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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN BERNARDINO

PETER RODARTE, individually, on a
representative basis, and on behalf of all
others similarly situated;

Plaintiff,

vs.

WRIGHT BUSINESS GRAPHICS CA, a
California Limited Liability Company;
WRIGHT BUSINESS GRAPHICS LLC, an
Oregon Limited Liability Company; ENNIS,
INC., a Texas Corporation; and DOES 1
through 20, inclusive;

Defendants.

Case No.: CIVSB2206705
*[Assigned to Hon. David Cohn, Dept S26, for
all purposes]*

**DECLARATION OF BRIAN J. MANKIN
IN SUPPORT OF MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT**

Hearing

Date: July 31, 2023

Time: 9:00 a.m.

Dept.: S26

Complaint Filed: March 25, 2022

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 department within my firm where I am also a Partner. I represent Plaintiff in this action and I am thoroughly familiar with and have personal knowledge of all of the facts set forth herein. I submit this declaration in support of Plaintiff's Motion for Preliminary Approval of this Class Action Settlement. If called as a witness, I could and would competently testify thereto.

1 **COUNSEL'S EXPERIENCE**

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

6 3. I have handled over 500 employee vs. employer litigation matters during my 22
7 years in practice. Over the last 15 years, my practice has almost entirely consisted of
8 representing employees, the majority of which has included class action and representative
9 action wage and hour matters. In total, I have handled over 250 class action and representative
10 action wage/hour cases, and have been appointed by the court as class counsel and have received
11 final court approval and judgment in close to half of those actions to date, and anticipate
12 receiving final approval in many more of those in the future.

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

21 5. I have tried two class and PAGA cases against Fortune 100 companies. In 2018, I
22 was lead counsel in a PAGA case that my firm tried to the bench in the Orange County Superior
23 Court and received a \$425,000 judgment. In 2019, I was co-counsel in a class action case
24 against Walmart that was tried to the jury in District Court for the Central District, wherein the
25 jury awarded Plaintiffs over \$6 million. Following the successful outcome in trial, both cases
26 were appealed.

27 6. I was named by the LA Times as one "Southern California Leading Lawyers" in
28 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 five 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

7. Following a contested mediation, Plaintiff and Defendants (collectively, the “Parties”) reached a global settlement and eventually entered into a Class and PAGA Action Settlement Agreement and Release of Claims resolving the wage and hour claims of the putative class (the “Settlement Agreement” or “S.A”), which is attached hereto as **Exhibit 1**. The Settlement Agreement seeks to release and discharge Defendants from the claims brought against them in exchange for their agreement to pay \$310,000 on a non-reversionary, non-claims made basis (each Class Member will receive his/her share of the Net Settlement Amount without having to submit a claim form or take any action, except for those who opt-out). Plaintiff seeks to represent a class of all current and former non-exempt employees employed by Defendants in California at any time during the Class Period of March 25, 2018 through June 15, 2023. Under the terms of the Settlement Agreement, Defendants will not oppose Class Counsel’s application for a reasonable award of attorneys’ fees not to exceed one-third of the Settlement Amount, Class Counsel’s litigation expenses not to exceed \$20,000, settlement administrator costs of \$6,750, PAGA Penalties of \$25,000 of which \$18,750 will be paid to the LWDA and the remaining \$6,250 will be paid to the PAGA Members, and a service award not to exceed \$7,500 to Plaintiff. After subtracting these deductions from the Settlement Amount, approximately \$167,416.67 will be available to pay individual settlement amounts to approximately 63 Class Members who do not opt-out of the settlement, as follows:

<i>Settlement Amount</i>	\$ 310,000.00
Attorneys’ Fees (1/3)	\$ 103,333.33
Litigation Costs (not to exceed)	\$ 20,000.00
Administrator Costs	\$ 6,750.00
PAGA Penalties	\$ 25,000.00
Class Representative Service Award	\$ 7,500.00
<i>Net Settlement Amount</i>	\$ 167,416.67

1 8. Assuming 63 Class Members, the average payment to each Class Member will
2 be approximately \$2,657.41 (\$167,416.67 / 63). However, the actual payment will be
3 calculated on a pro-rata basis according to the number of Weeks Worked by each Class
4 Member during the Class Period, with each Work Week having a value of approximately
5 \$14.98 (\$167,416.67 / 11,178 estimated Work Weeks). In addition, the PAGA Members will
6 receive a share of the \$6,250 in PAGA Penalties (25% of the total \$25,000 allocation),
7 calculated pro-rata based on number of Pay Periods worked during the period of March 25,
8 2021 through June 15, 2023 (the “PAGA Period”).

9 9. Each Class Member will receive the Class Notice, explaining the nature of the
10 case, and the process for participating, objecting and opting-out, and advising of his/her
11 estimated settlement payment and the number of Workweeks he/she is credited with working
12 during the Class Period and pay periods credited during the PAGA Period.

13 **PROCEDURAL BACKGROUND**

14 10. My office has performed considerable work and diligently investigated and
15 prosecuted this case to a successful conclusion. Our work has resulted in the creation of a
16 significant settlement fund for the benefit of the Class. We efficiently communicated and
17 exchanged information informally with Defense counsel which enabled the parties to
18 successfully settle the case. Because of the risks involved in litigating the case and the contested
19 legal and factual issues, my office believes this settlement to be fair, reasonable, and adequate.

20 11. After being retained by Plaintiff, we submitted on March 23, 2022, a letter to the
21 California Labor Workforce Development Agency (the “LWDA”) for civil penalties under the
22 Private Attorney General Act of 2004 (the “PAGA”), and simultaneously sent a letter to
23 Defendants requesting the production of Plaintiff’s personnel and timekeeping records to further
24 evaluate the wage and hour claims. The LWDA ultimately declined to assert jurisdiction over
25 the PAGA, thereby giving Plaintiff the right to bring PAGA claims.

26 12. On March 25, 2022, Plaintiff filed a class and PAGA complaint against
27 Defendants, alleging: (1) failure to pay proper minimum wages, (2) failure to pay proper
28 overtime wages, (3) failure to provide compliant meal periods, (4) failure to provide compliant

1 rest periods, (5) failure to timely pay wages each period, (6) failure to timely pay final wages,
2 and (7) failure to provide accurate itemized wage statements, (8) unfair and unlawful competition
3 pursuant to California Business and Professions Code §§ 17200 *et seq.*, and (9) related PAGA
4 claims.

5 13. Defendants retained counsel and immediately began to defend the case, including
6 asking Plaintiff to amend the complaint to address a couple of issues. Plaintiff filed a first
7 amended complaint on May 31, 2022. Prior to the initial CMC, Plaintiff learned that Defendants
8 engaged in a Pick Up Stix Campaign in an effort to settle directly with the putative class
9 members. In total, a large portion of the class was paid a total of \$41,270 in exchange for
10 signing a release. Plaintiff argued that the releases were improperly obtained, did not eliminate
11 altogether the ability of those individuals to also recover some amounts through this litigation,
12 and vowed to continue with litigation. Ultimately, the Parties agreed to attend private mediation.

13 14. In preparation for the mediation, the Parties informally exchanged documents and
14 information that allowed both sides to calculate the potential damages and evaluate potential risk,
15 including policies and procedures pertaining to each claim alleged, and statistics relating to the
16 number of current and former employees, number of shifts, workweeks, pay periods worked,
17 average rates of pay, and other things. Defendants also provided their written policies and
18 practices, contact information for non-settling Class Members, and a robust sampling of
19 thousands of pages of payroll and timekeeping records for Class Members. This information
20 enabled both parties to take a deep dive into the claims. During this process, Plaintiff and his
21 counsel analyzed, researched, and investigated the potential issues, including matters related to
22 the calculation of damages, trial, and appellate issues and risks.

23 15. On April 4, 2023, Plaintiff and Defendants participated in mediation before Jeff
24 Krivis, a well-respected wage-and-hour mediator. The matter resolved at mediation pursuant to
25 a mediator's proposal that called for a \$310,0000 class-wide settlement whereby Defendants
26 would receive a credit in the amount of \$41,270 for the prior payments it paid to certain class
27 members as part of the Pick Up Stix Campaign (the "Prior Payment"). Thereafter, the Parties
28 entered into the Settlement Agreement submitted herewith. The Parties now seek the Court's

preliminary approval of the Settlement.

**THE WAGE AND HOUR CLAIMS, CLASS COUNSEL’S INVESTIGATION, AND
EVALUATION OF THE SETTLEMENT**

16. The putative Class in this case consists of approximately 63 similarly situated current and former nonexempt employees of Defendants in California at any time during the Class Period. Plaintiff alleged numerous wage and hour violations on behalf of the Class Members. However, Defendants vigorously contested and denied each of Plaintiff’s material allegations on the merits and as to the propriety of a class action or PAGA representative action, as discussed herein.

17. In preparation for mediation, Misty Lauby, a partner within my firm, and I formulated a damages model and risk analysis based upon detailed data obtained through informal discovery and information exchanges. The summary of the claims below is based on calculations by our expert and us, and the risks that we potentially faced, giving significant credit to the defenses that Defendants raised or would like raise in further proceedings. Following the informal exchange and other information provided by Defendants, we estimated the following data points through the date of mediation: (1) 63 Class Members, (2) approximately 29 *former* Class Members for purposes of Labor Code § 203, (3) 11,178 Weeks Worked, and (4) approximately 1,959 wage statements during the PAGA Period. From these metrics, and when factoring in claim certification probabilities and liability probabilities, we formulated detailed damages models to value the claims in preparation for mediation and to reach a realistic and reasonable resolution.

18. Here, there were four categories of claims alleged by Plaintiff: (1) meal and rest break violations, (2) unpaid wage claims under various theories, and (3) claims for wage statement penalties due to the other alleged violations; and (4) waiting time penalties.

19. Plaintiff alleged meal and rest break claims against Defendant because Plaintiff alleged they were often required to take late meal periods, cut meal periods short, or were not provided mandated first meal periods for shifts above 6 hours or second meal periods for shifts over ten hours. An analysis of the records provided prior to mediation show a total of 45,492

1 unique meal period violations at \$21.50 average rate of pay for meal period premium for a
2 maximum value of \$978,078. Moreover, Plaintiff alleged rest break violations at an estimated
3 50% violation rate on 50,094 shifts over 3.5 hours multiplied by \$21.50 for a total maximum
4 value of \$538,510. This established a maximum potential class value for the meal and rest
5 claims of \$1,712,488. However, Defendant raised numerous arguments in response to this claim,
6 including that it had policies in strict compliance with California law and authorized and
7 permitted the Class Members to take meal and rest breaks, meaning that no one had a reason or
8 cause to miss a break or take a short/late break. Therefore, Defendants asserted that a fact-finder
9 would have to determine for each Class Member whether a break was missed and why, and why
10 a break was noncompliant or nonexistent, because if it was by the employee's choice, no liability
11 attaches to Defendants. These defenses are factored into Plaintiff's analysis in two ways. First,
12 these issues raise questions regarding whether the meal and rest break claims could be certified,
13 and Plaintiff placed a 40% risk at the class certification stage for meal periods and a 40% risk for
14 rest breaks. Second, these defenses also go toward the merits given the evidentiary question of
15 proving the number of actual meal and rest violations. As such, Plaintiff placed a 40% risk on
16 the merits for meal breaks, and an additional 40% risk on the merits for rest breaks, setting the
17 risk-adjusted value for the combined meal and rest break claims at \$545,972.

18 20. As to the unpaid wage claims, Plaintiff alleged that he and Class Members were
19 denied proper wages due to various illegal practices such (1) underpayment of wages due to
20 rounding; (2) failing to include differential premium pay in the overtime regular rate. Records
21 showed that there was a total of 929.5 net underpaid hours multiplied by an average rate of pay
22 of \$21.50 for a total of \$19,984.25 due to the rounding practice. Furthermore, Plaintiff's expert
23 found that an overtime miscalculation due to non-inclusion of differentials in premium pay of
24 \$756 making the maximum class value for wage claims \$20,740.25. But Defendant vehemently
25 opposed these unpaid wage claims on the merits and as to the propriety of class certification.
26 Due to the defenses and arguments raised, Plaintiff assigned a 20% risk for the unpaid wage
27 claim at the class certification stage and an additional 20% risk on the merits. In sum, Plaintiff's
28 counsel calculated the risk-adjusted value of the unpaid wage claims as \$13,274.

1 21. Plaintiff alleged claims for wage statement violations based upon Defendant's
2 failure to accurately state gross/net wages earned, deductions and all hourly rates in effect during
3 the pay period resulting from the failure to pay all wages earned and meal and rest period
4 premiums. The maximum values for this claim is \$193,700 [1,959 wage statements at the
5 \$50/\$100 formula under § 226(e)]. But Defendant raised a variety of defenses to these claims
6 that impacted the valuation. Namely, Defendants argued that the wage statements did not violate
7 Labor Code § 226 and, even if there was a "technical" violation, Plaintiff would be unable to
8 prove the required "knowing and intentional" and "injury" elements. Defendant also argued that
9 these claims were derivative claims of the above-mentioned unpaid wage and meal / rest break
10 claims. Based on these facts and defenses, Plaintiff placed a 30% risk at class certification and
11 estimated another 30% risk the merits, leading to a risk-adjusted value of \$94,448 for the wage
12 statement claims.

13 22. Furthermore, Plaintiff alleged that Defendants failed to timely pay all wages owed
14 to the Class Members upon separation of employment since the Class Members. The maximum
15 potential value of this claim was \$168,345 based on 29 *former* employees being entitled to the
16 full waiting time penalty of 30 days of pay [29 x 9 hours x \$21.50 x 30]. But this maximum
17 value failed to account for many risks and defenses. For instance, this claim was entirely
18 derivative of the unpaid wage and meal/rest break claims (*e.g.*, the unpaid wage premiums). If
19 those claims fails at certification or on the merits, there would be no waiting time penalties owed,
20 so the same risks for those claims applied to this claim. Furthermore, even if the unpaid wage
21 and/or meal/rest claims succeeded at certification and on the merits, Plaintiffs would have to
22 prove that the violations (if any existed) were "willful" under the meaning of Labor Code § 203.
23 And, here, Defendants argued that there could not be a finding of a "willful" violation since they
24 had compliant written policies and any deviations therefrom were inadvertent and unintentional.
25 As a result of this analysis, Plaintiff's counsel applied a 50% risk at class certification and a 50%
26 risk on the merits, leading to a risk-adjusted value of \$42,086.

27 ///

28 ///

23. In sum, when factoring in the defenses and risks of ongoing litigation, Plaintiff estimates the risk-adjusted class recovery as follows:

a. Meal and Rest Break Claims	\$ 545,972
b. Unpaid Wage Claims	\$ 13,274
c. Wage Statement Claims	\$ 94,448
d. Waiting Time Penalty Claims	<u>\$ 42,086</u>
e. Total Risk Adjusted Penalties and Damages	\$ 695,780

24. The reasonableness of the settlement is apparent from the fact that the proposed settlement is 44.6% of the risk-adjusted class damages and penalties. And while the PAGA penalties had a maximum value in the six figures, this fails to acknowledge that courts have wide latitude to reduce the civil penalties “based on the facts and circumstances of a particular case” and if “to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory.” Labor Code § 2699(e)(2). Moreover, Defendants argued against the merits of the underlying claims and particularly that the “willfulness” standard and/or “good faith” defenses mitigated the civil penalty claims and rendered any such penalties as uncertain. Defendants also argued it is improper to stack civil penalty claims on top of other civil penalties and on top of underlying statutory claims. For these reasons, the Parties submit that this settlement is fair and reasonable.

