between the Parties in
5 connection with this Agreement will be in writing and deemed to have been duly given as of the
6 third business day after mailing by United States mail, or the day sent by email or messenger,
7 addressed as follows:

8 **To Plaintiffs:**

9 Brian Mankin
10 ***brian@lmlfirm.com***
11 Misty Lauby
12 ***misty@lmlfirm.com***
13 LAUBY, MANKIN & LAUBY LLP
14 5198 Arlington Avenue, PMB 513
15 Riverside, CA 92504
16 Tel: (951) 320-1444 | Fax: (951) 320-1445
17 Joseph Lavi
18 ***jlavi@lelawfirm.com***
19 Vincent Granberry
20 ***vgranberry@lelawfirm.com***
21 Stephen Sloane
22 ***ssloane@lelawfirm.com***
23 LAVI & EBRAHIMIAN, LLP
24 8889 W. Olympic Boulevard, Suite 200
25 Beverly Hills, California 90211
26 Tel: (310) 432-0000 | Fax: (310) 432-0001
27
28 Jacob N. Whitehead, Esq.
 jacob@wemploymentlaw.com
 W EMPLOYMENT LAW, APC
 7700 Irvine Center Drive, Ste. 800
 Irvine, CA 92618
 Tel.: (949) 674-4922

24 **To Defendants:**

25 Lara P. Besser
26 ***Lara.besser@jacksonlewis.com***
27 Annalyse E. Butler
28 ***Annalyse.Butler@jacksonlewis.com***
 JACKSON LEWIS P.C.
 225 Broadway, Suite 1800
 San Diego, CA 92101
 Tel: (619) 573-4900

1 10.16 Execution in Counterparts. This Agreement may be executed in one or more
2 counterparts by facsimile, electronically (e.g., DocuSign), or email which for purposes of this
3 Agreement shall be accepted as an original. All executed counterparts and each of them will be
4 deemed to be one and the same instrument if counsel for the Parties will exchange between
5 themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove
6 the existence and contents of this Agreement.

7 10.17 Stay of Litigation. The Parties agree that upon the execution of this Agreement
8 the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further
9 agree, upon the signing of this Agreement, pursuant to CCP section 583.330, to extend the date to
10 bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

11 10.18 Severability. In the event one or more of the provisions contained in this
12 Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such
13 invalidity, illegality, or unenforceability shall in no way affect any other provision if Defendants'
14 Counsel and Plaintiffs', on behalf of the Parties and PAGA Members, mutually elect in writing
15 to proceed as if such invalid, illegal, or unenforceable provision had never been included in this
16 Agreement.

17 10.19 Enforcement Action. In the event that one or more of the Parties institutes any
18 legal action or other proceeding against any other Party or Parties to enforce the provisions of this
19 Settlement or to declare rights and/or obligations under this Settlement, the successful Party or
20 Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorney's fees
21 and costs, including expert witness fees in connection with any enforcement actions.

22
23 *[Signatures on next page]*
24
25
26
27
28

1 **APPROVAL AND EXECUTION BY PARTIES**

2 Dated: 10/24/2025, 2025

ANNEKA WOLFE

3 

4 _____
Anneka Wolfe

5 Dated: _____, 2025

VERONICA REDONDO

8 _____
Veronica Redondo

9 Dated: 10 / 28 / 2025, 2025

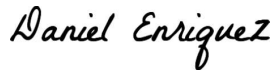
LISA DAMMAN

11 

12 _____
Lisa Damman

13 Dated: 10 / 28 / 2025, 2025

DANIEL ENRIQUEZ

14 

15 _____
Daniel Enriquez

16 Dated: 10 / 28 / 2025, 2025

SHERWIN MOKTARI

18 

19 _____
Sherwin Muktari

20 Dated: _____, 2025

VERGE MOBILE CA EE LP

22 _____
Christina Giese

23 On behalf of Defendants VERGE MOBILE
24 CA EE LP and VERGE MOBILE CA GP,
25 LLC

APPROVAL AND EXECUTION BY PARTIES

Dated: _____, 2025

ANNEKA WOLFE

Anneka Wolfe

Dated: Nov. 12, 2025

VERONICA REDONDO



[Veronica Redondo \(Nov 12, 2025 11:10:42 PST\)](#)

Veronica Redondo

Dated: _____, 2025

LISA DAMMAN

Lisa Damman

Dated: _____, 2025

DANIEL ENRIQUEZ

Daniel Enriquez

Dated: _____, 2025

SHERWIN MOKTARI

Sherwin Muktari

Dated: _____, 2025

VERGE MOBILE CA EE LP

Christina Giese
On behalf of Defendants VERGE MOBILE
CA EE LP and VERGE MOBILE CA GP,
LLC

APPROVAL AND EXECUTION BY PARTIES

Dated: _____, 2025

ANNEKA WOLFE

Anneka Wolfe

Dated: _____, 2025

VERONICA REDONDO

Veronica Redondo

Dated: _____, 2025

LISA DAMMAN

Lisa Damman

Dated: _____, 2025

DANIEL ENRIQUEZ

Daniel Enriquez

Dated: _____, 2025

SHERWIN MOKTARI

Sherwin Muktari

Dated: October 30, 2025

VERGE MOBILE CA EE LP

Christina Giese
Christina Giese
On behalf of Defendants VERGE MOBILE
CA EE LP and VERGE MOBILE CA GP,
LLC

1 **APPROVED AS TO FORM ONLY:**

2 Dated: Nov. 12
3 _____, 2025

LAUBY, MANKIN & LAUBY LLP

4 

5 Brian J. Mankin, Esq.
6 Misty M. Lauby, Esq.
7 Attorneys for Plaintiff Veronica Redondo

8 Dated: 10/24/2025
9 _____, 2025

LAVI & EBRAHIMIAN, LLP

10 

11 Joseph Lavi, Esq.
12 Vincent C. Granberry, Esq.
13 Stephen M. Sloane, Esq.
14 Attorneys for Plaintiff Anneka Wolfe

15 Dated: 10 / 28 / 2025
16 _____, 2025

W EMPLOYMENT LAW

17 

18 Jacob N. Whitehead, Esq.
19 Attorney for Lisa Damman, Daniel
20 Enriquez, and Sherwin Muktari

21 Dated: _____, 2025

JACKSON LEWIS P.C.

22 
23 Lara P. Besser, Esq.
24 Annalyse E. Butler, Esq.
25 Attorneys for Defendants,
26 VERGE MOBILE CA EE LP and
27 VERGE MOBILE CA GP, LLC
28

1 **APPROVED AS TO FORM ONLY:**

2 Dated: _____, 2025

LAUBY, MANKIN & LAUBY LLP

3
4
5 _____
6 Brian J. Mankin, Esq.
Misty M. Lauby, Esq.
Attorneys for Plaintiff Veronica Redondo

7 Dated: _____, 2025

LAVI & EBRAHIMIAN, LLP

8
9 _____
10 Joseph Lavi, Esq.
11 Vincent C. Granberry, Esq.
Stephen M. Sloane, Esq.
Attorneys for Plaintiff Anneka Wolfe

12 Dated: _____, 2025

W EMPLOYMENT LAW

13
14
15 _____
16 Jacob N. Whitehead, Esq.
Attorney for Lisa Damman, Daniel
Enriquez, and Sherwin Muktari

17 Dated: November 10, 2025

JACKSON LEWIS P.C.

