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8

9 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
10 **COUNTY OF ALAMEDA**
11

12 OSCAR BARAJAS, as an individual and
on behalf of all others similarly situated,

13
14 Plaintiff,

15 v.

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17 CPC LOGISTICS SOLUTIONS, LLC, a
Missouri limited liability company; CPC
18 LOGISTICS INC., a Missouri corporation;
NEWCO DISTRIBUTORS, INC., a
19 California corporation; and DOES 1-100,
inclusive,

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21 Defendants.
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Case No.: 22CV011373

Assigned for All Purposes to:
Hon. Sarah Sanford-Smith
Dept. 17

**DECLARATION OF SEPIDEH ARDESTANI
IN SUPPORT OF MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT**

Date: March 18, 2026
Time: 3:00 p.m.
Dept.: 17

Reservation ID: 251609557445

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1. I am an attorney duly licensed to practice in California and before this Court, and I am a partner with Crosner Legal PC, counsel of record for plaintiff Oscar Barajas. I make this declaration in support of Plaintiffs' Motion for Preliminary Approval. If called to testify as to the within facts, I would and could competently do so.

2. Attached hereto as Exhibit 1 is a true and correct copy of the Parties' Joint Stipulation of Class Action and PAGA Settlement. Attached hereto as Exhibit 2 is a true and correct copy of the proposed Class Notice. Attached hereto as Exhibit 3 is are true and correct copies of Plaintiff's PAGA notice letter and amended PAGA notice letter, and proofs of submission to the LWDA. Attached hereto as Exhibit 4 is a true and correct copy of proof of submission of the settlement and this motion to the LWDA via its online portal.

3. I am unaware of any other cases against Defendants that would overlap with this case as far as claims alleged or the class members affected by the proposed settlement.

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4. CPC is a staffing company that has provided its clients with drivers and warehouse staff for the past 50 years. Plaintiff Barajas was hired by CPC on September 17, 2021 and placed to work at Newco Distributor's facility in Hayward, California, as a non-exempt warehouse equipment operator/clerk. He was responsible for relocating inventory within the warehouse using a forklift as well as other loading equipment.

5. On May 16, 2022 Plaintiff filed his class action complaint against all Defendants and Newco Distributors alleging claims for: (1) unpaid minimum wages, (2) unpaid overtime wages, (3) unpaid premium wages for late, short or denied meal and rest periods, (4) failure to furnish accurately itemized wage statements, (5) failure to pay all wages due upon separation of employment, (6) failure to reimburse business expense, and (7) unfair competition. On July 1, 2022, Defendant CPC Logistics removed the Class Action to the United States District Court for the Northern District of California based on the Class Action Fairness Act (“CAFA”). On September 23, 2022, the federal district court granted Plaintiff’s Motion to Remand the class

1 action back to state court, as Plaintiff successfully argued Defendants failed to establish there was
2 more than \$5 million in controversy in the Class Action, thereby failing to satisfy the jurisdictional
3 minimum for CAFA jurisdiction.

4 6. Meanwhile, on August 17, 2022, and after exhausting his administrative remedies
5 with the LWDA, Plaintiff filed a separate PAGA representative complaint seeking penalties
6 pursuant to PAGA based on the same general allegations and alleged Labor Code violations as the
7 class action. Both of Plaintiff's complaints alleged claims against Newco Distributors as well as
8 CPC, although Plaintiff already reached a separate settlement with Newco and that entity is not a
9 party to the proposed settlement currently before the Court.

10 7. Defendants have at all times denied Plaintiff's allegations and maintained their
11 meal and rest break and payroll policies and procedures comply with California law, that they paid
12 the class member wages due at the correct rates of pay, and provided them with required meal and
13 rest breaks or paid the required compensation for any documented meal/rest violations.
14 Defendants also contend there would be no need for any class member to incur any business
15 expenses in the performance of their job duties and therefor no reimbursement is owed.
16 Additionally, Defendants strongly contend the case cannot be maintained as a class action, arguing
17 for example that to the extent class members missed meal and/or rest breaks, or that such breaks
18 were non-compliant, it was intermittent and infrequent and evidence of such missed breaks would
19 be anecdotal, and therefore individualized issues would predominate.

20 8. After Plaintiff filed his complaints, and after the matter was remanded from federal
21 court, the Parties engaged in initial written discovery and, after meeting and conferring regarding
22 discovery, law and motion, and other case management issues, agreed to attempt mediation. The
23 Parties also agreed on a protocol for an exchange of substantial documents and information before
24 the mediation to facilitate the settlement discussions. Consequently, Plaintiff's counsel reviewed
25 payroll records, compensation plans, personnel policies/handbooks, meal and rest break policies,
26 personnel files, and a random of sampling of Class Member paystubs and time records. Plaintiff
27 then had those records analyzed by Berger Consulting Group to look for, inter alia, violation rates
28 for missed, late and/or short meal breaks, potential damages from unpaid overtime, etc.

1 Defendants also provided data regarding the total number of putative class members, the estimated
2 total amount of workweeks and pay periods they worked, average pay rates, and information
3 regarding other non-hourly compensation, among other relevant data.

4 9. The Parties then engaged Steve Pearl, Esq., a respected professional neutral with
5 substantial wage and hour and class action experience and, in February 2024, the Parties
6 participated in a full day mediation with Mr. Pearl. Throughout the day, the arms-length
7 negotiations were hard-fought and adversarial as the Parties exchanged extensive information on
8 their legal and factual positions, and made numerous offers and counter-offers, and ultimately
9 were able to reach agreement on all major issues. The Parties then collaboratively drafted the Joint
10 Stipulation of Class Action and PAGA Settlement (“Settlement Agreement”) setting forth the
11 settlement terms now before the Court for approval.

12 **THE PROPOSED SETTLEMENT TERMS**

13 10. Under the settlement, Defendants will pay \$305,160 into a common fund, the
14 Maximum Settlement Amount (“MSA”). Attorney’s fees of up to \$101,720 (1/3 of the MSA),
15 actual litigation costs of up to \$26,000, settlement administration costs of no more than \$10,000, a
16 service award to Plaintiff of no more than \$10,000, and PAGA civil penalties of \$30,000 (divided
17 75%, or \$22,500 to the LWDA and 25%, or \$7,500, to the Aggrieved Employees), all will be paid
18 from the MSA. The balance of around \$129,040 will be allocated pro rata to the Class Members
19 based on their weeks worked during the Class Period. No portion of the MSA will revert to
20 Defendants.

21 11. The settlement provides for conditional certification of a settlement class including
22 all non-exempt employees who are or previously were employed by any of the Released Parties
23 (as defined in the Settlement Agreement) and performed work in California during the Class
24 Period of November 19, 2017 to August 15, 2025, excluding all such individuals who were
25 employed in positions requiring a commercial driver’s license. The Settlement Class consists of
26 about 560 individuals.

27 12. As noted, the settlement obligates Defendants to pay \$305,160 to resolve the
28 Settlement Class’s claims, inclusive of attorney’s fees and costs. At least \$129,040 from the MSA

1 will be distributed to the Participating Class Members. This is a cash settlement that does not
2 require Participating Class Members to submit a claim form to receive their settlement share.
3 Participating Class Members will receive their settlement checks automatically via First Class
4 U.S. Mail. Twenty percent of each settlement share will be allocated to wages and the remaining
5 eighty percent will be allocated to expenses, penalties and interest, which allocation is consistent
6 with CPC's potential liability. Defendants will pay any and all applicable employer-side payroll
7 taxes separately and in addition to the MSA. Subject to the Court's approval, any amounts not
8 claimed (because a class member does not cash their settlement check) will be forwarded to the
9 State Controller's Unclaimed Property Fund.

10 13. Each Participating Class Member will receive a share of the Net Settlement
11 Amount based on his or her total weeks worked in California as a non-exempt employee in a
12 position that did not require a commercial driver's license. Thus, each Class Member's Individual
13 Settlement Payment will be calculated using criteria typically used in determining appropriate
14 amounts of unpaid wages, unpaid premium wages for missed meal and rest breaks, unreimbursed
15 expenses, and potential statutory penalties under applicable law. These methods are intended to
16 ensure each Class Member receives a settlement award corresponding to the relative value of their
17 potential claims. The proposed allocation provides a reasonable way to compensate Class
18 Members based on the amount of time they worked for CPC in California and the amount unpaid
19 wages due to using the incorrect regular rate, the number of missed meal breaks and/or rest breaks,
20 etc. I estimate the average settlement award at around \$230.00.

21 14. Subject to the Court's approval, the Parties have agreed on Simpluris, Inc.
22 ("Simpluris") as the Settlement Administrator. Simpluris is qualified and has significant
23 experience administering class action settlements, including numerous wage and hour matters.
24 Simpluris's fees and costs will not exceed \$10,000.00. If the Court approves less than the above
25 amount, the difference will remain in the Net Settlement Amount for distribution to the
26 Participating Class Members.

27 15. The proposed Notice of Class Action Settlement (Exhibit 2 hereto) sets out
28 information about this case and explains the basic settlement terms in plain language. The Notice

1 also sets forth the individualized information used to calculate Class Members' Individual
2 Settlement Payments and each Class Member's estimated settlement award. The Notice likewise
3 details the procedures for Class Members to dispute their individual information, the procedure for
4 submitting an objection to the Settlement, the procedure to request exclusion, and the fact that any
5 final judgment will bind all class members who do not opt out. Cal. Rules of Court 3.769(f) and
6 3.766(d). In sum, the Notice provides the Class Members with the information necessary to
7 evaluate the Settlement and decide to participate in, opt out of, or object to the proposed
8 Settlement, and meets all requirements imposed by the California Rules of Court. Coupled with
9 the notice procedure, the Notice provides the best notice practicable.

10 16. Class Members will have sixty (60) days to dispute the information in their Notice
11 used to calculate their settlement award, and also have 60 days to submit any objections to the
12 settlement or to request exclusion. If a Class Member disputes their individual information, the
13 Settlement Administrator will review the Class Member's records and any other information
14 submitted, and make a final determination.

15 17. All Participating Class Members will release Defendants and the Released Parties
16 from all claims alleged in the operative complaint, or that could have been brought based on the
17 factual allegations in the complaint during the Class Period. The release is limited to the claims
18 that were actually pleaded or could have been pleaded based on the alleged facts in the complaint.
19 All Aggrieved Employees will release Defendants and the Released Parties from all claims for
20 PAGA civil penalties alleged in the operative complaint and PAGA notices, or that could have
21 been brought based on the factual allegations in the operative complaint and PAGA notices during
22 the PAGA Period.

23 18. A modest incentive award for Plaintiff is appropriate under applicable law. He
24 devoted time and resources to the litigation, provided documents, assisted Class Counsel with
25 investigating the claims asserted and in preparing for mediation. The service payment provided to
26 Plaintiff as the class representatives is typical in class action cases and reasonable. Defendants will
27 not oppose a request for an enhancement award to Plaintiff of not more than \$10,000.00 in
28 recognition of his time spent on this matter, the risks he undertook on behalf of the class, and the

1 benefit conferred to the class, as addressed in his declaration filed herewith. If the Court approves
2 less than the above amount, the difference will remain in the Net Settlement Amount for
3 distribution to the Participating Class Members.

4 19. The terms of the Parties' settlement also allow Plaintiff's counsel to apply for an
5 award of attorney's fees of up to one-third of the MSA, or \$101,720 and reimbursement of actual
6 costs and expenses of up to \$26,000.00. Plaintiff's counsel will submit a separate motion for
7 attorney's fees and actual litigation costs per the terms of the Settlement Agreement and applicable
8 law, and will provide the Court with appropriate information and evidence regarding hourly rates,
9 tasks performed, and time expended on the case. If the Court approves less than the above amounts,
10 the difference will remain in the Net Settlement Amount for distribution to the Participating Class
11 Members.

12 20. As noted, the Parties allocated \$30,000 to payment of alleged civil penalties under
13 PAGA, and I submit that amount is fair, reasonable and adequate, and consistent with PAGA's
14 underlying purposes. As required by Labor Code section 2699(1)(2), my office gave notice of the
15 settlement and the approval hearing to the LWDA via its online portal.

16 **The Proposed Settlement Class Should Be Conditionally Certified**

17 21. In the present matter, conditional certification is proper since this matter satisfies
18 all requirements for class certification under Code of Civil Procedure section 382. First, the class
19 is both sufficiently numerous, consisting of approximately 560 individuals, and ascertainable by
20 reference to Defendants' personnel and payroll records.

21 22. Plaintiff is an adequate class representative, as his claims do not conflict with and
22 are not antagonistic to the claims of other class members. Further, his claims are typical as he is a
23 member of the class and her claims arise from the same employment practices and course of
24 conduct giving rise to the claims of the other class members.

25 23. Next, common questions of law and fact predominate – particularly for purposes of
26 a settlement class – as the Class Members all were paid via substantially similar compensation
27 plans that underpaid them for overtime and sick hours, and subject to the same policies that
28 resulted in missed/non-compliant meal and rest periods. Since the focus of the claims against

1 Defendants concerns the legality of common policies applied uniformly to the entire class,
2 common issues predominate over individualized inquiries concerning liability. For instance,
3 CPC's compensation plans either properly calculated the regular rate and paid the class members
4 for overtime hours worked or they did not. Regardless of these determinations, it will decide
5 liability for all Class Members one way or another.

6 24. Resolving this matter as a class action is superior to other available means for the
7 fair and efficient adjudication of this controversy for multiple reasons, including inter alia: (a)
8 individual joinder of all members of the class is impractical, (b) class action treatment will permit
9 a large number of similarly situated persons to resolve their common claims in a single forum
10 simultaneously, efficiently, and without unnecessary duplication of effort and expense; and (c) the
11 damages suffered by many of the individual class members are relatively small and the expenses
12 and burden of individual litigation would make it difficult or impossible for them to seek redress
13 on their own.

14 **The Proposed Settlement Meets the Kullar Factors and is within the Range of**
15 **Reasonableness**

16 25. Prior to the mediation, the Parties engaged in both formal and informal discovery to
17 facilitate settlement discussions. Plaintiff reviewed documents and information regarding CPC's
18 payroll practices, a random sampling of pay stubs and time records from class members, a class
19 list, applicable compensation plans and expense reimbursement plans, meal and rest break
20 policies, etc., and information from Defendants regarding class size and breakdown, work
21 weeks/pay periods, rates of pay, and other information used to formulate a damages model.
22 Plaintiff then had that information analyzed by a consulting expert to assist in determining
23 potential violation rates and other data used to formulate a damages model. Plaintiff's counsel are
24 confident they obtained sufficient information to understand the law and facts of this case and
25 make an informed decision regarding the proposed settlement and whether it is fair and
26 reasonable.

27 26. Using the data obtained from Defendants, Plaintiff ran various calculations and
28 estimated Defendants' likely maximum exposure on the class claims at approximately **\$5,098,000**,

1 including about \$68,500 on the unpaid wage/regular rate claim, \$565,135 on the meal break
2 claims, \$2,550,800 on the rest break claims, \$149,690 on the unreimbursed expense claim,
3 \$560,050 on the wage statement claims, and \$1,204,390 on the waiting time penalty claims.

4 27. We calculated these amounts as follows:

5 **Unpaid Wages/Regular Rate**

6 \$68,500 as calculated by Plaintiff's experts

7 **Meal Break Violations**

8 92,816 eligible shifts * 26.7% violation rate * \$23.45/hour avg. wage = \$581,135 - \$16,000
9 premium payments = \$565,135

10 **Rest Break Violations**

11 108,776 shifts * 100% violation rate (assumed) * \$23.45/hour avg wage = \$2,550,800

12 **Expense Reimbursement**

13 29,938 work weeks * \$5/week = \$149,690

14 **Inaccurate Wage Statements**

15 \$560,050 as calculated by Plaintiff's experts – based on 8,481 pay periods and accounts for
16 \$4,000 cap per employee

17 **Waiting Time Penalties**

18 214 former employees * (240 hours * \$23.45/hour) = \$1,204,390

19 28. First, in addition to their base hourly wages, Class Members also earned various
20 other forms of wages, such as Bonus Pay, Referral Bonus, Referral Bonus-CPC, zCommissions,
21 Per Diem, and Per Diem-Single, as reflected in the payroll records. Plaintiff contends Defendants
22 failed to include these non-hourly, non-discretionary wages in the calculation of the employees'
23 "regular rate of pay. As a result, per Plaintiff, Defendants regularly underpaid Class Members for
24 their overtime, sick pay, and meal break premiums. On the other hand, CPC argued that its pay
25 policies fully compensated the class members for all hours worked at the correct hourly rates, and
26 further argued there was very little in the way of bonus pay that would even trigger an obligation
27 calculate the regular rate, or that many of these forms of additional compensation were discretionary
28 and properly excluded from the regular rate calculation.

1 29. On the meal break claims, Plaintiff focused primarily on Defendants' alleged
2 failure to maintain a California-compliant break policy and to provide Plaintiff and the class
3 members employees with all required meal periods, particularly on shifts lasting longer than 10
4 hours. Not only does the meal period policy fail to notify employees hours when to take their meal
5 periods, but Plaintiff's expert's review of the records provided by Defendants suggests that some
6 26% of all shifts contained a unique meal period violation (i.e., missed, late, or short), including
7 failing to provide timely meal periods, failing to provide first meal periods, and failing to provide
8 a second meal period on shifts over ten hours.

9 30. Defendants countered that in many instances actually took their meal break
10 (including second meal breaks) even if not reflected on the time sheets and, accordingly, class
11 certification is not appropriate because individual inquiries would be necessary to determine this
12 question. For the same reasons, Defendants contended the claim would fail on the merits because
13 it would be difficult for Plaintiff to show Defendants' actual or constructive knowledge that a
14 particular class member worked through a specific lunch period. Defendants also contended they
15 maintained a fully-compliant meal break policy at all times, and it always provided the class
16 members with the opportunity to take meal breaks and thus met the requirements imposed by
17 California law. Per Defendants, if individuals did not take a meal period, it was in violation of
18 company policy and, once again, a multitude of individual inquiries would be necessary to
19 determine if an individual may have missed a meal break by personal choice or for some other
20 reason. Defendants further emphasized that many travel nurses signed valid meal period waivers,
21 and that it paid thousands of dollars in meal premiums for documented violations and accordingly
22 made a good faith effort to comply.

23 31. On the rest break claim, Plaintiff claimed Defendants' written policy failed to
24 inform employees that rest breaks had to be for a net 10 minutes to be compliant, which failure
25 directly impacted Class Member rest breaks as, per Plaintiff, they lost time getting to/from their
26 work station to a break room. Thus, per Plaintiff, this failure to communicate that the rest break is
27 a *net* ten minutes resulted in non-compliant breaks. Defendants countered that it is only liable if
28 Plaintiff can prove, on a shift-by-shift basis, that Class Members actually did not take a fully-

1 compliant rest break based on Plaintiff's theory of liability advanced above. This arguably would
2 have made class certification more difficult and/or rendered trial unmanageable.

3 32. The claims for unreimbursed business expenses under Labor Code § 2802 revolved
4 around Plaintiff's allegations that CPC required its non-exempt employees to incur extraordinary
5 laundry costs to maintain their own work uniforms, and also to purchase their own Covid test kits.
6 In response, Defendants argued there was no need for employees to incur any special costs for
7 laundering or maintaining their uniforms, and that if any Class Members did so it would have been
8 purely for personal preference and not reimbursable. Similarly, CPC contends it did not require
9 employees to purchase or provide their own Covid test kits and if any Class Member purchased
10 such kits it was entirely voluntary.

11 33. Plaintiff's claims for penalties under Labor Code §§ 203 and 226 are derivative of
12 the underlying unpaid minimum and overtime wage and meal/rest break claims and, accordingly,
13 they would essentially rise or fall with Plaintiff's success or failure on her primary claims.
14 Further, Plaintiff had to account for the discretionary nature of such awards and the "good faith"
15 and other defenses available to Defendants. Defendants also raised a good faith defense to the
16 waiting time penalties as it applies to both meal/rest periods and underpaid overtime premiums.

17 34. As far as potential PAGA liability, the alleged aggrieved employees theoretically
18 are entitled to penalties totaling about \$3 million should Plaintiff prevail on all claims, establish
19 violations of the multiple Labor Code sections at issue, and secure the maximum penalty on all
20 issues. As with the class claims, Plaintiff discounted the potential PAGA penalties based on
21 Defendants' various defenses on the merits and also accounted for the Court's wide discretion to
22 reduce such penalties, or to decline to award penalties at all. Accordingly, the Parties allocated
23 \$30,000 to PAGA penalties. Plaintiff submits this amount is reasonable under the circumstances
24 and in line with comparable settlements in other wage and hour class actions in California.
25 Additionally, the LWDA has been informed of the terms of the PAGA portion of the settlement,
26 and will be able to weigh in as necessary.

27 35. The settlement obviates the significant risk that this Court may find any kind of class
28 or representative resolution unachievable or deny certification of all or some of Plaintiff's claims.

1 Furthermore, even if Plaintiff obtained certification of all or some of the claims, continued litigation
2 would be lengthy and expensive as the parties pursued merits discovery, a probable motion to
3 decertify, as well as trial and possible appeals, and would further and substantially delay any
4 recovery by the class with no assurance of recovering significantly more than the proposed
5 settlement. While Plaintiff and I are confident in the merits of these claims, legitimate controversies
6 exist regarding each one of them. We also recognize proving the amount of wages and penalties due
7 each Class Member would be an expensive, time-consuming, and uncertain proposition.

8 36. Overall, Defendants raised various defenses to Plaintiff's claims on both class
9 certification and the merits that, if successful, could have negatively impacted Plaintiff's claims or
10 potentially reduced potential damages. Accordingly, Plaintiff faced significant risks going forward
11 with this litigation, and given the need to secure and maintain class certification, prevail at trial,
12 and deal with post-trial appeals, it would have taken years to realize any recovery in this action.
13 Plaintiff and I discounted the value of the class claims consistent with the risks discussed above,
14 and carefully weighed the likelihood of the class receiving substantially greater benefit if the
15 litigation continued. We concluded – in light of these very real and substantial risks – settlement
16 on the proposed terms and without prolonged and costly litigation was in the best interests of the
17 class. The overall \$305,160 recovery represents a significant percentage of Defendants' potential
18 exposure and, given the multiple litigation risks addressed above, a total recovery for the class of
19 \$305,160, with an average award of some \$230 per class member, is a fair result within the range
20 of reasonableness considering all potential outcomes.

21 **CROSNER LEGAL'S QUALIFICATIONS**

22 37. I graduated from the University of California, Los Angeles in 2004 with a
23 bachelor's in science, obtained my J.D. from Whittier Law School in 2009, and earned a masters
24 in law from Santa Clara University School of Law in 2010. I have been a member of the
25 California Bar since 2010 and have extensive experience in employment matters, including
26 wage and hour litigation. I worked as a wage and hour class action attorney at Gaines & Gaines,
27 APLC from 2012 through 2021 and, prior to joining Gaines & Gaines I worked at Sirkin Law
28 Group as a litigation associate from 2010-2012. I joined Crosner Legal in December 2021 and I

1 am a Partner. I have solely handled employment, wage and hour class actions, and PAGA
2 lawsuits for some 13 years. I was selected for 2020-2021 by Super Lawyers as a “Southern
3 California Rising Star” for employment and labor law.

4 38. Zach Crosner is a 2010 graduate of University San Diego School of Law and he
5 has approximately thirteen years of experience as a practicing attorney. For nearly his entire
6 career, his practice has focused on litigation of wage & hour, consumer, and privacy class action
7 and representative action claims. Following graduation he immediately began working for a
8 nationally recognized plaintiff’s complex litigation firm, CaseyGerry, where he worked directly
9 with past presidents of the consumer attorneys and recipients of trial attorneys of the year
10 awards. He also worked for other firms that included former CAALA and CLAY trial attorney
11 of the year recipients. While with these firms, he advocated for the rights of consumers and
12 employees in class action litigation, civil rights and employment litigation, catastrophic injuries,
13 insurance bad faith and appellate litigation.

14 39. In 2013, he founded the law firm of Crosner Legal, P.C. which since its inception
15 has focused almost exclusively on plaintiff-side class actions lawsuits representing employees,
16 consumers and other victims. Currently, over ninety percent (95%) of his practice is dedicated
17 exclusively to the prosecution of class actions and representative action lawsuits, and his law
18 firm is currently responsible as lead counsel or co-lead counsel for prosecuting over one hundred
19 (100) active wage and hour class actions and/or PAGA representative actions, as well as a
20 multitude of consumer and privacy class actions, in both federal and state courts throughout
21 California. He has been a direct participant in over one hundred (100) class action and/or
22 representative action settlements where he has been approved as adequate lead counsel.

23 40. Mr. Crosner has been selected by Super Lawyers as a “Southern California Rising
24 Star” for employment and labor law consecutively from 2018 through 2023. Super Lawyers has
25 also named me on their “Up-and-Coming 100” Southern California Rising Stars List for
26 consecutive years from 2021 through 2023. Only 2.5% of lawyers within California are named a
27 Super Lawyer Rising Star and even less are added to their Top Lists. Additionally, he has been
28 selected as a Top 40 Under 40 Civil Plaintiff Attorney by the National Trial Lawyers, invitation-

1 only organization composed of the premier trial lawyers, from 2019 through 2023. He is an
2 active participant in advocacy groups, including as an executive board member of the Wage and
3 Hour Committee and the Legislative Committee for the California Employment Lawyers
4 Association; a member of the Grassroots Advocacy Team for the National Employment Lawyers
5 Association; Wage and Hour Committee member and Class Action Committee member for the
6 National Trial Lawyers; a member of the American Association for Justice; and a member of the
7 Pound Civil Justice Institute.

8 41. Jamie Serb is a partner with Crosner Legal and head of the firm's Wage and Hour
9 practice group. She graduated from the University of California, San Diego in 2004, graduated from
10 California Western School of Law in 2013, and has been a member of the California Bar since 2013.
11 She gained extensive experience in wage and hour litigation, beginning work as a class action
12 attorney in 2015 at the Mara Law Firm, PC (previously Turley & Mara Law Firm, APLC; Turley
13 Law Firm, APLC). She has handled wage and hour class actions and PAGA lawsuits for nearly ten
14 years and has assisted in obtaining millions of dollars for employees during her years of practice.