THE SETTLEMENT IS FAIR, JUST, AND REASONABLE

25. The settlement was the product of extensive arm’s length negotiations, facilitated by an experienced mediator. Though cordial and professional, the settlement negotiations were adversarial and non-collusive in nature. The settlement reached is the product of substantial effort by the parties and their counsel. Although we believed that there was a possibility of certifying the claims, we recognized the potential risk, expense, and complexity posed by litigation, such as unfavorable decisions on class certification, summary judgment, at trial and/or on the damages awarded, and/or on an appeal that can take several more years to litigate.

26. The settlement will result in a fair payment to each class member based on the number of Weeks Worked during the Class Period. As set forth hereinabove, Plaintiff and his

1 counsel have diligently investigated the claims and defenses on behalf of the Class Members and
2 worked to achieve a resolution of the claims to maximize the recovery by avoiding further
3 expenditure of attorneys' fees and costs. After evaluating the significant risks attendant with
4 further litigation described above and weighing them against the benefits of a known
5 compromise and settlement as set forth in the Settlement Agreement, settlement on the terms
6 agreed to is believed to be in the best interest of Plaintiff and the Class, and is a fair and
7 reasonable resolution of the claims alleged.

8 27. Plaintiff's counsel brought to bear a great deal of experience in negotiating the
9 settlement of this case. As detailed herein, Plaintiff's counsel engaged in the necessary discovery
10 and investigation, making it possible to exercise informed judgment throughout the settlement
11 process, including significant document review (*e.g.*, documents pertaining to Defendants'
12 policies and procedures, personnel documents, among others), and conducted an extensive
13 analysis of the detailed class-wide data provided by Defendants.

14 28. Based on my experience in other cases, including wage and hour matters, I
15 believe I am qualified to evaluate the class claims and viability of defenses in this class action.
16 In this case, the recovery for each class member is reasonable, fair, and adequate, and a
17 settlement at this time is in the best interests of the class. The settlement provides each class
18 member with compensation for the alleged violations when viewed in relation to the costs and
19 risks inherent in obtaining class certification and proceeding to trial.

20 29. Plaintiff's counsel, as well as Defense counsel, fully endorse the terms and
21 conditions of the settlement as set forth in the abovementioned Settlement Agreement.

22 30. Of course, the settlement amount represents a compromise figure, taking into
23 account the various risks surrounding class certification and the merits of Defendants' asserted
24 defense. Nevertheless, the settlement provides for fair and adequate payments to the class
25 members, with no reversion to Defendants.

26 **PLAINTIFF'S REQUESTED ENHANCEMENT PAYMENT**

27 31. Plaintiff seeks an enhancement payment of \$7,500 for his service to the Class,
28 which I believe is fair and warranted. He came forward in an effort to effectuate a policy and

1 practice change that benefitted all other Class Members, and to recover unpaid wages. He
2 assumed significant risk in bringing this litigation—namely, had he lost, he could have been
3 ordered to pay Defendants’ costs.

4 32. Plaintiff provided invaluable assistance to my office and the Class in this case,
5 including providing factual background for the Class Complaint; reviewing the litigation
6 documents; providing information and documents about Defendants’ policies and practices;
7 participating in phone calls to discuss litigation and settlement strategy; and reviewing the
8 settlement documents. Plaintiff agreed to participate in this case with no guarantee of personal
9 benefit. At final approval, Plaintiff will submit a comprehensive declaration setting forth all of
10 the reasons why she believes that the service award should be approved.

11 **ADEQUACY OF COUNSEL AND THE PROVISIONAL REASONABLENESS OF THE**
12 **REQUESTED FEES AND COSTS**

13 33. As set forth above, I have handled well over 250 class and representative actions,
14 have been appointed as class counsel and have successfully resolved over half of those cases, and
15 many others remain pending and will successfully resolve in the future.

16 34. When this case was taken on a contingency fee basis, with my firm agreeing to
17 assume responsibility for all litigation costs, the ultimate result was far from certain. In the
18 course of this litigation, my firm paid all costs including filing fees, court costs, research fees,
19 and mediation costs. There was never a guarantee that we would recoup those expenditures.

20 35. It is my experience that attorney fee awards of one-third of a common fund
21 settlement is the standard in California. In this case, Plaintiff’s counsel agreed to seek one-third
22 of the Settlement Amount for attorneys’ fees. Defendants do not oppose this fee request. The fee
23 is further warranted because it is within the range of reasonableness typically awarded in class
24 actions. The litigation costs are reasonably capped at \$20,000 and will be based on the actual
25 amount of costs incurred at the time of final approval.

26 **SETTLEMENT ADMINISTRATOR**

27 36. The parties request that the Court appoint ILYM Group to serve as the Settlement
28 Administrator. ILYM is experienced in administering class action settlements, and has provided

1 a proposal to administer this settlement for a total of \$6,750, which is attached hereto as **Exhibit**
2 **4.**

3 **SUBMISSION TO THE LWDA**

4 37. Plaintiff has concurrently submitted the settlement to the LWDA in accordance
5 with Labor Code § 2699(1)(2). The proof of submission is attached hereto as **Exhibit 5.**

6 **EXHIBITS AND CONCLUSION**

7 38. A true and correct copy of the fully executed Settlement Agreement is attached as
8 **Exhibit 1.**

9 39. The proposed Class Notice is attached as **Exhibit 2.**

10 40. A true and correct copy of the notice letter we submitted to the LWDA is attached
11 as **Exhibit 3.**

12 41. ILYM's proposal to administer the Settlement is attached hereto as **Exhibit 4.**

13 42. The LWDA's confirmation of receipt of this Motion and Declarations is attached
14 hereto as **Exhibit 5.**

15 43. For the foregoing reasons, it is respectfully requested that the Court grant
16 preliminary approval of the settlement as being fair, reasonable, and in the best interests of the
17 class, as well as preliminarily approve the requested attorneys' fees, costs, and enhancement
18 payment to the Class Representative.

19 I declare under penalty of perjury under the laws of the State of California that the
20 foregoing is true and correct. Executed on July 6, 2023 at Riverside, California.

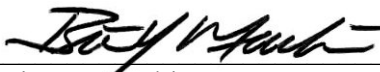
21
22 By: 
23 Brian J. Mankin, Esq.

EXHIBIT “1”

SHEPPARD, MULLIN, RICHTER & HAMPTON LLP

A Limited Liability Partnership
Including Professional Corporations

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Attorneys for Plaintiff

Peter Rodarte, on a representative basis and on
behalf of all others similarly situated

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN BERNARDINO

PETER RODARTE, individually, on a
representative basis and on behalf of all
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Plaintiff,

vs.

WRIGHT BUSINESS GRAPHICS CA, a
California Limited Liability Company;
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Defendants.

Case No. CIV SB 2206705

*[Assigned to Hon. David Cohn, Dept. S26 for
all purposes]*

**CLASS AND PAGA ACTION
SETTLEMENT AGREEMENT AND
RELEASE OF CLAIMS**

Complaint Filed: March 25, 2022

FAC Filed: May 31, 2022

1 This Class and PAGA Action Settlement Agreement and Release of Claims is entered into
2 by and between Plaintiff Peter Rodarte (“Plaintiff”) on behalf of himself, others similarly situated,
3 the State of California and other aggrieved employees, and Defendants Wright Business Graphics
4 CA, Wright Business Graphics LLC, and Ennis, Inc. (collectively, “Defendants,” and together with
5 Plaintiff, the “Parties”), and is approved by their respective counsel of record, subject to the terms
6 and conditions hereof and the Court’s approval.

7 **I. DEFINITIONS**

8 In addition to the other terms defined in this Settlement Agreement, the terms below have
9 the following meaning:

10 A. Action: The lawsuit filed by Plaintiff on March 25, 2022 entitled PETER
11 RODARTE, individually, on a representative basis, and on behalf of all others similarly situated
12 v. WRIGHT BUSINESS GRAPHICS CA, a California limited liability company; WRIGHT
13 BUSINESS GRAPHICS LLC, an Oregon limited liability company; ENNIS, INC., a Texas
14 corporation; and DOES 1 through 20, inclusive; Case No. CIVSB2206705, in the Superior Court
15 of California, County of San Bernardino.

16 B. Administration Costs: All administrative costs, fees, and expenses incurred by the
17 Settlement Administrator in relation to services rendered in administration of this Settlement
18 pursuant to the terms of this Agreement, which shall not exceed \$6,750 in accordance with
19 ILYM’s all-in (not to exceed) proposal, absent approval of the Court for a greater amount. The
20 Administration Costs shall be deducted from the Gross Settlement Amount and shall be paid
21 from the Qualified Settlement Fund. If the Court awards less than the amount requested, any
22 amount not awarded will become part of the Net Settlement Amount for distribution to
23 Participating Class Members. Moreover, any amount awarded less than the Settlement
24 Administrator’s all-in bid will not be grounds to recover the difference from any of the Parties or
25 Counsel in this Agreement.

26 C. Agreement, Settlement, or Settlement Agreement: Shall mean this Class and
27 PAGA Action Settlement Agreement and Release of Claims.

1 D. Attorney Fee Award: The amount awarded to Class Counsel for reimbursement of
2 reasonable attorneys' fees incurred to prosecute the Action not to exceed one-third of the Gross
3 Settlement Amount, subject to Court approval. The Attorney Fee Award shall be deducted from
4 the Gross Settlement Amount and shall be paid from the Qualified Settlement Fund and will not
5 be opposed by Defendants. The Attorney Fee Award will cover all work performed and all fees
6 incurred by Class Counsel to date, and all work to be performed and all fees to be incurred in
7 connection with the litigation of the Action, seeking preliminary and final approval by the Court
8 of this Agreement, the administration of the Settlement, seeking and obtaining a Preliminary
9 Approval Order and Final Approval Order, and obtaining Final Judgment. If the Court awards
10 less than the amount requested by Class Counsel, any amount not awarded will become part of
11 the Net Settlement Amount for distribution to Participating Class Members.

12 E. Class or Class Member: All current and former non-exempt employees of
13 Defendants in California employed at any time during the Class Period. Defendants estimate
14 that there are approximately 63 such Class Members.

15 F. Class Counsel: Attorneys Brian J. Mankin and Misty M. Lauby of Lauby, Mankin
16 & Lauby LLP.

17 G. Class Period: The time period from March 25, 2018 up through and including
18 June 15, 2023.

19 H. Class Representative or Plaintiff: Peter Rodarte.

20 I. Class Representative Enhancement Payment: The amount the Court awards to
21 Plaintiff for his services as the Class Representative, which will not exceed \$7,500.00 to
22 Plaintiff. This payment shall be deducted from the Gross Settlement Amount and shall be paid
23 from the Qualified Settlement Fund and will not be opposed by Defendants. The Class
24 Representative Enhancement Payment is subject to Court approval. If the Court awards less than
25 the amount requested for Plaintiff, any amount(s) not awarded will become part of the Net
26 Settlement Amount for distribution to Participating Class Members.

27 J. Cost Award: The amount the Court awards Class Counsel for payment of actual
28 litigation costs and expenses, which shall not exceed \$20,000.00, which amount will cover all

1 costs and expenses incurred by Class Counsel to date, and all costs and expenses to be performed
2 or incurred in connection with the litigation of the Action, seeking preliminary and final approval
3 by the Court of this Agreement, the administration of the Settlement, seeking and obtaining a
4 Preliminary Approval Order and Final Approval Order, and obtaining Final Judgment. The Cost
5 Award will be deducted from the Gross Settlement Amount and will be paid from the Qualified
6 Settlement Fund and will not be opposed by Defendants. The Cost Award is subject to Court
7 approval. If the Court awards less than the amount requested, any amount not awarded will
8 become part of the Net Settlement Amount for distribution to Participating Class Members.

9 K. Counsel for Defendants: Attorneys Greg S. Labate and Tyler Z. Bernstein of
10 Sheppard Mullin Richter & Hampton LLP.

11 L. Court: The Superior Court of California, County of San Bernardino.

12 M. Effective Date: The “Effective Date” of the Settlement will be the last to occur of
13 the following: (a) if there are no objections to the Settlement, then the date on which the Court
14 enters the Final Approval Order; (b) if one or more timely objections has/have been filed and not
15 withdrawn, then upon passage of the applicable date for an objector to seek appellate review of
16 the Final Approval Order; or (c) if an appeal, review, or writ is sought from the Final Approval
17 Order, the day after the Final Approval Order is affirmed or the appeal, review, or writ is
18 dismissed or denied, and the Final Approval Order is no longer subject to further judicial review.

19 N. Escalator Clause: Defendants estimate that there are currently approximately
20 11,178 workweeks worked by the Class Members during the Class Period. If, at the end of the
21 Class Period, the number of workweeks worked by the Class Members during the Class Period is
22 more than ten percent (10%) greater than this figure (i.e., if there are 12,296 or more workweeks
23 worked by the Class Members in the Class Period), Defendants will increase the Gross
24 Settlement Amount pro rata per additional workweek over the 12,296 workweeks.

25 O. Final Approval, Final Approval Order, Judgment or Final Judgment: “Final
26 Approval” or “Final Approval Order” means the order of the Court that grants final approval of
27 the Settlement. “Judgment” or “Final Judgment” means the final judgment entered by the Court
28 based upon the Settlement and following the Final Approval Order.

1 P. Gross Settlement Amount: The Gross Settlement Amount means the amount of
2 Three Hundred Ten Thousand Dollars and Zero Cents (\$310,000.00), subject to any pro-rata
3 overages that may be required by the Escalator Clause and exclusive of Defendants' obligation to
4 fund its share of payroll taxes on the wage portion of the Individual Class Payments (which shall
5 be paid in addition to the Gross Settlement Amount), and includes the requested (1) Attorney Fee
6 Award; (2) Cost Award; (3) Administration Costs; (4) Class Representative Enhancement
7 Payment to Plaintiff; (5) Individual Class Payments to Participating Class Members, and (6) the
8 PAGA Payment paid to the LWDA and to PAGA Members. Defendants shall receive the Prior
9 Settlement Payment Credit amount of Forty One Thousand Two Hundred Seventy Dollars and
10 Zero Cents (\$41,270.00) towards satisfaction of the Gross Settlement Amount, leaving
11 Defendants responsible for contributing only Two Hundred Sixty Eight Seven Hundred Thirty
12 Thousand Dollars and Zero Cents (\$268,730) towards funding the Gross Settlement Amount
13 (subject to any pro-rata overages that may be required by the Escalator Clause and Defendants'
14 share of payroll taxes).

15 Q. Individual Class Payment(s): The pro rata amount payable to each Participating
16 Class Member from the Net Settlement Amount under the terms of this Agreement. Class
17 Members are not required to submit a claim form to receive their Individual Class Payment.

18 R. Individual PAGA Payment(s): The amount payable to each PAGA Member for
19 their individual portion of the PAGA Payment allocation under the terms of this Settlement
20 Agreement. PAGA Members are not required to submit a claim form to receive their Individual
21 PAGA Payment. Rather, PAGA Members will receive an Individual PAGA Payment
22 automatically, without the return of a claim form. PAGA Members will also be unable to opt out
23 of their Individual PAGA Payment.

24 S. LWDA: California Labor and Workforce Development Agency.

25 T. Net Settlement Amount: The portion of the Gross Settlement Amount that is
26 available for distribution to Participating Class Members, which is the Gross Settlement Amount,
27 minus the Court-approved Attorney Fee Award, Cost Award, Class Representative Enhancement
28 Payment, Administration Costs, PAGA Payment, and Prior Settlement Payment Credit.

1 U. Notice: The “Notice of Class Action and PAGA Settlement” to be provided to all
2 Class Members, in English and Spanish, regarding the terms of this Settlement, substantially like
3 the form attached hereto as **Exhibit A**, subject to Court approval. The Notice shall constitute
4 class notice pursuant to California Rules of Court, rule 3.769 (f) and, once approved by the
5 Court, shall be deemed compliant with California Rules of Court, rule 3.766.