18
19 
20 _____
21 Lara P. Besser, Esq.
22 Annalyse E. Butler, Esq.
Attorneys for Defendants,
23 VERGE MOBILE CA EE LP and
24 VERGE MOBILE CA GP, LLC
25
26
27
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EXHIBIT A

1 **NOTICE OF PAGA SETTLEMENT**

2 *Redondo, Wolfe et al v. Verge Mobile CA EE LP*

3 *Superior Court of California, Riverside County*

4 *Case No. CVRI2200827*

5 <<ADMIN NAME>>

6 []

7 []

8 Telephone: []

9 «Barcode» «BarcodeString»

10 SIMID «SIMID»

11 «FirstName»

12 «LastName»

13 «Address1» «Address2»

14 «City» «State» «Zip»

15 You are receiving this notice as a result of a lawsuit (the “Action”) brought on a
16 representative basis under the Private Attorneys General Act, Labor Code §§ 2698, *et seq.*
17 (“PAGA”). The Plaintiffs in the Action are Veronica Redondo, Anneka Wolfe, Daniel Enriquez,
18 Lisa Damman, and Sherwin Moktari (collectively, “Plaintiffs”) and the Defendants are Verge
19 Mobile CA EE, LP (“Defendants”). The Action seeks civil penalties for purported violations of
20 the California Labor Code on behalf of all of Defendants’s current and former non-exempt
21 (hourly-paid) employees employed by Defendants in California (“PAGA Members”) during the
PAGA Period of September 14, 2021, through May 6, 2025. Defendants denies all claims and
allegations in the Action, denies that it owes any penalties, and asserts that it has fully complied
with all applicable Labor Code provisions. Nevertheless, to avoid further costs and time in
defending the Action, Defendants has agreed to settle the case and the Court has approved the
settlement and release of claims. By settling the Action, Defendants is not admitting that it has
done anything wrong and the Court has not made any finding that Defendants has done anything
wrong. As of and subject to the occurrence of the Effective Date of the Settlement, the Settlement
resolves all claims for PAGA penalties that were alleged, or could have been alleged, based on
the PAGA Period facts alleged in the Consolidated Complaint and the PAGA Notices (“Released
PAGA Claims”). The “Released Parties” are Verge Mobile CA EE, LP, Verge Mobile CA GP,
LLC, and their respective officers, directors, employees and agents.

22 By Order dated <<court approval order date>>, the Superior Court of the State of
23 California, Riverside County approved the Settlement of the PAGA claims.

24 According to the Defendants’s records, you are a PAGA Member and therefore are
25 entitled to an Individual PAGA Payment, a share of the Settlement based upon the Court-
26 approved allocation. Enclosed with this Notice is your check for your Individual PAGA Payment.
27 The Settlement check shall remain valid for 180 days. Thereafter, all uncashed checks shall be
28 distributed to the California State Controller’s Office Unclaimed Property Fund with an
identification of the amount of unclaimed funds attributable to each PAGA Member. This is not

1 a class action settlement, and you cannot opt-out of receiving this payment or being bound by the
2 release by PAGA Members contained in the Settlement Agreement.

3 Please Note: One hundred percent (100%) of your Individual PAGA Payment under this
4 Settlement will be considered penalties and may be subject to local, state, or federal tax
5 withholdings and will be reported to the IRS and state tax authorities. You should rely on your
6 own tax advisors as to the tax consequences of your Individual PAGA Payment. Neither Plaintiffs
7 nor Defendants have made any representations or warranties regarding the taxation of your
8 Individual PAGA Payment. Nothing within this notice or any other communication shall
9 constitute or be construed or relied upon as tax advice within the meaning of United States
10 Treasury Department Circular 230 (31 C.F.R. Part 10, as amended). Enclosed are the appropriate
11 tax forms pertaining to your payment.

12 Do not call or write the Court or Office of the Clerk to ask questions about the Settlement
13 or to ask questions about the claims process. If you have any questions, you may call or write to
14 **XX** (the Administrator) using the contact information at the top of this correspondence.
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EXHIBIT “B”



February 25, 2022

Submitted Via Online Filing to the LWDA

California LWDA
Attn: PAGA Administrator
455 Golden Gate Ave., 9th Fl.
San Francisco, CA 94102

Sent Via U.S. Mail and Certified Mail

Verge Mobile CA EE, LP
12000 Westheimer Road
Suite 230
Houston, TX 77077

Verge Mobile CA EE, LP
11696 Sorrento Valley Road, Suite #200
San Diego, CA 92121

Verge Mobile CA GP, LLC
12000 Westheimer Road
Suite 230
Houston, TX 77077

Re: PAGA Civil Penalty Claim
Veronica Redondo v. Verge Mobile CA EE, LP, et al.

To the Labor and Workforce Development Agency, Verge Mobile CA EE, LP:

Pursuant to the Private Attorneys General Act of 2004 (“PAGA”), Labor Code §§ 2699, *et seq.*, this letter shall serve as notification of the PAGA civil penalty claim of aggrieved employee Veronica Redondo (“Claimant”), on behalf of the State of California and all Aggrieved Employees, against her former employer(s), Verge Mobile CA EE, LP and/or any affiliated entities, as well as its general partner, Verge Mobile CA GP, LLC and others (the “Owners”) (collectively, the “Company”), for violations of Labor Code §§ 200, 201, 202, 203, 204, 208, 210, 218.6, 221, 226, 226.3, 226.7, 510, 512, 558, 1194, 1194.2, 1197, 1197.1, 1198, 1199, and 2802 among possibly other sections inadvertently omitted, and/or sections of the applicable IWC Wage Order(s).

FACTUAL BACKGROUND

Claimant has been employed by the Company since approximately 2015. Claimant alleges that, at all relevant times, she and all other non-exempt employees employed by the Company in California (the “Aggrieved Employees”) were subjected to the same policies, working conditions, and corresponding wage and hour violations that Claimant was subjected during his employment.

For instance, at all relevant times, Claimant and the Aggrieved Employees were not provided proper minimum, regular and overtime wages due to the Company’s failure to accurately record and compensate for

all hours worked. Moreover, Claimant and the Aggrieved Employees were expected to perform off-the-clock tasks such as picking up phones from other stores and coming in on days off to approve time edits. Additionally, at all relevant times, Claimant was compensated on an hourly basis and was also entitled to and did receive additional nondiscretionary compensation (such as bonuses and/or commissions). However, on the occasions when Claimant worked in excess of 8 and/or 12 hours per day and/or 40 hours per week and received additional earned compensation during the workweek, the Company failed to properly include these amounts in the calculations for Claimant's regular rate of pay. Therefore, the Company failed to pay proper overtime wages for the hours worked in excess of 8 and/or 12 per day and/or 40 per week. Furthermore, Claimant and the Aggrieved Employees were also denied wages in the form of commissions set by contract due to the Company's failure to properly account and pay for commission wages earned by the Claimant and the Aggrieved Employees.

Claimant was also not provided 30-minute off-duty meal periods, as mandated by California law, during employment with the Company. As a result of the Company's policies and practices including its failure to adequately staff its stores to allow for compliant meal periods, as well as the hectic and demanding workload, Claimant was subjected to meal period violations when she was: (1) unable to take a meal period due to workload and/or inadequate staffing, (2) forced to take an on-duty meal period while under the control of the Company, (3) subject to frequent interruptions of her meal periods due to workload and/or inadequate staffing (4) forced to take a shortened meal period, (5) forced to take a meal period after the 5th hour of work, and (6) not provided mandated second or third meal periods.

