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SUPERIOR COURT FOR THE STATE OF CALIFORNIA

COUNTY OF TULARE

ADRIANA MUNOZ, SAMUEL AGUIRRE,
on behalf of themselves, all "aggrieved
employees" pursuant to Labor Code § 2698 *et*
seq., and the general public,

Plaintiffs,

vs.

SONOCO PLASTICS, INC., a Delaware
corporation, PENINSULA PACKAGING,
LLC, a California limited liability company,
and DOES 1 through 10, inclusive,

Defendants.

CASE NO.: VCU292220

*Assigned for all purposes to Honorable Nathan D. Ide,
Department 2*

**JOINT STIPULATION OF CLASS ACTION
SETTLEMENT AND RELEASE BETWEEN
PLAINTIFFS, ON BEHALF OF THEMSELVES
AND ALL OTHERS SIMILARLY SITUATED
AND AGGRIEVED, AND DEFENDANTS**

Complaint filed: June 23, 2022

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1 **JOINT STIPULATION OF CLASS ACTION SETTLEMENT**

2 This Joint Stipulation of Class Action Settlement ("Settlement," "Agreement" or "Settlement
3 Agreement") is made and entered into by and between Plaintiffs Adriana Munoz ("Munoz") and Samuel
4 Aguirre ("Aguirre") (collectively, "Plaintiffs," or "Class Representatives"), as individuals and on behalf
5 of all others similarly situated and aggrieved, and Defendants Sonoco Plastics, Inc., a Delaware
6 corporation, and Peninsula Packaging, LLC, a California limited liability company, (collectively, the
7 "Defendants") on behalf of themselves and their present and former subsidiaries and affiliated
8 companies (collectively with Plaintiffs, the "Parties").

9 This settlement shall be binding on Plaintiffs and the settlement class and aggrieved employees
10 Plaintiffs purport to represent and (i) Defendants; (ii) each of Defendants' respective past, present and
11 future parents, subsidiaries, and affiliates including, without limitation, any corporation, limited liability
12 company, partnership, trust, foundation, and non-profit entity which controls, is controlled by, or is
13 under common control with Defendants; (iii) the past, present and future shareholders, directors,
14 officers, agents, owners, employees, attorneys, insurers, members, partners, managers, contractors,
15 agents, consultants, representatives, administrators, payroll service providers, fiduciaries, benefit plans,
16 transferees, predecessors, successors, and assigns of any of the foregoing; and (iv) any individual or
17 entity which could be jointly liable with any of the foregoing, subject to the terms and conditions hereof
18 and the approval of the Court.

19 **RECITALS**

20 1. On April 8, 2022, Plaintiff Munoz exhausted administrative remedies pursuant to
21 California Labor Code § 2699, *et seq.* by providing notice of her claims to the Labor and Workforce
22 Development Agency ("LWDA") and Defendants.

23 2. On June 23, 2022, Plaintiff Munoz filed a PAGA Complaint against Defendants entitled
24 *Adriana Munoz, individually and on behalf of all similarly situated individuals, on behalf of the general*
25 *public, and all "aggrieved employees" pursuant to Labor Code § 2698 et seq, v. SONOCO PLASTICS,*
26 *INC., a Delaware corporation, PENINSULA PACKAGING, LLC, a California limited liability company,*
27 *and Does 1 through 10, inclusive,* Tulare County Superior Court Case No. VCU292220, alleging: (1)
28 failure to provide rest periods or compensation in lieu thereof (Labor Code § 226.7; IWC Wage Order 1-

2001); (2) failure to provide meal periods or compensation in lieu thereof (Labor Code §§ 226.7, 512; IWC Wage Order 1-2001); (3) knowing and intentional failure to comply with itemized employee wage statement provisions (Labor Code § 226(a), (e)); (4) failure to pay wages due at separation of employment (Labor Code §§ 201-203); (5) violation of Business and Professions Code § 17200; and (6) penalties pursuant to labor code § 2699(f) for violations of labor code §§ 201, 202, 226(a), 226.7, and 512 and pursuant to Labor Code § 2699(a) for violations of Labor Code §§ 226.3 and 558.

3. On August 19, 2022, Plaintiff Munoz filed a First Amended Class and Representative Action Complaint that added standalone class action allegations.

4. On September 30, 2022, Plaintiff Aguirre exhausted administrative remedies pursuant to California Labor Code § 2699, *et seq.* by providing notice of his claims to the LWDA and Defendants. On October 3, 2022, Plaintiff Aguirre filed a PAGA Complaint against Defendants entitled *Samuel Aguirre, on behalf of himself and all others similarly situated, v. SONOCO PLASTICS, INC.; PENINSULA PACKAGING, LLC; and Does 1 through 50, inclusive*, Tulare County Superior Court Case No. VCU293593, alleging: (1) failure to pay all minimum wages; (2) failure to pay all overtime wages; (3) meal period violations; (4) rest period violations; (5) failure to pay all sick time; (6) wage statement violations; (7) waiting time penalties; (8) failure to reimburse necessary business expenses; (9) unfair competition; and (10) penalties under the Private Attorneys General Act (the “Aguirre Action”).

5. In connection with this Settlement, and as part of the Motion for Preliminary Approval, Plaintiffs will seek leave of Court to file a Second Amended Complaint, in the form attached hereto as **Exhibit B**, which alleges all claims in the Munoz and Aguirre actions (together, the “Actions”). Upon final approval of this Settlement, counsel for Aguirre will dismiss the Aguirre Action with prejudice.

6. Defendants deny all material allegations set forth in the Munoz and Aguirre actions. Notwithstanding, in the interest of avoiding further litigation, the Parties desire to fully and finally settle all actual or potential claims by the putative Class Members.

7. Plaintiffs’ counsel in the Actions diligently investigated the proposed putative Class Members’ claims against Defendants, including any and all applicable defenses and the applicable law. The investigation included, *inter alia*, the exchange of information pursuant to informal discovery methods, review of numerous corporate policies and practices, and review and analysis of voluminous

1 time and payroll records.

2 8. On May 26, 2023, the Parties participated in a mediation before Steve Pearl, Esq. (the
3 "Mediator"), a highly respected mediator of wage and hour class actions. With the assistance of the
4 Mediator, the Parties reached agreement on the principal terms of a class and PAGA action settlement that
5 would fully resolve the Action.

6 9. The settlement discussions before and during the mediation were conducted at arm's length
7 and the settlement is the result of an informed and detailed analysis of Defendants' alleged potential
8 liability in relation to the costs and risks associated with continued litigation.

9 10. Based on the data and documents produced pursuant to informal discovery, as well as Class
10 Counsel's own independent investigation and evaluation, and the Mediator's efforts, Class Counsel
11 believe that the settlement with Defendants for the consideration and on the terms set forth in this
12 Settlement Agreement is fair, reasonable, and adequate and is in the best interest of the Class Members in
13 light of all known facts and circumstances, including the risk of significant delay and uncertainty
14 associated with litigation, various defenses asserted by Defendants, the sharply contested legal and factual
15 issues involved, and numerous appellate issues.

16 11. This Settlement Agreement is made and entered into by and between Plaintiffs,
17 individually and on behalf of all others similarly situated and aggrieved, on the one hand, and Defendants,
18 on the other hand, and is subject to the terms and conditions hereof, and to the Court's approval. The
19 Parties expressly acknowledge that this Settlement Agreement is entered into solely for the purpose of
20 compromising significantly disputed claims and that nothing herein is an admission of any liability or
21 wrongdoing by Defendants. If, for any reason the Settlement Agreement is not approved, it will be of no
22 force or effect, and the Parties shall be returned to their original respective positions.

23 DEFINITIONS

24 The following definitions are applicable to this Settlement Agreement. Definitions contained
25 elsewhere in this Settlement Agreement will also be effective:

26 10. "Actions" mean the two pending matters, as follows: *Adriana Munoz, individually and*
27 *on behalf of all similarly situated individuals, on behalf of the general public, and all "aggrieved*
28 *employees" pursuant to Labor Code § 2698 et seq, v. SONOCO PLASTICS, INC., a Delaware*

corporation, *PENINSULA PACKAGING, LLC*, a California limited liability company, and Does 1 through 10, inclusive, Tulare County Superior Court Case No. VCU292220, and *Samuel Aguirre*, on behalf of himself and all others similarly situated, v. *SONOCO PLASTICS, INC.*; *PENINSULA PACKAGING, LLC*; and Does 1 through 50, inclusive, Tulare County Superior Court Case No. VCU293593.

11. “Aggrieved Employees” mean all Class Members employed by Defendants during the PAGA Period (from April 8, 2021 through May 26, 2023 (hereinafter, the “Class Period End Date”).

12. “Attorneys’ Fees and Costs” means attorneys’ fees agreed upon by the Parties and approved by the Court for Class Counsel’s litigation and resolution of the Actions, and all costs incurred and to be incurred by Class Counsel in the Actions, including, but not limited to, costs associated with documenting the Settlement, securing the Court’s approval of the Settlement, responding to any objections to the settlement and appeals arising therefrom, administering the Settlement, obtaining entry of a judgment terminating this Action, and expenses for any experts. Class Counsel will request attorneys’ fees not in excess of thirty-five percent (35%) of the Maximum Settlement Amount, estimated to be up to Two Hundred Thirty-One Thousand Dollars (\$231,000.00). The Attorneys’ Fees and Costs will also mean and include the additional reimbursement of Class Counsel’s actual costs associated with Class Counsel’s litigation and settlement of the Action per Class Counsel’s billing statements, up to Fifteen Thousand Dollars (\$15,000.00), subject to the Court’s approval. Defendants have agreed not to oppose Class Counsel’s request for fees and reimbursement of costs as set forth above.

13. “Class Counsel” means Gaines & Gaines, APLC, Falakassa Law, P.C., and Bokhour Law Group, P.C., which will seek to be appointed counsel for the Settlement Class.

14. “Class List” means a complete list of all Class Members that Defendants will diligently and in good faith compile from their records and provide to the Settlement Administrator within fifteen (15) calendar days after Preliminary Approval of this Settlement. The Class List will be formatted in a readable Microsoft Office Excel spreadsheet and will include Class Members’ names, last-known addresses, last-known telephone numbers, social security numbers, and workweek data (i.e., the start and end dates of employment for each class member for the Settlement Administrator to use in calculating the workweeks) during the Class Period.

1 15. “Class Member(s)” or “Settlement Class” means all persons employed in California by
2 Defendants, Sonoco Plastics, Inc. and Peninsula Packaging, LLC, as current or former hourly-paid or
3 non-exempt employees at any time during the period between June 23, 2018, through the Class Period
4 End Date. Defendants represent that there are approximately 925 individuals who compose the
5 Settlement Class as of May 26, 2023.

6 16. “Class Period” means the period from June 23, 2018, through the Class Period End Date
7 of May 26, 2023.

8 17. “Class Representatives” mean Plaintiffs Adriana Munoz and Samuel Aguirre, who will
9 seek to be appointed as the representatives for the Settlement Class and whose release in this matter
10 goes through August 31, 2023 or preliminary approval, whichever is later.

11 18. “Class Representatives Enhancement Payments” means the amounts to be paid to
12 Plaintiffs in recognition of Plaintiffs’ effort and work in prosecuting the Actions on behalf of Class
13 Members and negotiating the Settlement. Defendants agree not to dispute that the Class Representatives
14 will be paid, subject to Court approval, up to Fifteen Thousand Dollars (\$15,000.00) each for a total not
15 to exceed Thirty Thousand Dollars (\$20,000.00), from the Maximum Settlement Amount for Plaintiffs’
16 services on behalf of the class, subject to the occurrence of the Effective Date. Should the Court reduce
17 the Class Representatives’ Enhancement Payments, any such reduction shall revert to the Net Settlement
18 Amount distributed to Participating Class Members.

19 19. “Court” means the Superior Court of California, County of Tulare or any other court
20 taking jurisdiction of this Action.

21 20. “Defendants” means Sonoco Plastics, Inc. and Peninsula Packaging, LLC.

22 21. “Effective Date” means the date on which the settlement embodied in this Settlement
23 Agreement shall become effective after all of the following events have occurred: (i) this Settlement
24 Agreement has been executed by all parties and by counsel for the Settlement Class and Defendants;
25 (ii) the Court has given preliminary approval to the Settlement; (iii) notice has been given to the putative
26 members of the Settlement Class, providing them with an opportunity to object to the terms of the
27 Settlement or to opt-out of the Settlement; (iv) the Court has held a formal fairness hearing and entered
28 a final order and judgment certifying the Class, and approving this Settlement Agreement; and (v) only

1 in the event there are written objections filed prior to the formal fairness hearing which are not later
2 withdrawn or denied, the later of the following events: (a) five (5) business days after the period for
3 filing any appeal, writ or other appellate proceeding opposing the Court's final order approving the
4 Settlement has elapsed without any appeal, writ or other appellate proceeding having been filed; or (b)
5 five (5) business days after any appeal, writ or other appellate proceeding opposing the Settlement has
6 been dismissed finally and conclusively with no right to pursue further remedies or relief.

