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Attorneys for Plaintiffs

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

JOHN LEDBETTER, ROBERT AARON,
ANTONIO SEGOVIA, JOSEPH HICKS,
WILLIAM SHEARER, DAVID LAMOUNT
GAYLES, and JOSUE BUENROSTRO on
behalf of themselves and all others similarly
situated,

Plaintiffs,

v.

CJ LOGISTICS AMERICA, LLC, an Illinois
Limited Liability Company; and DOES 1-50,
inclusive,

Defendants.

Case No.: CIVSB2207118

*[Assigned for all purposes to the Hon. David
E. Driscoll, Dept. S22]*

**DECLARATION OF MATTHEW K.
MOEN IN SUPPORT OF PLAINTIFFS'
MOTION FOR PRELIMINARY
APPROVAL OF CLASS AND PAGA
ACTION SETTLEMENT**

Date: April 24, 2025

Time: 8:30 a.m.

Dept.: S22

Action Filed: April 7, 2022

Removal Date: June 10, 2022

Remand Date: December 19, 2024

Trial Date: None Set

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I, MATTHEW K. MOEN, declare as follows:

1. I am a Senior Associate with Haines Law Group, APC, and co-counsel for the named Plaintiffs John Ledbetter, Robert Aaron, Antonio Segovia, Joseph Hicks, William Shearer, David Lamount Gayles, and Josue Buenrostro (collectively, “Plaintiffs”) in the above-captioned matter. I am a member in good standing of the bar of the State of California and am admitted to practice in this Court. I have personal knowledge of the facts stated in this declaration and could testify competently to them if called upon to do so.

2. I received a Bachelor of Arts degree from UCLA in 2011, and a Juris Doctor from Loyola Law School, Los Angeles, in 2015. Both before and during law school, I worked for the law firm of Prindle, Amaro, Goetz, Hillyard, Barnes & Reinholtz LLP (now known as Prindle, Goetz, Barnes & Reinholtz LLP), located in Long Beach, California. Both before and during law school, I also worked for Jill McBride Baxter, Certified Sports Agent and Sports Law Attorney.

3. From January 2016 to December 2017, I worked as an associate at Baltodano & Baltodano LLP, a law firm dedicated exclusively to the practice of Plaintiff-side employment law located in San Luis Obispo, California. After the founding partner and senior litigation partner at Baltodano & Baltodano LLP, Justice Hernaldo J. Baltodano, was appointed to the California judiciary in December 2017, the firm dissolved on December 31, 2017. Since January 1, 2018, I have worked as an associate at my current firm, Haines Law Group, APC.

4. During my time with both Baltodano & Baltodano LLP and Haines Law Group, APC, my practice has been solely devoted to litigating plaintiff-side employment related cases in both state and federal court, including wage and hour class actions arising under the California Labor Code and the Fair Labor Standards Act. I am currently staffed on over forty (40) active wage and hour class actions in which I am integrally involved in all aspects of the litigation. I also supervise the work of several junior attorneys staffed on the same wage and hour class actions.

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1 5. I have been appointed as Class Counsel in over fifty (50) class action settlements
2 that have been granted final approval. The following is a non-exhaustive list of the recent wage
3 and hour class actions in which I have been named as Class Counsel and awarded attorney's
4 fees following a lodestar cross-check: *Roberto Arcos, et al. v. Panoramic Doors, LLC*, Case No.
5 37-2021-00048823-CU-OE-CTL, San Diego County Superior Court, Honorable Loren G.
6 Freestone, presiding (awarding attorney's fees following a lodestar cross-check based on a rate
7 of \$650 for work performed in 2021-2023); *Aaron Hallum, et al. v. FCA US, LLC*, Case No.
8 CIVDS1936782, San Bernardino County Superior Court, Honorable Joseph T. Ortiz, presiding
9 (awarding attorney's fees following a lodestar cross-check based on a rate of \$650 per hour for
10 work performed in 2021-2024); *Rafael Perez v. Kyocera SGS Precision Tools, Inc.*, Case No.
11 30-2022-01299232-CU-OE-CXC, Orange County Superior Court, Honorable Randall J.
12 Sherman, presiding (awarding attorney's fees following a lodestar cross-check based on an
13 hourly rate of \$650 for work performed in 2022-2024); *Kevin Murphy, et al. v. Fusion Learning,*
14 *Inc.*, Case No. 2:21-cv-06732-JAK (ASx), United States District Court, Central District of
15 California, Honorable John A. Kronstadt, presiding (approving and finding reasonable an hourly
16 rate of \$650 for work performed in 2022-2024); *Target Wage and Hour Cases*, Case No. JCCP
17 5259, Lead Case No. CIVSB2209126, San Bernardino County Superior Court, Honorable
18 Wilfred J. Schneider, Jr., presiding (awarding attorney's fees following a lodestar cross-check
19 based on an hourly rate of \$650 for work performed in 2022-2024); *Karen Trudelle, et al. v.*
20 *Children of the Rainbow, Inc.*, Lead Case No. 37-2022-00034860-CU-OE-CTL, San Diego
21 County Superior Court, Honorable Robert Longstreth, presiding (awarding attorney's fees
22 following a lodestar cross-check based on an hourly rate of \$650 for work performed in 2022-
23 2024); *Ruben Hernandez, et al. v. Neovia Logistics Services, LLC, et al.*, Case No.
24 CIVSB2305867, San Bernardino County Superior Court, Honorable Tony Raphael, presiding
25 (using an hourly rate of \$650 for work performed in 2023-2025); *Jonathan Jauregui Gutierrez,*
26 *et al. v. PASHA Automotive Services*, Case No. 37-2021-00011967-CU-CO-CTL, San Diego
27 County Superior Court, Honorable Katherine A. Bacal, presiding (using an hourly rate of \$650
28 for work performed in 2021-2025); and *Raul Camacho, et al. v. Residential Fire Systems, Inc.*,

1 *et al.*, Case No. 30-2015-00775372-CU-OE-CXC, Orange County Superior Court, Honorable
2 Lon F. Hurwitz, presiding (using an hourly rate of \$650 for work performed in 2018-2025).

3 6. I have also been appointed as Class Counsel following a contested motion to
4 certify one or more classes in three (3) class action lawsuits, including as the lead litigation
5 attorney in the following cases:

- 6 • *George Gomez v. The Bedrock Company*, Case No. CIVDS1824255, San Bernardino
7 County Superior Court, Honorable David Cohn, presiding (certifying claims for unpaid
8 overtime and minimum wage violations, meal period violations, rest period violations,
9 wage statement violations, and waiting time penalties); and
- 10 • *Aurora Gatica v. Valley Ag, Inc. et al.*, Case No. 19CECG03018, Fresno County
11 Superior Court, Honorable Tyler D. Tharpe, presiding (certifying claims for meal period
12 violations, unpaid rest period violations, wage statement violations, and waiting time
13 penalties).

14 7. In every year from 2020 to 2025, Thomson Reuters and Los Angeles Magazine
15 recognized me as a Top Young Attorney in Southern California in the annual Rising Star
16 Edition of Super Lawyers. This is an honor awarded to no more than two-and-a-half percent
17 (2.5%) of attorneys under the age of forty in Southern California each year.

18 8. I confirm that I do not have any interest or involvement in, and am not affiliated
19 with, the proposed settlement administrator, Phoenix Settlement Administrators, or the proposed
20 *cy pres* recipient, Working Wardrobes.

21 9. As counsel for Plaintiffs, I have been closely involved in all aspects of this
22 litigation since its inception, and believe that the proposed Joint Stipulation of Class Action
23 Settlement and Release (“Settlement Agreement” or “Settlement”) is a fair and reasonable result
24 for the participating Settlement Class members.

25 10. Attached hereto as **Exhibit A** is a true and correct copy of the parties’ Settlement
26 Agreement. Attached hereto as **Exhibit B** is a true and correct copy of the Notice of Proposed
27 Class Action Settlement (“Class Notice”).

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11. Plaintiffs seek preliminarily approve this non-reversionary, \$2,150,000.00 class action settlement. Settlement Class members can be easily identified using Defendant CJ Logistics America, LLC's ("Defendant") employment and payroll records. Based upon the data provided by Defendant, there are approximately 2,008 potential Settlement Class members. After Court-approved deductions for Plaintiffs' Class Representative Enhancement Awards, settlement administrator costs, the PAGA Payment to the Labor & Workforce Development Agency ("LWDA"), the PAGA amount attributed to aggrieved employees, and attorneys' fees and costs to Class Counsel, the remaining Net Settlement Value ("NSV") is estimated to be no less than \$1,197,333.33. This results in average Class Member Payments of approximately \$596.28, with the highest possible estimated Class Member Payment of \$2,533.64 (in the event a Settlement Class member performed work in every workweek during the Class Period). Further, an additional \$25,000.00 will be paid to all persons who were employed by Defendant within the State of California as hourly, non-exempt employees at any time from April 6, 2021, and the date of the Court's order granting preliminary approval (the "PAGA Period") (collectively, the "PAGA Group") for the release of claims under PAGA.

12. Defendant provides transportation, warehousing, and other supply chain solutions for businesses across California and the United States. Like all Settlement Class members, Plaintiffs were employed by Defendant as non-exempt employees in California during the Class Period and were subject to Defendant's allegedly unlawful wage and hour policies and practices.

13. On April 7, 2022, Plaintiff Ledbetter initiated the instant action, alleging Defendant failed to: (i) pay all overtime wages owed; (ii) pay all sick time; (iii) pay all vested vacation time; (iv) provide all lawful meal periods; (v) provide all lawful rest periods; (vi) issue accurate itemized wage statements; (vii) timely pay all final wages upon separation; and (viii) comply with California's Unfair Competition laws. On June 9, 2022, Defendant removed this action to federal court, and on December 13, 2024, this action was remanded back to San Bernardino County Superior Court.

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1 14. On July 15, 2022, Plaintiff Segovia filed a separate class action complaint, Case
2 No. CIVSB2215492 (the “*Segovia Action*”), alleging the same and/or similar causes of action
3 against Defendant as in the instant action. On October 6, 2022, Defendant removed the *Segovia*
4 *Action* to federal court. On December 14, 2022, Plaintiffs filed the First Amended Class Action
5 and PAGA Complaint in the instant action, adding Plaintiffs Aaron and Segovia as named
6 plaintiffs in the instant action, consolidating all causes of action and factual allegations in the
7 *Segovia Action* into this action, and adding additional causes of action for minimum wage
8 violations and PAGA penalties.

9 15. On December 2, 2022, Plaintiff Hicks filed a separate class action complaint,
10 Case No. CVRI22052222 (the “*Hicks Action*”), alleging the same and/or similar causes of
11 action against Defendant as in the instant action. On January 5, 2023, Defendant removed the
12 *Hicks Action* to federal court. On August 2, 2024, Plaintiffs filed the Second Amended Class
13 Action and PAGA Complaint in the instant action, adding Plaintiff Joseph Hicks as a named
14 plaintiffs in the instant action and consolidating all causes of action and factual allegations in
15 the *Hicks Action* into this action.

16 16. On September 11, 2024, Plaintiff Shearer filed a separate class action complaint,
17 Case No. CIVRI2405129 (the “*Shearer Action*”), alleging the same and/or similar causes of
18 action against Defendant as in the instant action. On September 17, 2024, Plaintiffs Gayles and
19 Buenrostro filed a separate class action complaint, Case No. CVRI2405251 (the “*Gayles*
20 *Action*”), alleging the same and/or similar causes of action against Defendant as in the instant
21 action. On March 17, 2025, Plaintiffs filed the operative Third Amended Class Action and
22 PAGA Complaint, adding Plaintiffs Shearer, Gayles and Buenrostro as named plaintiffs in the
23 instant action and consolidating all causes of action and factual allegations in the *Shearer Action*
24 and the *Gayles Action* into this action.

25 17. Attached hereto as **Exhibit C** are true and correct copies of each Plaintiffs’
26 PAGA notice letters submitted to the LWDA.

27 18. Plaintiffs assert that Defendant paid Plaintiffs and other non-exempt employees
28 non-discretionary bonuses and shift premiums, but failed to correctly include the value of this

incentive pay when calculating the employees' respective regular rates of pay for purposes of paying sick pay wages, instead paying sick pay at the base hourly rate. In response, Defendant argues that any bonus payments made were purely discretionary, and therefore are properly excluded from the regular rate of pay. As such, Defendant contends that Plaintiffs' claim fails on the merits. Further, Defendant asserts that this claim is unmanageable, as it requires individualized inquiries into whether each bonus payment made by Defendant was discretionary or non-discretionary, resulting in an unmanageable series of mini-trials.

19. Plaintiffs further assert that Defendant failed to provide the Settlement Class members with all duty-free, uninterrupted 30-minute meal periods commencing before the end of the fifth hour of work, or all second, duty-free, uninterrupted 30-minute meal periods commencing before the end of the tenth hour of work on days in which the employee worked more than 10.0 hours. Specifically, Plaintiffs assert that when Settlement Class members were able to take a meal period, this meal period was often interrupted by Defendant, where Settlement Class members were required to respond to phone calls and/or text messages from their supervisors regarding job related tasks. Further, Plaintiffs assert that Defendant paid meal period premiums at the employees' respective base rates of pay, rather than at the regular rate of pay.

20. In response, Defendant contends it maintained lawful meal period policies/practices throughout the Class Period. Defendant asserts that it provided all employees with all timely meal periods to which they were entitled, and allowed employees leeway and discretion on when to take their meal, such that decisions to delay or interrupt their meal period were not done at the direction of Defendant, but rather by employee choice. Defendant further asserts that employees signed second meal period waivers for shifts shorter than 12.0 hours in length, and therefore anytime an employee worked in excess of 10.0 hours without taking a second meal period it was due to employee choice and waiver. Defendant also contends that Plaintiffs' meal period claim is not suited for class certification as individual inquiries would be required to assess whether employees chose to work through meal periods, which could be

1 dependent on their location, job title, and manager resulting in an unmanageable series of mini-
2 trials.

3 21. Plaintiffs further allege that Defendant failed to authorize and permit the
4 Settlement Class members to take all lawful rest periods to which they were entitled.
5 Specifically, Plaintiffs assert that Defendant's production demands required that Plaintiffs and
6 other Settlement Class members regularly work through their rest periods. Further, Plaintiffs
7 allege that Defendant maintains an unlawful rest period policy/practice that prohibits Settlement
8 Class members from leaving the company premises during rest breaks. Plaintiffs also allege that
9 Defendant failed to pay any rest period premiums during the relevant time period.

10 22. Defendant maintains it authorized and permitted the Settlement Class members
11 to take all lawful rest periods to which they are entitled throughout the Class Period. Defendant
12 further asserts it does not require employees to remain on premises during their rest periods, and
13 that Plaintiffs were relying on an out of date policy that had been discontinued prior to the start
14 of the liability period. Defendant also asserts that this claim is unmanageable and not suited for
15 class certification, as it requires individualized inquiries into whether each employee was
16 authorized and permitted to take a lawful rest period and on which days, which Defendant
17 argues Plaintiffs will be unable to substantiate with any common, documentary evidence, as rest
18 periods are not required to be recorded, resulting in an unmanageable series of mini-trials.

19 23. Plaintiffs further allege that Defendant failed to pay the Settlement Class for all
20 minimum and overtime wages owed due to its unlawful timekeeping policies/practices that
21 resulted in the Settlement Class members not being compensated for all hours actually worked
22 and/or subject to the employer's control. Specifically, Plaintiffs assert that Defendant required
23 Plaintiffs and other Settlement Class members to undergo COVID-19 temperature checks while
24 off the clock prior to being permitted to enter Defendant's facility to clock in at the start of their
25 shifts, resulting in unpaid minimum and overtime wages owed.

26 24. Defendant maintains that its COVID-19 temperature check policy was lawful
27 and did not result in any unpaid minimum and overtime wages. Specifically, Defendant asserts
28 that it was an early adopter of COVID-19 protection measures and, at all times while its

COVID-19 policies were in place, it ensured that timeclocks were located in an area where employees could clock in before undergoing a temperature check. Defendant also asserts that this claim is unmanageable and not suited for class certification, as it requires individualized inquiries into whether each employee was permitted to and/or required to clock in before undergoing temperature checks, which Defendant argues Plaintiffs will be unable to substantiate with any common evidence, resulting in an unmanageable series of mini-trials.

25. As a result of Defendant's alleged failure to pay all wages, including sick pay, overtime and minimum wages, and meal and rest period premiums, Plaintiffs assert that Defendant also failed to maintain accurate payroll records, timely pay all wages during employment, issue accurate and itemized wage statements, and failed to timely pay all final wages at the time of separation. As a result of these alleged Labor Code violations, as well as Defendant's alleged failures to pay all sick pay wages at the regular rate of pay, Plaintiffs also seek PAGA civil penalties on behalf of all aggrieved employees.

26. In response, Defendant argues that Plaintiffs' underlying claims will fail and, as a result, these derivative claims will also fail. Defendant also maintains that Plaintiffs cannot show that the wage statement violations were "knowing and intentional," or that the putative class members "suffer[ed] injury" as a result of the alleged violations, as required by Labor Code § 226(e) for the imposition of wage statement penalties. Moreover, Defendant maintains that its good faith defenses to Plaintiffs' underlying claims would preclude the recovery of waiting time penalties, which are only available for the "willful" failure to pay wages, and that this Court would exercise its discretion to substantially reduce any PAGA penalties awarded.

27. The Parties engaged in substantial informal document exchanges prior to attending mediation. Defendant provided Plaintiffs with timekeeping and payroll records for a representative sample of the putative class members spanning the putative class period, as well as policy documents and employee handbooks. Plaintiffs then retained an expert with a Ph.D. in economics to analyze the produced data and create a class-wide exposure model for the claims at issue. On August 23, 2023, the Parties participated in a mediation session with Jeffrey Ross, Esq., an experienced and well-respected wage and hour mediator, during which the Parties

1 exchanged divergent views on Defendant's liability and exposure valuations, their legal
2 positions, and the likelihood of certification of Plaintiffs' claims. Although the Parties
3 adjourned mediation without reaching a settlement, they continued their settlement negotiations
4 through Mr. Ross. After additional months of continued negotiations, Mr. Ross made a
5 mediator's proposal that the Parties ultimately accepted. Over the following months, the Parties
6 finalized the terms of the proposed Settlement now before the Court for preliminary approval.

7 28. If the Court preliminarily approves this settlement, Defendant will pay a Gross
8 Settlement Value ("GSV") of \$2,150,000.00. This Settlement is non-reversionary, and
9 Settlement Class members will automatically receive their Class Member Payments unless they
10 affirmatively opt-out. After deducting amounts for Court-approved attorneys' fees and costs,
11 Plaintiffs' Class Representative Enhancement Awards, settlement administration costs, the
12 LWDA's share of PAGA penalties, and the PAGA Group's share of PAGA penalties, the
13 Settlement provides for an estimated NSV of no less than \$1,197,333.33.

14 29. At the time of seeking final settlement approval, Plaintiffs will apply for Class
15 Representative Enhancement Awards in the amount of \$10,000 for the named plaintiffs John
16 Ledbetter, Robert Aaron, Joseph Hicks, and Antonio Segovia, and \$5,000.00 for the named
17 plaintiffs Willlliam Shearer, David Lamount Gayles, and Josue Buenrostro for their service to
18 the Settlement Class and general release of all claims. Plaintiffs' requested class representative
19 Enhancement Awards are intended to recognize the significant time and effort that Plaintiffs
20 expended on behalf of the Settlement Class, including searching for and gathering relevant
21 documents and providing them to their attorneys for use in the lawsuit, providing factual
22 information to their attorneys, holding various phone calls with their attorneys to discuss the
23 claims in the lawsuit and Defendant's policies and practices, assisting their attorneys to help
24 prepare for mediation, making themselves available during mediation to assist and answer
25 factual questions posed by the mediator, reviewing and providing input regarding the settlement
26 in this case, and otherwise assisting their attorneys in moving this case towards resolution, the
27 significant risks Plaintiffs undertook by serving as the named plaintiffs, and the fact that they
28 agreed to a general release of all claims subject to a waiver of Civil Code § 1542.

1 30. Class Counsel will also apply for an attorneys' fee award of up to one third of the
2 GSV (currently estimated at \$716,666.67), and up to \$60,000.00 in reimbursement for actual
3 litigation costs. Class Counsel have entered into a written fee-splitting agreement. Plaintiffs
4 were fully notified of the fee-splitting agreement in writing and consented to the fee-splitting
5 agreement in writing, in compliance with California Rules of Professional Conduct, Rule 1.5.1.
6 Plaintiffs submit that the requested fee is fair compensation for undertaking complex, risky,
7 expensive, and time-consuming litigation on a purely contingent fee basis. Class Counsel has
8 incurred substantial attorneys' fees conducting pre-filing investigation, analyzing Plaintiffs'
9 claims, conducting legal research and analysis, reviewing class documents and data produced by
10 Defendant, extensively reviewing and evaluating the produced timekeeping and payroll records
11 with the assistance of a retained expert to build a comprehensive damages model, preparing for
12 and attending mediation, months of continued settlement negotiations following the
13 adjournment of mediation, negotiating and drafting the long-form Settlement Agreement and
14 Class Notice documents, preparing this motion for preliminary approval, and otherwise
15 litigating the case. Class Counsel will also expend future attorney time attending the hearing on
16 this Motion, overseeing the Notice process, drafting the Final Approval Motion and supporting
17 documents, attending the Final Approval hearing, and completing other tasks, such as fielding
18 questions from Settlement Class members.

19 31. Class Counsel carefully vetted the claims at issue, reviewed Settlement Class
20 member timekeeping and payroll data spanning the entire Class Period, reviewed all relevant
21 policy documents, and created a comprehensive damages model for Defendant's liability.
22 Although the Parties engaged in substantial informal discovery and exchange prior to mediation,
23 the Parties had not yet completed their formal discovery and deposition efforts at the time the
24 Parties reached the Settlement. Absent settlement, the Parties will be required to expend
25 substantial time and resources conducting additional formal written and deposition discovery.
26 Moreover, Plaintiffs have not yet filed for class certification, and thus, absent settlement, the
27 Parties would face the prospect of appeals in the wake of a disputed class certification ruling
28 and/or an adverse summary judgment ruling. Even if Plaintiffs succeeded in certifying one or

1 more classes, the Parties would incur considerably more attorneys' fees and costs through a
2 possible decertification motion, trial, and possible appeal.

3 32. At the time of the proposed Settlement, Plaintiffs had not filed their motion for
4 class certification. Had the Court certified any claims, Plaintiffs anticipated that Defendant
5 would seek decertification. There was also a risk that Defendant would engage in a campaign
6 pursuant to *Chindarah v. Pick Up Stix, Inc.*, (2009) 171 Cal.App.4th 796, that could either affect
7 Plaintiffs' ability to maintain the numerosity required to proceed as a class action, or
8 significantly reduce the size of the putative class for a fraction of what Settlement Class
9 members are receiving through this Settlement. Therefore, absent the Settlement, there was a
10 serious risk that Plaintiffs would be unable to move forward on a class-wide basis.

11 33. Plaintiffs' expert's data analysis determined that Settlement Class members were
12 underpaid approximately \$82,412 as a result of Defendant's failure to properly include the value
13 of non-discretionary bonus payments and shift premiums when calculating the employees'
14 respective regular rates of pay for sick pay purposes. Defendant, however, argues that the
15 bonuses in question were discretionary, and therefore did not need to be included in the regular
16 rate of pay. Defendant also argues that this claim is unmanageable, as it requires individualized
17 inquiries into whether each bonus payment was discretionary or non-discretionary. Plaintiff
18 therefore discounted the maximum exposure by 15% for the risk of non-certification, and by an
19 additional 15% for the risk of losing on the merits, to arrive at a reasonable exposure of
20 approximately \$59,543.

21 34. Plaintiffs' expert's data analysis determined that Settlement Class members
22 worked an aggregate total of 60,681 shifts during the Class Period that contained a facially
23 unlawful first or second meal period, whether late, short or missed, for which no meal premiums
24 were paid. Accordingly, Plaintiffs calculated Defendant's liability on this claim at \$1,194,202
25 (60,681 meal period violations * \$19.68 average premium)). Defendant asserts, however, that it
26 maintained lawful meal period policies/practices at all times during the Class Period, including
27 paying meal period premiums to employees when meal periods were not provided. Defendant
28 further asserts that Plaintiffs' meal period claim is not suited for class certification as individual

1 inquiries would be required to assess whether employees chose to work through meal periods or
2 otherwise waived them, resulting in an unmanageable series of mini-trials. Given these defenses,
3 Plaintiffs discounted the maximum exposure by 30% for the risk of non-certification, and by an
4 additional 45% for risk of losing on the merits, to arrive at a reasonable exposure of \$459,768.