The Company also failed to provide Claimant with 10 minutes of net rest break time for every 4 hours worked, or major fraction thereof, as mandated by California law. The Company did not schedule Claimant's rest breaks and Claimant was often not authorized and/or permitted to take mandated rest breaks due to the lack of adequate staffing and coverage and being overwhelmed by the hectic workload. Furthermore, on occasions when Claimant worked in excess of 10 hours in a shift, the Company failed to authorize and/or permit a third mandated rest break.

Additionally, on the occasions when Claimant and the Aggrieved Employees were denied compliant meal periods and/or rest breaks, the Company failed to pay the "premium" under Labor Code § 226.7. And, on the occasions when the Company did pay a premium for such violations, it only paid at the employee's base rate rather than at the employee's "regular rate," as mandated by California law. See *Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 Cal.5th 858 (the California Supreme Court unanimously held that meal and rest period premiums must be calculated in the same fashion as overtime pay and, therefore, must factor in all forms of nondiscretionary compensation).

Moreover, at all relevant times, the Company required Claimant and the Aggrieved Employees to incur necessary business-related expenses and costs without reimbursement. For example, Claimant was required to incur expenses without reimbursement during employment, including: (1) gas and mileage expenses during time spent driving between the Company's locations while off the clock and under the Company's direction and control, and (2) acquiring and maintaining a smart phone and related monthly data plan to communicate with the Company via phone, text message, and e-mail.

The Company also failed to comply with the mandates of Labor Code §§ 204 and 210 regarding the timing of the payment of wages to its employees each period, including minimum and overtime wages, as well as meal and rest period premiums. Also, the Company failed to comply with the mandates of Labor Code §§ 201–203 regarding timing of payment of final wages and failed to pay all wages due and owing



upon separation of employment including minimum wages, overtime, and vacation wages. Finally, during employment with the Company, Claimant received inaccurate and incomplete wage statements that failed to accurately state all necessary items required under Labor Code § 226(a).

Claimant alleges that she worked under the joint direction and control of Verge Mobile CA EE, LP and affiliated entities, including Verge Mobile CA GP, LLC, and is informed and believes that each of them acted in all respects pertinent to this action as the agent of the others, carried out a joint scheme, business plan or policy in all respect pertinent hereto, and the acts of each are legally attributable to the others. On information and belief, a unity of interest and ownership between each exists such that Verge Mobile CA EE, LP and affiliated entities, including Verge Mobile CA GP, LLC acted as a single employer of Claimant and the Aggrieved Employees. Furthermore, on information and belief, Verge Mobile CA EE, LP and affiliated entities, including Verge Mobile CA GP, LLC are an integrated enterprise and should be treated as a single employer because Verge Mobile CA EE, LP and affiliated entities, including Verge Mobile CA GP, LLC share an interrelation of operations, with common human resources and personnel policies and shared common offices and facilities. Upon information and belief, Verge Mobile CA EE, LP and affiliated entities, including Verge Mobile CA GP, LLC share common management, a centralized control of labor operations, and common ownership or financial control.

Furthermore, Claimant alleges that the Verge Mobile CA GP, LLC is now and at all relevant times were the owners and or managing partner of Verge Mobile CA GP, LLC and were Claimant's and the Aggrieved Employees' actual employer or, in the alternative, were individuals employed by the Company as managerial and/or supervisory employees and/or agents. In addition, Claimant alleges that at all relevant times the Owners had the authority, in the interest of Verge Mobile CA EE, LP to exercise independent judgment to hire, transfer, promote, discharge, assign, discipline, or take other similar actions against Claimant and the Aggrieved Employees, and were in Claimant's chain of command at the time of and direct participants in the wrongful conduct which constitutes the basis of Claimant's complaint herein. Claimant also alleges that Verge Mobile CA EE, LP and Verge Mobile CA GP, LLC are the agents, servants, employees, partners, affiliates, and/or representatives of each other, and were, at all times herein mentioned, acting within the course, scope, and purpose of such relationship(s) and with the knowledge, consent and/or ratification of each other. Furthermore, in conducting themselves in the manner described herein, Verge Mobile CA EE, LP and Verge Mobile CA GP, LLC were acting in active concert with one another such that the acts of each were fully attributable to the other in all material respects.

Claimant also alleges Verge Mobile CA EE, LP and Verge Mobile CA GP, LLC were merely the alter-ego of the others in that there existed a unity of interest and ownership such that any separateness between them ceased to exist and each exercised undue dominance, control, influence, and management over the others. Claimant further alleges that, at all relevant times, Verge Mobile CA EE, LP has been inadequately capitalized to conduct business, has failed to follow appropriate corporate formalities, and has simply been a shell and instrumentality through which the Verge Mobile CA GP, LLC have conducted their personal affairs. Adherence to the fiction of the separate existence of Verge Mobile CA EE, LP would permit abuse of the corporate privilege, thereby sanctioning fraud and promoting injustice. Accordingly, the corporate veil should be pierced, and any liability attached to Verge Mobile CA EE, LP should be imposed jointly and severally against the Verge Mobile CA GP, LLC.

Finally, in an additional separate, but not necessarily mutually exclusive, alternative theory of liability, the Verge Mobile CA GP, LLC is liable for PAGA civil penalties under Labor Code § 558 as "other person(s)" who caused the violations regarding minimum wage among other claims. See *Atempa v.*



Pedrazzani (2018) 27 Cal.App.5th 809, 820 (“if there is evidence and a finding that a party other than the employer ‘violates, or causes to be violated’ the overtime laws (§ 558(a)) or ‘pays or causes to be paid to any employee’ less than minimum wage (§ 1197.1(a)), then that party is liable for certain civil penalties regardless of the identity or business structure of the employer”); *Moua v. IBM* (N.D. Cal. 2019) 2019 U.S.Dist.LEXIS 40851 (same)

As a result of these violations, and others described below, Claimant alleges that he and other Aggrieved Employees were denied specific rights to which they are/were entitled under California law and the rules promulgated by the IWC Wage Orders, including the following:

**PAGA ASSESSMENT FOR FAILURE TO
PAY ALL MINIMUM, REGULAR, AND OVERTIME WAGES**

(Labor Code §§ 204, 210, 221-223, 510, 558, 1194, 1194.2, 1197, 1197.1, 1198; IWC Wage Order §§ 3, 4(B))

As discussed above, the Company failed to pay all required minimum, regular, and overtime wages to Claimant and the Aggrieved Employees due to the Company’s failure to accurately record and compensate for all hours worked, failure to properly pay earned commissions, and the failure to pay overtime and/or properly calculate the regular rate of pay for Claimant and other Aggrieved Employees. This resulted in earned, but unpaid, wages due and owing to Claimant and the Aggrieved Employees. Therefore, Claimants and the Aggrieved Employees performed work for the Company without receiving proper payment of the requisite minimum, overtime, and/or doubletime wages.

Accordingly, Labor Code §§ 210, 558, 1194.2, 1197.1, and 2699, among possibly others, impose various penalties upon the Company for each employee and each pay period in which it failed to pay all wages including, but not limited to, minimum, regular, and overtime wages in violation of the Labor Code and/or the IWC Wage Orders.

**PAGA ASSESSMENT FOR DENIAL OF MEAL PERIODS,
REST BREAKS, AND WAGE PREMIUMS**

(Labor Code §§ 226.7(b) & (c), 512, 558; Cal. Admin. Code, Title 8, § 11090)

Labor Code § 226.7(b) states that “[a]n employer shall not require an employee to work during a meal or rest or recovery period mandated pursuant to an applicable statute, or applicable regulation, standard, or order of the Industrial Welfare Commission ...” Labor Code § 512(a) states in pertinent part: “[A]n employer may not employ an employee for a work period of more than 5 hours per day without providing the employee with an uninterrupted meal period of not less than 30 minutes [...] [a]n employer may not employ an employee for a work period of more than 10 hours per day without providing the employee with a second meal period of not less than 30 minutes.”