7 22. "Individual Settlement Payment" means each Participating Class Member's share of the
8 Net Settlement Amount, to be distributed to the Class Members who do not submit a valid Request for
9 Exclusion.

10 23. "Labor and Workforce Development Agency Payment" means the amount that the Parties
11 have agreed to pay to the LWDA in connection with the Labor Code Private Attorneys General Act of
12 2004 (Cal. Lab. Code §§ 2698, *et seq.*, "PAGA"). The Parties have agreed that Twenty Thousand
13 Dollars (\$20,000.00) of the Maximum Settlement Amount will be allocated to the resolution of any
14 Class Members' claims arising under PAGA ("PAGA Settlement Amount"). Pursuant to PAGA,
15 Seventy-Five Percent (75%), or Fifteen Thousand Dollars (\$15,000.00), of the PAGA Settlement
16 Amount will be paid to the California Labor and Workforce Development Agency as the Labor and
17 Workforce Development Agency Payment, and Twenty-Five Percent (25%), or Five Thousand Dollars
18 (\$5,000.00) ("Net PAGA Settlement Amount"), of the PAGA Settlement Amount will be distributed
19 proportionately among all Aggrieved Employees based on their Compensable Workweeks during the
20 PAGA Period ("Individual PAGA Settlement Payment").

21 24. "Maximum Settlement Amount" means the maximum settlement amount of Six Hundred
22 Sixty Thousand Dollars (\$660,000.00) to be paid by Defendants, jointly and severally, in full
23 satisfaction of all claims arising from the Action, which includes all Individual Settlement Payments to
24 Participating Class Members, the Class Representatives' Enhancement Payments, Settlement
25 Administration Costs to the Settlement Administrator, the PAGA Settlement Amount, and the
26 Attorneys' Fees and Costs to Class Counsel. The Maximum Settlement Amount does not include
27 Defendants' share of employer payroll taxes. This Maximum Settlement Amount has been agreed to by
28 Plaintiffs and Defendants based on the aggregation of the agreed-upon settlement value of individual

claims. In no event will Defendants be liable for more than the Maximum Settlement Amount except as otherwise explicitly set forth herein. The Maximum Settlement Amount is non-reversionary.

25. "Net Settlement Amount" means the portion of the Maximum Settlement Amount remaining after deduction of the approved Class Representatives' Enhancement Payments, Settlement Administration Costs, PAGA Settlement Amount, and Attorneys' Fees and Costs. The Net Settlement Amount will be distributed to Participating Class Members.

26. "Notice of Objection" means a Class Member's valid and timely written objection to the Settlement Agreement. For the Notice of Objection to be valid, it must include: (a) the objector's full name, signature, address, telephone number, and the last four digits of the objector's social security number, (b) the dates the objector was employed by Defendants in California, (c) a written statement of all grounds for the objection accompanied by any legal support for such objection, and (d) copies of any papers, briefs, or other documents upon which the objection is based.

27. "Notice Packet" or "Notice" means the Notice of Class Action Settlement, substantially in the form attached as **Exhibit A**.

28. "PAGA Released Claims" mean the claims to be released by the Aggrieved Employees, upon the Effective Date and subject to Defendants' full payment of the Maximum Settlement Amount, which arise out of the claims and allegations made in the Actions under PAGA, or which could have been made under PAGA based on the facts alleged in the Actions, during periods of employment as an hourly-paid or non-exempt employee in California during the PAGA Period, including allegations of alleged: failure to pay all minimum, overtime, and sick pay wages, failure to reimburse all business expenses, meal period violations; rest period violations; failure to pay meal or rest period premiums; wage statement violations; waiting time penalties; and civil penalties, including penalties under PAGA, based on the allegations set forth above; interest; fees; and costs.

29. "Parties" means Plaintiffs and Defendants collectively.

30. "Participating Class Members" means all Class Members who do not submit valid Requests for Exclusion.

31. "Plaintiffs" means Adriana Munoz and Samuel Aguirre, collectively.

32. "Preliminary Approval" means the Court order granting preliminary approval of the

1 Settlement Agreement.

2 33. "Released Claims" are the claims to be released by the Participating Class Members,
3 upon the Effective Date and subject to Defendants' full payment of the Maximum Settlement Amount,
4 and include all claims under state, federal or local law, whether statutory, common law or administrative
5 law, which arise out of the claims and allegations made in the Actions or which could have been made
6 based on the facts alleged in the Actions, during periods of employment as an hourly-paid or non-exempt
7 employee in California during the Class Period, including allegations of alleged: failure to pay all
8 minimum, overtime, and sick pay wages, failure to reimburse all business expenses, meal period
9 violations; rest period violations; failure to pay meal or rest period premiums; wage statement violations;
10 waiting time penalties; violations of Business and Professions Code section 17200 based on the
11 allegations set forth above; including, but not limited to, claims for injunctive relief; punitive damages;
12 penalties of any nature; interest; fees; and costs ("Released Claims").

13 34. "Released Parties" as referenced herein and as released in this Settlement are Defendants
14 and all of their present and former, direct and indirect, parent companies, subsidiaries, owners, divisions,
15 concepts, related or affiliated companies, shareholders, officers, directors, employees, agents, attorneys,
16 insurers, successors and assigns, and any individual or entity which could be liable for any of the
17 Released Claims (hereinafter "Released Parties") including Randstad USA, and Defendants' counsel of
18 record in the Action.

19 35. "Request for Exclusion" means a timely letter submitted by a Class Member indicating a
20 request to be excluded from the settlement. The Request for Exclusion must: (a) be signed by the Class
21 Member; (b) contain the name, address, telephone number, and the last four digits of the Social Security
22 Number of the Class Member requesting exclusion; (c) clearly state that the Class Member received the
23 Notice, does not wish to participate in the settlement, and wants to be excluded from the settlement; (d)
24 be returned by first class mail or equivalent to the Settlement Administrator at the specified address;
25 and, (e) be postmarked on or before the Response Deadline. The date of the postmark on the return
26 mailing envelope will be the exclusive means to determine whether a Request for Exclusion has been
27 timely submitted. A Class Member who does not request exclusion from the settlement will be deemed
28 a Participating Class Member and will be bound by all terms of the settlement if the settlement is granted

1 final approval by the Court. The Parties agree that there is no right for any Class Member to opt out or
2 otherwise exclude himself or herself from the Settlement of the PAGA claims in the Actions.

3 36. "Response Deadline" means the deadline by which Class Members must postmark to the
4 Settlement Administrator valid Requests for Exclusion, objections to the settlement, or disputes
5 regarding the information provided in the Notice Packet. The Response Deadline will be forty-five (45)
6 calendar days from the initial mailing of the Notice Packet by the Settlement Administrator, unless the
7 45th day falls on a Sunday or federal holiday, in which case the Response Deadline will be extended to
8 the next day on which the U.S. Postal Service is open, and unless the Court requires a longer Response
9 Deadline, in which case the Court-imposed period shall apply. The Response Deadline will be extended
10 fifteen (15) calendar days for any Class Member who is re-mailed a Notice Packet by the Settlement
11 Administrator, unless the 15th day falls on a Sunday or federal holiday, in which case the Response
12 Deadline will be extended to the next day on which the U.S. Postal Service is open. The Response
13 Deadline may also be extended by express agreement between Class Counsel and Defendants. Under
14 no circumstances, however, will the Settlement Administrator unilaterally have the authority to extend
15 the deadline for Class Members to submit a Request for Exclusion, objection to the settlement, or a
16 dispute regarding the information provided in the Notice Packet.

17 37. "Settlement Administrator" means Phoenix Class Action Settlement Administration
18 Solutions, or any other third-party class action settlement claims administrator agreed to by the Parties
19 and approved by the Court for purposes of administering this settlement. The Parties each represent
20 that they do not have any financial interest in the Settlement Administrator or otherwise have a
21 relationship with the Settlement Administrator that could create a conflict of interest.

22 38. "Settlement Administration Costs" means the costs payable from the Maximum
23 Settlement Amount to the Settlement Administrator for administering this Settlement, including, but not
24 limited to, printing, distributing, and tracking documents for this Settlement, calculating estimated
25 amounts per Class Member, tax reporting, distributing the appropriate settlement amounts, and
26 providing necessary reports and declarations, and other duties and responsibilities set forth herein to
27 process this Settlement, and as requested by the Parties. The Settlement Administration Costs will be
28 paid from the Maximum Settlement Amount, including, if necessary, any such costs in excess of the

1 amount represented by the Settlement Administrator as being the maximum costs necessary to
2 administer the settlement. The Settlement Administration Costs are currently estimated to be Twelve
3 Thousand Dollars (\$12,000.00). To the extent actual Settlement Administration Costs are greater than
4 \$12,000.00, such excess amount will be deducted from the Maximum Settlement Amount.

5 39. The Claims Administrator will calculate the number of workweeks worked by the Class
6 Members in an hourly-paid or non-exempt position in California during the Class Period and PAGA
7 Period ("Compensable Workweeks") based upon the records in Defendants' possession, custody or
8 control, the amount to be paid per workweek, and the individual settlement awards to eligible Class
9 Members. The Compensable Workweeks will be calculated by the Claims Administrator for each Class
10 Member. Defendants' workweek data will be presumed to be correct, unless a particular Class Member
11 proves otherwise to the Claims Administrator by credible evidence. All workweek disputes will be
12 resolved and decided by the Claims Administrator and the Claims Administrator's decision on all
13 workweek disputes will be subject to the Court's final review. As to Participating Class Members, the
14 individual settlement awards will be determined by dividing the Net Settlement Fund by the total
15 number of Compensable Workweeks for the entire Settlement Class during the Class Period, resulting
16 in the Class Workweek Value; and then multiplying the Class Workweek Value by the number of
17 Compensable Workweeks worked by each Class Member. As to the Aggrieved Employees, the
18 individual settlement awards to Aggrieved Employees will be determined by dividing the Net PAGA
19 Settlement Amount by the total number of Compensable Workweeks for all Aggrieved Employees
20 during the PAGA Period, resulting in the PAGA Workweek Value; and then multiplying the PAGA
21 Workweek Value by the number of Compensable Workweeks worked by each Aggrieved Employee.

22 **CLASS CERTIFICATION**

23 40. Solely for purposes of settling the Action, and not for purposes of class certification
24 should the matter not be settled or for any other reason, the Parties stipulate and agree that the requisites
25 for establishing class certification with respect to the Settlement Class have been met and are met. More
26 specifically, the Parties stipulate and agree for purposes of this settlement only that:

27 (a) The Settlement Class is ascertainable and so numerous as to make it impracticable
28 to join all Class Members;

(b) There are common questions of law and fact including, but not limited to, the following:

i. Whether Defendants failed to pay all minimum, overtime, and sick pay wages due to Plaintiffs and Class Members, in violation of Labor Code §§ 246, 510, 1194, 1194.2, 1197, 1197.1, 1198, and 1199 and IWC Wage Order 1-2001;

ii. Whether Defendants failed to pay all reporting wages due to Plaintiffs and Class Members, in violation of Labor Code §§ 510 and 1194, 1194.2, 1197, 1197.1, 1198, and 1199 and IWC Wage Order 1-2001;

iii. Whether Defendants failed to properly provide rest periods or compensation in lieu thereof to Plaintiffs and Class Members, in violation of Labor Code § 226.7 and IWC Wage Order 1-2001;

iv. Whether Defendants failed to properly provide meal periods or compensation in lieu thereof to Plaintiffs and Class Members, in violation of Labor Code §§ 226.7, 510, 512, and 516 and IWC Wage Order 1-2001;

v. Whether Defendants failed to provide Plaintiffs and Class Members with accurately itemized wage statements, in accordance with Labor Code § 226(a) and (e);

vi. Whether Defendants failed to timely pay Plaintiffs and Class Members all wages due and owing at the separation of their employment, in violation of Labor Code §§ 201-203;

vii. Whether Defendants' policies and/or practices for the timing and amount of payment of final wages to Class Members at the time of their separation of employment were lawful;

viii. Whether Plaintiffs and Class Members are entitled to equitable relief pursuant to Business & Professions Code § 17200 *et seq.*;

ix. Whether Defendants are liable for pre-judgment interest; and

x. Whether Defendants are liable for attorneys' fees and costs.

Should this Settlement not be approved or be terminated, these stipulations shall be null and void and shall not be admissible, in this or any other action, for any purpose whatsoever.

41. The Class Representatives' claims are typical of the claims of the members of the Settlement Class; should this Settlement not be approved or be terminated, this stipulation shall be null

1 and void and shall not be admissible, in this or any other action, for any purpose whatsoever.