5 35. Plaintiffs' expert's data analysis determined that non-exempt employees worked
6 an aggregate total of 262,114 shifts in excess of 3.5 hours during the Class Period. Plaintiffs
7 asserted that they were not authorized or permitted to take a lawful rest period on approximately
8 40% of all shifts in excess of 3.5 hours (approximately two per workweek). Accordingly,
9 Plaintiffs calculated Defendant's maximum potential exposure on this claim at \$2,063,361
10 (262,114 rest-eligible shifts * 40% violation rate * \$19.68 average premium). However,
11 Defendant argues it has always authorized and permitted rest periods in accordance with
12 California law, and disputes Plaintiffs' factual allegation that non-exempt employees were
13 regularly required to work through their rest periods. Further, Defendant asserts that this claim
14 is not amenable to class certification given the individual inquiries required to determine
15 whether each employee was authorized and permitted to take a lawful rest period and on which
16 days, particularly given that rest periods were not recorded. Given these defenses, Plaintiffs
17 discounted the maximum exposure by 60% for the risk of non-certification, and by an additional
18 45% for risk of losing on the merits, to arrive at an estimated exposure of \$453,939.

19 36. Plaintiffs' data analysis determined that Settlement Class members worked an
20 aggregate total of 186,428 shifts during the relevant time period in which Defendant
21 implemented a COVID-19 temperature check policy. Plaintiffs estimate that Settlement Class
22 members were required to spend approximately 3 minutes per shift undergoing COVID-19
23 related temperature checks and security checks before being able to clock in for their scheduled
24 shifts. Accordingly, Plaintiffs calculated Defendant's maximum potential exposure for this
25 claim at approximately \$183,445 (186,428 shifts * 3 minutes per shift * \$19.68 average rate of
26 pay). Defendant maintains that its COVID-19 temperature checking policy was lawful and did
27 not result in any unpaid minimum and overtime wages. Specifically, Defendant asserts that it
28 ensured that timeclocks were located in an area where employees could clock in before

1 undergoing a temperature check. Defendant also asserts this claim is unmanageable, as it
2 requires individualized inquiries into whether any employee underwent a security screening or
3 COVID-19 related temperature check and exactly how much time each employee purportedly
4 spent while off-the-clock on any given day. Plaintiffs therefore discounted the maximum
5 exposure by 60% for the risk of non-certification, and by an additional 35% for risk of losing on
6 the merits, to arrive at a reasonable exposure of \$47,696.

7 37. According to Plaintiffs' expert's data analysis, approximately 1,484 Settlement
8 Class members are eligible for wage statement penalties, and a total of 32,422 wage statements
9 were issued during the relevant period. Plaintiffs calculated Defendant's maximum possible
10 wage statement exposure as approximately \$3,168,000. However, Defendant raised numerous
11 defenses, including that the alleged violations, if any, were not "knowing and intentional," and
12 that Plaintiffs could not show that the Settlement Class members "suffer[ed] injury" as a result
13 of any alleged violations. Defendant further argued that Plaintiffs' underlying claims would fail,
14 and, therefore, their derivative wage statement claim would also fail. Therefore, Plaintiffs
15 discounted the maximum exposure by 25% for the risk of non-certification of the underlying
16 claims and 80% for a risk of being unsuccessful on the merits, including failing to prove the
17 violations were "knowing and intentional," that the Settlement Class members "suffer[ed]
18 injury," or that the Court would find that Defendant had a reasonable, good faith belief that of
19 compliance with wage and hour laws precluding the imposition of wage statement penalties, for
20 an estimated reasonable recovery of \$475,200.

21 38. Plaintiffs' expert's data analysis determined that 1,020 Settlement Class
22 members separated their employment during the relevant period applicable to this claim and
23 were entitled to recover waiting time penalties. Therefore, Plaintiffs calculated Defendant's
24 maximum potential exposure on this claim at \$4,817,460 (1,020 former employees * average
25 waiting time penalty of \$4,723 (\$19.68 average hourly rate * 8 hours * 30 days)). Defendant
26 maintains that waiting time penalties are not appropriate because Plaintiffs' claims fail on the
27 merits, and given their good-faith defenses, Plaintiffs cannot show that any failure by Defendant
28 to pay all final wages was willful. Plaintiffs discounted this claim by 15% for the risk of non-

1 certification and by an additional 80% for risk of being unsuccessful on the merits, failing to
2 establish willfulness, or that the Court would find a reasonable, good faith dispute over whether
3 any wages are due precluding the imposition of waiting time penalties, for an estimated
4 recovery of \$818,968.

5 39. Plaintiffs allege that PAGA civil penalties would be recoverable for each pay
6 period in which they could prove an underlying Labor Code violation. According to Plaintiffs'
7 expert's data analysis, the Settlement Class members worked a combined total of 32,422 pay
8 periods during the PAGA liability period in which at least one of Plaintiffs' alleged Labor Code
9 violations occurred. Plaintiffs therefore calculate Defendant's maximum PAGA exposure at
10 \$3,242,200 (32,422 pay periods * \$100 per violation). However, these penalties are exclusively
11 derivative of the underlying violations that Defendant vigorously dispute, both as to certification
12 and the merits. Plaintiffs also recognize that the Court has discretion to substantially reduce any
13 award of PAGA penalties. Therefore, Plaintiffs discounted the maximum figure by 45% for the
14 risk of losing on the merits of all underlying claims and by 90% for the likely possibility that
15 this Court would reduce the PAGA penalties awarded, to arrive at an estimated exposure of
16 \$178,321.

17 40. Using these estimated figures, Plaintiffs estimated that the potential reasonable
18 recovery for the Settlement Class would be approximately \$2,493,435. Thus, the proposed
19 recovery to the Settlement Class of \$2,150,000 represents approximately 86.23% of Plaintiffs'
20 reasonably forecasted class-wide recovery, which is well within the range approved by courts as
21 being fair, reasonable and adequate, while also avoiding further expense and risk of proceeding
22 towards class certification and trial.

23 41. Concurrently with the filing of this motion, Plaintiffs provided notice of the
24 proposed Settlement, as well as copies of the Motion for Preliminary Approval and all papers
25 filed in support hereof, to the LWDA. Attached hereto as **Exhibit D** are true and correct copies
26 of Plaintiffs' Settlement submission and the LWDA's confirmation of receipt.

27 ///

28 ///

1 42. I confirm that I do not have any interest or involvement in, and am not affiliated
2 with, the proposed settlement administrator, Phoenix Settlement Administrators, or the proposed
3 *cy pres* recipient, Working Wardrobes.

4 I declare under penalty of perjury under the laws of the United States and the state of
5 California that the foregoing is true and correct. Executed on April 2, 2025, at El Segundo,
6 California.

7 

8 _____
Matthew K. Moen

EXHIBIT A

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UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

JOHN LEDBETTER, ROBERT AARON,
ANTONIO SEGOVIA, and JOSEPH HICKS,
on behalf of themselves and all others similarly
situated,

Plaintiffs,

v.

CJ LOGISTICS AMERICA, LLC, an Illinois
Limited Liability Company; and DOES 1-50,
inclusive,

Defendants.

Case No. 5:22-cv-00967-KK-SHK

**JOINT STIPULATION OF CLASS
ACTION SETTLEMENT AND
RELEASE**

Action Filed: April 7, 2022
Removal Date: June 10, 2022
Trial Date: None set

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28

**I.
PREAMBLE**

1. This Joint Stipulation of Class Action Settlement and Release (“Settlement” or “Agreement”) is entered into between Plaintiffs John Ledbetter, Robert Aaron, Joseph Hicks, Antonio Segovia, William Shearer, Josue Buenrostro, and David Lamount Gayles (the “Named Plaintiffs”) individually and as the representatives on behalf of certain additional putative class members and/or represented employees (collectively, with the Named Plaintiffs, the “Settlement Class” or “Settlement Class Members”) as further defined in Section III of this Agreement, and defendant CJ Logistics America, LLC (“CJ Logistics” or “Defendant”). The Settlement Class (including, without limitation, the Named Plaintiffs and the PAGA Group, as further defined in Section IV of this Agreement) and Defendant will be referred to collectively herein as the “Settling Parties.”

2. On April 6, 2022, one of the Named Plaintiffs, John Ledbetter, a former Operations Specialist at CJ Logistics, filed a class action complaint against CJ Logistics alleging various violations of the California Labor Code on behalf of himself and a putative class (San Bernardino County Superior Court, Case No. CIVSB2207118).

3. On July 15, 2022, one of the Named Plaintiffs, Antonio Segovia, a former forklift operator, work coordinator, and customer specialist at CJ Logistics, filed a separate class action complaint against CJ Logistics alleging substantially the same causes of action based on similar operative facts (San Bernardino County Superior Court, Case No. CIVSB2215492).

4. After both complaints were removed to federal Court, CJ Logistics and Plaintiff John Ledbetter stipulated to add Antonio Segovia and Robert Aaron, a former Step-ops Specialist at CJ Logistics, as named plaintiffs in this action and to consolidate all factual and legal allegations in the two actions. Thereafter, Antonio Segovia voluntarily dismissed his separate action against CJ Logistics, without prejudice.

5. On December 14, 2022, Plaintiffs John Ledbetter, Robert Aaron, and Antonio Segovia filed the First Amended Class and PAGA Complaint (the “FAC”).

1 6. On August 23, 2023, the Settling Parties attended a private mediation before
2 Jeffrey Ross, a well-respected mediator of employment-related disputes. Although the Parties
3 adjourned mediation prior to reaching a settlement, in the months thereafter the Parties reached an
4 agreement to settle this matter on a class and representative action basis as to Settlement Class
5 Members' claims against Defendant, which is now set forth in this Agreement. As part of the
6 agreement, counsel for Named Plaintiffs represented that they would represent Joseph Hicks
7 ("Hicks"), who had separately filed a lawsuit in the Riverside County Superior Court that was
8 thereafter removed to federal court and was assigned Case No. 5:23-cv-00019 (the "*Hicks*
9 *Action*"). Hicks agreed to dismiss the *Hicks Action* without prejudice, and CJ Logistics agreed to
10 stipulate to add Hicks as a plaintiff in this federal court action by filing a Second Amended
11 Complaint (the "SAC"), asserting the same causes of action and allegations set forth in the FAC.

12 7. On August 2, 2024, Plaintiffs John Ledbetter, Robert Aaron, Antonio Segovia, and
13 Joseph Hicks filed the SAC, asserting on behalf of themselves and the putative class, ten (10)
14 causes of action against CJ Logistics for: (1) Failure to Pay All Overtime Wages; (2) Failure to
15 Pay All Sick Time; (3) Failure to Pay All Vested Vacation Time; (4) Meal Period Violations; (5)
16 Rest Period Violations; (6) Wage Statement Violations; (7) Waiting Time Penalties; (8) Unfair
17 Competition; (9) Failure to Pay All Minimum Wages; and (10) PAGA Penalties.

18 8. The putative class is defined in the SAC as all non-exempt employees who work
19 or worked for CJ Logistics in California during the four years immediately preceding the filing of
20 the complaint through the date of trial. However, before the SAC was filed, CJ Logistics faced
21 all of the same claims that the Named Plaintiffs assert here in *Coba et al. v. DSC Logistics, Inc.*,
22 San Bernardino Superior Court, Case No. 1929135, filed on October 2, 2019 ("*Coba*"). Before
23 reaching the class certification stage, *Coba* was resolved in a court-approved class action
24 settlement. The *Coba* release runs through October 6, 2020. Since all of the claims asserted in
25 the present Action are covered by the *Coba* settlement, the Named Plaintiffs' claims are barred up
26 through and including October 6, 2020 by the class action settlement in *Coba*.

27 9. As part of the agreement, the Parties agreed that the Settlement would encompass
28 the claims of William Shearer ("Shearer"), David Lamount Gayles ("Gayles"), and Josue

1 Buenrostro (“Buenrostro”), who had separately filed lawsuits in the Riverside County Superior
2 Court, Riverside County Superior Court Case No. CVRI2405129 (the “*Shearer* Action”), and
3 Riverside County Superior Court Case No. CVRI2405251 (the “*Gayles, et al.* Action”). As a
4 material term of this Agreement, CJ Logistics agrees to stipulate to add Shearer, Gayles, and
5 Buenrostro as plaintiffs in this action by filing a Third Amended Complaint (the “TAC” or the
6 “Action”), asserting the same causes of action and allegations set forth in the SAC, the *Shearer*
7 Action, and the *Gayles, et al.* Action, following which, Shearer, Gayles, and Buenrostro agree to
8 dismiss the *Shearer* Action and the *Gayles, et al.* Action without prejudice.

9 10. As a material term of this Agreement, the Settling Parties agree to stipulate to
10 remand the Action to state court, San Bernardino County Superior Court, Case No.
11 CIVSB2207118, for purposes of seeking settlement approval.

12 11. During the course of this Action, the Settling Parties have engaged in significant
13 investigation of the facts at issue and have exchanged extensive documents and information,
14 which have allowed the Settling Parties to fully assess the value of the claims involved.

15 12. The Settling Parties have now agreed to avoid further litigation and to settle and
16 resolve the Action to the fullest extent permitted by law and without any admission of liability or
17 wrongdoing by either party. Named Plaintiffs and their counsel have concluded that the
18 Settlement reflected herein is fair, reasonable, and in the best interests of the Settlement Class and
19 respectfully request that the Settlement be approved by the Court.

20 13. This Agreement shall become effective upon the “Effective Date,” as set forth in
21 Section VII below. The Settling Parties hereby agree to do all things and to engage in all
22 procedures reasonably necessary and appropriate to obtain final Court approval of this
23 Agreement, in consideration for: (a) the payment by Defendant of the consideration described
24 herein, subject to the terms, conditions, and limitations of this Agreement; and (b) the release of
25 claims by the members of the Settlement Class (including, without limitation, the Named
26 Plaintiffs and the PAGA Group), as described in Paragraphs 62 through 65 of this Agreement,
27 and entry of Judgment thereafter.
28

II.
PAYMENTS TO THE SETTLEMENT CLASS, CLASS COUNSEL, THE NAMED PLAINTIFFS, AND THE SETTLEMENT ADMINISTRATOR

14. Subject to Court approval and the provisions of this Agreement, Defendant shall pay a total of two million one hundred and fifty thousand U.S. Dollars and no cents (\$2,150,000.00), in consideration of the settlement of this Action and the related release of all claims members of the Settlement Class (including, without limitation, the Named Plaintiffs and the PAGA Group) may have against Defendant, as contained in Paragraphs 62 through 65 of this Agreement—an amount that shall be referred to in this Agreement as the “Gross Settlement Value” or “GSV.”

15. No portion of the Gross Settlement Value shall be disbursed or distributed until after the Effective Date.

16. The Gross Settlement Value is the maximum amount that Defendant shall be required to pay for settlement of this Action (except as provided in Paragraph 17 herein). The Gross Settlement Value will cover payments to the Settlement Class, as further defined in Section III of this Agreement, payments to the PAGA Group, as defined in Section IV of this Agreement, additional compensation to the Named Plaintiffs as representative of the Settlement Class and the PAGA Group, the cost of claims administration and notice, compensation to the LWDA under PAGA, and attorneys’ fees and reimbursement of litigation costs and expenses to Class Counsel. No portion of the Gross Settlement Value shall revert to the Defendant.

17. Defendant represents that there are an estimated 112,000 workweeks worked by the approximately 2,008 Settlement Class members during the Class Period (defined herein). If the number of total workweeks worked by Settlement Class members as reported to the Settlement Administrator following preliminary approval is more than 10% greater than this figure (*i.e.*, if there are 123,201 or more total workweeks), Defendant shall have the option to either: (a) increase the Gross Settlement Value on a proportional basis (e.g., if there was 15% increase in total workweeks, Defendant would increase the Maximum Settlement Amount by 5%); or (b) end the Class Period and PAGA Period on the date when the number of workweeks reached 123,200.

III.
CLASS CERTIFICATION FOR SETTLEMENT PURPOSES

18. Solely for the purposes of this Settlement, and subject to Court approval, the Settling Parties hereby stipulate to class certification of a Settlement Class comprised of all persons who were employed by the Defendant within the State of California as hourly, non-exempt employees at any time from October 7, 2020 to the date of the Court's order granting preliminary approval of this Settlement (the "Class Period"). The Settlement Class includes the PAGA Group, as defined below.

19. If this Agreement is terminated pursuant to its terms, disapproved by any court (including any appellate court), and/or not consummated for any reason, or the Effective Date for any reason does not occur, the order certifying the Settlement Class for purposes of effectuating this Agreement, and all preliminary and/or final findings regarding that class certification order, shall be automatically vacated upon notice of the same to the Court, the Action shall proceed as though the Settlement Class had never been certified pursuant to this Agreement and such findings had never been made, the Action shall return to the procedural status quo in accordance with this Paragraph, and nothing in this Agreement or other papers or proceedings related to the Settlement shall be used as evidence or argument by anyone concerning whether the Action may properly be maintained as a class action, whether the purported class is ascertainable, whether there is sufficient commonality, whether the Named Plaintiffs' claims are typical of that of the class, or whether Class Counsel or the Named Plaintiffs can adequately represent any individuals under applicable law.

20. Except as otherwise provided in this Agreement, persons who file valid and timely Requests for Exclusion from this Settlement with the Settlement Administrator in accordance with the provisions of this Agreement shall not be included in the Settlement Class, shall not share in the distribution of the Gross Settlement Value allocable to class claims, and will not be bound by the terms of this Agreement, except as otherwise provided in this Agreement with respect to members of the PAGA Group, as defined in Section IV below.

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**IV.
THE PAGA GROUP**

21. The Settlement Class includes the “PAGA Group,” which consists of all persons who were employed by Defendant within the State of California as hourly, non-exempt employees at any time from April 6, 2021 to the date of the Court’s order granting preliminary approval of this Settlement (the “PAGA Period”).

22. The Settling Parties will seek approval from the Court for a “PAGA Payment” of one hundred thousand U.S. Dollars and no cents (\$100,000), which shall be paid from the GSV. Seventy-five percent (75%) of the PAGA Payment will be paid to the LWDA pursuant to California Labor Code § 2699(i) (the “LWDA Payment”) and twenty-five percent (25%) of the PAGA Payment will be distributed to the PAGA Group (the “PAGA Group Payment”) as further set forth herein. All members of the PAGA Group will be sent their share of the PAGA Payment and will be subject to the release of PAGA claims set forth in Paragraph 63 below, whether or not they file Requests for Exclusions with the Settlement Administrator. One hundred percent (100%) of the PAGA Payment is in settlement of claims for penalties and not subject to wage withholdings, and shall be reported on an IRS Form 1099.

**V.
APPOINTMENT OF NAMED PLAINTIFFS’ COUNSEL AS SETTLEMENT CLASS
AND PAGA COUNSEL AND SETTLEMENT ADMINISTRATOR**

23. Subject to the Court’s approval, the Settling Parties hereby stipulate to the Court’s appointment of Haines Law Group, APC, Bokhour Law Group, P.C., Falakassa Law, P.C., The Gould Law Firm, Lavi & Ebrahimian, LLP, and James Hawkins APLC as counsel for the Settlement Class and the PAGA Group (“Class Counsel”).

24. Subject to Court approval, the Settling Parties jointly propose Phoenix Settlement Administrators as the third-party company to be appointed as “Settlement Administrator” for this Settlement. The Settlement Administrator will be responsible for calculating and distributing the share of the Settlement provided to each Settlement Class Member who does not file a Request for Exclusion and to each member of the PAGA Group, regardless of whether he or she files a Request for Exclusion; mailing the notices required in this Agreement; receiving and logging

1 Requests for Exclusion; researching and updating addresses through skip-traces and similar
2 means; answering questions from Settlement Class Members and members of the PAGA Group;
3 reporting on the status of the Settlement to the Settling Parties; preparing requested declarations
4 regarding its due diligence in completing and facilitating the claims administration process;
5 providing the Settling Parties with data regarding the filing of Requests for Exclusion and the
6 calculation of distributions; establishing and maintaining a distribution account for purposes of
7 distributing settlement checks and attorneys' fees and costs, the Enhancement Award, and the
8 PAGA payment to the LWDA; calculating withholding amounts and other tax obligations; and
9 performing such other tasks as required to administer this Agreement or as directed by the
10 Settling Parties.

11 **VI.**
12 **SETTLEMENT APPROVAL AND ADMINISTRATION PROCEDURES**

13 25. The Settling Parties' settlement of this Action, and their rights and obligations
14 hereunder, are expressly conditioned on both the Court's preliminary and final approval of this
15 Settlement. Preliminary approval shall be through the entry of an "Order of Preliminary
16 Approval," which Class Counsel shall file concurrently with the Motion for Preliminary
17 Approval. Class Counsel shall send drafts of the Motion for Preliminary Approval and Order of
18 Preliminary Approval to Counsel for Defendant at least seven (7) calendar days prior to filing the
19 same.

20 26. Among other things, the Motion for Preliminary Approval shall (a) set forth the
21 terms of this Agreement and/or attach this Agreement as an exhibit, (b) include proposed forms of
22 all notices and other documents necessary to implement the Agreement, and (c) seek a Court
23 order to grant preliminary approval of the Settlement, certify the Settlement Class for settlement
24 purposes only, and set a date for the settlement fairness or final approval hearing ("Final
25 Approval Hearing"). The Proposed Order of Preliminary Approval shall provide for notice of the
26 Settlement and related matters to the Settlement Class as specified in this Agreement.

27 27. At the same time Class Counsel files the Motion for Preliminary Approval and
28 Order of Preliminary Approval, Class Counsel shall submit a copy of this Agreement to the

1 LWDA pursuant to California Labor Code § 2699(l)(2).

2 28. Not later than thirty (30) calendar days after receipt of notice of the Court's entry
3 of the Order of Preliminary Approval, and to the extent possible based on the presence of
4 information in its records, Defendant shall provide the Settlement Administrator a spreadsheet in
5 electronic format that contains, for each Settlement Class Member, his/her name; Social Security
6 number; last known mailing address, telephone number, and email address; the number of
7 workweeks he/she was employed during the Class Period; and the number of pay periods he/she
8 was employed during the PAGA Period (if any) ("Class Member Contact Information").

9 29. At a mutually convenient time, but no later than ten (10) calendar days after the
10 Settlement Administrator's receipt of Class Member Contact Information, Defendant shall meet-
11 and-confer with the Settlement Administrator regarding the format of the spreadsheet referenced
12 in Paragraph 27 and cooperate to provide any additional information which the Settlement
13 Administrator may request that is reasonable and necessary for the purpose of administering the
14 terms of this Agreement.

15 30. Class Counsel shall timely prepare and file all papers related to the Motion for
16 Final Approval of the Settlement ("Final Approval Motion"). At least seven (7) calendar days
17 before doing so, Class Counsel will send drafts of such papers to Defendant's counsel for
18 comments. With the Final Approval Motion, Class Counsel will file a Proposed Order of Final
19 Approval and Final Judgement ("Proposed Final Approval Order"), unless otherwise directed by
20 the Court. The Final Approval Motion and Proposed Final Approval Order shall be consistent
21 with the terms of this Agreement and, inter alia, shall reflect the Settlement and entry of judgment
22 of this Action, retain jurisdiction pursuant to Cal. Rule of Court Rule 3.769(h), and approve the
23 Settlement pursuant to the terms of this Agreement.

24 31. Within ten (10) calendar days of the Court's entry of the Final Approval Order and
25 Judgment (as defined in Paragraph 32(d)), Class Counsel will submit a copy of the Final
26 Approval Order and Judgment with the LWDA pursuant to California Labor Code § 2699(l)(3).

**VII.
THE EFFECTIVE DATE**

32. This Agreement shall become final and effective on the occurrence of all of the following events described in this Paragraph 32, subparagraphs (a) through (e) (the “Effective Date”):

(a) The Settlement is executed by the Settling Parties, Class Counsel, and Defendant’s counsel.

(b) Entry by the Court of an Order of Preliminary Approval as discussed in Section VI of this Agreement, appointment of Class Counsel as described in Section V of this Agreement, appointment of a Settlement Administrator as described in Section V of this Agreement, and the expiration of the time period for Defendant to withdraw from this Agreement as described in Paragraph 34 of this Agreement.

(c) Class Counsel filing, at or before the Final Approval Hearing, a declaration from the Settlement Administrator:

(i) Certifying that notice was sent to each Settlement Class member in accordance with Section XII of this Agreement and the Order of Preliminary Approval; and

(ii) Delineating the number of Settlement Class Members who submitted timely Requests for Exclusion.

(d) Entry by the Court of an Order and Judgment Granting Final Approval (the “Final Approval Order and Judgment”).

(e) The occurrence of the “Effective Date of Judgment,” which shall be deemed to be the last to occur of the following:

(i) If an appeal or other review is not sought from the Final Approval Order and Judgment, the sixty-fifth (65th) calendar day after the Final Approval Order and Judgment is signed and entered by the Court; or

(ii) If an appeal or other review is sought from the Final Approval Order and Judgment, five (5) court days after the Final Approval Order and

Judgment is affirmed or the appeal or other review is dismissed or denied, and the judgment is no longer subject to judicial review or other challenge.