Section 12 of applicable IWC Wage Order states in pertinent part: “Every employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period. The authorized 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.”

Here, Claimant and other Aggrieved Employees were regularly not provided compliant mandatory meal periods and paid rest breaks due to the Company’s policies described above. Although the Company was required to pay Claimant and all Aggrieved Employees premium wages equal to an additional hour of



pay at the employee's regular rate of pay for each violation under Labor Code § 226.7(c), the Company did not pay the mandatory one-hour wage premiums and did not do so at the proper rate. Labor Code § 558 imposes a penalty for each violation, plus an amount sufficient to recover the underpaid wages. Additionally, the civil assessment set forth in Labor Code § 2699 applies to these violations.

PAGA ASSESSMENT FOR FAILURE TO REIMBURSE BUSINESS EXPENSES

(Labor Code § 2802; IWC Wage Order § 9(b))

Labor Code § 2802(a) states "An employer shall indemnify his or her employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties." IWC Wage Order § 9(b) states "[w]hen tools or equipment are required by the employer or are necessary to the performance of a job, such tools and equipment shall be provided and maintained by the employer." Here, the Company required Claimant and the Aggrieved Employees to incur expenses in direct consequence of the discharge of their duties without reimbursement. Accordingly, Labor Code § 2699 imposes a penalty upon the Company for each such violation of Labor Code § 2802.

PAGA ASSESSMENT FOR FAILURE TO PAY ALL WAGES DUE AND OWING EACH PAYROLL PERIOD WITHIN THE TIME REQUIRED BY LAW

(Labor Code §§ 204, 204.1, 208, 210, 256 and 2699)

Labor Code § 204(a) states that all wages earned by a person are due and payable twice during each calendar month, and further states that wages earned during the first through fifteenth days of the month must be paid no later than the twenty-sixth day of the month, and that wages earned between the sixteenth and last day of the month must be paid by the tenth day of the following month. Labor Code § 204(d) states "[t]he requirements of this section shall be deemed satisfied by the payment of wages for weekly, biweekly, or semimonthly payroll if the wages are paid not more than seven calendar days following the close of the payroll period."

Here, the Company frequently paid wages beyond the timing requirements specified in Labor Code § 204 and, thus, violated the statute. Additionally, as a result of the Company's failure to pay Claimant and the Aggrieved Employees all compensation to which they were entitled, the Company had a pattern and practice of failing to pay all wages due and owing to Claimant and the Aggrieved Employees within the time mandated by Labor Code § 204. As a result of these violations, penalties may be assessed pursuant to Labor Code §§ 203, 210, 256, and/or 2699.

PAGA ASSESSMENT FOR FAILURE TO TIMELY PAY FINAL WAGES

(Labor Code §§ 201, 202, 203, 256 and 2699)

Labor Code § 201(a) provides in pertinent part: "If an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately." Labor Code § 202(a) states in pertinent part "If an employee not having a written contract for a definite period quits his or her employment, his or her wages shall become due and payable not later than 72 hours thereafter, unless the employee has given 72 hours' previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting." Labor Code § 203(a) states "If an employer willfully fails to pay, without abatement or reduction, in accordance with Sections 201, 201.3, 201.5, 201.9, 202, and 205.5, any wages of an employee who is discharged or who quits, 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 therefor is commenced; but the wages shall not continue for more than 30 days.”

The Company did not pay the Aggrieved Employees all wages that were due and owing within the required time following the end of their employment in accordance with Labor Code §§ 201-202. As a result, all such Aggrieved Employees are entitled to 30 days of wages as a “waiting time penalty.” (Labor Code § 203.) Labor Code § 2699 also imposes a penalty.

**PAGA ASSESSMENT FOR FAILURE TO PROVIDE ACCURATE,
ITEMIZED WAGE STATEMENTS**

(Labor Code §§ 226, 226.3, and 1174)

Labor Code § 226(a) requires an employer to provide its employees with itemized wage statements accurately stating gross wages earned, total hours worked, all deductions, net wages earned, the inclusive dates of the pay period, the employee’s name and the last four digits of his or her Social Security number (or employee identification number), the name and address of the legal entity that is the employer, and all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee.

At all times pertinent hereto, the Company failed to provide accurate itemized wage statements to Claimants and all Aggrieved Employees due to violations including: failure to accurately state total hours worked (the wage statements failed to accurately reflect total compensable hours due to the failure to accurately record all hours worked); failure to accurately state gross wages earned; failure to accurately state all deductions; failure to accurately state net wages earned; failure to state the applicable hourly rates; and failure to accurately state the corresponding number of hours worked at each hourly rate (including the failure to state the accurate overtime rate of pay); and the failure to accurately state the amount and rate of pay for meal and rest period violations. Accordingly, Labor Code §§ 226.3 and 2699 also impose a civil penalty and/or assessment for these violations.

PAGA ASSESSMENT FOR VIOLATIONS OF LABOR CODE § 1199

(Labor Code § 1199)

An employer violates Labor Code § 1199 if said employer: (a) requires or causes an employee to work for longer hours than those fixed, or under conditions of labor prohibited by an order of the commission; (b) pays or causes to be paid to any employee a wage less than the minimum fixed by an order of the commission; or, (c) violates or refuses or neglects to comply with any provision of this chapter or any order or ruling of the commission. Labor Code § 2699.5 specifically enumerates Labor Code § 1199 as a section to which the civil penalties under the PAGA apply. Therefore, as a result of the Company’s violations described herein, the Company is subject to the civil penalties in accordance with Labor Code § 2699.

ATTORNEYS’ FEES, INTEREST, AND PENALTIES

(Labor Code §§ 2699(f)(2), 2699(g)(1), 2699.5)

Labor Code § 2699(g)(1), give employees the right to recover in a civil action the unpaid balance of the full amount of wages, including interest thereon, penalties and other damages, as applicable, reasonable attorneys’ fees, and costs of suit. Additionally, Claimants seek the assessment of penalties, including civil



penalties, under Labor Code §§ 203, 210, 225.5, 226.3, 1174.5, 1197.1, 2699, and/or § 20 of the IWC Wage Orders, among possibly other provisions inadvertently omitted herein. Furthermore, Claimants is entitled to bring a wage/hour claim on behalf of all current and former similarly situated employees of the Company. Thus, the Company is exposed to these same penalties for violations involving all Aggrieved Employees. Additionally, Claimant seeks attorney's fees pursuant to C.C.P. § 1021.5. Please construe this correspondence as Claimants' notification of alleged wrongdoing and attempted resolution in accordance with C.C.P. § 1021.5 and *Graham v. DaimlerChrysler Corp.* (2004) 34 Cal.4th 553.

CONCLUSION

Based on the foregoing, the Company may be liable for civil penalties related to the foregoing claims and remedies. If Claimant becomes aware of any additional claims for Labor Code violations related to his employment and/or other employees of the Company, he reserves the right to add new claims by supplementing this notice letter. Should you have any questions, please feel free to give me a call. In the meantime, I look forward to your response.

Very Truly Yours,



By: Misty M. Lauby, Esq.

E-mail: misty@lmlfirm.com





August 26, 2025

Submitted Via Online Filing to the LWDA

California LWDA
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Verge Mobile CA EE, LP
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San Diego, CA 92121

Verge Mobile CA GP, LLC
12000 Westheimer Road
Suite 230
Houston, TX 77077

Re: Amended PAGA Civil Penalty Claim
Veronica Redondo, et al. v. Verge Mobile CA EE, LP, et al.