2 42. The Class Representatives and Class Counsel will fairly and adequately protect the
3 interests of the Settlement Class; should this Settlement not be approved or be terminated, this
4 stipulation shall be null and void and shall not be admissible, in this or any other action, for any purpose
5 whatsoever.

6 43. The prosecution of separate actions by individual members of the Settlement Class would
7 create the risk of inconsistent or varying adjudications, which would establish incompatible standards
8 of conduct; should this Settlement not be approved or be terminated, this stipulation shall be null and
9 void and shall not be admissible, in this or any other action, for any purpose whatsoever.

10 44. With respect to the Settlement Class, the Class Representatives believe that questions of
11 law and fact common to the members of the Settlement Class predominate over any questions affecting
12 any individual member in such Class, and a class action is superior to other available means for the fair
13 and efficient adjudication of the controversy; should this Settlement not be approved or be terminated,
14 this stipulation shall be null and void and shall not be admissible, in this or any other action, for any
15 purpose whatsoever.

16 **TERMS OF AGREEMENT**

17 NOW, THEREFORE, in consideration of the mutual covenants, promises and agreements set
18 forth herein, the Parties agree, subject to the Court's approval, as follows:

19 45. Funding of the Maximum Settlement Amount. Within seven (7) business days after entry
20 of the Court's order granting Final Approval of this Settlement, the Settlement Administrator will
21 provide the Parties with an accounting of the amounts to be paid by Defendants pursuant to the terms
22 of the Settlement. Within fourteen (14) calendar days after the Effective Date, Defendants will make a
23 one-time deposit of the Maximum Settlement Amount, plus all employer payroll taxes associated with
24 wage payments to be made from the Net Settlement Amount, into a Qualified Settlement Account to be
25 established by the Settlement Administrator. Within ten (10) business days of the funding of the
26 Settlement, the Settlement Administrator will issue payments to (a) Participating Class Members; (b)
27 the Labor and Workforce Development Agency; (c) Plaintiffs; and (d) Class Counsel. The Settlement
28

1 Administrator will also issue a payment to itself for Court-approved services performed in connection
2 with the settlement.

3 46. Attorneys' Fees and Costs. Defendants agree not to oppose or impede any application or
4 motion by Class Counsel for Attorneys' Fees and Costs of up to 35% of the Maximum Settlement
5 Amount (projected to be Two Hundred Thirty-One Thousand Dollars (\$231,000.00)) in Attorneys' Fees,
6 plus the reimbursement of actual costs and expenses associated with Class Counsel's litigation and
7 settlement of the Action up to Fifteen Thousand Dollars (\$15,000.00), both of which will be paid from
8 the Maximum Settlement Amount.

9 47. Class Representatives' Enhancement Payments and General Release Payments. In
10 exchange for a general release, and in recognition of their effort and work in prosecuting the Action on
11 behalf of Class Members and negotiating the Settlement, Defendants agree not to oppose or impede any
12 application or motion for Class Representatives Enhancement Payments of up to a total of Thirty
13 Thousand Dollars (\$30,000) to the Class Representatives, with up to Fifteen Thousand Dollars
14 (\$15,000.00) to Plaintiff Adriana Munoz and up to Fifteen Thousand Dollars (\$15,000.00) to Plaintiff
15 Samuel Aguirre, subject to the Court's approval. The Class Representatives' Enhancement Payments,
16 which will be paid from the Maximum Settlement Amount, will be in addition to Plaintiffs' Individual
17 Settlement Payments paid pursuant to the Settlement. In light of their requested Class Representatives
18 Enhancement Payments, which Defendants agree not to oppose, Plaintiffs Munoz and Aguirre agree to
19 execute a separate general release of all claims, including a waiver of California Civil Code § 1542, in
20 addition to the Released Claims described above, against Defendants for this payment. The Settlement
21 Administrator will issue an IRS Form 1099 for the enhancement payments to the Class Representatives,
22 and the Class Representatives shall be solely and legally responsible for correctly characterizing this
23 compensation for tax purposes and for paying any taxes on the amount received. The Class
24 Representatives agree to indemnify and hold Defendants harmless from any claim or liability for taxes,
25 penalties, or interest arising as a result of the Class Representatives Enhancement Payments. Should
26 the Court reduce the Class Representatives Enhancement Payments, any such reduction shall revert to
27 the Net Settlement Amount distributed to Participating Class Members.

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48. Settlement Administration Costs. The Settlement Administrator will be paid for the reasonable costs of administration of the Settlement and distribution of payments from the Maximum Settlement Amount, which is currently estimated to be Twelve Thousand Dollars (\$12,000.00). These costs, which will be paid from the Maximum Settlement Amount, will include, *inter alia*, the required tax reporting on the Individual Settlement Payments, the issuing of 1099 IRS Forms, distributing the Notice Packet, calculating and distributing the Maximum Settlement Amount and Attorneys' Fees and Costs, and providing necessary reports and declarations.

49. Labor and Workforce Development Agency Payment. Subject to Court approval, the Parties agree that the amount of Twenty Thousand Dollars (\$20,000.00) of the Maximum Settlement Amount will be designated for satisfaction of Plaintiffs' and Aggrieved Employees' PAGA claims. Pursuant to PAGA, 75%, or Fifteen Thousand Dollars (\$15,000.00) of the PAGA Settlement Amount will be paid to the LWDA, and 25%, or Five Thousand Dollars (\$5,000.00) ("Net PAGA Settlement Amount"), will be paid to all Aggrieved Employees based on the formula in paragraph 52(d) below as their Individual PAGA Settlement Payment.

50. Net Settlement Amount. The Net Settlement Amount will be used to satisfy Individual Settlement Payments to Participating Class Members from the Settlement Class in accordance with the terms of this Agreement.

51. Acknowledgement of Potential Administration Cost Increases. The Parties hereby acknowledge that Settlement Administration Costs may increase above the current estimate of \$12,000.00 and that any such additional Settlement Administration Costs will be taken out of the Maximum Settlement Amount. Any portion of the estimated or designated Class Administration Costs which are not in fact required to fulfill the total Settlement Administration Costs will become part of the Net Settlement Amount.

52. Individual Settlement Payment Calculations. Individual Settlement Payments will be calculated and apportioned from the Net Settlement Amount based on the Compensable Workweeks a Participating Class Member worked during the Class Period. Specific calculations of Individual Settlement Payments will be made as follows:

a. The Settlement Administrator will calculate the number of Compensable

1 Workweeks per Participating Class Member during the Class Period based on records in Defendants'
2 possession, custody or control. Defendants' workweek data will be presumed to be correct unless a
3 particular Class Member proves otherwise to the Settlement Administrator by credible written evidence.
4 All workweek disputes will be resolved and decided by the Settlement Administrator in consultation
5 with Class Counsel and counsel for Defendants. The Court may resolve any disputes where the
6 Settlement Administrator's outcome is challenged.

7 b. The Settlement Administrator will calculate the total number of Compensable
8 Workweeks for each individual Class Member ("Individual Workweeks"). The Settlement
9 Administrator will calculate the total number of Compensable Workweeks for all Participating Class
10 Members ("Participating Class Workweeks").

11 c. To determine each Class Member's "Individual Settlement Payment" the
12 Settlement Administrator will use the following formula: Individual Settlement Payment = (Net
13 Settlement Amount ÷ Participating Class Workweeks) x Individual Workweeks for each individual
14 Participating Class Member.

15 d. The Net PAGA Settlement Amount will be distributed among all Aggrieved
16 Employees. The individual settlement awards to Aggrieved Employees will be determined by dividing
17 the Net PAGA Settlement Amount by the total number of Compensable Workweeks for all Aggrieved
18 Employees (those Class Members employed during the PAGA Period) during the PAGA Period,
19 resulting in the PAGA Workweek Value; and then multiplying the PAGA Workweek Value by the
20 number of Compensable Workweeks worked by each Aggrieved Employee.

21 53. Settlement Awards Do Not Trigger Additional Benefits. All settlement awards to Class
22 Members shall be deemed to be paid to such Class Members solely in the year in which such payments
23 actually are received by the Class Members. It is expressly understood and agreed that the receipt of
24 such individual settlement awards will not entitle any Class Member to additional compensation or
25 benefits under any company bonus, commission or other compensation or benefit plan or agreement in
26 place during the period covered by the Settlement, nor will it entitle any Class Member to any increased
27 retirement, 401K benefits or matching benefits, or deferred compensation benefits. It is the intent of
28 this Settlement that the individual settlement awards provided for in this Settlement are the sole

1 payments to be made by Defendants to the Class Members, and that the Class Members are not entitled
2 to any new or additional compensation or benefits as a result of having received the individual settlement
3 awards (notwithstanding any contrary language or agreement in any benefit or compensation plan
4 document that might have been in effect during the period covered by this Settlement).

5 54. Settlement Administration Process. The Parties agree to cooperate in the administration
6 of the settlement and to make all reasonable efforts to control and minimize the costs and expenses
7 incurred in administration of the Settlement.

8 55. Delivery of the Class List. Within fifteen (15) calendar days after Preliminary Approval,
9 Defendants will provide the Class List to the Settlement Administrator.

10 56. Notice by First-Class U.S. Mail. Within twenty-eight (28) calendar days of Preliminary
11 Approval, the Settlement Administrator will mail a Notice Packet to all Class Members via regular First-
12 Class U.S. Mail, using the most current, known mailing addresses identified in the Class List.

13 57. Confirmation of Contact Information in the Class Lists. Prior to mailing, the Settlement
14 Administrator will perform a search based on the National Change of Address Database for information
15 to update and correct for any known or identifiable address changes. Any Notice Packets returned to
16 the Settlement Administrator as non-deliverable on or before the Response Deadline will be sent
17 promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto and the Settlement
18 Administrator will indicate the date of such re-mailing on the Notice Packet. If no forwarding address
19 is provided, the Settlement Administrator will promptly attempt to determine the correct address using
20 a skip-trace, or other search using the name, address and/or Social Security number of the Class Member
21 involved and will then perform a single re-mailing. Those Class Members who receive a re-mailed
22 Notice Packet, whether by skip-trace or by request, will have between the later of (a) an additional
23 fifteen (15) calendar days or (b) the Response Deadline to postmark a Request for Exclusion, or file and
24 serve an objection to the Settlement.

25 58. Notice Packets. All Class Members will be mailed a Notice Packet. Each Notice Packet
26 will be substantially in the form attached hereto as Exhibit A.

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1 59. Disputed Information on Notice Packets. Class Members will have an opportunity to
2 dispute the information provided in their Notice Packets. Any dispute to the information in a Notice
3 Packet must be submitted to the Settlement Administrator by the Response Deadline. To the extent Class
4 Members dispute the number of weeks he/she worked during the Class Period, or the amount of their
5 Individual Settlement Payment, Class Members may produce evidence to the Settlement Administrator
6 showing that such information is inaccurate. Absent evidence rebutting Defendants' records,
7 Defendants' records will be presumed determinative. However, if a Class Member produces evidence
8 to the contrary, the Settlement Administrator will evaluate the evidence submitted by the Class Member
9 in consultation with Class Counsel and counsel for Defendants and will make the final decision as to
10 the Individual Settlement Payment to which the Class Member may be entitled, subject to judicial
11 review.

12 60. Request for Exclusion Procedures. Any Class Member wishing to opt-out from the
13 Settlement Agreement must sign and postmark a written Request for Exclusion to the Settlement
14 Administrator no later than the Response Deadline. The date of the postmark on the return mailing
15 envelope will be the exclusive means to determine whether a Request for Exclusion has been timely
16 submitted. All Requests for Exclusion will be submitted to the Settlement Administrator, who will
17 certify jointly to Class Counsel and Defendants' Counsel the Requests for Exclusion that were timely
18 submitted. Any Class Member who submits a Request for Exclusion shall be prohibited from objecting
19 to the Settlement Agreement. The Parties agree that there is no right for any Class Member to opt out
20 or otherwise exclude himself or herself from the Settlement of the PAGA claims in the Action.

21 61. Settlement Terms Bind All Class Members Who Do Not Opt-Out. Any Class Member
22 who does not affirmatively opt-out of the Settlement Agreement by submitting a timely and valid
23 Request for Exclusion will be bound by all of its terms, including those pertaining to the Released
24 Claims, as well as the Judgment that will be entered by the Court when it grants final approval to the
25 Settlement.

