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LUIS EDUARDO ALVARADO HERNANDEZ

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SANTA CLARA

(UNLIMITED JURISDICTION)

LUIS EDUARDO ALVARADO HERNANDEZ,

Plaintiff,

vs.

DUMPLING CAPITAL LLC; DUMPLING DEPOT LLC; DUMPLING CITY LLC; DUMPLING GARDEN LLC; KENNY QIU; and DOES 1 to 25, inclusive,

Defendants.

Case No.: 25CV462575

[Assigned for all purposes to Honorable Theodore C. Zayner]

DECLARATION OF HAROUT MESSRELIAN IN SUPPORT OF UNOPPOSED MOTION FOR APPROVAL OF PAGA SETTLEMENT

[Filed Concurrently with Notice of Motion, Memorandum of Points and Authorities, Declaration of Michael Moore, and Proposed Order]

Hearing Date: April 28, 2027
Time: 1:30 p.m.
Department: 19

Complaint Filed: April 2, 2025

DECLARATION OF HAROUT MESSRELIAN

I, Harout Messrelian, declare as follows:

1. I am an attorney duly licensed to practice before all the Courts of the State of California. I am the managing attorney of Messrelian Law Inc. and the attorney of record for Plaintiff LUIS EDUARDO ALVARADO HERNANDEZ ("Plaintiff") in his lawsuit against DUMPLING CAPITAL LLC, DUMPLING DEPOT LLC, DUMPLING CITY LLC; DUMPLING GARDEN LLC, and KENNY QIU (hereinafter collectively "DUMPLING CAPITAL" or "Defendants").

2. I am experienced in handling employment law matters and specifically wage and hour representative and individual actions. My qualifications are as follows: I received my JD from Loyola Law School in 2010. I started my own law firm in 2011 – the Law Offices of Harout Messrelian. Since 2016, I have been the founder and principal attorney at Messrelian Law, Inc. Since 2011, I have filed and handled over 350 civil actions and/or claims involving representative actions under the Private Attorneys General Act ("PAGA") and/or wage and hour claims on behalf of my clients and have been designated lead Class Counsel or co-lead Class Counsel on the following cases:

a. *Zohrab Mekhitarian v. Triple Play Motors dba Bob Smith Toyota*, Los Angeles Superior Court, Case No. 19STCV22411 (ADR Services, Inc., Case Number 20-2668-RWT);

b. Carina Camberos, on behalf of herself and others similarly situated, v. Great American Chicken Corp, Inc., Los Angeles Superior Court, Case No. 21STCV32015;

c. Robert Garcia, on behalf of himself and others similarly situated v. HD Supply Management Inc., San Bernardino Superior Court Case No. CIVSB2028067;

d. *Alfredo Betancourt v. L3 Technologies, Inc.*, San Mateo County Superior Court, Case No. 23-CIV-05704;

e. *Mario Cabral v. Sentry Insurance Company*, Los Angeles County Superior Court, Case No. 22STCV21484;

f. Jenica Cole et al v. Strategic Green Partners LLC, et al., Yolo County Superior Court, Case No. CV2021-0426;

g. *Thomas Brown, et al. v. Fidelity Security Services, Inc.*, Los Angeles County Superior Court, Case No. 21STCV31617;

h. *Steven Arreola, et al. v. JBT Aerotech Corporation, et al.*, San Bernardino County Superior Court, Case No. CIVSB2407032;

i. Noe Sandoval-Orozco v. Northwest Landscape Maintenance Company, Santa Clara County Superior Court, Case No. 24CV445484;

j. *Gregorio Regalado, et al. v. R.A.H. Industries, Inc.*, Los Angeles County Superior Court, Case No. 24STCV00839;

k. *Michael Walker, et al. v. Life Alert Emergency Response, Inc.*, Los Angeles County Superior Court, Case No. 23VECV02182;

l. *Joanna Ramirez v. The Village Family Services, Inc.*, Los Angeles County Superior Court, Case No. 24STCV07214;

m. *Aurora Garcia Jimenez, et al. v. Kind Op Corp., et al.*, Monterey County Superior Court, Case No. 22CV001723;

n. *Guadalupe Perez v. Spacetel LLC*, Santa Clara County Superior Court, Case No. 22CV397513; and

o. *Tannia Ayala v. RHR California Services, L.L.C., et al.*, San Mateo County Superior Court, Case No. 23-CIV-02830.