15 42. Crosner Legal, P.C. has obtained several multi-million dollar wage and hour class
16 action settlements while serving as lead class counsel in recent years, including but not limited
17 to a \$1.9 million wage and hour class action settlement in 2015 (*Smith v. Lux Retail North*
18 *America, Inc.*, Case No. 3:13-cv-01579-WHA (N.D. Cal.)); a \$4.1 million wage and hour class
19 action settlement in 2016 (*Aguirre v. Mariani Nut Company, Inc. et al.*, Case No. 34- 2016-
20 00190252 (Sacramento Cty. Super Ct.)); a \$1.35 million wage and hour class action settlement
21 in 2017 (*Montelone v. Ocean Cities Pizza, Inc.*, Case No. 56-2014-00458249 (Ventura Cty.
22 Super. Ct.)), a \$1.8 million wage and hour class action settlement in 2018 (*Latham v. K.W.P.H.*
23 *Enterprises, Inc. dba American Ambulance*, Case No. 17C-0162 (Kings Cty. Super Ct.)), a \$1.3
24 million wage and hour class action settlement in 2019 (*Means, et al. v. AirGas USA, LLC*, Case
25 No. 17-CV-2160 JGB (C.D. Cal.)), a \$1.5 million wage and hour settlement in 2020
26 (*Babouchian, et al. v. Wyndham Vacation Ownership, et al.*, Case No. CV18-14601 (San Diego
27 Cty. Super. Ct.)), a \$1.15 million wage and hour class action settlement in 2020 (*Buford v.*
28 *Medical Solutions LLC*, Case No. 4:18-CV-04864-YGR (N.D.Cal.)); a \$7.25 million wage and

1 hour class action settlement in 2020 in *Avina, et al. v. First Alarm Security & Patrol, Inc.*, Case
2 No. 18CV323753 (Santa Clara Cty. Super Ct.); a \$2.2 million wage and hour class action
3 settlement in 2021 (*Ghorchian, et al. v. West Hills Hospital, et al.*, Case No. LS029737 (Los
4 Angeles Cty. Super. Ct.)); a \$2.85 million dollar wage and hour settlement in 2021 (*Valencia v.*
5 *The Original Mowbray's Tree Service, Inc.*, Case No. CIVDS1825518 (San Bernardino Cty.
6 Super. Ct.)); a \$1 million wage and hour class action settlement in 2022 (*Duong v. Loan*
7 *Factory, Inc.*, Case No. 21CV382467 (Santa Clara Cty. Super. Ct.)), a \$1.4 million wage and
8 hour class action settlement in 2023 in *Correa, et al. v. FedEx Supply Chain, Inc.*, Case No.
9 CIVDS2023369 (San Bernardino Cty. Super. Ct.), a \$2.38 million wage and hour class action
10 settlement in 2023 in *Michel, et al. v. Valley Thrift Store, Inc.*, Case No. 21STCV00925 (Los
11 Angeles Cty. Super. Ct.); a \$2.5 million wage and hour class action settlement in 2023 in *Jajuga*
12 *v. Pilot Travel Centers*, Case No. CIVDS1931464 (San Bernardino Cty. Super. Ct.); \$1.015
13 million wage and hour class action settlement in 2023 in *Gotishan v. Kyo Autism Therapy*, Case
14 No. CGC-21-596378 (San Francisco Cty. Super. Ct); and a \$1.15 million wage and hour PAGA
15 settlement in 2023 in *Vaughn v. Public Health Foundation Enters., Inc.*, Case No.
16 21STCV18512 (Los Angeles Cty. Super. Ct.); a \$1.5 million wage and hour class action
17 settlement in *McKinnie v. Iron Mountain*, Case No. 21STCV05707 (Los Angeles Cty. Super.
18 Court); a \$1.3 million wage and hour class action settlement in *Ellsworth, et al. v. Hallcon*, Case
19 No. 20STCV06618 (Los Angeles Cty. Super. Court); a \$1.925 million wage and hour class
20 settlement in 224 in *Lo v. Cyberpower, Inc.*, Case No. 21STCV31479 (Los Angeles Cty. Super.
21 Ct); a \$1.19 million dollar wage and hour class action settlement in 2024 in *Herrera v. Signature*
22 *Flight Support LLC*, Case No. 22STCV18367 (Los Angeles Cty. Super. Ct.); a \$2.65 million
23 wage and hour class action settlement in 2024 in *Shilevinatz v. Airport Terminal Services*, Case
24 No. CIVSB2229072 (San Bernardino Cty. Super Ct.); a \$1 million wage and hour class action
25 settlement in 2025 in *Hernandez v YZER, LLC*, Case No. 23CV025345 (Alameda Cty. Superior
26 Ct); a \$3.9 million wage and hour class action settlement in 2025 in *Bolanos et al. v. Newport*
27 *Fab*, Case No. 30-2022-01280696-CU-OE-CXC (Orange Cty. Super. Ct.); and a \$5,093,537.50
28 wage and hour class action settlement in 2025 in *Deaver, et al. v Blue Diamond Growers*, Case

1 No. 34-2022-00316490-CU-OE-GDS (Sacramento Cty. Super. Ct.).

2 43. For the foregoing reasons, it is respectfully requested that the Court grant
3 preliminary approval to the settlement.

4 I declare under penalty of perjury under the laws of the State of California that the
5 foregoing is true and correct. Executed on November 13, 2025, at Los Angeles, California.

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8 Declarant
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Exhibit 1

JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT

This Joint Stipulation of Class Action and PAGA Settlement (“Settlement Agreement” or “Settlement”) is reached by and between Plaintiff Oscar Barajas “Plaintiff” or “Class Representative”), as individuals and on behalf of all members of the Settlement Class (defined below), on one hand, and Defendants CPC Logistics Solutions, LLC and CPC Logistics Inc. (collectively, “Defendants”), on the other hand. Plaintiff and Defendants are referred to herein collectively as the “Parties.” Plaintiff and the Settlement Class are represented by Zachary Crosner, Jamie Serb, and Sepideh Ardestani of Crosner Legal, PC (collectively, “Class Counsel”). Defendants are represented by Christopher W. Decker and Vi Applen of Ogletree, Deakins, Nash, Smoak & Stewart, P.C. (“Defense Counsel”).

On May 16, 2022, Plaintiff Oscar Barajas filed a putative class Action against Defendants in Alameda County Superior Court, Case No. 22CV011373 titled *Oscar Barajas v. CPC Logistics Solutions, LLC et al.*, (the “Class Action”). On August 17, 2022, Plaintiff Oscar Barajas filed a PAGA Action against Defendants in Alameda County Superior Court, Case No. 22CV016357 (the “PAGA Action”). The Class Action and the PAGA Action are collectively referred to as the “Related Actions.”

As a material term of this Settlement, the Parties agree that Plaintiff Oscar Barajas will file an amended complaint in the Class Action in a form acceptable to Defendants to add the PAGA claims pled in the PAGA Action, and any other facts and theories of liability alleged at the mediation of the Related Actions, and (ii) add a class definition and define the Class Period to correspond to the definition and Class Period in this Settlement Agreement as November 19, 2017 through August 15, 2025 (the “Amended Complaint”). If necessary to obtain an enforceable release of any and all PAGA claims encompassed within the definition of “Released PAGA Claims,” below, amended letters, in a form acceptable to Defendants, will be filed with the LWDA (the “Amended PAGA Notice”). The PAGA Action will be stayed pending approval of the settlement in the Class Action. Once the Effective Date occurs, Plaintiff will take the necessary actions to dismiss the PAGA Action. If the Court does not grant either preliminary or final approval of the settlement, the parties will stipulate that the cases will be returned to their status as of May 16, 2025.

Given the uncertainty of litigation, Plaintiff and Defendants wish to settle both individually and on behalf of the Settlement Class. Accordingly, the Parties agree as follows:

1. **Settlement Class Defined.** For the purposes of this Settlement Agreement only, Plaintiff and Defendants stipulate to conditional certification of the following Settlement Class:

All non-exempt employees who are or previously were employed by any of the Released Parties (defined below) and performed work in California during the Class Period, excluding all such individuals who were employed in positions requiring a commercial driver’s license.

The Parties agree that certification for purposes of settlement is not an admission that class certification is proper under Section 382 of the Code of Civil Procedure. If for any reason this Settlement Agreement is not approved or is terminated, in whole or in part, this conditional

agreement to class certification will be inadmissible and will have no effect in this matter or in any claims brought on the same or similar allegations, and the Parties shall revert to the respective positions they held prior to entering into the Settlement Agreement. The Parties agree that this stipulation to class certification is for purposes of this Settlement only. If the Court does not grant either preliminary or final approval of this Settlement, the Parties stipulate that class certification will be revoked without prejudice.

2. **Release by Settlement Class Members and Plaintiff.** Effective on the date when Defendants transfer to the Settlement Administrator (i) the entire Maximum Settlement Amount and (ii) all employer payroll taxes owed on the wage portion of the Individual Settlement Awards, Plaintiff and every member of the Settlement Class (except those who validly opt out as provided in paragraph 12(D) herein) will fully release and discharge any and all Defendants named by Plaintiff in the Complaints filed in the Related Actions, and each of their past, present, and/or future, direct and/or indirect, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint venturers (collectively, the “Released Parties”), as follows:

- A. All Settlement Class members who do not timely opt out will release and discharge the Released Parties from all causes of action and factual or legal theories that are alleged in Amended Complaint, or reasonably could have been alleged based on the facts and legal theories contained in the Amended Complaint, including all of the following claims for relief: (a) failure to pay all wages owed, including minimum and overtime wages; (b) failure to provide proper meal periods, and to properly provide premium pay in lieu thereof; (c) failure to provide proper rest periods, and to properly provide premium pay in lieu thereof; (d) failure to pay sick pay; (e) failure to provide complete, accurate, and/or properly formatted wage statements; (f) waiting time penalties; (g) failure to reimburse all reasonable and necessary business expenses related to personal cell phone use and purchase of equipment, uniforms, and/or footwear; (h) failure to provide personnel file upon demand; (i) unfair business practices that could have been premised on the claims, causes of action, or legal theories of relief described above or on any of the claims, causes of action, or legal theories of relief pleaded in the Amended Complaint; (j) any other claims or penalties under the wage and hour laws pleaded in the Amended Complaint; and (k) all damages, penalties, interest, and other amounts recoverable under said claims, causes of action, or legal theories of relief in the Amended Complaint (collectively, the “Released Class Claims”). The period of the Released Class Claims shall extend to the limits of the Class Period. The res judicata effect of the Judgment will be the same as that of the Release. Defendants shall be entitled to a release of the Released Class Claims which occurred during the Class Period only during such time that the Settlement Class Member was classified as non-exempt employee, and expressly excluding all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers’ compensation, claims while classified as exempt, and claims outside of the Class Period.

3. **Release by Plaintiff, the State of California, and PAGA Aggrieved Employees.** Effective on the date when Defendants transfer to the Settlement Administrator (i) the entire Gross Settlement Amount and (ii) all employer payroll taxes owed on the wage portion of the Individual Settlement Awards, Plaintiff, the State of California, and all PAGA Aggrieved Employees (as defined below) will fully release and discharge the Released Parties, as follows:

A.

All non-exempt employees who are or previously were employed by any of the Defendants (defined below) and performed work in California during the time period from June 31, 2021 to August 15, 2025, excluding all such individuals who were employed in positions requiring a commercial driver's license (the "PAGA Aggrieved Employees"), will be issued a check for their share of the PAGA Amount, as defined below, regardless of whether they submit a timely Request for Exclusion from the Settlement. The State of California, Plaintiff, and all PAGA Aggrieved Employees shall be deemed to have released all claims for civil penalties under the Private Attorneys General Act of 2004 ("PAGA") against the Released Parties with respect to Plaintiff's PAGA Notice and/or Amended PAGA Notice to the LWDA based on the factual allegations therein, that arose during the time period June 31, 2021 to August 15, 2025 (the "PAGA Period") including: all causes of action and factual or legal theories for civil penalties under the PAGA against any of the Released Parties that are alleged in Plaintiff's PAGA Notices to the Labor and Workforce Development Agency ("LWDA"), or (ii) that could have been alleged based on the facts and legal theories contained in Plaintiff's PAGA Notice and/or Amended PAGA Notice to the LWDA (collectively, the "Released PAGA Claims"). The period of the Released PAGA Claims shall extend to the limits of the PAGA Period. The res judicata effect of the Judgment will be the same as that of the release of Released PAGA Claims. Defendants shall be entitled to a release of Released PAGA Claims which occurred during the PAGA Period only during such time that the PAGA Aggrieved Employee was classified as non-exempt, and expressly excluding all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers' compensation, claims while classified as exempt, and claims outside of the PAGA Period. The period of this release shall extend to the limits of the PAGA Period.

4. **Release by Plaintiff.** In light of Plaintiff's Class Representative Enhancement Award, Plaintiff agrees to release, as an individual and in addition to the Released Class Claims and Released PAGA Claims described above, all claims, whether known or unknown, under federal law or state law against any of the Released Parties. Plaintiff understands that this release includes unknown claims and that Plaintiff is, as a result, waiving all rights and benefits afforded by Section 1542 of the California Civil Code, which provides:

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

Plaintiff represents and warrants that, at the time he last worked for Defendants, he was younger than 40 years old. Plaintiff understands and agrees that this representation and warranty is a material term of this Settlement Agreement and that, had he not provided this representation and commitment, Defendants would have required other terms to ensure a valid release of any claim for age discrimination under the Age Discrimination in Employment Act, 29 U.S.C. § 621 et seq. as amended by the Older Workers Benefit Protection Act.

Nothing contained herein shall constitute a release of any rights or claims that cannot be waived as a matter of law (including but not limited to claims arising under workers' compensation laws). Nor shall anything contained herein be construed to exclude the filing of an administrative charge or complaint with the Equal Employment Opportunity Commission or National Labor Relations Board, or participation in an administrative investigation or proceeding.

5. **Effective Date.** The "Effective Date" of this Settlement is the date on which the Settlement is approved and the Court's order approving the Settlement ("Judgment") becomes final. For purposes of this Agreement, the Court's Judgment "becomes final" upon the later of: (i) if there are no timely objections filed, or if any timely objections have been withdrawn, then the date the Court signs an Order granting Final Approval of this Settlement; (ii) if an objection is filed and not withdrawn, but no appeal is filed, the expiration date of the time for the filing or noticing of any appeal from, or other challenge to, the Court's Judgment (this time period shall not be less than 60 calendar days after the Court's Judgment is entered); (iii) the date the affirmance of any appeal of the Judgment becomes final under the California Code of Civil Procedure; or (iv) the date of final dismissal of any appeal from the Judgment or the final dismissal of any proceeding on review of any court of appeal decision relating to the Judgment.

6. **Maximum Settlement Amount.** As consideration, Defendants agree to pay a non-reversionary "Maximum Settlement Amount" of \$305,160, plus the employer's share of applicable payroll taxes, in full and complete settlement of the Action, as follows:

- A. The Parties have agreed to engage Simpluris as the "Settlement Administrator" to administer this Settlement.
- B. Defendants will fund the Maximum Settlement Amount within forty five (45) calendar days after the Effective Date, which shall be deposited with the Settlement Administrator and held in an established Qualified Settlement Fund ("QSF").
- C. Under no condition will Defendants' aggregate liability exceed the Maximum Settlement Amount, except as to the employer's share of payroll taxes, which shall be paid separately and in addition to the Maximum Settlement Amount, and except as set forth in section 6.G, below (escalator clause). At no time shall Defendants have the obligation to segregate the funds comprising the Maximum Settlement Amount, and Defendants shall retain exclusive authority over, and the responsibility for, those funds prior to the date such funds are deposited with the Settlement Administrator into the QSF.
- D. This is a non-reversionary settlement. The Maximum Settlement Amount includes:
 - (1) All awards (including interest) to the Settlement Class members;

- (2) All costs of the Settlement Administrator which are anticipated to be no greater than \$10,000.00;
 - (3) Up to \$10,000 for Plaintiff's Class Representative Enhancement Award in recognition for Plaintiff's contributions to the Action and service to the Settlement Class. These enhancement payments are in addition to the payment to which Plaintiff are entitled as Settlement Class members. In the event that the Court reduces or does not approve the requested Class Representative Enhancement Awards, Plaintiff shall not have the right to revoke the Settlement Agreement for that reason, and the Settlement will remain binding;
 - (4) Up to one-third of the Maximum Settlement Amount in Class Counsel's attorneys' fees (currently estimated at \$101,720.00), plus actual costs and expenses incurred by Class Counsel related to the Action as supported by declaration, which are currently estimated to be no greater than \$30,000.00. In the event that the Court reduces or does not approve the requested Class Counsel attorneys' fees or costs, Class Counsel shall not have the right to revoke the Settlement Agreement based on that reason, and the Settlement will remain binding; and
 - (5) \$30,000 of the Maximum Settlement Amount has been allocated by the Parties as PAGA civil penalties. Per Labor Code § 2699(i), 75% of such penalties, or \$22,500.00, will be payable to the LWDA, and the remaining 25%, or \$7,500.00, will be payable to the PAGA Aggrieved Employees as the "PAGA Amount."
- E. Defendants will not oppose the reasonableness of these requests. Any reduction by the Court of these requests will revert to the Net Settlement Amount for distribution to the Settlement Class members who do not opt-out.
- F. **Employer Payroll Taxes.** The Maximum Settlement Amount does not include the employer's share of payroll taxes, which shall be paid by Defendants separate and apart from, and in addition to, the Maximum Settlement Amount.
- G. **Escalator Clause.** Defendants have represented that there are approximately 560 Class Members who worked approximately 10,582 workweeks between November 19, 2017 to April 18, 2025. The Parties acknowledge and agree that this data (and other information provided by Defendants for purposes of mediation) was relied on to extrapolate and reach an arms-length negotiation of Plaintiff's claims in the Action. If the number of weeks worked by the Settlement Class Members between November 19, 2017 to August 15, 2025 increases to more than 11,189 workweeks, Defendants will have the option of either (i) increasing the Maximum Settlement Amount by 1% for every 1% increase in workweeks over 11,189 workweeks, or (ii) revising the Class Period to end on an earlier date such that the workweeks do not exceed 11,189 workweeks.

7. **Awards to the Settlement Class.** Settlement Class members are not required to submit a claim form to receive an award (“Individual Settlement Award”) from the Settlement. Individual Settlement Awards will be determined and paid as follows:

- A. The Settlement Administrator shall first deduct from the Maximum Settlement Amount the amounts approved by the Court for Class Counsel’s attorneys’ fees, Class Counsel’s costs and expenses, the Class Representative Enhancement Awards, the Settlement Administrator’s fees and expenses for administration, and the 75% portion of PAGA civil penalties designated as payable to the LWDA. The remaining amount shall be known as the “Net Settlement Amount.”
- B. From the Net Settlement Amount, the Settlement Administrator will calculate each Settlement Class member’s Individual Settlement Award based on the following formula:
 - i. PAGA Amount: The \$7,500 payable to the PAGA Aggrieved Employees as their 25% portion of the PAGA civil penalties shall be designated as the “PAGA Amount.” Each PAGA Aggrieved Employee, regardless of whether they timely submit a Request for Exclusion from the Settlement Class, shall receive a portion of the PAGA Amount proportionate to the number of workweeks that he or she worked during the PAGA Period compared to the aggregate number of workweeks worked by all PAGA Aggrieved Employees during the PAGA Period (the “Individual PAGA Settlement Amount”).
 - ii. The remainder of the Net Settlement Amount will be distributed to each participating Settlement Class member based on their proportionate number of workweeks worked during the Class Period, by multiplying the remaining Net Settlement Amount by a fraction, the numerator of which is the Settlement Class member’s total workweeks worked during the Class Period, and the denominator of which is the total number of workweeks worked by all participating Settlement Class members during the Class Period (the “Individual Class Settlement Amount”).
- C. Within 10 business days following the full funding of the Maximum Settlement Amount with the Settlement Administrator, the Settlement Administrator will calculate each Settlement Class member’s Individual Settlement Award, and will prepare and mail the Individual Settlement Awards to the participating Settlement Class members. The Parties and their respective counsel shall not bear any responsibility for unintentional errors or omissions in the calculation or distribution of the settlement payments or development of the list of recipients of settlement payments.
- D. For purposes of calculating applicable taxes and withholdings, each Individual Settlement Award shall be allocated as follows: Eighty Percent (80%) as penalties and interest; and Twenty Percent (20%) as wages. The portion of the PAGA Amount payable to the PAGA Aggrieved Employees shall be allocated as 100%

penalties. The Settlement Administrator will be responsible for issuing to participating Settlement Class members IRS Forms W-2 for amounts deemed “wages” and IRS Forms 1099 for the amounts allocated as penalties and interest. Settlement Class members are responsible for their share of the payroll taxes on portions of the Individual Settlement Awards allocated as unpaid wages, which will be deducted from their Individual Settlement Awards. Neither Plaintiff nor Defendants, nor counsel for either of the Parties, makes any representations or warranties with respect to tax consequences of any payment under this Settlement. To the extent that this Settlement Agreement is interpreted to contain or constitute advice regarding any state or federal tax issue, such advice is not intended or written to be used, and cannot be used, by any person for the purpose of avoiding penalties under the Internal Revenue Code. Defendants are not responsible for any employee tax obligations regarding the allocation of the Maximum Settlement Amount or any payment made pursuant to this Settlement Agreement.

- E. Defendants shall fully discharge their obligations to the participating Settlement Class members through the mailing of an Individual Settlement Award, regardless of whether such checks are actually received and/or negotiated by the recipients. Uncashed Individual Settlement Award checks will not be re-issued, except for good cause and as mutually agreed upon by the Parties in writing. Each member of the Settlement Class who receives an Individual Settlement Award must cash that check within one hundred eighty (180) days from the date the Settlement Administrator mails it. Any check that is not negotiated within 180 days of mailing to a Settlement Class member shall be tendered to Legal Aid at Work.
- F. Neither Plaintiff nor Defendants shall bear any liability for lost or stolen checks, forged signatures on checks, or unauthorized negotiation of checks. Unless responsible by its own acts of omission or commission, the same is true for the Settlement Administrator.

8. **Attorneys’ Fees and Costs.** Defendants will not object to Class Counsel’s request for a total award of attorneys’ fees of up to one-third of the Maximum Settlement Amount, which is currently estimated to be \$101,720.00. Additionally, Class Counsel will request an award of actual costs and expenses as supported by declaration, in an amount not to exceed \$30,000.00 from the Maximum Settlement Amount. These amounts will cover any and all work performed and any and all costs incurred in connection with this litigation, including without limitation: all work performed and all costs incurred to date; and all work to be performed and costs to be incurred in connection with obtaining the Court’s approval of this Settlement Agreement, including any objections raised and any appeals necessitated by those objections. Class Counsel will be issued an IRS Form 1099-MISC by the Settlement Administrator for the fees and costs award approved by the Court. Except as specified in this paragraph, the Parties will otherwise each bear their own attorneys’ fees and litigation costs.

9. **Class Representative Enhancement Award.** Defendant will not object to a request for Class Representative Enhancement Awards in the amount of \$10,000 for Plaintiff’s time and risk in prosecuting this case, Plaintiff’s service to the Settlement Class, and in exchange for Plaintiff’s general release of claims. These awards will be in addition to Plaintiff’s Individual Settlement

Awards as Settlement Class members, and shall be reported on an IRS Form 1099-MISC issued by the Settlement Administrator.

10. **Settlement Administrator.** Defendants agree to the appointment of Simpluris as Settlement Administrator. Defendants will not object to Plaintiff seeking approval to pay up to \$10,000.00 for the administration services from the Maximum Settlement Amount. The Settlement Administrator shall be responsible for establishing a QSF into which it shall deposit and hold the payment from Defendant comprising the Maximum Settlement Amount, maintaining its own employer taxpayer ID number, sending Notice Packets to the Settlement Class members, calculating Individual Settlement Awards and preparing all checks and mailings, and other duties as described in this Settlement Agreement. The Settlement Administrator shall be authorized to pay itself from the Maximum Settlement Amount only after Individual Settlement Awards have been mailed to all participating Settlement Class members and PAGA Aggrieved Employees.

11. **Preliminary Approval.** Within a reasonable time after execution of this Settlement Agreement by the Parties, Plaintiff shall apply to the Court for the entry of an Order:

- A. Conditionally certifying the Settlement Class for settlement purposes only;
- B. Appointing Zachary Crosner, Jamie Serb, and Sepideh Ardestani of Crosner Legal, PC as Class Counsel;
- C. Appointing Plaintiff Oscar Barajas as Class Representative for the Settlement Class;
- D. Approving Simpluris as Settlement Administrator;
- E. Preliminarily approving this Settlement Agreement and its terms as fair, reasonable, and adequate;
- F. Approving the form and content of the Court Approved Notice of Class Action Settlement and Hearing Date for Final Court Approval (“Class Notice”) (which was mutually drafted and agreed upon by the Parties prior to submission to the Court for approval), and directing the mailing of the same; and
- G. Scheduling a Final Approval hearing.

12. **Notice to Settlement Class.** Following preliminary approval, the Settlement Class shall be notified as follows:

- A. Within ten (10) business days of the court signing an order preliminarily approving this Settlement Agreement, Defendants will provide the Settlement Administrator, on a confidential basis, with the following information for each Settlement Class member: name, last known address, last known telephone number, social security number or other taxpayer identification number, and number of weeks worked during the Class Period (to the extent all such information is available) (the “Class List”).

- B. Within ten (10) business days from receipt of the Class List, the Settlement Administrator shall (i) run the names of all Settlement Class members through the National Change of Address (“NCOA”) database to determine any updated addresses for Settlement Class members; (ii) update the address of any Settlement Class member for whom an updated address was found through the NCOA search; (iii) calculate the estimated Individual Settlement Award for each Settlement Class member; and (iv) mail a Class Notice to each Settlement Class member at his or her last known address or at the updated address found through the NCOA search, and retain proof of mailing.
- C. Any Class Notices returned to the Settlement Administrator as non-delivered on or before the Response Deadline, as defined below, shall be re-mailed to the forwarding address affixed thereto within three (3) business days of receipt. If no forwarding address is provided, the Settlement Administrator shall make reasonable efforts, including utilizing a “skip trace,” to obtain an updated mailing address within three (3) business days of receiving the returned Class Notice. If an updated mailing address is identified, the Settlement Administrator shall resend the Class notice to the Settlement Class member immediately, and in any event within three (3) business days of obtaining the return mail. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Settlement Class member. Settlement Class members to whom Class Notices are re-mailed after having been returned as undeliverable to the Settlement Administrator shall have an additional fourteen (14) calendar days after the Response Deadline to opt-out, object, or dispute their Individual Settlement Award. Class Notices that are re-mailed shall inform the recipient of this adjusted deadline. A reminder postcard shall be mailed to the Settlement Class members thirty (30) days after the initial Class Notice mailing date.
- D. Requests for Exclusion. Any Settlement Class member who wishes to opt-out of the Settlement must complete and mail a Request for Exclusion (defined below) to the Settlement Administrator within sixty (60) calendar days of the date of the initial mailing of the Class Notices (the “Response Deadline”).
- i. The Class Notice shall state that Settlement Class members who wish to exclude themselves from the Settlement must submit a Request for Exclusion by the Response Deadline. The Request for Exclusion must: (1) contain the name, address, telephone number and the last four digits of the Social Security number (or other taxpayer identification number) of the Settlement Class member; (2) contain a statement that the Settlement Class member wishes to be excluded from the Settlement; (3) be signed by the Settlement Class member; and (4) be postmarked by the Response Deadline and mailed to the Settlement Administrator at the address specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member’s desire to be excluded. The date of the postmark on the Request for Exclusion shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Any Settlement Class member who

requests to be excluded from the Settlement Class will not be entitled to any recovery under this Settlement Agreement and will not be bound by the terms of the Settlement or have any right to object, appeal or comment thereon, except as to that portion of the Settlement and final judgment dedicated to alleged violations of the PAGA and associated penalties.

- ii. At no time will the Parties or their counsel seek to solicit or otherwise encourage any Settlement Class member to object to the Settlement or opt-out of the Settlement Class, or encourage any Settlement Class member to appeal from the final judgment.
 - iii. Settlement Class members who submit timely requests to opt out of the settlement will not participate in the settlement and will not be bound by the terms of the proposed settlement or the final judgment, except as to that portion of the settlement and final judgment dedicated to alleged violations of the PAGA and associated penalties.
 - iv. PAGA Aggrieved Employees. All PAGA Aggrieved Employees shall receive their Individual PAGA Settlement Amount and will be deemed to have released the PAGA Released Claims, regardless of whether or not they timely request to be excluded from the Settlement Class.
 - v. Defendants' Right to Rescind. Notwithstanding any other provision of this Settlement Agreement, Defendants shall retain the right, in the exercise of their sole discretion, to nullify the Settlement if more than ten percent (5%) of the Settlement Class members validly exclude themselves from the Settlement. Defendants shall communicate their decision to nullify the Settlement Agreement pursuant to this paragraph in writing to the Settlement Administrator and Class Counsel no later than ten (10) calendar days after the Response Deadline. In the event that Defendants elect to exercise this right, Defendants shall be solely responsible for paying all costs incurred by the Settlement Administrator through the date that Defendants communicates its decision to nullify the Settlement Agreement in writing to the Settlement Administrator and Class Counsel.
- E. Objections. Settlement Class members who do not opt-out may object to this Settlement Agreement as explained in the Class Notice by submitting a written objection to the Settlement Administrator (who shall serve all objections as received on Class Counsel and Defense counsel, as well as file all such objections with the Court) within the Response Deadline. Defense Counsel and Class Counsel may file any responses to objections prior to the hearing on the Motion for Final Approval. To be valid, any objection must be postmarked no later than the Response Deadline. Any Settlement Class member who wishes to may appear in person or through their own counsel and raise an objection at the Final Approval Hearing.

- F. Notice of Individual Settlement Award / Disputes. Each Class Notice mailed to a Settlement Class member shall disclose the amount of the Settlement Class member's estimated Individual Settlement Award (including any Individual PAGA Settlement Amount) as well as all of the information that was used to calculate the Individual Settlement Award. The Class Notice will also include instructions for how to opt out of the settlement, how to object to the settlement, and how to dispute the number of workweeks/pay periods worked. Settlement Class members will have the opportunity, should they disagree with Defendants' records regarding the information stated in the Class Notice, to provide documentation and/or an explanation to show contrary information. Defendants' workweek data will be presumed to be correct unless a particular Settlement Class member proves otherwise to the Settlement Administrator by credible written evidence. Any such dispute, including any supporting documentation, must be mailed to the Settlement Administrator and postmarked by the Response Deadline. The Settlement Administrator shall determine the eligibility for, and the amounts of, any Individual Settlement Awards under the terms of this Settlement Agreement, and the Settlement Administrator's decision on all workweek disputes will be final and non-appealable. However, if the Settlement Administrator and the Parties cannot agree on a resolution, the Parties will submit the dispute to the Court for a final determination.
- G. Defendants understand their legal obligation not to retaliate against the Settlement Class members for their participation and/or election to participate in the benefits to be afforded to any of them by the Settlement and/or the Action.