To the Labor and Workforce Development Agency, Verge Mobile CA EE, LP:

Pursuant to the Private Attorneys General Act of 2004 (“PAGA”), Labor Code §§ 2699, *et seq.*, this letter shall serve as notification of the PAGA civil penalty claim of aggrieved employees Veronica Redondo, Aneka Wolfe, Daniel Enriquez, Lisa Damman, and Sherwin Muktari (“Claimants”), on behalf of the State of California and all Aggrieved Employees, against her former employer(s), Verge Mobile CA EE, LP and/or any affiliated entities, as well as its general partner, Verge Mobile CA GP, LLC and others (the “Owners”) (collectively, the “Company”), for violations of Labor Code §§ 200, 201, 202, 203, 204, 208, 210, 218.6, 221, 226, 226.3, 226.7, 510, 512, 551, 552, 553, 558, 1174, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, and 2802 among possibly other sections inadvertently omitted, and/or sections of the applicable IWC Wage Order(s).

FACTUAL BACKGROUND

Claimant Redondo was employed by the Company as a non-exempt employee and at certain times, a Store Manager, from approximately 2015 through March 2022. Claimant Wolfe was employed by the Company as a non-exempt employee from approximately May 2022 through February 4, 2023. Claimant Enriquez was employed by the Company as a non-exempt employee, and at certain times as a Store Manager, from approximately June 1, 2023 through November 3, 2023. Claimant Damman was employed by

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the Company as a non-exempt employee from September 13, 2021 through October 6, 2023. Claimant Moktari was employed by the Company as a non-exempt employee from approximately October 13, 2021 through May 3, 2023. Claimants allege that, at all relevant times, they and all other non-exempt employees employed by the Company in California (the “Aggrieved Employees”) were subjected to the same policies, working conditions, and corresponding wage and hour violations that Claimants were subjected during their employment.

For instance, at all relevant times, Claimants and the Aggrieved Employees were not provided all minimum, regular, and overtime wages due to the Company’s failure to accurately record and compensate for all hours worked. For example, Claimants and Aggrieved Employees regularly worked off-the-clock work that the Company either knew or should have known they were performing due to a number of policies, practices, and/or procedures including: (1) understaffing and high sales pressure resulting in Claimants and Aggrieved Employees having meal periods interrupted by work calls while off-the-clock; (2) Claimants and Aggrieved Employees also spent time off-the-clock opening and closing the stores; (3) Claimants and Aggrieved Employees were required to travel to and attend meetings while off-the-clock and were required to travel to other stores to obtain products for customers while off-the-clock; (4) Claimants and Aggrieved Employees were required to field questions from supervisors and/or other employees on when not at work and hourly managers were required to come in on days off to approve time for employees; (5) supervisors adjusting time to match scheduled hours rather than the hours actually worked resulting in unpaid time; (6) the Company denied Claimants and Aggrieved Employees wages in the form of commissions by failing to account and pay for commission wages earned by the employees. As a result of these policies and practices, the Company failed to compensate Claimants and Aggrieved Employees at the minimum wage rate of pay for all hours worked in violation of Labor Code sections 1194 and 1197. Additionally, on the occasions when Claimants worked in excess of 8 and/or 12 hours per day and/or 40 hours per week and received additional earned compensation during the workweek, the Company failed to properly include these amounts in the calculations for Claimants’ regular rate of pay. Therefore, the Company failed to pay proper overtime wages for the hours worked in excess of 8 and/or 12 per day and/or 40 per week in violation of Labor Code sections 510 and 1198.

Claimants were also not provided 30-minute off-duty meal periods, as mandated by California law, during employment with the Company. As a result of the Company’s policies and practices including its failure to adequately staff its stores to allow for compliant meal periods, as well as the hectic and demanding workload, Claimants were subjected to meal period violations when they were: (1) unable to take a meal period due to workload and/or inadequate staffing, (2) forced to take an on-duty meal period while under the control of the Company, (3) subject to frequent interruptions of her meal periods due to workload and/or inadequate staffing (4) forced to take a shortened meal period, (5) forced to take a meal period after the 5th hour of work, and (6) not provided mandated second or third meal periods.

The Company also failed to provide Claimants with 10 minutes of net rest break time for every 4 hours worked, or major fraction thereof, as mandated by California law. The Company did not schedule Claimants’ rest breaks and Claimants were often not authorized and/or permitted to take mandated rest breaks due to the lack of adequate staffing and coverage and being overwhelmed by the hectic workload. Furthermore, on occasions when Claimants worked in excess of 10 hours in a shift, the Company failed to authorize and/or permit a third mandated rest break.

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Additionally, on the occasions when Claimants and the Aggrieved Employees were denied compliant meal periods and/or rest breaks, the Company failed to pay the “premium” under Labor Code § 226.7. And, on the occasions when the Company did pay a premium for such violations, it only paid at the employee’s base rate rather than at the employee’s “regular rate,” as mandated by California law. See *Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 Cal.5th 858 (the California Supreme Court unanimously held that meal and rest period premiums must be calculated in the same fashion as overtime pay and, therefore, must factor in all forms of nondiscretionary compensation, including commissions).

Moreover, at all relevant times, the Company required Claimants and the Aggrieved Employees to incur necessary business-related expenses and costs without reimbursement. For example, Claimants were required to incur expenses without reimbursement during employment, including: (1) gas and mileage expenses while traveling between the Company’s locations while off the clock and under the Company’s direction and control, (2) acquiring and maintaining a smart phone or required use of personal cell phones and related monthly data plan to communicate with the the Company via phone, text message, and e-mail; and (3) acquiring and maintaining work uniforms required by the Company.

The Company also failed to comply with the mandates of Labor Code §§ 204 and 210 regarding the timing of the payment of wages to its employees each period, including minimum and overtime wages, as well as meal and rest period premiums. Also, the Company failed to comply with the mandates of Labor Code §§ 201–203 regarding timing of payment of final wages and failed to pay all wages due and owing upon separation of employment including minimum wages, overtime, and vacation wages. Finally, during employment with the Company, Claimants received inaccurate and incomplete wage statements that failed to accurately state all necessary items required under Labor Code § 226(a).

Claimants allege that they worked under the joint direction and control of Verge Mobile CA EE, LP and affiliated entities, including Verge Mobile CA GP, LLC, and is informed and believes that each of them acted in all respects pertinent to this action as the agent of the others, carried out a joint scheme, business plan or policy in all respect pertinent hereto, and the acts of each are legally attributable to the others. On information and belief, a unity of interest and ownership between each exists such that Verge Mobile CA EE, LP and affiliated entities, including Verge Mobile CA GP, LLC acted as a single employer of Claimant and the Aggrieved Employees. Furthermore, on information and belief, Verge Mobile CA EE, LP and affiliated entities, including Verge Mobile CA GP, LLC are an integrated enterprise and should be treated as a single employer because Verge Mobile CA EE, LP and affiliated entities, including Verge Mobile CA GP, LLC share an interrelation of operations, with common human resources and personnel policies and shared common offices and facilities. Upon information and belief, Verge Mobile CA EE, LP and affiliated entities, including Verge Mobile CA GP, LLC share common management, a centralized control of labor operations, and common ownership or financial control.