I have a practice that encompasses cases in the Los Angeles Superior Courts, the Orange County Superior Courts, the Riverside County Superior Courts, the San Bernardino County Superior Courts, the Alameda County Superior Courts, Santa Clara County Superior Courts, San Mateo County Superior Courts, and the Monterey County Superior Courts.

3. Except as otherwise indicated, I have personal knowledge of all matters set forth herein and, if called as a witness, could and would competently testify thereto under oath.

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Factual and Procedural Background

4. Defendants are in the restaurant business and operate Dumpling Restaurants/Take Outs in the San Francisco Bay Area, California. Plaintiff was classified as a non-exempt, hourly employee and worked for Defendants as a prep/washer from October 5, 2024 until January 3, 2025.

5. Plaintiff complied with the procedures of Labor Code section 2699.3 for bringing suit under the Labor Code Private Attorneys General Act of 2004, Labor Code sections 2698, et seq. ("PAGA"). On January 17, 2025, Plaintiff on behalf of himself and Defendants' California non-exempt employees (hereafter collectively the "Aggrieved Employees") gave written notice by electronic service to the California Labor and Workforce Development Agency ("LWDA") and via certified mail to Defendants of their claims against Defendants. In his notice to the LWDA, Plaintiff asserted on behalf of himself and the Aggrieved Employees that Defendants (1) failed to compensate for all hours worked and to pay minimum wages (Labor Code sections 1194, 1194.2, 1197, 1197.1); (2) failed to pay overtime compensation (Labor Code section 510); (3) failed to provide rest breaks (Labor Code section 226.7); (4) failed to provide meal breaks (Labor Code sections 512, 226.7); (5) failed to timely pay wages due during employment (Labor Code section 204); (6) failed to provide accurate itemized wage statements (Labor Code section 226); (7) failed to keep accurate and complete payroll records (Labor Code section 1174/1174.5); (8) failed to pay wages at the end of employment (Labor Code section 203); (9) failed to reimburse business expenses (Labor Code section 2800/2802); (10) failed to provide sick pay (Labor Code section 233/246); (11) unlawfully took, collected, or deducted gratuities owed to employees (Labor Code sections 351, 353); and (12) failed to provide suitable seating/rest facilities (Wage Order No. 5). Attached as **Exhibit 2** to this Declaration is a true and correct copy of Plaintiff's January 17, 2025 LWDA PAGA Notice. Plaintiff filed his initial lawsuit on April 2, 2025, in the Superior Court for the State of California, County of Santa Clara, Case No. 25CV462575, with one cause of action for PAGA penalties based on the theories as outlined in the PAGA letter.

6. Through informal discovery, Defendants produced records and represented that

it employed approximately 100 employees falling within the Aggrieved Employees definition for the sample period from January 17, 2024, through August 1, 2026, and that there are paychecks issued for a total of approximately 2,000 employee pay periods worked for that same time period.

7. The Settlement Agreement covers Aggrieved Employees, who are all current and former non-exempt employees of Defendants within the State of California during the PAGA Period from January 17, 2024, through August 1, 2026.

8. Defendants deny any liability or wrongdoing of any kind whatsoever associated with the lawsuit and the Representative PAGA Claim. It is the desire of the Parties to fully, finally, and forever compromise, and discharge all claims known or unknown related to those alleged in Plaintiff's lawsuit.