13. **Final Approval.** Following preliminary approval and the close of the period for filing requests for exclusion, objections, or disputes under this Settlement Agreement, Plaintiff shall apply to the Court for entry of an Order:

- A. Granting final approval to the Settlement Agreement and adjudging its terms to be fair, reasonable, and adequate;
- B. Approving Plaintiff and Class Counsel's application for attorneys' fees and costs, Class Representative Enhancement Award, settlement administration costs, and payment to the LWDA for its share of civil penalties under PAGA; and
- C. Entering judgment pursuant to California Rule of Court 3.769.

If the Court does not grant preliminary or final approval of this Settlement, or if the Effective Date does not occur for any reason, this Settlement Agreement and the Memorandum of Agreement between the Parties shall be null and void, and the Parties will return to the positions they held as of April 11, 2024, as if neither this Settlement Agreement nor the Memorandum of Agreement between the Parties had ever been agreed to.

14. **Non-Admission of Liability.** Nothing in this Settlement Agreement shall operate or be construed as an admission of any liability, wrongdoing, or that class certification is appropriate in any context other than this Settlement. Each of the Parties has entered into this Settlement

Agreement to avoid the burden and expense of further litigation. Pursuant to California Evidence Code Section 1152, this Settlement Agreement is inadmissible in any proceeding, except a proceeding to approve, interpret, or enforce this Settlement Agreement. If Final Approval does not occur, the Parties agree that this Settlement Agreement is void, but remains protected by California Evidence Code Section 1152. Defendants deny Plaintiff's claims and allegations alleged in the Action and any and all liability, fault, and the existence or applicability of any damages or penalties of any kind whatsoever. This Settlement Agreement may however be used as an affirmative defense or bar, in whole or in part, to any future claims.

15. **Non-Disclosure and Non-Publication.** Plaintiff and Class Counsel agree not to disclose or publicize the Settlement Agreement, including the fact of the Settlement, or its terms or contents, and the negotiations underlying the Settlement, in any manner or form, directly or indirectly, to any person or entity, except to Settlement Class members and as shall be contractually required to effectuate the terms of the Settlement as set forth herein. Plaintiff and Class Counsel agree not to issue press releases, communicate with, or respond to any media or publication entities, publish information in any manner or form, whether printed or electronic, on any medium or otherwise communicate, whether by print, video, recording, or any other medium, with any person or entity concerning the Settlement, including the fact of the Settlement, its terms or contents, or the negotiations underlying the Settlement, except as shall be contractually required to effectuate the terms of the Settlement. However, for the limited purpose of allowing Class Counsel to prove adequacy as class counsel in other unrelated actions, Class Counsel may disclose the name of the Parties in this action and the venue/case number of the Action (but not any other settlement details) for such purposes.

16. **Unalleged Claims.** Plaintiff and Class Counsel are not currently aware of any: (a) unalleged claims in addition to, or different from, those which are finally and forever settled and released against the Released Parties by this Settlement; and (b) unalleged facts or legal theories upon which any claims or causes of action could be brought against Defendants, except such facts and theories specifically alleged in the operative complaints in the Related Actions. Plaintiff and Class Counsel further represent that, other than the Related Actions, they have no current intention of asserting any other claims against Defendants in any judicial or administrative forum. Plaintiff and Class Counsel further represent that, other than the currently pending litigation, they do not currently know of or represent any persons who have expressed an interest in pursuing litigation or seeking any recovery against Defendant. The Parties acknowledge, understand, and agree that the representations described in this paragraph are essential to the Settlement Agreement, and that this Settlement Agreement would not have been entered into were it not for this representation.

17. **Tolling of Five Year Rule.** The Parties agree to stay and extend the Five Year Rule to bring the Action to trial under California Code of Civil Procedure section 583.310 pending the Court's ultimate determination on Plaintiff's Motion for Final Approval of this Settlement. The stay shall run from the date this Settlement Agreement is fully executed through the date the Court enters an order granting final settlement approval or denying the motion for final settlement approval with prejudice, whichever is first, and the Five Year Rule deadline shall be extended proportionately to the duration of the stay.

18. **Authorization to Enter into Settlement Agreement.** Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this

Settlement Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to this Settlement Agreement to effectuate its terms and to execute any other documents required to effectuate the terms of this Settlement Agreement. The Parties will work together, in good faith, to make changes to this Settlement Agreement consistent with the wishes of the Court. The Parties and their counsel will cooperate with each other and use their best efforts to effectuate the implementation of the Settlement. If the Parties are unable to reach agreement on the form or content of any document needed to implement the Settlement, or on any supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties may seek the assistance of the Court to resolve such disagreement.

19. **Waiver and Amendment.** The Parties may not waive, amend, or modify any provision of this Settlement Agreement except by a written agreement signed by all of the Parties or their respective counsel, and subject to any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision.

20. **Notices.** All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by receipted delivery and by e-mail at the addresses set forth below, or such other addresses as either Party may designate in writing from time to time:

if to Plaintiff: Sepideh Ardestani of Crosner Legal, PC
9440 Santa Monica Blvd., Ste. 301, Beverly Hills, CA 90210
sepideh@crosnerlegal.com

if to Defendant: Christopher W. Decker of Ogletree, Deakins, Nash, Smoak & Stewart, P.C.
400 South Hope Street, Suite 1200, Los Angeles, CA 90071
Christopher.Decker@ogletreedeakins.com

21. **Judgment and Continued Jurisdiction.** After the Court enters Judgment of Final Approval of the Settlement, the Parties agree that the Court will have continuing jurisdiction, pursuant to California Code of Civil Procedure section 664.6, for purposes of addressing: (a) the interpretation and enforcement of the terms of the Settlement, (b) Settlement administration matters, and (c) such post-Judgment matters as may be appropriate under court rules or as set forth in this Agreement.

22. **Entire Agreement.** This Settlement Agreement contains the entire agreement between the Parties with respect to the transactions contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts, and writings prior to the date hereof relating to the subject matters hereof.

23. **Counterparts.** This Settlement Agreement may be executed by one or more of the Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

IN WITNESS THEREOF, the Parties to this Settlement Agreement each acknowledge that they have read the foregoing Settlement Agreement, accept and agree to the provisions

contained herein, and hereby execute it voluntarily and with full understanding of its consequences.

OSCAR BARAJAS

Dated: 11 / 03 / 2025



Oscar Barajas, Plaintiff

**DEFENDANT CPC LOGISTICS SOLUTIONS
INC.**

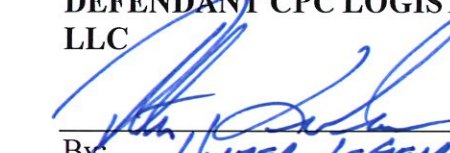
Dated: 10-29-25



By: HUNTER LEGEND
Its: GENERAL COUNSEL

**DEFENDANT CPC LOGISTICS SOLUTIONS
LLC**

Dated: 10-29-25



By: HUNTER LEGEND
Its: GENERAL COUNSEL

APPROVED AS TO FORM:

Dated: 11/04/2025

CROSNER LEGAL, PC

By: 

Sepideh Ardestani
Attorneys for Plaintiff Barajas

Dated: 10-29-25

**OGLETREE, DEAKINS, NASH, SMOAK &
STEWART, P.C.**

By: Christopher W. Decker

Christopher W. Decker
Attorneys for Defendants CPC Logistics
Solutions, Inc. and CPC Logistics Solutions,
LLC

COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL

Oscar Barajas v. CPC Logistics Solutions, LLC et al.
Alameda County Superior Court Case No. 22CV011373

*The Superior Court for the State of California authorized this Notice. Read it carefully!
It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.*

You may be eligible to receive money from an employee class action lawsuit (“Action”) against CPC Logistics Inc. and CPC Logistics Solutions, LLC (“Defendants” or “CPC Logistics Solutions”) for alleged wage and hour violations. The Action was filed by a former CPC Logistics Solutions’ employee Oscar Barajas (“Plaintiff”) and seeks payment of (1) minimum wages, (2) overtime wages, (3) premium wages for denied meal and rest periods, (4) reimbursement of out-of-pocket business expenses, (5) penalties for inaccurate wage statements, and (6) penalties for failure to pay all wages upon separation of employment, (7) interest, and (8) attorneys’ fees and costs for a class of non-exempt employees who worked for Defendants during the Class Period from November 19, 2017 to August 15, 2025 (“Class Members”); and (9) penalties under the California Private Attorney General Act (“PAGA”) for non-exempt employees who worked for Defendants in California during the PAGA Period from July 25, 2019 to July 15, 2024 (“PAGA Aggrieved Employees”).

The proposed Settlement has two main parts: (1) a Class Settlement requiring CPC Logistics Solutions to fund Individual Class Settlement Amounts, and (2) a PAGA Settlement requiring CPC Logistics Solutions to fund Individual PAGA Settlement Amounts and pay penalties to the California Labor and Workforce Development Agency (“LWDA”). The Individual Class Settlement Amount and the Individual PAGA Settlement Amount, together, are the “Individual Settlement Award.”

Based on CPC Logistics Solutions records, and the Parties’ current assumptions, **your Individual Class Settlement Amount is estimated to be \$ _____ (less withholding) and your Individual PAGA Settlement Amount is estimated to be \$ _____**. The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Settlement Amount, then according to CPC Logistics Solutions records you are not eligible for an Individual PAGA Payment under the Settlement because you didn’t work during the PAGA Period.)

The above estimates are based on CPC Logistics Solutions records showing that **you worked _____ workweeks** during the Class Period and **you worked _____ workweeks** during the PAGA Period. If you believe that you worked more workweeks during either period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

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

If you worked for CPC Logistics Solutions during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

(1) **Do Nothing.** You don't have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Settlement Amount and/or an Individual PAGA Settlement Amount. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against CPC Logistics Solutions.

(2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Settlement Award. You will, however, preserve your right to personally pursue Class Period wage claims against CPC Logistics Solutions, and, if you are a PAGA Aggrieved Employee, remain eligible for an Individual PAGA Settlement Amount. You cannot opt-out of the PAGA portion of the proposed Settlement.

CPC Logistics Solutions will not retaliate against you for any actions you take with respect to the proposed Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Settlement Award. In exchange, you will give up your right to assert the wage claims against CPC Logistics Solutions that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is _____	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Settlement Award. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. CPC Logistics Solutions must pay Individual PAGA Settlement Amounts to all PAGA Aggrieved Employees and the PAGA Aggrieved Employees must give up their rights to pursue Released PAGA Claims (defined below).
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by _____	All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section 7 of this Notice.
You Can Participate in the _____ Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on _____. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally

	object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by _____	The amount of your Individual Class Settlement Amount and Individual PAGA Settlement Amount (if any) depend on how many workweeks you worked at least one day during the Class Period and how many workweeks you worked at least one day during the PAGA Period, respectively. The number Class Period Workweeks and number of PAGA Period Workweeks you worked according to CPC Logistics Solutions records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by _____. See Section 4 of this Notice.

1.WHAT IS THE ACTION ABOUT?

Plaintiff is a former CPC Logistics Solutions employee. The Action accuses CPC Logistics Solutions of violating California labor laws including: (a) failure to pay minimum wages; (b) failure to pay overtime compensation; (c) failure to provide proper meal periods, and to properly provide premium pay in lieu thereof; (d) failure to provide proper rest periods, and to properly provide premium pay in lieu thereof; (e) failure to reimburse business expenses; (f) failure to pay all wages timely at the time of separation of employment; (g) failure to provide complete, accurate or properly formatted wage statements; (h) failure to pay vested vacation and/or paid time off; (i) unfair business practices that could have been premised on the claims, causes of action or legal theories of relief described above or any of the claims, causes of action or legal theories of relief pleaded in the operative complaint; and (j) failure to keep requisite payroll records. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) (“PAGA”).

CPC Logistics Solutions strongly denies violating any laws or failing to pay any wages and contends it complied with all applicable laws.

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

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

Plaintiff and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) CPC Logistics Solutions has agreed to pay a fair, reasonable and adequate amount considering the overall merits and strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and PAGA Aggrieved Employees in light of these circumstances and the risks and uncertainties of continued litigation. The Court preliminarily

approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

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

1. CPC Logistics Solutions Will Pay \$305,160 as the Maximum Settlement Amount (Maximum Settlement). CPC Logistics Solutions has agreed to deposit the Maximum Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Maximum Settlement to pay the Individual Settlement Awards, Class Representative Enhancement Awards, Class Counsel's attorney's fees and expenses, the Administrator's expenses, and penalties to be paid to the California Labor and Workforce Development Agency ("LWDA"). Assuming the Court grants Final Approval, CPC Logistics Solutions will fund the Maximum Settlement not more than 45 days after the Judgment entered by the Court become final. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.

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

A. Up to \$ 101,720.00 (one-third of the Maximum Settlement] to Class Counsel for attorneys' fees and up to \$30,000.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.

B. Up to \$10,000 as a Class Representative Enhancement Payment to Plaintiff for filing the Action, working with Class Counsel and representing the Class. A Class Representative Enhancement Payment will be the only monies Plaintiff will receive other than Plaintiff's Individual Settlement Award.

C. Up to \$10,000.00 to the Administrator for services administering the Settlement.

D. Up to \$30,000 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Settlement Amounts to the PAGA Aggrieved Employees based on their PAGA Period Workweeks.

Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the "Net Settlement") by making Individual Settlement Awards to Participating Class Members based on their Class Period Workweeks.

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

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

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Settlement Awards will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller's Unclaimed Property Fund in your name. If the monies represented by your check is sent to the Controller's Unclaimed Property, you should consult the rules of the Fund for instructions on how to retrieve your money.

6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than _____, that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the _____ Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member's name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Settlement Awards, but will preserve their rights to personally pursue wage and hour claims against CPC Logistics Solutions.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Settlement Amount and are required to give up their right to assert PAGA claims against CPC Logistics Solutions based on the PAGA Period facts alleged in the Action.

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

8. Administrator. The Court has appointed a neutral company, _____ (the "Administrator") to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section 9 of this Notice.

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

The Participating Class Members will be bound by the following release:

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released

Parties from all causes of action and factual or legal theories that are alleged in operative complaint, or reasonably could have been alleged based on the facts and legal theories contained in the operative complaint, including all of the following claims for relief: (a) failure to pay all wages owed, including minimum and overtime wages; (b) failure to provide proper meal periods, and to properly provide premium pay in lieu thereof; (c) failure to provide proper rest periods, and to properly provide premium pay in lieu thereof; (d) failure to pay sick pay; (e) failure to provide complete, accurate, and/or properly formatted wage statements; (f) waiting time penalties; (g) failure to reimburse all reasonable and necessary business expenses related to personal cell phone use and purchase of equipment, uniforms, and/or footwear; (h) failure to provide personnel file upon demand; (i) failure to pay vested vacation / paid time off; (j) unfair business practices that could have been premised on the claims, causes of action, or legal theories of relief described above or on any of the claims, causes of action, or legal theories of relief pleaded in the operative complaint; (k) failure to keep requisite payroll records; (l) any other claims or penalties under the wage and hour laws pleaded in the operative complaint; and (m) all damages, penalties, interest, and other amounts recoverable under said claims, causes of action, or legal theories of relief in the operative complaint (collectively, the “Released Claims”). The Released Claims expressly excludes all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers’ compensation, claims while classified as exempt, and claims outside of the Class Period.

10. Aggrieved Employees’ PAGA Release. After the Court’s judgment is final, and CPC Logistics Solutions has paid the Maximum Settlement and separately paid the employer-side payroll taxes, all PAGA Aggrieved Employees will be barred from asserting PAGA claims against CPC Logistics Solutions, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against CPC Logistics Solutions or its related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement.

The Aggrieved Employees’ Releases and Non-Participating Class Members are as follows:

The State of California, Plaintiff, and all Participating and Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties, from all claims for civil penalties under the Labor Code Private Attorneys General Act of 2004 (“PAGA”) against the Released Parties with respect to the claims in Plaintiff’s PAGA Notices to the Labor and Workforce Development Agency (“LWDA”), or could have been alleged based on the facts and legal theories contained in Plaintiff’s PAGA Notices to the LWDA, that arose during the time period June 31, 2021 to August 15, 2025 (the “PAGA Period”) including: All causes of action and factual or legal theories for civil penalties under the PAGA against any of the Released Parties that (i) were alleged in Plaintiff’s PAGA Notices to the Labor and Workforce Development Agency (“LWDA”) or (ii) that could have been alleged based on the facts and legal theories contained in Plaintiff’s PAGA Notices to the LWDA (collectively, the “Released PAGA Claims”). The Released PAGA Claims expressly exclude all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers’ compensation, claims while classified as exempt, and claims outside of the PAGA Period.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Settlement Awards. The Administrator will calculate Individual Class Settlement Amounts by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all

Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.

2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Settlement Amounts by (a) dividing \$7,500 (\$30,000 x 25%) by the total number of workweeks worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by the number of workweeks worked by each individual Aggrieved Employee during the PAGA Period.

3. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of Workweeks you worked during the PAGA Period, as recorded in CPC Logistics Solutions records, are stated in the first page of this Notice. You have until _____ to challenge the number of Workweeks credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept CPC Logistics Solutions calculation of Workweeks based on CPC Logistics Solutions records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and CPC Logistics Solutions Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't opt-out) including those who also qualify as PAGA Aggrieved Employees. The single check will combine the Individual Class Settlement Amount and the Individual PAGA Settlement Amount.

2. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Settlement Amount check to every PAGA Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member).

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

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

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Cindy Galloway, et al. v. CPC Logistics Solutions III, LLC, et al.*, and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by _____, or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and CPC Logistics Solutions are asking the Court to approve. At least 16 court days before the _____ Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Class Representative Enhancement Payments stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiff is requesting as a Class Representative Enhancement Payment. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website _____ (url) _____ or the Court's website _____ (url) _____.

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Class Representative Enhancement Payment may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. **The deadline for sending written objections to the Administrator is _____.** Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action *Oscar Barajas v. CPC Logistics Solutions, LLC et al.*, and include your name, current address, telephone number, and approximate dates of employment for CPC Logistics Solutions and sign the objection. Section 9 of this Notice has the Administrator's contact information.

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

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on _____ at _____ (time) in Department _____ of the Alameda County Superior Court, located at 2233 Shore Line Dr., Alameda, CA 94501. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Maximum Settlement will be paid to Class Counsel, Plaintiff, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually. Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website _____ beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything CPC Logistics Solutions and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to _____ (specify entity) _____'s website at _____ (url) _____. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (<https://www.eportal.alameda.courts.gov/?q=node/388>) and entering the Case Number for the Action,

Case No. 22CV011373. You can also make an appointment to personally review court documents in the Clerk's Office at the Alameda Superior Court by calling (510) 267-6912.

DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.

Class Counsel:

Zachary M. Crosner
Jaime K. Serb
Sepideh Ardestani
Crosner Legal, PC
9440 Santa Monica Blvd., Ste. 301

Beverly Hills, CA 90210
(866) 276-7637
zach@crosnerlegal.com
jamie@crosnerlegal.com
sepideh@crosnerlegal.com

Settlement Administrator:

Name of Company: _____
Email Address: _____
Mailing Address: _____
Telephone: _____
Fax Number: _____

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

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

11. WHAT IF I CHANGE MY ADDRESS?

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

Title	CLASS ACTION AND PAGA SETTLEMENT (Barajas)
File name	Barajas_v._CPC_Se...nts___Counsel.pdf
Document ID	ddc37800683fb37f082bd3701ff7502fc21e01ac
Audit trail date format	MM / DD / YYYY
Status	● Signed

Document History



SENT

11 / 03 / 2025
19:52:10 UTC

Sent for signature to Oscar Barajas (oscbar85@att.net) from mathew@crosnerlegal.com
IP: 97.190.211.144



VIEWED

11 / 03 / 2025
20:18:12 UTC

Viewed by Oscar Barajas (oscbar85@att.net)
IP: 172.56.170.227



SIGNED

11 / 03 / 2025
20:19:44 UTC

Signed by Oscar Barajas (oscbar85@att.net)
IP: 172.56.170.227



COMPLETED

11 / 03 / 2025
20:19:44 UTC

The document has been completed.

Exhibit 2

COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL

Oscar Barajas v. CPC Logistics Solutions, LLC et al.
Alameda County Superior Court Case No. 22CV011373

*The Superior Court for the State of California authorized this Notice. Read it carefully!
It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.*

You may be eligible to receive money from an employee class action lawsuit (“Action”) against CPC Logistics Solutions, Inc. and CPC Logistics Solutions, LLC (“Defendants” or “CPC Logistics Solutions”) for alleged wage and hour violations. The Action was filed by a former CPC Logistics Solutions’ employee Oscar Barajas (“Plaintiff”) and seeks payment of (1) minimum wages, (2) overtime wages, (3) premium wages for denied meal and rest periods, (4) reimbursement of out-of-pocket business expenses, (5) penalties for inaccurate wage statements, and (6) penalties for failure to pay all wages upon separation of employment, (7) interest, and (8) attorneys’ fees and costs for a class of non-exempt employees who worked for Defendants during the Class Period from November 19, 2017 to August 15, 2025 (“Class Members”); and (9) penalties under the California Private Attorney General Act (“PAGA”) for non-exempt employees who worked for Defendants in California during the PAGA Period from July 25, 2019 to July 15, 2024 (“PAGA Aggrieved Employees”).

The proposed Settlement has two main parts: (1) a Class Settlement requiring CPC Logistics Solutions to fund Individual Class Settlement Amounts, and (2) a PAGA Settlement requiring CPC Logistics Solutions to fund Individual PAGA Settlement Amounts and pay penalties to the California Labor and Workforce Development Agency (“LWDA”). The Individual Class Settlement Amount and the Individual PAGA Settlement Amount, together, are the “Individual Settlement Award.”

Based on CPC Logistics Solutions records, and the Parties’ current assumptions, **your Individual Class Settlement Amount is estimated to be \$ _____ (less withholding) and your Individual PAGA Settlement Amount is estimated to be \$ _____**. The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Settlement Amount, then according to CPC Logistics Solutions records you are not eligible for an Individual PAGA Payment under the Settlement because you didn’t work during the PAGA Period.)

The above estimates are based on CPC Logistics Solutions records showing that **you worked _____ workweeks** during the Class Period and **you worked _____ workweeks** during the PAGA Period. If you believe that you worked more workweeks during either period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

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

If you worked for CPC Logistics Solutions during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

(1) **Do Nothing.** You don't have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Settlement Amount and/or an Individual PAGA Settlement Amount. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against CPC Logistics Solutions.

(2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Settlement Award. You will, however, preserve your right to personally pursue Class Period wage claims against CPC Logistics Solutions, and, if you are a PAGA Aggrieved Employee, remain eligible for an Individual PAGA Settlement Amount. You cannot opt-out of the PAGA portion of the proposed Settlement.

CPC Logistics Solutions will not retaliate against you for any actions you take with respect to the proposed Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Settlement Award. In exchange, you will give up your right to assert the wage claims against CPC Logistics Solutions that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is _____	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Settlement Award. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. CPC Logistics Solutions must pay Individual PAGA Settlement Amounts to all PAGA Aggrieved Employees and the PAGA Aggrieved Employees must give up their rights to pursue Released PAGA Claims (defined below).
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by _____	All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section 7 of this Notice.
You Can Participate in the _____ Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on _____. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally

	object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by _____	The amount of your Individual Class Settlement Amount and Individual PAGA Settlement Amount (if any) depend on how many workweeks you worked at least one day during the Class Period and how many workweeks you worked at least one day during the PAGA Period, respectively. The number Class Period Workweeks and number of PAGA Period Workweeks you worked according to CPC Logistics Solutions records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by _____. See Section 4 of this Notice.

1.WHAT IS THE ACTION ABOUT?

Plaintiff is a former CPC Logistics Solutions employee. The Action accuses CPC Logistics Solutions of violating California labor laws including: (a) failure to pay minimum wages; (b) failure to pay overtime compensation; (c) failure to provide proper meal periods, and to properly provide premium pay in lieu thereof; (d) failure to provide proper rest periods, and to properly provide premium pay in lieu thereof; (e) failure to reimburse business expenses; (f) failure to pay all wages timely at the time of separation of employment; (g) failure to provide complete, accurate or properly formatted wage statements; (h) failure to pay vested vacation and/or paid time off; (i) unfair business practices that could have been premised on the claims, causes of action or legal theories of relief described above or any of the claims, causes of action or legal theories of relief pleaded in the operative complaint; and (j) failure to keep requisite payroll records. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) (“PAGA”).

CPC Logistics Solutions strongly denies violating any laws or failing to pay any wages and contends it complied with all applicable laws.

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

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

Plaintiff and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) CPC Logistics Solutions has agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and PAGA Aggrieved Employees. The Court preliminarily

approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

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

1. CPC Logistics Solutions Will Pay \$305,160 as the Maximum Settlement Amount (Maximum Settlement). CPC Logistics Solutions has agreed to deposit the Maximum Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Maximum Settlement to pay the Individual Settlement Awards, Class Representative Enhancement Awards, Class Counsel's attorney's fees and expenses, the Administrator's expenses, and penalties to be paid to the California Labor and Workforce Development Agency ("LWDA"). Assuming the Court grants Final Approval, CPC Logistics Solutions will fund the Maximum Settlement not more than 45 days after the Judgment entered by the Court become final. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.

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

A. Up to \$ 101,720.00 (one-third of the Maximum Settlement] to Class Counsel for attorneys' fees and up to \$30,000.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.

B. Up to \$10,000 as a Class Representative Enhancement Payment to Plaintiff for filing the Action, working with Class Counsel and representing the Class. A Class Representative Enhancement Payment will be the only monies Plaintiff will receive other than Plaintiff's Individual Settlement Award.

C. Up to \$10,000.00 to the Administrator for services administering the Settlement.

D. Up to \$30,000 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Settlement Amounts to the PAGA Aggrieved Employees based on their PAGA Period Workweeks.

Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the "Net Settlement") by making Individual Settlement Awards to Participating Class Members based on their Class Period Workweeks.

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

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

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Settlement Awards will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller's Unclaimed Property Fund in your name. If the monies represented by your check is sent to the Controller's Unclaimed Property, you should consult the rules of the Fund for instructions on how to retrieve your money.

6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than _____, that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the _____ Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her representative setting forth a Class Member's name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Settlement Awards, but will preserve their rights to personally pursue wage and hour claims against CPC Logistics Solutions.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Settlement Amount and are required to give up their right to assert PAGA claims against CPC Logistics Solutions based on the PAGA Period facts alleged in the Action.

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

8. Administrator. The Court has appointed a neutral company, _____ (the "Administrator") to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section 9 of this Notice.

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

The Participating Class Members will be bound by the following release:

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released

Parties from all causes of action and factual or legal theories that are alleged in operative complaint, or reasonably could have been alleged based on the facts and legal theories contained in the operative complaint, including all of the following claims for relief: (a) failure to pay all wages owed, including minimum and overtime wages; (b) failure to provide proper meal periods, and to properly provide premium pay in lieu thereof; (c) failure to provide proper rest periods, and to properly provide premium pay in lieu thereof; (d) failure to pay sick pay; (e) failure to provide complete, accurate, and/or properly formatted wage statements; (f) waiting time penalties; (g) failure to reimburse all reasonable and necessary business expenses related to personal cell phone use and purchase of equipment, uniforms, and/or footwear; (h) failure to provide personnel file upon demand; (i) failure to pay vested vacation / paid time off; (j) unfair business practices that could have been premised on the claims, causes of action, or legal theories of relief described above or on any of the claims, causes of action, or legal theories of relief pleaded in the operative complaint; (k) failure to keep requisite payroll records; (l) any other claims or penalties under the wage and hour laws pleaded in the operative complaint; and (m) all damages, penalties, interest, and other amounts recoverable under said claims, causes of action, or legal theories of relief in the operative complaint (collectively, the “Released Claims”). The Released Claims expressly excludes all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers’ compensation, claims while classified as exempt, and claims outside of the Class Period.

10. Aggrieved Employees’ PAGA Release. After the Court’s judgment is final, and CPC Logistics Solutions has paid the Maximum Settlement and separately paid the employer-side payroll taxes, all PAGA Aggrieved Employees will be barred from asserting PAGA claims against CPC Logistics Solutions, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against CPC Logistics Solutions or its related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement.