Furthermore, Claimants allege that the Verge Mobile CA GP, LLC is now and at all relevant times were the owners and or managing parter of Verge Mobile CA GP, LLC and were Claimants’ and the Aggrieved Employees’ actual employer or, in the alternative, were individuals employed by the Company as managerial and/or supervisory employees and/or agents. In addition, Claimants allege that at all relevant times the Owners had the authority, in the interest of Verge Mobile CA EE, LP to exercise independent judgment to hire, transfer, promote, discharge, assign, discipline, or take other similar actions against Claimants and the Aggrieved Employees, and were in Claimants’ chain of command at the time of and direct participants in the wrongful conduct which constitutes the basis of Claimants’ complaint herein. Claimants

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also allege that Verge Mobile CA EE, LP and Verge Mobile CA GP, LLC are the agents, servants, employees, partners, affiliates, and/or representatives of each other, and were, at all times herein mentioned, acting within the course, scope, and purpose of such relationship(s) and with the knowledge, consent and/or ratification of each other. Furthermore, in conducting themselves in the manner described herein, Verge Mobile CA EE, LP and Verge Mobile CA GP, LLC were acting in active concert with on another such that the acts of each were fully attributable to the other in all material respects.

Claimants also allege Verge Mobile CA EE, LP and Verge Mobile CA GP, LLC were merely the alter-ego of the others in that there existed a unity of interest and ownership such that any separateness between them ceased to exist and each exercised undue dominance, control, influence, and management over the others. Claimants further allege that, at all relevant times, Verge Mobile CA EE, LP has been inadequately capitalized to conduct business, has failed to follow appropriate corporate formalities, and has simply been a shell and instrumentality through which the Verge Mobile CA GP, LLC have conducted their personal affairs. Adherence to the fiction of the separate existence of Verge Mobile CA EE, LP would permit abuse of the corporate privilege, thereby sanctioning fraud and promoting injustice. Accordingly, the corporate veil should be pierced, and any liability attached to Verge Mobile CA EE, LP should be imposed jointly and severally against the Verge Mobile CA GP, LLC.

Finally, in an additional separate, but not necessarily mutually exclusive, alternative theory of liability, the Verge Mobile CA GP, LLC is liable for PAGA civil penalties under Labor Code § 558 as “other person(s)” who caused the violations regarding minimum wage among other claims. See *Atempa v. Pedrazzani* (2018) 27 Cal.App.5th 809, 820 (“if there is evidence and a finding that a party other than the employer ‘violates, or causes to be violated’ the overtime laws (§ 558(a)) or ‘pays or causes to be paid to any employee’ less than minimum wage (§ 1197.1(a)), then that party is liable for certain civil penalties regardless of the identity or business structure of the employer”); *Moua v. IBM* (N.D. Cal. 2019) 2019 U.S.Dist.LEXIS 40851 (same)

As a result of these violations, and others described below, Claimants allege that they and other Aggrieved Employees were denied specific rights to which they are/were entitled under California law and the rules promulgated by the IWC Wage Orders, including the following:

**PAGA ASSESSMENT FOR FAILURE TO
PAY ALL MINIMUM, REGULAR, AND OVERTIME WAGES**

(Labor Code §§ 204, 210, 221-223, 510, 558, 1194, 1194.2, 1197, 1197.1, 1198; IWC Wage Order §§ 3, 4(B))

As discussed above, the Company failed to pay all required minimum, regular, and overtime wages to Claimants and the Aggrieved Employees due to the Company’s failure to accurately record and compensate for all hours worked, failure to properly pay earned commissions, and the failure to pay overtime and/or properly calculate the regular rate of pay for Claimants and other Aggrieved Employees. This resulted in earned, but unpaid, wages due and owing to Claimants and the Aggrieved Employees. Therefore, Claimants and the Aggrieved Employees performed work for the Company without receiving proper payment of the requisite minimum, overtime, and/or doubletime wages.

Accordingly, Labor Code §§ 210, 558, 1194.2, 1197.1, and 2699, among possibly others, impose various penalties upon the Company for each employee and each pay period in which it failed to pay all

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wages including, but not limited to, minimum, regular, and overtime wages in violation of the Labor Code and/or the IWC Wage Orders.

**PAGA ASSESSMENT FOR DENIAL OF MEAL PERIODS,
REST BREAKS, AND WAGE PREMIUMS**

(Labor Code §§ 226.7(b) & (c), 512, 558; Cal. Admin. Code, Title 8, § 11090)

Labor Code § 226.7(b) states that “[a]n employer shall not require an employee to work during a meal or rest or recovery period mandated pursuant to an applicable statute, or applicable regulation, standard, or order of the Industrial Welfare Commission ...” Labor Code § 512(a) states in pertinent part: “[A]n employer may not employ an employee for a work period of more than 5 hours per day without providing the employee with an uninterrupted meal period of not less than 30 minutes [...] [a]n employer may not employ an employee for a work period of more than 10 hours per day without providing the employee with a second meal period of not less than 30 minutes.”

Section 12 of applicable IWC Wage Order states in pertinent part: “Every employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period. The authorized 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.”

Here, Claimants and other Aggrieved Employees were regularly not provided compliant mandatory meal periods and paid rest breaks due to the Company’s policies described above. Although the Company was required to pay Claimants and all Aggrieved Employees premium wages equal to an additional hour of pay at the employee’s regular rate of pay for each violation under Labor Code § 226.7(c), the Company did not pay the mandatory one-hour wage premiums and did not do so at the proper rate. Labor Code § 558 imposes a penalty for each violation, plus an amount sufficient to recover the underpaid wages. Additionally, the civil assessment set forth in Labor Code § 2699 applies to these violations.

PAGA ASSESSMENT FOR FAILURE TO REIMBURSE BUSINESS EXPENSES

(Labor Code § 2802; IWC Wage Order § 9(b))

Labor Code § 2802(a) states “An employer shall indemnify his or her employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties.” IWC Wage Order § 9(b) states “[w]hen tools or equipment are required by the employer or are necessary to the performance of a job, such tools and equipment shall be provided and maintained by the employer.” Here, the Company required Claimant and the Aggrieved Employees to incur expenses in direct consequence of the discharge of their duties without reimbursement. Accordingly, Labor Code § 2699 imposes a penalty upon the Company for each such violation of Labor Code § 2802.

**PAGA ASSESSMENT FOR FAILURE TO PAY ALL WAGES DUE AND OWING
EACH PAYROLL PERIOD WITHIN THE TIME REQUIRED BY LAW**

(Labor Code §§ 204, 204.1 208, 210, 256 and 2699)

Labor Code § 204(a) states that all wages earned by a person are due and payable twice during each calendar month, and further states that wages earned during the first through fifteenth days of the month must be paid no later than the twenty-sixth day of the month, and that wages earned between the sixteenth and last

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day of the month must be paid by the tenth day of the following month. Labor Code § 204(d) states “[t]he requirements of this section shall be deemed satisfied by the payment of wages for weekly, biweekly, or semimonthly payroll if the wages are paid not more than seven calendar days following the close of the payroll period.”

Here, the Company frequently paid wages beyond the timing requirements specified in Labor Code § 204 and, thus, violated the statute. Additionally, as a result of the Company’s failure to pay Claimant and the Aggrieved Employees all compensation to which they were entitled, the Company had a pattern and practice of failing to pay all wages due and owing to Claimant and the Aggrieved Employees within the time mandated by Labor Code § 204. As a result of these violations, penalties may be assessed pursuant to Labor Code §§ 203, 210, 256, and/or 2699.