9. The Parties reached a settlement through direct, arm's-length negotiations between counsel. Before agreeing to the terms of the Settlement, the Parties engaged in informal discovery regarding Defendants' policies, practices, operations, time and payroll information and other topics. Prior to settlement, Defendants produced Plaintiff's personnel file, time and payroll data for Plaintiff, and time records and payroll records for Aggrieved Employees through the informal discovery process referenced above. Through extensive arm's length negotiations and only after discovery and investigation were performed, the Parties agreed to settlement terms. Attached as **Exhibit 1** is a true and accurate copy of "PAGA Settlement Agreement/Stipulation of Settlement" (the "Settlement Agreement") along with a true and correct copy of the notice that will be sent, with payment, to the Aggrieved Employees (Attached as Exhibit A to the Settlement Agreement). As alluded to above, the Parties negotiated the PAGA claims through direct, arm's-length negotiations between counsel and reached the Settlement only after sufficient discovery and investigation had been completed, including review and analysis of the data produced by Defendants.

10. The Parties conducted investigation of the facts and law both before and after the lawsuit was filed. Counsel for the Parties have further investigated the applicable law as applied to the facts discovered regarding Plaintiff's claims, the defenses thereto, and the Labor

Code violations claimed by Plaintiff. Based on their own independent investigations and evaluations, I am of the opinion that the Settlement for the consideration and on the terms set forth in this Motion are fair, reasonable and adequate and are in the best interests of Plaintiff, the Aggrieved Employees, and Defendants in light of all known facts and circumstances and the risks inherent in litigation, especially in this post-pandemic era when most California businesses are still struggling to remain afloat, much less prosper and make a large profit.

11. The Parties further recognize that the issues presented in the Action are likely only to be resolved with extensive and costly pretrial and trial proceedings, and that further litigation will cause inconvenience, distraction, disruption, delay, and expense disproportionate to the maximum potential benefits, especially in light of the post-pandemic era and the business climate.

12. Plaintiff alleges that the strongest claims are that Plaintiff and other Aggrieved Employees were not provided meal breaks and rest breaks under the law.

13. Plaintiff contends that the civil penalty statutes applicable to the Action arise from violations of the California Labor Code, including, but not limited to, Labor Code sections 226.7, 512, 558, and 2699(f)(2). Under these civil penalty statutes, an employee who suffers a Labor Code violation may be awarded a sum of money for each pay period in which he or she was underpaid. However, under Labor Code section 2699(e)(2), the Court can reduce an award of civil penalties if the award is unjust, arbitrary, oppressive, or confiscatory.

14. As it relates to Plaintiff's argument for meal break violations, Plaintiff's data analysis revealed a meal period shift violation rate of 14.5% for short, late, or no meal breaks for shifts that were 6 hours or greater. The data revealed that 97.5% of shifts in the sample were 6 hours or greater. Extrapolated to the pay period level, the meal period violation rate for shifts over 6 hours was 57.1%. As such, the maximum exposure for meal period violations in the sample period, which Plaintiff understands Defendants dispute, would be $57,100, which is calculated as follows: 57.1% x 2,000 employee pay periods equals 1,142 affected pay periods; 1,142 employee pay periods x $50/pay period (civil penalty) amounts to **$57,100** in exposure. Defendants did not pay meal period premiums during the PAGA Period and Plaintiff

recognizes that the meal period waivers for sub-six-hour shifts, the very low over-six-hour violation rate, and the individualized and manageability concerns substantially discount this claim. Defendants contend that, to establish a violation for missed meal periods, Plaintiff must do more than show that a meal break was not taken, and determining the exact reasons why a meal period appears to be short, late, or not taken would present manageability problems.