The Aggrieved Employees’ Releases and Non-Participating Class Members are as follows:

The State of California, Plaintiff, and all Participating and Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties, from all claims for civil penalties under the Labor Code Private Attorneys General Act of 2004 (“PAGA”) against the Released Parties with respect to the claims in Plaintiff’s PAGA Notices to the Labor and Workforce Development Agency (“LWDA”), or could have been alleged based on the facts and legal theories contained in Plaintiff’s PAGA Notices to the LWDA, that arose during the time period June 31, 2021 to August 15, 2025 (the “PAGA Period”) including: All causes of action and factual or legal theories for civil penalties under the PAGA against any of the Released Parties that (i) were alleged in Plaintiff’s PAGA Notices to the Labor and Workforce Development Agency (“LWDA”) or (ii) that could have been alleged based on the facts and legal theories contained in Plaintiff’s PAGA Notices to the LWDA (collectively, the “Released PAGA Claims”). The Released PAGA Claims expressly exclude all other claims, including claims for vested benefits, wrongful termination, unemployment insurance, disability, social security, workers’ compensation, claims while classified as exempt, and claims outside of the PAGA Period.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Settlement Awards. The Administrator will calculate Individual Class Settlement Amounts by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all

Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.

2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Settlement Amounts by (a) dividing \$7,500 (\$30,000 x 25%) by the total number of workweeks worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by the number of workweeks worked by each individual Aggrieved Employee during the PAGA Period.

3. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of Workweeks you worked during the PAGA Period, as recorded in CPC Logistics Solutions records, are stated in the first page of this Notice. You have until _____ to challenge the number of Workweeks credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept CPC Logistics Solutions calculation of Workweeks based on CPC Logistics Solutions records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and CPC Logistics Solutions Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't opt-out) including those who also qualify as PAGA Aggrieved Employees. The single check will combine the Individual Class Settlement Amount and the Individual PAGA Settlement Amount.

2. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Settlement Amount check to every PAGA Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member).

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

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

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Cindy Galloway, et al. v. CPC Logistics Solutions III, LLC, et al.*, and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by _____, or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and CPC Logistics Solutions are asking the Court to approve. At least 16 court days before the _____ Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Class Representative Enhancement Payments stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiff is requesting as a Class Representative Enhancement Payment. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website _____ (url) _____ or the Court's website _____ (url) _____.

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Class Representative Enhancement Payment may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. **The deadline for sending written objections to the Administrator is _____.** Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action *Oscar Barajas v. CPC Logistics Solutions, LLC et al.*, and include your name, current address, telephone number, and approximate dates of employment for CPC Logistics Solutions and sign the objection. Section 9 of this Notice has the Administrator's contact information.

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

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on _____ at _____ (time) in Department _____ of the Alameda County Superior Court, located at 2233 Shore Line Dr., Alameda, CA 94501. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Maximum Settlement will be paid to Class Counsel, Plaintiff, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually. Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website _____ beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything CPC Logistics Solutions and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to _____ (specify entity)'s website at _____ (url) _____. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (<https://www.eportal.alameda.courts.gov/?q=node/388>) and entering the Case Number for the Action,

Case No. 22CV011373. You can also make an appointment to personally review court documents in the Clerk's Office at the Alameda Superior Court by calling (510) 267-6912.

DO NOT TELEPHONE THE SUPERIOR COURT TO OBTAIN INFORMATION ABOUT THE SETTLEMENT.

Class Counsel:

Zachary M. Crosner
Jaime K. Serb
Sepideh Ardestani
Crosner Legal, PC
9440 Santa Monica Blvd., Ste. 301

Beverly Hills, CA 90210
(866) 276-7637
zach@crosnerlegal.com
jamie@crosnerlegal.com
sepideh@crosnerlegal.com

Settlement Administrator:

Name of Company: _____
Email Address: _____
Mailing Address: _____
Telephone: _____
Fax Number: _____

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

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

11. WHAT IF I CHANGE MY ADDRESS?

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

Exhibit 3



Zachary Crosner, Esq.
Managing Attorney
Los Angeles Office
9440 Santa Monica Blvd.,
Ste. 301
Beverly Hills, CA 90210

zach@crosnerlegal.com
office: (310) 496-5818
fax: (310) 510-6429

May 31, 2022

VIA ONLINE FILING ONLY:

PAGAfilings@dir.ca.gov
California Labor & Workforce
Development Agency
ATTN: PAGA Administrator
455 Golden Gate Avenue, 9th
Floor San Francisco, CA 94102

VIA U.S. CERTIFIED MAIL:

C T Corporation System
Agent for Service of Process for:
CPC LOGISTICS SOLUTIONS, LLC
330 N Brand Blvd Ste 700
Glendale, CA 91203

CPC LOGISTICS SOLUTIONS, LLC
Attn: Human Resources Dept./Legal Dept.
14528 S. Outer 40 Rd., Ste. 210
Chesterfield, MO 63017

C T Corporation System
Agent for Service of Process for:
CPC LOGISTICS, INC.
330 N Brand Blvd Ste 700
Glendale, CA 91203

CPC LOGISTICS, INC.
Attn: Human Resources Dept./Legal Dept.
14528 S. Outer 40 Rd., Ste. 210
Chesterfield, MO 63017

Carol Brier
Agent for Service of Process for:
NEWCO DISTRIBUTORS, INC.
9060 Rochester Avenue
Rancho Cucamonga, CA 91730

NEWCO DISTRIBUTORS, INC.
Attn: Human Resources Dept./Legal Dept.
9060 Rochester Avenue
Rancho Cucamonga, CA 91730

NOTICE OF PRIVATE ATTORNEYS GENERAL ACT CLAIM

To: California Labor and Workforce Development Agency, CPC Logistics Solutions, LLC, CPC Logistics Inc., and Newco Distributors, Inc.
Date: May 31, 2022
Subject: *Oscar Barajas v. CPC Logistics Solutions, LLC, CPC Logistics Inc., and Newco Distributors, Inc.*

Introduction

This office represents COMPLAINANT, Oscar Barajas (hereinafter “COMPLAINANT”) in connection with COMPLAINANT’s claims under the California Labor Code. COMPLAINANT was, at all relevant times herein mentioned, an employee of the following entities and individual managing agents of said entities: CPC Logistics Solutions, LLC, CPC Logistics Inc., and Newco Distributors, Inc., (hereinafter, these entities and their managing agents are referred to collectively as “EMPLOYER”). EMPLOYER may be contacted directly at the addresses listed above.

Pursuant to California Labor Code sections 2699.3 and 2699.5, COMPLAINANT, on behalf of COMPLAINANT, and on behalf of all current and former non-exempt employees employed by EMPLOYER within one year of the date of this notice (“NON-EXEMPT AGGRIEVED EMPLOYEES” defined below), and on behalf of all current and former exempt employees employed by EMPLOYER within one year of the date of this notice (“EXEMPT AGGRIEVED EMPLOYEES” defined below) hereby gives written notice (“NOTICE”) of COMPLAINANT’s claims against EMPLOYER.

Said “NON-EXEMPT AGGRIEVED EMPLOYEES” include the following:

- (1) all non-exempt workers who were directly employed by CPC Logistics Solutions, LLC and/or CPC Logistics, Inc. regardless of where those non-exempt workers were assigned or staffed to work – in California at any time within one year of the date of this NOTICE;
- (2) all non-exempt workers who were assigned/staffed to work at Newco Distributors, Inc. by CPC Logistics Solutions, LLC and/or CPC Logistics, Inc. and/or any other staffing/temporary service agencies in California at any time within one year of the date of this NOTICE; and
- (3) all non-exempt workers who were directly employed by Newco Distributors, Inc. in California within one year of the date of this NOTICE.

Said “EXEMPT AGGRIEVED EMPLOYEES” include the following:

- (1) all exempt workers who were directly employed by CPC Logistics Solutions, LLC and/or CPC Logistics, Inc. regardless of where those exempt workers were assigned or staffed to work – in California at any time within one year of the date of this NOTICE;
- (2) all exempt workers who were assigned/staffed to work at Newco Distributors, Inc. by CPC Logistics Solutions, LLC and/or CPC Logistics, Inc. and/or any other staffing/temporary service agencies in California at any time within one year of the date of this NOTICE; and

(3) all exempt workers who were directly employed by Newco Distributors, Inc. in California within one year of the date of this NOTICE (“EXEMPT AGGRIEVED EMPLOYEES”),

This NOTICE is being provided via online filing to the California Labor and Workforce Development Agency (“LWDA”) and EMPLOYER via certified mail to its Agent(s) for Service of Process as provided to the California Secretary of State.

This NOTICE also serves to demonstrate COMPLAINANT’s reasonable attempt at settlement with EMPLOYER. If EMPLOYER is interested in settling this matter before a lawsuit is filed, EMPLOYER may contact Crosner Legal, P.C. at the address listed at the close of this NOTICE. This settlement attempt is in compliance with relevant California law. *Graham v. Daimler Chrysler Corp.* (2004) 24 Cal.4th 553, 561.

This NOTICE is sent in compliance with the reporting requirements of California Labor Code sections 2699, 2699.3 and 2699.5. This NOTICE further reserves any and all rights by COMPLAINANT to amend this notice to include, amend, or add further charges upon discovery of new violations of any of the provisions of the California Labor Code. In addition, to the extent that entities and/or other individuals are named and charged with violations of the Labor Code—making them liable on an individual basis as permitted by numerous Labor Code sections including, but not limited to sections 558.1 and 1197.1—COMPLAINANT reserves any and all rights to add, substitute, or change the name of employer entities and/or individuals responsible for the violations at issue. Any further amendments and changes to this notice shall relate back to the date of this NOTICE. Consequently, EMPLOYER is on notice that COMPLAINANT continues its investigation, with the full intent to amend and/or change this notice, to add any undiscovered violations of any of the provisions of the California Labor Code—to the extent that are applicable to this case—and to change and/or add the identities of any entities and/or individuals responsible for the violations contained herein. For violations that are curable under § 2699.3(c) and that EMPLOYER intends to cure within the statutory time period set forth in §§ 2699 and 2699.3(c), the EMPLOYER shall provide notice including a description of actions taken to cure. If the alleged violation is not cured within the statutory time period, COMPLAINANT will commence a civil action pursuant to section 2699. For all other violations that are not curable, an action pursuant to 2699(a) and 2699(f) will commence after the requirements under 2699.3 are fulfilled.

Based on the following summary of the facts and theories upon which COMPLAINANT will base COMPLAINANT’s claims, COMPLAINANT requests that the LWDA regard this NOTICE as written notice of COMPLAINANT’s intent to seek civil penalties against EMPLOYER. The specific provisions of California law that EMPLOYER has violated, requiring this NOTICE, include but are not limited to: California Labor Code sections 201-203, 204, 210, 216, 221-223, 226, 226.7, 245-248.5, 432, 432.5, 432.7, 510, 512, 558, 558.1, 1024.5, 1174, 1194, 1197, 1197.1, 1198, 1198.3, 1198.5, 1199, 2802, 2810.5 and all applicable Wage Orders.

**The Named Entities Are Joint Employers of COMPLAINANT and NON-EXEMPT
AGGRIEVED EMPLOYEES AND EXEMPT AGGRIEVED EMPLOYEES**

California courts have recognized that the definition of “employer” for purposes of enforcement of the California Labor Code goes beyond the concept of traditional employment to reach irregular working arrangements for the purpose of preventing evasion and subterfuge of California’s labor laws. *Martinez v. Combs* (2010) 49 Cal.4th 35, 65. As such, anyone who directly or indirectly, or through an agent or any other person, engages, suffers, or permits any person to work or exercises control over the wages, hours, or working conditions of any person, may be liable for violations of the California Labor Code as to that person.

Moreover, under California law, the definition of the terms “to employ” are broadly construed under the applicable IWC Wage Order(s) to have three alternative definitions, including: (1) to exercise control over the wages, hours or working conditions; (2) to suffer of permit to work; or (3) to engage, thereby creating a common law employment relationship. See *Martinez v. Combs*, 49 Cal.4th 35, 64 (2010). One reason that the IWC defined “employer” in terms of exercising control was to reach situations in which multiple entities control different aspects of the employment relationship. Supervision of the work, in the specific sense of exercising control over how services are properly performed, is properly viewed as one of the “working conditions” mentioned in the wage order. *Id.* at 76. A joint employer relationship exists when one entity (such as a temporary employment agency) hires and pays a worker, and the other entity supervises the work. *Id.*

During COMPLAINANT’s assignment with EMPLOYER, COMPLAINANT and NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES were jointly employed by EMPLOYER for purposes of the Wage Orders, under the alternative definitions of “to employ” adopted by the California Supreme Court in *Martinez*, *supra*. As discussed below, EMPLOYER (1) exercised control over wages, hours and working conditions of COMPLAINANT; (2) suffered or permitted COMPLAINANT to work for them; and, (3) engaged COMPLAINANT to work for them.

Moreover, COMPLAINANT is informed and believes, and thereon alleges that at all relevant times CPC Logistics Solutions, LLC and CPC Logistics Inc. operated as a single integrated enterprise with common ownership and centralized human resources as set forth herein. Under California law, in determining whether two defendant entities are liable as an integrated enterprise, courts consider four factors: (1) centralized control of labor relations; (2) interrelation of operations; (3) common management; and (4) common ownership or financial control. *Laird v. Capital Cities/Abc, Inc.* (1998) 68 Cal.App.4th 727, 737 (overruled on other grounds, *Reid v. Google, Inc.* (2010) 50 Cal. 4th 512 (2010).) Here, CPC Logistics Solutions, LLC and CPC Logistics Inc., maintain the same headquarters/principal office in Chesterfield, Missouri (14528 S. Outer 40 Rd., Ste. 210, Chesterfield, Missouri 63017 and have the same California registered corporate Agent for Service of Process. Based on information and belief, CPC Logistics Solutions, LLC and CPC Logistics Inc. utilize the same policies and procedures for all California employees, including issuing the same employee handbooks and other form agreements. Based on information

and belief, CPC Logistics Solutions, LLC and CPC Logistics Inc. also use at least some of the same Human Resources personnel and attorneys to oversee employment matters. As a result, CPC Logistics Solutions, LLC and CPC Logistics Inc. (hereinafter collectively “CPC Logistics”) utilized the same unlawful wage and hour policies and practices and across all their California locations/facilities and subjected all NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES to these same policies and practices regardless of the location(s) or facilities where they worked in California.

Moreover, CPC Logistics hired COMPLAINANT and entered into a written employment agreement with COMPLAINANT. During COMPLAINANT’s employment, CPC Logistics maintained control over many aspects of COMPLAINANT’s employment, including, among other things, having the authority to discipline COMPLAINANT, change COMPLAINANT’s job assignment, change COMPLAINANT’s work hours, change COMPLAINANT’s rates of pay, and to terminate COMPLAINANT’s employment.

In addition, when COMPLAINANT was first hired, CPC Logistics provided COMPLAINANT with orientation and training materials. CPC Logistics issued COMPLAINANT written policies concerning meal periods, rest breaks, timekeeping, hours worked, and payment of COMPLAINANT’s wages, with which COMPLAINANT was required to comply. Based on information and belief, among other things, these policies provided that COMPLAINANT’s weekly time records be submitted to CPC Logistics; and CPC Logistics was supposed to process COMPLAINANT’s time records and pay COMPLAINANT for all hours worked. CPC Logistics exercised ultimate control over the payment of COMPLAINANT’s wages, as CPC Logistics issued COMPLAINANT his paychecks. Finally, CPC Logistics directed COMPLAINANT to comply with Newco Distributors, Inc.’s policies and directions. COMPLAINANT is informed and believes that CPC Logistics exercised the same control over, applied the same policies and practices, and engaged in the same acts and omissions with regard to the other aggrieved employees.

Newco Distributors, Inc. (hereinafter “Newco Distributors”) similarly suffered or permitted COMPLAINANT to work for them or engaged COMPLAINANT to work for them. COMPLAINANT is informed and believes that Newco Distributors entered into a written agreement with CPC Logistics, pursuant to which Newco Distributors paid CPC Logistics to provide it with workers, including COMPLAINANT, to conduct Newco Distributors’ business operations – namely, to work in Newco Distributors’ warehouses/distribution centers. Newco Distributors suffered or permitted COMPLAINANT to work at Newco Distributors, including its facility located in Hayward, California.

Newco Distributors further exercised control over COMPLAINANT’s wages, hours and working conditions. Newco Distributors also: (1) set COMPLAINANT’s work hours and provided COMPLAINANT with COMPLAINANT’s work schedule; (2) provided COMPLAINANT with policies regarding meal periods and rest breaks, with which COMPLAINANT was required to comply; (3) directly supervised COMPLAINANT’s work through its employees; (4) assigned COMPLAINANT job duties and trained COMPLAINANT on said job duties; (5) exercised

authority to reprimand and counsel COMPLAINANT regarding any work performance and other issues; (6) exercised authority to end COMPLAINANT's work assignment at any time, which essentially equated to a termination of employment as COMPLAINANT was not guaranteed any other job assignments; (7) required COMPLAINANT to use its timekeeping system for purposes of recording time worked; (8) determined whether and when COMPLAINANT would receive meal periods and rest breaks; (9) subjected COMPLAINANT to unlawful schedules for taking meal periods and rest breaks; and, (10) was responsible for recording when COMPLAINANT began and ended work shifts. On information and belief, Newco Distributors issued further written policies and practices and guidelines governing COMPLAINANT's working conditions with which COMPLAINANT was required to comply. COMPLAINANT is informed and believes that Newco Distributors exercised the same control over, applied the same policies and practices, and engaged in the same acts and omissions with regard to the other aggrieved employees.

Thus, EMPLOYER collectively exercised the right to control the wages, hours and working conditions of COMPLAINANT and aggrieved employees. As such, EMPLOYER collectively held the right to control virtually every aspect of COMPLAINANT's and NON-EXEMPT AGGRIEVED EMPLOYEES' and EXEMPT AGGRIEVED EMPLOYEES' employment.

By reason of their status as joint employers of COMPLAINANT and NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES, they are each liable for civil penalties for violation of the California Labor Code and applicable Wage Orders as to COMPLAINANT and other NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES.

Individual Liability Under Labor Code Section 558.1

Labor Code section 558.1 permits joint and several liability as to both an individual and employer for violations of Labor Code sections 203, 226, 226.7, 1194, and 2802. EMPLOYER, at all relevant times, was an employer or person acting on behalf of an employer(s) who violated COMPLAINANT and other NON-EXEMPT AGGRIEVED EMPLOYEES' and EXEMPT AGGRIEVED EMPLOYEES' rights by violating various sections of the California Labor Code. The California Legislature defines "other person acting on behalf of an employer" as "*a natural person who is an owner, director, officer, or managing agent of the employer.*" The "managing agent" definition mirrors that found in California's punitive damages statute (subdivision (b) of section 3294 of the Civil Code). Under that statute and supporting case law, "managing agents" are all employees who exercise substantial independent authority and judgment in their corporate decision-making such that their decisions ultimately determine corporate policy. *White v. Ultramar, Inc.* (1999) 21 Cal. 4th 563, 566-67. For the reasons set forth above and others, at all relevant times, the above-listed individuals meet the criteria of managing agents under California law, and therefore, may be held liable under California Labor Code sections 558 and 558.1 for violations of Labor Code sections 203, 226, 226.7, 1194 and 2802 as further described in detail below.

COMPLAINANT intends to further name any unknown individuals responsible for violations arising under Labor Code sections 558 and 558.1 after further discovery. COMPLAINANT will ask the Court to relate the amendment of the PAGA charge and the operative complaint to the date of filing of these charges. COMPLAINANT asks and demands that EMPLOYER put these individuals on notice immediately to provide them as much notice possible to mount in defense. In the alternative, COMPLAINANT also offers to EMPLOYER to place those individuals on notice if EMPLOYER voluntarily provides their contact information.

General Information

EMPLOYER owns, operates, and / or otherwise manages a petfood distribution company and /or a staffing company that supplies workers to businesses, including but not limited to, petfood distribution companies and /or other logistics/distribution companies. In particular, CPC Logistics and their managing agents own, operate, or otherwise manage a staffing business that supplies workers to logistics/distribution companies, including, Newco Distributors, Inc. Newco Distributors, Inc., and its managing agents, own, operate or otherwise manage a petfood distribution company. While EMPLOYER may operate a successful company/have a noble mission, EMPLOYER does not comply with California labor law.

COMPLAINANT worked for EMPLOYER as an equipment operator, shipping and receiving clerk, warehouse worker/warehouse associate and/or other similar title(s). COMPLAINANT worked at Newco Distributors' warehouse facility located in Hayward, California, where COMPLAINANT was assigned to work by CPC Logistics during the relevant period, until the separation of his employment, on or about October 25, 2021. COMPLAINANT's job duties included, but were not limited to, picking orders, performing safety checks of equipment, operating a forklift, loading and unloading products, documenting any damaged products, and general warehouse housekeeping duties. COMPLAINANT typically worked shifts lasting at least eight (8) to ten (10) hours per day, and at least five (5) days per week. EMPLOYER paid COMPLAINANT an hourly rate for time counted by EMPLOYER as hours worked. Based on information and belief, NON-EXEMPT AGGRIEVED EMPLOYEES were also compensated with non-discretionary remuneration, including but not limited to non-discretionary bonuses, piece rate pay, and/or shift differential pay.

Among other things, EMPLOYER (1) failed and continues to fail to keep accurate and complete time records for COMPLAINANT and NON-EXEMPT AGGRIEVED EMPLOYEES; (2) failed and continues to fail to pay COMPLAINANT and NON-EXEMPT AGGRIEVED EMPLOYEES for all hours worked; (3) failed and continues to fail to pay COMPLAINANT and NON-EXEMPT AGGRIEVED EMPLOYEES at least minimum wage for all hours worked and overtime/regular rates for corresponding work; (4) failed and continues to fail to pay proper overtime wages for failure to incorporate all non-discretionary compensation into the overtime premium pay calculations; (5) failed and continues to fail to provide COMPLAINANT and NON-EXEMPT AGGRIEVED EMPLOYEES with proper meal and/or rest breaks, and/or compensate COMPLAINANT and NON-EXEMPT AGGRIEVED EMPLOYEES an additional hour of premium pay at the regular rate of compensation for missed/improper meal and/or rest periods; (6)

refused and continues to refuse to make and/or falsely denied the amount of payments due to COMPLAINANT and NON-EXEMPT AGGRIEVED EMPLOYEES, including but not limited to, owed sick pay; (7) failed and continues to fail to place COMPLAINANT and NON-EXEMPT AGGRIEVED EMPLOYEES on proper notice of their workplace rights, including but not limited to owed sick pay; (8) failed and continues to fail to provide legally compliant wage statements to COMPLAINANT and NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES; (9) made unlawful deductions from COMPLAINANT's and other NON-EXEMPT AGGRIEVED EMPLOYEES' and EXEMPT AGGRIEVED EMPLOYEES' paychecks; (10) failed and continues to fail to timely pay wages to COMPLAINANT and NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES during employment and/or upon separation of employment; (11) failed and continues to fail to reimburse COMPLAINANT and NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES for business expenses incurred on behalf of EMPLOYER; (12) conducted and continues to conduct illegal criminal and/or financial background checks as a condition of COMPLAINANT's, NON-EXEMPT AGGRIEVED EMPLOYEES' and EXEMPT AGGRIEVED EMPLOYEES' hire and continued employment; (13) required and continues to require COMPLAINANT and NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES to disclose arrests not resulting in convictions and/or to disclose convictions prior to extending an offer of employment and/or otherwise impermissibly inquired and continues to inquire into COMPLAINANT's, NON-EXEMPT AGGRIEVED EMPLOYEES', and/or EXEMPT AGGRIEVED EMPLOYEES' criminal history on their employment applications and sign off on same as a condition of employment; (14) required and continues to require COMPLAINANT, NON-EXEMPT AGGRIEVED EMPLOYEES, and EXEMPT AGGRIEVED EMPLOYEES to agree in writing to a term or condition that violates the law as a condition of employment; and (15) failed and continues to fail to timely produce complete payroll and personnel records when requested by NON-EXEMPT AGGRIEVED EMPLOYEES and/or EXEMPT AGGRIEVED EMPLOYEES. Further descriptions of the above-mentioned violations and others are explained below.

Labor Code Violations

Recordkeeping Requirement Violations: California Labor Code section 1174 requires employers to keep "accurate and complete" payroll records showing, among other things, the hours worked daily by COMPLAINANT and NON-EXEMPT AGGRIEVED EMPLOYEES. The applicable IWC Wage Order, including but not limited to Wage Order 9-2001, section 7 similarly requires employers to keep time records reflecting the times during which all owed meal periods were provided each day.

At all relevant times, EMPLOYER failed, and continues to fail, to keep accurate and complete payroll records as required by law, including but not limited to the following records: total daily hours worked, applicable rates of pay, time records showing when COMPLAINANT and other NON-EXEMPT AGGRIEVED EMPLOYEES began and ended each work period, time records of meal periods, and accurate itemized wage statements.

EMPLOYER failed and continues to fail to keep accurate and complete records showing total hours worked by COMPLAINANT and NON-EXEMPT AGGRIEVED EMPLOYEES by virtue of EMPLOYER's time rounding, payment according to scheduled hours rather than actual hours worked, automatic meal break deductions and other off-the-clock work policies and practices described below.

Based on information and belief, EMPLOYER further failed and continues to fail to keep accurate and complete records showing total hours worked by virtue of EMPLOYER's failure to relieve NON-EXEMPT AGGRIEVED EMPLOYEES of all duties and EMPLOYER's control for unpaid meal periods, resulting in unpaid hours worked.

EMPLOYER further failed and continues to fail, to record the true start and end times of COMPLAINANT and NON-EXEMPT AGGRIEVED EMPLOYEES' work shifts.

EMPLOYER further failed and continues to fail, to record the true start and end times of COMPLAINANT and NON-EXEMPT AGGRIEVED EMPLOYEES' meal periods.

Additionally, EMPLOYER failed, and continues to fail to keep accurate records and issue accurate wage statements by not documenting accrued sick time for COMPLAINANT and NON-EXEMPT AGGRIEVED EMPLOYEES.

EMPLOYER's failure to keep "accurate and complete" payroll records for COMPLAINANT and NON-EXEMPT AGGRIEVED EMPLOYEES violates Labor Code sections 1174, 1198, 1199, and Wage Order 9-2001, section 7. These violations subject EMPLOYER to civil penalties under Labor Code sections 558.1, 226.6, 1174.5 and 2699. Each violation of each Labor Code section and Wage Order provision, for each aggrieved employee, results in a separate civil penalty.¹

Violations of Labor Code Sections 226(b)-(c), 1198.5, and 432:

Time and Pay Records

Labor Code section 226 and Wage Order 9-2001 (and all applicable IWC Wage Orders), section 7 require that employers keep the following information on file for each employee for a minimum of three years: The employee's dates of employment; the employee's hourly rates and the corresponding number of hours worked by the employee at each hourly rate, when the employee begins and ends each work period (including meal periods) and split intervals; total hours worked by the employee; all deductions; gross wages earned; and net wages earned.

Section (b) of Labor Code section 226 further requires employers to "afford current and former employees the right to inspect or receive a copy of records pertaining to their employment upon reasonable request to the employer." Section (c) of Labor Code section 226 provides that, "an employer who receives a written or oral request to inspect or receive a copy of records pursuant to subdivision (b) pertaining to a current or former employee shall comply with the request as soon as practicable, but no later than 21 calendar days from the date of the request. A violation of this

¹ See Lab. Code section 2699(f)(2) (establishing that the civil penalty is "for each aggrieved employee per pay period").

subdivision is an infraction.” An employer’s failure to comply within this timeframe entitles a current or former employee to recover a seven hundred fifty-dollar (\$750) penalty from the employer. Lab. Code section 226(f).

Personnel Records

In addition to their right to time and pay records, employees, and their representatives, have the right to inspect and receive a copy of their personnel files pursuant to Labor Code section 1198.5. This statute applies to both former and current employees. Labor Code section 432 further specifies that employers must furnish copies of all employment records bearing the employee’s signature.

Labor Code section 1198.5 also requires that the file be made available for inspection or receipt within a “reasonable” amount of time, but “not later than 30 calendar days from the date the employer receives a written request.” An employer’s failure to comply within this timeframe likewise entitles a current or former employee to recover a seven hundred fifty-dollar (\$750) penalty from the employer. Lab. Code section 1198.5(k).

Based on information and belief, EMPLOYER fails to produce or make available a current or former employee’s personnel records and/or payroll records when requested pursuant to Labor Code sections 226, 1198.5, 432, and/or the applicable Wage Order. For example, COMPLAINANT sent a request for payroll and personnel records to EMPLOYER. Yet, based on information and belief, EMPLOYER failed to produce/make available COMPLAINANT’s complete records within the time periods delineated by California labor law. Based on information and belief, EMPLOYER failed and continues to fail to timely produce complete payroll and personnel records when requested by other NON-EXEMPT AGGRIEVED EMPLOYEES and/or EXEMPT AGGRIEVED EMPLOYEES.

These violations subject employer to penalties under Labor Code sections 226, 1198.5, and 2699. Each violation of each Labor Code section and Wage Order provision, for each NON-EXEMPT AGGRIEVED EMPLOYEE and each EXEMPT AGGRIEVED EMPLOYEE, results in a separate civil penalty.