**VIII.
FAILURE OF THE EFFECTIVE DATE TO OCCUR OR OPT-OUTS IN EXCESS OF
FIVE PERCENT**

33. If the Effective Date does not occur, this Agreement shall be void, except as otherwise stated in Paragraph 69. In such event:

(a) Nothing in this Agreement shall be construed as a determination, admission, or concession of any substantive or procedural issue in this Action, and nothing in this Agreement may be offered into evidence in any hearing or trial, or in any subsequent pleading or in any other judicial, arbitral, or administrative proceeding;

(b) The Settling Parties expressly reserve their rights with respect to the prosecution and defense of this Action as if this Agreement never existed. In particular, Defendant does not waive, but rather expressly reserves, all rights to challenge any and all claims and allegations asserted in this Action upon all procedural and substantive grounds, including, without limitation, the ability to challenge class action treatment on any grounds and to assert any and all potential defenses or privileges. The Settling Parties agree that Defendant retains and reserves these rights, and they agree not to take a position to the contrary. Specifically, the Settling Parties agree that, if this Action were to proceed, they will not present any argument based on this Agreement, or any exhibit, attachment, act performed, or document executed related to this Agreement; and

(c) The Settling Parties shall each bear half (50%) of any costs for notice or claims administration incurred by the Settlement Administrator through the date that the Settlement is determined to be void unless the Settlement is nullified by Defendant pursuant to the terms set forth in Paragraph 34, in which case Defendant shall be responsible for all costs of administration.

34. The Settlement Administrator shall provide written notice to Class Counsel and Defendant's counsel no later than fourteen (14) calendar days after the Response Deadline, as defined in Paragraph 52 of this Agreement, with a complete list of the Settlement Class Members

1 who have timely requested exclusion from the class. Defendant, in its sole and independent
2 discretion, shall have the right, but not the obligation, to revoke this Agreement if Requests for
3 Exclusion from the Settlement are filed by Settlement Class Members representing more than five
4 percent (5%) of all Settlement Class Members. If Defendant chooses to exercise this option, the
5 effect will be precisely the same as if one of the events specified in Paragraph 32 did not occur.
6 Defendant must exercise this right, if at all, within ten (10) calendar days after receipt of the
7 written notice from the Settlement Administrator discussed in this Paragraph 34.

8 **IX.**
9 **ATTORNEYS' FEES, COSTS AND EXPENSES, PAYMENT TO THE LWDA, AND**
10 **ENHANCEMENT AWARDS**

11 35. This Action alleges a claim for attorneys' fees and costs pursuant to, inter alia, the
12 California Labor Code. The Settling Parties agree that any and all such claims for attorneys' fees
13 and costs have been settled as a part of this Agreement.

14 36. Defendant recognizes that Class Counsel will apply to the Court for an award of
15 attorneys' fees in an amount up to, but not more than, one-third of the GSV, as well as an award
16 for actual costs and expenses, not to exceed \$60,000.00, incurred up to the date of filing of said
17 application. Defendant will not oppose Class Counsel's application for the amounts described in
18 this Paragraph 36, and Class Counsel's application under this Paragraph 36 shall be scheduled for
19 determination at the Final Approval Hearing. Any amounts awarded pursuant to this Paragraph
20 36 shall be paid from the GSV. The Named Plaintiffs, Class Counsel, and Settlement Class
21 Members (including, without limitation, members of the PAGA Group) shall not seek payment of
22 attorneys' fees or reimbursement of costs or expenses except as set forth herein. Defendant shall
23 not be liable for or obligated to pay any fees, expenses, costs, or disbursements to, or incur any
24 expense on behalf of, any person or entity, either directly or indirectly, in connection with this
25 Action other than the amount or amounts expressly provided for in this Agreement.

26 37. Defendant recognizes that, at the same time the application under Paragraph 36 is
27 made, Class Counsel will also apply to the Court for an additional award of ten thousand U.S.
28 dollars and no cents (\$10,000.00) for the Named Plaintiffs John Ledbetter, Robert Aaron, Joseph
Hicks, and Antonio Segovia, and five thousand U.S. dollars and no cents (\$5,000.00) for the

1 Named Plaintiffs William Shearer, Josue Buenrostro, and David Lamount Gayles, as reasonable
2 additional compensation for the prosecution of the claims in this Action, the time and effort
3 expended by them in doing so, and in consideration for the claims released herein (the
4 “Enhancement Award”). Defendant will not oppose Class Counsel’s application under this
5 Paragraph 37. Any Enhancement Award shall be paid from the GSV. Any Enhancement Award
6 will be in addition to the amount that the Named Plaintiffs may be entitled to receive on account
7 of their own individual claims pursuant to Section XI of this Agreement; however, the releases set
8 out in Paragraphs 62 through 65 of this Agreement shall bind the Named Plaintiffs regardless of
9 their claims as Settlement Class Members and/or members of the PAGA Group, and the
10 Enhancement Award shall be adequate consideration for said releases. The Named Plaintiffs,
11 Class Counsel, and/or Settlement Class Members shall not seek payment of any additional
12 enhancement awards except as set forth herein.

13 38. As provided in Paragraph 22 above, the Settlement Administrator will allocate
14 from the GSV the PAGA Payment, to cover penalties under PAGA. The Settlement
15 Administrator will pay seventy-five percent (75%) of the PAGA Payment to the LWDA pursuant
16 to California Labor Code Section 2699(i). The remaining twenty-five percent (25%) of the
17 PAGA Payment will be distributed to the PAGA Group as set forth below.

18 39. Any awards pursuant to Paragraphs 36 and 37, as well as payment to the LWDA
19 and the PAGA Group, will be funded solely and completely from the GSV, and in no event shall
20 Defendant be obligated to pay any payments that would make Defendant’s total payment towards
21 the Settlement in excess of the GSV (except as provided in Paragraph 17 herein).

22 40. If the Court does not approve the total amount of attorneys’ fees, costs, and/or
23 Enhancement Award requested by Class Counsel pursuant to Paragraphs 36 and/or 37, any
24 remaining portion of the requested amount will be added to the Net Settlement Value (as that
25 term is defined in Paragraph 43(f) of this Agreement).

26 41. Any proceedings or Court decisions related to Class Counsel’s application for
27 attorneys’ fees, costs and expenses, and/or the Enhancement Award, shall not terminate or cancel
28 this Agreement, or otherwise affect the finality of the Final Approval Order and Judgment, or

1 affect the settlement and releases set forth herein concerning this Action. Further, nothing in this
2 Agreement shall prevent, waive, impair, or impinge upon Class Counsel's right to appeal the
3 Court's decision related to the application for attorneys' fees, costs, and expenses, and/or the
4 Enhancement Award.

5 42. Class Counsel shall have the sole and absolute discretion to allocate the Attorneys'
6 Fees and Expenses amongst Class Counsel and any other attorneys. Defendant shall have no
7 liability or other responsibility for allocation of any such attorneys' fees and expenses awarded,
8 and, in the event that any dispute arises relating to the allocation of fees, Class Counsel agree to
9 hold Defendant harmless from, and indemnify Defendant with respect to, any and all such
10 liabilities, costs, and expenses, including attorneys' fees and dispute costs, of such dispute.

11 **X.**
12 **PLAN OF ALLOCATION AND DISTRIBUTION OF THE GSV**

13 43. The GSV shall be allocated, in order, as follows:

14 (a) First, to any attorneys' fees and reasonable and necessary costs and
15 expenses of Class Counsel, as may be awarded by the Court pursuant to Paragraph 36 of
16 this Agreement.

17 (b) Second, to any Enhancement Award as may be awarded by the Court
18 pursuant to Paragraph 37 of this Agreement.

19 (c) Third, to the costs and expenses incurred by, or fees imposed by, the
20 Settlement Administrator in performing its duties under this Agreement, which are
21 currently estimated to be no more than \$21,000.00.

22 (d) Fourth, to the LWDA Payment for the payment to the LWDA of penalties
23 under the PAGA.

24 (e) Fifth, to the PAGA Group Payment for the payment to the PAGA Group of
25 penalties under the PAGA.

26 (f) Sixth, to the "Net Settlement Value" or "NSV." The Net Settlement Value
27 or NSV shall be defined as the maximum possible value of the GSV less the items
28 described in Paragraphs 43(a) through 43(e) above. The Net Settlement Value shall be

1 made available to the Settlement Class as described in Section XI of this Agreement. The
2 Settlement Administrator shall be responsible for the allocation and distribution of the Net
3 Settlement Value to Settlement Class Members who do not file Requests for Exclusion
4 from the Settlement.

5 44. The Settlement Administrator shall make payments only from the GSV, only
6 pursuant to the terms of this Agreement, and only after the Effective Date.

7 45. For the purpose of calculating applicable taxes:

8 (a) Each settlement payment from the NSV ("Class Member Payment") shall
9 be classified as follows: (1) ten percent (10%) to unpaid wages, (2) eighty percent (80%)
10 to penalties, and (3) ten percent (10%) to interest.

11 (b) One hundred percent (100%) of the Enhancement Award will be allocated
12 to ordinary income, payable on an IRS Form 1099.

13 (c) One hundred percent (100%) of the PAGA Group Payment is in settlement
14 of claims for penalties and not subject to wage withholdings, and shall be reported on an
15 IRS Form 1099.

16 (d) Each Settlement Class Member and member of the PAGA Group shall be
17 individually responsible for his or her share of taxes attributable to the receipt of any Class
18 Member Payment and/or PAGA Group Payment.

19 (e) In addition to the GSV, Defendant shall separately pay any employer-side
20 payroll taxes.

21 **XI.**
22 **CALCULATION OF PAYMENTS TO THE SETTLEMENT CLASS AND PAGA GROUP**

23 46. As soon as practicable after receiving the spreadsheet referenced in Paragraph 28,
24 the Settlement Administrator shall perform the following calculations to determine the payments
25 made to members of the PAGA Group and the Settlement Class.

26 47. Payments to the PAGA Group:
27
28

1 (a) The Settlement Administrator will divide the PAGA Group Payment by the
2 total number of pay periods of all members of the PAGA Group during the PAGA period
3 to calculate the “Pay Period PAGA Payment.”

4 (b) The Settlement Administrator will calculate each member of the PAGA
5 Group’s “Individual PAGA Payment” by multiplying the “Pay Period PAGA Payment”
6 by the number of pay period that the member of the PAGA Group was employed during
7 the PAGA Period.

8 (c) Members of the PAGA Group will receive an Individual PAGA Payment
9 and will release their PAGA claims pursuant to Paragraphs 63 and 64 below whether or
10 not they file a Request for Exclusion from this Settlement.

11 48. Payments to the Settlement Class:

12 (a) The Settlement Administrator will divide the NSV by the total number of
13 workweeks of all Settlement Class Members during the Class Period to calculate the
14 “Workweek Class Payment.”

15 (b) The Settlement Administrator will calculate each Settlement Class
16 Member’s “Individual Class Payment” by multiplying the Workweek Class Payment by
17 the number of workweeks the Settlement Class Member worked during the Class Period.

18 49. The same person may be both a Settlement Class Member and a member of the
19 PAGA group and, if so, will be entitled to receive both an Individual Class Payment and an
20 Individual PAGA Payment.

21 **XII.**
22 **GIVING CLASS NOTICE AND PROCESSING REQUESTS FOR EXCLUSION**

23 50. No later than ten (10) calendar days after receipt of the spreadsheet referenced in
24 Paragraph 28, and subject to the requirements of the Preliminary Approval Order and this
25 Agreement, the Settlement Administrator shall send a notice by first-class U.S. Mail, proper
26 postage prepaid and postmarked on the same day, to all Settlement Class Members whose
27 addresses are known, substantially in the form attached hereto as Exhibit A (“Settlement
28 Notice”). The Settlement Administrator shall prepare a certified Spanish translation of the

1 Settlement Notice and include a copy of the same in each mailing. Any expenses associated with
2 this translation shall be paid from the GSV. Prior to the mailing of the Settlement Notice, the
3 Settlement Administrator shall perform a search based on the National Change of Address
4 Database for information to update and correct for any known or identifiable address changes.

5 51. The Settlement Notice shall advise each Settlement Class Member of his or her
6 rights under this Settlement, provide the date, time, and location of the Final Approval Hearing,
7 and include instructions on how to exclude oneself from the Settlement and how to object to the
8 Settlement. The Settlement Notice shall state the number of pay periods the Settlement Class
9 Member is credited with being employed during the Class Period. The Settlement Notice shall
10 also contain the estimated dollar value of the Settlement Class Member's share of the Settlement,
11 including both of his or her Individual Class Payment and his or her Individual PAGA Payment,
12 if any, assuming Class Counsel's requests under Paragraphs 36 and 37 of this Agreement in their
13 entirety and the Settlement Administrator's fees remain the same as estimated in Paragraph 43(c)
14 of this Agreement.

15 52. The Settlement Notice will indicate that Settlement Class Members may elect to
16 opt out of the Settlement, relinquishing their rights to their Individual Class Payments (but not
17 their Individual PAGA Payments). A Settlement Class Member who opts out of the Settlement
18 will not release his or her claims pursuant to this Agreement, except for PAGA claims, which
19 shall be released pursuant to Paragraph 63 of this Agreement, whether or not the Settlement Class
20 Member opts out of the Settlement. Settlement Class Members wishing to opt out of the
21 Settlement must send to the Settlement Administrator by U.S. Mail a written "Request for
22 Exclusion," as described in the Settlement Notice, such that it is actually received by the
23 Settlement Administrator with a postmark reflecting a date within sixty (60) calendar days from
24 the date of mailing of the Settlement Notice ("Response Deadline"). The Request for Exclusion
25 must be signed by the Settlement Class Member and include (a) his or her full name; (b) his or
26 her current address and telephone number; (c) a clear statement communicating that he or she
27 elects to be excluded from the Settlement Class; (d) the last four digits of his or her Social
28 Security number; and (e) the case name and case number of the Action. Except as otherwise

1 provided for in this Agreement, Settlement Class Members who fail to submit a valid Request for
2 Exclusion on or before the Response Deadline shall be bound by all terms of this Agreement and
3 the Final Approval Order and Judgment. So-called “mass” or “class” opt outs shall not be
4 allowed.

5 53. The Settlement Notice will indicate that any Settlement Class Member who
6 intends to object to the fairness, reasonableness, and/or adequacy of the Settlement should file the
7 written objection with the Court (or through any other method through which the Court will
8 accept objections, if any) no later than the Response Deadline. Each Settlement Class Member
9 who objects should set forth in his or her written objection: (a) his or her full name; (b) current
10 address; (c) a written statement of his or her objection(s) and the reasons for each objection; (d) a
11 statement of whether he or she intends to appear at the Final Approval Hearing (with or without
12 counsel); (e) his or her signature; and (f) the case name and case number of the Action. A
13 Settlement Class Member may also choose to appear at the Final Fairness Hearing to object
14 irrespective of whether a written objection was submitted and make arguments regarding the
15 Settlement. Named Plaintiffs agree that they and their counsel will not object to the Settlement.
16 A Settlement Class Member cannot submit both a Request for Exclusion from and an objection to
17 the Settlement.

18 54. Any Settlement Notices returned to the Settlement Administrator as non-
19 deliverable on or before the Response Deadline shall be sent via regular first-class U.S. mail to
20 the forwarding address affixed thereto within five (5) business days of receipt and the Settlement
21 Administrator shall indicate the date of such re-mailing on the Settlement Notice. If no
22 forwarding address is provided, the Settlement Administrator shall promptly attempt to determine
23 the correct address using a skip-trace, or other search using the name, address, and/or Social
24 Security number of the Settlement Class Member involved, and shall then perform a single re-
25 mailing. Those Settlement Class Members who receive a re-mailed Settlement Notice shall have
26 the latter of (i) an additional ten (10) calendar days from the postmarked date of re-mailing, or (ii)
27 the Response Deadline to postmark a Request for Exclusion from or objection to the Settlement.

28 55. Any Settlement Class Member who disagrees with the number of pay periods he or

1 she is credited with being employed during the Class Period may submit a statement in writing to
2 that effect and enclose documentation supporting said disagreement. The Settlement Notice will
3 provide instructions about how a Settlement Class Member may state his or her disagreement in
4 this regard. The Settlement Administrator will be solely responsible for resolving any
5 discrepancies between Defendant's documentation and conflicting information provided by a
6 Settlement Class Member, and said resolution by the Settlement Administrator shall be final and
7 binding on all parties, and non-appealable. Once the Settlement Administrator resolves a given
8 discrepancy, it will notify the Settlement Class Member of its decision in writing within ten (10)
9 calendar days. Defendant agrees to provide additional information which is reasonable and
10 necessary for the Settlement Administrator to resolve any such discrepancies, to the extent such
11 information is available within its records and reasonably accessible. Regardless of whether his
12 or her disagreement with the number of pay periods is resolved by the Response Deadline, a
13 Settlement Class Member must still submit a Request for Exclusion by no later than the Response
14 Deadline in order to opt out of the Settlement.

15 56. The Settlement Notice shall contain the release and waiver of claims against
16 Settling Defendants contained in Paragraphs 62, 63, and 65 of this Agreement, and an easily
17 understood statement alerting Settlement Class Members that by failing to submit a Request for
18 Exclusion the individual is executing a release and waiver of the Released Class Claims (as
19 defined in Paragraphs 62, 63, and 65 of this Agreement). The Settlement Notice shall also
20 contain an easily understood statement explaining that, if the Settlement Class Member is also a
21 member of the PAGA Group (i.e., he or she was employed by Defendant during the PAGA
22 Period), he or she will be bound by the release of PAGA claims set forth in Paragraph 63 of this
23 Agreement, irrespective of whether he or she submits a Request for Exclusion.

24 57. If a Settlement Class Member submits a timely Request for Exclusion on or before
25 the Response Deadline that is defective as to the requirements listed herein, that Settlement Class
26 Member shall be given an opportunity to cure the defect(s). The Settlement Administrator shall
27 mail the Settlement Class Member a cure letter within three (3) court days of receiving the
28 defective submission to advise the Settlement Class Member that his or her submission is

1 defective and that the defect must be cured to render the Request for Exclusion valid. The
2 Settlement Class Member shall have until the later of (i) the Response Deadline or (ii) ten (10)
3 calendar days from the postmarked date of the mailing of the cure letter, to postmark a revised
4 Request for Exclusion such that it is actually received by the Settlement Administrator. If the
5 revised Request for Exclusion is not postmarked within that period and received by the
6 Settlement Administrator, it shall be deemed untimely.

7 58. If a Settlement Class Member files both a timely and complete Request for
8 Exclusion and a timely and complete objection to the Settlement, the later-dated document shall
9 control. If a Settlement Class Member files both a timely Request for Exclusion and a timely
10 objection to the Settlement, but only one document is complete, the complete document shall
11 control. If a Settlement Class Member files both a Request for Exclusion and an objection to the
12 Settlement simultaneously, and both are timely and complete, the Settlement Administrator shall
13 attempt to contact the individual and determine his or her intent. If said contact is unsuccessful,
14 the Request for Exclusion shall control.

15 **XIII.** 16 **DISTRIBUTION OF THE SETTLEMENT**

17 59. Defendant shall pay the GSV to the Settlement Administrator not later than ten
18 (10) court days after the Effective Date. The Settlement Administrator shall deposit the GSV in a
19 distribution account immediately upon receipt of the fund transfer discussed in this Paragraph 59.
20 Once Defendant pays the GSV to the Settlement Administrator, any risk of loss of the GSV shall
21 pass from Defendant to the Settlement Administrator.

22 60. Within fourteen (14) calendar days of its receipt of the GSV, the Settlement
23 Administrator shall make the payments described in Section XI of this Agreement (“Member
24 Payments”), which shall include Individual Class Payments, less applicable withholdings, to
25 Settlement Class Members who did not submit valid Requests for Exclusion, and Individual
26 PAGA Payments to members of the PAGA Group. The Settlement Administrator will make
27 these distributions via first-class mail.

28 61. After the Settlement Administrator mails out the Member Payments, Settlement

1 Class Members shall have one hundred and eighty (180) calendar days to cash or deposit the
2 check that was mailed to them. After one hundred and eighty (180) calendar days from the date
3 of mailing, the checks shall become null and void, and any monies remaining in the distribution
4 account shall be distributed to Working Wardrobes, the Parties' agreed-upon *cy pres* designee.
5 The Settling Parties agree that this disposition results in no unpaid residue, as the entire GSV will
6 be paid out, regardless of whether all Settlement Class Members cash their Settlement Checks.
7 Therefore, Defendant will not be required to pay any interest on said amount.

8 **XIV.**
9 **RELEASES**

10 62. Upon occurrence of the Effective Date and payment of payments due under the
11 terms of the settlement, and in exchange for the consideration, undertakings, and covenants
12 agreed to by Defendant in this Agreement, and to the fullest extent permitted by applicable law,
13 the Settlement Class will release and discharge Defendant, and all of its respective past and
14 present employees, directors, officers, attorneys, representatives, insurers, agents, parents,
15 subsidiaries, affiliates, related companies, predecessors, successors, lessees, and assigns, and any
16 entity that could be jointly liable with any of these (individually and collectively "Defendant
17 Releasees") from and with respect to all actions, causes of action, suits, liabilities, claims, and
18 demands whatsoever, and each of them, whether known or unknown, which the Settlement Class
19 or individual members thereof, has, had, or hereafter may claim to have, against Defendant
20 Releasees, or any of them, which arose during the Class Period and are based on, arise from, or
21 reasonably relate to any and all claims and allegations in this Action, as well as any and all claims
22 and allegations that could have been raised in this Action based on the allegations asserted
23 therein, which include, by way of description, but not by way of limitation, claims on behalf of
24 the Settlement Class alleging that Defendant failed to provide Settlement Class Members with
25 legally compliant meal periods, failed to provide Settlement Class Members with legally
26 compliant rest breaks, failed to provide Settlement Class Members with all wages due, including
27 minimum wages, regular wages, wages at the regular rate of pay, and overtime wages, failed to
28 provide Settlement Class Members with all sick time and vested vacation time due, failed to

1 provide Settlement Class Members with compliant wage statements, failed to timely pay
2 Settlement Class Members all wages due upon termination, and engaged in Unfair Business
3 Practices as well as any other claims under constitutional, statutory, and/or common law that
4 reasonably relate to any of the claims described in this Paragraph 62 (“Released Class Claims”).
5 For the avoidance of doubt, Released Class Claims shall include claims under the Fair Labor
6 Standards Act (“FLSA”) which could have been pursued based on the allegations in this Action,
7 and the settlement check provided to each Settlement Class Member shall include a notation
8 indicating that by cashing or depositing the settlement check the Settlement Class Member shall
9 opt in to a settlement of FLSA claims.

10 63. Upon occurrence of the Effective Date and payment of payments due under the
11 terms of the settlement, and in exchange for the consideration, undertakings, and covenants
12 agreed to by Defendant in this Agreement, and to the fullest extent permitted by applicable law,
13 the PAGA Group will release and discharge the Defendant Releasees from and with respect to all
14 actions, causes of action, suits, liabilities, claims, and demands under the California Labor Code
15 Private Attorneys’ General Act (*i.e.*, PAGA), whether known or unknown, which the PAGA
16 Group or individual members thereof, has, had, or hereafter may claim to have, against Defendant
17 Releasees, or any of them, which arose during the PAGA Period and are based on, arise from, or
18 reasonably relate to the PAGA claim and allegations in this Action, as well as any and all claims
19 and allegations that could have been raised in this Action based on the allegations asserted therein
20 or in the PAGA notice, which include, by way of description, but not by way of limitation, claims
21 under PAGA on behalf of PAGA Group alleging that Defendant failed to provide members of the
22 PAGA Group with legally compliant meal periods, failed to provide members of the PAGA
23 Group with legally compliant rest breaks, failed to provide members of the PAGA Group with all
24 wages due, including minimum wages, regular wages, wages at the regular rate of pay, and
25 overtime wages, failed to provide members of the PAGA Group with all sick time and vested
26 vacation time due, failed to provide members of the PAGA Group with compliant wage
27 statements, and failed to timely pay members of the PAGA Group all wages due upon
28 termination, as well as any other PAGA claims described in this Paragraph 63 (the “Released

1 PAGA Claims”).

2 64. Upon occurrence of the Effective Date and payment of payments due under the
3 terms of the settlement, and in exchange for the consideration, undertakings, and covenants
4 undertaken by Defendant in this Agreement, including but not limited to the payment of the
5 Enhancement Award, and to the fullest extent permitted by applicable law, the Named Plaintiffs
6 will release, discharge, and covenant not to sue the Defendant Releasees with respect to and from
7 any and all claims, charges of discrimination, demands, liens, agreements, contracts, covenants,
8 actions, suits, causes of action, disputed wages, obligations, debts, expenses, attorneys’ fees,
9 damages, penalties, interest, judgments, orders and liabilities of whatever kind or nature in law,
10 equity or otherwise, whether now known or unknown, suspected or unsuspected, and whether or
11 not concealed or hidden, which he or she now owns or holds or he or she has at any time
12 heretofore owned or held, arising out of or in any way connected with any relationship with the
13 Defendant Releasees or any other transactions, occurrences, acts or omissions or any loss,
14 damage, or injury whatsoever, known or unknown, suspected or unsuspected, resulting from any
15 act or omission by or on the part of said Defendant Releasees, or any of them, committed or
16 omitted prior to the date of the Court’s Order granting Preliminary Approval (collectively,
17 “Named Plaintiffs’ Claims”). The Settling Parties intend for the Named Plaintiffs’ release to be
18 general and comprehensive in nature and to release all Named Plaintiffs’ Claims and potential
19 Named Plaintiffs’ Claims against Defendant Releasees to the maximum extent permitted by law.
20 Named Plaintiffs’ Claims being released include specifically, by way of description, but not by
21 way of limitation, any and all Named Plaintiffs’ Claims arising out of or in any way related to: (i)
22 any interactions between the Named Plaintiffs and the Defendant Releasees; (ii) the Named
23 Plaintiffs and Defendant’s employment or independent contractor relationship, including the
24 application therefore and separation thereof; (iii) any allegations as to disputed wages,
25 remuneration, and/or other compensation, due by operation of statute, ordinance, regulation, wage
26 order, contract, or quasi-contract; (iv) any federal, state, or local law prohibiting retaliation,
27 discrimination, or harassment on the basis of age, race, color, ancestry, religion, disability, sex,
28 national origin, citizenship, or any other characteristic or activity, including, without limitation,

1 any such claims under Title VII, the California Fair Employment and Housing Act, the California
2 Labor Code, the California IWC Wage Orders, the Employee Retirement Income Security Act,
3 and the Americans with Disabilities Act, Age Discrimination in Employment Act, or any other
4 similar statutes whatever the city, county, state, or country of enactment; (v) any claims under the
5 Family and Medical Leave Act of 1993 and/or the California Family Rights Act; (vi) any
6 transactions, occurrences, acts, statements, disclosures, or omissions occurring prior to the date of
7 the Court's order granting Preliminary Approval; and (vii) any tort or contract claims.