26 62. Objection Procedures. To object to the Settlement Agreement, a Class Member shall
27 either submit a valid Notice of Objection to the Settlement Administrator on or before the Response
28 Deadline or appear at the final approval motion and orally object. The Court will hear from any Class

1 Member who attends the final approval motion and asks to speak regarding his or her objection. The
2 Settlement Administrator shall serve all objections as received on Class Counsel and Defendants'
3 Counsel, who shall file all such objections with the Court with the final approval motion. The Notice
4 of Objection shall be signed by the Class Member and contain all information required by this Settlement
5 Agreement. The postmark date of submission to the Settlement Administrator will be deemed the
6 exclusive means for determining that the Notice of Objection is timely. At no time will any of the
7 Parties or their counsel seek to solicit or otherwise encourage Class Members to object to the Settlement
8 Agreement or appeal from the Order and Judgment. Class Counsel will not represent any Class
9 Members with respect to any such objections to this Settlement. The Parties agree that there is no right
10 for any Class Member or Aggrieved Employee to object to the Settlement of the PAGA claims in the
11 Action.

12 63. Certification Reports Regarding Individual Settlement Payment Calculations. The
13 Settlement Administrator will provide Defendants' counsel and Class Counsel a weekly report which
14 certifies: (a) the number of Class Members who have submitted valid Requests for Exclusion; and (b)
15 whether any Class Member has submitted a challenge to any information contained in their Notice
16 Packet. Additionally, the Settlement Administrator will provide to counsel for both Parties any updated
17 reports regarding the administration of the Settlement Agreement as needed or requested.

18 64. Uncashed Settlement Checks. Any checks issued by the Settlement Administrator to
19 Participating Class Members will expire 180 calendar days from the date the check was issued. Upon
20 the expiration of 180 calendar days, uncashed settlement award checks will not be re-issued, except for
21 good cause and as mutually agreed upon by the Parties in writing. All uncashed checks will not be
22 reissued and will be sent to the State of California Unclaimed Property Fund.

23 65. Certification of Completion. Upon completion of administration of the Settlement, the
24 Settlement Administrator will provide a written declaration under oath to certify such completion to the
25 Court and counsel for all Parties.

26 66. Administration Costs if Settlement Fails. If the Settlement is voided or rejected by the
27 Court, and the Settlement Administrator seeks to recover its fees, any costs incurred by the Settlement
28 Administrator will be paid equally by the Parties (half by Defendants and half by Class Counsel), unless

1 otherwise specified in this Agreement.

2 67. Treatment of Individual Settlement Payments. All Individual Settlement Payments will
3 be allocated as follows: of each Individual Settlement Payment 10% will be allocated as alleged unpaid
4 wages, 45% will be allocated as alleged unpaid interest, and the remaining 45% will be allocated as
5 alleged unpaid penalties. The 10% of each Individual Settlement Payment allocated as wages will be
6 reported on an IRS Form W-2 by the Settlement Administrator. The remaining 90% of each Individual
7 Settlement Payment allocated as interest and penalties will be reported on an IRS Form 1099 by the
8 Settlement Administrator. All Individual PAGA Settlement Payments shall be allocated as alleged
9 unpaid civil penalties and reported on an IRS Form 1099 by the Settlement Administrator.

10 68. Administration of Taxes by the Settlement Administrator. The Settlement Administrator
11 will be responsible for issuing to Plaintiffs, Participating Class Members, and Class Counsel any W-2,
12 1099, or other tax forms as may be required by law for all amounts paid pursuant to this Agreement.
13 Within seven (7) business days after entry of the Court's order granting final approval of the Settlement,
14 the Settlement Administrator will provide the Parties with an accounting of the amounts to be paid by
15 Defendants pursuant to the terms of the Settlement, including the amount of the employer contribution
16 for payroll taxes to be paid from the Net Settlement Amount. The Settlement Administrator will also
17 be responsible for timely forwarding all payroll taxes and penalties to the appropriate government
18 authorities.

19 69. Tax Liability. Defendants make no representation as to the tax treatment or legal effect
20 of the payments called for hereunder, and Plaintiffs, Participating Class Members, and Class Counsel
21 are not relying on any statement, representation, or calculation by Defendants or by the Settlement
22 Administrator in this regard. Plaintiffs, Participating Class Members, and Class Counsel understand
23 and agree that they will be solely responsible for the payment of any taxes and penalties assessed on the
24 payments described herein and will defend, indemnify, and hold Defendants free and harmless from and
25 against any claims resulting from any failure to pay all taxes and/or penalties due.

26 70. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR PURPOSES
27 OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS
28 AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY")

1 ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO
2 WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR
3 THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR WILL ANY
4 SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE
5 RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY
6 DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE
7 ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER OR ITS OWN,
8 INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN
9 CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT
10 BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR
11 ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY
12 COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER
13 PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE
14 ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER PARTY
15 HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY SUCH
16 ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH
17 LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING
18 PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION,
19 INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

20 71. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant
21 that they have 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, cause
23 of action or right herein released and discharged.

24 72. Release of Claims by Class Members. Upon the Effective Date, and subject to
25 Defendants' full payment of the Maximum Settlement Amount and all employer payroll taxes due
26 hereunder, Plaintiffs and all Participating Class Members will be deemed to have fully, finally, and
27 forever released, settled, compromised, relinquished, and discharged with respect to all the Released
28 Parties, any and all Released Claims. The Settlement Class and each member of the Class who has not

submitted a valid Request for Exclusion, fully releases and discharges the Released Parties for the Released Claims for any period during the Class Period.

73. Release of Claims by Aggrieved Employees. Upon the Effective Date, and subject to Defendants' full payment of the Maximum Settlement Amount, Plaintiffs and all Aggrieved Employees, whether or not they are Participating Class Members, will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged with respect to all the Released Parties, any and all PAGA Released Claims. The Aggrieved Employees each fully releases and discharges the Released Parties for the PAGA Released Claims for any period during the PAGA Period. The Parties agree that there is no right for any Aggrieved Employee to opt out or otherwise exclude himself or herself from the Settlement of the PAGA claims in the Action.

74. Duties of the Parties Prior to Court Approval. The Parties shall promptly submit this Settlement Agreement to the Court in support of Plaintiffs' Motion for Preliminary Approval and determination by the Court as to its fairness, adequacy, and reasonableness. Promptly upon execution of this Settlement Agreement, the Parties shall apply to the Court for the entry of an order:

a. Scheduling a fairness hearing on the question of whether the proposed settlement, including but not limited to, payment of attorneys' fees and costs, and the Class Representatives' Enhancement Payments, should be finally approved as fair, reasonable and adequate as to the members of the Settlement Class;

b. Certifying the Settlement Class;

c. Approving, as to form and content, the proposed Notice;

d. Approving the manner and method for Class Members to request exclusion from the Settlement as contained herein and within the Notice;

e. Approving the manner and method for Class Members to object to the Settlement as contained herein and within the Notice;

f. Directing the mailing of the Notice, by first class mail to the Class Members;

g. Preliminarily approving the Settlement subject only to the objections of Participating Class Members and final review by the Court; and

h. Enjoining Plaintiffs from filing or prosecuting any claims, suits or administrative

proceedings (including filing claims with the California Division of Labor Standards Enforcement and the Labor and Workforce Development Agency) encompassed within the Released Claims unless and until such Class Members have filed valid Requests for Exclusion with the Settlement Administrator.

75. Duties of the Parties Following Final Court Approval. Following final approval by the Court of the Settlement provided for in this Settlement Agreement, Class Counsel will submit a proposed final order of approval and judgment:

(a) Approving the Settlement, adjudging the terms thereof to be fair, reasonable and adequate, and directing consummation of its terms and provisions;

(b) Approving Class Counsel's application for an award of attorneys' fees and costs;

(c) Approving the Class Representatives Enhancement Payments to the Class Representatives;

(d) Approving the Settlement Administration Costs of the Settlement Administrator; and

(e) Entering judgment in this Action barring and enjoining all members of the Settlement Class from prosecuting against any of the Released Parties, any individual or class, collective or representative claims released herein, upon satisfaction of all payments and obligations hereunder.

76. Rescission of Settlement Agreement (by Defendants). If more than ten percent (10%) of the Class Members opt-out of the Settlement by submitting timely and valid Request for Exclusion forms, Defendants may, at their option, rescind and void the Settlement and all actions taken in furtherance of it will thereby be null and void. Defendants must exercise this right of rescission, in writing, to Class Counsel within fourteen (14) calendar days after the Settlement Administrator notifies the Parties of the total number of Requests for Exclusion received by the Response Deadline. If the option to rescind is exercised, Defendants shall be solely responsible for all costs of the Settlement Administrator accrued through that time.

77. Nullification of Settlement Agreement. In the event that: (a) the Court does not finally approve the Settlement as provided herein; or (b) the Settlement does not become final for any other reason, then this Settlement Agreement, and any documents generated to bring it into effect, will be null and void. Any order or judgment entered by the Court in furtherance of this Settlement Agreement will

likewise be treated as void from the beginning.

78. Preliminary Approval Hearing. Plaintiffs will obtain a hearing before the Court to request the Preliminary Approval of the Settlement Agreement, and the entry of a Preliminary Approval Order for: (a) conditional certification of the Settlement Class for settlement purposes only, (b) Preliminary Approval of the proposed Settlement Agreement, (c) granting Plaintiffs approval to file a Second Amended Complaint, and (d) setting a date for a Final Approval/Settlement Fairness Hearing. The Preliminary Approval Order will provide for the Notice Packet to be sent to all Class Members as specified herein. In conjunction with the Preliminary Approval hearing, Plaintiffs will submit this Settlement Agreement, which sets forth the terms of this Settlement, and the proposed Notice Packet, i.e., the proposed Notice of Class Action Settlement document, attached as Exhibit A. Also in conjunction with the filing of Plaintiffs' Motion for Preliminary Approval, Plaintiffs will seek approval to file a Second Amended Complaint that subsumes the claims alleged in Plaintiff Aguirre's action against Defendants, which will be dismissed upon final approval of this Settlement. Class Counsel will be responsible for drafting all documents necessary to obtain preliminary approval. Defendants agrees not to oppose the Motion for Preliminary Approval.

79. Final Settlement Approval Hearing and Entry of Judgment. Upon expiration of the deadlines to requests exclusion or submit objections to the Settlement Agreement, and with the Court's permission, a Final Approval/Settlement Fairness Hearing will be conducted to determine the Final Approval of the Settlement Agreement along with the amounts properly payable for (a) Individual Settlement Payments and Individual PAGA Settlement Payments; (b) the Labor and Workforce Development Agency Payment; (c) the Attorneys' Fees and Costs; (d) the Class Representatives Enhancement Payments; (e) all Settlement Administration Costs; and (f) the employer's share of payroll taxes for wages paid in connection with the Individual Settlement Payments. The Final Approval/Settlement Fairness Hearing will not be held until approximately thirty (30) calendar days after the Response Deadline. Class Counsel will be responsible for drafting all documents necessary to obtain final approval, including responding to any objections and appeals arising therefrom. Class Counsel will also be responsible for drafting the attorneys' fees and costs application to be heard at the final approval hearing.

1 80. Termination of Settlement. Subject to the obligation(s) of cooperation set forth herein,
2 either Party may terminate this Settlement if the Court declines to enter the Preliminary Approval Order,
3 the Final Approval Order or final judgment in substantially the form submitted by the Parties, or the
4 Settlement Agreement as agreed does not become final because of appellate court action. The
5 Terminating Party shall give to the other Party (through their counsel) written notice of their decision
6 to terminate no later than ten (10) business days after receiving notice that one of the enumerated events
7 has occurred. Termination shall have the following effects:

8 a. The Settlement Agreement shall be terminated and shall have no force or effect,
9 and no Party shall be bound by any of its terms;

10 b. In the event the Settlement is terminated, Defendants shall have no obligation to
11 make any payments to any Party, Class Member or Class Counsel, except that the Terminating Party shall
12 pay the Settlement Administrator for services rendered up to the date the Settlement Administrator is
13 notified that the settlement has been terminated;

14 c. The Preliminary Approval Order, Final Approval Order and Judgment, including
15 any order of class certification, shall be vacated;

16 d. The Settlement Agreement and all negotiations, statements and proceedings
17 relating thereto shall be without prejudice to the rights of any of the Parties, all of whom shall be restored
18 to their respective positions in the Action prior to the settlement;

19 e. Neither this Stipulated Settlement, nor any ancillary documents, actions, statements
20 or filings in furtherance of settlement (including all matters associated with the mediation) shall be
21 admissible or offered into evidence in the Action or any other action for any purpose whatsoever.

22 81. Judgment; Notice Thereof; and Continued Jurisdiction. Upon final approval of the
23 Settlement by the Court or after the Final Approval/Settlement Fairness Hearing, the Parties will present
24 the Judgment pursuant to California Rules of Court, Rule 3.769. After entry of the Judgment, the Court
25 will have continuing jurisdiction solely for purposes of addressing: (a) the interpretation and
26 enforcement of the terms of the Settlement, (b) Settlement administration matters, and (c) such post-
27 Judgment matters as may be appropriate under court rules or as set forth in this Agreement. The
28 Settlement Administrator shall post a copy of the Judgment on its website for no fewer than 365 days

1 after Judgment is entered, as required by California Rules of Court, Rule 3.771(b).