Meal Period Violations: California law requires employers to provide employees a duty-free, uninterrupted thirty (30) minute meal period when an employee works more than five (5) hours in a workday, and it must be provided within the first five (5) hours the employee works. Lab. Code section 512 (and all applicable IWC Wage Orders), section 11(A) and (C); *Brinker Restaurant Corp. v. Superior Court* (2012) 53 Cal.4th 1004. Employers must also provide employees with a second duty-free, uninterrupted thirty (30) minute meal period when an employee works more than (10) hours in a workday, and it must be provided before the end of the 10th hour of work. *Ibid.* Meal periods can be waived, but only under the following circumstances: (1) if an employee’s total work period in a day is over five (5) hours but no more than six (6) hours, the required meal period may be waived by mutual consent of the employer and employee, and (2) if an employee’s total work period in a day is over ten (10) hours but no more than twelve (12) hours, the required second meal period may be waived by mutual consent of the employer and employee, but only if

the first meal period was not waived. *Ibid.* Upon information and belief, COMPLAINANT did not sign a valid meal period waiver throughout COMPLAINANT's employment by EMPLOYER.

Employers covered by any and all applicable IWC Wage Orders have an obligation to both (1) relieve their employees for at least one meal period for shifts over five hours (see above), and (2) to record having done so. If the employer fails to properly record a valid meal period, it is presumed that no meal period was provided. IWC Wage Order 9-2001 (and all applicable IWC Wage Orders), section 7(A)(3) ("Meal periods . . . shall also be recorded"); *Brinker, supra*, 53 Cal.4th 1004, 1052-1053, citing section 7(A)(3) ("If an employer's records show no meal period for a given shift over five hours, a rebuttable presumption arises that the employee was not relieved of duty and no meal period was provided").

Employers must pay employees an additional hour of wages at the employees' regular rate of pay for each missed or improper meal period (e.g., less than 30 minutes, interrupted meal period, first meal period provided after five (5) hours, second meal period provided after 10 hours). Lab. Code section 226.7; all applicable IWC Wage Orders, section 11(B) ("If an employer fails to provide an employee a meal period in accordance with the applicable provision of this Order, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of compensation for each workday that the meal period is not provided"); *Brinker, supra*, 53 Cal.4th 1004.

COMPLAINANT and other NON-EXEMPT AGGRIEVED EMPLOYEES consistently worked shifts of five and a one-half (5 ½) hours or more.

COMPLAINANT and other NON-EXEMPT AGGRIEVED EMPLOYEES were unable to take timely, off duty, thirty-minute, uninterrupted meal periods. For example, at times, COMPLAINANT had his meal period cut short and/or was forced to take his meal period late (i.e. after the fifth hour of work) due to understaffing/lack of relief workers, commentary from supervisors pressuring him to take noncompliant meal periods and/or the nature and constraints of his job duties, including but not limited to, the need to attend to unscheduled deliveries, unexpected will calls and/or complete other work tasks. On information and belief, other NON-EXEMPT AGGRIEVED EMPLOYEES were also forced to take late, interrupted and/or shortened meal periods due to understaffing, pressure from supervisors to take noncompliant meal breaks and/or the nature and constraints of their job duties/need to keep up with distribution deadlines and/or complete other work tasks.

Based on information and belief, NON-EXEMPT AGGRIEVED EMPLOYEES were required to monitor work communication devices and/or were required to remain tethered to the worksite during purportedly off-duty meal periods.

Despite failing to provide lawful meal periods, EMPLOYER implemented a policy and/or practice of automatically deducting at least thirty minutes per shift for these missed/unlawful meal periods, despite having actual and/or constructive knowledge that COMPLAINANT and other NON-EXEMPT AGGRIEVED EMPLOYEES did not receive compliant meal periods.

Based on information and belief, EMPLOYER implemented policies and practices that failed to relieve NON-EXEMPT AGGRIEVED EMPLOYEES of all duties and EMPLOYER's control during unpaid meal breaks.

Based on information and belief, EMPLOYER had actual and/or constructive knowledge that its policies and practices resulted in the denial of uninterrupted meal periods owed to COMPLAINANT and other NON-EXEMPT AGGRIEVED EMPLOYEES, in violation of California's meal period laws.

EMPLOYER also failed to keep accurate records of the start and end times of COMPLAINANT's and NON-EXEMPT AGGRIEVED EMPLOYEES' meal period start and end times. Based on further information and belief, EMPLOYER illegally rounded the start and end times of meal periods resulting in COMPLAINANT and other NON-EXEMPT AGGRIEVED EMPLOYEES not being paid for all time worked as well as late and/or shortened meal periods. *See Donohue v. AMN Services, LLC* (2021) 11 Cal.5th 58.

Based on further information and belief, EMPLOYER did not have a compliant written meal break policy, nor did EMPLOYER have any sort of compliant policy in practice. Liability for the aggrieved employees can be established by evidence that an employer adopted a uniform corporate break policy that failed to give full effect to California law and the applicable Wage Order requirements. The fact that employees may legally waive meal breaks does not affect this result. *Brinker, supra*, 53 Cal.4th 1004.

COMPLAINANT is further informed and believes and thereon alleges that EMPLOYER had actual and/or constructive knowledge that its time-rounding and auto-deduction policies and practices resulted in the denial of meal periods owed to COMPLAINANT and other NON-EXEMPT AGGRIEVED EMPLOYEES, in violation of California's meal period laws.

Moreover, NON-EXEMPT AGGRIEVED EMPLOYEES who worked shifts of more than ten hours did not receive a second legally compliant thirty (30) minute second meal break. EMPLOYER failed to provide COMPLAINANT and NON-EXEMPT AGGRIEVED EMPLOYEES with a second meal period despite COMPLAINANT and NON-EXEMPT AGGRIEVED EMPLOYEES consistently working shifts lasting longer than ten hours and thus being entitled to a second duty-free, uninterrupted, thirty-minute meal period before the end of the tenth hour of work. Per EMPLOYER's unlawful meal period policies and practices, EMPLOYER only provided a single meal period per shift, even during shifts lasting longer than ten and/or twelve hours, and that single meal period was non-compliant. For example, at times, COMPLAINANT worked more than ten hours in a shift but was not provided with a second, timely, off-duty, thirty-minute meal period.

Upon information and belief, EMPLOYER failed to pay COMPLAINANT and other NON-EXEMPT AGGRIEVED EMPLOYEES, an additional hour of wages at their respective regular rates of compensation for each workday a proper meal period was not provided. EMPLOYER either failed to pay a meal period premium at all for each workday a legally compliant meal period

was not provided and/or failed to pay the lawful meal period premium for failure to incorporate all non-discretionary remuneration into the meal period premium calculation. For example, as explained above, COMPLAINANT was at times forced to take a late meal period and/or had his meal period interrupted, yet EMPLOYER's wage statements for COMPLAINANT do not show the payment of a single meal period premium. As such, EMPLOYER failed to pay a meal period premium at all for each workday a lawful meal period was not provided. Additionally, based on information and belief, if a meal premium was paid, EMPLOYER failed to pay the proper meal period premium for failure to incorporate all non-discretionary remuneration, including but not limited to, non-discretionary bonus/incentive pay (e.g., attendance bonuses, safety bonuses and/or other non-discretionary performance-based bonuses), shift differential pay, and/or other non-discretionary compensation into the regular rate for purposes of calculating the owed meal period premium at the correct regular rate of compensation.

The aforementioned conduct results in violations of Labor Code sections 226.7, 512, and 1198-1199, and IWC Wage Order No. 9-2001, section 11(A), (B) and (C) along with all applicable IWC Wage Orders. These violations subject EMPLOYER to civil penalties under Labor Code sections 558.1, 558 and 2699, and all applicable IWC Wage Orders, section 20. Each violation of each Labor Code section and Wage Order provision results in a *separate* civil penalty, for each aggrieved employee for each pay period during which the referenced statutes and Wage Order provisions were violated.² EMPLOYER's failure to provide valid meal periods, and the automatic deduction for meal periods that were not provided/valid, ultimately results in further violations, such as violation of Labor Code sections 1174, 1199, 226.6, discussed above, and other violations discussed below.

Rest Period Violations: California law requires employers to provide employees a paid, duty-free ten (10) minute rest period for each four (4) hours worked, or major fraction thereof. *See* applicable IWC Wage Order, including but not limited to No. 5-2001, section 12(A). In *Brinker v. Restaurant Corp. v. Superior Court*, 53 Cal.4th 1004 (2012), the California Supreme Court held that employees are entitled to a 10-minute paid rest period for shifts from 3 ½ to 6 hours in a length, two 10-minute rest periods for shift more than 6 hours up to 10 hours, and three 10-minute rest periods for shifts of more than 10 hours up to 14 hours. (*Id.* at 1029). The rest period requirement obligates employers to permit and authorize employees to take off-duty rest periods, meaning employers must relieve employees of all duties and relinquish control over how employees spend their time. *Augustus v. ABM Security Services, Inc.*, (2016) 5 Cal.5th 257, 269.

Moreover, under California law rest periods must be a "net" ten minutes in a suitable rest area. *Id.* at 268 (relying on January 3, 1986 and February 22, 2002 DLSE Letters wherein the DLSE ruled that the net ten-minute language for rest periods means ten minutes of time in a rest area and cannot

² See Lab. Code section 2699(f)(2) (establishing that the civil penalty is "for each aggrieved employee per pay period"); Lab. Code section 558 (establishing that the civil penalty is "for each underpaid employee for each pay period for which the employee was underpaid"); IWC Wage Order 4-2001, section 20 (establishing that "i>n addition to any other civil penalties provided by law, any employer or any other person acting on behalf of the employer who violates, or causes to be violated, the provisions of this order, shall be subject to the civil penalty...for each underpaid employee for each pay period during which the employee was underpaid").

include time it takes to get to and from the rest area). The employer must show that it clearly articulates the right to a net ten minutes, which means it must clearly communicate what “net” ten minutes means (i.e., regardless of what happens along the way to and from a rest area, employees are entitled to a full ten minutes of rest in the rest area). *Id.*; see also, *Bufile v. Dollar Fin. Grp., Inc.*, (2008) 162 Cal. App. 4th 1193, 1199 (the “onus is on the employer to clearly communicate the authorization and permission [to take rest periods] to its employees.”).

Employers must pay employees an additional hour of wages at the employee’s regular rate of pay for each missed or improper rest period (e.g., less than 10 minutes, interrupted rest period, rest period(s) at improper time(s) during shift(s)). Lab. Code section 226.7; IWC Wage Order No. 5-2001, section 12(B) (“If an employer fails to provide an employee a rest period in accordance with the applicable provisions of this order, the employer shall pay the employee one (1) hour of pay at the employee’s regular rate of compensation for each workday that the rest period is not provided”).

EMPLOYER did not properly authorize and provide COMPLAINANT and other NON-EXEMPT AGGRIEVED EMPLOYEES with net, ten-minute rest periods at a rate of every four (4) hours worked or major fraction thereof, that insofar as practicable, were provided in the middle of the work period, as required by law.

Any purported rest periods would be interrupted, cut short, on duty, restricted to premises, and/or late due to the nature and constraints of NON-EXEMPT AGGRIEVED EMPLOYEES’ job duties, need to complete jobs/complete other work tasks, understaffing, and/or commentary from supervisors pressuring them to skip rest breaks completely and/or take non-compliant rest breaks.

COMPLAINANT and other NON-EXEMPT AGGRIEVED EMPLOYEES were pressured to complete their work duties according to a designated schedule such that rest breaks were only taken once jobs were completed/as time permitted.

Based on information and belief, EMPLOYER implemented policies and/or practices that failed to relieve NON-EXEMPT AGGRIEVED EMPLOYEES of all duties and EMPLOYER’s control during rest breaks. For example, on information and belief, COMPLAINANT and other NON-EXEMPT AGGRIEVED EMPLOYEES were required to remain on the worksite premises and/or remained tethered to EMPLOYER’s communication devices during purported rest periods and were thus subjected to EMPLOYER’ control. As such, EMPLOYER failed to provide NON-EXEMPT AGGRIEVED EMPLOYEES with ten-minute uninterrupted rest periods in compliance with California law.

Based on information and belief, EMPLOYER did not have a lawful policy, instruction, or practice as to the taking, length, timing, or duty-free nature of rest periods. For example, based on information and belief, EMPLOYER failed to authorize and permit rest periods that were a “net” ten minutes in a suitable rest area and instead limited COMPLAINANT and other NON-EXEMPT AGGRIEVED EMPLOYEES to only ten-minute rest periods, requiring them to be back at their workstations within ten minutes of leaving, in violation of California rest period law.

Despite not providing lawful rest periods, EMPLOYER failed to pay COMPLAINANT and other NON-EXEMPT AGGRIEVED EMPLOYEES with an additional hour of pay at COMPLAINANT's and other NON-EXEMPT AGGRIEVED EMPLOYEES' regular rates of compensation for each missed, or otherwise unlawful rest period. Based on information and belief, EMPLOYER failed to pay a rest period premium at all for each workday a lawful rest period was not provided. If and when a rest premium was paid, EMPLOYER failed to pay the proper premium for failure to incorporate all non-discretionary remuneration, including but not limited to, non-discretionary bonus pay, shift differential pay, and/or other non-discretionary compensation into the regular rate for purposes of calculating the owed rest period premium at the correct regular rate of compensation.

The aforementioned conduct results in violations of Labor Code sections 226.7, and 1198-1199, and IWC Wage Order 9-2001, section 12(A). These violations subject EMPLOYER to civil penalties under Labor Code section §§ 558 and 2699, and all applicable IWC Wage Orders, section 20. Each violation of each Labor Code section and Wage Order provision results in a *separate* civil penalty, for each aggrieved employee for each pay period during which the referenced statutes and Wage Order provisions were violated.³

Minimum Wage Violations: “Notwithstanding any agreement to work for a lesser wage, 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 attorneys’ fees, and costs of suit.” *Cal. Lab. Code* § 1194.

Labor Code section 1197 states the California requirement that employees must be paid at least the minimum wage fixed by the Commission, and any payment of less than the minimum wage is unlawful. The minimum wage standard applies to each hour employees worked for which they were not paid. Therefore, an employer’s failure to pay for any particular hour worked by an employee is unlawful even if averaging an employee’s total pay over all hours worked, paid or not, results in an average hourly wage above minimum wage. *Armenta v. Osmose, Inc.* (2005) 135 Cal.App.4th 314, 324. Furthermore, “in any action under Section 98, 1193.6, 1194, or 1197.1 to recover wages because of the payment of a wage less than the minimum wage fixed by an order of the commission or by statute, an employee shall be entitled to recover liquidated damages in an amount equal to the wages unlawfully unpaid and interest thereon...” *Cal. Lab. Code* § 1194.2.

EMPLOYER failed to compensate NON-EXEMPT AGGRIEVED EMPLOYEES for all hours worked by virtue of EMPLOYER’s automatic deductions and time rounding policies, payment

³ See Lab. Code section 2699(f)(2) (establishing that the civil penalty is “for each aggrieved employee per pay period”); IWC Wage Order 9-2001, section 20 (establishing that “[i]n addition to any other civil penalties provided by law, any employer or any other person acting on behalf of the employer who violates, or causes to be violated, the provisions of this order, shall be subject to the civil penalty...for each underpaid employee for each pay period during which the employee was underpaid”).

according to scheduled hours worked instead of actual time worked, mandated off-the-clock work policies and/or practices and failure to relieve employees of all duties/employer control during unpaid meal periods or otherwise unlawful practices for missed or improper meal periods.

As explained above, NON-EXEMPT AGGRIEVED EMPLOYEES were consistently required to perform off-the-clock work by virtue of EMPLOYER' automatic-deduction and/or rounding policies and practices for meal periods.

Based on information and belief, EMPLOYER implemented a policy and/or practice of automatically deducting at least thirty minutes per shift for meal periods and/or requiring NON-EXEMPT AGGRIEVED EMPLOYEES to clock out for at least thirty minutes per shift for meal periods, despite having actual and/or constructive knowledge that COMPLAINANT and other NON-EXEMPT AGGRIEVED EMPLOYEES were working through part or all these meal periods.

Based on further information and belief, EMPLOYER rounded the start and end times of employee meal periods and shift start and end times resulting in COMPLAINANT and other NON-EXEMPT AGGRIEVED EMPLOYEES not being paid for all time worked. In particular, on information and belief, EMPLOYER implemented a time-rounding system that as applied systematically deprived COMPLAINANT and other NON-EXEMPT AGGRIEVED EMPLOYEES of compensable time because the time-rounding system implemented by EMPLOYER would almost always, if not always, result in understating actual work time. For example, wage statements issued by EMPLOYER show EMPLOYER rounded COMPLAINANT's total hours worked to at least the nearest quarter hour during various pay periods. Based on information and belief, EMPLOYER rounded and shaved actual time worked off COMPLAINANT's total hours worked on all wage statements. COMPLAINANT estimates EMPLOYER shaved off an average of at least thirty minutes of compensable work time each week he worked for EMPLOYER due to EMPLOYER' time-rounding policies and practices, payment according to scheduled hours rather than actual hours worked and/or other mandated off-the-clock work described herein. Based on information and belief, EMPLOYER implemented a "grace period" for NON-EXEMPT AGGRIEVED EMPLOYEES to clock in and clock out for their shifts that assumed that NON-EXEMPT AGGRIEVED EMPLOYEES worked only during their scheduled shift times and failed to account for and compensate for actual time worked, resulting in the underpayment of minimum and overtime wages owed to NON-EXEMPT AGGRIEVED EMPLOYEES. EMPLOYER' failure to pay for all time worked by virtue of its time-rounding practices and/or only paying for scheduled hours rather than for actual time worked resulted in the underpayment of minimum wages owed to COMPLAINANT and NON-EXEMPT AGGRIEVED EMPLOYEES as well as unpaid overtime wages for COMPLAINANT and those NON-EXEMPT AGGRIEVED EMPLOYEES who worked more than eight (8) hours in a day and/or forty hours in a week.

Moreover, based on information and belief, COMPLAINANT and other NON-EXEMPT AGGRIEVED EMPLOYEES were consistently required to perform pre-shift and/or post-shift off-the-clock work. For example, COMPLAINANT typically had to arrive at work at least several minutes prior to his scheduled shift start time each workday to account for the usual wait time in

line behind other employees to clock in, don safety and/or personal protective equipment EMPLOYER required and/or perform other mandated pre-shift off-the-clock work such as, but not limited to, performing safety checks of equipment and/or complete other work tasks. However, COMPLAINANT was not compensated for this pre-shift off-the-clock work time spent under employer control fulfilling EMPLOYER' requirements, resulting in significant off-the-clock work and the underpayment of minimum and overtime wages owed to COMPLAINANT. Based on information and belief, EMPLOYER had a uniform policy and practice of requiring the NON-EXEMPT AGGRIEVED EMPLOYEES to complete off-the-clock work tasks before clocking in for the start of their shifts, resulting in significant off-the-clock work and the underpayment of minimum and overtime wages owed to the NON-EXEMPT AGGRIEVED EMPLOYEES.

Based on information and belief, COMPLAINANT and other NON-EXEMPT AGGRIEVED EMPLOYEES were required to complete other off-the-clock work tasks after clocking out for the end of their shifts and/or during uncompensated meal periods, resulting in significant off-the-clock work and the underpayment of minimum and overtime wages owed to COMPLAINANT and other NON-EXEMPT AGGRIEVED EMPLOYEES.

Based on information and belief, EMPLOYER did not compensate COMPLAINANT and other NON-EXEMPT AGGRIEVED EMPLOYEES for time spent donning and doffing personal protective equipment, safety equipment and/or uniforms (e.g., face masks, safety harnesses and/or safety goggles) during meal periods, rest periods, before the start of a scheduled shift, and after completing a scheduled shift.

Based on information and belief, EMPLOYER failed to compensate NON-EXEMPT AGGRIEVED EMPLOYEES for time they were required to spend completing training and certification and/or the onboarding process. For example, based on information and belief, EMPLOYER required NON-EXEMPT AGGRIEVED EMPLOYEES to review and sign various types of policies and documents, including but not limited to, safety guidelines/safety awareness certifications, employee time-keeping policies, workplace harassment policies, among other documents, but they were not paid for all time spent reviewing and/or completing certification as directed by EMPLOYER. Based on information and belief, EMPLOYER had a uniform policy and practice of requiring NON-EXEMPT AGGRIEVED EMPLOYEES to complete mandatory off-the-clock administrative tasks, onboarding, training, certification, and/or other tasks without compensating for all hours worked.

Based on further information and belief, EMPLOYER' electronic employee time-keeping system regularly malfunctioned such that NON-EXEMPT AGGRIEVED EMPLOYEES were frequently required to either reinitiate the system prior to being able to clock in and/or were unable to clock in at all for the start of their shifts and/or clock back in from meal periods, resulting in consistent off-the-clock work and the underpayment of minimum and overtime wages owed to NON-EXEMPT AGGRIEVED EMPLOYEES. Based on information and belief, NON-EXEMPT AGGRIEVED EMPLOYEES experienced the same issues when clocking out for shifts and/or back in for meal periods. This time spent under EMPLOYER' control was not recorded and not compensated and resulted in unpaid minimum and overtime wages.

In addition, on information and belief, EMPLOYER required NON-EXEMPT AGGRIEVED EMPLOYEES to obtain Covid-related testing outside of their scheduled shift times without compensating them for the time spent completing EMPLOYER' testing requirements.

Based on information and belief, EMPLOYER had actual and/or constructive knowledge that its time-rounding and auto-deduction policies and practices, failure to provide off-duty meal periods, payment according to scheduled hours rather than actual hours worked, and other mandated off-the-clock work described above resulted in the underpayment of minimum wages owed to COMPLAINANT and other NON-EXEMPT AGGRIEVED EMPLOYEES, in violation of California's minimum wage laws.

These violations subject EMPLOYER, to civil penalties under Labor Code sections 558, 558.1, 1197.1 and the applicable Wage Order, including but not limited to Wage Order 9-2001, section 20. Each violation of each Labor Code section and Wage Order provision results in a *separate* civil penalty, for each NON-EXEMPT AGGRIEVED EMPLOYEE, for each pay period during which the referenced statutes and Wage Order provisions were violated.⁴

Overtime Violations: California law requires employers to pay overtime equal to one and one-half times the regular hourly rate of pay for each hour worked beyond eight (8) hours per workday and each hour worked beyond forty (40) hours per work week. Lab. Code section 510; IWC Wage Order 9-2001, (and all applicable IWC Wage Orders) section 3. Employers must pay overtime equal to double the regular hourly rate of pay for each hour worked beyond twelve (12) hours per workday and for all hours worked in excess of eight (8) hours on the seventh consecutive day or work in a work week. *Ibid.*

EMPLOYER violated California's overtime laws by, among other things, failing to correctly calculate, or record at all, the total number of hours worked by COMPLAINANT and other NON-EXEMPT AGGRIEVED EMPLOYEES and not paying proper overtime rates for all overtime worked.

Namely, EMPLOYER's automatic deduction and time rounding policies and practices for meal periods, start shift times and end times, payment according to scheduled hours rather than actual hours worked and mandated off-the-clock work policies and practices explained above resulted in the failure to account for all hours worked and thus the denial of minimum wages as well as overtime wages to COMPLAINANT and NON-EXEMPT AGGRIEVED EMPLOYEES who worked more than eight (8) hours in a day or more than forty hours in a week.

⁴ See Lab. Code section 1197.1(a) (establishing that the civil penalty is "for each underpaid employee for each pay period for which the employee was underpaid"); IWC Wage Order 9-2001, section 20 (establishing that "[i]n addition to any other civil penalties provided by law, any employer or any other person acting on behalf of the employer who violates, or causes to be violated, the provisions of this order, shall be subject to the civil penalty...for each underpaid employee for each pay period during which the employee was underpaid").

Based on information and belief, EMPLOYER failed to pay twice NON-EXEMPT AGGRIEVED EMPLOYEES' regular rate(s) of pay for time worked beyond twelve (12) hours per workday and for time worked beyond eight (8) hours on the seventh consecutive day of work in a work week, in violation of California overtime laws.

Based on further information and belief, EMPLOYER also failed to pay the correct overtime and double time rates to NON-EXEMPT AGGRIEVED EMPLOYEES due to EMPLOYER' failure to incorporate all forms of non-discretionary compensation, including but not limited to, shift differential pay and/or non-discretionary bonus pay and/or other forms of non-discretionary pay, into the regular rate(s) of pay for purposes of calculating the owed overtime rate and the owed double time rate resulting in the underpayment of overtime and double time wages owed. For example, based on information and belief, NON-EXEMPT AGGRIEVED EMPLOYEES regularly earned shift differential pay and/or earned non-discretionary bonuses (e.g., attendance bonuses, safety bonuses and/or other non-discretionary performance-based bonuses). Based on information and belief, EMPLOYER failed to factor NON-EXEMPT AGGRIEVED EMPLOYEES' non-discretionary compensation into their regular rate(s) of pay for purposes of calculating the owed overtime rate and the owed double time rate. Based on information and belief, EMPLOYER failed to incorporate all non-discretionary compensation into the regular rate of pay for purposes of paying overtime and double time wages to NON-EXEMPT AGGRIEVED EMPLOYEES.

This conduct results in violations of Labor Code sections 218.5, 510, 558, 558.1, 1198-1199, and IWC Wage Order 9-2001 (and all applicable IWC Wage Orders), section 12(A). These violations subject EMPLOYER to civil penalties under Labor Code sections 558, 558.1, 218.5, and 2699, and the applicable Wage Order, including but not limited to Wage Order 9-2001, section 20. Each violation of each Labor Code section and Wage Order provision results in a *separate* civil penalty, for each aggrieved employee, for each pay period during which the referenced statutes and Wage Order provisions were violated.⁵

Violation of California Labor Code Sections 245-248.5: Based on information and belief, EMPLOYER failed to provide proper paid sick leave to COMPLAINANT and all NON-EXEMPT AGGRIEVED EMPLOYEES. EMPLOYER either failed to provide paid sick leave at all or improperly calculated the sick leave accrual and the sick leave rate of pay owed to COMPLAINANT and other NON-EXEMPT AGGRIEVED EMPLOYEES by failing to base the accrued sick leave hours on the correct number of hours worked (as a result of the rounding/automatic deduction policies and practices for meal periods and shift start and end times/ or other required off-the-clock work described herein) and by failing to incorporate all non-discretionary

⁵ See Lab. Code section 2699(f)(2) (establishing that the civil penalty is "for each aggrieved employee per pay period"); Lab. Code section 558 (establishing that the civil penalty is "for each underpaid employee for each pay period for which the employee was underpaid"); IWC Wage Order, section 20 (establishing that "[i]n addition to any other civil penalties provided by law, any employer or any other person acting on behalf of the employer who violates, or causes to be violated, the provisions of this order, shall be subject to the civil penalty...for each underpaid employee for each pay period during which the employee was underpaid").

remuneration, including but not limited to, non-discretionary bonuses/incentive pay, shift differential pay and/or other non-discretionary compensation into the sick leave pay rate calculation.

EMPLOYER further failed to provide notice of the correct sick leave amount balance available to COMPLAINANT and other NON-EXEMPT AGGRIEVED EMPLOYEES on their wage statements or other written statement.

EMPLOYER further failed to put them on notice of their paid sick leave rights—or thereby putting their entitlement to sick leave in a Labor Code section 2810.5 notice.

In addition, based on information and belief, EMPLOYER failed to maintain accurate records of used sick leave and the balance of paid sick leave left to NON-EXEMPT AGGRIEVED EMPLOYEES throughout the relevant time period.

Throughout the relevant time period, based on information and belief, EMPLOYER failed to provide notice of sick leave amount balance left for COMPLAINANT and all NON-EXEMPT AGGRIEVED EMPLOYEES, and thus affected their intelligent exercise of their paid sick leave.

But for this failure, COMPLAINANT and all NON-EXEMPT AGGRIEVED EMPLOYEES would have used their paid sick leave at least prior to their respective separation, for as on several occasions thereafter, he or she would have been entitled to use the banked sick leave and earn appropriate compensation.

This illegal retention of paid sick leave is unlawful, and COMPLAINANT seeks all forms of injunctive relief, restitution, and declaratory relief as permitted by California law, on behalf of COMPLAINANT and all NON-EXEMPT AGGRIEVED EMPLOYEES.

In violation of Labor Code section 247.5, EMPLOYER failed to maintain records documenting the hours worked and paid sick days accrued and used by COMPLAINANT and all NON-EXEMPT AGGRIEVED EMPLOYEES, permitting the presumption that COMPLAINANT and all NON-EXEMPT AGGRIEVED EMPLOYEES were entitled to the maximum number of hours accruable under this article.