PAGA ASSESSMENT FOR FAILURE TO TIMELY PAY FINAL WAGES

(Labor Code §§ 201, 202, 203, 256 and 2699)

Labor Code § 201(a) provides in pertinent part: “If an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately.” Labor Code § 202(a) states in pertinent part “If an employee not having a written contract for a definite period quits his or her employment, his or her wages shall become due and payable not later than 72 hours thereafter, unless the employee has given 72 hours’ previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.” Labor Code § 203(a) states “If an employer willfully fails to pay, without abatement or reduction, in accordance with Sections 201, 201.3, 201.5, 201.9, 202, and 205.5, any wages of an employee who is discharged or who quits, 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 therefor is commenced; but the wages shall not continue for more than 30 days.”

The Company did not pay the Aggrieved Employees all wages that were due and owing within the required time following the end of their employment in accordance with Labor Code §§ 201-202. As a result, all such Aggrieved Employees are entitled to 30 days of wages as a “waiting time penalty.” (Labor Code § 203.) Labor Code § 2699 also imposes a penalty.

**PAGA ASSESSMENT FOR FAILURE TO PROVIDE ACCURATE,
ITEMIZED WAGE STATEMENTS**

(Labor Code §§ 226, 226.3, and 1174)

Labor Code § 226(a) requires an employer to provide its employees with itemized wage statements accurately stating gross wages earned, total hours worked, all deductions, net wages earned, the inclusive dates of the pay period, the employee’s name and the last four digits of his or her Social Security number (or employee identification number), the name and address of the legal entity that is the employer, and all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee.

At all times pertinent hereto, the Company failed to provide accurate itemized wage statements to Claimants and all Aggrieved Employees due to violations including: failure to accurately state total hours worked (the wage statements failed to accurately reflect total compensable hours due to the failure to accurately record all hours worked); failure to accurately state gross wages earned; failure to accurately state

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all deductions; failure to accurately state net wages earned; failure to state the applicable hourly rates; and failure to accurately state the corresponding number of hours worked at each hourly rate (including the failure to state the accurate overtime rate of pay); and the failure to accurately state the amount and rate of pay for meal and rest period violations. Accordingly, Labor Code §§ 226.3 and 2699 also impose a civil penalty and/or assessment for these violations.

PAGA ASSESSMENT FOR FAILURE TO MAINTAIN EMPLOYMENT RECORDS

(Labor Code §§ 1174, 1174.5, 1198, 1198.5 and § 7 of the IWC Wage Orders)

Labor Code § 1174(d), and § 7 of the IWC Wage Orders require employers to maintain accurate employment records, including accurate payroll records showing the total number of regular and overtime hours worked each day by employees, including meal periods, and the gross wages earned by the employee, including all applicable pay rates and the corresponding number of hours worked at each pay rate, among other requirements.

Labor Code § 1198.5 gives every employee the right to inspect and receive a copy of their personnel records and requires an employer to make the contents of the personnel records available for inspection within 30 days of written request.

Here, the Company failed to maintain accurate employment records as mandated by California law. Therefore, in addition to recovering the amount of attorneys' fees and cost incurred herein, Claimant is entitled to the assessment of civil penalties in accordance with Labor Code §§ 1174(d), 1174.5, and 2699.

PAGA ASSESSMENT FOR FAILURE TO PROVIDE REST DAYS

(Labor Code §§ 551, 552, 553)

Labor Code § 551 provides, "Every person employed in any occupation of labor is entitled to one day's rest therefrom in seven." Further, Labor Code § 552 states that: "No employer of labor shall cause her employees to work more than six days in seven." Labor Code § 553 penalizes a person guilty of violating Labor Code §§ 551 and 552 with misdemeanors. Finally, Labor Code § 558(a) provides that: Any employer or other person acting on behalf of an employer who violates, or causes to be violated, a section of this chapter or any provision regulating hours and days of work in any order of the Industrial Welfare Commission shall be subject to a civil penalty as follows: (1) For any initial violation, fifty dollars (\$50) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages. (2) For each subsequent violation, one hundred dollars (\$100) for each underpaid employee for each pay period for which the employee was underpaid in addition to an amount sufficient to recover underpaid wages. (3) Wages recovered pursuant to this section shall be paid to the affected employee.

Here, the Company failed to provide a day of rest as mandated by California law. Therefore, in addition to recovering the amount of attorneys' fees and cost incurred herein, Claimant is entitled to the assessment of civil penalties in accordance with Labor Code §§ 551, 552, 553 and 558(a).

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PAGA ASSESSMENT FOR VIOLATIONS OF LABOR CODE § 1199

(Labor Code § 1199)

An employer violates Labor Code § 1199 if said employer: (a) requires or causes an employee to work for longer hours than those fixed, or under conditions of labor prohibited by an order of the commission; (b) pays or causes to be paid to any employee a wage less than the minimum fixed by an order of the commission; or, (c) violates or refuses or neglects to comply with any provision of this chapter or any order or ruling of the commission. Labor Code § 2699.5 specifically enumerates Labor Code § 1199 as a section to which the civil penalties under the PAGA apply. Therefore, as a result of the Company's violations described herein, the Company is subject to the civil penalties in accordance with Labor Code § 2699.

ATTORNEYS' FEES, INTEREST, AND PENALTIES

(Labor Code §§ 2699(f)(2), 2699(g)(1), 2699.5)

Labor Code § 2699(g)(1), gives employees the right to recover in a civil action the unpaid balance of the full amount of wages, including interest thereon, penalties and other damages, as applicable, reasonable attorneys' fees, and costs of suit. Additionally, Claimants seek the assessment of penalties, including civil penalties, under Labor Code §§ 203, 210, 225.5, 226.3, 1174.5, 1197.1, 1198, 1198.5, 2699, and/or § 20 of the IWC Wage Orders, among possibly other provisions inadvertently omitted herein. Furthermore, Claimants is entitled to bring a wage/hour claim on behalf of all current and former similarly situated employees of the Company. Thus, the Company is exposed to these same penalties for violations involving all Aggrieved Employees. Additionally, Claimant seeks attorney's fees pursuant to C.C.P. § 1021.5. Please construe this correspondence as Claimants' notification of alleged wrongdoing and attempted resolution in accordance with C.C.P. § 1021.5 and *Graham v. DaimlerChrysler Corp.* (2004) 34 Cal.4th 553.

CONCLUSION

Based on the foregoing, the Company may be liable for civil penalties related to the foregoing claims and remedies. If Claimants become aware of any additional claims for Labor Code violations related to their employment or other employees of the Company, they reserve the right to supplement this notice letter.

Very Truly Yours,



By: Misty M. Lauby, Esq.