2 82. Escalator Provision. Defendants estimate that there are approximately 82,609 workweeks
3 worked by Class Members in the Class Period as of May 26, 2023. In the event the number of
4 workweeks worked through the end of the Class Period exceeds 90,870 (110% of the represented
5 workweeks), then Defendant shall, at its option, either (a) increase the Maximum Settlement Amount
6 proportionally by the percent of workweeks in excess of 90,870; or (b) end the Class Period and PAGA
7 Period as of the last date on which the class workweeks do not exceed 90,870.

8 83. Exhibits Incorporated by Reference. The terms of this Agreement include the terms set
9 forth in any attached Exhibits, which are incorporated by this reference as though fully set forth herein.
10 Any Exhibits to this Agreement are an integral part of the Settlement.

11 84. Confidentiality. The Parties and their counsel agree that they will not issue any media or
12 press releases, initiate any contact with the media or press, respond to any media or press inquiry, or
13 have any communication with the media or press about the fact, amount, or terms of the Settlement. In
14 addition, the Parties and their counsel agree that they will not engage in any advertising or distribute
15 any marketing materials relating to the Settlement of this case. The Class Representatives and Class
16 Counsel will not make any public disclosure of the Settlement prior to the filing of a motion for
17 preliminary approval with the court. Class Counsel will take all steps necessary to ensure the Class
18 Representatives are aware of, and will instruct the Class Representatives to adhere to, the restrictions
19 set forth in this paragraph. Any communication about the Settlement to Class Members prior to the
20 Court-approved mailing will be limited to a statement that a settlement has been reached and the details
21 will be communicated in a forthcoming Court-approved notice. Nothing set forth herein, however, shall
22 prohibit the parties from providing this Agreement to the Court or the LWDA in connection with the
23 Parties' efforts to seek the Court's approval of this Settlement, or from communicating with Class
24 Members, Aggrieved Employees, the LWDA or the Court about the Settlement. Neither Plaintiffs nor
25 Class Counsel shall hold a press conference or otherwise seek to affirmatively contact the media about
26 the Settlement. Plaintiffs and Class Counsel agree not to disparage or otherwise take any action which
27 could reasonably be expected to adversely affect the personal or professional reputation of Defendants
28 or the Settlement. Defendants shall provide Plaintiffs with a neutral employment reference stating only

1 their dates of employment and last position held.

2 85. Other Lawsuits. To the fullest extent permissible under applicable law, and solely for
3 the purposes of this Settlement Agreement and not for any other purpose, counsel for Plaintiffs represent
4 and warrant on behalf of themselves and all others acting on their behalf, that they: (i) have not been
5 retained by any other individuals with claims against Defendants (other than those of which Defendants
6 and/or their counsel have been advised); and (ii) are not aware of, and have not been informed of, any
7 other Plaintiffs, class member, or attorney who intends to bring a claim against Defendants including,
8 but not limited to, any claim based on the subject matter of the Action. To the fullest extent permissible
9 under applicable law, and solely for the purposes of this Settlement Agreement and not for any other
10 purpose, Defendants and counsel for Defendants represent and warrant on behalf of themselves and all
11 others acting on their behalf, that they are not aware of, and have not been informed of, any other
12 Plaintiffs, class member, or attorney who intends to bring a claim against Defendants related to any
13 claim based on the subject matter of the Action.

14 86. Entire Agreement. This Settlement Agreement and the two attached Exhibits constitute
15 the entirety of the Parties' settlement terms. No other prior or contemporaneous written or oral
16 agreements may be deemed binding on the Parties. The Parties expressly recognize California Civil
17 Code section 1625 and California Code of Civil Procedure section 1856(a), which provide that a written
18 agreement is to be construed according to its terms and may not be varied or contradicted by extrinsic
19 evidence, and the Parties agree that no such extrinsic oral or written representations or terms will
20 modify, vary or contradict the terms of this Agreement.

21 87. Amendment or Modification. This Settlement Agreement may be amended or modified
22 only by a written instrument signed by the named Parties and counsel for all Parties or their successors-
23 in-interest.

24 88. Authorization to Enter Into Settlement Agreement. Counsel for all Parties warrant and
25 represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement
26 Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant
27 to this Settlement Agreement to effectuate its terms and to execute any other documents required to
28 effectuate the terms of this Settlement Agreement. The Parties and their counsel will cooperate with

each other and use their best efforts to affect the implementation of the Settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to resolve such disagreement.

89. Signatories. It is agreed that because the members of the Class are so numerous, it is impossible or impractical to have each member of the Class execute this Settlement Agreement. The Notice, attached hereto as Exhibit A, will advise all Class Members of the binding nature of the release, and the release shall have the same force and effect as if this Settlement Agreement were executed by each member of the Class.

90. Binding on Successors and Assigns. This Settlement Agreement will be binding upon, and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

91. California Law Governs. All terms of this Settlement Agreement and Exhibits hereto will be governed by and interpreted according to the laws of the State of California.

92. Execution and Counterparts. This Settlement Agreement is subject only to the execution of all Parties. However, the Agreement may be executed in one or more counterparts. All executed counterparts and each of them, including facsimile and scanned copies of the signature page, will be deemed to be one and the same instrument provided that counsel for the Parties will exchange among themselves original signed counterparts.

93. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this Settlement Agreement is a fair, adequate, and reasonable settlement of the Action and have arrived at this Settlement after arm's-length negotiations and in the context of adversarial litigation, taking into account all relevant factors, present and potential. The Parties further acknowledge that they are each represented by competent counsel and that they have had an opportunity to consult with their counsel regarding the fairness and reasonableness of this Agreement.

94. Invalidity of Any Provision. Before declaring any provision of this Settlement Agreement invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible consistent with applicable precedents so as to define all provisions of this Settlement Agreement valid and enforceable.

1 95. Plaintiffs' Waiver of Right to Be Excluded and Object. Plaintiffs agree to sign this
2 Settlement Agreement and, by signing this Settlement Agreement, are hereby bound by the terms herein.
3 For good and valuable consideration, Plaintiffs further agree that they will not request to be excluded
4 from the Settlement Agreement, nor object to any terms herein. Any such request for exclusion or
5 objection by Plaintiffs will be void and of no force or effect. Any efforts by Plaintiffs to circumvent the
6 terms of this paragraph will be void and of no force or effect.

7 96. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to class
8 certification for purposes of this Settlement only; except, however, that Plaintiffs or Class Counsel may
9 appeal any reduction in the Attorneys' Fees and Costs and Enhancement Payments below the amounts
10 requested from the Court, and either Party may terminate this Settlement or appeal any Court order
11 which is not in substantially the form submitted by the Parties.

12 97. Non-Admission of Liability. The Parties enter into this Agreement to resolve the dispute
13 that has arisen between them and to avoid the burden, expense and risk of continued litigation. In
14 entering into this Agreement, Defendants does not admit, and specifically denies, it has violated any
15 federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute
16 or any other applicable laws, regulations or legal requirements; breached any contract; violated or
17 breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful
18 conduct with respect to their employees. Neither this Agreement, nor any of its terms or provisions, nor
19 any of the negotiations connected with it, shall be construed as an admission or concession by
20 Defendants of any such violations or failures to comply with any applicable law. Except as necessary
21 in a proceeding to enforce the terms of this Agreement, this Agreement and its terms and provisions
22 shall not be offered or received as evidence in any action or proceeding to establish any liability or
23 admission on the part of Defendants or to establish the existence of any condition constituting a violation
24 of, or a non-compliance with, federal, state, local or other applicable law.

25 98. Captions. The captions and section numbers in this Agreement are inserted for the
26 reader's convenience, and in no way define, limit, construe or describe the scope or intent of the
27 provisions of this Agreement.

28 99. Waiver. No waiver of any condition or covenant contained in this Agreement or failure

1 to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a
2 further waiver by such party of the same or any other condition, covenant, right or remedy.

3 100. Enforcement Actions. In the event that one or more of the Parties institute any legal
4 action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement
5 or to declare rights and/or obligations under this Settlement, the successful Party or Parties will be
6 entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including
7 expert witness fees incurred in connection with any enforcement actions.

8 101. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and
9 conditions of this Agreement. Accordingly, this Agreement will not be construed more strictly against
10 one party than another merely by virtue of the fact that it may have been prepared by counsel for one of
11 the Parties, it being recognized that, because of the arms-length negotiations between the Parties, all
12 Parties have contributed to the preparation of this Agreement.

13 102. Representation By Counsel. The Parties acknowledge that they have been represented
14 by counsel throughout all negotiations that preceded the execution of this Agreement, and that this
15 Agreement has been executed with the consent and advice of counsel and reviewed in full. Further,
16 Plaintiffs and Class Counsel warrant and represent that there are no liens on the Settlement Agreement.

17 103. All Terms Subject to Final Court Approval. All amounts and procedures described in
18 this Settlement Agreement herein will be subject to final Court approval.

19 104. Notices. Unless otherwise specifically provided herein, all notices, demands or other
20 communications given hereunder shall be in writing and shall be deemed to have been duly given as of
21 the third business day after mailing by United States registered or certified mail, return receipt requested,
22 addressed as follows:

23 **To Plaintiffs and the Settlement Class:**

24 Daniel F. Gaines
25 Alex P. Katofsky
26 Gaines & Gaines, APLC
27 4550 East Thousand Oaks Blvd., Suite 100
28 Westlake Village, CA 91362
Telephone: (818) 703-8985
Facsimile: (818) 703-8984

-and-

Mehrdad Bokhour
Bokhour Law Group, P.C.
1901 Avenue of The Stars, Suite 450
Los Angeles, California 90067
Tel: (310) 975-1493
Fax: (310) 675-0861

-and-

Joshua S. Falakassa
Falakassa Law, P.C.
1901 Avenue of the Stars, Suite 450
Los Angeles, California 90067
Tel: (818) 456-6168
Fax: (888) 505-0868

To Defendants:

Michael D. Thomas
JACKSON LEWIS P.C.
200 Spectrum Center Drive.
Suite 500
Orange County, CA 92618
Direct: (949) 885-5240 | Main: (949) 885-1360

105. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement Agreement.

106. Integration Clause. This Settlement Agreement contains the entire agreement between the Parties relating to the settlement and transaction contemplated hereby, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a party or such party's legal counsel, are merged herein. No rights hereunder may be waived except in writing.

107. Binding Agreement. The Parties warrant that they understand and have full authority to enter into this Agreement, and further intend that this Agreement will be fully enforceable and binding on all parties, and agree that it will be admissible and subject to disclosure in any proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise might apply under federal or state law.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this First Amended Joint Stipulation of Settlement and Release Between Plaintiffs and Defendants as of the date(s) set forth below:

SIGNATURES

READ CAREFULLY BEFORE SIGNING

PLAINTIFF: Adriana Munoz

Dated: 08 / 30 / 2023, 2023

Adriana Munoz

PLAINTIFF: Samuel Aguirre

Dated: 8/29/2023, 2023

Samuel Aguirre

DEFENDANT: Sonoco Plastics, Inc.

Dated: _____, 2023

Please Print Name of Authorized Signatory

DEFENDANT: Peninsula Packaging, LLC

Dated: _____, 2023

Please Print Name of Authorized Signatory

GAINES & GAINES, APLC

Dated: _____, 2023

Daniel F. Gaines
Alex P. Katofsky
Evan S. Gaines
Attorneys for Plaintiffs Adriana Munoz

1 IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this First
2 Amended Joint Stipulation of Settlement and Release Between Plaintiffs and Defendants as of the date(s)
3 set forth below:

4 **SIGNATURES**

5 **READ CAREFULLY BEFORE SIGNING**

6 **PLAINTIFF: Adriana Munoz**

7 Dated: _____, 2023

8 _____
Adriana Munoz

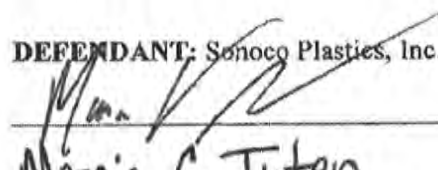
9 **PLAINTIFF: Samuel Aguirre**

10 Dated: _____, 2023

11 _____
Samuel Aguirre

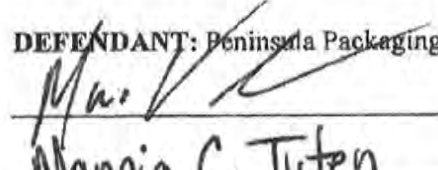
12 **DEFENDANT: Sonoco Plastics, Inc.**

13 Dated: _____, 2023

14 
15 _____
Please Print Name of Authorized Signatory

16
17 **DEFENDANT: Peninsula Packaging, LLC**

18 Dated: _____, 2023

19 
20 _____
Please Print Name of Authorized Signatory

21
22 **GAINES & GAINES, APLC**

23 Dated: _____, 2023

24 _____
Daniel F. Gaines
Alex P. Katofsky
Evan S. Gaines
Attorneys for Plaintiffs Adriana Munoz

BOKHOUR LAW GROUP, P.C.