6 V. PAGA: The California Labor Code Private Attorneys General Act of 2004
7 (California Labor Code § 2698, *et seq.*).

8 W. PAGA Members: All current or former non-exempt employees who worked for
9 Defendants within California at any time during the PAGA Period.

10 X. PAGA Payment: The PAGA Payment consists of Twenty-Five Thousand Dollars
11 (\$25,000.00) from the Gross Settlement Amount allocated for the settlement and release of
12 claims for civil penalties pursuant to PAGA, as alleged in the Action. Seventy-five percent
13 (75%) of the PAGA Payment (\$18,750.00) shall be paid to the LWDA, and twenty-five percent
14 (25%) of the PAGA Payment (\$6,250.00) shall be distributed to PAGA Members, on a pro rata
15 basis, as set forth below.

16 Y. PAGA Period: The time period from March 25, 2021 up through and including
17 June 15, 2023.

18 Z. Participating Class Members: All Class Members who do not submit valid and
19 timely Exclusion Forms to the Settlement Administrator.

20 AA. Preliminary Approval or Preliminary Approval Order: The order entered by the
21 Court that grants preliminary approval of the Settlement.

22 BB. Prior Settlement Payment: The payment(s) previously paid by Defendants to a
23 Class Member in connection with the Class Member’s individual release of claims against
24 Defendants.

25 CC. Prior Settlement Payment Credit: The total of all Prior Settlement Payments
26 previously made by Defendants to Class Members in the amount of Forty One Thousand Two
27 Hundred Seventy Dollars and Zero Cents (\$41,270.00). This payment obligation has already
28 been fully satisfied by Defendants including, but not limited to, all applicable federal and state

1 employer-side payroll taxes on the Prior Settlement Payments.

2 DD. Qualified Settlement Fund: A fund within the meaning of Treasury Regulation
3 section 1.46B-1, 26 C.F.R. § 1.468B-1 *et seq.*, which is established by the Settlement
4 Administrator for the benefit of Participating Class Members, Plaintiff, and Class Counsel.

5 EE. Released Class Claims: Released Class Claims are defined as all claims, debts,
6 liabilities, demands, actions, or causes of action under state, federal or local law, whether
7 statutory, common law or administrative, arising from or out of or reasonably related to the facts
8 and/or claims alleged in the Action, and all claims that were asserted or that could have been
9 asserted in the Action, including but not limited to state and/or federal wage and hour claims,
10 failure to pay all wages due, including minimum wages, straight time compensation, overtime
11 compensation, double-time compensation, reporting time compensation, and interest; the
12 calculation of the regular rate of pay; failure to provide meal periods and/or rest periods; failure
13 to pay proper meal and/or rest period penalties or premium wages; payment for all hours worked,
14 including off-the-clock work; failure to provide accurate itemized wage statements; failure to
15 reimburse business expenses; failure to timely pay all wages during employment; failure to
16 timely pay all wages due at separation of employment; failure to provide one day's rest in a
17 seven-day workweek; failure to maintain accurate records, including payroll records; unfair
18 business practices; declaratory relief; penalties, including but not limited to recordkeeping
19 penalties, wage statement penalties, minimum-wage penalties, and waiting-time penalties;
20 interest; and attorneys' fees and costs. The Released Class Claims also expressly include all
21 claims arising under the California Labor Code (including but not limited to Sections 200-204,
22 206, 210, 218.5, 218.6, 221, 222, 223, 226, 226.3, 226.7, 256, 510, 512, 551, 552, 558, 1174,
23 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2800, 2802, 2698 *et seq.*, and 2699 *et seq.*); the Wage
24 Orders of the California Industrial Welfare Commission; the California Private Attorneys
25 General Act of 2004 ("PAGA"); California Business and Professions Code Section 17200,
26 *et seq.*; the California Civil Code, including but not limited to Sections 3287, 3336, and 3294; 8
27 CCR Sections 11010, 11040, and 11070; California Code of Civil Procedure, including but not
28 limited to Section 1021.5; and the FLSA, 29 U.S.C. Section 201, *et seq.* This release excludes

1 the release of claims not permitted by law. The time frame of the Released Class Claims shall be
2 the time period from March 25, 2018 up through and including June 15, 2023 (“Class Period”).

3 FF. Released PAGA Claims: Released PAGA Claims means any and all causes of
4 action for civil penalties pursuant to the California Labor Code Private Attorneys General Act of
5 2004 (California Labor Code § 2698, *et seq.*) that were alleged or which could have been alleged
6 in the Action based on the facts and allegations pleaded in the operative complaint in the Action
7 and/or the LWDA notice letter, including all claims for civil penalties based upon or arising out
8 of any Defendant’s alleged failure to pay earned wages, failure to pay minimum wage, failure to
9 pay overtime compensation, failure to provide meal breaks, failure to provide rest breaks, failure
10 to pay meal period premium wages, failure to pay rest period premium wages, failure to provide
11 accurate wage statements, failure to timely pay final wages during employment and at
12 separation, failure to maintain accurate payroll records, and claims for civil penalties arising
13 under or based upon alleged violations of California Labor Code Sections 200, 201, 202, 203,
14 204, 204.1, 208, 210, 218.5, 218.6, 221, 222, 223, 226, 226.3, 226.7, 256, 510, 512, 558, 1174,
15 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2698 *et seq.*, 2699 *et seq.*, Cal. Admin. Code, Title 8, §
16 11090, and/or those arising under applicable Industrial Welfare Commission Wage Orders. The
17 time frame of the Released PAGA Claims shall be the time period from March 25, 2021 up
18 through and including June 15, 2023 (the “PAGA Period”).

19 GG. Released Parties: Defendants Wright Business Graphics CA, Wright Business
20 Graphics LLC, and Ennis Inc., and each of them, and each and all of their past, present and
21 future agents, employees, servants, officers, directors, partners, trustees, representatives,
22 shareholders, stockholders, attorneys, parents, subsidiaries, equity sponsors, related
23 companies/corporations and/or partnerships, divisions, assigns, predecessors, successors,
24 insurers, investment bankers, accountants, auditors, trustees, equity sponsors, consultants, joint
25 venturers, joint employers, affiliates, alter-egos, and affiliated organizations, and each and all of
26 their respective past, present and future employees, directors, officers, agents, attorneys,
27 stockholders, fiduciaries, parents, subsidiaries, and assigns, and each of them, and each and all of
28 their predecessors, successors, heirs, and assigns, and any individual or entity which could be

1 jointly liable with Defendants, or any of them.

2 HH. Response Deadline: Thirty (30) calendar days from the mailing of the Notice.

3 II. Settlement Administrator: The third-party administrator agreed upon by Parties to
4 administer this Settlement is ILYM, Inc. (“ILYM”).

5 **II. RECITALS**

6 A. On March 23, 2022, Plaintiff provided initial written notice to the LWDA and
7 Defendants of the specific provisions of the Labor Code he contends Defendants violated and the
8 theories supporting his contentions. On March 25, 2022, Plaintiff initiated the Action.

9 B. On April 4, 2023, the Parties participated in a private mediation with Jeff Krivis,
10 Esq., a well-respected mediator with considerable experience mediating wage-and-hour class
11 actions. At the conclusion of mediation, the mediator issued a mediator’s proposal that
12 subsequently resulted in the Settlement described herein to resolve this Action in its entirety.
13 The Settlement is the result of an informed and detailed analysis of the risks facing all Parties in
14 litigating this case, including but not limited to, careful consideration of the legal and factual
15 obstacles to Plaintiff’s prospects of obtaining class certification and on the merits, and
16 Defendants’ defenses, as well as Defendants’ potential exposure and the additional costs of
17 litigating the Action.

18 C. This Agreement is intended to and does effectuate the full, final, and complete
19 resolution of the Action. The Parties believe that continued litigation would be protracted,
20 expensive, and uncertain, and that this Settlement is in the best interests of the Class, PAGA
21 Members, and Defendants. In light of these realities, the Parties believe that this Settlement is
22 the best way to resolve the disputes between them.

23 **III. JURISDICTION, ENFORCEMENT, AND INTERPRETATION**

24 The Court has jurisdiction over the Parties and the subject matter of the Action. The
25 Action includes claims that, while Defendants deny them in their entirety, would, if proven,
26 authorize the Court to grant relief pursuant to the California laws cited therein. If the Settlement
27 is approved, the Court will retain jurisdiction with respect to the interpretation, implementation,
28 and enforcement of the terms of this Agreement and all orders and judgments entered in

1 connection therewith, pursuant to California Rules of Court 3.769 et seq. and California Code of
2 Civil Procedure Section 664.6, and the Parties hereto submit to the jurisdiction of the Court for
3 purposes of interpreting, implementing, and enforcing the Settlement embodied in this
4 Agreement and all orders and judgments entered in connection therewith. The Parties and their
5 counsel agree that a court, upon motion, may enter judgment pursuant to the Agreement and
6 California Code of Civil Procedure Section 664.6 and the Agreement is admissible in evidence
7 for purposes of enforcement pursuant to California Evidence Code Section 1123. The Agreement
8 will be interpreted and enforced under the laws of the State of California without regard to its
9 conflict of law provisions. Any dispute arising out of or relating to the Agreement, or the subject
10 matter hereof, will be resolved solely and exclusively in the Superior Court, County of San
11 Bernardino, and the Parties hereby consent to the jurisdiction of the Court over them solely in
12 connection therewith.

13 **IV. NO ADMISSION WITH RESPECT TO LIABILITY**

14 The Parties agree that this Agreement reflects their good faith compromise of the Action,
15 based upon their assessment of the mutual risks and costs of further litigation and the
16 assessments of their respective counsel. This Agreement does not constitute, is not intended to
17 constitute, and will not be deemed to constitute, an admission of liability or lack of liability by
18 the Parties as to the merits, validity, or accuracy of any of the allegations or claims made against
19 any Defendant in the Action or the appropriateness of class certification or group-wide
20 resolution. Defendants, and each of them, deny each of Plaintiff's allegations in their entirety
21 and allege that Plaintiff and all other Class and PAGA Members were provided compensation
22 and treated in all respects in accordance with California law regarding the claims and facts
23 alleged in the Action.

24 Nothing in this Agreement, nor any action taken or made in implementation thereof,
25 including, without limitation, any statements, discussions, communications, or any materials
26 prepared, exchanged, issued, or used during the course of the negotiations leading up to the
27 Agreement, is intended by the Parties to or will constitute, be introduced, or be submitted in any
28 way in the Action or any other judicial, arbitral, administrative, investigative or other forum or

1 proceeding as evidence of any violation of any federal, state, or local law, statute, ordinance,
2 regulation, rule, or executive order, or any obligation or duty at law or in equity.

3 Notwithstanding the foregoing, the Agreement may be used in any proceeding in the Court that
4 has as its purpose the interpretation, implementation, or enforcement of the Agreement or any
5 orders or judgments of the Court entered in connection therewith.

6 The Parties agree that Plaintiff's forthcoming motion for preliminary approval of the
7 Settlement, which will, among other things, seek certification of the Class, is for purposes of the
8 Settlement only. If, for any reason, the Settlement is not approved, the stipulation to certification
9 will have no force or effect. The Parties agree that certification for purposes of the Settlement is
10 in no way an admission that class certification is proper under the standard applied to contested
11 certification motions and that this Agreement will not be submitted in this or any other
12 proceeding as evidence that (i) the Class should be certified, or (ii) Defendants, or any of them,
13 are liable to Plaintiff or the Class or PAGA Members. Further, neither this Agreement nor the
14 Court's actions regarding this Agreement will be submitted in any court or other tribunal
15 regarding the propriety of class certification or collective or group treatment for purposes other
16 than the settlement of the Action. If this Agreement is not approved by the Court or any
17 appellate court, is terminated, or otherwise fails to be enforceable, Defendants will not be
18 deemed to have waived, limited, or affected in any way, any of its objections or defenses in the
19 Action, including, but not limited to, its defenses in opposition to class certification.

20 **V. SETTLEMENT TERMS AND CONDITIONS**

21 A. Gross Settlement Amount. The Gross Settlement Amount has been agreed to by
22 the Parties. It is expressly understood that if the Court awards less than the total amounts
23 requested to be awarded for the Attorney Fee Award, Cost Award, Administration Costs, Class
24 Representative Enhancement Payment, and/or PAGA Payment, or as otherwise provided herein,
25 the difference in any such amounts will be added to the Net Settlement Amount. No portion of
26 the Gross Settlement Amount will revert to Defendants for any reason. The Gross Settlement
27 Amount excludes any pro-rata overages that may be required as set forth in Section V(M)(22).

28 B. Notice to the LWDA. March 23, 2022, Plaintiff provided initial written notice to

1 the LWDA and Defendants of the specific provisions of the Labor Code he contends Defendants
2 violated and the theories supporting his contentions. Thus, Plaintiff has satisfied his notice
3 obligations under PAGA.

4 C. Class Certification. Solely for the purposes of this Settlement, the Parties stipulate
5 and agree to certification of the Class. The Parties stipulate and agree to the certification of the
6 claims asserted on behalf of Plaintiff and Class Members for purposes of this Settlement only. If
7 the Settlement does not become final, for whatever reason, the fact that the Parties were willing
8 to stipulate provisionally to certification as part of the Settlement shall not be admissible or used
9 in any way in connection with the question of whether the Court should certify any claims in a
10 non-settlement context in this Action or in any other lawsuit. Defendants reserve the right to
11 oppose class certification and/or to proactively move to deny class certification should this
12 Settlement be materially modified, reversed on appeal, or otherwise not become final.

13 D. Appointment of the Class Representative. Solely for the purposes of this
14 Settlement, the Parties stipulate and agree that Plaintiff shall be appointed as the representative
15 for the Class.

16 E. Appointment of Class Counsel. Solely for the purposes of this Settlement, the
17 Parties stipulate and agree that Class Counsel shall be appointed to represent the Class.

18 F. Settlement Disbursement. Subject to the terms and conditions of this Agreement,
19 the Settlement Administrator will make the following payments out of the Gross Settlement
20 Amount:

21 1. Class Representative Enhancement Payment To Plaintiff. Plaintiff will
22 apply to the Court for a Class Representative Enhancement Payment to Plaintiff up to Seven
23 Thousand Five Hundred Dollars And Zero Cents (\$7,500.00), to be paid out of the Gross
24 Settlement Amount. Defendants will not oppose such an application, so long as it is consistent
25 with the provisions of this Agreement. Any amounts awarded for the Class Representative
26 Enhancement Payment to Plaintiff that are less than the amount listed above will result in the
27 non-awarded funds being part of the Net Settlement Amount available for distribution to the
28 Participating Class Members. Plaintiff shall be solely and legally responsible to pay any and all

1 applicable taxes on the Class Representative Enhancement Payment and shall hold harmless the
2 Released Parties, and each of them, from any claim or liability for taxes, penalties or interest
3 arising as a result of the payment. Plaintiff is solely responsible for providing a completed IRS
4 W-9 form to the Settlement Administrator prior to distribution if requested by the Settlement
5 Administrator. The Settlement Administrator will issue to Plaintiff an IRS Form 1099 reflecting
6 his Class Representative Enhancement Payment. Plaintiff agrees that, upon signing this
7 Settlement Agreement, he will not submit a Request for Exclusion to the Settlement
8 Administrator, or any other request to be excluded from the Settlement, and that any such request
9 for exclusion by such Plaintiff will be void and of no force or effect.