8 **65. Waiver of California Civil Code Section 1542:** Upon occurrence of the
9 Effective Date and payment of payments due under the terms of the settlement, the Named
10 Plaintiffs intend and/or are deemed to intend that this Agreement should be effective as a bar to
11 any and all of the claims released by Paragraphs 62 and 64. In furtherance of this intention, and
12 only as to any and all claims released by Paragraphs 62 and 64, the Named Plaintiffs expressly
13 waive any and all rights or benefits conferred on them by the provisions of Section 1542 of the
14 California Civil Code, or any similar provisions under state, federal, or local law. California Civil
15 Code Section 1542 provides as follows:

16 **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS**
17 **THAT THE CREDITOR OR RELEASING PARTY DOES**
18 **NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER**
19 **FAVOR AT THE TIME OF EXECUTING THE RELEASE**
20 **AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE**
21 **MATERIALLY AFFECTED HIS OR HER SETTLEMENT**
22 **WITH THE DEBTOR OR RELEASED PARTY.**

23 As to any and all of the claims released by Paragraphs 62 and 64, the Named Plaintiffs
24 understand fully the statutory language of California Civil Code Section 1542, and, with this
25 understanding, assume all risks for claims released hereunder that have already arisen or may in
26 the future arise, whether known or unknown, suspected or unsuspected, and specifically waive all
27 rights they may have under California Civil Code § 1542, or any similar provision under state,
28 federal, or local law specifically as to claims set forth in Paragraphs 62 and 64. The Named

1 Plaintiffs understand that, if any of the facts relating in any manner to this Action, or to the
2 release and dismissal of claims as provided in this Agreement, are hereafter found to be other than
3 or different from the facts now believed to be true, they have expressly accepted and assumed that
4 risk and agree that this Agreement and the release of claims contained herein and as set forth in
5 Paragraphs 62 and 64 shall nevertheless remain effective. As to any and all of the claims released
6 by Paragraphs 62 and 64, the Named Plaintiffs desire and intend, or are deemed to desire and
7 intend, that this Agreement shall be given full force and effect according to each and all of its
8 express terms and provisions, including those relating to unknown and unsuspected claims, if any,
9 as well as those relating to the claims referred to above.

10 66. Class Counsel and the Named Plaintiffs represent and warrant that—aside from
11 this Action—they have not filed any complaints, charges, lawsuits, or other legal actions with any
12 court or government agency relating to the Named Plaintiffs’ Claims, Released Class Claims, or
13 the Released PAGA Claims. Class Counsel and the Named Plaintiffs further represent and
14 warrant that they have not heretofore assigned or transferred to any person not a party to this
15 Agreement any released matter.

16 67. Pursuant to Rule 3.769(h) of the California Rules of Court, the Court will retain
17 jurisdiction over this Settlement to resolve any disputes arising out of or relating to this
18 Settlement Agreement. In the event that any applications for relief are made, such applications
19 shall be made to the Court.

20 68. Upon the Effective Date and payment of all amounts due under the terms of this
21 Settlement: (a) the Agreement shall be the exclusive remedy for any and all claims released in
22 Paragraphs 62 through 65 above; and (b) Named Plaintiffs and the Settlement Class Members
23 (including members of the PAGA Group) stipulate to be and shall be permanently barred and
24 enjoined by court order from prosecuting against the Defendant Releasees in any federal or state
25 court or any tribunal, any and all of the claims released in Paragraphs 62 through 65 of this
26 Agreement.

**XV.
MODIFICATION OR TERMINATION OF THE SETTLEMENT**

69. If the preconditions necessary to trigger the Effective Date (as set forth in Section VII of this Agreement) are not met, this Agreement shall be cancelled and terminated unless Class Counsel and Defendant's counsel mutually agree in writing to proceed with and effectuate this Agreement. In the event that this Agreement is not approved by the Court or the settlement set forth in this Agreement is terminated or fails to become effective in accordance with its terms, this Paragraph 69, Paragraph 32, and Paragraphs 72 through 74 herein shall survive and be binding on the Parties, but this Agreement shall otherwise be null and void.

70. The terms and provisions of this Agreement may be amended, modified, or expanded by written agreement of the Parties or their counsel, and subject to the approval of the Court where necessary; provided, however that, after entry of the Final Approval Order and Final Judgment, the Parties may by written agreement effect such amendments, modifications, or expansions of this Agreement and its implementing documents (including all exhibits hereto) without further notice to the Settlement Class or approval by the Court if such changes are consistent with the Court's Final Approval Order and Final Judgment and do not materially alter, reduce, or limit the rights of Settlement Class Members under this Agreement.

**XVI.
ADDITIONAL TERMS AND CONDITION**

71. Final Approval Order and Judgment: The Final Approval Order and Judgment shall contain findings and rulings separately approving the PAGA Payment and the settlement of PAGA claims under the Settlement. The Final Approval Order and Judgment shall further state that all Settlement Class Members who did not submit timely and valid Requests for Exclusion shall be bound by the releases and waivers set forth in Paragraphs 62 and 65 of this Agreement, and that all members of the PAGA Group shall be bound by the releases and waivers set forth in Paragraph 63 of this Agreement, whether or not such members of the PAGA Group submitted timely and valid Requests for Exclusion. The Final Approval Order and Judgment shall contain findings and rulings to the effect that Settlement Class Members have released the Released Class

1 Claims, as set forth in Paragraphs 62 and 65 of this Agreement.

2 72. Settlement Not Evidence: The Parties expressly acknowledge and agree that this
3 Agreement and its exhibits, along with all related drafts, motions, pleadings, conversations,
4 negotiations, and correspondence, constitute an offer of compromise and a compromise within the
5 meaning of California Evidence Code section 1152, Federal Rule of Evidence 408, and/or any
6 equivalent state or federal law or rule. In no event shall this Agreement, any of its provisions or
7 any negotiations, statements, or court proceedings relating to its provisions in any way be
8 construed as, offered as, received as, used as, or deemed to be evidence of any kind in the Action,
9 any other action, or in any judicial, administrative, regulatory, or other proceeding, except in a
10 proceeding to enforce this Agreement or the rights of the Parties or their counsel under this
11 Agreement. Without limiting the foregoing, neither this Agreement nor any related negotiations,
12 statements, or court proceedings shall be construed as, offered as, received as, used as, or deemed
13 to be evidence or an admission or concession of any liability or wrongdoing whatsoever on the
14 part of any person or entity, including, but not limited to, Defendant, the Defendant Releasees, the
15 Named Plaintiffs, the Settlement Class, or the PAGA Group, or as a waiver by any of the
16 foregoing of any applicable privileges, claims, or defenses.

17 73. Best Efforts: The Settling Parties shall take all necessary actions to accomplish
18 approval of the Settlement, the Settlement Notice, and dismissal of the Action. The Settling
19 Parties (including their counsel, successors, and assigns) agree to cooperate fully and in good
20 faith with one another and to use their best efforts to effectuate the Settlement, including without
21 limitation in seeking preliminary and final Court approval of this Agreement and the Settlement
22 embodied herein, carrying out the terms of this Agreement, and promptly agreeing upon and
23 executing all such other documentation as may be reasonably required to obtain final approval by
24 the Court of the Settlement. The Settling Parties agree to use all reasonable efforts, consistent
25 with this Agreement and subject to Section XV (modification), to cure any defect identified by
26 the Court that must be addressed to obtain the Court's approval of the Settlement.

27 74. Confidential Information: All information marked as "Confidential" provided by
28 Defendant to the Named Plaintiffs, Class Counsel, any individual member of the Settlement Class

1 and/or PAGA Group, counsel for any individual Settlement Class Member, and/or the Settlement
2 Administrator, pursuant to the implementation of this Agreement, constitutes confidential and
3 proprietary business information and shall be deemed confidential and shall not be used for any
4 purpose other than for the effectuation of this Settlement. Any materials inadvertently produced
5 shall, upon Defendant's request, be promptly returned to Defendant's counsel, and there shall be
6 no implied or express waiver of any privilege, right, or defense. The Named Plaintiffs and Class
7 Counsel agree that the confidential information made available to them or to the Settlement
8 Administrator through the settlement process was made available, as agreed to, on the condition
9 that neither the Named Plaintiffs nor Class Counsel may disclose such information, or summaries
10 thereof, to third parties; that it not be the subject of public comment; that it not be used by the
11 Named Plaintiffs or Class Counsel in any way in this litigation should the Settlement not be
12 achieved, and that it is to be returned if a Settlement is not concluded.

13 75. Publicity: The Named Plaintiffs and Class Counsel (including, without limitation,
14 all counsel listed in Paragraph 23) agree that they will not publicize or announce this Settlement
15 in press releases, marketing materials, or on the internet until after the Effective Date, unless
16 otherwise required by the Court. After the Effective Date, the Named Plaintiffs and Class
17 Counsel agree that references to this Settlement on their websites, the internet, or in other public
18 communications will not identify the claims asserted (except that reference to the matter as a
19 "wage and hour class action" is not prohibited) or the name of the Defendant as the defendant,
20 unless the case is being cited and/or mentioned in a filing with any state or federal court in
21 connection with Class Counsel seeking to obtain approval from the court as appointment as class
22 counsel, or in connection with a fee request. Nothing herein shall prevent Named Plaintiffs and
23 Class Counsel from discharging their duties to absent class members, including discussing and
24 explaining the terms of this Settlement to any Settlement Class Member who requests the same.

25 76. Settlement Is Fair and Reasonable: Class Counsel has considerable experience in
26 litigating and settling wage and hour class actions of this type, and is sufficiently familiar with the
27 facts of this case and the applicable laws and regulations to make an informed judgment as to the
28 fairness of this Settlement. In light of this experience, and for reasons that will be more fully

1 explained in the Motion for Preliminary Approval, Class Counsel and the Named Plaintiffs
2 believe that the settlement terms herein are fair and reasonable with regard to the interests of the
3 Settlement Class. The terms of the Settlement resulted from several months of arm's-length
4 negotiations, including a full-day mediation session with private mediator Jeffrey Ross.

5 77. Notices: Except as otherwise set forth herein, all notices, requests, demands, and
6 other communications related to or in connection with this Agreement shall be in writing, and
7 shall be provided by appropriate method depending on the urgency (e.g., personal delivery, e-
8 mail, facsimile, overnight delivery, or first-class U.S. mail) to:

9 **TO THE SETTLEMENT CLASS:**

10 Paul K. Haines
phaines@haineslawgroup.com
11 Fletcher W. Schmidt
fschmidt@haineslawgroup.com
12 Matthew K. Moen
mmoen@haineslawgroup.com

13
14 HAINES LAW GROUP, APC
2155 Campus Drive, Ste. 180
15 El Segundo, California 90245
16 Tel: (424) 292-2350; Fax: (424) 292-2355

TO CJ LOGISTICS:

ADAM J. KARR
akarr@omm.com
ALLAN W. GUSTIN
agustin@omm.com

O'MELVENY & MYERS LLP
400 South Hope Street
Los Angeles, California 90071-2899
Tel: (213) 430-6000; Fax: (213) 430-6407

17 78. Representations:

18 (a) The Named Plaintiffs, on behalf of themselves, the Settlement Class, and
19 the PAGA Group, have expressly authorized Class Counsel to take all appropriate action
20 required or permitted to be taken pursuant to this Agreement to effectuate its terms.

21 (b) Each attorney executing this Agreement on behalf of any party hereto
22 hereby warrants that full authority to do so has been given by his/her client(s).

23 (c) Defendant, Class Counsel, and the Named Plaintiffs waive their right to file
24 an appeal, writ, or any challenge whatsoever to the terms of this Agreement; provided,
25 however, that Class Counsel and the Named Plaintiffs may appeal the Court's
26 determination with regard to the requests for attorneys' fees and costs. Consistent with
27 Paragraph 41, however, any such appeal will have no effect whatsoever on the other terms
28

1 and provisions of this Agreement, including, by way of example but not of limitation, the
2 releases set out in Paragraphs 62 through 65 of this Agreement.

3 (d) The Settling Parties represent and agree that neither have received and/or
4 relied upon any advice and/or representations from the other and/or their or its attorneys
5 as to the necessity for withholding or the taxability of the consideration paid pursuant to
6 this Agreement, whether pursuant to federal, state, or local income tax statutes or
7 otherwise.

8 79. Construction and Interpretation: This Agreement, including its exhibits,
9 constitutes the entire agreement and understanding between the Settling Parties, and supersedes
10 any previous agreements or understandings between the Settling Parties. No representations,
11 warranties, or inducements have been made to any party concerning the subject matter of this
12 Agreement and/or its exhibits other than the representations, warranties, and covenants contained
13 in such documents. This Agreement and related exhibits shall be construed each as a whole, and
14 with reference to one another, according to their fair meaning and intent. Each of the Settling
15 Parties represent that its/their counsel has participated and cooperated in the drafting and
16 preparation of this Agreement and related exhibits; hence, in any construction to be made of this
17 Agreement and/or its exhibits, the same shall not be construed against any party on the basis that
18 said party was the drafter.

19 80. Governing Law: This Agreement and the exhibits hereto shall be deemed to have
20 been negotiated, executed and delivered, and to be wholly performed, in the State of California.
21 The rights and obligations of the parties under the Agreement shall be construed and enforced in
22 accordance with, and be governed by, the laws of the State of California without regard to choice
23 of law principles.

24 81. Counterparts: This Agreement may be executed in one or more counterparts by
25 facsimile, electronic signature, or email, which for the purposes of this Agreement shall be
26 accepted as an original, and which may be filed with the Court. All executed counterparts, and
27 each of them, shall be deemed to be one and the same instrument. Once available, a complete set
28 of executed counterparts shall be filed with the Court. Copies of the complete set of executed

1 counterparts may be used for all purposes in lieu of the originals, and shall have the same force
2 and effect as the originals.

3 82. Severability: In the event any one of the provisions contained in this Agreement
4 shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity,
5 illegality, or unenforceability shall not affect other provisions if Defendant's counsel and Class
6 Counsel, on behalf of the Parties, mutually elect to proceed as if such invalid, illegal, or
7 unenforceable provision had never been included in this Agreement.

8 83. Attorneys' Fees, Costs, and Expenses: Except as otherwise specifically provided
9 for herein, each party shall bear his/her/its own attorneys' fees, costs and expenses, taxable or
10 otherwise, incurred by them in or arising out of this Action, and shall not seek reimbursement
11 thereof from any other party to this Agreement. However, in the event that any party to this
12 Agreement institutes any legal action or other proceeding against any other party to enforce the
13 provisions of this Agreement or to declare rights and/or obligations under this Agreement, the
14 successful party or parties will be entitled to recover from the unsuccessful party or parties'
15 reasonable attorneys' fees and costs, including expert witness fees, incurred in connection with
16 any enforcement actions.

17 84. Calculation of Time: To resolve ambiguity, any reference to a span of "days" in
18 this Agreement should be interpreted as a reference to calendar days unless stated to the contrary.
19 To the extent that a given span of days ends on a national holiday, or weekend, the calculation
20 should be deemed as ending on the next business day (e.g., a calculation that ends on a Saturday
21 will carry forward to the following Monday).

22 [Signatures on Next Page]
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IN WITNESS WHEREOF, the undersigned Settling Parties and their duly-authorized representatives accept and agree to the terms of this Agreement and hereby execute it voluntarily and with a full understanding of its consequences.

DocuSigned by:
John Ledbetter
5DA87AD207214B5...

John Ledbetter
Date 11/29/2024

Plaintiff, individually, and on behalf of
the Settlement Class as Class
Representative and the PAGA Group as
PAGA Representative

DocuSigned by:
Robert Aaron
2C30C298CBF449C...

Robert Aaron
Date 11/29/2024

Plaintiff, individually, and on behalf of
the Settlement Class as Class
Representative and the PAGA Group as
PAGA Representative

Antonio Segovia
Plaintiff, individually, and on behalf of
the Settlement Class as Class
Representative and the PAGA Group as
PAGA Representative
Date _____

Joseph Hicks
Plaintiff, individually, and on behalf of
the Settlement Class as Class
Representative and the PAGA Group as
PAGA Representative
Date _____

William Shearer
Plaintiff, individually, and on behalf of
the Settlement Class as Class
Representative and the PAGA Group as
PAGA Representative
Date _____

David Lamount Gayles
Plaintiff, individually, and on behalf of
the Settlement Class as Class
Representative and the PAGA Group as
PAGA Representative
Date _____

1 **IN WITNESS WHEREOF**, the undersigned Settling Parties and their duly-authorized
2 representatives accept and agree to the terms of this Agreement and hereby execute it voluntarily
3 and with a full understanding of its consequences.

4 _____
5 John Ledbetter
6 Plaintiff, individually, and on behalf of
7 the Settlement Class as Class
8 Representative and the PAGA Group as
9 PAGA Representative

Date

10 _____
11 Robert Aaron
12 Plaintiff, individually, and on behalf of
13 the Settlement Class as Class
14 Representative and the PAGA Group as
15 PAGA Representative

Date

16 _____
17 
18 Antonio Segovia (Nov 26, 2024 19:30 CST)
19 Plaintiff, individually, and on behalf of
20 the Settlement Class as Class
21 Representative and the PAGA Group as
22 PAGA Representative

11/26/24

Date

23 _____
24 Joseph Hicks
25 Plaintiff, individually, and on behalf of
26 the Settlement Class as Class
27 Representative and the PAGA Group as
28 PAGA Representative

Date

29 _____
30 William Shearer
31 Plaintiff, individually, and on behalf of
32 the Settlement Class as Class
33 Representative and the PAGA Group as
34 PAGA Representative

Date

35 _____
36 David Lamount Gayles
37 Plaintiff, individually, and on behalf of
38 the Settlement Class as Class
39 Representative and the PAGA Group as
40 PAGA Representative

Date

1 **IN WITNESS WHEREOF**, the undersigned Settling Parties and their duly-authorized
2 representatives accept and agree to the terms of this Agreement and hereby execute it voluntarily
3 and with a full understanding of its consequences.

4 _____
5 John Ledbetter
6 Plaintiff, individually, and on behalf of
7 the Settlement Class as Class
8 Representative and the PAGA Group as
9 PAGA Representative

Date

10 _____
11 Robert Aaron
12 Plaintiff, individually, and on behalf of
13 the Settlement Class as Class
14 Representative and the PAGA Group as
15 PAGA Representative

Date

16 _____
17 Antonio Segovia
18 Plaintiff, individually, and on behalf of
19 the Settlement Class as Class
20 Representative and the PAGA Group as
21 PAGA Representative

Date

22 

11/26/24

23 _____
24 Joseph Hicks
25 Plaintiff, individually, and on behalf of
26 the Settlement Class as Class
27 Representative and the PAGA Group as
28 PAGA Representative

Date

29 _____
30 William Shearer
31 Plaintiff, individually, and on behalf of
32 the Settlement Class as Class
33 Representative and the PAGA Group as
34 PAGA Representative

Date

35 _____
36 David Lamount Gayles
37 Plaintiff, individually, and on behalf of
38 the Settlement Class as Class
39 Representative and the PAGA Group as
40 PAGA Representative

Date

1 **IN WITNESS WHEREOF**, the undersigned Settling Parties and their duly-authorized
2 representatives accept and agree to the terms of this Agreement and hereby execute it voluntarily
3 and with a full understanding of its consequences.

4 _____
5 John Ledbetter
6 Plaintiff, individually, and on behalf of
7 the Settlement Class as Class
8 Representative and the PAGA Group as
9 PAGA Representative

Date

10 _____
11 Robert Aaron
12 Plaintiff, individually, and on behalf of
13 the Settlement Class as Class
14 Representative and the PAGA Group as
15 PAGA Representative

Date

16 _____
17 Antonio Segovia
18 Plaintiff, individually, and on behalf of
19 the Settlement Class as Class
20 Representative and the PAGA Group as
21 PAGA Representative

Date

22 _____
23 Joseph Hicks
24 Plaintiff, individually, and on behalf of
25 the Settlement Class as Class
26 Representative and the PAGA Group as
27 PAGA Representative

Date

28 _____
29 William Shearer
30 Plaintiff, individually, and on behalf of
31 the Settlement Class as Class
32 Representative and the PAGA Group as
33 PAGA Representative

11/27/2024

Date

34 _____
35 David Lamount Gayles
36 Plaintiff, individually, and on behalf of
37 the Settlement Class as Class
38 Representative and the PAGA Group as
39 PAGA Representative

Date

IN WITNESS WHEREOF, the undersigned Settling Parties and their duly-authorized representatives accept and agree to the terms of this Agreement and hereby execute it voluntarily and with a full understanding of its consequences.

John Ledbetter
Plaintiff, individually, and on behalf of
the Settlement Class as Class
Representative and the PAGA Group as
PAGA Representative

Date

Robert Aaron
Plaintiff, individually, and on behalf of
the Settlement Class as Class
Representative and the PAGA Group as
PAGA Representative

Date

Antonio Segovia
Plaintiff, individually, and on behalf of
the Settlement Class as Class
Representative and the PAGA Group as
PAGA Representative

Date

Joseph Hicks
Plaintiff, individually, and on behalf of
the Settlement Class as Class
Representative and the PAGA Group as
PAGA Representative

Date

William Shearer
Plaintiff, individually, and on behalf of
the Settlement Class as Class
Representative and the PAGA Group as
PAGA Representative

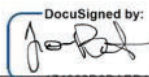
Date



David Lamount Gayles
Plaintiff, individually, and on behalf of
the Settlement Class as Class
Representative and the PAGA Group as
PAGA Representative

12/12/24

Date

DocuSigned by:

174062D6DAED4D0...

12/9/2024

Josue Buenrostro
Plaintiff, individually, and on behalf of
the Settlement Class as Class
Representative and the PAGA Group as
PAGA Representative

Date

Verlyn Suderman
For and on behalf of Defendant CJ
Logistics America LLC

Date

APPROVED AS TO CONTENT AND FORM:

DATED: _____, 2024

HAINES LAW GROUP, APC

By:

Fletcher W. Schmidt
Matthew K. Moen
Attorneys for Plaintiffs

DATED: _____, 2024

BOKHOUR LAW GROUP, P.C.

By:

Mehrdad Bokhour
Attorneys for Plaintiffs

DATED: _____, 2024

FALAKASSA LAW, P.C.

By:

Joshua Falakassa
Attorneys for Plaintiffs

DATED: _____, 2024

THE GOULD LAW FIRM

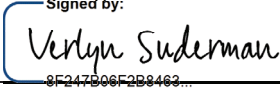
By:

Michael A. Gould
Aarin A. Zeif
Attorneys for Plaintiffs

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Josue Buenrostro
Plaintiff, individually, and on behalf of
the Settlement Class as Class
Representative and the PAGA Group as
PAGA Representative

Date

Signed by:

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11/27/2024 | 12:04:05 PM PST

Verlyn Suderman
For and on behalf of Defendant CJ
Logistics America LLC

Date

APPROVED AS TO CONTENT AND FORM:

DATED: _____, 2024 **HAINES LAW GROUP, APC**

By: _____
Fletcher W. Schmidt
Matthew K. Moen
Attorneys for Plaintiffs

DATED: _____, 2024 **BOKHOUR LAW GROUP, P.C.**

By: _____
Mehrddad Bokhour
Attorneys for Plaintiffs

DATED: _____, 2024 **FALAKASSA LAW, P.C.**

By: _____
Joshua Falakassa
Attorneys for Plaintiffs

DATED: _____, 2024 **THE GOULD LAW FIRM**

By: _____
Michael A. Gould
Aarin A. Zeif
Attorneys for Plaintiffs

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Josue Buenrostro
Plaintiff, individually, and on behalf of
the Settlement Class as Class
Representative and the PAGA Group as
PAGA Representative

Date

Verlyn Suderman
For and on behalf of Defendant CJ
Logistics America LLC

Date

APPROVED AS TO CONTENT AND FORM:

DATED: November 26, 2024

HAINES LAW GROUP, APC

By: 

Fletcher W. Schmidt
Matthew K. Moen
Attorneys for Plaintiffs

DATED: _____, 2024

BOKHOUR LAW GROUP, P.C.