Upon information and belief, EMPLOYER further failed and continues to fail to comply with Labor Code section 246, by failing to provide COMPLAINANT and all NON-EXEMPT AGGRIEVED EMPLOYEES with a Labor Code section 226 wage statement, or separate writing containing the amount of paid sick leave available, or paid time off leave an employer provides in lieu of sick leave, at the time it pays wages.

EMPLOYER also unlawfully retained and continues to retain paid sick leave that should have been paid and was not because of EMPLOYER's failure to properly institute a paid sick leave program.

On information and belief, COMPLAINANT alleges that all of these practices were experienced and continue to be experienced by NON-EXEMPT AGGRIEVED EMPLOYEES.

COMPLAINANT requests all appropriate relief under the PAGA and these statutes, including but not limited to the restitution of earned paid sick leave that could have been used, but was not due to EMPLOYER's sole failure to institute such a paid sick leave entitlement or paid sick leave bank as required by California law.

Accordingly, COMPLAINANT and other NON-EXEMPT AGGRIEVED EMPLOYEES are entitled to injunctive relief, attorney's fees, declaratory relief, restitution, and penalties as permitted by law. COMPLAINANT requests all relief pursuant to the aforementioned code provisions, including but not limited to Labor Code sections 233 and 234, which incorporates the paid sick leave requirements.

Refusal to Make Payment: Labor Code section 216 declares unlawful an employer's refusal to pay wages due and payable and/or denial of the validity of any claim to wages due.

EMPLOYER violated and continues to violate Labor Code section 216 by failing to pay COMPLAINANT and all NON-EXEMPT AGGRIEVED EMPLOYEES for all hours worked at the proper wage rate and by failing to pay COMPLAINANT and all NON-EXEMPT AGGRIEVED EMPLOYEES an additional hour of pay for each meal or rest period not provided or that was invalid. *Gould v. Maryland Sound Industries, Inc.* (1995) 31 Cal.App.4th 1137, 1154-1155.

These violations subject EMPLOYER to civil penalties under Labor Code section 225.5. Each violation results in a *separate* civil penalty, for each aggrieved employee, for each pay period during which the statute provisions were violated.⁶

Wage Statement Violations: California law requires every employer semi-monthly or at the time of each payment of wages to furnish each of his or her employees with an accurate itemized wage statement in writing that contains the following: (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; (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. Cal. Lab. Code. section 226.

⁶ Labor Code section 225.5 (establishing that "[i]n addition to, and entirely independent and apart from, any other penalty provided in this article, every person who unlawfully withholds wages due any employee in violation of sections 212, 216, 221, 222, or 223 shall be subject to a civil penalty...for each failure to pay each employee") (emphasis added).

As EMPLOYER failed to provide COMPLAINANT and NON-EXEMPT AGGRIEVED EMPLOYEES with lawful meal and rest periods and premium wages, the wage statements EMPLOYER issued to COMPLAINANT and non-exempt AGGRIEVED EMPLOYEES fail to correctly set forth (a) the gross wages earned, in violation of Labor Code section 226(a)(1); (b) the total hours worked by the employee in violation of Labor Code section 226(a)(2); (c) the net wages earned, in violation of Labor Code section 226(a)(5); and (d) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee, in violation of Labor Code section 226(a)(9).

Separately, EMPLOYER failed to list all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by NON-EXEMPT AGGRIEVED EMPLOYEES, in violation of Labor Code section 226(a)(9). Based on information and belief, EMPLOYER failed to list any overtime rate(s) at all and/or EMPLOYER failed to incorporate all forms of non-discretionary compensation earned during the pay period into the overtime pay rate calculation, and as such, failed to display the proper overtime rate(s) for each hour of overtime worked by NON-EXEMPT AGGRIEVED EMPLOYEES, in violation of Labor Code section 226(a)(9).

Employer's failure to accurately list all hours worked and all applicable hourly rates in effect during the pay period on all wage statements caused confusion to COMPLAINANT and caused and continues to cause confusion to the NON-EXEMPT AGGRIEVED EMPLOYEES over whether they received all wages owed to them. COMPLAINANT and NON-EXEMPT AGGRIEVED EMPLOYEES were injured by EMPLOYER's failure to provide accurate wage statements.

Because of the violations detailed above, including but not limited to, not paying regular and overtime wages for all hours worked and failing to provide meal and rest break premiums, EMPLOYER violated California Labor Code section 226 by willfully failing to furnish COMPLAINANT and all NON-EXEMPT AGGRIEVED EMPLOYEES with accurate, itemized wage statements.

Separately, based on information and belief, EMPLOYER issued wage statements to COMPLAINANT, NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES, that failed to list the correct name and/or address of the legal entity that is the employer, in violation of Labor Code section 226(a)(8). As a result, the wage statements provided to COMPLAINANT, NON-EXEMPT AGGRIEVED EMPLOYEES, and EXEMPT AGGRIEVED EMPLOYEES were not accurate and did not include all of the statutorily required information, including but not limited to the name and address of the legal entity that is the employer.

These violations subject EMPLOYER to civil penalties under Labor Code section 226. Each violation results in a *separate* civil penalty, for each NON-EXEMPT AGGRIEVED EMPLOYEE

and EXEMPT AGGRIEVED EMPLOYEE, for each pay period during which the statute provisions were violated.⁷

Violation of Labor Code Section 201.3:

Labor Code Section 201.3 mandates that temporary service workers (workers with assignments consisting of 90 days or less) be paid no less frequently than on a weekly basis for payment of wages to be considered timely. Based on information and belief, EMPLOYER violated this code section by failing to compensate NON-EXEMPT AGGRIEVED EMPLOYEES their owed wages on a weekly basis as required under Labor Code Section 201.3 and further failed to timely pay all wages owed to NON-EXEMPT AGGRIEVED EMPLOYEES who qualified as temporary service workers, upon termination of assignment, in violation of including but not limited to, Labor Code sections 201 and 202.

Semimonthly Payment Violations: Labor Code section 204 requires that all earned wages must be paid to employees twice during each calendar month. EMPLOYER violated this section by failing to pay NON-EXEMPT AGGRIEVED EMPLOYEES for all hours worked and by failing to pay proper premium wage rates for all hours worked. These violations subject EMPLOYER to civil penalties under Labor Code section 210. Each violation results in a separate civil penalty, for each NON-EXEMPT AGGRIEVED EMPLOYEE for each pay period during which the statute provisions were violated.

Standard Conditions of Labor Violations: Together, Labor Code sections 1198 and 1199 make unlawful any employment of any employee under conditions of labor prohibited by the Wage Orders, and any violation, refusal, or neglect to comply with any provision within Part 4, Chapter 1 of the Labor Code, including sections 1174, 1197, and 1198, or order or ruling of the commission.

Therefore, EMPLOYER's violations with respect to meal periods, rest periods, recordkeeping provisions, unreimbursed business expenses, minimum wages and overtime wages result in separate violations of sections 1198 and 1199, which subject EMPLOYER to civil penalties under Labor Code sections 1197.1 and 2699.

Unlawful Deductions: Labor Code section 221 prohibits an employer from "collect[ing] or receiv[ing] from an employee any part of wages theretofore paid by said employer to said employee." Based on information and belief EMPLOYER made unlawful deductions from NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES paychecks during the relevant period, including but not limited to deducting costs advanced by EMPLOYER from NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES' final paychecks as well as deductions for purported overpayments from prior pay periods and/or deductions for negligently broken/damaged company property. Such a practice is in violation of including but not limited to, Labor Code Sections 221-222 which subjects EMPLOYER to civil penalties under Labor Code Section 2699.

⁷ See Lab. Code section 226.3 (establishing that the civil penalty is "per employee per violation").

Each violation results in a *separate* civil penalty, for each NON-EXEMPT AGGRIEVED EMPLOYEE and EXEMPT AGGRIEVED EMPLOYEE, for each pay period during which the statute provisions were violated. See Lab. Code §225.5 (establishing that “[i]n addition to, and entirely independent and apart from, any other penalty provided in this article, every person who unlawfully withholds wages due any employee in violation of Section 212, 216, 221, 222, or 223 shall be subject to a civil penalty...for each failure to pay each employee”).

Statutory Wage Violations: California Labor Code section 223 makes it unlawful for an employer to secretly pay wages lower than required by statute while purporting to pay legal wages.

As described above, EMPLOYER willfully and systematically denied COMPLAINANT and other NON-EXEMPT AGGRIEVED EMPLOYEES minimum wage and overtime compensation which resulted in the payment of less than statutorily required wages to them. EMPLOYER acted with the intent to deprive them of statutory wages, including, but not limited to, overtime wages and minimum wages, to which they were entitled to under California law.

Thus, EMPLOYER paid COMPLAINANT and all NON-EXEMPT AGGRIEVED EMPLOYEES lower wages than those they were entitled to while purporting that COMPLAINANT and all NON-EXEMPT AGGRIEVED EMPLOYEES were properly paid. COMPLAINANT and all NON-EXEMPT AGGRIEVED EMPLOYEES are entitled to recover penalties, attorney’s fees, costs, and interest thereon, pursuant to Labor Code section 2699(f)-(g).

Failure to Pay Vested Vacation/Paid Time Off:

California Labor Code section 227.3 provides that when an employer policy provides for paid vacations and/or paid time off, and an employee is terminated without having taken off his, her, or their vested vacation time, all vested vacation shall be paid to the employee as wages at the employee’s final rate in accordance with such contract of employment or employer policy respecting eligibility or time served and that there shall be no forfeiture of vested vacation time or paid time off upon termination. Based on information and belief, EMPLOYER had and continues to have a uniform policy and practice of failing to allow NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES to use their earned vacation/paid time off during their employment and/or failing to pay all vested, accrued paid time off to NON-EXEMPT AGGRIEVED EMPLOYEES and/or EXEMPT AGGRIEVED EMPLOYEES upon separation of employment, in violation of California law, including but not limited to, Labor Code section 227.3.

Final Pay Violations: Labor Code section 201 requires employers to pay all wages earned and unpaid at the time of discharge, immediately upon discharge. California Labor Code section 201(a) provides, in relevant part, that “[i]f an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately.” California Labor Code section 202(a) provides, in relevant part, that “[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, unless the employee has given 72 hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.” Pursuant

to Labor Code section 203, an employer that willfully fails to pay wages due an employee who is terminated or resigns must pay (in addition to the unpaid wages) a penalty equal to the employee's daily wages for each day, not exceeding 30 days, that the wages are unpaid. This 30-day waiting time penalty is recoverable under the PAGA via Labor Code Section 256. See, *Iskanian v. CLS Transportation Los Angeles, LLC*, 59 Cal.4th 348 (2014); see also, *Caliber Bodyworks, Inc. v. Superior Court*, 134 Cal. App. 4th 365 (2005).

Based on information and belief, EMPLOYER failed to timely pay NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES all wages that were due and owing upon termination or resignation. Based on information and belief, EMPLOYER provides final wages to NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES on the regular pay day without regard to the timing requirements of Labor Code sections 201-202.

Upon separation of employment, NON-EXEMPT AGGRIEVED EMPLOYEES' and EXEMPT AGGRIEVED EMPLOYEES' final paychecks were not timely provided and/or were not timely provided with all owed vacation pay. Moreover, NON-EXEMPT AGGRIEVED EMPLOYEES' final paychecks, once provided, did not include all wages owed as they were devoid of, including but not limited to, all owed minimum wages, overtime wages, premium wages, vacation pay, and all owed sick leave and/or paid time off wages at the properly accrued rates.

These violations subject EMPLOYER to civil penalties under Labor Code sections 203, 210, and/or 256. Each violation results in a *separate* civil penalty, for each NON-EXEMPT AGGRIEVED EMPLOYEE and each EXEMPT AGGRIEVED EMPLOYEE for each pay period during which the statute provisions were violated.⁸

Business Expense Violations: California law requires employers to indemnify their employees for all necessary expenditures incurred by the employee in direct consequence of the discharge of their duties or of their obedience to the directions of the employer. See Cal. Lab. Code § 2802(a) and all applicable Wage Orders, § 9 (b). Furthermore, "for purposes of [section 2802], the term 'necessary expenditure or losses' shall include all reasonable costs, including, but not limited to, attorneys' fees incurred by the employee enforcing the rights granted by this section."

Among other things, under California law, when tools or equipment are required by the employer or are necessary to the performance of a job, such tools and equipment shall be provided and maintained by employer, except that an employee whose wages are at least two (2) times the minimum wage provided herein may be required to provide and maintain hand tools and equipment customarily required by the trade or craft. See applicable IWC Wage Order, § 9 (b).

Among other things, under California law, when employees must use their personal cellphones for work-related purposes, the employer must reimburse them for a reasonable percentage of their cell

⁸ (establishing that "[i]n 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, 205, 205.5, 1197.5, shall be subject to a civil penalty...for each failure to pay each employee").

phone bills. *See Cochran v. Schwan's Home Services, Inc.* (2014) 228 Cal.App.4th 1137, 1140. To show liability, an employee will only need to show that he or she was required to use their personal cellphone for work-related purposes and not reimbursed for the use. *Id.* 1144-1145. California law also requires employers to reimburse employees for automobile expenses incurred for the business use of personal vehicles, such as for mileage, gas, and the wear and tear on the vehicle. *See Gattuso v. Harte-Hanks Shoppers, Inc.* (2007) 42 Cal.4th 554. Further, "any contract or agreement, express or implied, made by any employee to waive the benefits of this article or any part thereof, is null and void, and this article shall not deprive any employee or his personal representative of any right or remedy to which he is entitled to under the laws of this State." *See* Cal. Lab. Code § 2804.

COMPLAINANT and NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES were improperly required to provide and maintain work tools that are supposed to be the responsibility of EMPLOYER.

At all relevant times hereto, EMPLOYER shifted its costs of doing business onto COMPLAINANT and NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES by requiring them to pay for its business expenses, including but not limited to, use of COMPLAINANT's and other NON-EXEMPT AGGRIEVED EMPLOYEES' and EXEMPT AGGRIEVED EMPLOYEES' personal mobile phone/mobile device and costs associated with the purchase and/or maintenance of work uniforms/clothing and protective gear. For example, at times, COMPLAINANT received work-related calls and messages to his personal phone from managers and/or supervisors, including but not limited to, regarding scheduling/other work tasks, and purchased his own face masks. COMPLAINANT was not reimbursed for these business expenses.

Based on information and belief, EMPLOYER did not reimburse NON-EXEMPT AGGRIEVED EMPLOYEES, and EXEMPT AGGRIEVED EMPLOYEES for the cost of undergoing EMPLOYER-mandated covid testing, including but not limited to purchasing the test, and/or the cost of traveling and/or using a personal vehicle to and from a testing site.

As a pattern and practice, EMPLOYER regularly failed to reimburse and indemnify COMPLAINANT and NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES for business expenses. Pursuant to California Labor Code section 2802, COMPLAINANT and NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES were entitled to be reimbursed for all reasonable expenses associated with carrying out orders by their EMPLOYER and/or carrying out the duties assigned by EMPLOYER.

EMPLOYER's failure to provide COMPLAINANT and NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES with full reimbursement for all reasonable expenses associated with carrying out their duties required that COMPLAINANT and NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES subsidize and/or carry the burden of business expenses in violation of Labor Code section 2802.

Unlawful Agreements/ Unlawful Criminal and Financial Background Checks:

Unlawful Financial and Criminal Background Checks:

The California Labor Code places certain procedural and substantive limits on employers' ability to conduct employee background checks and on how employers can use the information they obtain through those background checks. Labor Code section 1024.5 states that employers, except for financial institutions, may order a credit check only if the individual works (or is applying to work) in certain positions (e.g., managerial positions, financially-related positions, and certain government positions). Additionally, the Investigative Consumer Reporting Agencies Act (ICRAA- CA Civil Code section 1786, *et seq.*) and the Fair Credit Reporting Act (FCRA - 15 U.S.C. section 1681, *et seq.*) mandate several requirements prior to and following an employee background check, including but not limited to identifying an appropriate reason for the background check, a separate consent form with required disclosures and certain formatting requirements, additional forms such as a summary of rights, a way by which to request a copy of the report, as well as proper notice of adverse actions taken, among other statutory requirements.

Based on information and belief, EMPLOYER ordered unlawful financial credit checks on NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES, in violation of Labor Code section 1024.5, and required NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES to provide ongoing written consent to the unlawful credit checks as a condition of employment, in violation of California and Federal law, which results in a further violation of Labor Code section 432.5.

Based on information and belief, EMPLOYER required NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES to submit and/or agree to submit in writing to unlawful criminal background checks as a condition of obtaining and/or holding employment in violation of the ICRAA and the FCRA.

Based on information and belief, EMPLOYER required COMPLAINANT and other NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES to agree in writing to a background check which failed to abide by the requirements set forth in CA Civil Code section 1786, *et seq.* and 15 U.S.C. section 1681, *et seq.*, including but not limited to by failing to provide a clear and conspicuous disclosure, failing to provide disclosures free of extraneous information, failing to provide a lawful purpose for the background check, failing to provide a summary of rights under the ICRAA and/or the FCRA, failing to provide a way by which the individual could request a copy of the report, and failing to properly obtain authorization or consent to such a background check, and thus was an unlawful background check.

By requiring NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES to agree in writing to unlawful criminal and/or financial checks not in conformance with the applicable laws, EMPLOYER also violated Labor Code section 432.5.

Based on further information and belief, EMPLOYER also required NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES to agree in writing to provide ongoing consent to EMPLOYER to conduct background checks throughout the duration of employment, in violation of the ICRAA and/or FCRA and/or other applicable laws, resulting in a further violation of Labor Code section 432.5, by requiring applicants and employees to agree to an unlawful provision as a condition of employment.

Based on further information and belief, EMPLOYER knew that requiring NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES to agree to these unlawful criminal and/or financial background checks as a condition of obtaining and/or holding employment was unlawful.

By having NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES sign off on the illegal background and financial checks, EMPLOYER also violated Labor Code section 432.5 (stating that “no employer...shall require any employee or applicant for employment to agree, in writing, to any term or condition which is known by such employer...to be prohibited by law.”).

Unlawful Inquires into Criminal History

Labor Code section 432.7 prohibits an employer from asking applicants about past arrest(s) unless they resulted in conviction(s) and even then, certain limitations apply. Based on information and belief, EMPLOYER asked NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES about arrests not resulting in convictions on its employment application, in violation of California law.

Upon information and belief, EMPLOYER, in violation of California law, including but not limited to the Fair Chance Act/the California Fair Employment and Housing Act (“FEHA”), asked NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES about convictions prior to extending an offer of employment and/or otherwise impermissibly inquired into criminal history on its employment application in violation of California law.

By asking about arrests not resulting in convictions, EMPLOYER violated Labor Code 432.7. By asking about convictions at the application phase or prior to extending an employment offer, EMPLOYER violated California’s Fair Chance Act, and thereby violated Labor Code 432.5 by unlawfully requiring NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES to agree in writing to disclose arrests and/or convictions as a condition of employment.

As such, NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES continue to be subject to various unlawful provisions as a condition of employment.

Conclusion

EMPLOYER has violated the above-referenced California Labor Code provisions, and the applicable Wage Order, as well as other laws, and is liable for all applicable premium wages, statutory and civil penalties, interest, attorneys' fees, and costs. The civil penalties COMPLAINANT and other NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES seek to recover include, but are not limited to, the statutory and civil penalties specified above.

Labor Code section 2699.3 requires that a claimant send a certified letter (i.e. this NOTICE) to the employer in question and file an online claim to the LWDA setting forth the claims and the basis for the claims, thereby giving the LWDA an opportunity to investigate the claims and/or take any action it deems appropriate.

The purpose of this NOTICE is to satisfy the requirement created by Labor Code sections 2699, 2699.3(a), 2699.3(c), and 2699.5, prior to seeking penalties and premium wages allowed by law for the aforementioned statutory violations in a civil action. We look forward to determining whether the LWDA intends to take any action in reference to these claims. We kindly ask that you respond to this NOTICE according to the time frame contemplated by the code.

If the LWDA elects not to take any action with respect to any of the foregoing claims, COMPLAINANT will seek these penalties in a civil action, on behalf of COMPLAINANT and all NON-EXEMPT AGGRIEVED EMPLOYEES and EXEMPT AGGRIEVED EMPLOYEES of EMPLOYER within one year of the date of this letter as allowed by law.

Please advise if your office intends to investigate any of the factual and legal allegations and provide notice within sixty-five days of this NOTICE to our office and to that of other charged parties. Thank you for your attention to this matter. If you have any questions, please contact me at the phone number or address below:

Zachary Crosner
Crosner Legal, PC
9440 Santa Monica Blvd., Ste. 301
Beverly Hills, CA 90210
Main: 310.496.5818
Fax: 310.510.6429
Email: zach@crosnerlegal.com

Thank you for your attention to this matter.

Best Regards,

A handwritten signature in black ink that reads "Zachary M. Crosner". The signature is written in a cursive, flowing style.

Zachary M. Crosner, Esq.
CROSNER LEGAL, PC



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June 1, 2022

VIA U.S. CERTIFIED MAIL:

C T Corporation System
Agent for Service of Process for:
CPC LOGISTICS SOLUTIONS, LLC
330 N Brand Blvd Ste 700
Glendale, CA 91203

CPC LOGISTICS SOLUTIONS, LLC
Attn: Human Resources Dept./Legal Dept.
14528 S. Outer 40 Rd., Ste. 210
Chesterfield, MO 63017

C T Corporation System
Agent for Service of Process for:
CPC LOGISTICS INC.
330 N Brand Blvd Ste 700
Glendale, CA 91203

CPC LOGISTICS INC.
Attn: Human Resources Dept./Legal Dept.
14528 S. Outer 40 Rd., Ste. 210
Chesterfield, MO 63017

VIA U.S. CERTIFIED MAIL:

Carol Brier
Agent for Service of Process for:
NEWCO DISTRIBUTORS, INC.
9060 Rochester Avenue
Rancho Cucamonga, CA 91730

NEWCO DISTRIBUTORS, INC.
Attn: Human Resources Dept./Legal Dept.
9060 Rochester Avenue
Rancho Cucamonga, CA 91730

2810.3 NOTICE OF LABOR CODE VIOLATIONS

To: CPC Logistics Solutions, LLC, CPC Logistics Inc., and Newco Distributors, Inc.
Date: June 1, 2022
Subject: *Oscar Barajas v. CPC Logistics Solutions, LLC, CPC Logistics Inc., and Newco Distributors, Inc.*

Introduction

This office represents COMPLAINANT Oscar Barajas (hereinafter “COMPLAINANT”) in connection with COMPLAINANT’s claims under the California Labor Code. COMPLAINANT was, at all relevant times herein mentioned, an employee of CPC Logistics Solutions, LLC and CPC Logistics Inc., (“CPC Logistics”) (hereinafter “LABOR CONTRACTOR” as that term is defined in Labor Code Section 2810.3) and jointly employed by Newco Distributors, Inc. (“Newco Distributors”), which further operates as a CLIENT EMPLOYER (hereinafter “CLIENT EMPLOYER”), as the term is defined in Labor Code Section 2810.3. As used herein, the term “EMPLOYER” includes both CLIENT EMPLOYER and LABOR CONTRACTOR.

Pursuant to California Labor Code section 2810.3, COMPLAINANT, on behalf of COMPLAINANT, and on behalf of similarly situated and aggrieved current and former employees of EMPLOYER, hereby gives written notice (“NOTICE”) of COMPLAINANT’S California Labor Code claims for unpaid wages against CLIENT EMPLOYER and LABOR CONTRACTOR. This NOTICE is being provided to CLIENT EMPLOYER via CLIENT EMPLOYER’s registered agent(s) for service of process to the extent provided to the Secretary of State.

This NOTICE is served in accordance with the provisions of Labor Code Section 2810.3. At least thirty days prior to the filing of an action against CLIENT EMPLOYER, a complainant is required to provide notice of the wage and hour violations underlying the pending action against the CLIENT EMPLOYER in accordance with the mandates of Labor Code Section 2810.3. COMPLAINANT alleges that LABOR CONTRACTOR provided at least five (5) employees to CLIENT EMPLOYER to perform labor in CLIENT EMPLOYER’s usual course of business, namely, a petfood distribution business. COMPLAINANT further alleges that CLIENT EMPLOYER employed at least twenty-five employees, of which at least five (5) were provided by LABOR CONTRACTOR in the usual course of business.

Based on the following summary of the facts and theories upon which COMPLAINANT will base COMPLAINANT’s claims for unpaid wages, COMPLAINANT requests that CLIENT EMPLOYER regard this NOTICE as written notice that COMPLAINANT intends to file a class action, on behalf of COMPLAINANT and other similarly situated employees, for the recovery of all unpaid wages against CLIENT EMPLOYER and LABOR CONTRACTOR, on a joint and several bases, in addition to seeking applicable PAGA penalties in accordance to Labor Code Sections 2699.3 and Labor Code Sections 2699.5. The specific provisions of California law that EMPLOYER has violated, requiring this NOTICE, include but are not limited to: California Labor Code sections 201-203, 204, 210, 216, 221-223, 226, 226.7, 245-248.5, 432, 432.5, 432.7, 510, 512, 558, 558.1, 1024.5, 1174, 1194, 1197, 1197.1, 1198, 1198.3, 1198.5, 1199, 2802, 2810.5 and all Applicable Wage Orders. These violations subject EMPLOYER to damages, civil penalties, interest, and attorneys’ fees and costs as set forth in including but not limited to (1) the foregoing statutes, (2) Labor Code sections 203, 210, 225.5, 226.3, 256, 558, 558.1, 1174.5, 1194.2, 1197.1, and 2699, and (3) section 20 of all Applicable Wage Orders. Further descriptions of the above-mentioned violations and more are explained below.

General Information

Newco Distributors, Inc., CPC Logistics Solutions, LLC, and CPC Logistics Inc., and their managing agents own, operate, or otherwise manage logistics/distribution companies, including but not limited to, petfood distribution companies, or companies that supply labor to logistic/distribution companies, including but not limited to, petfood distribution companies. According to its website (<https://cpclogistics.com/>), CPC Logistics, is a “leader in the transportation industry logistics service, fulfilling...needs for personnel where and when you need them.” According to Newco Distributors’ website (<https://newcopet.com/>), Newco Distributors is “the leading independent pet food distributor in California”. While EMPLOYER may operate successful companies or have a noble mission, EMPLOYER does not comply with California labor law.

COMPLAINANT worked as a full-time, non-exempt employee for LABOR CONTRACTOR and was assigned to CLIENT EMPLOYER until the separation of his employment, on or about October 25, 2021. COMPLAINANT and similarly situated and aggrieved employees worked as non-exempt employees, including but not limited to, as equipment operators, shipping and receiving clerks, warehouse workers, warehouse associates and/or other similar title(s). At all relevant times, COMPLAINANT and similarly situated and aggrieved employees were hourly paid, non-exempt employees.

Among other things and in addition to violating the Labor Code sections listed above, EMPLOYER failed and continues to fail to (1) pay minimum wages, (2) provide rest periods, (3) provide meal periods, (4) provide accurate itemized wage statements, (5) pay overtime wages, (6) indemnify employees for expenses incurred, (7) timely pay all wages due upon separation of employment, (8) provide paid sick leave, (9) maintain required records, and committed and continues to commit other violations of the Labor Code as described below.

The Named Entities Are Joint Employers of COMPLAINANT and Similarly Situated and Aggrieved Employees

California courts have recognized that the definition of “employer” for purposes of enforcement of the California Labor Code goes beyond the concept of traditional employment to reach irregular working arrangements for the purpose of preventing evasion and subterfuge of California’s labor laws. *Martinez v. Combs* (2010) 49 Cal.4th 35, 65. As such, anyone who directly or indirectly, or through an agent or any other person, engages, suffers, or permits any person to work or exercises control over the wages, hours, or working conditions of any person, may be liable for violations of the California Labor Code as to that person.

COMPLAINANT believes and hereon asserts that EMPLOYER and unknown entities must be classified as joint employers of COMPLAINANT for purposes of liability under the statutes discussed herein, as the aforementioned entities engaged, suffered and permitted COMPLAINANT to perform services from which they benefited, and furthermore that the aforementioned entities had the right to exercise control over the wages, hours and/or working

conditions of COMPLAINANT at all relevant times herein, so as to be considered the joint employers of COMPLAINANT.

Specifically, LABOR CONTRACTOR hired COMPLAINANT. LABOR CONTRACTOR maintained control over many aspects of COMPLAINANT's employment, including, among other things, having the authority to discipline COMPLAINANT, change COMPLAINANT's job assignment, change COMPLAINANT's work hours, change COMPLAINANT's rates of pay, and/or terminate COMPLAINANT's employment.