10 2. To Class Counsel. Class Counsel shall be entitled to apply to the Court
11 for, and Defendants agree not to oppose any such application for, the Attorney Fee Award and
12 Cost Award. The Settlement Administrator will pay the Court-approved amounts for the
13 Attorney Fee Award and Cost Award out of the Gross Settlement Amount. The Settlement
14 Administrator shall issue an IRS Form 1099 to Class Counsel reflecting the awarded Attorney
15 Fee Award and Cost Award. In the event Plaintiff and/or Class Counsel do not request, or the
16 Court does not approve, the entirety of the application for the Attorney Fee Award and/or Cost
17 Award, the Settlement Administrator shall pay whatever amount(s) the Court awards, and neither
18 Defendants nor the Settlement Administrator shall be responsible for paying the difference
19 between the amounts requested and the amount(s) awarded. If the amount(s) requested and/or
20 awarded is less than the amounts requested by Class Counsel for the Attorney Fee Award and/or
21 Cost Award, the difference shall become part of the Net Settlement Amount and be available for
22 distribution to Participating Class Members. Class Counsel will not be permitted to petition the
23 Court for, or accept, any additional payments from Defendants for attorneys' fees, costs, or
24 expenses in connection with the Action. Plaintiff, Class Counsel, and Class Members shall
25 assume full responsibility and liability for the payment of taxes due on such awards.
26 Defendants' payment of the Attorney Fee Award and Cost Award awarded to Class Counsel
27 shall constitute full satisfaction of the obligation to pay any amounts to any person, attorney, or
28 law firm for attorneys' fees, costs, or expenses in the Action incurred by any attorney on behalf

1 of the Plaintiff and/or the Class Members, and shall relieve Defendants, the Settlement
2 Administrator, and Counsel for Defendants of any other claims or liability to any other attorney
3 or law firm for any attorneys' fees, costs, and expenses to which any of them may claim to be
4 entitled on behalf of Plaintiff and/or the Class Members.

5 3. To the Settlement Administrator. The Settlement Administrator will pay to
6 itself the Administration Costs, as approved by the Court, out of the Gross Settlement Amount
7 and from the Qualified Settlement Fund. If the Settlement Administrator's actual costs are lower
8 than, or the Court awards less than, the total amount allocated for Administration Costs, the
9 difference in any such amounts will be a part of the Net Settlement Amount.

10 4. Participating Class Members Individual Class Payment. The Settlement
11 Administrator will pay an Individual Class Payment from the Net Settlement Amount to each
12 Participating Class Member in accordance with the following procedure.

13 a. Individual Class Payment Calculation. Individual Class Payments
14 will be calculated/determined as follows: Defendants will provide the Settlement Administrator
15 with the number of work weeks credited to each Participating Class Member during the Class
16 Period. The Settlement Administrator will then calculate the total number of work weeks worked
17 by all Participating Class Members during the Class Period ("Total Workweeks"). To determine
18 the Individual Class Payment for each Participating Class Member, the Settlement Administrator
19 will (1) divide each Participating Class Member's respective Workweeks by the Total Workweeks,
20 and (2) multiply the resulting figure by the Net Settlement Amount. The Individual Class Payment
21 will be reduced by any required legal deductions or withholdings for each Participating Class
22 Member, provided that such legal deductions or withholdings will not include the employer's share
23 of any payroll taxes. Any residual amounts of the Gross Settlement Amount that are not distributed
24 in full as contemplated by this Agreement shall be distributed pro rata to Participating Class
25 Members. All Class Members will be entitled to payment for at least one workweek.

26 b. Tax Treatment for Individual Class Payment. Each Participating
27 Class Member's Individual Class Payment will be apportioned as follows: twenty percent (20%)
28 as wages ("wage portion") and eighty percent (80%) as statutory penalties and interest. The wage

1 portion of each Individual Class Payment shall be subject to W-2 reporting and, therefore,
2 normal employee's share of payroll taxes and withholdings will be deducted by the Settlement
3 Administrator pursuant to applicable state and federal law. Defendants shall be responsible for
4 paying employer-side taxes separately from the Gross Settlement Amount. Participating Class
5 Members will be issued an IRS Form 1099, if required by law, for the portion of their Individual
6 Class Payment that is treated as interest and penalties and any other non-taxable items and will
7 assume full responsibility and liability for the payment of taxes due on such awards, if any. The
8 Parties make no representations about the tax consequences to the portion of the Individual Class
9 Payment representing interest and penalties.

10 5. PAGA Members Individual PAGA Payment. The Settlement
11 Administrator will pay an Individual PAGA Payment from the portion of the PAGA Payment
12 allocated to the PAGA Members in accordance with the following procedure.

13 a. Individual PAGA Payment Calculation. Individual PAGA
14 Payments to each PAGA Member will be calculated as follows:

15 (1) The \$6,250.00 allocated to the PAGA Members from the
16 Gross Settlement Amount will be divided by the aggregate number of pay periods worked by all
17 PAGA Members during the PAGA Period, based on the Class Data provided by Defendants,
18 resulting in the Pay Period Value. Each Individual PAGA Payment will then be calculated by
19 multiplying the total number of pay periods the PAGA Member was employed by Defendants as
20 a non-exempt employee in California during the PAGA Period by the Pay Period Value. All
21 PAGA Members will be entitled to payment for at least one pay period.

22 b. Tax Treatment for Individual PAGA Payment. Each Individual
23 PAGA Payment will be apportioned as one hundred percent (100%) civil penalties and
24 Individual PAGA Members will be issued an IRS Form 1099, if required by law, for their
25 respective Individual PAGA Payment, and each Individual PAGA Member will assume full
26 responsibility and liability for the payment of taxes due on such awards, if any. The Parties
27 make no representations about the tax consequences of the Individual PAGA Payment.

28 6. PAGA Payment To LWDA. Seventy-five percent (75%) of the PAGA

1 Payment, or \$18,750.00, shall be paid to the LWDA. It is expressly understood that if the Court
2 awards less than the total amounts requested to be awarded for the PAGA Payment, the
3 difference in any such amount will be a part of the Net Settlement Amount. If the Court finds
4 the Parties' allocation of proceeds from the Gross Settlement Amount to PAGA to be
5 insufficient, the Parties expressly reserve the right to amend this Agreement to increase the
6 allocated amount to a level that satisfies the Court's discretion, without increasing the Gross
7 Settlement Amount.

8 G. Appointment of Settlement Administrator. The Settlement Administrator shall be
9 responsible for: (a) preparing, translating into Spanish, printing, and mailing the Notice to the
10 Class Members; (b) keeping track of any objections and/or Requests for Exclusion to the
11 Settlement from Class Members; (c) performing skip traces and re-mailing Notices, Individual
12 Class Payments, and Individual PAGA Payments to Class Members and PAGA Members, as
13 applicable; (d) calculating any and all payroll tax deductions as required by law; (e) calculating
14 each Participating Class Member's Individual Class Payment and each Individual PAGA
15 Member's Individual PAGA Payment in accordance with this Agreement; (f) mailing Individual
16 Class Payments to Participating Class Members and Individual PAGA Payments to PAGA
17 Members; (g) resolving any disputes regarding the Workweeks credited to each Class Member or
18 number of pay periods credited to each PAGA Member; (h) remitting the LWDA's portion of the
19 PAGA Payment to the LWDA; (i) distributing the Attorney Fee Award and the Cost Award to
20 Class Counsel; (j) printing and providing Participating Class Members, PAGA Members, and
21 Plaintiff with IRS Forms W-2 and 1099 as required under this Agreement and applicable law; (k)
22 providing a due diligence declaration for submission to the Court upon completion of the
23 Settlement and prior to the Final Approval Hearing, providing, among other things, the number
24 of Notices it mailed to Class Members, the number of Notices it re-mailed, the number of
25 Notices that were ultimately undeliverable, the number of opt-outs and objections that it
26 received, the number of defective opt-outs and objections it received, the total of its charges for
27 services rendered, the total number of Participating Class Members and PAGA Members and the
28 total number of Workweeks worked by Participating Class Members and pay periods worked by

1 PAGA Members, as well as the value per workweek for Participating Class Members and Pay
2 Period Value for PAGA Members, and the anticipated future charges contemplated in order to
3 bring the administration of the Settlement and distribution of payments to completion; (l)
4 distributing any funds remaining in the Qualified Settlement Fund at the close of the 180-day
5 period as a result of uncashed checks to the California State Controller's Office in accordance
6 with California's Unclaimed Property Law; and (m) performing other tasks as the Parties
7 mutually agree; and (n) providing weekly status reports to Counsel for Defendants and Class
8 Counsel, which are to include updates on any objections or opt-outs that have been received. The
9 Settlement Administrator shall regularly report to the Parties, in written form, the substance of
10 the work performed. The Parties represent they do not have any financial interest in the
11 Settlement Administrator or have a relationship with the Settlement Administrator that could
12 create a conflict of interest. Any disputes relating to the Settlement Administrator's ability and
13 need to perform its duties shall be referred to the Court.

14 H. Procedure for Approving Settlement.

15 1. Court Approval.

16 a. Plaintiff will move for an order conditionally certifying the Class
17 for purposes of the Settlement only, giving Preliminary Approval of the Settlement, setting a date
18 for the Final Approval Hearing, and approving the Notice.

19 b. Following the Preliminary Approval Order, if Defendants do not
20 exercise their right to cancel the Settlement solely as provided for herein, a motion for final
21 approval of the Settlement will be filed by Class Counsel, which will include a request for the
22 Attorney Fees Award, Costs Award, and Class Representative Enhancement Payment to Plaintiff
23 as provided for herein, which Defendants will not oppose. The Parties agree to take all steps as
24 may be reasonably necessary to secure final approval of the Settlement as quickly as possible, to
25 the extent not inconsistent with the terms of this Agreement and will not take any action adverse
26 to each other in obtaining Court approval, and, if necessary, appellate approval, of the
27 Agreement in all respects.

28 c. If the Court does not grant preliminary approval and/or final

1 approval of the Settlement, or if the Court's Final Approval Order and Final Judgement are
2 reversed or materially modified on appeal, then this Settlement will become null and void.

3 d. In the event the Court declines to enter the Final Approval Order
4 and Final Judgment, this Agreement shall be null and void and any order or judgment entered by
5 the Court in furtherance of this Agreement shall be treated as void. In such a case, the Parties
6 and any funds to be awarded under this Settlement shall be returned to their respective statuses as
7 of the date and time immediately prior to the execution of this Agreement, and the Parties shall
8 proceed in all respects as if this Agreement had not been executed, except that any fees and
9 expenses already reasonably incurred by the Settlement Administrator shall be paid by
10 Defendants.

11 e. The Parties agree that, in the event the Settlement is not approved
12 by the Court, or if the Settlement is terminated by either Party under the provisions of this
13 Agreement, the Parties will request that the Court reopen proceedings within twenty one (21)
14 calendar days.

15 2. Notice to Class Members. The Parties submit the Notice to the Court for
16 approval. The Notice will include, nonexclusively, information regarding the nature of the
17 Action; a summary of the substance of the Settlement; the definition of the Class; the formula
18 used to determine the Individual Class Payments and Individual PAGA Payment; the number of
19 Workweeks and/or pay periods credited to each Class Member and his or her estimated
20 Individual Class Payment and Individual PAGA Payment, if any; the procedures and deadlines
21 for objecting to the Settlement, seeking exclusion from the Settlement, and/or disputing the
22 number of Workweeks or pay periods credited to him or her; and the date for the Final Approval
23 Hearing. After the Court enters its Preliminary Approval Order and approves the Notice, every
24 Class Member and PAGA Member will be provided with the Notice in accordance with the
25 following procedure:

26 a. Within twenty-one (21) calendar days of the Court's Preliminary
27 Approval Order, Defendants will provide to the Settlement Administrator a list in Microsoft
28 Excel format containing each Class Member's: (1) full name; (2) last known mailing address; (3)

1 Social Security number; and (4) dates worked for Defendants in California during the Class
2 Period as a non-exempt employee (“Class Data”). In no event will the Class Data ever be shared
3 with or provided to Class Counsel. The Settlement Administrator shall maintain the Class Data
4 and all information contained within the Class Data as private and confidential and shall not use
5 the Class Data or any information contained therein for any purpose other than to administer the
6 Settlement.

7 b. At least 5 days prior to mailing the Notice, the Administrator shall
8 provide a spreadsheet to Class Counsel and Defense Counsel containing a preliminary
9 calculation of all payments to be paid from the Gross Settlement Amount, including the
10 estimated Individual Class Payments to each Class Member and Individual PAGA Payments to
11 each PAGA Member (each person’s name and contact information shall be redacted and a
12 control number used in place of the name or other identifying information). Subject to the
13 potential triggering of the Escalator Clause, the Administrator shall notify the Parties of any
14 change to the Gross Settlement Amount and advise of the increase in related payments as
15 contemplated herein, subject to Court approval.

16 c. Within ten (10) calendar days of the Settlement Administrator’s
17 receipt of the Class Data, the Settlement Administrator shall run all addresses contained in the
18 Class Data through the United States Postal Service’s National Change of Address (“NCOA”)
19 Database to obtain current address information and shall mail the Notice to the Class Members
20 via first-class regular U.S. Mail using the most current mailing address information available.
21 The Administrator will take steps to ensure that the Notice is received by all Class Members,
22 including utilization of the National Change of Address Database maintained by the United
23 States Postal Service to review the accuracy of and, if possible, update a mailing address. If a
24 Notice is returned as undeliverable, the Notice will be re-mailed to any Class Member for whom
25 an updated address is located within ten (10) calendar days following both the Administrator
26 learning of the failed mailing and its receipt of the updated address. The Notice shall be identical
27 to the original Notice, except that it shall notify the Class Member that the exclusion (opt-out)
28 request or objection must be returned by the later of the Response Deadline or fifteen (15) days

1 after the remailing of the Notice..

2 d. Class Members will have the opportunity, should they disagree
3 with the number of eligible Workweeks and/or pay periods with which they have been credited,
4 as provided in their Notices, to dispute such information. All such disputes must be in writing,
5 postmarked by the Response Deadline, and sent via first-class regular U.S. mail to the Settlement
6 Administrator, explaining the basis for the dispute and including any supporting documentation
7 showing that the Workweeks credited to him or her is inaccurate. Defendant's records will be
8 presumed determinative, absent credible evidence to rebut the accuracy of the Workweeks
9 credited to a Class Member based thereon. The Settlement Administrator will evaluate the
10 evidence submitted by the Class Member and make a recommendation to the Parties as to which
11 figures should be applied. If the Parties disagree with the Settlement Administrator's
12 recommendation, the dispute will be presented to the Court for determination. The Court will
13 make the final decision on disputes.

14 e. No later than fourteen (14) calendar days after the Response
15 Deadline, the Settlement Administrator will serve on the Parties a declaration of due diligence
16 setting forth its compliance with its obligations under this Agreement. The declaration shall also
17 include the estimated high, low, and average amounts for Individual Class Payments and
18 Individual PAGA Payments, the total number of Participating Class Members and PAGA
19 Members, the total number of workweeks worked by Participating Class Members and pay
20 periods worked by PAGA Members, as well as the value per workweek for Participating Class
21 Members and Pay Period Value for PAGA Members. The declaration from the Settlement
22 Administrator shall be filed with the Court by Class Counsel in conjunction with Plaintiff's
23 Motion for Final Approval. If any material changes occur before the Final Fairness and Approval
24 Hearing but after the Settlement Administrator's declaration of due diligence has been filed, the
25 Settlement Administrator will supplement its declaration and provide to the Parties, for Class
26 Counsel to file with the Court.