By: _____
Mehrdad Bokhour
Attorneys for Plaintiffs

DATED: _____, 2024

FALAKASSA LAW, P.C.

By: _____
Joshua Falakassa
Attorneys for Plaintiffs

DATED: _____, 2024

THE GOULD LAW FIRM

By: _____
Michael A. Gould
Aarin A. Zeif
Attorneys for Plaintiffs

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_____ Josue Buenrostro Plaintiff, individually, and on behalf of the Settlement Class as Class Representative and the PAGA Group as PAGA Representative	_____ Date
_____ Verlyn Suderman For and on behalf of Defendant CJ Logistics America LLC	_____ Date

APPROVED AS TO CONTENT AND FORM:

DATED: _____, 2024	HAINES LAW GROUP, APC
	By: _____ Fletcher W. Schmidt Matthew K. Moen Attorneys for Plaintiffs
DATED: _____, 2024	BOKHOUR LAW GROUP, P.C.
	By: _____ Signed by: <i>MEHRDAD BOKHOUR</i> D8D3643F271940F... Mehrdad Bokhour Attorneys for Plaintiffs
11/29/2024	
DATED: _____, 2024	FALAKASSA LAW, P.C.
	By: _____ DocuSigned by: <i>Joshua Falakassa</i> 15A628B2C5A149C... Joshua Falakassa Attorneys for Plaintiffs
11/29/2024	
DATED: _____, 2024	THE GOULD LAW FIRM
	By: _____ Michael A. Gould Aarin A. Zeif Attorneys for Plaintiffs

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Josue Buenrostro
Plaintiff, individually, and on behalf of
the Settlement Class as Class
Representative and the PAGA Group as
PAGA Representative

Date

Verlyn Suderman
For and on behalf of Defendant CJ
Logistics America LLC

Date

APPROVED AS TO CONTENT AND FORM:

DATED: _____, 2024

HAINES LAW GROUP, APC

By: _____
Fletcher W. Schmidt
Matthew K. Moen
Attorneys for Plaintiffs

DATED: _____, 2024

BOKHOUR LAW GROUP, P.C.

By: _____
Mehrddad Bokhour
Attorneys for Plaintiffs

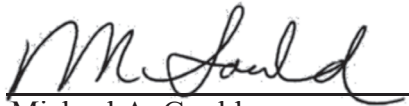
DATED: _____, 2024

FALAKASSA LAW, P.C.

By: _____
Joshua Falakassa
Attorneys for Plaintiffs

DATED: November 24, 2024

THE GOULD LAW FIRM

By:  _____
Michael A. Gould
Aarin A. Zeif
Attorneys for Plaintiffs

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DATED: 11/27/2024, 2024

LAVI & EBRAHIMIAN, LLP

By: 

Joseph Lavi
Vincent C. Granberry
Jeffrey M. Schwartz
Alexander J. Aroeste
Attorneys for Plaintiffs

DATED: _____, 2024

JAMES HAWKINS APLC

By: _____
James R. Hawkins
Isandra Fernandez
Anthony L. Draper
Attorneys for Plaintiffs

DATED: _____, 2024

O'MELVENY & MYERS LLP

By: _____
Adam J. Karr
Allan W. Gustin
Attorneys for Defendant CJ LOGISTICS
AMERICA, LLC

1 DATED: _____, 2024

LAVI & EBRAHIMIAN, LLP

3 By: _____

4 Joseph Lavi
5 Vincent C. Granberry
6 Jeffrey M. Schwartz
7 Alexander J. Aroeste
8 Attorneys for Plaintiffs

9 DATED: December 09, 2024

JAMES HAWKINS APLC

10 By: _____

11 
12 James R. Hawkins
13 Isandra Fernandez
14 Anthony L. Draper
15 Attorneys for Plaintiffs

16 DATED: _____, 2024

O'MELVENY & MYERS LLP

17 By: _____

18 Adam J. Karr
19 Allan W. Gustin
20 Attorneys for Defendant CJ LOGISTICS
21 AMERICA, LLC
22
23
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27
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1 DATED: _____, 2024

LAVI & EBRAHIMIAN, LLP

2
3 By: _____

4 Joseph Lavi
5 Vincent C. Granberry
6 Jeffrey M. Schwartz
7 Alexander J. Aroeste
8 Attorneys for Plaintiffs

9 DATED: _____, 2024

JAMES HAWKINS APLC

10 By: _____

11 James R. Hawkins
12 Isandra Fernandez
13 Anthony L. Draper
14 Attorneys for Plaintiffs

15 DATED: December 2, 2024

O'MELVENY & MYERS LLP

16 By: _____

17 
18 Adam J. Karr
19 Allan W. Gustin
20 Attorneys for Defendant CJ LOGISTICS
21 AMERICA, LLC
22
23
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EXHIBIT B

SUPERIOR COURT FOR THE STATE OF CALIFORNIA

COUNTY OF SAN BERNARDINO

NOTICE OF PROPOSED CLASS ACTION SETTLEMENT

To: All persons who were employed by CJ Logistics America, LLC within the State of California as an hourly, non-exempt employee at any time from October 7, 2020, through [DATE COURT GRANTS PRELIMINARY APPROVAL OF SETTLEMENT].

PLEASE READ THIS NOTICE CAREFULLY. IT MAY AFFECT YOUR LEGAL RIGHTS. YOU MAY BE ENTITLED TO MONEY FROM THIS SETTLEMENT.

I. INTRODUCTION

A proposed class action settlement (the “Settlement”) of the above-captioned action (the “Action”) pending in the Superior Court of California, County of San Bernardino (the “Court”), has been reached by the parties and has been granted preliminary approval by the Court presiding over the Action.

A final settlement hearing is currently scheduled to be held on [DATE] at [TIME] to determine whether the Settlement should be granted final approval (“Final Approval Hearing”). CJ Logistics America, LLC’s (“Settling Defendant’s”) records show that you were employed by Settling Defendant within the State of California as an hourly, non-exempt employee during the period between October 7, 2020 and [DATE COURT GRANTS PRELIMINARY APPROVAL OF SETTLEMENT] (“Class Period”) and therefore are a Class Member in this Action. As a Class Member, you may be entitled to money under the Settlement and your legal rights may be affected. The purpose of this Notice is to (1) describe the Action, (2) inform you of the terms of the Settlement, and (3) inform you of your rights and options in connection with the Settlement.

II. SUMMARY OF THE ACTION

Plaintiffs John Ledbetter, Antonio Segovia, Robert Aaron, Joseph Hicks, William Shearer, Josue Buenrostro, and David Lamount Gayles (“Plaintiffs” or “Named Plaintiffs”) are former employees of CJ Logistics America, LLC. The instant Action was filed on April 7, 2022. An amended complaint was filed on December 14, 2022, a second amended complaint was filed on August 2, 2024, and a third amended complaint was filed on March 17, 2025 (the “Complaints”). Plaintiffs allege in the Complaints that, during the Class Period, they and other non-exempt employees of Settling Defendant were subjected to various California Labor Code violations, including failure to pay overtime compensation, failure to pay all sick time, failure to pay all vested vacation time, failure to provide meal periods, failure to permit rest breaks, failure to timely pay wages, failure to provide accurate itemized wage statements, and failure to pay minimum rate wages. Plaintiffs also allege that Settling Defendant violated California Business & Professions Code sections 17200 *et seq.* by engaging in the alleged Labor Code violations. Plaintiffs also seek civil penalties based on the alleged violations. Plaintiffs seek to maintain a class action for their claims on behalf of themselves as individuals and on behalf of all similarly situated individuals who were employed by Settling Defendant as hourly, non-exempt employees in California at any time during the Class Period.

Settling Defendant denies that it violated the law in any way as described in the Complaints and believes that they properly paid Plaintiffs and putative Class Members under applicable law. Nothing in this Notice, or the Settlement itself, or any actions to carry out the terms of the Settlement mean that Settling Defendant admits any fault, guilt, negligence, wrongdoing, or liability whatsoever.

The Court granted preliminary approval of the Settlement on [DATE], on behalf of a Settlement Class defined as:

All persons who were employed by CJ Logistics America, LLC within the State of California as hourly, non-exempt employees at any time from October 7, 2020, through [DATE COURT GRANTS PRELIMINARY APPROVAL OF SETTLEMENT].

At that time, the Court also preliminarily approved Plaintiffs to serve as the Class Representatives, and Haines Law Groups, APC, Bokhour Law Group, P.C., Falakassa Law, P.C., The Gould Law Firm, Lavi & Ebrahimian, LLP, and James Hawkins APLC to serve as Class Counsel.

III. SUMMARY OF SETTLEMENT TERMS

Settlement Amount. Settling Defendant has agreed to pay an amount not to exceed \$2,150,000.00 (the “Gross Settlement Value”) to fully resolve the claims in the Action. This Gross Settlement Value (“GSV”) includes, but is not limited to, all settlement payments to Class Members, Class Counsel’s attorneys’ fees and litigation expenses, all Settlement Administration expenses, payments to individuals and the California Labor and Workforce Development Agency (“LWDA”) under the California Private Attorneys General Act (“PAGA”), and Enhancement Awards to the Class Representatives, as outlined below. In addition to the GSV, Settling Defendant will separately pay any employer-side payroll taxes.

Settlement Administration and Other Payments. The Court has tentatively approved certain payments to be made from the GSV as follows, which will be subject to final Court approval:

- Settlement Administration. Payment to the Settlement Administrator, estimated not to exceed \$21,000.00 for the expense of notifying the Class Members of the Settlement, processing claims and opt-outs submitted by Class Members, and distributing settlement payments.
- Attorneys' Fees and Expenses. Payment to Class Counsel of reasonable attorneys' fees, not to exceed one-third (33.33%) of the GSV, as reasonable compensation for the work Class Counsel has performed in this Action, and will continue to perform through settlement finalization, and an additional amount for reimbursement of litigation expenses actually incurred in connection with the Action, not to exceed \$60,000.00. Class Counsel has been prosecuting the Action on behalf of Plaintiffs and the Class on a contingency fee basis (that is, without being paid any money to date) and has been paying all litigation costs and expenses.
- Service Enhancement to the Class Representatives. Enhancement Awards not to exceed \$10,000.00 to Class Representatives John Ledbetter, Robert Aaron, Joseph Hicks, and Antonio Segovia, and not to exceed \$5,000.00 for Class Representatives William Shearer, Josue Buenrostro, and David Lamount Gayles to compensate them for services on behalf of the Class in initiating and prosecuting the Action. This payment is in addition to whatever payments the Class Representatives are otherwise entitled to as Class Members.
- Payment to LWDA. A payment of \$75,000.00 will be made to the LWDA for its portion of the Settlement allocated to civil penalties under PAGA.
- PAGA Group Payment. A payment of \$25,000.00 for Class Members' portion of the Settlement allocated to civil penalties under PAGA (the "PAGA Group Payment") will be made to the "PAGA Group," which consists of all persons who were employed by Settling Defendant within the State of California as hourly, non-exempt employees at any time from April 6, 2021, through **[DATE COURT GRANTS PRELIMINARY APPROVAL OF SETTLEMENT]** (the "PAGA Period").

Calculation of Class Member Awards. The Settlement Administrator will make settlement payments automatically to each Class Member who does not choose to opt out of the Settlement. All settlement payments to Class Members will come from the Net Settlement Value ("NSV"), which shall be the GSV minus the payments identified above. If you wish to exclude yourself from the Settlement Class, you must submit a written request to opt out to the Settlement Administrator, as described below in Section IV. From the GSV, the Settlement Administrator will also pay each member of the PAGA Group his or her share of the PAGA Group Payment, regardless of whether he or she chooses to opt out of the Settlement. Specific calculations of settlement payments shall be made as follows:

1. Payments from the NSV to Class Members.
 - a) The Settlement Administrator will allocate a percentage of the NSV to each Class Member who does not choose to opt out of the Settlement. The percentage of the NSV allocated to each Class Member shall be determined as follows:
 - i. The Settlement Administrator will divide the NSV by the total number of workweeks of all Class Members during the Class Period to calculate the "Workweek Class Payment."
 - ii. The Settlement Administrator will calculate each Class Member's "Individual Class Payment" by multiplying the "Workweek Class Payment" by the number of workweeks the Class Member worked during the Class Period.
2. Payments from the PAGA Group Payment to Members of the PAGA Group.
 - a) The Settlement Administrator will allocate a percentage of the PAGA Group Payment to each member of the PAGA Group regardless of whether he or she chooses to opt out of the Settlement. The percentage of the PAGA Group payment allocated to each individual in the PAGA Group shall be determined as follows:
 - i. The Settlement Administrator will divide the PAGA Group Payment by the total number of pay periods of all members of the PAGA Group during the PAGA Period to calculate the "Pay Period PAGA Payment."
 - ii. The Settlement Administrator will calculate each member of the PAGA Group's "Individual PAGA Payment" by multiplying the "Pay Period PAGA Payment" by the number of pay periods that the member of the PAGA Group was employed during the PAGA Period.
3. The disbursement to each Class Member shall be the number which results from adding his or her Individual Class Payment to his or her Individual PAGA Payment, if any.
 - a) How much you can expect to receive:
 - i. Based on Settling Defendant's business records, you worked **[#WORKWEEKS IN THE CLASS PERIOD]** during the Class Period. Accordingly, your estimated Individual Class Payment is **[SEST. INDIVIDUAL CLASS PAYMENT]**.
 - ii. Based on Settling Defendant's business records, you worked **[#PAY PERIODS IN THE PAGA PERIOD]** during the PAGA Period. Accordingly, your estimated Individual PAGA Payment is **[SEST. INDIVIDUAL PAGA PAYMENT]**.
 - b) If you disagree with the number of workweeks or pay periods you are credited with being employed during the Class Period and/or PAGA Period, you may submit to the Settlement Administrator a written statement regarding your workweek dispute. To be valid, your dispute should (1) set forth your name, address, telephone number, and last four

digits of your Social Security Number, (2) be accompanied by documentation supporting the number of workweeks or pay periods you believe should be credited to you (for example, copies of your pay stubs), and (3) be signed, dated, and mailed by First Class U.S. Mail, or the equivalent, to the address below and be postmarked on or before [DATE]:

Ledbetter et al. v. CJ Logistics America, LLC
c/o SETTLEMENT ADMIN
[ADDRESS]

Only Class Members who do not opt out of the Settlement as provided for below will be entitled to receive an Individual Class Payment. Members of the PAGA Group will be entitled to receive an Individual PAGA Payment pursuant to the Settlement regardless of whether they choose to opt out of the Settlement. If the conditions of the Settlement (as described in this Notice) are met, and if the Court grants final approval of the Settlement, then settlement checks will be mailed to Class Members who did not opt out and to all members of the PAGA Group.

Tax Matters. Individual Class Payments shall be allocated as follows: (1) ten percent (10%) to unpaid wages; (2) eighty percent (80%) to penalties; and (3) ten percent (10%) to interest. One hundred percent (100%) of the Individual PAGA Group Payments are in settlement of claims for penalties and not subject to wage withholdings and shall be reported on an IRS Form 1099. Class Members shall be individually responsible for their share of taxes attributable to the receipt of all settlement payments. Class Members shall be exclusively liable for any and all tax liability, if any. Class Members should consult with their tax advisors concerning the tax consequences of the payments they receive under the Settlement.

Class Release. All participating Class Members who do not opt out from participating in this Settlement will release and discharge Settling Defendant, and all of its respective past and present employees, directors, officers, attorneys, representatives, insurers, agents, parents, subsidiaries, affiliates, related companies, predecessors, successors, lessees, and assigns, and any entity that could be jointly liable with any of these (individually and collectively “Defendant Releasees”) from and with respect to all actions, causes of action, suits, liabilities, claims, and demands whatsoever, and each of them, whether known or unknown, which the Settlement Class or individual members thereof, has, had, or hereafter may claim to have, against Defendant Releasees, or any of them, which arose during the Class Period and are based on, arise from, or reasonably relate to any and all claims and allegations in this Action, as well as any and all claims and allegations that could have been raised in this Action based on the allegations asserted therein, which include, by way of description, but not by way of limitation, claims on behalf of the Settlement Class alleging that Defendant failed to provide Settlement Class Members with legally compliant meal periods, failed to provide Settlement Class Members with legally compliant rest breaks, failed to provide Settlement Class Members with all wages due, including minimum wages, regular wages, wages at the regular rate of pay, and overtime wages, failed to provide Settlement Class Members with all sick time and vested vacation time due, failed to provide Settlement Class Members with compliant wage statements, failed to timely pay Settlement Class Members all wages due upon termination, and engaged in Unfair Business Practices as well as any other claims under constitutional, statutory, and/or common law that reasonably relate to any of the claims described in this Paragraph (“Released Class Claims”). For the avoidance of doubt, Released Class Claims shall include claims under the Fair Labor Standards Act (“FLSA”) which could have been pursued based on the allegations in this Action.

PAGA Release. The PAGA Group will release and discharge the Defendant Releasees from and with respect to all actions, causes of action, suits, liabilities, claims, and demands under the California Labor Code Private Attorneys’ General Act (*i.e.*, PAGA), whether known or unknown, which the PAGA Group or individual members thereof, has, had, or hereafter may claim to have, against Defendant Releasees, or any of them, which arose during the PAGA Period and are based on, arise from, or reasonably relate to the PAGA claim and allegations in this Action, as well as any and all claims and allegations that could have been raised in this Action based on the allegations asserted therein or in the PAGA notice, which include, by way of description, but not by way of limitation, claims under PAGA on behalf of PAGA Group alleging that Defendant failed to provide members of the PAGA Group with legally compliant meal periods, failed to provide members of the PAGA Group with legally compliant rest breaks, failed to provide members of the PAGA Group with all wages due, including minimum wages, regular wages, wages at the regular rate of pay, and overtime wages, failed to provide members of the PAGA Group with all sick time and vested vacation time due, failed to provide members of the PAGA Group with compliant wage statements, and failed to timely pay members of the PAGA Group all wages due upon termination, as well as any other PAGA claims described in this Paragraph (the “Released PAGA Claims”).

All Class Members shall be bound by the Class Release unless they formally opt out of the Settlement. Furthermore, members of the PAGA Group will be bound by the PAGA Release, whether or not they formally opt out of the Settlement.

Conditions of Settlement. This Settlement is conditioned upon the Court entering an order finally approving the Settlement.

IV. RIGHT TO OPT OUT

If you do not wish to participate in the Settlement, you may exclude yourself from the Settlement (in other words, “opt out”). **If you opt out, you will receive no Individual Class Payment from the Settlement, and you will not be bound by its terms**, except that members of the PAGA Group will receive an Individual PAGA Payment even if they opt out of the Settlement and will still be bound by the PAGA Release. To opt out, you must submit a signed, written “Request for Exclusion” to the Settlement Administrator postmarked no later than [DATE]. The written Request for Exclusion must expressly and clearly indicate that you have received this Notice, have decided not to participate in the Settlement, and desire to be excluded from the Settlement. The written Request for Exclusion must set forth your name, address, telephone number, and last four digits of your Social Security Number. Written Requests for Exclusion must be signed, dated, and mailed by First Class U.S. Mail or equivalent, to the address below:

Ledbetter et al. v. CJ Logistics America, LLC
Page 3 of 5

Written Requests for Exclusion from the Settlement that are postmarked after [DATE], or are unsigned by the Class Member, will be rejected, and Class Members submitting untimely Requests for Exclusion shall be bound by the Settlement and the Releases described above.

If you opt out of the Settlement pursuant to the above, you (1) will no longer be a Class Member, (2) will be barred from participating in the Settlement, (3) will not be bound by the Class Release described above (except you will still be bound by the above-described PAGA Release), (4) will be barred from filing an objection to the Settlement, and (5) will not receive a payment from the Settlement (except that members of the PAGA Group will receive an Individual PAGA Payment regardless of whether they choose to opt out of the Settlement).

If you choose to do nothing, and if the Court grants final approval of the Settlement, you will be bound by the Class Release (as well as the PAGA Release). If you do not want to be bound by the Class Release, you must exclude yourself from the Settlement by following the directions in this Section.

V. RIGHT TO OBJECT

If you are a Class Member who has not opted out and believes that the Settlement should not be finally approved by the Court, you may object to the Settlement. Objections may be in writing, and you may appear at the Final Approval Hearing to make your arguments irrespective of whether you submitted a written objection. Written objections must state the full name, address, telephone number, and dates of employment of the individual submitting the objection, must state the basis for the objection, and must be filed with the Settlement Administrator and mailed or delivered to Class Counsel and counsel for Settling Defendant at the below addresses on or before [DATE]. All objections or other correspondence must state the name and number of the case, which is *Ledbetter et al. v. CJ Logistics America, LLC*, in the Superior Court for the State of California, County of San Bernardino, Case No. CIVSB2207118. To object to the Settlement, you must remain a member of the Class. If the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Class Members who do not object. Any Class Member who does not object in the manner provided in this Notice shall have waived any objection to the Settlement, whether by appeal or otherwise.

<u>Class Counsel:</u>	<u>Counsel for Settling Defendant:</u>
Paul K. Haines, Esq. Fletcher W. Schmidt, Esq. Matthew K. Moen, Esq. HAINES LAW GROUPS, APC 2155 Campus Drive, Suite 180 El Segundo, California 90245 Telephone: (424) 292-2350	Adam J. Karr, Esq. Allan W. Gustin, Esq. O'MELVENY & MYERS LLP 400 South Hope Street, 18th Floor Los Angeles, California 90071 Telephone: (213) 430-2899
Mehrdad Bokhour, Esq. BOKHOUR LAW GROUP, P.C. 1901 Avenue of the Stars, Suite 540 Los Angeles, California 90067 Telephone: (310) 975-1493	
Joshua S. Falakassa, Esq. FALAKASSA LAW, P.C. 1901 Avenue of the Stars, Suite 450 Los Angeles, California 90067 Telephone: (818) 456-6168	
Michael A. Gould, Esq. Aarin Zeif, Esq. THE GOULD LAW FIRM A Professional Law Corporation 161 Fashion Lane, Suite 207 Tustin, California 92780 Telephone: (714) 669-2850	
Joseph Lavi, Esq. Vincent C. Granberry, Esq. Jeffrey M. Schwartz, Esq. Alexander J. Aroeste, Esq. LAVI & EBRAHIMIAN, LLP 8889 W. Olympic Boulevard, Suite 200 Beverly Hills, California 90211 Telephone: (310) 432-0000	

James R. Hawkins, Esq. Isandra Fernandez, Esq. Anthony L. Draper, Esq. JAMES HAWKINS APLC 9880 Research Drive, Suite 200 Irvine, CA 92618 TEL: (949) 387-7200	
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VI. FINAL APPROVAL HEARING ON THE SETTLEMENT

The Final Approval Hearing will be held on [DATE], at [TIME], in Department S26 of the Superior Court for the State of California, County of San Bernardino, located at 247 W. 3rd Street, San Bernardino, California 92415. At this hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate. The purpose of this hearing is for the Court to determine whether to grant final approval of the Settlement. If there are objections, the Court will consider them. The Hearing may be continued without further notice. **You are not required to attend the Final Approval Hearing, although any Class Member is welcome to attend the hearing.** The Settlement Administrator will post a copy of any Final Judgment to its static website for review by Class Members and members of the PAGA Group.

VII. ADDITIONAL INFORMATION

This Notice is only a summary of the Action and the Settlement. Class Members should contact the Settlement Administrator at *Ledbetter et al. v. CJ Logistics America, LLC*, c/o [NAME AND ADDRESS], with any concerns or questions regarding the Settlement. You may also refer to the pleadings and other papers filed in the Action, which may be inspected at the Office of the Clerk of the San Bernardino County Court, located at 247 West Third Street, San Bernardino, California 92415, between the hours of 8:00 a.m. and 4:00 p.m., Monday through Friday, or online through the Court's Public Case Access System. For more information, please visit the Court's website at: <https://www.sb-court.org/>

PLEASE DO NOT CONTACT THE CLERK OF THE COURT OR THE JUDGE WITH QUESTIONS.