In addition, when COMPLAINANT was first hired, LABOR CONTRACTOR provided COMPLAINANT with orientation and training materials. LABOR CONTRACTOR issued COMPLAINANT written policies concerning meal periods, rest breaks, timekeeping, hours worked, and payment of COMPLAINANT's wages, with which COMPLAINANT was required to comply. Based on information and belief, among other things, these policies provided that COMPLAINANT's weekly time records be submitted to LABOR CONTRACTOR; and LABOR CONTRACTOR was supposed to process COMPLAINANT's time records and pay COMPLAINANT for all hours worked. LABOR CONTRACTOR exercised ultimate control over the payment of COMPLAINANT's wages, as LABOR CONTRACTOR issued COMPLAINANT his paychecks. Finally, LABOR CONTRACTOR directed COMPLAINANT to comply with CLIENT EMPLOYER's policies and directions. COMPLAINANT is informed and believes that LABOR CONTRACTOR exercised the same control over, applied the same policies and practices, and engaged in the same acts and omissions with regard to the other similarly situated and aggrieved employees.

CLIENT EMPLOYER similarly suffered or permitted COMPLAINANT to work for them or engaged COMPLAINANT to work for them. COMPLAINANT is informed and believes that CLIENT EMPLOYER entered into a written agreement with LABOR CONTRACTOR, pursuant to which CLIENT EMPLOYER paid CPC LOGISTICS to provide it with workers, including COMPLAINANT, to conduct CLIENT EMPLOYER's business operations – namely, to work in CLIENT EMPLOYER's warehouses/distribution centers. CLIENT EMPLOYER suffered or permitted COMPLAINANT to work at CLIENT EMPLOYER, including, its facility located in Hayward, California.

CLIENT EMPLOYER further exercised control over COMPLAINANT's wages, hours and working conditions. CLIENT EMPLOYER also: (1) set COMPLAINANT's work hours, and provides COMPLAINANT with COMPLAINANT's work schedule; (2) directly supervised COMPLAINANT's work through its employees; (3) assigned COMPLAINANT's job duties; (4) exercised authority to reprimand and counsel COMPLAINANT regarding any work performance and other issues; (5) exercised authority to end COMPLAINANT's work assignment at any time; (6) required COMPLAINANT to use its timekeeping system for purposes of recording time worked; (7) determined whether and when COMPLAINANT received meal and rest periods; (8) subjected COMPLAINANT to unlawful schedules for taking meal and rest periods; (9) and was responsible for recording when COMPLAINANT begins and ends work shifts. On information

and belief, CLIENT EMPLOYER issued further written policies and practices and guidelines governing COMPLAINANT's working conditions with which COMPLAINANT was required to comply. COMPLAINANT is informed and believes that CLIENT EMPLOYER exercises/exercised the same control over, applies/applied the same policies and practices, and engages/engaged in the same acts and omissions with regard to all similarly situated aggrieved employees.

By reason of their status as joint employers of COMPLAINANT and similarly situated and aggrieved employees, LABOR CONTRACTOR and CLIENT EMPLOYER are each liable for, including but not limited to, damages and civil penalties for violation of the California Labor Code and applicable Wage Orders as to COMPLAINANT and similarly situated and aggrieved employees.

Individual Liability Under Labor Code Section 558.1

Labor Code section 558.1 permits joint and several liability as to both an individual and employer for violations of Labor Code sections 203, 226, 226.7, 1194, and 2802. EMPLOYER, at all relevant times, was an employer or person acting on behalf of an employer(s) who violated COMPLAINANT's and similarly situated and aggrieved employees' rights by violating various sections of the California Labor Code. The California Legislature defines "other person acting on behalf of an employer" as "*a natural person who is an owner, director, officer, or managing agent of the employer.*" The "managing agent" definition mirrors that found in California's punitive damages statute (subdivision (b) of section 3294 of the Civil Code). Under that statute and supporting case law, "managing agents" are all employees who exercise substantial independent authority and judgment in their corporate decision-making such that their decisions ultimately determine corporate policy. *White v. Ultramar, Inc.* (1999) 21 Cal. 4th 563, 566-67. For the reasons set forth above and others, at all relevant times, the above-listed individuals meet the criteria of managing agents under California law, and therefore, may be held liable under California Labor Code sections 558 and 558.1 for violations of Labor Code sections 203, 226, 226.7, and 1194 as further described in detail below.

COMPLAINANT intends to further name any unknown individuals responsible for violations arising under Labor Code sections 558 and 558.1 after further discovery. COMPLAINANT asks and demands that EMPLOYER put these individuals on notice immediately to provide them as much notice possible to mount in defense. In the alternative, COMPLAINANT also offers to EMPLOYER to place those individuals on notice if EMPLOYER voluntarily provides their contact information.

Client Employer is Liable for All Temporary Agency Workers/Other Workers Supplied by Labor Contractor(s)

California Labor Code Section 2810.3 requires a Client Employer to share with a Labor Contractor all civil legal responsibility and civil liability for all workers supplied by that Labor Contractor in California for the nonpayment of wages, among other Labor Code violations. Section 2810.3

prohibits a Client Employer from shifting to the Labor Contractor legal duties or liabilities under labor code provisions dealing with unpaid wages, workers' compensation, and workplace safety, with respect to workers provided by the Labor Contractor. It defines a Client Employer as a business entity that obtains or is provided workers to perform labor within the usual course of business from a Labor Contractor. It defines a Labor Contractor as an individual or entity that supplies workers, either with or without a contract, to a Client Employer to perform labor within the Client Employer's usual course of business.

Pursuant to Section 2810.3, where the Client Employer secured labor from a Labor Contractor the Client Employer shares in all legal responsibility and civil liability with its Labor Contractors (s), for all workers supplied by such Labor Contractor (s), for payment of wages. Thus, CLIENT EMPLOYER is still liable for their employees even though they may be supplied to other employers.

Recordkeeping Requirement Violations: California Labor Code § 1174 requires employers to keep "accurate and complete" payroll records showing, among other things, the hours worked daily by all non-exempt employees. IWC Wage Order 9-2001 (and all applicable IWC Wage Orders), section 7 similarly requires employers to keep time records reflecting the times during which all owed meal periods were provided each day.

At all relevant times, EMPLOYER failed, and continues to fail, to keep accurate and complete payroll records as required by law, including but not limited to the following records: total daily hours worked, applicable rates of pay, time records showing when COMPLAINANT and other aggrieved employees began and ended each work period, time records of meal periods, and accurate itemized wage statements.

EMPLOYER failed and continues to fail to keep accurate and complete records showing total hours worked by COMPLAINANT and similarly situated and aggrieved employees by virtue of EMPLOYER's time rounding, payment according to scheduled hours rather than actual hours worked, automatic meal break deductions and other off-the-clock work policies and practices described below.

Based on information and belief, EMPLOYER further failed and continues to fail to keep accurate and complete records showing total hours worked by virtue of EMPLOYER's failure to relieve aggrieved employees of all duties and EMPLOYER's control for unpaid meal periods, resulting in unpaid hours worked.

EMPLOYER further failed and continues to fail, to record the true start and end times of COMPLAINANT's and similarly situated and aggrieved employees' work shifts.

EMPLOYER further failed and continues to fail, to record the true start and end times of COMPLAINANT's and similarly situated and aggrieved employees' meal periods.

Additionally, EMPLOYER failed, and continues to fail to keep accurate records and issue accurate wage statements by not documenting accrued sick time for COMPLAINANT and similarly situated and aggrieved employees.

EMPLOYER's failure to keep "accurate and complete" payroll records for COMPLAINANT and other aggrieved employees violates Labor Code §§ 1174, 1198, 1199, and Wage Order 9-2001 (and all applicable IWC Orders), section 7. These violations subject EMPLOYER to damages, civil penalties, interest, and attorneys' fees and costs under Labor Code §§ 558.1, 226.6, 1174.5 and 2699. Each violation of each Labor Code section and Wage Order provision results in a *separate* civil penalty, for each aggrieved employee for each pay period during which the referenced statutes and Wage Order provisions were violated.¹

Violations of Labor Code Sections 226(b)-(c), 1198.5, and 432:

Time and Pay Records

Labor Code section 226 and Wage Order 9-2001 (and all applicable IWC Wage Orders), section 7 require that employers keep the following information on file for each employee for a minimum of three years: The employee's dates of employment; the employee's hourly rates and the corresponding number of hours worked by the employee at each hourly rate, when the employee begins and ends each work period (including meal periods) and split intervals; total hours worked by the employee; all deductions; gross wages earned; and net wages earned.

Section (b) of Labor Code section 226 further requires employers to "afford current and former employees the right to inspect or receive a copy of records pertaining to their employment upon reasonable request to the employer." Section (c) of Labor Code section 226 provides that, "an employer who receives a written or oral request to inspect or receive a copy of records pursuant to subdivision (b) pertaining to a current or former employee shall comply with the request as soon as practicable, but no later than 21 calendar days from the date of the request. A violation of this subdivision is an infraction." An employer's failure to comply within this timeframe entitles a current or former employee to recover a seven hundred fifty-dollar (\$750) penalty from the employer. Lab. Code section 226(f).

Personnel Records

In addition to their right to time and pay records, employees, and their representatives, have the right to inspect and receive a copy of their personnel files pursuant to Labor Code section 1198.5. This statute applies to both former and current employees. Labor Code section 432 further specifies that employers must furnish copies of all employment records bearing the employee's signature.

¹ Labor Code § 2699(f)(2) (establishing that the civil penalty is "for each aggrieved employee per pay period"); Labor Code § 558 (establishing that the civil penalty is "for each underpaid employee for each pay period for which the employee was underpaid"); IWC Wage Order 9-2001 (and all applicable wage orders), § 20 (establishing that "[i]n addition to any other civil penalties provided by law, any employer or any other person acting on behalf of the employer who violates, or causes to be violated, the provisions of this order, shall be subject to the civil penalty...for each underpaid employee for each pay period during which the employee was underpaid") (emphasis added).

Labor Code section 1198.5 also requires that the file be made available for inspection or receipt within a “reasonable” amount of time, but “not later than 30 calendar days from the date the employer receives a written request.” An employer’s failure to comply within this timeframe likewise entitles a current or former employee to recover a seven hundred fifty-dollar (\$750) penalty from the employer. Lab. Code section 1198.5(k).

Based on information and belief, EMPLOYER fails to produce or make available a current or former employee’s personnel records and/or payroll records when requested pursuant to Labor Code sections 226, 1198.5, 432, and/or the applicable Wage Order. For example, COMPLAINANT sent a request for payroll and personnel records to EMPLOYER. Yet, based on information and belief, EMPLOYER failed to produce/make available COMPLAINANT’s complete records within the time periods delineated by California labor law. Based on information and belief, EMPLOYER failed and continues to fail to timely produce complete payroll and personnel records when requested by other similarly situated and aggrieved employees.

These violations subject EMPLOYER to penalties under Labor Code sections 226, 1198.5, and 2699. Each violation of each Labor Code section and Wage Order provision, for each aggrieved employee, results in a separate civil penalty.

Meal Period Violations: California law requires employers to provide employees a duty-free, uninterrupted thirty (30) minute meal period when an employee works more than five (5) hours in a workday, and it must be provided within the first five (5) hours the employee works. Lab. Code section 512 (and all applicable IWC Wage Orders), section 11(A) and (C); *Brinker Restaurant Corp. v. Superior Court* (2012) 53 Cal.4th 1004. Employers must also provide employees with a second duty-free, uninterrupted thirty (30) minute meal period when an employee works more than (10) hours in a workday, and it must be provided before the end of the 10th hour of work. *Ibid.* Meal periods can be waived, but only under the following circumstances: (1) if an employee’s total work period in a day is over five (5) hours but no more than six (6) hours, the required meal period may be waived by mutual consent of the employer and employee, and (2) if an employee’s total work period in a day is over ten (10) hours but no more than twelve (12) hours, the required second meal period may be waived by mutual consent of the employer and employee, but only if the first meal period was not waived. *Ibid.* Upon information and belief, COMPLAINANT did not sign a valid meal period waiver throughout COMPLAINANT’s employment by EMPLOYER.

Employers covered by any and all applicable IWC Wage Orders have an obligation to both (1) relieve their employees for at least one meal period for shifts over five hours (see above), and (2) to record having done so. If the employer fails to properly record a valid meal period, it is presumed that no meal period was provided. IWC Wage Order 9-2001 (and all applicable IWC Wage Orders), section 7(A)(3) (“Meal periods . . . shall also be recorded”); *Brinker, supra*, 53 Cal.4th 1004, 1052-1053, citing section 7(A)(3) (“If an employer’s records show no meal period for a given shift over five hours, a rebuttable presumption arises that the employee was not relieved of duty and no meal period was provided”).

Employers must pay employees an additional hour of wages at the employees' regular rate of pay for each missed or improper meal period (e.g., less than 30 minutes, interrupted meal period, first meal period provided after five (5) hours, second meal period provided after 10 hours). Lab. Code section 226.7; all applicable IWC Wage Orders, section 11(B) ("If an employer fails to provide an employee a meal period in accordance with the applicable provision of this Order, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of compensation for each workday that the meal period is not provided"); *Brinker, supra*, 53 Cal.4th 1004.

COMPLAINANT and similarly situated and aggrieved employees consistently worked shifts of five and a one-half (5 ½) hours or more.

COMPLAINANT and similarly situated and aggrieved employees were unable to take timely, off duty, thirty-minute, uninterrupted meal periods. For example, at times, COMPLAINANT had his meal period cut short and/or was forced to take his meal period late (i.e. after the fifth hour of work) due to understaffing/lack of relief workers, commentary from supervisors pressuring him to take noncompliant meal periods and/or the nature and constraints of his job duties, including but not limited to, the need to attend to unscheduled deliveries, unexpected will calls and/or complete other work tasks. On information and belief, similarly situated and aggrieved employees were also forced to take late, interrupted and/or shortened meal periods due to understaffing, pressure from supervisors to take noncompliant meal breaks and/or the nature and constraints of their job duties/need to keep up with distribution deadlines and/or complete other work tasks.

Based on information and belief, similarly situated and aggrieved employees were required to monitor work communication devices and/or were required to remain tethered to the worksite during purportedly off-duty meal periods.

Despite failing to provide lawful meal periods, EMPLOYER implemented a policy and/or practice of automatically deducting at least thirty minutes per shift for these missed/unlawful meal periods, despite having actual and/or constructive knowledge that COMPLAINANT and similarly situated and aggrieved employees did not receive compliant meal periods.

Based on information and belief, EMPLOYER implemented policies and practices that failed to relieve aggrieved employees of all duties and EMPLOYER's control during unpaid meal breaks.

Based on information and belief, EMPLOYER had actual and/or constructive knowledge that its policies and practices resulted in the denial of uninterrupted meal periods owed to COMPLAINANT and similarly situated and aggrieved employees, in violation of California's meal period laws.

EMPLOYER also failed to keep accurate records of the start and end times of COMPLAINANT's and similarly situated and aggrieved employees' meal period start and end times. Based on further information and belief, EMPLOYER illegally rounded the start and end times of meal periods resulting in COMPLAINANT and similarly situated and aggrieved employees not being paid for

all time worked as well as late and/or shortened meal periods. *See Donohue v. AMN Services, LLC* (2021) 11 Cal.5th 58.

Based on further information and belief, EMPLOYER did not have a compliant written meal break policy, nor did EMPLOYER have any sort of compliant policy in practice. Liability for the aggrieved employees can be established by evidence that an employer adopted a uniform corporate break policy that failed to give full effect to California law and the applicable Wage Order requirements. The fact that employees may legally waive meal breaks does not affect this result. *Brinker, supra*, 53 Cal.4th 1004.

COMPLAINANT is further informed and believes and thereon alleges that EMPLOYER had actual and/or constructive knowledge that its time-rounding and auto-deduction policies and practices resulted in the denial of meal periods owed to COMPLAINANT and similarly situated and aggrieved employees, in violation of California's meal period laws.

Moreover, similarly situated and aggrieved employees who worked shifts of more than ten hours did not receive a second legally compliant thirty (30) minute second meal break. EMPLOYER failed to provide COMPLAINANT and similarly situated and aggrieved employees with a second meal period despite COMPLAINANT and similarly situated and aggrieved employees consistently working over ten hours in a workday and thus being entitled to a second duty-free, uninterrupted, thirty-minute meal period before the end of the tenth hour of work. Per EMPLOYER's unlawful meal period policies and practices, EMPLOYER only provided a single meal period per shift, even during shifts lasting longer than ten and/or twelve hours, and that single meal period was non-compliant. For example, at times, COMPLAINANT worked more than ten hours per shift but was not provided with a second, timely, off-duty, thirty-minute meal period.

Upon information and belief, EMPLOYER failed to pay COMPLAINANT and similarly situated and aggrieved employees, an additional hour of wages at their respective regular rates of compensation for each workday a proper meal period was not provided. EMPLOYER either failed to pay a meal period premium at all for each workday a proper meal period was not provided and/or failed to pay the proper meal period premium for failure to incorporate all non-discretionary remuneration into the meal period premium calculation. For example, as explained above, COMPLAINANT was at times forced to take a late meal period and/or had his meal period interrupted, yet EMPLOYER's wage statements for COMPLAINANT do not show the payment of a single meal period premium. As such, EMPLOYER failed to pay a meal period premium at all for each workday a lawful meal period was not provided. Additionally, based on information and belief, if a meal premium was paid, EMPLOYER failed to pay the proper meal period premium for failure to incorporate all non-discretionary remuneration, including but not limited to, non-discretionary bonus/incentive pay (e.g., attendance bonuses, safety bonuses and/or other non-discretionary performance-based bonuses), shift differential pay, and/or other non-discretionary compensation into the regular rate for purposes of calculating the owed meal period premium at the correct regular rate of compensation.

The aforementioned conduct results in violations of Labor Code sections 226.7, 512, and 1198-1199, and IWC Wage Order No. 9-2001, section 11(A), (B) and (C) along with all applicable IWC Wage Orders. These violations subject EMPLOYER to civil penalties under Labor Code sections 558.1, 558 and 2699, and all applicable IWC Wage Orders, section 20. Each violation of each Labor Code section and Wage Order provision results in a *separate* civil penalty, for each aggrieved employee for each pay period during which the referenced statutes and Wage Order provisions were violated.² EMPLOYER's failure to provide valid meal periods, and the automatic deduction for meal periods that were not provided/valid, ultimately results in further violations, such as violation of Labor Code sections 1174, 1199, 226.6, discussed above, and other violations discussed below.

Rest Period Violations: California law requires employers to provide employees a paid, duty-free ten (10) minute rest period for each four (4) hours worked, or major fraction thereof. *See* applicable IWC Wage Order, including but not limited to No. 9-2001, section 12(A). In *Brinker v. Restaurant Corp. v. Superior Court*, 53 Cal.4th 1004 (2012), the California Supreme Court held that employees are entitled to a 10-minute paid rest period for shifts from 3 ½ to 6 hours in a length, two 10-minute rest periods for shift more than 6 hours up to 10 hours, and three 10-minute rest periods for shifts of more than 10 hours up to 14 hours. (*Id.* at 1029). The rest period requirement obligates employers to permit and authorize employees to take off-duty rest periods, meaning employers must relieve employees of all duties and relinquish control over how employees spend their time. *Augustus v. ABM Security Services, Inc.*, (2016) 5 Cal.5th 257, 269.

Moreover, under California law rest periods must be a “net” ten minutes in a suitable rest area. *Id.* at 268 (relying on January 3, 1986 and February 22, 2002 DLSE Letters wherein the DLSE ruled that the net ten-minute language for rest periods means ten minutes of time in a rest area and cannot include time it takes to get to and from the rest area). The employer must show that it clearly articulates the right to a net ten minutes, which means it must clearly communicate what “net” ten minutes means (i.e., regardless of what happens along the way to and from a rest area, employees are entitled to a full ten minutes of rest in the rest area). *Id.*; see also, *Bufile v. Dollar Fin. Grp., Inc.*, (2008) 162 Cal. App. 4th 1193, 1199 (the “onus is on the employer to clearly communicate the authorization and permission [to take rest periods] to its employees.”).

Employers must pay employees an additional hour of wages at the employee's regular rate of pay for each missed or improper rest period (e.g., less than 10 minutes, interrupted rest period, rest period(s) at improper time(s) during shift(s)). Lab. Code section 226.7; IWC Wage Order No. 5-2001, section 12(B) (“If an employer fails to provide an employee a rest period in accordance with the applicable provisions of this order, the employer shall pay the employee one (1) hour of pay at

² See Lab. Code section 2699(f)(2) (establishing that the civil penalty is “for each aggrieved employee per pay period”); Lab. Code section 558 (establishing that the civil penalty is “for each underpaid employee for each pay period for which the employee was underpaid”); IWC Wage Order 4-2001, section 20 (establishing that “[i]n addition to any other civil penalties provided by law, any employer or any other person acting on behalf of the employer who violates, or causes to be violated, the provisions of this order, shall be subject to the civil penalty...for each underpaid employee for each pay period during which the employee was underpaid”).

the employee's regular rate of compensation for each workday that the rest period is not provided").

EMPLOYER did not properly authorize and provide COMPLAINANT and similarly situated and aggrieved employees with net, ten-minute rest periods at a rate of every four (4) hours worked or major fraction thereof, that insofar as practicable, were provided in the middle of the work period, as required by law.

Any purported rest periods would be interrupted, cut short, on duty, restricted to premises, and/or late due to the nature and constraints of similarly situated and aggrieved employees' job duties, need to complete jobs/complete other work tasks, understaffing, and/or commentary from supervisors pressuring them to skip rest breaks completely and/or take non-compliant rest breaks.

COMPLAINANT and similarly situated and aggrieved employees were pressured to complete their work duties according to a designated schedule such that rest breaks were only taken once jobs were completed/as time permitted.

Based on information and belief, EMPLOYER implemented policies and/or practices that failed to relieve similarly situated and aggrieved employees of all duties and EMPLOYER's control during rest breaks. For example, on information and belief, COMPLAINANT and similarly situated and aggrieved employees were required to remain on the worksite premises and/or remained tethered to EMPLOYER's communication devices during purported rest periods and were thus subjected to EMPLOYER's control. As such, EMPLOYER failed to provide similarly situated and aggrieved employees with ten-minute uninterrupted rest periods in compliance with California law.

Based on information and belief, EMPLOYER did not have a lawful policy, instruction, or practice as to the taking, length, timing, or duty-free nature of rest periods. For example, based on information and belief, EMPLOYER failed to authorize and permit rest periods that were a "net" ten minutes in a suitable rest area and instead limited COMPLAINANT and similarly situated and aggrieved employees to only ten-minute rest periods, requiring them to be back at their workstations within ten minutes of leaving, in violation of California rest period law.

Despite not providing lawful rest periods, EMPLOYER failed to pay COMPLAINANT and similarly situated and aggrieved employees with an additional hour of pay at COMPLAINANT's and similarly situated and aggrieved employees' regular rates of compensation for each missed, or otherwise unlawful rest period. Based on information and belief, EMPLOYER failed to pay a rest period premium at all for each workday a lawful rest period was not provided. If and when a rest premium was paid, EMPLOYER failed to pay the proper premium for failure to incorporate all non-discretionary remuneration, including but not limited to, non-discretionary bonus pay, shift differential pay, and/or other non-discretionary compensation into the regular rate for purposes of calculating the owed rest period premium at the correct regular rate of compensation.

The aforementioned conduct results in violations of Labor Code sections 226.7, and 1198-1199, and IWC Wage Order 9-2001, section 12(A). These violations subject EMPLOYER to civil penalties under Labor Code section §§ 558 and 2699, and all applicable IWC Wage Orders, section 20. Each violation of each Labor Code section and Wage Order provision results in a *separate* civil penalty, for each aggrieved employee for each pay period during which the referenced statutes and Wage Order provisions were violated.³

Minimum Wage Violations: “Notwithstanding any agreement to work for a lesser wage, 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 attorneys’ fees, and costs of suit.” *Cal. Lab. Code* § 1194.

Labor Code section 1197 states the California requirement that employees must be paid at least the minimum wage fixed by the Commission, and any payment of less than the minimum wage is unlawful. The minimum wage standard applies to each hour employees worked for which they were not paid. Therefore, an employer’s failure to pay for any particular hour worked by an employee is unlawful even if averaging an employee’s total pay over all hours worked, paid or not, results in an average hourly wage above minimum wage. *Armenta v. Osmose, Inc.* (2005) 135 Cal.App.4th 314, 324. Furthermore, “in any action under Section 98, 1193.6, 1194, or 1197.1 to recover wages because of the payment of a wage less than the minimum wage fixed by an order of the commission or by statute, an employee shall be entitled to recover liquidated damages in an amount equal to the wages unlawfully unpaid and interest thereon...” *Cal. Lab. Code* § 1194.2.

EMPLOYER failed to compensate COMPLAINANT and similarly situated and aggrieved employees for all hours worked by virtue of EMPLOYER’s automatic deductions and time rounding policies, payment according to scheduled hours worked instead of actual time worked, mandated off-the-clock work policies and/or practices and failure to relieve employees of all duties/employer control during unpaid meal periods or otherwise unlawful practices for missed or improper meal periods.

As explained above, COMPLAINANT and similarly situated and aggrieved employees were consistently required to perform off-the-clock work by virtue of EMPLOYER’ automatic-deduction and/or rounding policies and practices for meal periods.

Based on information and belief, EMPLOYER implemented a policy and/or practice of automatically deducting at least thirty minutes per shift for meal periods and/or requiring similarly situated and aggrieved employees to clock out for at least thirty minutes per shift for meal periods,

³ See Lab. Code section 2699(f)(2) (establishing that the civil penalty is “for each aggrieved employee per pay period”); IWC Wage Order 9-2001, section 20 (establishing that “[i]n addition to any other civil penalties provided by law, any employer or any other person acting on behalf of the employer who violates, or causes to be violated, the provisions of this order, shall be subject to the civil penalty...for each underpaid employee for each pay period during which the employee was underpaid”).

despite having actual and/or constructive knowledge that COMPLAINANT and other similarly situated and aggrieved employees were working through part or all these meal periods.

Based on further information and belief, EMPLOYER rounded the start and end times of employee meal periods and shift start and end times resulting in COMPLAINANT and other similarly situated and aggrieved employees not being paid for all time worked. On information and belief, EMPLOYER implemented a time-rounding system that as applied systematically deprived COMPLAINANT and similarly situated and aggrieved employees of compensable time because the time-rounding system implemented by EMPLOYER would almost always, if not always, result in understating actual work time. For example, wage statements issued by EMPLOYER show EMPLOYER rounded COMPLAINANT's total hours worked to at least the nearest quarter hour during various pay periods. Based on information and belief, EMPLOYER rounded and shaved actual time worked off COMPLAINANT's total hours worked on all wage statements. COMPLAINANT estimates EMPLOYER shaved off an average of at least thirty minutes of compensable work time each week he worked for EMPLOYER due to EMPLOYER' time-rounding policies and practices, payment according to scheduled hours rather than actual hours worked and/or other mandated off-the-clock work described herein. Based on information and belief, EMPLOYER implemented a "grace period" for similarly situated and aggrieved employees to clock in and clock out for their shifts that assumed that similarly situated and aggrieved employees worked only during their scheduled shift times and failed to account for and compensate for actual time worked, resulting in the underpayment of minimum and overtime wages owed to similarly situated and aggrieved employees. EMPLOYER' failure to pay for all time worked by virtue of its time-rounding practices and/or only paying for scheduled hours rather than for actual time worked resulted in the underpayment of minimum wages owed to COMPLAINANT and similarly situated and aggrieved employees as well as unpaid overtime wages for COMPLAINANT and those similarly situated and aggrieved employees who worked more than eight (8) hours in a day and/or forty hours in a week.

Moreover, based on information and belief, COMPLAINANT and similarly situated and aggrieved employees were consistently required to perform pre-shift and/or post-shift off-the-clock work. For example, COMPLAINANT typically had to arrive at work at least several minutes prior to his scheduled shift start time each workday to account for the usual wait time in line behind other employees to clock in, don safety and/or personal protective equipment EMPLOYER required and/or perform other mandated pre-shift off-the-clock work such as, but not limited to, performing safety checks of equipment and/or complete other work tasks. However, COMPLAINANT was not compensated for this pre-shift off-the-clock work time spent under employer control fulfilling EMPLOYER' requirements, resulting in significant off-the-clock work and the underpayment of minimum and overtime wages owed to COMPLAINANT. Based on information and belief, EMPLOYER had a uniform policy and practice of requiring the similarly situated and aggrieved employees to complete off-the-clock work tasks before clocking in for the start of their shifts, resulting in significant off-the-clock work and the underpayment of minimum and overtime wages owed to the similarly situated and aggrieved employees.