27 3. Objections to Settlement. The Notice will provide that Class Members
28 who wish to object to the Settlement may do so by mailing a written objection to the Settlement

1 Administrator, postmarked no later than the Response Deadline. The date of the postmark will
2 be the exclusive means for determining whether an objection has been timely submitted. All
3 objections must be in writing, which includes: (1) the objector's full name, address, last four
4 digits of his or her Social Security number, and signature; (2) the case name and number; (3) the
5 factual and legal basis, with supporting documents, if any, on which the objection is based; and
6 (4) whether the objector is represented by an attorney and providing the contact information of
7 any such attorney. The Parties agree that the Settlement Administrator shall not disclose the last
8 four digits of any Class Member's Social Security number to anyone but the Parties, that such
9 information will be securely held, and that the disclosure of those last four digits to the Parties
10 shall not be used for any purpose except to ascertain the identity of the objector for
11 administration of this Settlement. Any person who fails to timely submit their written objections
12 in the manner specified above may still appear and object at the Final Approval Hearing. If a
13 Participating Class Member objects to this Settlement, the Participating Class Member will
14 remain a member of the Class, and if the Court grants final approval of the Settlement, he or she
15 will be bound by the terms of the Settlement and any Final Approval Order and Final Judgment.
16 Within three (3) business days of receipt of an objection, the Settlement Administrator shall
17 provide counsel for the Parties with a copy of the objection. No later than thirty (30) calendar
18 days before the Final Approval Hearing, the Settlement Administrator shall provide counsel for
19 the Parties with a complete list of Participating Class Members who have submitted an objection.
20 The Settlement Administrator's declaration shall include copies of the objections that it has
21 received. Submitting an objection does not preserve the right to appeal a final judgment. Rather,
22 the right to appeal is preserved by becoming a party of record by timely and properly intervening
23 or filing a motion to vacate the judgment under Code of Civil Procedure § 663.

24 4. Request for Exclusion from the Settlement ("Opt-Out"). Any Class
25 Member, other than Plaintiff, may request to be excluded from the Class by submitting a
26 "Request for Exclusion" to the Settlement Administrator, postmarked on or before the Notice
27 Response Deadline. The Request for Exclusion should state:

28 "I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE

1 WRIGHT BUSINESS GRAPHICS LAWSUIT. I UNDERSTAND THAT IF I
2 ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT
3 RECEIVE ANY MONEY FROM THE SETTLEMENT OF THIS LAWSUIT.”

4 To be valid, any Request for Exclusion must include the full name, address, telephone number,
5 last four digits of the social security number or date of birth, and signature of the Class Member
6 requesting exclusion. The Request for Exclusion must be returned by mail to the Settlement
7 Administrator at the specified address. Any such Request must be made in accordance with the
8 terms set forth in the Notice. A Request for Exclusion will be timely only if postmarked by the
9 Response Deadline, unless the Parties otherwise agree in writing. Any Class Member who
10 timely requests exclusion in compliance with these requirements: (i) will not have any rights
11 under this Agreement, including the right to object, appeal or comment on the Settlement; (ii)
12 will not be entitled to receive any payments under this Agreement; and (iii) will not be bound by
13 this Agreement, or the Judgment. Any PAGA Member who requests timely exclusion will still
14 be subject to the PAGA Released Claims and receive a share of PAGA Payment, and such
15 requests for exclusion shall be deemed void and defective as to the PAGA Released Claims.

16 If a Class Member submits both a Request for Exclusion and written objection to the
17 Settlement Administrator prior to the Response Deadline, the Settlement Administrator will first
18 attempt to contact the Class Member(s) to determine if they intended to submit only the
19 Exclusion Form or written objection. If the Settlement Administrator is unable to contact the
20 Class Member(s) within ten (10) calendar days of receiving both the exclusion and written
21 objection or if the Class Member(s) fails to respond to the Settlement Administrator within ten
22 (10) calendar days of being contacted, then only the Request for Exclusion will be deemed valid.
23 The Class Member(s)’ written objection will be invalid, and the Class Member will no longer be
24 considered a Participating Class Member, will not receive his or her Individual Class Payment,
25 and will not be bound by the Released Class Claims.

26 a. PAGA Members May Not Opt Out of PAGA Settlement.

27 Notwithstanding the foregoing, the Parties agree that there is no statutory or other right for any
28 PAGA Member to opt out or otherwise exclude himself or herself from the PAGA portion of the

1 Settlement, which releases the claims enumerated in Section I(FF) above (the “Released PAGA
2 Claims”). An Individual PAGA Member who submits a timely and valid Request for Exclusion
3 as to the Class shall still be entitled to his or her Individual PAGA Payment and shall release the
4 Released PAGA Claims.

5 5. No Solicitation of Objection or Requests for Exclusion. The Parties agree
6 to use their best efforts to carry out the terms of this Agreement. At no time shall any of the
7 Parties or their counsel seek to solicit or otherwise encourage Class Members to submit opt-outs,
8 objections to the Settlement, or appeal from or seek review of the Court’s Preliminary Approval
9 Order, Final Approval Order, or Final Judgment, provided, however, that Class Counsel may
10 respond to any questions received from Class Members regarding the Settlement and the
11 Settlement Agreement.

12 6. Defendants’ Right To Rescind. If either (i) 10% or more of the Class
13 Members, or, (ii) a number of Class Members whose Individual Class Payments in the aggregate
14 are 15% or more of the Gross Settlement Amount, either opt out of and/or object to the
15 Settlement, Defendants may, at their sole election, rescind the Settlement and all actions taken in
16 its furtherance of it will be thereby null and void. If Defendants exercise this right of recession,
17 they must do so in writing within 10 days of being notified by the Settlement Administrator of
18 this section of the Agreement having been triggered, that is sent to Class Counsel by email to
19 brian@lmlfirm.com and misty@lmlfirm.com and overnight mail, addressed to: Brian Mankin
20 and Misty Lauby of Lauby, Mankin & Lauby LLP at 4590 Allstate Drive, Riverside, CA 92501.
21 If the option to rescind is exercised, then Defendants shall be solely responsible for all
22 Settlement Administration Costs accrued to that point. If such provision is exercised, the Action
23 will return to its pre-settlement litigation posture.

24 7. Motion for Final Approval.

25 a. Following the Preliminary Approval Order, if Defendants do not
26 exercise their right to cancel the Settlement solely as provided for herein, a motion for final
27 approval of the Settlement will be filed by Class Counsel, which will include a request for the (1)
28 Attorney Fee Award; (2) Cost Award; (3) Administration Costs; (4) Class Representative

Enhancement Payment; and (5) PAGA Payment, which Defendants will not oppose. The Parties agree to take all steps as may be reasonably necessary to secure final approval of the Settlement as quickly as possible, to the extent not inconsistent with the terms of this Agreement and will not take any action adverse to each other in obtaining Court approval, and, if necessary, appellate approval, of the Agreement in all respects. Class Counsel will also move the Court for an order of Final Approval (and associated entry of Judgment), releasing and barring the Released Class Claims of the Participating Class Members and the Released PAGA Claims of the PAGA Members.

8. Disbursement of Settlement Shares and Payments. Subject to the Court finally approving the Settlement, the Settlement Administrator shall distribute funds pursuant to the terms of this Agreement and the Court's Final Approval Order and Judgment. The Gross Settlement Amount has been agreed to by the Parties, based on analysis and assessment of the value of the claims in the Action. The Settlement Administrator shall respond to questions from Counsel for Defendants and Class Counsel. No person shall have any claim against Defendants, Counsel for Defendants, Plaintiff, Class Counsel, or the Settlement Administrator based on the distributions and payments made in accordance with this Agreement.

a. Funding the Settlement: Prior to the Effective Date, Defendants will not be required to fund the Settlement, in whole or in part, through the Settlement Administrator or any third party. Within thirty (30) calendar days of the Effective Date, Defendants will, jointly and severally, be required to submit funds to the Settlement Administrator to fund (i) Two Hundred Sixty Eight Seven Hundred Thirty Thousand Dollars and Zero Cents (\$268,730.00), which is the Gross Settlement Amount less the Prior Settlement Payment Credit; and (ii) sufficient funds to cover any additional employer-side payroll taxes as required under this Agreement and as quantified by the Settlement Administrator.

b. Disbursement: Within ten (10) calendar days after funding, the Settlement Administrator shall make the following payments as approved by the Court: (1) Individual Class Payments, (2) the Attorney Fee Award, (3) the Cost Award, (4) the Class Representative Enhancement Payment, (5) the PAGA Payment, including the payment to the

1 LWDA and all Individual PAGA Payments, and (6) the Administration Costs.

2 c. Qualified Settlement Fund: The Parties and Settlement
3 Administrator shall treat the Qualified Settlement Fund as coming into existence on the earliest
4 date permitted as set forth in 26 C.F.R. § 1.468B-1, and such election statement shall be attached
5 to the appropriate returns as required by law.

6 9. Uncashed Checks. Participating Class Members and PAGA Members
7 must cash or deposit their Individual Class Payment and Individual PAGA Payment checks, as
8 applicable, within one hundred eighty (180) calendar days after the checks are mailed to them.
9 The void date of each Individual Class Payment and Individual PAGA Payment check shall be
10 stated on each check. If any checks are not redeemed or deposited within ninety (90) calendar
11 days after mailing, the Settlement Administrator will send a reminder postcard indicating that
12 unless the check is redeemed or deposited within the original 180 day check cashing period, it
13 will expire and become non-negotiable, and offering to replace the check if it was lost or
14 misplaced. If any checks remain uncashed or not deposited by the expiration of the 180 day
15 check cashing period, the Settlement Administrator will, within two hundred (200) calendar days
16 after the checks are initially mailed, cancel the check(s), and pay the amount of the Individual
17 Class Payment(s) and/or Individual PAGA Payment(s) to the California State Controller's Office
18 in accordance with California Unclaimed Property Law, California Civil Code section 1500, *et*
19 *seq.*, so that the Participating Class Member(s) and/or Individual PAGA Members will have their
20 Individual Class Payment(s) and/or Individual PAGA Payment(s) available to them per the
21 applicable claim procedure to request that money from the State of California.

22 10. Final Report by Settlement Administrator. Within thirty (30) calendar days
23 after the initial disbursement of all funds, the Settlement Administrator will serve on the Parties a
24 declaration providing a final report on the disbursements of all funds. If the Court orders a
25 further declaration after the uncashed check funds are submitted to the California State
26 Controller's Office, the Administrator will provide that declaration as well.

27 I. Release of Claims by Participating Class Members. Participating Class Members,
28 and their successors, assigns, and/or agents, and each and all of them, upon the Effective Date

1 occurring and Defendants funding obligations as required herein, and by operation of the Final
2 Approval Order, shall fully and finally release and discharge the Released Parties, and each and
3 all of them (as defined in Section I(GG)), from the Released Class Claims, as defined in Section
4 I(EE) of this Agreement.

5 Additionally, upon the Effective Date, any Participating Class Member who timely
6 cashes (or otherwise negotiates) his or her Individual Class Payment check will be deemed to
7 have opted into the Action for purposes of the FLSA and, as to those Participating Class
8 Members, the Released Class Claims include any and all claims the Participating Class Members
9 may have under the FLSA arising under or related to the alleged claims during the Class Period.
10 Only those Participating Class Members who timely cash their Individual Class Payment check
11 will be deemed to have opted into the Action for purposes of the FLSA and thereby release and
12 waive any of their claims under the FLSA arising under or relating to the Released Class Claims.
13 The following language will be printed on the reverse of each Individual Class Payment check,
14 or words to this effect: "By endorsing or otherwise negotiating this check, I consent to join in
15 the Fair Labor Standards Act ("FLSA") portion of the [Action], elect to participate in the
16 settlement of the FLSA claims, and agree to release all of my FLSA claims that are covered by
17 the Settlement."

18 J. Release of PAGA Claims. As of and subject to the occurrence of the Effective
19 Date, and in consideration for the Gross Settlement Amount, Plaintiff, the LWDA, and any
20 Individual PAGA Member, and each and all of them, fully release and forever discharge the
21 Released Parties, and each of them (as defined in Section I(GG)), from the Released PAGA
22 Claims (as defined in Section I(FF)).

23 K. Plaintiff Released Claims. As of the Effective Date occurring, Plaintiff, and his
24 successors, assigns, and/or agents, and each and all of them, shall fully and finally release and
25 discharge the Released Parties, and each and all of them (as defined in Section I(GG)), from the
26 Plaintiff Released Claims. The Plaintiff Released Claims are defined and include the following:

27 Any and all claims, known and unknown, under federal, state and/or local law, statute,
28 ordinance, regulation, common law, or other source of law, including but not limited to

1 claims arising from or related to his employment with any Defendant and his
2 compensation while an employee of any Defendant, including but not limited to all
3 claims arising from or related to the Action, state and/or federal wage and hour claims,
4 failure to pay all wages due, including minimum wages, straight time compensation,
5 overtime compensation, double-time compensation, reporting time compensation, and
6 interest; the calculation of the regular rate of pay; failure to provide meal periods and/or
7 rest periods; failure to pay proper meal and/or rest period penalties; payment for all hours
8 worked, including off-the-clock work; failure to provide accurate itemized wage
9 statements; failure to reimburse business expenses; failure to timely pay all wages during
10 employment; failure to timely pay all wages due at separation of employment; failure to
11 provide one day's rest in a seven-day workweek; failure to maintain accurate records,
12 including payroll records; unfair business practices; declaratory relief; penalties,
13 including but not limited to recordkeeping penalties, wage statement penalties, minimum-
14 wage penalties, and waiting-time penalties; interest; and attorneys' fees and costs.

15 Plaintiff Released Claims also expressly include all claims arising under the California
16 Labor Code (including but not limited to Sections 200, 201, 201.1, 201.3, 201.5, 202,
17 203, 204, 205.5, 206, 210, 216, 218, 218.5, 218.6, 221, 222, 222.5, 223, 224, 225, 225.5,
18 226, 226.2, 226.3, 226.7, 226.8, 227.3, 256, 450, 510, 511, 512, 516, 550, 551, 552, 558,
19 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1197.2, 1198, 2800, 2802, 2698 *et*
20 *seq.*, and 2699 *et seq.*); the Wage Orders of the California Industrial Welfare
21 Commission; the California Private Attorneys General Act of 2004 ("PAGA"); California
22 Business and Professions Code Section 17200, *et seq.*; the California Civil Code,
23 including but not limited to Sections 3287, 3336, and 3294; 8 CCR Sections 11010,
24 11040, and 11070; the California Fair Employment & Housing Act; California Code of
25 Civil Procedure, including but not limited to Section 1021.5; the California common law
26 of contract; the FLSA, 29 U.S.C. Section 201, *et seq.*; federal common law; and the
27 Employee Retirement Income Security Act, 29 U.S.C. Section 1001, *et seq.* Plaintiff
28 Released Claims also include all claims for lost wages and benefits. This release excludes

1 the release of claims not permitted by law.

2 Plaintiff Released Claims include all claims, whether known or unknown. Even if Plaintiff
3 discovers facts in addition to or different from those that he now knows or believes to be true
4 with respect to the subject matter of Plaintiff Released Claims, those claims will remain released
5 and forever barred. Thus, Plaintiff expressly waives and relinquishes the provisions, rights and
6 benefits of California Civil Code Section 1542, which reads:

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

10 By signing this Agreement, Plaintiff acknowledges: he has carefully read and understood this
11 Agreement; he has been given at least twenty-one (21) days to consider this Agreement; he has
12 been and hereby is advised to consult with an attorney before signing this Agreement and has
13 consulted with his attorneys; he understands this Agreement is legally binding and by signing it
14 he is giving up certain rights; he has voluntarily chosen to enter into this Agreement and has not
15 been forced or pressured in any way to sign it; he knowingly and voluntarily releases the
16 Released Parties from any and all claims he may have, known or unknown, in exchange for the
17 payments obtained by signing this Agreement; he understands the Plaintiff Released Claims in
18 this Agreement includes a waiver and release of all claims he may have under the Age
19 Discrimination in Employment Act (“ADEA”) and the Older Workers Benefit Protection Act
20 (“OWBPA”); and he understands this Agreement and Plaintiff Released Claims do not waive any
21 rights or claims that may arise under either the ADEA or the OWBPA after this Agreement is
22 signed and becomes effective, which is the eighth day after he signs it. Plaintiff knowingly and
23 voluntarily waives the remainder of the 21-day consideration period, if any, following the date he
24 signs this Agreement. Plaintiff has not been asked by the Released Parties to shorten the time
25 period to consider whether to sign this Agreement. The Released Parties have not threatened to
26 withdraw or alter the benefit due to Plaintiff prior to the expiration of the 21-day period, nor have
27 the Released Parties provided different terms to Plaintiff because he has decided to sign this
28 Agreement prior to the expiration of the 21-day consideration period. Plaintiff agrees with

Defendants that changes to this Agreement, whether material or immaterial, will not restart the running of the 21-day consideration period. Plaintiff understands that if he signs this Agreement, he can change his mind and revoke it as his age claims within seven (7) calendar days after signing it by returning it with written revocation notice to Tyler Z. Bernstein, Sheppard, Mullin, Richter & Hampton LLP, 650 Town Center Drive, 10th Floor, Costa Mesa, California 92626; email: tbernstein@sheppardmullin.com. In the event Plaintiff revokes the Agreement as to his age claims, Plaintiff shall not be entitled to seek the Class Representative Enhancement Payment set forth herein.