15. As it relates to Plaintiff's argument for rest break violations, Plaintiff's data analysis revealed that 99.7% of shifts in the sample were greater than 3.5 hours such that a rest break was owed. Rest periods are not subject to the meal period waivers and are triggered for shifts over 3.5 hours. Defendants' records reflect that no rest period premiums were ever paid to any Aggrieved Employee, and rest breaks were not tracked. Thus, the maximum exposure for rest break violations would be $199,400, which is calculated as follows: 99.7% x 2,000 total employee pay periods equals 1,994 affected pay periods x $100/pay period (civil penalty) amounts to $199,400 in exposure. This figure does not account for the substantial risks to the rest break claim, including that rest breaks were not tracked on paper, that Defendants maintained compliant written rest period policies, and that the claim presents manageability and individualized-inquiry concerns. Applying a 75% discount for these risks, the realistic rest break exposure would be **$49,850**.

16. As it relates to Plaintiff's other claims, there would be substantial issues with proof. As it relates to straight overtime, Plaintiff's expert determined that the average shift in the sample was 8.7 hours and that 338 of 360 shifts, or 93.9%, exceeded 8 hours. Plaintiff's expert analyzed Defendants' payroll records against the corresponding time records and determined that Defendants appear to have paid all hours over 8 in a workday at 1.5 times the base hourly rate, all hours over 40 in a workweek at 1.5 times the base hourly rate, and all hours over 12 in a workday at 2 times the base hourly rate, and further appear to have paid the greater of daily or weekly overtime in each workweek. Plaintiff therefore did not identify any quantifiable overtime underpayment in the sample. As it relates to rounding and time shaving, Plaintiff's expert observed no rounding or time shaving, as Defendants' payroll records reflect hours worked to the second decimal point consistent with the time records. As it relates to the

regular rate of pay, no bonus, commission, incentive, or shift-differential payments were observed in the data produced, and Plaintiff was accordingly unable to identify any regular rate underpayment.

17. As it relates to Plaintiff's claim of business expense reimbursement, Defendants argue that there is no evidence that employees were required to use a personal cell phone to effectuate their job duties at a Chinese restaurant, that any such use was a matter of personal preference, and that the uniforms worn were not of a distinct style or color so as to warrant reimbursement.

18. Based on the above calculations, Plaintiff's aggregate maximum exposure for the strongest disputed claims, which again Plaintiff understands Defendants dispute, would be **$256,500**. After accounting for the meal period waivers and applying the 75% risk discount to the rest break exposure, Plaintiff's realistic exposure is **$106,950**. Assuming that Plaintiff's calculations and analysis are accurate, the maximum exposure presumes that the Court will not reduce the penalty award as unjust, arbitrary, oppressive, or confiscatory. Based on the above analysis, and in light of the risk factors discussed above, a gross settlement in the amount of $40,000 is a very strong result.

19. Moreover, Plaintiff is aware of no California state courts awarding Plaintiff multiple PAGA penalties for the same violation for the same pay period under different Labor Code provisions. As such, one of the risks Plaintiff faces is that the Court would refuse to "stack" civil penalties arising under the various Labor Code statutes. Furthermore, judges have awarded extremely small sums to PAGA claimants in the past. Defendants also adamantly dispute all of Plaintiff's allegations in the operative Complaint.

20. PAGA states a court has discretion to award a lesser amount than the maximum penalty. *See* Lab. Code § 2699(e)(2) ("…a court may award a lesser amount than the maximum civil penalty amount specified by this part if, based on the facts and circumstances of the particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory."); *see also Thurman v. Bayshore Transit Management, Inc.*, 203 Cal. App. 4th 1112, 1135 (2012) (reducing PAGA award). There is a substantial risk that the