EXHIBIT C



BOKHOUR
LAW GROUP

MEHRDAD BOKHOUR
Attorney at Law

1901 Avenue of the Stars | Suite 450
Los Angeles | California 90067

tel 310 975 1493
fax 310 675 0861

April 6, 2022

SUBMITTED VIA LWDA'S PAGA CLAIM NOTICE ONLINE PORTAL

COPY SENT VIA CERTIFIED MAIL TO:

CJ LOGISTICS AMERICA, LLC
1750 S. WOLF ROAD
DES PLAINES, IL 60018

Re: John Ledbetter v. CJ Logistics America, LLC.
Notice of Intent to File Suit for California Labor Code § 2698 et seq. Penalties

To Whom It May Concern:

This office, along with Falakassa Law, P.C., represent John Ledbetter (hereinafter "Mr. Ledbetter") and a proposed group of current and former non-exempt employees working for CJ Logistics America, LLC, dba CJ Logistics. (hereinafter referred to as "CJ") and any of its affiliated, predecessor and/or merged entities in the State of California for violations of the California Labor Code §§ 201-203, 204, 210, 221, 226(a), 226 (e), 226.3, 226.7, 227.3, 246, 256, 510, 512, 516, 1174, 1174.4, 1194, 1194.2, 1197.1, 1199, and all applicable Industrial Welfare Commission Wage Orders ("Wage Order").

This letter shall serve as notification under Labor Code § 2699.3 (hereinafter "PAGA Notice"). The \$75 filing fee made payable to the California Labor and Workforce Development Agency for the Private Attorneys General Act Notice ("PAGA Notice") was paid online and a copy of this PAGA Notice was submitted electronically to the Department of Industrial Relations.

Mr. Ledbetter wishes to bring a representative action on behalf of himself and the State of California as well as on behalf of the following group of "aggrieved employees":

All current and former non-exempt employees who work or worked for CJ Logistics America, LLC in California, during the one year immediately preceding the filing of this PAGA Notice and continuing into the present and ongoing ("aggrieved employees")

CJ Logistics America, LLC is provider of transportation, warehousing, and other supply chain solutions for businesses across California. Mr. Ledbetter is employed by CJ as a non-exempt employee out of its San Bernardino, California location. Mr. Ledbetter began working as an operations specialist on approximately November 30, 2020, until his separation from employment on January 27, 2022. Mr. Ledbetter and other aggrieved employees (including, but not limited to

operation specialists, forklift operators, and other non-exempt positions) were responsible for all aspects of CJ's business in California.

First at all relevant times, Mr. Ledbetter and other aggrieved employees were not properly paid at the correct overtime rate for all hours worked in excess of eight (8) hours per workday and/or forty (40) hours per workweek. While Mr. Ledbetter and other aggrieved employees regularly worked overtime hours, they were not compensated at one and one-half times their "regular rate of pay" because CJ failed to include all forms of compensation, including but not limited to, shift differential pay, non-discretionary bonuses, and other forms of remuneration when calculating the "regular rate of pay" used in payment of overtime wages.

Under the California Labor Code (as well as the FLSA), courts have consistently held that regularly paid non-discretionary bonuses (and other forms of pay) must be included in determining an employee's "regular rate of pay" for purposes of calculating overtime. (See *Haber v. The Americana Corp.* 378 F. 2d 854, 855-856 (9th Cir. 1967) [holding that regularly paid efficiency bonuses must be included in calculating the "regular rate"]; *Wang v. Chinese Daily News, Inc.* 435 F. Supp. 2d 1042, 1055-1057 (C.D. Cal. 2006) [granting summary judgement to Mr. Ledbetter under California and federal law on the grounds, that Defendant improperly calculated overtime by excluding annual bonuses paid to employees from the "regular rate of compensation"].)

Labor Code § 510 requires an employer to compensate an employee who works more than eight (8) hours in one workday, forty (40) hours in a workweek, and for the first eight (8) hours worked on the seventh consecutive day, no less than one and one-half times (1 1/2) the regular rate of pay. In addition, Labor Code § 510 obligates employers to compensate employees at no less than twice the regular rate of pay when an employee works more than twelve (12) hours in a workday or more than eight (8) hours on the seventh consecutive day of work. Pursuant to Section 3 of the applicable Wage Orders, non-exempt employees shall not be employed more than eight (8) hours in any workday or more than 40 hours in any workweek unless the employee receives one and one-half (1 1/2) times such employee's regular rate of pay for all hours worked over 40 hours in the workweek.

By their policy of requiring Mr. Ledbetter and the other aggrieved employees to work in excess of eight (8) hours in a workday and/or forty (40) hours in a workweek without compensating them at the lawful rate of one-half (1 1/2) their regular rate of pay, CJ willfully violated the provisions of Labor Code § 510 and the applicable Wage Orders.

Accordingly, through PAGA and to the extent permitted by law, Mr. Ledbetter and other aggrieved employees are entitled to recover liquidated damages for violations of Labor Code § 1197.1. Based upon these same factual allegations, Mr. Ledbetter and the other aggrieved employees are entitled to penalties under Labor Code § 1197 and § 2698 et seq.

Moreover, CJ also failed in its obligation to provide Mr. Ledbetter and other aggrieved employees the legally required paid sick days at the legal rate pursuant to Labor Code §§

246(a),(b), which requires that “[a]n employee who, on or after July 1, 2015, works in California for the same employer for 30 or more days within a year from the commencement of employment is entitled to paid sick days. . . at the rate of not less than one hour per every 30 hours worked, beginning at the commencement of employment.”

Labor Code § 246(l)(1) provides that paid sick time for non-exempt employees must be “calculated in the same manner as the regular rate of pay for the workweek in which the employee uses paid sick time, whether or not the employee actually works overtime in that workweek.”

Additionally, Labor Code § 246(l)(2) states that the paid sick time must be “calculated by dividing the employee’s total wages, not including overtime premium pay, by the employee’s total hours worked in the full pay periods of the prior 90 days of employment.”

Finally, Labor Code § 246(i) requires employers to “provide an employee with written notice that sets forth the amount of paid sick leave available, or paid time off leave an employer provides in lieu of sick leave, for use on either the employee’s itemized wage statement described in Section 226 or in a separate writing provided on the designated pay date with the employee’s payment of wages.”

Here, at all relevant times, CJ failed in its obligation to provide Mr. Ledbetter and other aggrieved employees the legally required paid sick days at the legal rate, including all forms of compensation, pursuant to Labor Code §§ 246(a),(b). As such, CJ paid sick time below his base rate of pay, rather than the “regular rate of pay” as required by Labor Code §§ 246(l)(1-2).

Based on the foregoing Labor Code violations, Mr. Ledbetter seeks all civil and statutory penalties available and applicable under Labor Code §§ 246, 558, 1194.2, 1197.1, 1198, 1199, and 2699(f)(2), and for attorneys’ fees and costs pursuant to Labor Code § 2699(g)(1).

Furthermore, at all relevant times, CJ maintained such a paid vacation policy, yet CJ failed to pay all vacation time to the aggrieved employees at their respective final rates of pay at their time of separation.

Labor Code section 227.3 provides that whenever a contract of employment or employer policy provides for paid vacations, and an employee is separated without having used his or her vested vacation time, all vested vacation shall be paid as wages at their final rate in accordance with such contract of employment or employer policy respecting eligibility or time. At all relevant times, CJ maintained such a paid vacation policy, yet CJ failed to pay all vacation time to the aggrieved employees at their respective final rates of pay at their time of separation. As such, CJ has violated Labor Code § 227.3.

Accordingly, Mr. Ledbetter and the aggrieved employees are entitled to civil and statutory penalties available and applicable under Labor Code § 2698 *et seq.*, and attorneys’ fees and costs pursuant to Labor Code § 2699(g)(1).

Next, at all relevant times, Mr. Ledbetter and other aggrieved employees were denied compliant and timely 30-minute off-duty meal periods as mandated by California law. Due to CJ's uniform meal period policies/practices and work demands, Mr. Ledbetter and other aggrieved employees were often unable to take timely and uninterrupted 30-minute first meal periods before the end of the fifth hour of work. Further, when Mr. Ledbetter and other aggrieved employees worked in excess of 10.0 hours in a shift, they were not always allowed and permitted to take a mandated second meal period before the end of the tenth hour of work in violation of the Labor Code and applicable Wage Orders. Additionally, Mr. Ledbetter and other aggrieved employees were not properly paid meal period premiums for missed or non-compliant meal periods at the "regular rate of pay" pursuant to *Ferra v. Loews Hollywood Hotel, LLC* (2021) 11 5th 858.

Accordingly, due to CJ's uniform meal period practices, Mr. Ledbetter and other aggrieved employees were also regularly denied legally compliant meal periods in violation of Labor Code 226.7, 510, 516, and applicable IWC Wage Orders, and are entitled to penalties under Labor Code § 2698 *et seq.*

Likewise, at all relevant times, Mr. Ledbetter and other aggrieved employees were also not provided with all 10-minute rest periods for every four hours worked, or major fraction thereof due to CJ's uniform rest period policies/practices and work demands. As a result, Mr. Ledbetter and other aggrieved employees were and are routinely unable to take a net 10-minute duty free rest periods for every major fraction of four hours worked. This includes a second rest period for shifts in excess of six hours, and a third rest period for shifts in excess of 10 hours in a workday.

By not relieving all non-exempt employees of all duties during rest periods, CJ failed to provide legally compliant rest periods. See *Augustus v. ABM Security Services, Inc.* (2016) 2 Cal. 5th 257, 269 [concluding that "during rest periods employers must relieve employees of all duties and relinquish control over how employees spend their time."]. In *Augustus*, the California Supreme Court expressly rejected the employers' assertion that it could provide an on-duty rest period to employees who worked as security guards and further explained "that employers [must] relinquish any control over how employees spend their break time and relieve their employees of all duties." *Id.* at 273.

Each time Mr. Ledbetter and other aggrieved employees were unable to take a compliant rest period, CJ failed and continues to fail to adequately pay rest period premium payments at the "regular rate of pay" as required by Labor Code § 226.7. Accordingly, due to CJ's uniform rest period policies/practices, Mr. Ledbetter and other aggrieved employees were also regularly denied legally compliant rest breaks in violation of Labor Code §§ 226.7, 512, and applicable Wage Orders, and would be entitled to penalties under Labor Code § 2698 *et seq.*

As a result of CJ's failure to pay Mr. Ledbetter and other aggrieved employees for all hours they were subject to the control of CJ, including all overtime wages, all sick time and vacation time, and failure to adequately pay for meal and rest period premiums at the "regular rate of pay",

CJ issued wage statements which failed to accurately identify the gross wages earned, the total hours worked, the net wages earned, and the correct corresponding number of hours worked at each hourly rate, in violation of Labor Code § 226(a)(1, 2, 5, and 9).

Labor Code § 226.3 provides that “[a]ny employer who violates subdivision (a) of Section 226 shall be subject to a civil penalty in the amount of two hundred fifty dollars (\$250) per employee per violation in an initial violation and one thousand dollars (\$1,000) per employee for each violation in a subsequent citation, for which the employer fails to provide the employee a wage deduction statement or fails to keep the required in subdivision (a) of Section 226.”

Thus, for the violations of Labor Code section 226 described above, Mr. Ledbetter and other aggrieved employees may also recover Labor Code § 226.3 penalties for CJ’s violations of Labor Code § 226(a). As such, the wage statements CJ issued to Mr. Ledbetter and other aggrieved employees are in violation of Labor Code § 226(a). Thus, Mr. Ledbetter is an aggrieved employee within the meaning of PAGA and CJ has violated Labor Code § 226(a) with respect to Mr. Ledbetter and other aggrieved employees. Consequently, because CJ failed to comply with Labor Code § 226(a), Mr. Ledbetter and other aggrieved employees would be entitled to recover penalties under Labor Code §§ 226(e) and 2698 *et seq.*

Finally, because of, CJ’s failure to pay all overtime wages, sick time, and meal and rest period premiums at the “regular rate of pay”, as well as pay all vested and unused vacation time at the correct final rate, CJ also failed and continues to fail to pay the aggrieved employees all wages owed at their time of separation from employment in violation of Labor Code §§ 201-203. Thus, aggrieved employees would be entitled to recover penalties under Labor Code §§ 201-203, 256 and 2698 *et seq.*

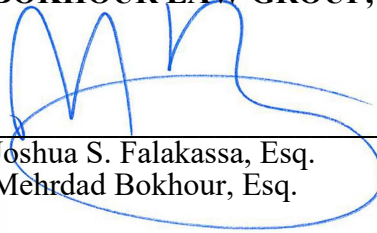
Pursuant to Labor Code § 2699.3(a)(2)(A), please advise within sixty-five (65) calendar days of the date of this notice whether your office intends to investigate the violations alleged herein above. We understand that if we do not receive a response from your office within sixty-five (65) calendar days of this PAGA Notice, Mr. Ledbetter may thereafter pursue his interests and the interests of similarly aggrieved employees with a civil complaint against CJ for its violations of the California Labor Code and applicable Wage Orders.

While it is our intent to pursue a PAGA representative and/or Class Action lawsuit against CJ for unpaid wages and civil penalties under Labor Code § 2699, it is our firms’ policy to attempt to negotiate an early resolution of all matters where possible and beneficial to all aggrieved employees. If CJ is interested in attempting to resolve this matter, please contact me or have your lawyer contact our office so that we can discuss an informal discovery plan and the possibility of early mediation on or before **June 8, 2022**.

California Labor and Workforce Development Agency
April 6, 2022
Page 6

Respectfully submitted,

FALAKASSA LAW, P.C.
BOKHOUR LAW GROUP, P.C.



Joshua S. Falakassa, Esq.
Mehrdad Bokhour, Esq.

HAINES LAW GROUP
EMPLOYMENT ATTORNEYS

July 19, 2022

VIA LWDA WEBSITE

Labor and Workforce Development Agency
Attn. PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612

Re: *Antonio Segovia v. CJ Logistics America, LLC, et al.*

To Whom It May Concern:

Please be advised that this law firm represents Antonio Segovia in claims arising from his employment with CJ Logistics America, LLC, a Delaware limited liability company; DSC Logistics, Inc., an Indiana Corporation; and DOES 1 to 100, inclusive (collectively “Defendants”). Mr. Segovia is an “aggrieved employee” as defined by Labor Code § 2698, *et seq.* due to Defendants’ numerous violations of the Labor Code as set forth below. The purpose of this letter is to comply with Labor Code § 2699.3, which requires aggrieved employees to notify their employer and the Labor & Workforce Development Agency (“LWDA”) of the specific provisions of the Labor Code allegedly violated.

Mr. Segovia is currently employed by Defendants as a non-exempt employee and has been employed by Defendants at all relevant times during the applicable statute of limitations periods. Defendants are in the business of warehouse and fulfillment services. During his employment with Defendants, Mr. Segovia has worked as a work coordinator as well as a forklift operator in one of Defendants’ warehouses in San Bernardino, California. The “aggrieved employees” whom Mr. Segovia seeks to represent include all non-exempt employees who have worked for Defendants in California at any time from one year prior to the date of this letter through the present.

Defendants failed to provide Mr. Segovia and other aggrieved employees with all legally compliant meal periods due to Defendants’ meal period policies/practices, which have frequently resulted in late (commencing after the fifth hour of work), short (less than 30 minutes), and missed meal periods. Specifically, Mr. Segovia and other aggrieved employees’ meal periods frequently commenced after the completion of five hours of work as Mr. Segovia and other aggrieved employees would need to complete certain job duties. On those occasions when Mr. Segovia was not provided with all legally compliant meal periods to which he was entitled, Defendants failed to compensate Mr. Segovia with the required meal period premium(s) for each workday there was a meal period violation as mandated by Labor Code § 226.7. Upon information and belief, Defendants maintained no policy or procedure for making payments for meal period premium payments for meal periods that were provided late as required by Labor Code § 226.7, in the event that a legally compliant meal period was not provided to their aggrieved employees in a timely manner.

Defendants have also failed to authorize and permit all legally required rest periods to Mr. Segovia and other aggrieved employees. Mr. Segovia and other aggrieved employees were often required to work through their rest periods, as a result of the work duties of Defendant's aggrieved employees and Defendants' failure to schedule rest periods for their aggrieved employees. Despite failing to authorize and permit Mr. Segovia and other aggrieved employees to take all rest periods to which they are entitled, upon information and belief, Defendants maintained no mechanism for the payment of rest period premium payments as required by Labor Code section 226.7.

Throughout Mr. Segovia's employment with Defendants, Defendants utilized a timekeeping system which resulted in Mr. Segovia and other aggrieved employees not being compensated for all hours actually worked. Specifically, following the COVID-19 pandemic, Defendants would require Mr. Segovia and other aggrieved employees to have their temperature taken prior to clocking in for their shift at Defendants' work facilities, such that the time spent performing this work-related duty was done off-the-clock and without compensation. As a result, Mr. Segovia and other aggrieved employees were not compensated for all required minimum and overtime wages.

Defendants also failed to pay Mr. Segovia and other aggrieved employees all wages for sick pay owed to them, as Defendants paid sick pay payments at an employee's base rate of pay, as opposed to their regular rate of pay. Because Mr. Segovia and other aggrieved employees received various forms of non-discretionary compensation that were required to be included in their regular rate of pay, but were not, Mr. Segovia and other aggrieved employees have not been paid all sick pay wages owed to them.

As a result of Defendants' failure to pay all minimum and overtime wages, failure to pay all meal and rest period premium wages, and failure to pay all sick pay wages, Defendants maintained inaccurate payroll records and issued inaccurate wage statements to Mr. Segovia and other aggrieved employees.

Minimum Wage Violations

Defendants were, and are, required to pay Mr. Segovia and other aggrieved employees an hourly rate at least equal to the minimum wage for each hour worked, including. *See* Labor Code §§ 1194, 1194.2, 1197, 1198, and Wage Order 9, § 4. As alleged above, Defendants maintained, and continue to maintain, timekeeping policies/practices and pay policies/practices that regularly, systematically, and impermissibly fail to compensate Mr. Segovia and other aggrieved employees at least the minimum wage for all hours worked. As a result of these policies/practices, Mr. Segovia and other aggrieved employees have been, and continue to be, deprived of all required minimum wages.

Overtime Violations

Defendants were, and are, required to pay Mr. Segovia and other aggrieved employees overtime wages for all hours worked in excess of eight hours per workday and/or forty hours per workweek. *See* Labor Code §§ 510, 558, 1194(a) and 1198; Wage Order 9. Wage Order 9, § 3 requires an employer to pay an employee “one and one-half (1½) times the employee’s regular rate of pay for all hours worked in excess of eight (8) hours” per workday and/or in excess of 40 hours of work in the workweek, and for the first eight (8) hours worked on the seventh (7th) consecutive day of work in a workweek; and “[d]ouble the employee’s regular rate of pay for all hours worked in excess of 12 hours in any workday and for all hours worked in excess of eight (8) hours on the seventh (7th) consecutive day of work in a workweek.” As described herein, Defendants caused Mr. Segovia and other aggrieved employees to work overtime and/or double-time hours but did not compensate Mr. Segovia and other aggrieved employees at one and one-half times (or two times) their “regular rate” of pay for such hours.

Meal Period Violations

As alleged above, Defendants failed, and continue to fail, to provide Mr. Segovia and other aggrieved employees with all required and compliant meal periods, due to Defendants’ meal period policies/practices that fail to provide legally compliant meal periods, to Mr. Segovia and other aggrieved employees. *See* Labor Code §§ 226.7, 512, 558, 1198; Wage Order 9 § 11. As a result, Mr. Segovia and other aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday they experienced a meal period violation. *See* Labor Code § 226.7 (“If an employer fails to provide an employee a meal or rest or recovery period in accordance with...[an] order of the Industrial Welfare Commission...the employer shall pay the employee one additional hour of pay at the employee’s regular rate of compensation for each workday that the meal or rest period is not provided.”). As alleged above, Defendants have also failed to pay them the premium wages to which aggrieved employees are legally entitled. In addition, as noted above, Defendants have failed to properly record meal periods due to their auto-deduct practices.

Rest Period Violations

Due to its unlawful rest period policies and/or practices, Defendants have failed to authorize and permit Mr. Segovia and other aggrieved employees to take all required rest periods to which they are legally entitled. Wage Order 9-2001, § 12 and California Labor Code §§ 226.7, 516, 558. Despite Defendants’ violations, Defendants have not paid an additional hour of premium pay to Mr. Segovia and other aggrieved employees at their respective regular rates of compensation for each violation in accordance with Labor Code section 226.7. *See* Labor Code § 226.7 (“If an employer fails to provide an employee a meal period or rest period in accordance with an applicable order of the Industrial Welfare Commission, the employer shall pay the employee one additional hour of pay at the employee’s regular rate of compensation for each workday that the meal or rest period is not provided.”).

Wage Statement Violations

Defendants knowingly and intentionally, as a matter of uniform policy and practice, failed to furnish Mr. Segovia and other aggrieved employees with complete and accurate wage statements with respect to, among other things, their total gross wages earned, total net wages earned, total hours worked, and amount of paid sick leave time available, in violation of Labor Code §§ 226 *et seq.*, and 246; Wage Order 9, § 7. As a result of Defendants' failure to pay all minimum and overtime wages and failure to pay all required meal and rest period premium wages, Defendants maintained inaccurate payroll records and issued inaccurate wage statements to Mr. Segovia and other aggrieved employees in violation of Labor Code § 226. Defendants' failure to comply with its wage statement obligations was knowing and intentional, and Mr. Segovia and other aggrieved employees have suffered injury as a result.

Mr. Segovia is informed and believes, and based thereon alleges, that the violations alleged herein are continuing to the present. As an "aggrieved employee," Mr. Segovia will initiate a civil action on behalf of himself, the State of California, and other aggrieved employees to recover civil penalties resulting from the wage and hour violations alleged herein. As alleged herein, and based on Mr. Segovia's own investigation and on information and belief, Defendants have committed the following Labor Code violations:

- a. Defendants have violated Labor Code §§ 1182.12, 1194, 1194.2, 1197, and 1198 by failing to pay Mr. Segovia and other aggrieved employees at least the statutory minimum wage for all hours worked;
- b. Defendants have violated Labor Code §§ 204, 510, 558, 1194, and 1198 by failing to pay Mr. Segovia and other aggrieved employees all overtime and/or double-time compensation earned;
- c. Defendants have violated Labor Code §§ 226.7, 512, 558, and 1198 by failing to provide all legally required meal periods and by failing to pay meal period premiums to Mr. Segovia and other aggrieved employees;
- d. Defendants have violated Labor Code §§ 226.7, 516, 558, and 1198 by failing to authorize and permit all legally required rest periods and by failing to pay rest period premiums to Mr. Segovia and other aggrieved employees;
- e. Defendants have violated Labor Code §§ 226 and 246 by failing to furnish Mr. Segovia and other aggrieved employees with accurate and complete itemized wage statements;
- f. Defendants have violated Labor Code §§ 1174 and 1198 by failing to maintain accurate records on behalf of Mr. Segovia and other aggrieved employees.

LWDA
July 19, 2022
Page 5 of 5

Pursuant to Labor Code Section 2699.3, please notify us and Defendants if the LWDA intends to investigate these alleged violations of the Labor Code. Please contact me should you require additional information.

Very truly yours,
HAINES LAW GROUP, APC



Paul K. Haines

cc: CJ Logistics America, LLC, c/o California Registered Corporate Agent (1505 - Corporation) CSC – Lawyers Incorporating Service (via certified mail)
DSC Logistics, Inc. (via certified mail)

THE GOULD LAW FIRM
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August 17, 2022

Labor and Workforce Development Agency
Via Electronic Filing

CJ Logistics America, LLC
1705 S. Wolf Road
Des Plaines, IL 60018

CERTIFIED MAIL

Re: CJ Logistics America, LLC with Respect to Employee Joseph Hicks and other
aggrieved employees

Dear Sirs/Madams:

On behalf of our client, Joseph Hicks, and aggrieved employees, including hourly warehouse workers that worked for CJ Logistics America, LLC in California, and pursuant to California Labor Code §§ 2699 and 2699.3, we hereby submit to the California Labor and Workforce Development Agency (LWDA) this notice of violations of the California Labor Code committed by claimant's employer CJ Logistics America, LLC. We intend to file a complaint against CJ Logistics America, LLC for claims under the Private Attorneys General Act of 2004 (PAGA) and write this letter to provide notice of the statutory violations described below. The relevant facts and bases for recovery are summarized below.

CJ Logistics America, LLC manages warehouses through the United States. Mr. Hicks is employed as a forklift driver in Perris, California. Mr. Hicks commenced his employment with CJ Logistics America, LLC in or about January 2019 and makes \$22.00 per hour.