L. Interest. The Gross Settlement Amount includes any and all interest accruals and no additional interest shall be due under any circumstances.

M. Miscellaneous Terms.

1. No Effect on Regular Rate or Overtime Compensation. Participating Class Members will receive payment under the Settlement, as determined by the Settlement Administrator in accordance with this Agreement. The Parties agree that this payment is not viewed as additional compensation for purposes of calculating a “regular rate” of pay under California or federal law for the period during which it is received, and no additional overtime compensation is required because of such payment; further, any claim to entitlement to any additional overtime compensation is expressly waived under the terms of this Agreement. No person or entity shall have any claim against Defendants, Defendants’ Counsel, Plaintiff, any Class Members, Class Counsel, or the Settlement Administrator based upon distributions and payments made in accordance with this Agreement.

2. No Effect on Employee Benefits. The amounts paid under this Agreement to Plaintiff and Participating Class Members and the Class Representative Enhancement Payment, shall be deemed not to be pensionable earnings and shall not have any effect on the eligibility for, or calculation of, any of the employee benefits (e.g., vacations, holiday pay, retirement plans, etc.) of Plaintiff or any Participating Class Members. Such payments do not represent any modification of Plaintiff’s and Participating Class Members’ previously credited hours of service or other eligibility criteria under any employee pension benefit plan or employee

1 welfare benefit plan sponsored by Defendants. Further, any Individual Class Payment or Class
2 Representative Enhancement Payment shall not be considered “compensation” in any year for
3 purposes of determining eligibility for, or benefit accrual within, an employee pension benefit
4 plan or employee welfare benefit plan sponsored by Defendants.

5 3. Publicity. The Class Representative and Class Counsel, and each of them,
6 will not make any public disclosures of any kind regarding the Settlement, including, but not
7 limited to, postings on Class Counsel’s website and postings on any social media sites/outlets.
8 Class Counsel will take all steps necessary to ensure the Class Representative is aware of, and
9 will encourage him to adhere to, the restriction against any public disclosures regarding the
10 Settlement. Class Counsel will not include or use the Settlement for any marketing or
11 promotional purposes, or for attempting to influence Defendants’ business relationships, either
12 before or after the Motion for Preliminary Approval is filed. Following Preliminary Approval of
13 the Settlement, the Class Representative and Class Counsel will not initiate any communications
14 with the media or third parties. If contacted by the media or third parties, Class Counsel will only
15 discuss information publicly available. Class Counsel will take all steps necessary to ensure the
16 Class Representative is aware of, and will encourage him to adhere to, the restriction against
17 initiating any media comment. Class Counsel further agrees not to use the Settlement or any of
18 its terms for any marketing or promotional purposes. Nothing herein will restrict Class Counsel
19 from including publicly available information regarding this Settlement in future judicial
20 submissions regarding Class Counsel’s qualifications and experience. Class Counsel may refer to
21 the Settlement in adequacy of counsel declarations, and following Preliminary Approval, may
22 state on their website that they settled a wage-and-hour class action in the Superior Court for
23 \$310,000.00, and generally describe the claims at issue, provided that they describe Defendants
24 only as a “Defendant Employer.” Further, the Parties understand and agree that Class Counsel
25 may disclose this Settlement if ordered to do so by the Court, e.g., post any Settlement
26 documents/orders on their website and/or provide information to Class Members about this
27 Settlement.

28 4. Integrated Agreement. This Agreement constitutes the exclusive and final

1 understanding and expression of all agreements between the Parties with respect to the resolution
2 of the Action and supersedes all prior agreements and understandings between the Parties
3 relating to the subject matter hereof. Plaintiff, on behalf of himself and on behalf of the Class
4 Members and PAGA Members, and Defendants enter into this Agreement based solely upon its
5 terms and not in reliance upon any representations or promises other than those contained in this
6 Agreement.

7 5. Review of Motions for Preliminary and Final Approval. The preliminary
8 approval order and the final approval order are to be mutually agreed upon by the Parties prior to
9 Plaintiff presenting the orders to the Court. Plaintiff will also provide Defendants with an
10 opportunity to review and comment upon drafts of pleadings to be filed in connection with his
11 Motion for Preliminary Approval and Motion for Final Approval (notice of motion and
12 memorandum of points and authorities) at least four (4) business days prior to filing such
13 motions with the Court.

14 6. Authorization to Enter Into Settlement Agreement. Class Counsel and
15 Counsel for Defendants warrant and represent that they are authorized by the Parties whom they
16 represent to take all appropriate action required or permitted to be taken by such Parties under
17 this Agreement to effectuate its terms, and to execute any other documents required to effectuate
18 the terms of this Agreement. The Parties and their counsel will cooperate fully with each other to
19 accomplish the terms of this Agreement, to use their best efforts to finalize this Agreement, and
20 to use any other efforts that may become necessary by order of the Court, or otherwise, to
21 effectuate this Agreement. In the event the Parties are unable to reach agreement on the form or
22 content of any document needed to implement this Agreement, or on any supplemental
23 provisions that may become necessary to effectuate the terms of this Agreement, the Parties will
24 seek the assistance of the Court, and in all cases, all such documents, supplemental provisions,
25 and assistance of the Court will be consistent with this Agreement. The person signing on behalf
26 of each Defendant represents and warrants that he is authorized to sign this Agreement on its
27 behalf.

28 7. Exhibits and Headings. The terms of this Agreement include the terms set

1 forth in the attached exhibits, which are incorporated by this reference as though fully set forth
2 herein. Any exhibits to this Agreement are an integral part of the Settlement and must be
3 approved substantially as written. The descriptive headings of any paragraphs or sections of this
4 Agreement are inserted for convenience of reference only and do not constitute a part of this
5 Agreement.

6 8. Interim Stay of Proceedings. The Parties agree to stay and hold all
7 proceedings in the Action in abeyance, except such proceedings necessary to implement and
8 complete the Settlement, pending the Final Approval Hearing to be conducted by the Court.

9 9. Amendment or Modification of Agreement. This Agreement, and any and
10 all parts of it, may be amended, modified, changed, or waived only by an express written
11 instrument: (1) signed by counsel for all Parties or their successors-in-interest; (2) signed by the
12 Parties or their successors-in-interest; and (3) as may be approved by the Court.

13 10. Notice of Settlement to LWDA. Plaintiff hereby represents that at the
14 same time he files his Motion for Preliminary Approval, Plaintiff will provide notice of this
15 Agreement and the proposed Settlement to the LWDA as required by Labor Code Section
16 2699(l)(2).

17 11. Agreement Binding on Successors and Assigns. This Agreement will be
18 binding upon, and inure to the benefit of, the successors and assigns of the Parties, as previously
19 defined.

20 12. No Prior Assignment. Plaintiff hereby represents, covenants, and warrants
21 that he has not directly or indirectly, assigned, transferred, encumbered, or purported to assign,
22 transfer, or encumber to any person or entity any portion of any liability, claim, demand, action,
23 cause of action or rights herein released and discharged.

24 13. Applicable Law. All terms and conditions of this Agreement and its
25 exhibits will be governed by and interpreted according to the laws of California, without giving
26 effect to any conflict of law principles or choice of law principles.

27 14. Fair, Adequate, and Reasonable Settlement. The Parties and their
28 respective counsel believe and warrant that this Agreement reflects a fair, reasonable, and

adequate settlement of the Action and have arrived at this Agreement through arm's-length negotiations, considering all relevant factors, current and potential.

15. No Tax or Legal Advice. The Parties understand and agree that the Parties are neither providing tax or legal advice, nor making representations regarding tax obligations or consequences, if any, related to this Agreement, and that Class Members and Plaintiff will assume any such tax obligations or consequences that may arise from this Agreement, and that Class Members shall not seek any indemnification from the Parties or any of the Released Parties in this regard. The Parties agree that, if any taxing body determines that additional taxes are due from any Class Member, such Class Member assumes all responsibility for the payment of such taxes. Plaintiff further represents and warrants that he understands that it is his sole obligation to pay appropriate federal, state, and local income taxes on any amounts he receives under this Agreement that lawfully qualify as taxable income.

16. Jurisdiction of the Superior Court. Pursuant to Code of Civil Procedure § 664.6, the Court shall retain jurisdiction with respect to the interpretation, implementation, and enforcement of the terms of this Agreement and all orders and judgment entered in connection therewith, and the Parties and their counsel hereto submit to the jurisdiction of the Superior Court for purposes of interpreting, implementing, and enforcing the Settlement embodied in this Agreement and all orders and judgments in connection therewith.

17. Invalidity of Any Provision; Severability. Before declaring any provision, or part thereof, of this Agreement invalid, the Parties request that the Court first attempt to construe the provisions, or portions thereof, valid to the fullest extent possible consistent with applicable precedents, so as to define all provisions of this Agreement valid and enforceable. In the event any provision, or portion thereof, of this Agreement shall be found unenforceable, the unenforceable provision shall be deemed deleted, and the validity and enforceability of the remaining provisions shall not be affected thereby.

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

1 19. Plaintiff's Waiver of Right To Be Excluded. By signing this Agreement,
2 Plaintiff is bound by the terms herein stated and further agrees not to submit a request for
3 exclusion. Any such Exclusion request shall, therefore, be void and of no force or effect.
4 Plaintiff also agrees to not disparage the Settlement to Class Members or encourage, in any way,
5 Class Members to submit or not to submit an Exclusion. In addition, neither Plaintiff nor Class
6 Counsel will initiate any contact with Class Members about the amount or terms of the
7 Settlement, but nothing herein will prevent Class Counsel from responding to Class Members
8 following entry of the Preliminary Approval Order.

9 20. Execution in Counterpart. This Agreement may be executed in one or
10 more counterparts. All executed counterparts, and each of them, will be deemed to be one and
11 the same instrument provided that counsel for the Parties will exchange between themselves
12 original signed counterparts. Facsimile, DocuSign, or PDF signatures will be accepted. Any
13 executed counterpart will be admissible in evidence to prove the existence and contents of this
14 Agreement.

15 21. Defense. To the extent permitted by law, this Settlement may be pleaded
16 as a full and complete defense to and may be used as the basis for an injunction against, any
17 action, suit, or other proceeding that may be instituted, prosecuted, or attempted with respect to
18 the Released Class Claims and/or Released PAGA Claims against the Released Parties in breach
19 of or contrary to the Settlement.

20 22. Final Judgment. The Parties agree that, upon final approval of the
21 Settlement, a Final Judgment will be made and entered, resolving the Action in its entirety.

22 **[SIGNATURES ON NEXT PAGE]**
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24
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26
27
28

WHEREFORE, Plaintiff, on behalf of himself and the Participating Class Members and PAGA Members, and Defendants, have executed this Agreement as of the dates set forth below.

Dated: May 23 2023

PLAINTIFF PETER RODARTE

Peter Rodarte

Peter Rodarte (May 23, 2023 20:39 PDT)

Peter Rodarte

Dated:

DEFENDANT WRIGHT BUSINESS GRAPHICS, CA

Ron Graham
Vice President

Dated:

DEFENDANT WRIGHT BUSINESS GRAPHICS, LLC

Ron Graham
Vice President

Dated:

ENNIS, INC.

Dan Gus, Esq.
General Counsel

Dated: May 24, 2023

LAUBY, MANKIN & LAUBY LLP

Brian J. Mankin, Esq.

Misty M. Lauby, Esq.

Attorneys for Plaintiff Peter Rodarte, on behalf of himself and all others similarly situated

Dated:

SHEPPARD MULLIN RICHTER & HAMPTON LLP

Greg S. Labate, Esq.
Tyler Z. Bernstein, Esq.

Attorneys for Defendants Wright Business Graphics, CA, Wright Business Graphics, LLC, and Ennis, Inc.

WHEREFORE, Plaintiff, on behalf of himself and the Participating Class Members and PAGA Members, and Defendants, have executed this Agreement as of the dates set forth below.

Dated: _____

PLAINTIFF PETER RODARTE

Peter Rodarte

Dated: 5/23/2023

DEFENDANT WRIGHT BUSINESS GRAPHICS, CA

DocuSigned by:

Ron Graham

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Ron Graham
Vice President

Dated: 5/23/2023

DEFENDANT WRIGHT BUSINESS GRAPHICS, LLC

DocuSigned by:

Ron Graham

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Ron Graham
Vice President

Dated: 5/26/2023

ENNIS, INC.

DocuSigned by:

Dan Gus

E23E76DE7E61454

Dan Gus, Esq.
General Counsel

Dated: _____

LAUBY, MANKIN & LAUBY LLP

Brian J. Mankin, Esq.

Misty M. Lauby, Esq.

Attorneys for Plaintiff Peter Rodarte, on behalf of himself and all others similarly situated

Dated: 5/22/2023

SHEPPARD MULLIN RICHTER & HAMPTON LLP

DocuSigned by:

Tyler Bernstein

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Greg S. Labate, Esq.

Tyler Z. Bernstein, Esq.

Attorneys for Defendants Wright Business Graphics, CA, Wright Business Graphics, LLC, and Ennis, Inc.

EXHIBIT “2”

COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT

Rodarte v. Wright Business Graphics CA

(San Bernardino Superior Court, Case No. CIVSB2206705)

*The San Bernardino County Superior Court authorized this Notice. Read it carefully!
It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.*

TO: All persons employed as a non-exempt (hourly paid) employee of Wright Business Graphics CA, Wright Business Graphics LLC, and/or Ennis, Inc. in the State of California for any portion of time between March 25, 2018 and June 15, 2023.

You may be eligible to receive money from a class action lawsuit (“Action”) against Wright Business Graphics CA, Wright Business Graphics LLC, and Ennis, Inc. (collectively, “Defendants”) for alleged unpaid wage claims. The Action was filed by a former employee of Defendants, and seeks payment of (1) unpaid wages, statutory penalties, interest and attorneys’ fees on behalf of all current and former non-exempt (hourly paid) employees of Defendants in California employed at any time during the Class Period (which is March 25, 2018 through June 15, 2023) (the “Class Members”); and (2) penalties under the California Private Attorney General Act (“PAGA”) for all current and former non-exempt (hourly paid) employees of Defendants in California employed at any time during the PAGA Period (which is March 25, 2021 and June 15, 2023) (the “PAGA Members”).

The proposed Settlement has two main parts: (1) a Class Settlement requiring Defendants to fund Individual Class Payments to Class Members, and (2) a PAGA Settlement requiring Defendants to fund Individual PAGA Payments to PAGA Members and pay penalties to the California Labor and Workforce Development Agency (“LWDA”).

[CLASS MEMBER NAME]
[ID/CONTROL NUMBER]

Two Parts	Time credited as a Class Member and PAGA Member	Your Estimated Share
Class Member	[REDACTED] WORKWEEKS (During Class Period)	\$[INSERT] (Individual Class Payment)
PAGA Member	[REDACTED] PAY PERIODS (During PAGA Period)	\$[INSERT] (Individual PAGA Payment)

Your Individual Class Payment (less withholding) and your Individual PAGA Payment are shown in the chart above, along with the Workweeks you are credited with working during the Class Period and pay periods you are credited during the PAGA Period, respectively, according to Defendants’ records. If no amount is stated for your Individual PAGA Payment, then according to Defendants’ records you are not eligible for an Individual PAGA Payment under the Settlement because you did not work during the PAGA Period.