Court could reduce civil penalties to an insignificant amount if it is unpersuaded by Plaintiff's evidence of willful and intentional conduct. In *Carrington v. Starbucks*, the Court of Appeal affirmed a trial court's heavily discounted award of only $5 per violation because it was within the Court's discretion to significantly reduce PAGA penalties even when there is a finding that a violation of the California Labor Code occurred. *Carrington v. Starbucks*, 30 Cal. App. 5th 504 (2018). The plaintiff in *Carrington* had requested penalties in excess of $70 million and was successful in proving the PAGA claim during a bench trial. However, the trial court reduced the total award after trial to only $150,000 (30,000 violations x $5) and stated that this reduction was warranted because imposing the maximum penalty would be "unjust, arbitrary, and oppressive", based on Starbucks's "good faith attempts" to comply with meal break obligations and because the Court found the violations were minimal. Applying the same formula here and assuming there was one violation during each pay period, the award of civil penalties could not exceed $10,000 in PAGA penalties (2,000 violations x $5). As such, this Settlement is a great result based solely on the risk the Court chooses to apply the *Carrington* formula. Defendants have also provided defenses to the Labor Code claims underlying Plaintiff's allegations. Thus, the chance of Plaintiff recovering a higher amount than the Gross Settlement Amount is uncertain.

21. The Parties further recognize that the issues presented in the Action are likely only to be resolved with extensive and costly pretrial and trial proceedings, and that further litigation will cause inconvenience, distraction, disruption, delay, and expense disproportionate to the maximum potential benefits to the Aggrieved Employees and Plaintiff from continued litigation.

22. The settlement of the Action involves monetary relief to all Aggrieved Employees, Plaintiff, his attorneys, and the State of California.

23. Furthermore, Plaintiff recognizes that continued litigation presents significant risks that support a significant downward departure from Plaintiff's estimated civil penalties amount. In view of the risks, the Settlement represents a fair, adequate, and reasonable compromise amount for these claims and is in the best interest of Plaintiff and Aggrieved

Employees and thus, warrants approval. *See Laguna v. Coverall N. Am., Inc.*, 762 F.3d 902 (9th Cir. 2014). The PAGA settlement and its terms are fair, just, reasonable, adequate, and equitable to Plaintiff, the aggrieved employees, and the State, especially in light of the current economic climate, and are the product of good faith, and informed arms-length negotiations between the Parties consistent with public policy and fully comply with applicable provisions of law.

24. The Net Settlement Amount of PAGA penalties in the gross sum of $40,000, of which 65% of the net amount after attorney's fees [$13,333.33], attorney costs [$3,364.80], and settlement administrator fees [$4,017.65], which is $12,534.74 will be paid to the LWDA, and 35%, which equates to $6,749.48, will be distributed to the Aggrieved Employees, is reasonable and appropriate under the circumstances. With a total of 100 Aggrieved Employees, the average estimated individual PAGA payment for each Aggrieved Employee is $67.49 (35% of the estimated Net Settlement equating to $6,749.48 as noted above / 100 Aggrieved Employees). This is a great result given the uncertainties of litigation.

Plaintiff's Individual Settlement

25. Plaintiff served as the PAGA representative in this Action and received an individual settlement consideration as part of the Parties' settlement. The Parties agreed that the consideration Plaintiff received pursuant to an individual settlement agreement was in exchange for a release of his individual claims. As part of this confidential agreement, Plaintiff also provided Defendant with a general release of all claims, whether known or unknown, including unknown claims covered by Civil Code Section 1542. Plaintiff has no conflict of interest with the absent Aggrieved Employees and is adequate to represent the Aggrieved Employees.

Attorneys' Fees and Costs

26. I represent Plaintiff on a straight contingency basis. My firm's request for $13,333.33 [1/3 of the GSA] in attorney fees and $3,364.80 in litigation costs is fair and reasonable. To date, I have investigated and prosecuted this matter vigorously, including drafting the initial PAGA notice as well as the original complaint; reviewing Defendants'