As a forklift driver, Hicks works more than ten (10) hours per day, and often times works more than twelve (12) hours per day. CJ Logistics America, LLC prohibits Hicks from taking his second meal period. Hicks cannot take a second meal period of thirty (30) minutes when he works over ten (10) hours per day. Hicks did not waive his meal period when he works between ten (10) and twelve (12) hours per day. Hicks cannot take a second meal period of thirty (30) minutes when he works over twelve (12) hours per day. When Hicks misses his meal periods, he was not paid one hour of pay. Hicks believes that other hourly warehouse workers likewise were prohibited and unable to take their second meal periods. Hourly warehouse workers cannot take second meal periods of thirty (30) minutes when they work over ten (10) hours per day. Hourly

warehouse workers did not waive their meal periods when they work between ten (10) and twelve (12) hours per day. Hourly warehouse workers cannot take a second meal period of thirty (30) minutes when they work over twelve (12) hours per day. When hourly warehouse workers miss their meal periods, they were not paid one hour of pay.

Meal and Rest Breaks

Hicks and hourly warehouse workers regularly worked in excess of ten hours a day and twelve (12) hours per day without being afforded a second meal period of at least a half-hour period in which they were relieved of all duties. On behalf of all hourly warehouse workers, claimant seeks penalties for missed meal periods. *See Cal. Labor Code §§ 226.7, 512.*

Itemized Wage Statements

CJ Logistics America, LLC has failed to provide Hicks and hourly warehouse workers with itemized written statements listing the proper wages. On behalf of all hourly warehouse workers, claimant seeks penalties for failure to provide itemized wage statements. *California Labor Code § 226.*

Waiting Time Penalties

At the time of hourly warehouse workers' separation of employment with CJ Logistics America, LLC, it did not timely pay them wages for missed meal periods, as described above. On behalf of all hourly warehouse workers, claimant seeks waiting time penalties. *California Labor Code §§ 202-203.*

Inaccurate Payroll Records

CJ Logistics America, LLC failed to keep accurate records of the hours of work for Hicks and aggrieved employees' hours of work. CJ Logistics America, LLC violated *California Labor Code §§ 1174 and 1174.5.*

On behalf of himself and other affected hourly warehouse workers, Hicks intends to bring his action under PAGA, as well as California Labor Code §§ 201, 202, 203, 226, 226.7, 512, 1194, 1194.2, 1174, and 1174.5. In addition to the relief described above, Hicks also seeks reasonable attorneys' fees and costs.

Very truly yours,



Michael A. Gould
Attorney for Plaintiffs

LAW OFFICES OF
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September 9, 2024

**NOTICE OF LABOR CODE VIOLATIONS PURSUANT TO
LABOR CODE SECTION 2699.3**

To: California Labor and Workforce Development Agency
Attn. PAGA Administrator
1515 Clay Street, Suite 801
Oakland, California 94612
Via Online Submission Only

<u>CJ LOGISTICS AMERICA, LLC</u> Registered Agent for Process Service c/o CSC - Lawyers Incorporating Service 2710 Gateway Oaks Drive, Ste. 150N, Sacramento, CA 95833 <u>Certified No.:</u>	<u>CJ LOGISTICS AMERICA, LLC</u> Attn.: Legal Department 1750 S. Wolf Road Des Plaines, IL 60018 <u>Certified No.:</u>
<u>CJ LOGISTICS AMERICA, LLC</u> Attn.: Legal Department 6275 Lance Drive Riverside, CA 92507 <u>Certified No.:</u>	

From: WILLIAM SHEARER, on behalf of himself and all other current and former aggrieved California-based hourly non-exempt employees of CJ LOGISTICS AMERICA, LLC.

c/o Joseph Lavi, Esq.
Vincent C. Granberry, Esq.
Jeffrey M. Schwartz, Esq.
Alexander J. Aroeste, Esq.
LAVI & EBRAHIMIAN, LLP
8889 W. Olympic Boulevard, Suite 200
Beverly Hills, California 90211
Email: jlavi@lelawfirm.com
vgranberry@lelawfirm.com
jschwartz@lelawfirm.com
aaroeste@lelawfirm.com

Our firm has been retained by aggrieved employee WILLIAM SHEARER concerning a representative action pursuant to the Private Attorneys General Act of 2004, Labor Code sections 2698, *et seq.* (“PAGA”) against his employers, CJ LOGISTICS AMERICA, LLC.

We are filing this written notice with the Labor and Workforce Development Agency (“LWDA”) pursuant to the provisions of the California Labor Code Sections 2699, 2699.3, and 2698, *et seq.* The purpose of this letter is to inquire whether LWDA intends to investigate and seek civil penalties associated with my client’s allegations of violations of the Labor Code by his Employer. In addition to submitting this letter and the \$75.00 filing fee via the online PAGA filing system, I am causing a copy of this letter to be mailed to the Department of Industrial Relations – Accounting Unit.

FACTUAL STATEMENT AND THEORIES OF LABOR CODE VIOLATIONS

Aggrieved employee WILLIAM SHEARER (“Employee”) was employed by CJ LOGISTICS AMERICA, LLC (“Defendants” or “Employers”) as an hourly non-exempt employee from in or around December 14, 1992 until on or about December 28, 2023.

1. Failure to Pay the Minimum Wage Rate of Pay for All Hours Worked

Employee alleges that during his employment, Employer failed to pay him and other current and former aggrieved California-based hourly non-exempt employees with compensation at the minimum wage rate of pay for all the hours that they worked in violation of Labor Code sections 1194 and 1197. Labor Code section 1197 provides, “The minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a less wage than the minimum so fixed is unlawful.” Labor Code section 1194 states, “...any employee receiving less than the legal minimum wage or the legal overtime compensation applicable to the employee is entitled to recover in a civil action the unpaid balance of the full amount of this minimum wage or overtime compensation, including interest thereon, reasonable attorney’s fees, and costs of suit.”

Employee alleges that during his employment, Employer failed to pay him and other current and former aggrieved California-based hourly non-exempt employees all wages at the applicable minimum wage for all hours worked due to Employer’s policies, practices, and/or procedures including, but not limited to:

- Requiring Employee and other current and former aggrieved California-based hourly non-exempt employees to clock out for their meal breaks and continue to work through their off-the-clock meal breaks.

Employee and other current and former aggrieved California-based hourly non-exempt employees were not paid for this time resulting in Employer’s failure to pay minimum wage for all the hours Employee and other current and former aggrieved California-based hourly non-exempt employees worked.

Employer's aforementioned policies, practices, and/or procedures resulted in time each day in which Employee and other current and former aggrieved California-based hourly non-exempt employees were subject to the control of Employer without being compensated for that time.

Based on these violations, Employee intends to seek civil penalties pursuant to the Private Attorneys General Act ("PAGA"), California Labor Code sections 2698, *et seq.*, and Labor Code section 1197.1, subdivisions (a)(1)-(2), on behalf of the Labor and Workforce Development Agency ("LWDA") against Employer if authorized to file a representative action on behalf of the State of California. As a derivative claim of Employer's failure to pay wages at a minimum wage rate for all hours worked, Employee will also seek civil penalties for Defendant's violations of Labor Code section 226(a) under Labor Code sections 226.3 and/or 2699(f)(2) because the failure to pay such minimum wages for all hours worked rendered Employee's and other current and former aggrieved California-based hourly non-exempt employees' pay calculations inaccurate and resulted in their wage statements being inaccurate with respect to gross wages earned, total hours worked, net wages earned and all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate, in violation of Labor Code sections 226(a)(1, 2, 5 & 9).

2. *Failure to Pay Overtime Wages for Overtime Hours Work*

Employee alleges that during his employment, Employer failed to pay him and other current and former aggrieved California-based hourly non-exempt employees for the overtime hours that they worked at their overtime rate of pay.

Labor Code section 510, subdivision (a), states in relevant part:

"Eight hours of labor constitutes a day's work. Any work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee. Any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee. In addition, any work in excess of eight hours on any seventh day of a workweek shall be compensated at the rate of no less than twice the regular rate of pay of an employee."

Further, Labor Code section 1198 provides,

The maximum hours of work and the standard conditions of labor fixed by the commission shall be the maximum hours of work and the standard conditions of labor for employees. The employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful.

Labor Code section 1194 provides, "...any employee receiving less than the legal minimum wage or the legal overtime compensation applicable to the employee is entitled to recover in a civil

action the unpaid balance of the full amount of this minimum wage or overtime compensation, including interest thereon, reasonable attorney's fees, and costs of suit."

Employee alleges that during his employment, Employer failed to pay him and other current and former aggrieved California-based hourly non-exempt employees overtime wages for overtime hours worked due to Employer's policies, practices, and/or procedures including, but not limited to:

- Requiring Employee and other current and former aggrieved California-based hourly non-exempt employees to clock out for their meal breaks and continue to work through their off-the-clock meal breaks.

Employee and other current and former aggrieved California-based hourly non-exempt employees were not paid for this time resulting in Employers' failure to pay minimum wage for all the hours Employee and other current and former aggrieved California-based hourly non-exempt employees worked.

Employer's aforementioned policies, practices, and/or procedures resulted in time each day in which Employee and other current and former aggrieved California-based hourly non-exempt employees were subject to the control of Employer without being compensated for that time. To the extent that the foregoing unpaid time resulted from Employee and other current and former aggrieved California-based hourly non-exempt employees being subject to the control of Employer when they worked more than eight (8) hours in a workday, more than forty (40) hours in a workweek, and/or seven days in a workweek, Employer failed to pay them at their overtime rate of pay for all the overtime hours they worked.

Employer's foregoing policies, practices, and/or procedures resulted in Employer failing to pay Employee and other current and former aggrieved California-based hourly non-exempt employees at their overtime rate of pay for all overtime hours worked, in violation of Labor Code sections 510, 1194, 1198, and the Wage Order.

Based on these violations, Employee intends to seek civil penalties pursuant to PAGA, Labor Code sections 2698, *et seq.*, under Labor Code sections 2699(f)(2) and 558, subdivisions (a)(1)-(2) on behalf of LWDA against Employer if authorized to file a representative action on behalf of the State of California. As a derivative claim of Employer's failure to pay overtime wages at the lawful overtime rate for all overtime hours worked, Employee will also seek civil penalties for Defendant's violations of Labor Code section 226(a) under Labor Code sections 226.3 and/or 2699(f)(2) because the failure to pay such overtime wages for all overtime hours worked rendered Employee's and other current and former aggrieved California-based hourly non-exempt employees' pay calculations inaccurate and resulted in their wage statements being inaccurate with respect to gross wages earned, total hours worked, net wages earned and all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate, in violation of Labor Code sections 226(a)(1, 2, 5 & 9).

3. *Failure to Authorize or Permit Meal Periods and/or Failure to Pay Meal Period Premiums in Violation of Labor Code Sections 512 and 226.7*

Employee alleges that during his employment, Employer failed to authorize or permit all legally required and compliant meal periods and/or pay meal period premiums. California law requires an employer to provide an employee an uninterrupted meal period of no less than thirty (30) minutes in which the employee is relieved of all duties and the employer relinquishes control over the employee's activities prior to the employee's sixth hour of work. Labor Code §§ 226.7, 512; Wage Order 1, § 11; *Brinker Rest. Corp. v. Super Ct. (Hohnbaum)* (2012) 53 Cal.4th 1004. An employer may not employ an employee for a work period of more than ten (10) hours per day without providing the employee with a second such meal period of not less than thirty (30) minutes prior to the start of the eleventh hour of work. *Id.* If the employer requires the employee to remain at the work site or facility during the meal period, the meal period must be paid. This is true even where the employee is relieved of all work duties during the meal period. *Bono Enterprises, Inc. v. Bradshaw* (1995) 32 Cal.App.4th 968. If an employer fails to provide an employee a meal period in accordance with the law, the employer must pay the employee one (1) hour of pay at the employee's regular rate of pay for each workday that a legally required and compliant meal period was not provided. Labor Code § 226.7; Wage Order 1, § 11.

Employee alleges that Employer failed to authorize or permit him and other current and former aggrieved California-based hourly non-exempt employees to take all legally required and compliant meal periods due to Employer's policies, practices, and/or procedures including, but not limited to, the following:

- Failing to provide Employee and other current and former aggrieved California-based hourly non-exempt employees timely, uninterrupted, duty-free meal breaks of at least 30 minutes for every five hours worked due requiring Employee and other current and former aggrieved California-based hourly non-exempt employees to go to lunch late .
- Requiring Employee and other current and former aggrieved California-based hourly non-exempt employees to travel to clock-out machine during their meal periods. Employers did not elongate or otherwise extend Employee and other current and former aggrieved California-based hourly non-exempt employees meal period times to account for travel time between their workstations and the designated clock-out machine resulting in meal periods less than 30 minutes.
- Failing to provide Employee and other current and former aggrieved California-based hourly non-exempt employees a second uninterrupted duty-free meal period of no less than thirty (30) minutes for each workday that Employee and other current and former aggrieved California-based hourly non-exempt employees work shifts over ten (10) hours.

Additionally, Employee alleges that Employer maintained a policy, practice, and/or procedure whereby they failed to pay Employee and other current and former aggrieved California-based hourly non-exempt employees a meal period premium wage of one (1) additional hour of pay at their regular rate of compensation for each workday that they did not receive all legally required and compliant meal periods, in violation of Labor Code section 226.7 and Wage Order 1 at § 11.

Based on these violations, Employee intends to seek civil penalties pursuant to PAGA, Labor Code sections 2698, *et seq.*, under Labor Code sections 558 and/or Labor Code section 2699(f)(2) on behalf of LWDA against Employer if authorized to file a representative action on behalf of the State of California. As a derivative claim of Employer's failure to authorize or permit all legally required and compliant meal periods and/or failure to pay meal period premium wages, Employee will also seek civil penalties for Defendant's violations of Labor Code section 226(a) under Labor Code sections 226.3 and/or 2699(f)(2) because the failure to pay meal period premiums and/or pay meal period premiums at the proper regular rate of pay rendered Employee's and other current and former aggrieved California-based hourly non-exempt employees' pay calculations inaccurate and resulted in their wage statements being inaccurate with respect to gross and net wages earned, in violation of Labor Code sections 226(a)(1 & 5).

4. *Failure to Authorize or Permit Rest Periods in Violation of Labor Code Section 226.7 and/or Failure to Pay Rest Period Premiums*

Employee alleges that during his employment, Employer failed to authorize or permit all legally required and compliant rest periods and/or failed to pay rest period premiums. California law requires that "[e]very employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period. The authorized rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof..." Wage Order 1, § 12. "Employees are entitled to 10 minutes' rest for shifts from three and one-half to six hours in length, 20 minutes for shifts of more than six hours up to 10 hours, 30 minutes for shifts of more than 10 hours up to 14 hours, and so on." *Brinker Restaurant Corp. v. Sup. Ct. (Hohnbaum)* (2012) 53 Cal.4th 1004, 1029; Labor Code § 226.7. Additionally, the rest period requirement "obligates Employer to permit – and authorizes employees to take – off-duty rest periods." *Augustus v. ABM Security Services, Inc.* (2016) 5 Cal.5th 257, 269. That is, during rest periods an employer must relieve employees of all duties and relinquish control over how employees spend their time. *Id.* If the employer fails to authorize or permit a required rest period, the employer must pay the employee one (1) hour of pay at the employee's regular rate of pay for each workday the employer did not authorize or permit a legally required rest period. Labor Code § 226.7; Wage Order 1 at § 12.

Employee alleges that Employer failed to authorize or permit him and other current and former aggrieved California-based hourly non-exempt employees to take all legally required and compliant rest periods due to Employer's policies, practices, and/or procedures including, but not limited to, the following:

- Failing to provide Employee and other current and former aggrieved California-based hourly non-exempt employees with net ten (10) minute rest breaks for every four (4) hours worked or major fraction thereof.
- Failing to provide Employee and other current and former aggrieved California-based hourly non-exempt employees a third uninterrupted duty-free rest period of no less than ten (10) net minutes on each workday that Employee and other current and former aggrieved California-based hourly non-exempt employees work shifts over ten (10) hours.

Additionally, Employee alleges that Employer maintained a policy, practice, and/or procedure whereby they failed to pay Employee and other current and former aggrieved California-based hourly non-exempt employees a rest period premium wage of one (1) additional hour of pay at their regular rate of compensation for each workday that they did not receive all legally required and compliant rest periods, in violation of Labor Code section 226.7 and Wage Order 1 at § 12.

Based on these violations, Employee intends to seek civil penalties pursuant to PAGA, Labor Code sections 2698, *et seq.*, under Labor Code section 2699(f)(2), on behalf of LWDA against Employer if authorized to file a representative action on behalf of the State of California. As a derivative claim of Employer's failure to authorize or permit all legally required and compliant rest periods and/or failure to pay rest period premium wages, Employee will also seek civil penalties for Defendant's violations of Labor Code section 226(a) under Labor Code sections 226.3 and/or 2699(f)(2) because the failure to pay rest period premiums and/or pay rest period premiums at the proper regular rate of pay rendered Employee's and other current and former aggrieved California-based hourly non-exempt employees' pay calculations inaccurate and resulted in their wage statements being inaccurate with respect to gross and net wages earned, in violation of Labor Code sections 226(a)(1 & 5).

5. *Failure to Timely Pay Earned Wages During Employment in Violation of Labor Code Section 204*

Employee alleges that during his employment, Employer failed to timely pay Employee's and other current and former aggrieved California-based hourly non-exempt employees' earned wages. In California, wages must be paid at least twice during each calendar month on days designated in advance by the employer as regular paydays, subject to some exceptions. Labor Code § 204(a). Wages earned between the 1st and 15th days, inclusive, of any calendar month must be paid between the 16th and the 26th day of that month and wages earned between the 16th and the last day, inclusive, of any calendar month must be paid between the 1st and 10th day of the following month. *Id.* Other payroll periods such as those that are weekly, biweekly, or semimonthly, must be paid within seven (7) calendar days following the close of the payroll period in which wages were earned. Labor Code § 204(d).

As a derivative of Employee's claims above, Employee alleges that Employer failed to timely pay him and other current and former aggrieved California-based hourly non-exempt employees' earned wages (including minimum wages, overtime wages, meal period premium wages, and/or rest period premium wages), in violation of Labor Code section 204. Employer's aforementioned policies, practices, and/or procedures resulted in Employer failing to pay Employee and other current and former aggrieved California-based hourly non-exempt employees their earned wages within the applicable time frames outlined in Labor Code 204.

Based on these violations, Employee intends to seek civil penalties pursuant to PAGA, Labor Code sections 2698, *et seq.*, on behalf of LWDA against Employer if authorized to file a representative action on behalf of the State of California.

6. *Secret Payment of Wages Lower Than Designated by Statute, in Violation of Labor Code Section 223*

Labor Code section 223 provides that, where any statute or contract requires an employer to maintain the designated wage scale, it shall be unlawful to secretly pay a lower wage while purporting to pay the wage designated by statute or contract. By engaging in the unlawful conduct alleged herein, including by failing to pay wages no less than the applicable legal minimum and overtime wages, and also meal and rest break premiums, as established by Labor Code sections 226.7, 510, 1194, 1197 and sections 11 and 12 of the applicable IWC Wage Orders, as incorporated by Labor Code section 1198, the Employer secretly paid a lower wage than designated by statute while purporting to pay the wages designated by statute, in violation of Labor Code section 223. The Employee with therefore pursue the civil penalties established by Labor Code section 225.5 for all such violations of Labor Code section 223, on behalf of the LWDA and against Employer if authorized to file a representative action on behalf of the State of California.

7. *Failure to Provide Accurate Wage Statements*

Labor Code section 226(a) states that “[a]n employer, semimonthly or at the time of each payment of wages, shall furnish to his or her employee...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....”

Employee alleges that as a derivative of Employee’s claims above, Employer failed to provide accurate wage and hour statements to Employee and other current and former aggrieved California-based hourly non-exempt employees who were subject to Employer’s control for uncompensated time and who did not receive all their earned wages (including minimum wages, overtime wages, meal period premium wages, and/or rest period premium wages), as such failures rendered Employee’s and other current and former aggrieved California-based hourly non-exempt employees’ pay calculations inaccurate and resulted in their wage statements being inaccurate with respect to gross wages earned, total hours worked, net wages earned and all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate, in violation of Labor Code sections 226(a)(1, 2, 5 & 9).

Based on these violations, Employee will seek civil penalties pursuant to PAGA, Labor Code sections 2698, *et seq.*, under Labor Code section 226.3 and/or Labor Code section 2699(f)(2) on behalf of LWDA, against Employer if authorized to file a representative action on behalf of the State of California.

8. *Failure to Timely Pay Final Wages*

Labor Code section 201(a) states that “[i]f an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately.” Labor Code section 202(a) continues, “[i]f an employee not having a written contract for a definite period quits his or her employment, his or her wages shall become due and payable not later than 72 hours thereafter....” Finally, Labor Code section 203(a) provides, “[i]f an employer willfully fails to pay...any wages of an employee who is discharged or who quits, the wages of the employee shall continue as a penalty from the due date thereof at the same rate until paid or until an action therefor is commenced; but the wages shall not continue for more than 30 days....”

As a result of the aforementioned violations of the Labor Code, Employee alleges that he was not paid his final wages in a timely manner as required by Labor Code section 203. Earned wages (including minimum wages, overtime wages, meal period premium wages, and/or rest period premium wages) (all described above), were not paid at the time of Employee’s separation of employment. Employee is informed and believes and thereon alleges that former aggrieved California-based hourly non-exempt employees who separated from Employer, whether voluntarily or involuntarily, were not paid all wages due in a timely manner, as required by Labor Code sections 201, 202, and 203.

Based on these violations, Employee will seek civil penalties pursuant to PAGA, Labor Code sections 2698, *et seq.*, under Labor Code section 2699(f)(2) on behalf of LWDA, against Employer if authorized to file a representative action on behalf of the State of California.

9. *Employer’s Other Violations of the California Labor Code*

Finally, pursuant to *Huff v. Securitas Security Services USA, Inc.* (2018) 25 Cal.App.5th 745 (“*Huff*”), as an aggrieved employee, Employee has standing, and intends, on behalf of LWDA, to pursue civil penalties against Employer for any and all other Labor Code violations committed by Employer. In *Huff*, the California Court of Appeals held that an employee alleging a single violation of the Labor Code under PAGA may also bring PAGA claims against the employer for all other alleged Labor Code violations, even those suffered by other employees of the same employer. According to the *Huff* decision, Employee, as an “aggrieved” employee affected by at least one Labor Code violation may, and hereby does, pursue penalties on behalf of LWDA for unrelated Labor Code violations by Employer.

CONCLUSION

Our client intends to file a representative action pursuant to PAGA concerning his wage claims as warranted by Employer's violations of Labor Code sections 201, 202, 203, 204, 223, 226, 226.7, 510, 512, 1194, 1197, and sections 3, 4, 11 and 12 of the applicable IWC Wage Orders. This letter is being sent to you as an inquiry into whether LWDA wishes to investigate my client's claims for civil penalties associated with Employer's violations of the Labor Code, as alleged herein. Thank you for your assistance and cooperation in this matter. If you have any questions or concerns, please contact me at the above-listed information.

Very truly yours,
LAVI & EBRAHIMIAN, LLP

Alexander J. Aroeste, Esq.

JAMES *JH* HAWKINS
A PROFESSIONAL LAW CORPORATION

9880 RESEARCH DRIVE, SUITE 200, IRVINE, CALIFORNIA 92618
TELEPHONE (949) 387-7200; FACSIMILE (949) 387-6676

September 17, 2024

Via Online Filing (LWDA) and Certified Mail (Employers)

California Labor and Workforce Development Agency
Attn: PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612
<http://www.dir.ca.gov/Private-Attorneys-General-Act>

CJ Logistics America, LLC
c/o Agent of Service
Becky DeGeorge
2710 Gateway Oaks Drive
Sacramento, CA 95833
Receipt No.: 9589 0710 5270 1738 0512 93

Re: NOTICE PURSUANT TO LABOR CODE SECTIONS 2699 *et seq.*

To Whom It May Concern:

PLEASE TAKE NOTICE that plaintiff Josue Buenrostro on behalf of himself and all others similarly situated gives NOTICE to file and/or amend a civil action pursuant to Labor Code Sections 2699, *et seq.* Plaintiff hereby gives written notice by certified mail to the Labor and Workforce Development Agency ("LWDA"), **CJ Logistics America, LLC**. Plaintiff hereby attaches the proposed PAGA Complaint as though fully set forth herewith, setting out the specific provisions of the Labor Code plaintiff alleges have been violated including the facts and his theories. All labor provisions alleged violated in the complaint PERTAIN TO ALL ENTITIES AND INDIVIDUALS NAMED IN THE COMPLAINT, even if not specifically specified.

Please advise by certified mail within sixty (60) days of the post mark on this letter if the LWDA intends to investigate these claims. Thank you.

If you have any questions, please do not hesitate to contact me.

Very Truly Yours,

/s/ Anthony Draper

Anthony L. Draper

Enclosures: Complaint

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Attorneys for Plaintiffs DAVID LAMOUNT
GAYLES and JOSUE BENROSTRO on behalf of
themselves and all others similarly situated

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF RIVERSIDE

DAVID LAMOUNT GAYLES and JOSUE
BENROSTRO on behalf of themselves and all
others similarly situated

Plaintiffs,

vs.

CJ LOGISTICS AMERICA, LLC, a Delaware
limited liability company, and DOES 1 through
50, inclusive,

Defendants.