Dated: 8/29/2023, 2023

DocuSigned by:
Mehrdad Bokhour
D8D3643F271940F...

Mehrdad Bokhour
Attorneys for Plaintiffs Samuel Aguirre

JACKSON LEWIS P.C.

Dated: _____, 2023

Michael D. Thomas
Attorneys for Defendants Sonoco Plastics, Inc. and
Peninsula Packaging, LLC

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BOKHOUR LAW GROUP, P.C.

Dated: _____, 2023

Mehrdad Bokhour
Attorneys for Plaintiffs Samuel Aguirre

JACKSON LEWIS P.C.

Dated: August 28, 2023

Michael D. Thomas
Attorneys for Defendants Sonoco Plastics, Inc. and
Peninsula Packaging, LLC

EXHIBIT A

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

ADRIANA MUNOZ, SAMUEL AGUIRRE, on
behalf of themselves, all "aggrieved employees"
pursuant to Labor Code § 2698 *et seq.*, and the
general public,

Plaintiffs,

vs.

SONOCO PLASTICS, INC., a Delaware
corporation, PENINSULA PACKAGING, LLC,
a California limited liability company, and
DOES 1 through 10, inclusive,

Defendants.

CASE NO.: VCU292220

*Assigned for all purposes to Honorable Nathan
D. Ide, Department 2*

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

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

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

- A settlement will provide \$660,000 to pay claims to all persons employed in California by Defendants Sonoco Plastics, Inc. and Peninsula Packaging, LLC ("Defendants"), as current or former hourly-paid or non-exempt employees at any time during the period between June 23, 2018 through May 26, 2023.
- The settlement resolves a lawsuit alleging that Defendants failed to pay all minimum and overtime wages due, including reporting time wages and sick pay wages; provide compliant meal and rest periods or premium compensation in lieu thereof; timely issue final wages upon separation of employment; and issue accurate and complete itemized wage statements. The Settlement avoids costs and risks of continuing the lawsuit; pays money to employees; and releases Defendants from liability from the claims asserted in this lawsuit.
- Lawyers for the employees will ask the Court to award them up to \$231,000 as attorneys' fees and \$15,000 as expenses for investigating the facts, litigating the case, and negotiating the settlement. This will be paid from the settlement amount.
- Defendants deny liability and the Parties disagree on how much money could have been awarded if employees won at trial.

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

WHY DID YOU RECEIVE THIS NOTICE?

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

WHAT IS THIS LAWSUIT ABOUT?

On June 23, 2022, Plaintiff Adriana Munoz, a former employee of Defendant, filed this class action lawsuit ("Action"). The action was subsequently amended to include Plaintiff Samuel Aguirre (Samuel Aguirre and Adriana Munoz are collectively referred to as the "Plaintiffs") As amended, the Action alleges violations of the California Labor Code and California Business and Professions Code. The Action seeks to certify a class of all persons employed in California by Defendants as current or former hourly-paid or non-exempt employees at any time during the period between August 18, 2018 through May 26, 2023 ("Class Period"). Specifically, the Action alleges that members of the Class were not paid all minimum and overtime wages due, including reporting time wages and sick pay wages; were not provided all compliant meal and rest periods or premium compensation in lieu thereof; were not timely issued final wages upon separation of employment; and were not issued accurate and complete itemized wage statements. The Settlement seeks recovery of wages, damages, interest, statutory and civil penalties, restitution, attorneys' fees, and costs. Defendants denies all of the material allegations in the Action, denies that it owes Class Members any remedies, and contends it complied with all applicable laws. The Court has not made a ruling on the merits of the case.

The lawyers for the parties are:

Plaintiffs' Attorneys

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

Defendant's Attorneys

Michael D. Thomas, Esq.
200 Spectrum Center Drive.
Suite 500
Orange County, CA 92618

SUMMARY OF THE SETTLEMENT

A. Why is there a Settlement?

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

B. Who is in the Settlement Class?

The Settlement encompasses a class composed of all persons employed in California by Defendants as current or former hourly-paid or non-exempt employees at any time during the Class Period ("Class Members"). Class Members who worked for Defendants from April 8, 2021 through May 26, 2023 ("PAGA Period") are also defined herein as "Aggrieved Employees."

C. What does the Settlement provide?

1. Maximum Settlement Amount.

The Settlement provides that Defendants will pay \$660,000 (the "Maximum Settlement Amount") to settle the Action.

2. Net Settlement Amount.

The "Net Settlement Amount" is the portion of the Maximum Settlement Amount that will be available for distribution to Class Members who do not submit timely and valid requests for exclusion in exchange for the release of their class claims ("Participating Class Members"). The Net Settlement Amount is the Maximum Settlement Amount less the following amounts that will be requested at the Final Approval Hearing and are subject to comment or objection by Participating Class Members. The Court will fix these amounts at the Final Approval Hearing.

(a) **Class Counsel's Attorneys' Fees** in an amount set by the Court, not to exceed \$231,000;

(b) **Class Counsel's Documented Litigation Costs/Expenses** in an amount set by the Court, not to exceed \$15,000;

(c) **Enhancement Payments to the Class Representatives** in an amount set by the Court, not to exceed \$15,000 each, for their service in the Action;

(d) **Settlement Administration Costs** which are currently estimated to not exceed \$12,000, for administering the settlement; and

(e) **PAGA Settlement Amount** in the total amount of \$20,000 for the settlement of claims arising under the California Private Attorneys General Act ("PAGA") (the "PAGA Settlement Amount"). Seventy-Five percent (75%), or \$15,000, shall be paid to the California Labor and Workforce Development Agency ("LWDA"). The remaining Twenty-Five percent (25%), or \$5,000 (the "Net PAGA Settlement Amount"), will be distributed proportionately among all Aggrieved Employees based on their Compensable Workweeks during the PAGA Period.

3. Individual Settlement Payments.

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

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

Upon Judgment being entered by the Court and becoming final, and subject to Defendant's full payment of the Maximum Settlement Amount, Plaintiffs and all Participating Class Members will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged with respect to the Defendants and all of its present and former, direct and indirect, parent companies, subsidiaries, owners, divisions, concepts, related or affiliated companies, including Randstad USA, shareholders, officers, directors, employees, agents, attorneys, insurers, successors and assigns, and any individual or entity which could be liable for any of the Released Claims ("Released Parties"), and Defendant's counsel of record in the Action, from any and all claims under state, federal or local law, whether statutory, common law or administrative law, which arise out of the claims and allegations made in the Action or which could have been made based on the facts alleged in the Action, during periods of employment as an hourly-paid or non-exempt employee in California during the Class Period, including allegations of alleged: meal period violations; rest period violations; failure to pay meal or rest period premiums; failure to pay wages; "off-the-clock" work during meal periods; wage statement violations; waiting time penalties; violations of Business and Professions Code section 17200 based on the allegations set forth above; including, but not limited to, claims for injunctive relief; punitive damages; liquidated damages, penalties of any nature; interest; fees; and costs ("Released Class Claims"). Each Class Member who has not submitted a valid Request for Exclusion, fully releases and discharges the Released Parties for the Released Claims for any period during the Class Period.

Upon the Judgment being entered by the Court and becoming final, and subject to Defendant's full payment of the Maximum Settlement Amount, Plaintiffs and all Aggrieved Employees, whether or not they are Participating Class Members, will be deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged with respect to all the Released Parties, any and all claims and allegations made in the Action under PAGA, or which could have been made under PAGA based on the facts alleged in the Action, during periods of employment as an hourly-paid or non-exempt employee in California during the PAGA Period, including allegations of alleged: meal period violations; rest period violations; failure to pay meal or rest period premiums; failure to pay wages; "off-the-clock" work during meal periods; wage statement violations; waiting time penalties; and civil penalties, including penalties under PAGA, based on the allegations set forth above; interest; fees; and costs ("PAGA Released Claims"). Each Aggrieved Employee fully releases and discharges the Released Parties for the PAGA Released Claims for any period during the PAGA Period. The Parties agree that there is no right for any

Aggrieved Employee to opt out or otherwise exclude himself or herself from the Settlement of the PAGA claims in the Action.

E. How Is My Share Of The Settlement Calculated?

Each Participating Class Member (those who do not opt out of the Settlement) shall receive an "Individual Settlement Payment," which is distributable to each Class Member who participates in the Settlement (i.e., who does not submit a valid request for exclusion form). Each Aggrieved Employee will also receive an "Individual PAGA Settlement Payment," which is distributable to each Aggrieved Employee, regardless of if they request exclusion from the class settlement or not.

Individual Settlement Payments and Individual PAGA Settlement Payments will be calculated based on the number of eligible workweeks worked by the Class Members during the Class Period and PAGA Period, respectively ("Compensable Workweeks"). Specific calculations of the Individual Settlement Payments and Individual PAGA Payments will be made as follows:

A. The Net Settlement Amount will be distributed proportionately among all Participating Class Members. The Settlement Administrator will calculate the total number of Compensable Workweeks during the Class Period for each individual Class Member ("Individual Workweeks"). The Settlement Administrator will calculate the total number of Compensable Workweeks for all Participating Class Members ("Participating Class Workweeks"). To determine each Class Member's "Individual Settlement Payment" the Settlement Administrator will use the following formula: Individual Settlement Payment = (Net Settlement Amount ÷ Participating Class Workweeks) x Individual Workweeks for each individual Participating Class Member.

B. The Net PAGA Settlement Amount will be distributed proportionately among all Aggrieved Employees. The Individual PAGA Settlement Payments will be determined by dividing the Net PAGA Settlement Amount by the total number of Compensable Workweeks for all Aggrieved Employees during the PAGA Period, resulting in the PAGA Workweek Value; and then multiplying the PAGA Workweek Value by the number of Compensable Workweeks worked by each Aggrieved Employee during the PAGA Period.

For tax purposes, all Individual Settlement Payments will be allocated as follows: of each Individual Settlement Payment 10% will be allocated as alleged unpaid wages, 45% will be allocated as alleged unpaid interest, and the remaining 45% will be allocated as alleged unpaid penalties. The 10% of each Individual Settlement Payment allocated as wages will be reported on an IRS Form W-2 by the Settlement Administrator. The remaining 90% of each Individual Settlement Payment allocated as interest and penalties will be reported on an IRS Form 1099 by the Settlement Administrator. All Individual PAGA Settlement Payments shall be allocated as alleged unpaid civil penalties and reported on an IRS Form 1099 by the Settlement Administrator.

According to the records of Defendant, you worked [] Compensable Workweeks in California from June 23, 2018 through May 26, 2023. Based on these Compensable Workweeks worked, you are entitled to an Individual Settlement Payment of approximately \$[]. This amount is subject to change based on the final ruling of the Court.

According to the records of Defendant, you worked [] Compensable Workweeks in California from April 8, 2021 to May 26, 2023. Based on these Compensable Workweeks worked, you are entitled to an Individual PAGA Settlement Payment of approximately \$[]. This amount is subject to change based on the final ruling of the Court.

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

THE SETTLEMENT HEARING

The Court will conduct a final fairness hearing regarding the proposed settlement (the "Final Settlement Hearing") on _____, at _____ a.m., in the Courtroom of Judge Nathan D. Ide of the Tulare County Superior Court, Department 2, located at 221 South Mooney Blvd, Visalia, CA 93291. The Court will determine: (i) whether the settlement should be given the Court's final approval as fair, reasonable, adequate and in the best interests of the Participating Class Members; (ii) whether the Participating Class Members should be bound by the terms of the settlement; (iii) the amount of the attorneys' fees and costs to be awarded to Plaintiffs' Attorneys; and (iv) the amount that should be awarded to Plaintiffs as Enhancement Payments. At the Final Settlement Hearing, the Court will hear all properly filed objections, as well as arguments for and against the proposed settlement. You have a right to attend this hearing, but you are not required to do so. You also have the right to hire an attorney to represent you, or to enter an appearance and represent yourself.

WHAT ARE YOUR OPTIONS?

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

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

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

If you wish to remain a Participating Class Member, but you object to the proposed settlement (or any of its terms) and wish the Court to consider your objection at the Final Settlement Hearing, you may object to the proposed settlement in writing. You may also appear at the Final Approval Hearing, either in person or through an attorney at your own expense. All written objections, supporting papers, and/or notices of intent to appear at the Final Approval Hearing must clearly identify the case name and number and be mailed to the Settlement Administrator at [Settlement Administrator address]. Written objections must be postmarked no later than _____. The Court will hear from any Class Member who attends the final approval motion and asks to speak regarding his or her objection, regardless of if he or she submitted a valid Notice of Objection or Notice of Intent to Appear.