informal data and document production; sending and receiving emails on the case with defense counsel; sending the PAGA data to Plaintiff's expert for review/analysis and reviewing the expert's findings/conclusions; engaging in a settlement negotiations with opposing counsel; and drafting this PAGA approval motion. I also expect to perform additional work on this case if the Court grants final approval of the Settlement, including supervision of the Settlement Administrator's disbursement of the settlement funds to the Aggrieved Employees. "Empirical studies show that, regardless of whether the percentage method or the lodestar method is used, fee awards in class actions average around one-third of the recovery." *Chavez v. Netflix, Inc.*, 162 Cal. App. 4th 43, 47 fn. 11 (2008) (*quoting Shaw v. Toshiba America Information Systems, Inc.*, 91 F. Supp. 2d 942, 972 (E.D. Tex. 2000)); see also *Laffitte v. Robert Half Int'l Inc.*, 1 Cal. 5th 480, 503 (Cal. Aug. 11, 2016) (holding that courts can use the percentage method for the calculation of attorneys' fees). This is also consistent with my experience in cases involving PAGA claims. This award is justified here because I achieved a strong result for the Aggrieved Employees and the State of California while bearing the substantial burdens of contingency representation.

27. It is an accepted practice in wage and hour class action settlements to award attorneys' fees to plaintiff's counsel based on a percentage of the total settlement value agreed upon by the Parties. California courts have long recognized that an appropriate method for awarding attorneys' fees in class actions is to award a percentage of the common fund. (*Serrano v. Priest*, 20 Cal. 3d 25, 48-49 (1977) ["when a number of persons are entitled in common to a specific fund, and an action brought by a plaintiff or plaintiffs for the benefit of all results in the creation or preservation of that fund, such plaintiff or plaintiffs may be awarded attorney's fees out of the fund"]; *Wershba v. Apple Computer, Inc.*, 91 Cal. App. 4th 230, 254 (2001); *Lealao v. Beneficial California, Inc.*, 82 Cal. App. 4th 19, 26-30 (2000).

28. California courts have the discretion to employ (or decline to employ) a "lodestar cross-check" on a request for a percentage of the fund award. *Laffitte v. Robert Half Intern, Inc.*, 1 Cal. 5th 480, 505 (2016). However, the California Supreme Court in *Laffitte* has now made clear that this cross-check is not required and approved one-third of the class action

settlement fund as reasonable attorney fees as "[t]he percentage of the fund method survives in California class action cases...." *Id.* at 574. As other courts have acknowledged since *Laffitte*, "California courts routinely award attorneys' fees of one-third of the common fund." *Lopez v. Mgmt. & Training Corp.,* U.S. Dist. LEXIS 70029 (S.D. Cal. Apr. 20, 2020). The *Lopez* court explained that it need not "engage in a full-blown lodestar analysis when the primary basis remains the percentage method…" The lodestar calculation is merely a "useful perspective on the reasonableness of a given percentage award." *Id.*, *see also Austin v. Foodliner, Inc.,* 2019 U.S. Dist. LEXIS 79638 ("Trial courts 'also retain the discretion to forgo a lodestar cross-check and use other means to evaluate the reasonableness of a requested percentage fee.'"[1] *Id.* (citing *Laffitte*)).

29. "[R]egardless whether the percentage method or the lodestar method is used, fee awards in class actions average around one-third of the recovery." (*see Chavez v. Netflix, Inc.*, 162 Cal. App. 4th 43, 66, fn.11 (2008); *In re Pacific Enter. Sec. Litig.*, 47 F.3d 373, 379 (9th Cir. 1995) [affirming 33% fee award]; *Williams v. MGM-Pathe Communications Co.*, 129 F.3d 1026, 1027 (9th Cir. 1997) (awarding 33% of total fund amount).) This is also consistent with my experience in wage and hour class and PAGA settlements.

30. Should the Court elect to use my lodestar as the method for awarding fees, notwithstanding the Court's clear preference for the percentage method, my request for attorney's fees of $13,333.33 (1/3 of the Gross Settlement Amount of $40,000) is fair and reasonable based on my firm's lodestar as cross-checked against the percentage of the recovery. My previous experience in litigating wage and hour class actions and the caliber of opposing counsel also support the reasonableness of the fee request. The award of attorneys' fees sought is also justified by the contingency nature of the attorney-client relationship, the risks of non-payment and non-reimbursement, the delay in payment and cost reimbursement, and the great results I have achieved for the Aggrieved Employees.