Based on information and belief, COMPLAINANT and similarly situated and aggrieved employees were required to complete other off-the-clock work tasks after clocking out for the end of their shifts and/or during uncompensated meal periods, resulting in significant off-the-clock work and the underpayment of minimum and overtime wages owed to COMPLAINANT and similarly situated and aggrieved employees.

Based on information and belief, EMPLOYER did not compensate COMPLAINANT and similarly situated and aggrieved employees for time spent donning and doffing personal protective equipment, safety equipment and/or uniforms (e.g., face masks, safety harnesses and/or safety goggles) during meal periods, rest periods, before the start of a scheduled shift, and after completing a scheduled shift.

Based on information and belief, EMPLOYER failed to compensate similarly situated and aggrieved employees for time they were required to spend completing training and certification and/or the onboarding process. For example, based on information and belief, EMPLOYER required similarly situated and aggrieved employees to review and sign various types of policies and documents, including but not limited to, safety guidelines/safety awareness certifications, employee time-keeping policies, workplace harassment policies, among other documents, but they were not paid for all time spent reviewing and/or completing certification as directed by EMPLOYER. Based on information and belief, EMPLOYER had a uniform policy and practice of requiring similarly situated and aggrieved employees to complete mandatory off-the-clock administrative tasks, onboarding, training, certification, and/or other tasks without compensating for all hours worked.

Based on further information and belief, EMPLOYER's electronic employee time-keeping system regularly malfunctioned such that similarly situated and aggrieved employees were frequently required to either reinitiate the system prior to being able to clock in and/or were unable to clock in at all for the start of their shifts and/or clock back in from meal periods, resulting in consistent off-the-clock work and the underpayment of minimum and overtime wages owed to similarly situated and aggrieved employees. Based on information and belief, similarly situated and aggrieved employees experienced the same issues when clocking out for shifts and/or back in for meal periods. This time spent under EMPLOYER's control was not recorded and not compensated and resulted in unpaid minimum and overtime wages.

In addition, on information and belief, EMPLOYER required similarly situated and aggrieved employees to obtain Covid-related testing outside of their scheduled shift times without compensating them for the time spent completing EMPLOYER's testing requirements.

Based on information and belief, EMPLOYER had actual and/or constructive knowledge that its time-rounding and auto-deduction policies and practices, failure to provide off-duty meal periods, payment according to scheduled hours rather than actual hours worked, and other mandated off-the-clock work described above resulted in the underpayment of minimum wages owed to COMPLAINANT and similarly situated and aggrieved employees, in violation of California's minimum wage laws.

These violations subject EMPLOYER, to civil penalties under Labor Code sections 558, 558.1, 1197.1 and all applicable Wage Orders, including but not limited to Wage Order 9-2001, section 20. Each violation of each Labor Code section and Wage Order provision results in a *separate* civil penalty, for each aggrieved employee, for each pay period during which the referenced statutes and Wage Order provisions were violated.⁴

Overtime Violations: California law requires employers to pay overtime equal to one and one-half times the regular hourly rate of pay for each hour worked beyond eight (8) hours per workday and each hour worked beyond forty (40) hours per work week. Lab. Code section 510; IWC Wage Order 9-2001, (and all applicable IWC Wage Orders) section 3. Employers must pay overtime equal to double the regular hourly rate of pay for each hour worked beyond twelve (12) hours per workday and for all hours worked in excess of eight (8) hours on the seventh consecutive day or work in a work week. *Ibid.*

EMPLOYER violated California's overtime laws by, among other things, failing to correctly calculate, or record at all, the total number of hours worked by COMPLAINANT and similarly situated and aggrieved employees and not paying proper overtime rates for all overtime worked.

Namely, EMPLOYER's automatic deduction and time rounding policies and practices for meal periods, start shift times and end times, payment according to scheduled hours rather than actual hours worked and mandated off-the-clock work policies and practices explained above resulted in the failure to account for all hours worked and thus the denial of minimum wages as well as overtime wages to COMPLAINANT and similarly situated and aggrieved employees who worked more than eight (8) hours in a day or more than forty hours in a week.

Based on information and belief, EMPLOYER failed to pay twice similarly situated and aggrieved employees' regular rate(s) of pay for time worked beyond twelve (12) hours per workday and for time worked beyond eight (8) hours on the seventh consecutive day of work in a work week, in violation of California overtime laws.

Based on further information and belief, EMPLOYER also failed to pay the correct overtime and double time rates to similarly situated and aggrieved employees due to EMPLOYER' failure to incorporate all forms of non-discretionary compensation, including but not limited to, shift differential pay and/or non-discretionary bonus pay and/or other forms of non-discretionary pay, into the regular rate(s) of pay for purposes of calculating the owed overtime rate and the owed double time rate resulting in the underpayment of overtime and double time wages owed. For example, based on information and belief, similarly situated and aggrieved employees regularly

⁴ See Lab. Code section 1197.1(a) (establishing that the civil penalty is "for each underpaid employee for each pay period for which the employee was underpaid"); IWC Wage Order 9-2001, section 20 (establishing that "[i]n addition to any other civil penalties provided by law, any employer or any other person acting on behalf of the employer who violates, or causes to be violated, the provisions of this order, shall be subject to the civil penalty...for each underpaid employee for each pay period during which the employee was underpaid").

earned shift differential pay and/or earned non-discretionary bonuses (e.g., attendance bonuses, safety bonuses and/or other non-discretionary performance-based bonuses). Based on information and belief, EMPLOYER failed to factor similarly situated and aggrieved employees' non-discretionary compensation into their regular rate(s) of pay for purposes of calculating the owed overtime rate and the owed double time rate. Based on information and belief, EMPLOYER failed to incorporate all non-discretionary compensation into the regular rate of pay for purposes of paying overtime and double time wages to similarly situated and aggrieved employees.

This conduct results in violations of Labor Code sections 218.5, 510, 558, 558.1, 1198-1199, and IWC Wage Order 9-2001 (and all applicable IWC Wage Orders), section 12(A). These violations subject EMPLOYER to civil penalties under Labor Code sections 558, 558.1, 218.5, and 2699, and the applicable Wage Order, including but not limited to Wage Order 9-2001, section 20. Each violation of each Labor Code section and Wage Order provision results in a *separate* civil penalty, for each aggrieved employee, for each pay period during which the referenced statutes and Wage Order provisions were violated.⁵

Violation of California Labor Code Sections 245-248.5: Based on information and belief, EMPLOYER failed to provide proper paid sick leave to COMPLAINANT and all similarly situated and aggrieved employees. EMPLOYER either failed to provide paid sick leave at all or improperly calculated the sick leave accrual and the sick leave rate of pay owed to COMPLAINANT and similarly situated and aggrieved employees by failing to base the accrued sick leave hours on the correct number of hours worked (as a result of the rounding/ automatic deduction policies and practices for meal periods and shift start and end times/ or other required off-the-clock work described herein) and by failing to incorporate all non-discretionary remuneration, including but not limited to, non-discretionary bonuses/incentive pay, shift differential pay and/or other non-discretionary compensation into the sick leave pay rate calculation.

EMPLOYER further failed to provide notice of the correct sick leave amount balance available to COMPLAINANT and similarly situated and aggrieved employees on their wage statements or other written statement.

EMPLOYER further failed to put them on notice of their paid sick leave rights—or thereby putting their entitlement to sick leave in a Labor Code section 2810.5 notice.

⁵ See Lab. Code section 2699(f)(2) (establishing that the civil penalty is “for each aggrieved employee per pay period”); Lab. Code section 558 (establishing that the civil penalty is “for each underpaid employee for each pay period for which the employee was underpaid”); IWC Wage Order, section 20 (establishing that “[i]n addition to any other civil penalties provided by law, any employer or any other person acting on behalf of the employer who violates, or causes to be violated, the provisions of this order, shall be subject to the civil penalty...for each underpaid employee for each pay period during which the employee was underpaid”).

In addition, based on information and belief, EMPLOYER failed to maintain accurate records of used sick leave and the balance of paid sick leave left to similarly situated and aggrieved employees throughout the relevant time period.

Throughout the relevant time period, based on information and belief, EMPLOYER failed to provide notice of sick leave amount balance left for COMPLAINANT and all similarly situated and aggrieved employees, and thus affected their intelligent exercise of their paid sick leave.

But for this failure, COMPLAINANT and all similarly situated and aggrieved employees would have used their paid sick leave at least prior to their respective separation, for as on several occasions thereafter, he or she would have been entitled to use the banked sick leave and earn appropriate compensation.

This illegal retention of paid sick leave is unlawful, and COMPLAINANT seeks all forms of injunctive relief, restitution, and declaratory relief as permitted by California law, on behalf of COMPLAINANT and all similarly situated and aggrieved employees.

In violation of Labor Code section 247.5, EMPLOYER failed to maintain records documenting the hours worked and paid sick days accrued and used by COMPLAINANT and all similarly situated and aggrieved employees, permitting the presumption that COMPLAINANT and all similarly situated and aggrieved employees were entitled to the maximum number of hours accruable under this article.

Upon information and belief, EMPLOYER further failed and continues to fail to comply with Labor Code section 246, by failing to provide COMPLAINANT and all similarly situated and aggrieved employees with a Labor Code section 226 wage statement, or separate writing containing the amount of paid sick leave available, or paid time off leave an employer provides in lieu of sick leave, at the time it pays wages.

EMPLOYER also unlawfully retained and continues to retain paid sick leave that should have been paid and was not because of EMPLOYER's failure to properly institute a paid sick leave program.

On information and belief, COMPLAINANT alleges that all of these practices were experienced and continue to be experienced by similarly situated and aggrieved employees.

COMPLAINANT requests all appropriate relief under the PAGA and these statutes, including but not limited to the restitution of earned paid sick leave that could have been used, but was not due to EMPLOYER's sole failure to institute such a paid sick leave entitlement or paid sick leave bank as required by California law.

Accordingly, COMPLAINANT and similarly situated and aggrieved employees are entitled to injunctive relief, attorney's fees, declaratory relief, restitution, and penalties as permitted by law. COMPLAINANT requests all relief pursuant to the aforementioned code provisions, including but

not limited to Labor Code sections 233 and 234, which incorporates the paid sick leave requirements.

Refusal to Make Payment: Labor Code section 216 declares unlawful an employer's refusal to pay wages due and payable and/or denial of the validity of any claim to wages due.

EMPLOYER violated and continues to violate Labor Code section 216 by failing to pay COMPLAINANT and all similarly situated and aggrieved employees for all hours worked at the proper wage rate and by failing to pay COMPLAINANT and all similarly situated and aggrieved employees an additional hour of pay for each meal or rest period not provided or that was invalid. *Gould v. Maryland Sound Industries, Inc.* (1995) 31 Cal.App.4th 1137, 1154-1155.

These violations subject EMPLOYER to civil penalties under Labor Code section 225.5. Each violation results in a *separate* civil penalty, for each aggrieved employee, for each pay period during which the statute provisions were violated.⁶

Wage Statement Violations: California law requires every employer semi-monthly or at the time of each payment of wages to furnish each of his or her employees with an accurate itemized wage statement in writing that contains the following: (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; (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. Cal. Lab. Code. section 226.

As EMPLOYER failed to provide COMPLAINANT and similarly situated and aggrieved employees with lawful meal and rest periods and premium wages, the wage statements EMPLOYER issued to COMPLAINANT and non-exempt aggrieved employees fail to correctly set forth (a) the gross wages earned, in violation of Labor Code section 226(a)(1); (b) the total hours worked by the employee in violation of Labor Code section 226(a)(2); (c) the net wages earned, in violation of Labor Code section 226(a)(5); and (d) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee, in violation of Labor Code section 226(a)(9).

Separately, EMPLOYER failed to list all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by similarly situated and aggrieved employees, in violation of Labor Code section 226(a)(9). Based on information and

⁶ Labor Code section 225.5 (establishing that “[i]n addition to, and entirely independent and apart from, any other penalty provided in this article, every person who unlawfully withholds wages due any employee in violation of sections 212, 216, 221, 222, or 223 shall be subject to a civil penalty...for each failure to pay each employee”) (emphasis added).

belief, EMPLOYER failed to list any overtime rate(s) at all and/or EMPLOYER failed to incorporate all forms of non-discretionary compensation earned during the pay period into the overtime pay rate calculation, and as such, failed to display the proper overtime rate(s) for each hour of overtime worked by similarly situated and aggrieved employees, in violation of Labor Code section 226(a)(9).

Employer's failure to accurately list all hours worked and all applicable hourly rates in effect during the pay period on all wage statements caused confusion to COMPLAINANT and caused and continues to cause confusion to the similarly situated and aggrieved employees over whether they received all wages owed to them. COMPLAINANT and similarly situated and aggrieved employees were injured by EMPLOYER's failure to provide accurate wage statements.

Because of the violations detailed above, including but not limited to, not paying regular and overtime wages for all hours worked and failing to provide meal and rest break premiums, EMPLOYER violated California Labor Code section 226 by willfully failing to furnish COMPLAINANT and all similarly situated and aggrieved employees with accurate, itemized wage statements.

Separately, based on information and belief, EMPLOYER issued wage statements to COMPLAINANT and similarly situated and aggrieved employees that failed to list the correct name and/or address of the legal entity that is the employer, in violation of Labor Code section 226(a)(8). As a result, the wage statements provided to COMPLAINANT and similarly situated and aggrieved employees that were not accurate and did not include all of the statutorily required information, including but not limited to the name and address of the legal entity that is the employer.

These violations subject EMPLOYER to civil penalties under Labor Code section 226. Each violation results in a *separate* civil penalty, for each aggrieved employee, for each pay period during which the statute provisions were violated.⁷

Semimonthly Payment Violations: Labor Code section 204 requires that all earned wages must be paid to employees twice during each calendar month. EMPLOYER violated this section by failing to pay similarly situated and aggrieved employees for all hours worked and by failing to pay proper premium wage rates for all hours worked. These violations subject EMPLOYER to civil penalties under Labor Code section 210. Each violation results in a separate civil penalty, for each aggrieved employee for each pay period during which the statute provisions were violated.

Standard Conditions of Labor Violations: Together, Labor Code sections 1198 and 1199 make unlawful any employment of any employee under conditions of labor prohibited by the Wage Orders, and any violation, refusal, or neglect to comply with any provision within Part 4, Chapter 1 of the Labor Code, including sections 1174, 1197, and 1198, or order or ruling of the commission.

⁷ See Lab. Code section 226.3 (establishing that the civil penalty is "per employee per violation").

Therefore, EMPLOYER's violations with respect to meal periods, rest periods, recordkeeping provisions, unreimbursed business expenses, minimum wages and overtime wages result in separate violations of sections 1198 and 1199, which subject EMPLOYER to civil penalties under Labor Code sections 1197.1 and 2699.

Unlawful Deductions: Labor Code section 221 prohibits an employer from "collect[ing] or receiv[ing] from an employee any part of wages theretofore paid by said employer to said employee." Based on information and belief EMPLOYER made unlawful deductions from similarly situated and aggrieved employees' paychecks during the relevant period, including but not limited to deducting costs advanced by EMPLOYER from similarly situated and aggrieved employees' final paychecks as well as deductions for purported overpayments from prior pay periods and/or deductions for negligently broken/damaged company property. Such a practice is in violation of including but not limited to, Labor Code Sections 221-222 which subjects EMPLOYER to civil penalties under Labor Code Section 2699.

Each violation results in a *separate* civil penalty, for each aggrieved employee, for each pay period during which the statute provisions were violated. See Lab. Code §225.5 (establishing that "[i]n addition to, and entirely independent and apart from, any other penalty provided in this article, every person who unlawfully withholds wages due any employee in violation of Section 212, 216, 221, 222, or 223 shall be subject to a civil penalty...for each failure to pay each employee").

Statutory Wage Violations: California Labor Code section 223 makes it unlawful for an employer to secretly pay wages lower than required by statute while purporting to pay legal wages.

As described above, EMPLOYER willfully and systematically denied COMPLAINANT and similarly situated and aggrieved employees minimum wage and overtime compensation which resulted in the payment of less than statutorily required wages to them. EMPLOYER acted with the intent to deprive them of statutory wages, including, but not limited to, overtime wages and minimum wages, to which they were entitled to under California law.

Thus, EMPLOYER paid COMPLAINANT and the other aggrieved employees lower wages than those they were entitled to while purporting that COMPLAINANT and the other aggrieved employees were properly paid. COMPLAINANT and all aggrieved employees are entitled to recover penalties, attorney's fees, costs, and interest thereon, pursuant to Labor Code section 2699(f)-(g).

Failure to Pay Vested Vacation/Paid Time Off:

California Labor Code section 227.3 provides that when an employer policy provides for paid vacations and/or paid time off, and an employee is terminated without having taken off his, her, or their vested vacation time, all vested vacation shall be paid to the employee as wages at the employee's final rate in accordance with such contract of employment or employer policy respecting eligibility or time served and that there shall be no forfeiture of vested vacation time or paid time off upon termination. Based on information and belief, EMPLOYER had and continues

to have a uniform policy and practice of failing to allow aggrieved employees to use their earned vacation/paid time off during their employment and/or failing to pay all vested, accrued paid time off to aggrieved employees upon separation of employment, in violation of California law, including but not limited to, Labor Code section 227.3.

Final Pay Violations: Labor Code section 201 requires employers to pay all wages earned and unpaid at the time of discharge, immediately upon discharge. California Labor Code section 201(a) provides, in relevant part, that “[i]f an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately.” California Labor Code section 202(a) provides, in relevant part, that “[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, unless the employee has given 72 hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.” Pursuant to Labor Code section 203, an employer that willfully fails to pay wages due an employee who is terminated or resigns must pay (in addition to the unpaid wages) a penalty equal to the employee's daily wages for each day, not exceeding 30 days, that the wages are unpaid. This 30-day waiting time penalty is recoverable under the PAGA via Labor Code Section 256. See, *Iskanian v. CLS Transportation Los Angeles, LLC*, 59 Cal.4th 348 (2014); see also, *Caliber Bodyworks, Inc. v. Superior Court*, 134 Cal. App. 4th 365 (2005).

Based on information and belief, EMPLOYER failed to timely pay similarly situated and aggrieved employees all wages that were due and owing upon termination or resignation. Based on information and belief, EMPLOYER provides final wages to similarly situated and aggrieved employees on the regular pay day without regard to the timing requirements of Labor Code sections 201-202.

Upon separation of employment, similarly situated and aggrieved employees’ and similarly situated and aggrieved employees’ final paychecks were not timely provided and/or were not timely provided with all owed vacation pay. Moreover, similarly situated and aggrieved employees’ final paychecks, once provided, did not include all wages owed as they were devoid of, including but not limited to, all owed minimum wages, overtime wages, premium wages, vacation pay, and all owed sick leave and/or paid time off wages at the properly accrued rates.

These violations subject EMPLOYER to civil penalties under Labor Code sections 203, 210, and/or 256. Each violation results in a *separate* civil penalty, for each aggrieved employee for each pay period during which the statute provisions were violated.⁸

Business Expense Violations: California law requires employers to indemnify their employees for all necessary expenditures incurred by the employee in direct consequence of the discharge of their duties or of their obedience to the directions of the employer. See Cal. Lab. Code § 2802(a) and all applicable Wage Orders, § 9 (b). Furthermore, “for purposes of [section 2802], the term

⁸ (establishing that “[i]n 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, 205, 205.5, 1197.5, shall be subject to a civil penalty...for each failure to pay each employee”).

‘necessary expenditure or losses’ shall include all reasonable costs, including, but not limited to, attorneys’ fees incurred by the employee enforcing the rights granted by this section.”

Among other things, under California law, when tools or equipment are required by the employer or are necessary to the performance of a job, such tools and equipment shall be provided and maintained by employer, except that an employee whose wages are at least two (2) times the minimum wage provided herein may be required to provide and maintain hand tools and equipment customarily required by the trade or craft. *See* applicable IWC Wage Order, § 9 (b).

Among other things, under California law, when employees must use their personal cellphones for work-related purposes, the employer must reimburse them for a reasonable percentage of their cell phone bills. *See Cochran v. Schwan’s Home Services, Inc.* (2014) 228 Cal.App.4th 1137, 1140. To show liability, an employee will only need to show that he or she was required to use their personal cellphone for work-related purposes and not reimbursed for the use. *Id.* 1144-1145. California law also requires employers to reimburse employees for automobile expenses incurred for the business use of personal vehicles, such as for mileage, gas, and the wear and tear on the vehicle. *See Gattuso v. Harte-Hanks Shoppers, Inc.* (2007) 42 Cal.4th 554. Further, “any contract or agreement, express or implied, made by any employee to waive the benefits of this article or any part thereof, is null and void, and this article shall not deprive any employee or his personal representative of any right or remedy to which he is entitled to under the laws of this State.” *See* Cal. Lab. Code § 2804.

COMPLAINANT and similarly situated and aggrieved employees were improperly required to provide and maintain work tools that are supposed to be the responsibility of EMPLOYER.

At all relevant times hereto, EMPLOYER shifted its costs of doing business onto COMPLAINANT and similarly situated and aggrieved employees by requiring them to pay for its business expenses, including but not limited to, use of COMPLAINANT’s and similarly situated and aggrieved employees’ personal mobile phone/mobile device and costs associated with the purchase and/or maintenance of work uniforms/clothing and protective gear. For example, at times, COMPLAINANT received work-related calls and messages to his personal phone from managers and/or supervisors, including but not limited to, regarding scheduling/other work tasks, and purchased his own face masks. COMPLAINANT was not reimbursed for these business expenses.

Based on information and belief, EMPLOYER did not reimburse similarly situated and aggrieved employees for the cost of undergoing EMPLOYER-mandated covid testing, including but not limited to purchasing the test, and/or the cost of traveling and/or using a personal vehicle to and from a testing site.

As a pattern and practice, EMPLOYER regularly failed to reimburse and indemnify COMPLAINANT and similarly situated and aggrieved employees for business expenses. Pursuant to California Labor Code section 2802, COMPLAINANT and similarly situated and aggrieved

employees were entitled to be reimbursed for all reasonable expenses associated with carrying out orders by their EMPLOYER and/or carrying out the duties assigned by EMPLOYER.

EMPLOYER's failure to provide COMPLAINANT and similarly situated and aggrieved employees with full reimbursement for all reasonable expenses associated with carrying out their duties required that COMPLAINANT and similarly situated and aggrieved employees subsidize and/or carry the burden of business expenses in violation of Labor Code section 2802.

Unlawful Agreements/ Unlawful Criminal and Financial Background Checks:

Unlawful Financial and Criminal Background Checks:

The California Labor Code places certain procedural and substantive limits on employers' ability to conduct employee background checks and on how employers can use the information they obtain through those background checks. Labor Code section 1024.5 states that employers, except for financial institutions, may order a credit check only if the individual works (or is applying to work) in certain positions (e.g., managerial positions, financially-related positions, and certain government positions). Additionally, the Investigative Consumer Reporting Agencies Act (ICRAA- CA Civil Code section 1786, *et seq.*) and the Fair Credit Reporting Act (FCRA - 15 U.S.C. section 1681, *et seq.*) mandate several requirements prior to and following an employee background check, including but not limited to identifying an appropriate reason for the background check, a separate consent form with required disclosures and certain formatting requirements, additional forms such as a summary of rights, a way by which to request a copy of the report, as well as proper notice of adverse actions taken, among other statutory requirements.

Based on information and belief, EMPLOYER ordered unlawful financial credit checks on similarly situated and aggrieved employees, in violation of Labor Code section 1024.5, and required similarly situated and aggrieved employees to provide ongoing written consent to the unlawful credit checks as a condition of employment, in violation of California and Federal law, which results in a further violation of Labor Code section 432.5.

Based on information and belief, EMPLOYER required similarly situated and aggrieved employees to submit and/or agree to submit in writing to unlawful criminal background checks as a condition of obtaining and/or holding employment in violation of the ICRAA and the FCRA.

Based on information and belief, EMPLOYER required COMPLAINANT and similarly situated and aggrieved employees to agree in writing to a background check which failed to abide by the requirements set forth in CA Civil Code section 1786, *et seq.* and 15 U.S.C. section 1681, *et seq.*, including but not limited to by failing to provide a clear and conspicuous disclosure, failing to provide disclosures free of extraneous information, failing to provide a lawful purpose for the background check, failing to provide a summary of rights under the ICRAA and/or the FCRA, failing to provide a way by which the individual could request a copy of the report, and failing to properly obtain authorization or consent to such a background check, and thus was an unlawful background check.

By requiring similarly situated and aggrieved employees to agree in writing to unlawful criminal and/or financial checks not in conformance with the applicable laws, EMPLOYER also violated Labor Code section 432.5.

Based on further information and belief, EMPLOYER also required similarly situated and aggrieved employees to agree in writing to provide ongoing consent to EMPLOYER to conduct background checks throughout the duration of employment, in violation of the ICRAA and/or FCRA and/or other applicable laws, resulting in a further violation of Labor Code section 432.5, by requiring applicants and employees to agree to an unlawful provision as a condition of employment.

Based on further information and belief, EMPLOYER knew that requiring similarly situated and aggrieved employees to agree to these unlawful criminal and/or financial background checks as a condition of obtaining and/or holding employment was unlawful.

By having similarly situated and aggrieved employees sign off on the illegal background and financial checks, EMPLOYER also violated Labor Code section 432.5 (stating that “no employer...shall require any employee or applicant for employment to agree, in writing, to any term or condition which is known by such employer...to be prohibited by law.”).

Unlawful Inquires into Criminal History

Labor Code section 432.7 prohibits an employer from asking applicants about past arrest(s) unless they resulted in conviction(s) and even then, certain limitations apply. Based on information and belief, EMPLOYER asked similarly situated and aggrieved employees about arrests not resulting in convictions on its employment application, in violation of California law.

Upon information and belief, EMPLOYER, in violation of California law, including but not limited to the Fair Chance Act/the California Fair Employment and Housing Act (“FEHA”), asked similarly situated and aggrieved employees about convictions prior to extending an offer of employment and/or otherwise impermissibly inquired into criminal history on its employment application in violation of California law.

By asking about arrests not resulting in convictions, EMPLOYER violated Labor Code 432.7. By asking about convictions at the application phase or prior to extending an employment offer, EMPLOYER violated California’s Fair Chance Act, and thereby violated Labor Code 432.5 by unlawfully requiring similarly situated and aggrieved employees to agree in writing to disclose arrests and/or convictions as a condition of employment.

As such, similarly situated and aggrieved employees continue to be subject to various unlawful provisions as a condition of employment.

Conclusion

Labor Code section 2810.3 requires that a complainant send a certified letter (i.e. this NOTICE) to the client employer in question, setting forth the claims for nonpayment of wages and the basis for those claims that are subject to Labor Code section 2810.3, at least thirty days prior to the filing of an action against the client employer. COMPLAINANT will seek all unpaid wages as permitted by Labor Code Section 2810.3 on behalf of COMPLAINANT and similarly situated and aggrieved employees in accordance with Labor Code section 2810.3 for the above violations.

The purpose of this NOTICE is to satisfy the requirement created by Labor Code section 2810.3, prior to seeking damages, penalties and premium wages allowed by law for the aforementioned statutory violations in a civil action.

Thank you for your attention to this matter. If you have any questions, please contact me at the phone number or address below:

Zachary Crosner
Crosner Legal, PC
9440 Santa Monica Blvd., Ste. 301
Beverly Hills, CA 90210
Main: 310.496.5818
Fax: 310.510.6429
Email: zach@crosnerlegal.com

Best Regards,

A handwritten signature in black ink that reads "Zachary M. Crosner". The script is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Zachary M. Crosner, Esq.
CROSNER LEGAL, PC



Alberto Villavicencio <alberto@crosnerlegal.com>

Thank you for submission of your PAGA Case.

1 message

LWDA DO NOT REPLY <lwdadonotreply@dir.ca.gov>

Tue, May 31, 2022 at 3:39 PM

To: "alberto@crosnerlegal.com" <alberto@crosnerlegal.com>

5/31/2022

LWDA Case No. LWDA-CM-886540-22

Law Firm : Crosner Legal

Plaintiff Name : Oscar Barajas

Employer: CPC LOGISTICS SOLUTIONS, LLC

Filing Fee : \$75.00

IFP Claimed : No

Item submitted: Initial PAGA Notice

Thank you for your submission to the Labor and Workforce Development Agency. Please make a note of the LWDA Case No. above as you may need this number for future reference when filing any subsequent documents for this Case.

If you have questions or concerns regarding this submission or your case, please send an email to pagainfo@dir.ca.gov.

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website: http://labor.ca.gov/Private_Attorneys_General_Act.htm

Exhibit 4