E-mail: misty@lmlfirm.com

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EXHIBIT “C”

All Expenses

Lauby, Mankin & Lauby LLP

Staff Member = All (Inactive Included)
Group By Staff Member Group
Client - Project = 14000-00492 Redondo v Vergé
Mobile (Active Only)
Activity Code = All
Expense Code = All
View = Original
Approval Status = All
Selected Expenses = All
From Earliest To Latest

Entered	Status	Expense	Staff Member	Price	Mark Up %	Qty	Amount
<u>Veronica Redondo</u> <u>14000-00492 Redondo v Vergé Mobile</u>							
02-25-2022	Approved	E101 Copying 70 copies @ \$0.20 for LWDA and letters to employer	Grossi, Tracie L.	0.20	0.00	70.00	14.00
02-28-2022	Approved	E112 Court fees Submit PAGA letter to LWDA LWDA Cse No. LWDA-CM-870147-22	Aguilera, Monica A	75.00	0.00	1.00	75.00
03-04-2022	Approved	Attorney Service Onelgal Order #17764075 - file complaint	Grossi, Tracie L.	1,509.04	0.00	1.00	1,509.04
03-11-2022	Approved	E108 Postage February 2022 Postage	Aguilera, Monica A	24.38	0.00	1.00	24.38
03-16-2022	Approved	Attorney Service Bosco Inv 6789739 Serve: Vergé Mobile CA EE, LP, a California limited partnership Summons; Complaint; Civil Case Cover Sheet; Certificate of Counsel; Notice of Department Assignment; ADR Court: Riverside County Superior Court - Central District	Aguilera, Monica A	105.35	0.00	1.00	105.35
03-16-2022	Approved	Attorney Service Bosco Inv 6789743 Serve: Vergé Mobile CA GP, LLC, a California limited liability company Summons; Complaint; Civil Case Cover Sheet; Certificate of Counsel; Notice of Department Assignment; ADR Court: Riverside County Superior Court - Central District	Aguilera, Monica A	65.40	0.00	1.00	65.40
04-12-2022	Approved	Attorney Service Onelgal Order #17867656 - file POSs	Grossi, Tracie L.	16.78	0.00	1.00	16.78
04-25-2022	Approved	Attorney Service Onelgal Order #18087295 - file stip to cont cmc	Grossi, Tracie L.	37.37	0.00	1.00	37.37
07-08-2022	Approved	E112 Court fees Riverside Superior Court - copy of signed order	Chiarito, Tracie	2.00	0.00	1.00	2.00
08-03-2022	Approved	Attorney Service Onelgal Order #18672647 - File Nlc of Change of Address	Chiarito, Tracie	16.78	0.00	1.00	16.78
08-23-2022	Approved	Attorney Service Onelgal Order #18788494 - file opposition to MTCA	Chiarito, Tracie	16.78	0.00	1.00	16.78
08-24-2022	Approved	Attorney Service Onelgal Order #18788577 - file MX to Dismiss Class Claims and File FAC	Chiarito, Tracie	78.55	0.00	1.00	78.55
09-01-2022	Approved	Attorney Service Onelgal Order #18847653 - file Ex Parte to Advance Hearing Date	Chiarito, Tracie	78.55	0.00	1.00	78.55
03-20-2023	Approved	E125 Mediation fees JAMS Invoice #6585252 - Non-Refundable Arbitration Filing Fee	Chiarito, Tracie	400.00	0.00	1.00	400.00
11-15-2024	Approved	E125 Mediation fees Serratore Law Invoice for 6/16/25 mediation w Steven Serratore	Chiarito, Tracie	15,000.00	0.00	1.00	15,000.00
12-23-2024	Approved	E120 Private investigators investigators	Chiarito, Tracie	1,850.00	0.00	1.00	1,850.00

All Expenses
Lauby, Mankin & Lauby LLP

Staff Member = All (Inactive Included)
Group By Staff Member Group
Client - Project = 14000-00492 Redondo v Vergé
Mobile (Active Only)
Activity Code = All
Expense Code = All
View = Original
Approval Status = All
Selected Expenses = All
From Earliest To Latest

Entered	Status	Expense	Staff Member	Price	Mark Up %	Qty	Amount
<u>Veronica Redondo</u>							
<u>14000-00492 Redondo v Vergé Mobile</u>							
Tristar Investigation LLC Inv #24574							
10-23-2025	Approved	Attorney Service	Chiarito, Tracie	44.71	0.00	1.00	44.71
Onelgal Order #26574776 - file Stip and Order to File FAC							
11-17-2025	Approved	Attorney Service	Chiarito, Tracie	23.02	0.00	1.00	23.02
Onelgal Order #26728526 - file FAC							
12-12-2025	Approved	Attorney Service	Chiarito, Tracie	200.00	0.00	1.00	200.00
Estimated cost to file Motion for Approval and supporting documents							
Project Total							19,557.71
Client Total							19,557.71
Grand Total							19,557.71

EXHIBIT “D”

EXHIBIT “E”

1 **NOTICE OF PAGA SETTLEMENT**

2 *Redondo, Wolfe et al v. Verge Mobile CA EE LP*

3 *Superior Court of California, Riverside County*

4 *Case No. CVRI2200827*

5 <<ADMIN NAME>>

6 []

7 []

8 Telephone: []

9 «Barcode» «BarcodeString»

10 SIMID «SIMID»

11 «FirstName»

12 «LastName»

13 «Address1» «Address2»

14 «City» «State» «Zip»

15 You are receiving this notice as a result of a lawsuit (the “Action”) brought on a
16 representative basis under the Private Attorneys General Act, Labor Code §§ 2698, *et seq.*
17 (“PAGA”). The Plaintiffs in the Action are Veronica Redondo, Anneka Wolfe, Daniel Enriquez,
18 Lisa Damman, and Sherwin Moktari (collectively, “Plaintiffs”) and the Defendants are Verge
19 Mobile CA EE, LP (“Defendants”). The Action seeks civil penalties for purported violations of
20 the California Labor Code on behalf of all of Defendants’s current and former non-exempt
21 (hourly-paid) employees employed by Defendants in California (“PAGA Members”) during the
PAGA Period of September 14, 2021, through May 6, 2025. Defendants denies all claims and
allegations in the Action, denies that it owes any penalties, and asserts that it has fully complied
with all applicable Labor Code provisions. Nevertheless, to avoid further costs and time in
defending the Action, Defendants has agreed to settle the case and the Court has approved the
settlement and release of claims. By settling the Action, Defendants is not admitting that it has
done anything wrong and the Court has not made any finding that Defendants has done anything
wrong. As of and subject to the occurrence of the Effective Date of the Settlement, the Settlement
resolves all claims for PAGA penalties that were alleged, or could have been alleged, based on
the PAGA Period facts alleged in the Consolidated Complaint and the PAGA Notices (“Released
PAGA Claims”). The “Released Parties” are Verge Mobile CA EE, LP, Verge Mobile CA GP,
LLC, and their respective officers, directors, employees and agents.

22 By Order dated <<court approval order date>>, the Superior Court of the State of
23 California, Riverside County approved the Settlement of the PAGA claims.

24 According to the Defendants’s records, you are a PAGA Member and therefore are
25 entitled to an Individual PAGA Payment, a share of the Settlement based upon the Court-
26 approved allocation. Enclosed with this Notice is your check for your Individual PAGA Payment.
27 The Settlement check shall remain valid for 180 days. Thereafter, all uncashed checks shall be
28 distributed to the California State Controller’s Office Unclaimed Property Fund with an
identification of the amount of unclaimed funds attributable to each PAGA Member. This is not

1 a class action settlement, and you cannot opt-out of receiving this payment or being bound by the
2 release by PAGA Members contained in the Settlement Agreement.

3 Please Note: One hundred percent (100%) of your Individual PAGA Payment under this
4 Settlement will be considered penalties and may be subject to local, state, or federal tax
5 withholdings and will be reported to the IRS and state tax authorities. You should rely on your
6 own tax advisors as to the tax consequences of your Individual PAGA Payment. Neither Plaintiffs
7 nor Defendants have made any representations or warranties regarding the taxation of your
8 Individual PAGA Payment. Nothing within this notice or any other communication shall
9 constitute or be construed or relied upon as tax advice within the meaning of United States
10 Treasury Department Circular 230 (31 C.F.R. Part 10, as amended). Enclosed are the appropriate
11 tax forms pertaining to your payment.

12 Do not call or write the Court or Office of the Clerk to ask questions about the Settlement
13 or to ask questions about the claims process. If you have any questions, you may call or write to
14 **XX** (the Administrator) using the contact information at the top of this correspondence.
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