[1] The prohibition on citing unpublished California decisions does not apply to unpublished decisions from the lower federal courts. Cal. Rules of Court, rule 8.1115(a); *Farm Raised Salmon Cases*, 42 Cal. 4th 1077, 1096, fn. 18 (2008) ["Citing unpublished federal opinions does not violate our rules."].) Like published decisions of the lower federal courts, unpublished decisions are not binding on us even on questions of federal law, but they are persuasive authority. *Western Heritage Ins. Co. v. Frances Todd, Inc.*, 33 Cal. App. 5th 976, 989, fn. 6 (2019).

31. In addition, I incurred substantial costs in the representation of the Aggrieved Employees, which include the following: lawsuit/complaint filing fee of $1,459.20; process service of lawsuit of $630.00; PAGA initial filing fee of $75.00; expert data analysis fee of $950.00 (JTC Corporation); and miscellaneous court filing fees of $250.60, for a total of $3,364.80. All of these costs are documented and reasonably incurred.

32. To date, I have investigated and prosecuted this matter for over 41.6 hours, including drafting and reviewing the Motion for PAGA Settlement Approval and supporting documents. My average hourly rate during this case was $750.00/hour (currently 16th year attorney). To date, my associate, Nicole Aghakhani, has investigated and prosecuted this matter for over 7.4 hours, including reviewing the Settlement Agreement, obtaining and evaluating bids from settlement administrators, and assisting with settlement approval efforts. Her average hourly rate during this case was $300.00/hour (1st year attorney). My firm's total lodestar amount through October 13, 2026 is $33,420.00, which results in a multiplier of negative 0.40 when compared against the $13,333.33 request for attorneys' fees.[2] Moreover, my firm will have waited for almost two years to be awarded attorneys' fees for work performed since January 2025, when Plaintiff first contacted my office, compared to Defendants' counsel who have been paid as they performed work during this case. My previous experience in litigating wage and hour actions also supports the reasonableness of the fee request, as does the caliber of opposing counsel. My previous experience in similar matters was integral in evaluating the strengths and weaknesses of the case against Defendants and the reasonableness of the Settlement. Because it is reasonable to compensate me commensurate with my skill, reputation, and experience, attorney's fees of approximately 1/3 of the Gross Settlement

[2] The multiplier of negative 0.40 is supported by California case law. Under California law, lodestar multipliers can range from 2 to 4 or even higher. *See Chavez v. Netflix, Inc.* (2008) 162 Cal.App.4th 43, 49; *Wershba v. Apple Computer, Inc*., 91 Cal.App.4th at p. 255; *Natural Gas Anti-Trust Cases I, II, III & IV* (Cal. Sup. Ct. 2006) 2006 WL 5377849, *4 ("This Court and numerous cases have applied multipliers of between 4 and 12 to counsel's lodestar in awarding fees."); *In re California Indirect Purchases* (Cal. Sup. Ct. 1998) 1998 WL 1031494, *10 (citing *Wilson v. Bank of America Nat'l Trust & Sav. Ass'n*., (Cal Sup. Ct. 1982) No. 643872 (multiplier of 10 times the hourly rate awarded) (cited in 3 Newberg & Conte, Newberg on Class Actions, section 1403, at 14-5 n. 21), and *Glendora Community Redevelopment Agency v. Demeter* (Cal. App. 2 Dist., 1984) 155 Cal. App. 3d 465, 479 (approving fee award 12 times estimated lodestar multiplier).

Amount is reasonable. Likewise, the caliber and experience of opposing counsel in labor and employment litigation supports the fairness and reasonableness of the requested fee award.