Case No.

Assigned For All Purposes To:

Judge:

Dept:

CLASS ACTION COMPLAINT

- 1) **Failure to pay Lawful Wages**
- 2) **Failure to Provide Lawful Meal Periods or Compensation in Lieu Thereof**
- 3) **Failure to Provide Lawful Rest Periods or Compensation in Lieu Thereof**
- 4) **Failure to Timely Pay Wages During Employment**
- 5) **Failure to Timely Pay Wages At Termination**
- 6) **Knowing and Intentional Failure to Comply With Itemized Employee Wage Statement Provisions**
- 7) **Violations of the Unfair Competition Law**

JURY TRIAL DEMANDED

1 Named Plaintiffs allege as follows

2 **I. INTRODUCTION**

3 1. Plaintiffs David Lamount Gayles and Josue Buerostro (collectively referred to as
4 “Plaintiffs”) assert the following Class Action claims against Defendants CJ LOGISTICS
5 AMERICA, LLC (hereinafter “CJ LOGISTICS”), and Does 1 through 50 inclusive, (collectively
6 “Defendants”)

7 2. Plaintiffs bring this class action, pursuant to Code of Civil Procedure section 382,
8 on behalf of themselves and all similarly situated employees not classified as “Exempt” and/or
9 misclassified as “Exempt” employed by, or formerly employed by Defendants in California.
10 (hereinafter referred to as “Non- Exempt Employees” and/or “Class Members”).

11 3. CJ LOGISTICS provides warehousing and transportation services throughout the
12 state of California.

13 4. Through this action, Plaintiffs are alleging that Defendants have engaged in a
14 systematic pattern of wage and hour violations under the California Labor Code and Industrial
15 Welfare Commission ("IWC") Wage Orders.

16 5. Plaintiffs are informed and believe, and thereon allege, that Defendants have
17 increased their profits by violating state wage and hour laws by, among other things:

- 18 (a) Failing to pay all wages owed, including overtime;
19 (b) Failing to provide lawful meal periods or compensation in lieu thereof,
20 (c) Failing to authorize or permit lawful rest periods or provide compensation in lieu
21 thereof;
22 (d) Failing to reimburse for business expenses;
23 (e) Willfully failing to provide accurate semi-monthly itemized wage statements;
24 (f) Failing to pay all wages due upon separation of employment; and
25 (g) Misclassifying non- exempt employees as exempt independent contractors
26

27 6. Plaintiffs, on behalf of themselves and Non-Exempt Employees, bring this action
28 pursuant to Labor Code sections §§ 201-204, 210, 226, 226.3, 226.7, 226.8, 510, 512, 558, 1174,
1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 2775, 2800, 2802, and applicable Industrial

1 Welfare Commission (“IWC”) Wage Orders seeking unpaid lawful wages, unpaid rest and meal
2 period compensation, expense reimbursements, penalties and other equitable relief, and
3 reasonable attorneys’ fees and costs.

4 **II. VENUE**

5 7. This Court has jurisdiction over this action pursuant to the California Constitution
6 Article VI §10, which grants the California Superior Court original jurisdiction in all causes except
7 those given by statute to other courts. The statutes under which this action is brought do not give
8 jurisdiction to any other court.

9 8. This Court has jurisdiction over Defendants because, upon information and belief,
10 each Defendants either have sufficient minimum contacts in California, or otherwise intentionally
11 avails itself of the California market so as to render the exercise of jurisdiction over it by the
12 California Courts consistent with traditional notions of fair play and substantial justice.

13 9. Venue is proper in this Court because upon information and belief, one or more of
14 the Defendants, reside, transact business, or have offices in this County and/or the acts or omissions
15 alleged herein took place in this County. The unlawful acts alleged herein have a direct effect on
16 Plaintiffs and all other Non- Exempt Employees within the State of California. Defendants employ
17 numerous Class Members and Aggrieved employees in the State of California.

18 10. On information and belief, Defendants have conducted business within the State of
19 California during the purported liability period and continue to conduct business throughout the
20 State of California. The unlawful acts alleged herein have had a direct effect on Plaintiffs, and the
21 similarly situated Non- Exempt Employees within California.

22 11. The California Superior Court also has jurisdiction in this matter because on
23 information and belief there are no federal questions at issue, as the issues herein are based solely
24 on California statutes and law, including the California Labor Code, the IWC Wage Orders, the
25 California Code of Civil Procedure, and the California Civil Code.

26 **III. PARTIES**

27 12. Plaintiffs are, and at all times mentioned in this complaint were, residents of
28 California.

13. On information and belief, CJ LOGISTICS provides warehousing and transportation services throughout California.

14. The true names and capacities of Defendants, whether individual, corporate, associate, or otherwise, sued herein as DOES 1 through 50, inclusive, are currently unknown to Plaintiffs, who therefore sue Defendants by such fictitious names under Code of Civil Procedure section 474. Plaintiffs are informed and believe, and based thereon allege, that each of the Defendants designated herein as a DOE is legally responsible in some manner for the unlawful acts referred to herein. Plaintiffs will seek leave of court to amend this Complaint to reflect the true names and capacities of the Defendants designated hereinafter as DOES when such identities become known.

IV. FACTUAL BACKGROUND

15. Plaintiff Gayles was employed by Defendants as a Warehouse Associate on or about May 2020. Plaintiff occupied said non-exempt, hourly position until the last day of his employment on or about April 29, 2022.

16. As a Warehouse Associate, Plaintiff Gayle's job duties included, but were not limited to, operating the forklift, picking orders, and loading and unloading trucks.

17. Plaintiff Josue Buenrostro was employed by Defendants as a Senior Operator on or about May 2015. Plaintiff occupied said non-exempt, hourly position until the last day of his employment on or about January 31, 2024.

18. As a Senior Operator, Plaintiff Buenrostro's job duties included, but were not limited to, fulfilling trucking orders, retrieving pallets, printing shipping labels for smaller shipments, and working with third-party couriers for smaller shipments.

19. During the relevant time period, Plaintiffs and Non-Exempt Employees typically worked five to six days a week. During their scheduled workdays, Plaintiffs and Class Members were typically scheduled to work eight (8) hour shifts, but their shifts typically lasted two to four hours longer.

20. During the relevant time period, Defendants implemented policies and practices which resulted in Plaintiffs and Non-Exempt Employees not being paid the correct wage for all

1 hours worked. For instance, Plaintiffs and Class Members were often provided with non-
2 discretionary bonuses based on measurable metrics including, but not limited to, productivity and
3 attendance, but the non-discretionary bonuses were not incorporated into Plaintiffs and Class
4 Members' regular rate of pay when calculating overtime and sick pay. Plaintiffs and Class
5 Members were therefore systematically underpaid overtime and sick pay.

6 21. During the relevant time period, Plaintiff Buenrostro and other Class Members
7 would occasionally be sent home by CJ LOGISTICS within the first two hours of work without
8 compensation.

9 22. During the relevant time periods, due to the demands of the work shifts, Plaintiffs
10 and Non-Exempt Employees were frequently required to work in excess of five (5) hours without
11 a minimum, uninterrupted thirty (30) minute by the end of the fifth hour of their shift and/or in
12 excess of ten (10) hours without a second 30 minute meal period by the end of the tenth hour of
13 their shift. For example, Plaintiffs and Class Members were regularly unable to take legally
14 compliant meal breaks due to the demands of the job and the shipping schedules the Plaintiffs
15 and Class Members were required to meet. For instance, Plaintiffs Gayles and Buenrostro in their
16 positions as Warehouse Associate and Senior Operator, respectively, were required to follow
17 pick up and delivery schedules provided by CJ LOGISTICS which did not reasonably allow for
18 any compliant meal breaks to be taken during their respective work shifts. Furthermore, when
19 Plaintiffs and Class Members were able to take a meal break, this meal break was often
20 interrupted by CJ LOGISTICS, where Plaintiffs and Class Members would receive phone calls
21 and/or text messages from their supervisors regarding job-related tasks to be completed during
22 their shift. Also, Plaintiffs were never provided a second, uninterrupted thirty (30) minute meal
23 break when working over ten (10) hours.

24 23. During the relevant time periods, Plaintiffs, and on information and belief, Non-
25 Exempt Employees were not paid one (1) hour of pay at their regular rate of compensation for
26 each workday that a compliant meal period was not provided, in violation of California labor
27 laws, regulations and IWC Wage Orders.

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24. During the relevant time periods, due to the demands of the work shifts, as discussed herein, Plaintiffs and Non Exempt Employees were required to work without being permitted or authorized a minimum ten (10) minute rest period for every four hours or major fraction thereof worked and were not compensated one (1) hour of pay at their regular rate of compensation for each workday that a rest period was not provided, in violation of California labor laws, regulations, and IWC Wage Orders.

25. During the relevant time period, pursuant to uniform policy and practice, Defendants failed to include non-discretionary compensation including but not limited to on-call payments and shift differential payments in determining Plaintiff Smith and similarly situated Non Exempt Employees' regular rate of pay for purposes of overtime and therefore paid overtime compensation at a lower rate in violation of California law.

26. On information and belief, Defendants willfully failed to pay all earned wages in a timely manner to Non- Exempt Employees during their employment and at the termination of their employment all compensation due, including but not limited to all wages owed and compensation for having failed to properly provide rest periods and meal periods.

27. Defendant have also failed to maintain accurate itemized records reflecting total hours worked and have failed to provide Non- Exempt Employees with accurate, itemized wage statements reflecting total hours worked and appropriate rates of pay for those hours worked.

28. Plaintiffs are informed and believe, and based thereon allege, that Defendants currently employ and during the relevant time periods have employed over one hundred (100) Non-Exempt Employees in California.

29. Non-Exempt Employees employed by Defendants, at all times pertinent hereto, have been non-exempt employees within the meaning of the California Labor Code and the implementing rules and regulations of the IWC California Wage Orders.

V.

CLASS ALLEGATIONS

30. Plaintiffs Gayles and Buenrostro seek to represent a Class comprised of and defined as: All persons who are or were employed by Defendants in the state of California as

1 hourly non-exempt employees within four (4) years prior to the date this lawsuit is filed
2 (“liability period”) until resolution of this lawsuit (collectively referred to as the “Class” and/or
3 Class Members”).

4 31. Plaintiffs also seek to represent Subclasses which are composed of persons
5 satisfying the following definitions:

6 a. All Class Members in the state of California who were not accurately and
7 fully paid all lawful wages owed to them including proper minimum wage and/or overtime
8 compensation for all their hours worked;

9 b. All Class Members in the state of California who have not been provided
10 compliant 30 minute meal period when they worked over five hours in a work shift by the end of
11 the fifth hour and were not provided compensation in lieu thereof;

12 c. All Class Members in the state of California who have not been provided a
13 compliant second 30 minute meal period when they worked over ten hours in a work shift by the
14 end of the tenth hour and were not provided lawful compensation in lieu thereof;

15 d. All Class Members in the state of California who, within the liability
16 period, have not been authorized and permitted to take a minimum ten (10) minute rest period for
17 every four (4) hours or major fraction thereof worked per day and were not provided
18 compensation in lieu thereof;

19 e. All Class Members in the state of California who, within the liability
20 period, were not timely paid all wages due and owed to them during their employment with
21 Defendant;

22 f. All Class Members in the state of California who, within the liability
23 period, were not timely paid all wages due and owed to them upon the termination of their
24 employment with Defendant; and

25 g. All Class Members in the state of California who, within the liability
26 period, were not provided with accurate and complete itemized wage statements.

27 35. Plaintiffs reserve the right under Rule 3.765, California Rules of Court, to amend or
28 modify the class description with greater specificity or further division into subclasses or

1 limitation to particular issues.

2 36. This action has been brought and may properly be maintained as a class action
3 under the provisions of section 382 of the Code of Civil Procedure because there is a well-
4 defined community of interest in the litigation and the proposed Class is easily ascertainable.

5 **A. Numerosity**

6 37. The potential members of the Class defined are so numerous that joinder of all the
7 members is impracticable. While the precise number of Class and Driver Class Members has not
8 been determined at this time, Plaintiffs are informed and believe that Defendants currently
9 employ, and/or during the relevant time period employed, approximately over 100 Non-Exempt
10 Employees in California who are or have been affected by Defendants' unlawful practices as
11 alleged herein.

12 **B. Commonality**

13 38. There are questions of law and fact common to the Class and Driver Class
14 predominating over any questions affecting only individual Class and Driver Class Members.
15 These common questions of law and fact include, without limitation:

16 i. Whether Defendants violated Labor Code sections 510, 1194 and applicable IWC Wage
17 Orders by failing to pay all earned wages including correct overtime compensation to
18 Non-Exempt Employees who worked in excess of eight (8) hours in a work day and/or
19 more than forty (40) hours in a workweek;

20 ii. Whether Defendants violated Labor Code sections 226.7, 512 and applicable IWC
21 Wage Order by failing to provide statutorily compliant 30-minute meal periods to Non-
22 Exempt Employees on days in which they worked in excess of 5 hours and/or 10 hours
23 and failing to compensate said employees one hour wages in lieu of meal periods;

24 iii. Whether Defendants violated Labor Code section 226.7 and applicable IWC Wage
25 Orders by failing to authorize and permit minimum 10-minute rest periods to Non-
26 Exempt Employees for every four hours or major fraction thereof worked and failing to
27 compensate said employees one hours wages in lieu of rest periods;

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- 1 iv. Whether Defendants violated sections 201-203 of the Labor Code by failing to pay all
2 earned wages and/or premium wages due and owing at the time that any Non-Exempt
3 Employee's employment with Defendants terminated including but not limited to correct
4 overtime;
- 5 v. Whether Defendants violated section 204 of the Labor Code by failing to pay timely
6 wages during employment.
- 7 vi. Whether Defendants violated sections 226 of the Labor Code and applicable IWC Wage
8 Orders by failing to, among other violations, maintain accurate records of Non-Exempt
9 Employees' earned wages, work periods, meal periods and deductions;
- 10 vii. Whether Defendants violated section 17200 *et seq.* of the Business and Professions
11 Code through their violation of the above-referenced Labor Code and Civil Code sections
12 and applicable IWC Wage Orders which violation constitutes a violation of fundamental
13 public policy.

14 **C. Typicality**

15 39. The claims of the named Plaintiffs are typical of the claims of their respective
16 Classes. Plaintiffs and all members of their respective Classes sustained injuries and damages
17 arising out of and caused by Defendants' common course of conduct in violation of California
18 laws, regulations, and statutes as alleged herein.

19 **D. Adequacy of Representation**

20 40. Plaintiffs will fairly and adequately represent and protect the interests of the
21 members of their respective Classes. Counsel who represents Plaintiffs is competent and
22 experienced in litigating large employment class actions.

23 **E. Superiority of Class Action**

24 41. A class action is superior to other available means for the fair and efficient
25 adjudication of this controversy. Individual joinder of all Class and Driver Class Members is not
26 practicable, and questions of law and fact common to each Class predominate over any questions
27 affecting only individual members of each Class. Each member of the Classes has been
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1 damaged and is entitled to recovery by reason of Defendants' unlawful policy and/or practice
2 herein complained of.

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

7 **VI.**
8 **CAUSES OF ACTION**

9 **First Cause of Action**
10 Failure to Pay Lawful Wages Including Overtime Wages
(Lab. Code §§ 510, 1194 1199)
11 (Against All Defendants)

12 43. Plaintiffs repeat and incorporate herein by reference each and every allegation set
13 forth above, as though fully set forth herein.

14 44. As alleged herein, during the liability period, Defendants' policies, practices and
15 work shift requirements resulted in Plaintiffs and similarly situated Non-Exempt Employees not
16 receiving compensation for all earned wages including overtime in violation of California state
17 wage and hour laws.

18 45. As alleged herein, during the statutory liability period, Defendants' policies and/or
19 practices resulted in Plaintiffs and Non-Exempt Employees working in excess of eight (8) hours
20 in a workday and/or forty (40) hours in a workweek without receiving the proper compensation
21 at the rate of time and one-half (1 1/2) of such employee's correct regular rate of pay.

22 46. As also alleged herein, during the statutory liability period, Defendants' policies
23 and/or practices resulted in Plaintiffs and Non-Exempt Employees not receiving all lawful wages
24 for all time spent under Defendant's control.

25 47. WHEREFORE, Plaintiffs and the Class they seek to represent request relief as
26 described herein and below.

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Second Cause of Action
Failure to Provide Lawful Meal Periods
Or Compensation in Lieu Thereof
(Lab. Code §§226.7, 512, IWC Wage Orders)
(Against All Defendants)

48. Plaintiffs repeat and incorporate herein by reference each and every allegation set forth above, as though fully set forth herein.

49. As alleged herein, by their failure to provide Plaintiffs and Non-Exempt Employees a thirty (30) minute uninterrupted meal periods by the end of the fifth hour for days on which Non-Exempt employees work(ed) work periods in excess of 5 hours and/or a second uninterrupted 30 minute meal period by the end of the tenth hour on days in which they worked in excess of 10 hours and not providing compensation for such statutorily non-compliant meal periods, Defendants violated the provisions of Labor Code §512 and applicable IWC Wage Orders.

50. By failing to record and maintain adequate and accurate time records according to sections 226 and 1174 (d) of the Labor Code, Defendants have injured Plaintiffs and Class Members and made it difficult to calculate the unpaid meal period compensation due Plaintiffs and Class Members.

51. As a result of the unlawful acts of Defendants, Plaintiffs and the Class they seek to represent have been deprived of premium wages in amounts to be determined at trial, and are entitled to recovery of such amounts, plus interest and penalties thereon under Labor Code §226.7.

52. WHEREFORE, Plaintiffs and the Class they seek to represent request relief as described herein and below.

Third Cause of Action
Failure to Provide Rest Periods
Or Compensation in Lieu Thereof
(Lab. Code §§226.7, IWC Wage Orders)
(Against All Defendants)

53. Plaintiffs repeat and incorporate herein by reference each and every allegation set forth above, as though fully set forth herein.

54. As alleged herein, by their failure to provide a minimum ten (10) minute rest period for every four hours or major fraction thereof worked per day by Non Exempt Employees, and failing to provide compensation for such non-provided rest periods, as alleged above, Defendants willfully violated the provisions of Labor Code section 226.7 and IWC applicable Wage Orders.

55. As a result of the unlawful acts of Defendants, Plaintiffs and the Class they seek to represent have been deprived of premium wages in amounts to be determined at trial, and are entitled to recovery of such amounts, plus interest and penalties thereon under Labor Code §226.7.

56. WHEREFORE, Plaintiffs and the Class they seek to represent request relief as described herein and below.

Fourth Cause of Action

Failure to Timely Pay Wages During Employment

(Lab. Code § 204)

(Against All Defendants)

57. Labor Code section 204 requires that all wages are due and payable twice in each calendar month. The wages required by Labor Code §§ 226.7, 510, 1194, 1197 and other sections became due and payable to Plaintiffs and Class Members in each month that he or she was not paid all lawful wages owed or provided with lawful meal period or rest period to which he or she was entitled. Defendants violated Lab. Code §204 by failing to pay said wages when they were due and payable.

58. Labor Code section 210 (a) provides that “In addition to, and entirely independent and apart from, any other penalty provided in this article, every person who fails to pay the wages of each employee as provided in Sections 201.3, 204, 204b, 204.1, 204.2, 204.11, 205, 205.5, and 1197.5, shall be subject to a penalty as follow:

(1) For any initial violation, one hundred dollars (\$100) for each failure to pay each employee.

1 (2) For each subsequent violation, or any willful or intentional violation, two hundred
2 dollars (\$200) for each failure to pay each employee, plus 25 percent of the amount unlawfully
3 withheld.

4 59. As a result of the unlawful acts of Defendants alleged herein, Plaintiffs and the
5 Class they seek to represent have been deprived of wages in amounts to be determined at trial,
6 and are entitled to recovery of such amounts, plus interest and penalties.

7 60. WHEREFORE, Plaintiffs and the Class they seek to represent request relief as
8 described herein and below.

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10 **Fifth Cause of Action**
11 Failure to Timely Pay Wages Due At Termination
12 (Lab. Code §§ 201-203)
(Against All Defendants)

13 61. Plaintiffs repeat and incorporate herein by reference each and every allegation set
14 forth above, as though fully set forth herein.

15 62. Sections 201 and 202 of the California Labor Code require Defendant to pay its
16 employees all wages due within 72 hours of termination of employment. Section 203 of the
17 Labor Code provides that if an employer willfully fails to timely pay such wages the employer
18 must, as a penalty, continue to pay the subject employees' wages until the back wages are paid in
19 full or an action is commenced. The penalty cannot exceed 30 days of wages.

20 63. As alleged herein, affected class members are entitled to compensation for all
21 forms of wages earned, including, overtime compensation, minimum wage, correct sick pay
22 wages and compensation for non-provided rest and meal periods but to date have not received
23 such compensation therefore entitling them Labor Code section 203 penalties.

24 64. More than 30 days have passed since Plaintiffs and affected Class Members have
25 left Defendants' employ, and on information and belief, have not received payment pursuant to
26 Labor Code §203. As a consequence of Defendants' willful conduct in not paying all earned
27 wages, certain Class Members are entitled to 30 days' wages as a penalty under Labor Code
28 section 203 for failure to pay legal wages.

1 65. WHEREFORE, Plaintiffs and the Class they seek to represent request relief as
2 described herein and below.

3
4 **Sixth Cause of Action**

5 Knowing and Intentional Failure to Comply With Itemized Employee
6 Wage Statement Provisions
7 (Lab. Code § 226(b))
8 (Against All Defendants)

9 66. Plaintiffs repeat and incorporate herein by reference each and every allegation set
10 forth above, as though fully set forth herein

11 67. Section 226(a) of the California Labor Code requires Defendants to itemize in wage
12 statements all deductions from payment of wages and to accurately report total hours worked by
13 Plaintiffs and the members of the proposed classes. IWC Wage Orders require Defendants to
14 maintain time records showing, among others, when the employee begins and ends each work
15 period, meal periods, split shift intervals and total daily hours worked in an itemized wage
16 statement, and must show all deductions and reimbursements from payment of wages, and
17 accurately report total hours worked by Plaintiff and the members of the proposed class. On
18 information and belief, Defendant has failed to record all or some of the items delineated in
19 Industrial Wage Orders and Labor Code §226

20 68. As alleged herein, Plaintiffs and Class Members have been injured by Defendants'
21 actions by rendering them unaware of the full compensation to which they were entitled under
22 applicable provisions of the California Labor Code and applicable IWC Wage Orders.

23 69. Pursuant Labor Code §226, Plaintiffs and Class Members are entitled up to a
24 maximum of \$4,000.00 each for record-keeping violations.

25 70. WHEREFORE, Plaintiffs and the Class they seek to represent request relief as
26 described herein and below.

27 **Seventh Cause of Action**

28 Violation of Unfair Competition Law
29 (Bus. & Prof. Code, §§ 17200-17208)
30 (Against All Defendants)

31 71. Plaintiffs repeat and incorporate herein by reference each and every allegation set
32 forth above, as though fully set forth herein.

72. Business & Professions Code Section 17200 provides:

As used in this chapter, unfair competition shall mean and include any **unlawful, unfair** or fraudulent business act or practice and unfair, deceptive, untrue or misleading advertising and any act prohibited by Chapter 1 (commencing with Section 17500) of Part 3 of Division 7 of the Business and Professions Code.) (Emphasis added.)

73. Defendants' violations of the Labor Code and Wage Order provisions set forth above constitute unlawful and/or unfair business acts or practices.

74. The actions of Defendants, as alleged within this Complaint, constitute false, fraudulent, unlawful, unfair, fraudulent and deceptive business practices, within the meaning of Business and Professions Code section 17200, *et seq.*

75. Plaintiffs and Class Members have been personally aggrieved by Defendants' unlawful and unfair business acts and practices alleged herein.

76. As a direct and proximate result of the unfair business practices of Defendants, and each of them, Plaintiffs, individually and on behalf of all employees similarly situated, is entitled to restitution of all wages which have been unlawfully withheld from Plaintiff and Class Members as a result of the business acts and practices described herein

77. WHEREFORE, Plaintiffs and the Class they seek to represent request relief as described herein and below.

VII.

PRAYER

WHEREFORE, Plaintiffs pray for judgment as follows:

1. That the Court determine that this action may be maintained as a class action;
2. For compensatory damages in an amount according to proof with interest thereon;
3. For economic and/or special damages in an amount according to proof with interest thereon;
4. For premium wages pursuant to Labor Code §§ 226.7 and 512;
5. For premium pay and penalties pursuant to Labor Code §§ 203;
6. For attorneys' fees, interests and costs of suit under Labor Code §§ 226, 1194;
7. For such other and further relief as the Court deems just and proper.

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DEMAND FOR JURY TRIAL

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

Dated: September 17, 2024

JAMES HAWKINS, APLC

James R. Hawkins
Isandra Y. Fernandez
Anthony L. Draper
Attorneys for Plaintiffs
DAVID LAMOUNT GAYLES and
JOSUE BUENROSTRO

EXHIBIT D