If you believe that you worked more weeks and/or pay periods during either period than Defendants’ records show in the chart above, you can submit a challenge by **[DATE]**, 2023 (“**Response Deadline**”). See **Section 4** of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff’s attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires Defendants to make payments under the Settlement and requires Class Members and PAGA Members to give up their rights to assert certain claims against Defendants in exchange for those payments.

If you worked for Defendants in California during the Class Period and/or the PAGA Period, you have a few options as shown in the Chart below:

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING AND RECEIVE A SETTLEMENT PAYMENT	If you want to receive your full settlement payment, then no further action is required on your part. You will automatically receive a settlement payment if the Settlement receives final approval by the Court. You will be bound by the terms of the Settlement Agreement and will give up your right to sue on the Released Class Claims described in Section 3 .
EXCLUDE YOURSELF	If you do <u>not</u> wish to participate in the Settlement or give up your right to sue on the Released Class Claims, you may “opt-out” of the settlement of the Class Claims. If you choose to opt-out, you must submit a Request for Exclusion by [REDACTED], 2023 (see Section 6 for more details on how to opt-out). If you opt-out, you will no longer be a Class Member, and you will (1) <u>not</u> receive an Individual Class Payment, but you will not give up your right to sue on the Released Class Claims, and (2) be barred from filing an objection to the Settlement. You cannot opt-out of the PAGA portion of the proposed Settlement. If approved, Defendants must pay Individual PAGA Payments to all PAGA Members and the PAGA Members must give up their rights to pursue PAGA Released Claims. See Section 6 of this Notice.
OBJECT	If you decide to object to the Settlement with respect to the Class Claims, you must submit an Objection stating why you object to the Settlement by [REDACTED], 2023 (see Section 7 for details on how to object).
DISPUTE THE NUMBER OF WEEKS WORKED OR PAY PERIODS	If you believe the number of Workweeks and/or pay periods that you were credited with working in the chart above is incorrect, you may submit a written dispute to the Administrator (see Section 4 for more details on how to dispute your credited Weeks Worked and/or pay periods). Defendants’ records will be presumed correct, but you may provide evidence to the Administrator showing how many Work Weeks and/or pay periods you believe you should be credited.

YOU MAY ATTEND THE FINAL APPROVAL HEARING, BUT IT’S NOT REQUIRED	
DATE: [REDACTED], 2023 TIME: [REDACTED] A.M.	At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement. You don’t have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court’s virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiff and Class Representative, Peter Rodarte, is a former employee of Defendants. The Action accuses Defendants of violating California labor laws due to the alleged: failing to pay all required minimum and overtime wages, failing to provide meal periods and rest breaks, failing to reimburse business expenses, failing to timely pay final wages, and failing to provide accurate and complete wage statements during the Class Period. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under PAGA. Plaintiff is represented by attorneys in the Action (“Class Counsel”). See Section 9 below for their contact information.

Defendants strongly deny violating any laws or failing to pay any wages and contends they complied (and continue to comply) with all applicable laws.

2. WHAT DOES IT MEAN THAT THE ACTION HAS SETTLED?

So far, the Court has made no determination whether Defendants or Plaintiff is correct on the merits. In the meantime, Plaintiff and Defendants hired an experienced, neutral mediator in an effort to resolve the Action by negotiating to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were eventually successful. By signing a lengthy written settlement agreement (“Agreement”) and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and Defendants have negotiated a proposed Settlement that is subject to the Court’s Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendants do not admit any violations or concede the merit of any claims.

Plaintiff and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Defendants have agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) the Settlement is in the best interests of the Class Members and PAGA Members. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

1. The Gross Settlement Amount is \$310,000. Defendants agreed to pay a total of \$310,000 (the “Settlement Amount”), which will be controlled by the Administrator and used pay the Individual Class Payments, Individual PAGA Payments, a service award to the Class Representative, Class Counsel’s attorneys’ fees and expenses, the Administrator’s Costs, and PAGA Penalties to be paid to the LWDA. Assuming the Court grants Final Approval, Defendants will fund the Settlement 30 days after the Judgment entered by the Court becomes final. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.

2. Court Approved Deductions from Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:

- A. Up to one-third of the Settlement Amount to Class Counsel for attorneys' fees (\$103,333.33) and up to \$20,000 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment and will continue their work until the matter is finalized and payments are issued to the Class Members.
- B. Up to \$7,500 to the Class Representative as a Class Representative Enhancement Payment for filing the Action, working with Class Counsel and representing the Class. The Class Representative's Enhancement Payment will be the only monies Plaintiff will receive other than Plaintiff's Individual Class Payment and any Individual PAGA Payment.
- C. Up to \$6,750 to the Administrator for costs and services administering the Settlement.
- D. Up to \$25,000 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% to Individual PAGA Payments to all PAGA Members, which will be divided based on their proportion of pay periods employed by Defendants during the PAGA Period.
- E. During the course of the Action, Defendants and certain employees voluntarily agreed to release their claims against Defendants in exchange for a payment. As a result, Defendants will receive a credit of \$41,270 for these prior payments, which will reduce the amount it owes toward the Settlement Amount.

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the remainder (the “Net Settlement”) by making Individual Class Payments to Participating Class Members based on their Weeks Worked during the Class Period.

4. Taxes Owed on Payments to Class Members. Plaintiff and Defendant are asking the Court to approve an allocation of 20% of each Individual Class Payment to taxable wages (“Wage Portion”) and 80% to penalties and interest (“Non-Wage Portion”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendants will separately pay employer payroll taxes it owes on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

Although Plaintiff and Defendants have agreed to these allocations, neither side is giving you any advice on whether your payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

5. **Need to Promptly Cash Payment Checks.** The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date), which will be 180 days from the date that the check is issued. If you don't cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller's Unclaimed Property Fund in your name.

If the monies represented by your check are sent to the Controller's Unclaimed Property, you should consult the rules of the Fund for instructions on how to retrieve your money.

6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you opt-out of the Settlement, not later than the Response Deadline. See Section 6 of this Notice for details on how to Opt-Out.

7. The Proposed Settlement Will be Void If the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiff and Defendants have agreed that, in either case, the Settlement will be void: Defendants will not pay any money and Class Members will not release any claims against Defendants.

8. Administrator. The Court has appointed a neutral company, ILYM Group (the “Administrator”) to send this Notice, calculate and make payments, and process Class Members’ Requests for Exclusion and Objections (if any). The Administrator will also decide any Disputes over weeks worked and pay periods, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator’s contact information is contained in Section 9 of this Notice.

9. Participating Class Members' Release. After the Judgment is final and Defendants have fully funded the Settlement Amount and separately paid all employer payroll taxes, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendants, or any of them, or related entities and individuals, for wages based on the facts alleged in the Action for the duration of the Class Period and PAGA Period, which are resolved by this Settlement.

The Participating Class Members shall fully and finally release and discharge the Released Parties (defined in Section 3.11 below), and each and all of them, of and from all claims, debts, liabilities, demands, actions, or causes of action under state, federal or local law, whether statutory, common law or administrative, arising from or out of or reasonably related to the facts and/or claims alleged in the Action, and all claims that were asserted or that could have been asserted in the Action, including but not limited to state and/or federal wage and hour claims, failure to pay all wages due, including minimum wages, straight time compensation, overtime compensation, double-time compensation, reporting time compensation, and interest; the calculation of the regular rate of pay; failure to provide meal periods and/or rest periods; failure to pay proper meal and/or rest period penalties or premium wages; payment for all hours worked, including off-the-clock work; failure to provide accurate itemized wage statements; failure to reimburse business expenses; failure to timely pay all wages during employment; failure to timely pay all wages due at separation of employment; failure to provide one day's rest in a seven-day workweek; failure to maintain accurate records, including payroll records; unfair business practices; declaratory relief; penalties, including but not limited to recordkeeping penalties, wage statement penalties, minimum-wage penalties, and waiting-time penalties; interest; and attorneys' fees and costs. The Released Class Claims

also expressly include all claims arising under the California Labor Code (including but not limited to Sections 200-204, 206, 210, 218.5, 218.6, 221, 222, 223, 226, 226.3, 226.7, 256, 510, 512, 551, 552, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 2800, 2802, 2698 *et seq.*, and 2699 *et seq.*); the Wage Orders of the California Industrial Welfare Commission; the California Private Attorneys General Act of 2004; California Business and Professions Code Section 17200, *et seq.*; the California Civil Code, including but not limited to Sections 3287, 3336, and 3294; 8 CCR Sections 11010, 11040, and 11070; California Code of Civil Procedure, including but not limited to Section 1021.5; and the FLSA, 29 U.S.C. Section 201, *et seq.* This release excludes the release of claims not permitted by law. The time frame of the Released Class Claims shall be the time period from March 25, 2018 up through and including June 15, 2023 (“Class Period”). Additionally, any Participating Class Member who timely cashes (or otherwise negotiates) his or her Individual Class Payment check will be deemed to have opted into the Action for purposes of the FLSA and, as to those Participating Class Members, the Released Class Claims include any and all claims the Participating Class Members may have under the FLSA arising under or related to the alleged claims during the Class Period. Only those Participating Class Members who timely cash their Individual Class Payment check will be deemed to have opted into the Action for purposes of the FLSA and thereby release and waive any of their claims under the FLSA arising under or relating to the Released Class Claims against the Released Parties, and each of them.

10. Release of Released PAGA Claims. After the Court's judgment is final, and Defendants have paid the Settlement Amount (and separately paid the employer-side payroll taxes), Plaintiff, all PAGA Members, the State of California and the LWDA shall release the Released Parties of and from any and all causes of action for civil penalties pursuant to the California Labor Code Private Attorneys General Act of 2004 (California Labor Code § 2698, *et seq.*) that were alleged or which could have been alleged in the Action based on the facts and allegations pleaded in the operative complaint in the Action and/or the LWDA notice letter, including all claims for civil penalties based upon or arising out of any Defendant's alleged failure to pay earned wages, failure to pay minimum wage, failure to pay overtime compensation, failure to provide meal breaks, failure to provide rest breaks, failure to pay meal period premium wages, failure to pay rest period premium wages, failure to provide accurate wage statements, failure to timely pay final wages during employment and at separation, failure to maintain accurate payroll records, and claims for civil penalties arising under or based upon alleged violations of California Labor Code Sections 200, 201, 202, 203, 204, 204.1, 208, 210, 218.5, 218.6, 221, 222, 223, 226, 226.3, 226.7, 256, 510, 512, 558, 1174, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2698 *et seq.*, 2699 *et seq.*, Cal. Admin. Code, Title 8, § 11090, and/or those arising under applicable Industrial Welfare Commission Wage Orders. The time frame of the Released PAGA Claims shall be the time period from March 25, 2021 up through and including June 15, 2023 (the "PAGA Period").

11. Released Parties. Released Parties means Defendants Wright Business Graphics CA, Wright Business Graphics LLC, and Ennis Inc., and each of them, and each and all of their past, present and future agents, employees, servants, officers, directors, partners, trustees, representatives, shareholders, stockholders, attorneys, parents, subsidiaries, equity sponsors, related companies/corporations and/or partnerships, divisions, assigns, predecessors, successors, insurers, investment bankers, accountants, auditors, trustees, equity sponsors, consultants, joint venturers, joint employers, affiliates, alter-egos, and affiliated organizations, and each and all of their respective past, present and future employees, directors, officers, agents, attorneys, stockholders, fiduciaries, parents, subsidiaries, and assigns, and each of them, and each and all of their predecessors, successors, heirs, and assigns, and any individual or entity which could be jointly liable with Defendants, or any of them.

4. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks by all Participating Class Members during the Class Period, and (b) multiplying the result by the number of Workweeks by each individual Participating Class Member during the Class Period.

2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$6,250 by the total number of pay periods worked by all PAGA Members during the PAGA Period and (b) multiplying the result by the number of pay periods the individual PAGA Member was employed by Defendants during the PAGA Period.

3. Disputing Workweeks and/or Pay Periods. The number of weeks you worked during the Class Period and pay periods you were employed by Defendants in the PAGA Period, as recorded in Defendants' records, are stated in the

first page of this Notice. You have until **INSERT DATE HERE** (“Response Deadline”) to dispute the number of Workweeks and/or pay periods credited to you by submitting evidence to the Administrator.

You need to support your dispute by sending copies of pay stubs or other reliable evidence. The Administrator will accept Defendants’ calculations as accurate unless you send copies of records or other reliable evidence containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek and/or pay period challenges based on your submission and on input from Class Counsel and Defendants’ Counsel. The Administrator’s decision is final. You can’t appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

1. Participating Class Members and PAGA Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (*i.e.*, every Class Member who does not opt-out) and PAGA Member. The single check will combine the Individual Class Payment and the Individual PAGA Payment.

2. PAGA Members Only. If you opted out of the Class settlement, but qualify as an PAGA Member, or never were a Class Member but are a PAGA Member, then the Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every PAGA Member, including those Class Members who qualify as PAGA Members but who opt out of the Class Settlement.

Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator’s contact information.

6. HOW DO I OPT-OUT OF THE CLASS SETTLEMENT?

You will be treated as a Participating Class Member, participating fully in the Settlement, unless you opt-out of the Settlement, not later than the Response Deadline. To opt-out, send to the Settlement Administrator a letter/card postmarked no later than , 2023 with your full name, address, telephone number, last four digits of your social security number, your date of birth, and signature. The Request for Exclusion should state:

“I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE WRIGHT BUSINESS GRAPHICS LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE SETTLEMENT OF THIS LAWSUIT.”

Send the Request for Exclusion directly to the Settlement Administrator at the address in Section 9 below, postmarked on or before the Response Deadline (as a reminder, **the “Response Deadline” is **DATE**, 2023**).

Any person who submits a valid and timely Request for Exclusion from the Class Claims (1) will not have any rights under this Settlement, including the right to object, appeal or comment on the Settlement; (2) will not be entitled to receive an Individual Class Payment; (3) will preserve the right to pursue the Released Class Claims, and (4) will not be bound by this Settlement, or the Judgment.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement, but who still qualify as PAGA Members, will still be subject to the PAGA Released Claims and receive an Individual PAGA Payment.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. **The deadline for sending written objections to the Administrator is , 2023 (the “Response Deadline”).**

If you wish to object to the proposed Settlement, you or your own attorney must submit a written objection, on the enclosed Objection Form and include any and all evidence and supporting papers. The Objection Form and any

accompanying evidence and papers must be sent to the Settlement Administrator at the address listed in Section 9 on the Objection Form, **postmarked on or before the Response Deadline**. If you do not comply with these procedures and the deadline for objections, the Court may not consider your objection at the Final Approval Hearing, and you may lose the right to contest the approval of the Settlement. You are still eligible to receive a Settlement payment should the Settlement become Final even if you object to the Settlement.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. WHEN IS THE FINAL APPROVAL HEARING?

On [REDACTED], 2023, the Court will hold a public hearing in Department S26 of the Civil Complex Center for the Superior Court for the State of California, County of San Bernardino, 247 West Third Street, San Bernardino, CA 92415 for the purposes of determining whether the proposed Settlement is fair, adequate and reasonable and should be given final approval, whether to approve Class Counsel's applications for attorneys' fees and costs, whether to approve the payments to the LWDA, and whether to approve Plaintiff's request for the service award. This hearing may be continued or rescheduled by the Court. Objectors to the proposed Settlement will be provided notice in the event that the Final Approval Hearing is continued to a later date. Class Members who support the proposed Settlement do not need to appear at the hearing and do not need to take any other action to indicate their approval. Class Members who object to the proposed Settlement are not required to attend the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

If you have questions about this Notice, the process to opt-out or object, or the Settlement, or if you did not receive this Notice in the mail and you believe that you are or may be a member of the Class, you should contact the Administrator for more information or to request that a copy of this Notice be sent to you in the mail.