For the written Notice of Objection to be valid, it must include:

- (a) the objector's full name, signature, address, telephone number, and the last four digits of the objector's social security number;
- (b) the dates the objector was employed by NTS Employers in California;
- (c) a written statement of all grounds for the objection accompanied by any legal support for such objection; and

(d) copies of any papers, briefs, or other documents upon which the objection is based.

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

You have a right to exclude yourself (“opt out”) from the Settlement Class, but if you choose to do so, you will not receive any benefits from the proposed settlement. You can opt out of the Class by mailing a written Request for Exclusion statement to the Settlement Administrator at the above-stated address, such that it is postmarked no later than _____.

To be effective, the written Request for Exclusion statement must:

- (a) be signed by the Class Member;
- (b) contain the name, address, telephone number, and the last four digits of the Social Security Number of the Class Member requesting exclusion;
- (c) clearly state that the Class Member received the Notice, does not wish to participate in the settlement, and wants to be excluded from the settlement;
- (d) be returned by first class mail or equivalent to the Settlement Administrator at the specified address; and
- (e) be postmarked on or before the response deadline.

There is no right for any Class Member to opt out or otherwise exclude himself or herself from the Settlement of the PAGA claims in the Action.

ARE THERE MORE DETAILS ABOUT THE SETTLEMENT?

The above is a summary of the basic terms of the settlement. For the precise terms and conditions of the settlement, you should review the detailed “Joint Stipulation of Class Action Settlement and Release Between Plaintiffs, on Behalf of Themselves and all Others Similarly Situated and Aggrieved, and Defendant” which is on file with the Clerk of the Court. The pleadings and other records in the Action may be examined at any time during regular business hours at the Office of the Clerk of the Tulare County Superior Court, located at 221 South Mooney Blvd, Visalia, CA 93291.

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

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

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

EXHIBIT B

DANIEL F. GAINES, ESQ. SBN 251488
ALEX P. KATOFKY, ESQ. SBN 202754
EVAN S. GAINES, ESQ. SBN 287668
GAINES & GAINES, APLC
4550 East Thousand Oaks Boulevard, Suite 100
Westlake Village, California 91362
Telephone: (818) 703-8985
Facsimile: (818) 703-8984
Email:
 daniel@gaineslawfirm.com
 alex@gaineslawfirm.com
 evan@gaineslawfirm.com

Attorneys for Plaintiffs Adriana Munoz

[Additional Counsel on Following Page]

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

ADRIANA MUNOZ, SAMUEL AGUIRRE,
on behalf of themselves, all "aggrieved
employees" pursuant to Labor Code § 2698 *et*
seq., and the general public,

Plaintiffs,

vs.

SONOCO PLASTICS, INC., a Delaware
corporation, PENINSULA PACKAGING,
LLC, a California limited liability company,
and DOES 1 through 10, inclusive,

Defendants.

Case No.: VCU92220

*Assigned to the Honorable Nathan D. Ide,
Dept. 2*

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

**1. FAILURE TO PAY ALL MINIMUM,
OVERTIME, AND SICK PAY WAGES
DUE (LABOR CODE §§ 246, 510, 1194,
1194.2, 1197, 1197.1, 1198, AND 1199; IWC
WAGE ORDER NO. 1-2001)**

**2. FAILURE TO PAY REPORTING
TIME WAGES (LABOR CODE §§ 510,
1194, 1194.2, 1197, 1197.1, 1198, AND 1199;
IWC WAGE ORDER NO. 1-2001)**

**3. FAILURE TO PROVIDE REST
PERIODS OR COMPENSATION IN LIEU
THEREOF (LABOR CODE § 226.7; IWC
WAGE ORDER 1-2001)**

**4. FAILURE TO PROVIDE MEAL
PERIODS OR COMPENSATION IN LIEU
THEREOF (LABOR CODE §§ 226.7, 510,
512, AND 516; IWC WAGE ORDER 1-
2001)**

**5. KNOWING AND INTENTIONAL
FAILURE TO COMPLY WITH
ITEMIZED EMPLOYEE WAGE**

**STATEMENT PROVISIONS (LABOR
CODE § 226(a), (e))**

**6. FAILURE TO TIMELY PAY WAGES
DUE AT SEPARATION OF
EMPLOYMENT (LABOR CODE §§ 201-
203 AND 256)**

**7. VIOLATION OF BUSINESS AND
PROFESSIONS CODE § 17200**

**8. PENALTIES PURSUANT TO LABOR
CODE § 2699(f) FOR VIOLATIONS OF
LABOR CODE §§ 201, 202, 226(a), 226.7,
246, 256, 510, 512, 516, 1194, 1197, 1197.1,
1198, AND 1199 AND PURSUANT TO
LABOR CODE § 2699(a) FOR
VIOLATIONS OF LABOR CODE §§ 226.3
AND 558**

DEMAND FOR JURY TRIAL

Complaint Filed: June 23, 2022

MEHRDAD BOKHOUR, ESQ., (SBN 285256)
BOKHOUR LAW GROUP, P.C.
1901 Avenue of the Stars, Suite 450
Los Angeles, California 90067
Telephone: (310) 975-1493
Facsimile: (310) 675-0861
Email: mehrdad@bokhourlaw.com

JOSHUA S. FALAKASSA, ESQ. (SBN 295045)
FALAKASSA LAW, P.C.
1901 Avenue of the Stars, Suite 450
Los Angeles, California 90067
Telephone: (818) 456-6168
Facsimile: (888) 505-0868
Email: josh@falakassalaw.com

Attorneys for Plaintiff Samuel Aguirre

1 Plaintiffs ADRIANA MUNOZ and SAMUEL AGUIRRE (“Plaintiffs”), individually, on
2 behalf of all similarly situated individuals (the “Class” or “Class Members”), on behalf of the general
3 public, and as “aggrieved employees” under the Labor Code Private Attorneys General Act of 2004
4 (“PAGA”), complain of SONOCO PLASTICS, INC., a Delaware corporation, and/or PENINSULA
5 PACKAGING, LLC, a California limited liability, and/or any subsidiaries or affiliated companies
6 (hereinafter referred to as “Defendants”), as follows:

7 **I.**

8 **INTRODUCTION AND FACTUAL BACKGROUND**

9 1. This is a Class and Representative Action, pursuant to Code of Civil Procedure § 382
10 and Labor Code § 2698 *et seq.*, respectively, on behalf of Plaintiffs and all other non-exempt
11 California employees who currently work or formerly worked for Defendants.

12 2. From August 18, 2018 and continuing to the present (the “liability period”),
13 Defendants have had consistent policies of failing to pay Class Members (as defined below) all
14 minimum, overtime, sick pay, and reporting time wages due; provide legally compliant meal and rest
15 periods or compensation in lieu thereof to Class Members; issue complete and accurate wage
16 statements to Class Members (as defined below); and timely pay wages to Class Members at the
17 separation of their employment.

18 3. Plaintiffs, on behalf of themselves and the members of the Class, bring this action
19 pursuant to Labor Code §§ 201, 202, 226(a), 226.3, 226.7, 246, 256, 510, 512, 516, 558, 1194, 1197,
20 1197.1, 1198, and 1199, seeking compensation for all unpaid minimum, overtime, sick pay, and
21 reporting time wages, unpaid premium meal and rest period wages, statutory penalties, injunctive and
22 other equitable relief, and reasonable attorneys’ fees and costs.

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

26 5. Plaintiffs, on behalf of themselves and all aggrieved employees pursuant to Labor
27 Code § 2698 *et seq.*, seek penalties for Defendants’ various violations of the California Labor Code.
28

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

II.

PARTIES

A. Plaintiff

7. Plaintiff ADRIANA MUNOZ was employed by Defendants as a non-exempt employee from August 2018 through August 2022 in Tulare County, California.

8. Plaintiff SAMUEL AGUIRRE was employed by Defendants as a non-exempt employee beginning in July 2022 in Tulare County, California.

9. During his work with Defendants, Plaintiffs were:

- a. Willfully denied the payment of all minimum, overtime, sick pay, and reporting time wages due;
- b. Willfully denied rest periods or compensation in lieu thereof;
- c. Willfully denied meal periods or compensation in lieu thereof;
- d. Willfully denied accurately itemized wage statements; and
- e. Willfully denied the timely payment of wages upon separation of their employment.

B. Defendants

10. Defendant SONOCO PLASTICS, INC. is a Delaware corporation that employed Plaintiffs and Class Members throughout the State of California, including Tulare County, California.

11. Defendant PENINSULA PACKAGING, LLC is a California limited liability company that employed Plaintiffs and Class Members throughout the State of California, including Tulare County, California.

12. The true names and capacities, whether individual, corporate, associate, or otherwise, of Defendants sued herein as DOES 1 to 10, inclusive, are currently unknown to Plaintiffs, who therefore sue Defendants by such fictitious names under Code of Civil Procedure § 474. Plaintiffs are informed and believe, and based thereon allege, that each of the Defendants designated herein as a DOE is legally responsible in some manner for the unlawful acts referred to herein. Plaintiffs will

1 seek leave of court to amend this Complaint to reflect the true names and capacities of the Defendants
2 designated hereinafter as DOES when such identities become known.

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

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

10 **III.**

11 **CLASS ACTION ALLEGATIONS**

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

15 **THE CLASS**

16 All persons employed in California by Defendants Sonoco Plastics, Inc.
17 and Peninsula Packaging, LLC, as current or former hourly-paid or
18 non-exempt employees at any time during the period between August
19 18, 2018 through the present.

20 16. Plaintiffs reserve the right under Rule 3.765, California Rules of Court, to amend or
21 modify this class description with greater specificity or further division into subclasses or limitation
22 to particular issues.

23 17. This action has been brought and may properly be maintained as a class action under
24 the provisions of § 382 of the Code of Civil Procedure because there is a well-defined community of
25 interest in the litigation and the proposed The Class easily ascertainable.

26 **A. Numerosity**

27 18. The potential members of the Class as defined are so numerous that joinder of all Class
28 Members is impracticable. While the precise number of members of the Class has not been

1 ascertained at this time, Plaintiffs are informed and believe, and based thereon allege, that Defendants
2 currently employ, and during the relevant time periods employed, over 50 persons in the State of
3 California who fall within the Class definition.

4 19. Accounting for employee turnover during the relevant period necessarily increases this
5 number. Plaintiffs alleges Defendants' employment records would provide information as to the
6 number and location of members of the Class. Joinder of members of the Class not practicable.

7 **B. Commonality**

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

- 11 a. Whether Defendants failed to pay all minimum, overtime, and sick pay wages
12 due to Plaintiffs and Class Members, in violation of Labor Code §§ 246, 510,
13 1194, 1194.2, 1197, 1197.1, 1198, and 1199;
- 14 b. Whether Defendants fail to pay all reporting time wages due to Plaintiffs and
15 Class Members, in violation of Labor Code §§ 510, 1194, 1194.2, 1197,
16 1197.1, 1198, and 1199 and IWC Wage Order 1-2001;
- 17 c. Whether Defendants failed to properly provide rest periods or compensation in
18 lieu thereof to Plaintiffs and Class Members, in violation of Labor Code §
19 226.7, and IWC Wage Order 1-2001;
- 20 d. Whether Defendants failed to properly provide meal periods or compensation
21 in lieu thereof to Plaintiffs and Class Members, in violation of Labor Code §§
22 226.7, 510, 512, and 516, and IWC Wage Order 1-2001;
- 23 e. Whether Defendants failed to provide Plaintiffs and members of the Class with
24 accurately itemized wage statements, in accordance with Labor Code § 226(a)
25 and (e);
- 26 f. Whether Defendants failed to timely pay Plaintiffs and Class Members all
27 wages due and owing at the separation of their employment, in violation of
28 Labor Code §§ 201-203 and 256; and

g. Whether Plaintiffs and Class Members are entitled to equitable relief pursuant to Business & Professions Code § 17200 *et seq.*

C. Typicality

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

D. Adequacy of Representation

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

E. Superiority of Class Action

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

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

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IV.

CAUSES OF ACTION

FIRST CAUSE OF ACTION

PLAINTIFFS AND THE CLASS AGAINST ALL DEFENDANTS

FAILURE TO PAY ALL MINIMUM, OVERTIME AND SICK PAY WAGES DUE

(LABOR CODE §§ 246, 510, 1194, 1194.2, 1197, 1197.1, 1198, AND 1199;

IWC WAGE ORDER NO. 1-2001)

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

26. During the liability period, Defendants failed to conform their pay practices to the requirements of the law. This unlawful conduct includes but is not limited to, (1) Defendants' rounding/time shaving policy/practice, and (2) donning and doffing PPE requirements, which resulted in these individuals not being paid for all hours actually worked. Accordingly, Plaintiffs and members of the Classes were not compensated for all hours worked including, but not limited to, all hours they were subject to the control of Defendants and/or suffered or permitted to work under the Labor Code and applicable Wage Orders. Defendants also failed to include all forms of compensation, including, but not limited to, non-discretionary bonuses and other incentive pay in calculating the "regular rate of pay," which resulted in these individuals not being paid for all overtime and sick pay wages due. This violates 246, 510, 1194, 1194.2, 1197, 1197.1, 1198, and 1199 and IWC Wage Order No. 1-2001

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

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

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V.