Settlement Administrator
ILYM Group Mailing Address Telephone Number

For your convenience, the Administrator has uploaded various documents for this case to the following website: **PLEASE INSERT URL HERE**. Should you desire any additional information, or if you wish to communicate directly with Class Counsel, you may contact them at the contact information noted here:

Class Counsel
Brian Mankin, Esq. brian@LMLfirm.com Misty Lauby, Esq. misty@LMLfirm.com Lauby Mankin Lauby LLP 5198 Arlington Ave, PMB 513 Riverside, CA 92504 Tel: (951) 320-1444

You may also seek advice and guidance from your own private attorney at your own expense, if you so desire.

This Notice is only a summary. For more detailed information, you may review the Settlement Agreement, containing the complete terms of the proposed Settlement at the URL link above. It is also on file with the Court and attached to the Declaration of Brian Mankin in Support of Motion for Preliminary Approval of Class Action Settlement filed on

[REDACTED], 2023 and which is available to be inspected at any time during regular business hours at the Office of the Clerk, San Bernardino County Superior Court, at 247 West Third Street, San Bernardino, CA 92415.

**DO NOT TELEPHONE THE SUPERIOR COURT OR DEFENDANTS
TO OBTAIN INFORMATION ABOUT THE SETTLEMENT**

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void you should consult the Unclaimed Property Fund for instructions on how to retrieve the funds.

11. WHAT IF I CHANGE MY ADDRESS?

To receive your check, you should immediately notify the Administrator if you move or otherwise change your mailing address.

EXHIBIT “3”



LAUBY, MANKIN & LAUBY LLP

March 23, 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

Wright Business Graphics CA
13602 12th Street #A
Chino, CA 91710

Wright Business Graphics LLC
18440 NE San Rafael
Portland, OR 97230

Ennis, Inc.
2441 Presidential Pkwy
Midlothian, TX 76065

Re: PAGA Civil Penalty Claim
Peter Rodarte vs. Wright Business Graphics, CA, et al.

To the Labor and Workforce Development Agency, Wright Business Graphics CA, Wright Business Graphics LLC, Ennis, Inc., and/or any affiliated entities:

Pursuant to the Labor Code Private Attorneys General Act of 2004 (“PAGA”), Labor Code §§ 2699, *et seq.*, Labor Code §§ 200, 201, 202, 203, 204, 208, 210, 218.6, 226, 226.3, 226.7, 256, 510, 512, 558, 1194, 1194.2, 1197, 1197.1, 1198, 1199, among possibly other sections inadvertently omitted, and/or sections of the applicable Industrial Welfare Commission Wage Order(s), this letter shall serve as the wage/hour and penalties claim of aggrieved employee Peter Rodarte (“Claimant”), on behalf of the State of California and all Aggrieved Employees, against his employer(s) Wright Business Graphics CA, Wright Business Graphics LLC, Ennis, Inc. and/or any affiliated entities (collectively the “Company”).

FACTUAL BACKGROUND

Claimant was employed by the Company from approximately July 1988 through the November 2021. Claimant alleges that, at all relevant times, he and all other employees employed by the Company in California (the “Aggrieved Employees”) were subjected to the same policies, working conditions, and corresponding wage and hour violations to Claimant was subjected during his employment.

For instance, at all relevant times, Claimant and the Aggrieved Employees were not provided proper minimum and overtime wages due to the Company’s failure to accurately record and compensate for all hours worked. Additionally, at all relevant times, it was the Company’s practice to automatically deduct meal periods from Plaintiff and the Aggrieved Employees’ pay at times when the employees were performing work.



4590 Allstate Drive, Riverside, CA 92501
Toll Free 888.959.8508

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, Claimant was subjected to meal period violations when Claimant was: (1) unable to take a meal period due to workload, (2) forced to take an on-duty meal period while under the control of the Company, (3) forced to take a meal period after the 5th hour of work, and (4) not provided a mandated second meal period on occasions for shifts in excess of 10 hours.

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 being overwhelmed by the hectic workload. Additionally, Claimant was often not permitted to leave the premises for his rest breaks, in violation of California law. Also, 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.

The Company also failed to comply with the mandates of Labor Code § 204 regarding the timing of the payment of wages to its employees each period, including minimum and overtime wages, and meal and rest period premiums. Also, the Company failed to comply with the mandates of Labor Code §§ 201 – 203 regarding payment of final wages upon separation of employment. Moreover, at all relevant times, the Company provided inaccurate and incomplete wage statements that failed to accurately state all necessary items required under Labor Code § 226(a).

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

Claimant and the Aggrieved Employees were not paid all minimum, regular wages, and/or overtime wages for time spent subject to the control of the Company, including instances of underpayment due to failing to pay overtime at the correct rate after 8 hours, the illegal meal period auto-deduct policy and the failure to accurately record hours worked. Accordingly, Labor Code §§ 210, 558, 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. 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 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 violated Labor Code § 226(a) due to the: failure to accurately state gross wages earned; failure to accurately state total hours worked; failure to accurately state all deductions; failure to state the start and end date of the pay period; failure to accurately state net wages earned; failure to state the name and address of the legal entity that is the employer; and failure to accurately state the corresponding number of hours worked at each hourly rate. Accordingly, Claimant is entitled to damages under Labor Code § 226(e), including reasonable attorneys’ fees. Labor Code §§ 226.3 and 2699 also impose a civil penalty and/or assessment for these violations.

**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, 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.”



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, 256.) Labor Code § 2699 also imposes a penalty.

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, Claimant seeks 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, Claimant 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 Claimant's 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 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 amending this claim letter.

Should you have any questions, please feel free to give me a call. In the meantime, I look forward to your response.

Sincerely,

A handwritten signature in black ink, appearing to read 'Misty M. Lauby', is written over a thin horizontal line.

By: Misty M. Lauby, Esq.

E-mail: Misty@LMLfirm.com

EXHIBIT “4”

Case Name: TBDv41923

Wednesday, April 19, 2023

Requesting Attorneys Name:

E-Mail

ILYM Contact

E-Mail

Contact Number

Tyler Z. Bernstein

TBernstein@sheppardmullin.com

Lisa Mullins

Lisa@ilymgroup.com

714.878.8836

ESTIMATE FOR ADMINISTRATION SOLUTIONS

Class & PAGA Claims

ASSUMPTIONS	
Total Number of Class Members	63
Estimated Percentage of Undeliverable Mail	20%
NCOA	Yes
Certified Spanish Translations	Yes
Case Duration (Years)	1

Activity	Rate Type	Unit Cost	Volume	Amount
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CASE STARTUP				
Initial Setup - Import and Formatting of Data*	Hourly	\$150.00	2	\$300.00
Programming of Class Database	Hourly	\$175.00	2	\$350.00

**ILYM assumes that data will be in a standard format. Client will be notified immediately if not in standard format to correct data or ILYM can convert to standard format @ \$150.00 per hour.*

Subtotal \$650.00

PROJECT MANAGEMENT				
Project Manager (Case notification and maintenance)	Hourly	\$120.00	3	\$360.00
Staff Hours for Processing Opt-Outs, Disputes & Objections	Hourly	\$70.00	2	\$140.00
Staff Hours for Processing Return Mail	Hourly	\$70.00	2	\$140.00
NCOA	Flat Fee	\$50.00	1	\$50.00
Certified Spanish Translations	Flat Fee	\$1,250.00	1	\$1,250.00
Toll-Free Customer Support	Flat Fee	\$100.00	1	\$100.00
Weekly Reports	Flat Fee	\$750.00	1	Waived

Subtotal \$2,040.00

ILYM | GROUP, Inc.

SETTLEMENT ADMINISTRATION EXPERTS

Activity	Rate Type	Unit Cost	Volume	Amount
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NOTIFICATION/MAILING

Fulfillment of Notice	Per Piece	\$2.00	63	\$126.00
USPS First Class Postage	Per Piece	\$0.60	63	\$37.80
Remails (Forward/Skip Trace Undeliverables)	Per Piece	\$2.50	13	\$31.50
Storage, Photocopies, Deliveries	Flat Fee	\$229.80	1	\$229.80

Subtotal \$425.10

DISTRIBUTION (Includes EIN, Bank Acct * /QSF Setup)

Distribution Setup & Management	Hourly	\$150.00	3	\$450.00
Account Reconciliation & Distribution Reporting	Hourly	\$125.00	2	\$250.00
Check, Print & Mail (Including W2/1099 Stub & Release)**	Per Check	\$1.50	63	\$94.50
USPS First Class Postage	Per Piece	\$0.60	63	\$37.80
Remails (Forward/Skip Trace Undeliverables)	Per Piece	\$2.00	6	\$12.60
Preparation of Taxes*	Hourly	\$120.00	5	\$600.00
Annual Filing of Tax Return*	Per Year	\$1,500.00	1	\$1,500.00

***Additional Bank fees may apply*

Subtotal \$2,944.90

CASE CONCLUSION

Data Manager Final Reporting	Hourly	\$100.00	2	\$200.00
Project Manager Final Reporting	Hourly	\$120.00	2	\$240.00
Declaration	Hourly	\$125.00	2	\$250.00

Subtotal \$690.00

Total Case Estimate: \$6,750.00

Terms and Conditions

All services to be provided by ILYM Group, Inc. (hereinafter, "ILYM") to Client shall be subject to the following terms and conditions:

Services: Subject to the terms hereof, ILYM agrees to provide the Client with Administration Services (hereinafter, "services") as specified in the Proposal provided to Client to which these Terms and Conditions are attached. The estimate is in good faith and does not cover any applicable taxes and fees. The estimate does not make provision for any services or class members/size not delineated in the request for proposal or stipulations. Such services do not in any way constitute legal services or advice. ILYM is performing its services as an Independent Contractor and neither it nor its employees shall be deemed to be employees of the Client.

Mailing and Data Conversion: ILYM's database administration assumes the Client will provide complete data that includes all information required to send notifications and complete the administration process. Data must be provided in a complete, consistent, standardized electronic format. ILYM's standard format is Microsoft Excel, however, ILYM may accept other formats at its discretion. Further developments or enhancements to non-standardized data will be billed to Client by ILYM on a time and materials basis, according to ILYM's Standard Rates.

Charges for Services: Charges to the Client for services shall be on a time and materials basis at our prevailing rates, as the same may change from time to time. Any fee estimates set forth in the proposal are estimates only, based on information provided by Client to ILYM. Actual fees charged by ILYM to Client may be greater or less than such estimate, and Client shall be responsible for the payment of all such charges and expenses in accordance with Section 5 hereof. Charges incurred related to resolving post distribution withholdings and related corrective files due to voids and re-issues of payments and related correspondence with state and federal taxing authorities will not be charged to the Client to the extent that funds are received from the taxing authorities offset these charges. ILYM may derive financial benefits from financial institutions in connection with the deposit and investment of settlement funds with such institutions, including without limitation, discounts on eligible banking services and fees, and loans at favorable rates.

Indemnification: Client will indemnify and hold ILYM (and the officers, employees, affiliates and agents harmless against any Losses incurred by ILYM, arising out of, in connection with, or related to (i) any breach of the terms by Client; (ii) the processing and handling of any payment by ILYM in accordance with Client's instructions, including without limitation, the imposition of any stop payment or void payment on any check or the wrongful dishonor of a check by ILYM pursuant to Client's instructions.

Payment of Charges: ILYM reserves the right to request payment of postage charges and 50% of the final administration charges at the start of the case. ILYM bills are due upon receipt unless otherwise negotiated and agreed to with the Client. In the event settlement terms provide that ILYM is to be paid out of the Settlement Fund, ILYM will request that Counsel endeavor to make alternate payment arrangements for ILYM charges that are due at the onset of the case. The entire remaining balance is due and payable at the time the Settlement Account is funded by, or no later than the time of disbursement. Decisions of the court and actions of the parties, including disapproval or withdrawal of a settlement, do not affect the Client's liability to ILYM for payment of services. Services are not provided on a contingency fee basis.

Confidentiality: ILYM maintain reasonable and appropriate security measures and safeguards to protect the security and confidentiality of Client data provided to ILYM by Client in connection herewith. Should ILYM ever be notified of any judicial order or other proceedings in which a third party seeks to obtain access to the confidential data created by or for the Client, ILYM will promptly notify the Client, unless prohibited by applicable law. The Client shall have the option to (1) provide legal representation at the Client's expense to avoid such access or (2) promptly reimburse ILYM for any of its costs, including attorneys' fees, reasonably incurred in avoiding, attempting to avoid or providing such access and not paid by the entity seeking the data. If ILYM is required, pursuant to a court order, to produce documents, disclose data, or otherwise act in contravention of the obligations imposed by this Agreement, or otherwise, with respect to maintaining the confidentiality, proprietary nature and secrecy of the produced documents or disclosed data, ILYM will not be liable for breach of said obligation.

Data Rights: ILYM does not convey nor does the Client obtain any right in the programs, system data, or materials utilized or provided by ILYM in the ordinary course of business in the performance of this Agreement.

Document Retention: Unless directed otherwise in writing by Client, ILYM will destroy undeliverable mail on the effective date of the settlement or the date that the disposition of the case is no longer subject to appeal or review, whichever is later. ILYM will maintain claim forms and other correspondence for one year after final distribution of funds or benefits, or until the date that the disposition of the case is no longer subject to appeal or review, whichever is later.

Limitation of damages: ILYM is not responsible to the Client for any special, consequential or incidental damages incurred by Client. Any liability of ILYM to the Client shall not exceed the total amount billed to the Client for the particular services that give rise to any loss.

Termination: The services to be provided under this Agreement may be terminated, at will by the Client upon at least 30 calendar days' prior written notice to ILYM. The Client's obligation to pay for services or projects in progress at the time of notice of withdrawal shall continue throughout that 30 day period. ILYM may terminate this Agreement (i) with 10 calendar days' prior written notice, if the Client is not current in payment of charges or (ii) in any event, upon at least 3 months' prior written notice to the Client.

Notice: Any notice required or permitted hereunder shall be in writing and shall be delivered personally, or sent by registered mail, postage prepaid, or overnight courier service to the responsible officer or principal of ILYM or the Client, as applicable, and shall be deemed given when so delivered personally, or, if mailed, five days after the date of deposit in United States mail, or, if sent by courier, one business day after delivery to such courier service.

Force Majeure: To the extent performance by ILYM of any of its obligations hereunder is substantially prevented by reason of any act of God or by reason of any other matter beyond ILYM's reasonable control, then such performance shall be excused and this Agreement, at ILYM's option, be deemed suspended during the continuation of such condition and for a reasonable time thereafter.

Waiver of Rights: No failure or delay on the part of a party in exercising any right hereunder will operate as a waiver of, or impair, any such right. No single or partial exercise of any such right will preclude any other or further exercise thereof or the exercise of any other right. No waiver of any such right will be effective unless given in a signed writing.

Jurisdiction: The parties hereto submit to the jurisdiction of the Court of the applicable case for purposes of any suit, action or proceeding to enforce any provision of, or based on any right arising out of, this Agreement. The parties hereto hereby waive any objection to the laying of venue of any such suit, action or proceeding in the Court.

Entire Agreement: These terms and conditions and the proposal embody the entire agreement between the parties with respect to the subject matter hereof, and cancels and supersedes all prior negotiations, representations, and agreements related thereto, either written or oral, except to the extent they are expressly incorporated herein. No changes in, additions to, or waivers of, the terms and conditions set forth herein will be binding upon any party, unless approved in writing by such party's authorized representative.

EXHIBIT “5”