SECOND CAUSE OF ACTION

PLAINTIFFS AND THE CLASS AGAINST ALL DEFENDANTS

FAILURE TO PAY ALL REPORTING TIME WAGES DUE

(LABOR CODE §§ 510, 1194, 1194.2, 1197, 1197.1, 1198, AND 1199;

IWC WAGE ORDER NO. 1-2001)

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

29. Defendants failed to pay Plaintiffs and Class Members all reporting time wages due, in violation of Labor Code §§ 510, 1194, 1194.2, 1197, 1197.1, 1198, and 1199 and IWC Wage Order 1-2001. Plaintiffs and Class Members routinely report to work only to be told they are no longer needed and are sent home within two hours of reporting to work. Defendants, however, fail to pay the required "half the usual or scheduled day's work, but in no event . . . less than two (2) hours nor more than four (4) hours, at the employee's regular rate of pay, which shall not be less than the minimum wage." This violates Labor Code §§ 510, 1194, 1194.2, 1197, 1197.1, 1198, and 1199 and IWC Wage Order 1-2001

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

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VI.

THIRD CAUSE OF ACTION

PLAINTIFFS AND THE CLASS AGAINST ALL DEFENDANTS

FAILURE TO PROVIDE REST PERIODS OR COMPENSATION IN LIEU THEREOF

(LABOR CODE § 226.7 AND IWC WAGE ORDER 1-2001)

31. Plaintiffs incorporate paragraphs 1 through 30 of this Complaint as though fully set forth herein.

32. Plaintiffs and Class Members are entitled to one hour of pay for each day that Defendants failed to properly provide one or more rest periods as set forth in Labor Code § 226.7 and IWC Wage Order 1-2001.

33. Defendants failed to pay premium wages to Plaintiffs and Class Members who were denied rest periods, in violation of Labor Code § 226.7 and IWC Wage Order 1-2001. Plaintiffs and Class Members were routinely not authorized and unable to take an off-duty, 10-minute rest period for every four (4) hours of work or major fraction thereof, but were not paid premium wages of one hour's pay for each missed rest period. Plaintiffs and Class Members were simply too busy to take their rest periods and would be required to work through them. When they were able to take a rest period, they were oftentimes late or cut short. Plaintiffs and Class Members were also improperly prohibited from leaving Defendants' premises while on their rest periods, thereby subjecting them to Defendants' control during their rest periods, which is not a rest period at all—premium rest period wages are owed (and were not paid). This violates Labor Code § 226.7 and IWC Wage Order 1-2001.

34. Pursuant to Labor Code § 226.7 and IWC Wage Order 1-2001, Plaintiffs seeks the payment of all rest period compensation which he and Class Members are owed for four years preceding the filing of this Action, according to proof.

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

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VII.

FOURTH CAUSE OF ACTION

PLAINTIFFS AND THE CLASS AGAINST ALL DEFENDANTS

FAILURE TO PROVIDE MEAL PERIODS OR COMPENSATION IN LIEU THEREOF

(LABOR CODE §§ 226.7, 510, 512, AND 516; AND IWC WAGE ORDER 1-2001)

35. Plaintiffs incorporate paragraphs 1 through 34 of this Complaint as though fully set forth herein.

36. Plaintiffs and Class Members are entitled to one hour of pay for each day that Defendants failed to properly provide one or more meal periods as set forth in Labor Code §§ 226.7, 512 and IWC Wage Order 1-2001.

37. Defendants failed to pay premium wages to Plaintiffs and Class Members who were denied meal periods, in violation of Labor Code §§ 226.7 and 512 and IWC Wage Order 1-2001. Plaintiffs and Class Members were routinely denied, and not authorized to take, an uninterrupted, 30-minute meal period for every shift worked that exceeded five hours in duration, and a second meal period when they worked shifts greater than ten hours, but were not paid premium wages of one hour's pay for each missed meal period. When Plaintiffs and Class Members were able to take a meal period, they were late or short, or they would be interrupted in the middle and an additional legally compliant meal period was never provided, thereby entitling them to premium meal period wages, which they were not paid. This violates Labor Code §§ 226.7, 510, 512, and 516 and IWC Wage Order 1-2001.

38. Pursuant to Labor Code §§ 226.7 and 512 and IWC Wage Order 1-2001, Plaintiffs seek the payment of all meal period compensation which he and Class Members are owed for four years preceding the filing of this Action, according to proof.

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

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VIII.**FIFTH CAUSE OF ACTION****PLAINTIFFS AND THE CLASS AGAINST ALL DEFENDANTS****KNOWING AND INTENTIONAL FAILURE TO COMPLY WITH ITEMIZED****EMPLOYEE WAGE STATEMENT PROVISIONS****(LABOR CODE § 226(a), (e))**

39. Plaintiffs incorporate paragraphs 1 through 38 of this Complaint as though fully set forth herein.

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

41. Defendants failed to issue Plaintiffs and members of the Class wage statements that fully and accurately itemized the requirements set forth in Labor Code § 226(a). Plaintiffs and Class Members were not paid all wages due, including all minimum, overtime, sick pay, and reporting time wages and premium wages for unauthorized meal and rest periods, as stated above. As such, the wage statements provided by Defendants failed to accurately state all gross wages earned, in violation of Labor Code § 226(a)(1), total hours worked by the employee, in violation of Labor Code § 226(a)(2), net wages earned, in violation of Labor Code § 226(a)(5), and all applicable hourly rates

1 in effect during the pay period and the corresponding number of hours worked at each hourly rate by
2 the employee, in violation of Labor Code § 226(a)(9).

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

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

14 **IX.**

15 **SIXTH CAUSE OF ACTION**

16 **PLAINTIFFS AND THE CLASS AGAINST ALL DEFENDANTS**

17 **FAILURE TO TIMELY PAY WAGES DUE AT SEPARATION OF EMPLOYMENT**

18 **(LABOR CODE §§ 201-203 AND 256)**

19 43. Plaintiffs incorporate paragraphs 1 through 42 of this Complaint as though fully set
20 forth herein.

21 44. California Labor Code §§ 201, 202, and 256 require Defendants to pay employees all
22 wages due within 72 hours after resignation of employment or the day of termination of employment.
23 Labor Code § 203 provides that if an employer willfully fails to timely pay such wages, the employer
24 must, as a penalty, continue to pay the subject employee's daily wages until the back wages are paid
25 in full or an action is commenced. The penalty cannot exceed 30 days of wages.

26 45. Defendants paid Plaintiffs and Class Members their final wages beyond the time
27 frames set forth in Labor Code §§ 201 and 202, in violation of Labor Code §§ 203 and 256. Plaintiffs
28 and Class Members were not paid all wages due and owing throughout the course of their

1 employment, including all overtime wages and premium wages for missed and denied meal and rest
2 periods, as detailed above. Consequently, at the time of their separation from employment with
3 Defendants, they were not paid all final wages due and owing for the entirety of their employment.

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

6 47. As a consequence of Defendants' willful conduct in not paying wages owed timely
7 upon separation of employment, Plaintiffs and Class Members are entitled to up to 30 days' wages as
8 a penalty under Labor Code §§ 203 and 256 for Defendants' failure to timely pay legal wages at
9 separation of employment.

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

11 **X.**

12 **SEVENTH CAUSE OF ACTION**

13 **PLAINTIFFS AND THE CLASS AGAINST ALL DEFENDANTS**

14 **UNFAIR COMPETITION PURSUANT TO**

15 **BUSINESS & PROFESSIONS CODE § 17200 ET SEQ.**

16 48. Plaintiffs incorporate paragraphs 1 through 47 of this Complaint as though fully set
17 forth herein.

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

24 50. Plaintiffs are each a "person" within the meaning of Business & Professions Code §
25 17204, and therefore has standing to bring this cause of action for injunctive relief, restitution, and
26 other appropriate equitable relief.

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

1 52. Wage and hour laws express fundamental public policies. Properly providing
2 employees with all wages due is a fundamental public policy of this State and of the United States.
3 Labor Code § 90.5(a) articulates the public policies of this State to enforce vigorously minimum labor
4 standards, to ensure that employees are not required or permitted to work under substandard and
5 unlawful conditions, and to protect law-abiding employers and its employees from competitors who
6 lower their costs by failing to comply with minimum labor standards.

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

13 54. Defendants' conduct, as alleged herein, constitutes unfair competition in violation of
14 §17200 *et seq.* of the Business & Professions Code.

15 55. Defendants, by engaging in the conduct herein alleged, either knew or in the exercise
16 of reasonable care should have known that the conduct was unlawful. As such, it is a violation of §
17 17200 *et seq.* of the Business & Professions Code.

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

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

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XI.

EIGHTH CAUSE OF ACTION

**PLAINTIFFS AND ALL AGGRIEVED EMPLOYEES AGAINST ALL DEFENDANTS
PENALTIES PURSUANT TO LABOR CODE § 2699(f) FOR VIOLATIONS OF
LABOR CODE §§ 201, 202, 226(a), 226.7, 246, 256, 510, 512, 516, 1194, 1197, 1197.1, 1198,
AND 1199 AND PURSUANT TO LABOR CODE § 2699(a) FOR VIOLATIONS OF LABOR
CODE §§ 226.3 AND 558**

58. Plaintiffs incorporate paragraphs 1 through 57 of this Complaint as though fully set forth herein.

59. As a result of the acts alleged above, including the Labor Code violations set forth herein, Plaintiffs seeks penalties pursuant to Labor Code § 2698 *et seq.*

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

- a. Pursuant to Labor Code § 2699(f) for violations of Labor Code §§ 201, 202, 226(a), 226.7, 246, 256, 510, 512, 516, 1194, 1197, 1197.1, 1198, and 1199, \$100 for the initial violation per employee per pay period and \$200 for each subsequent violation per employee per pay period; and
- b. Pursuant to Labor Code § 2699(a) for violations of Labor Code §§ 226.3 and 558, the penalties as set forth in Labor Code §§ 226.3 and 558.

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

62. On April 8, 2022 and September 30, 2022, Plaintiffs sent letters, by online submission to the LWDA and by certified mail, return receipt requested, to Defendants setting forth the facts and theories of the violations alleged against Defendants, as prescribed by Labor Code § 2698 *et seq.* Pursuant to Labor Code § 2699.3(a)(2)(A), no notice was received by Plaintiffs from the LWDA within sixty-five (65) calendar days of April 8, 2022 and September 30, 2022. Plaintiffs may therefore commence this action to seek civil penalties pursuant to Labor Code § 2698 *et seq.*

4 WHEREFORE, Plaintiffs pray for the following relief:

1. For compensatory damages in the amount of one hour of wages for each day on which a meal and/or rest period was not properly provided to Plaintiffs and Class Members pursuant to Labor Code §§ 226.7 and 512;
2. For penalties pursuant to Labor Code § 226(e) for Plaintiffs and members of the Class;
3. For compensatory damages pursuant to Labor Code §§ 246, 510, 1194, 1197, 1197.1, 1198, and 1199 in the amount of all unpaid minimum, overtime, sick pay, and reporting time wages due to Plaintiffs and Class Members;
4. For liquidated damages pursuant to Labor Code § 1194.2, in the amount of all unpaid minimum wages due to Plaintiffs and Class I Members;
5. For penalties pursuant to Labor Code §§ 203 and 256 for Plaintiffs and Class Members;
6. For penalties pursuant to Labor Code § 226(e) for Plaintiffs and Class Members;
7. An award of prejudgment and post-judgment interest;
8. For restitution for unfair competition pursuant to Business & Professions Code § 17200 *et seq.* for Plaintiffs and Class Members;
9. For civil penalties pursuant to Labor Code § 2698 *et seq.* for Plaintiffs and all other Aggrieved Employees;
10. An award providing for payment of costs of suit pursuant to Labor Code §§ 226(h), 2699(g)(1), and other applicable law;
11. An award of attorneys' fees pursuant to Labor Code §§ 226(h), 2699(g)(1), and other applicable law; and
12. Such other and further relief as this Court may deem just and proper.

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1 Dated: August 17, 2023

Respectfully submitted,

2 GAINES & GAINES
3 A Professional Law Corporation

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

8 **DEMAND FOR JURY TRIAL**

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

10 Dated: August 17, 2023

Respectfully submitted,

11 GAINES & GAINES
12 A Professional Law Corporation

13 By: _____
14 DANIEL F. GAINES
15 EVAN S. GAINES
16 Attorneys for Plaintiffs

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