Settlement Administration Costs

33. With regard to the settlement administration costs provision, it is reasonable. Before agreeing to Phoenix Settlement Administrators ("Phoenix"), the parties sought and reviewed bids from other reputable third-party administrators, including Apex Class Action Administrators and ILYM Group, and compared the bids. Phoenix's bid has been attached as **Exhibit 3** to this declaration.

Notice of Settlement to the LWDA

34. Pursuant to Labor Code section 2699(I)(2), my firm submitted a copy of the Settlement with the LWDA at the same time the Settlement is being filed with the Court. True and correct copies of this submission with the LWDA and the confirmation email are collectively attached as **Exhibit 4** to this declaration. My firm will further provide a copy of the Court's Order and Judgment to the LWDA within ten (10) calendar days after entry of said judgment or order as required by Labor Code sections 2699(I)(2)-(3).

I declare under the penalty of perjury of the laws of the State of California that the foregoing is true and correct to the best of my knowledge.

Executed on October 15, 2026 at Los Angeles, California.

Harout Messrelian

Harout Messrelian
Declarant

EXHIBIT 1

Docusign Envelope ID: CF934368-2266-8A06-80DF-6A0A343C56CB

SETTLEMENT AGREEMENT – PAGA CLAIMS

IT IS HEREBY STIPULATED AND AGREED by and between Plaintiff LUIS EDUARDO ALVARADO HERNANDEZ ("Plaintiff"), for himself and on behalf of the State of California and all Private Attorneys General Act ("PAGA") Settlement Group Members, on the one hand, and Defendants DUMPLING CAPITAL LLC, DUMPLING DEPOT LLC, DUMPLING CITY LLC, EPIC DUMPLING LLC, DUMPLING GARDEN LLC, and KENNY QIU ("Defendants"), on the other (collectively, the "Parties"), subject to the approval of the Court in accordance with California Labor Code section 2699(l)(2), that the Settlement of this Action shall be effectuated upon and subject to the following terms and conditions.

The Parties agree that the Action (as defined in Section I below) shall be, upon approval by the Court, ended, settled, resolved, and concluded without any admission of fault or liability, as set forth in this Agreement and for the consideration set forth herein, including but not limited to a release of claims by Plaintiff and the PAGA Settling Employees as set forth herein.

I. DEFINITIONS

Unless otherwise defined herein, the following terms used in this Agreement shall have the meanings ascribed to them as set forth below:

A. "Action" means the civil action, including the original complaint, *LUIS EDUARDO ALVARADO HERNANDEZ, on behalf of himself and all others similarly situated, Plaintiff(s) v. DUMPLING CAPITAL LLC, DUMPLING DEPOT LLC, DUMPLING CITY LLC, EPIC DUMPLING LLC, DUMPLING GARDEN LLC, and KENNY QIU; and DOES 1 TO 25, inclusive, Defendant(s)*, Case No. 25CV462575

B. "Agreement" means this Settlement Agreement.

C. "Approval Date" means the date the Court grants approval of this Agreement by signing and filing the Final Order.

D. "Complaint" means the Complaint filed by Plaintiff on or about April 2, 2025 in the Action.

E. "Court" means the Superior Court for the State of California, for the County of Santa Clara.

F. "Defendants" means the Defendants in this Action, DUMPLING CAPITAL LLC, DUMPLING DEPOT LLC, DUMPLING CITY LLC, EPIC DUMPLING LLC, DUMPLING GARDEN LLC, AND KENNY QIU.

Docusign Envelope ID: CF934368-2266-8A06-80DF-6A0A343C56CB

G. "Defense Counsel" or "Counsel for Defendants" means:

Kartikey Pradhan, SBN 291870
Sheedeh Lytz, SBN 242687
KAUFMAN DOLOWICH LLP
425 California Street, Suite 2100
San Francisco, California 94104
Telephone: (415) 926-7600

H. "Effective Date" means the date by which all of the following have occurred:

1. The Court has approved the Settlement;

2. The Court has entered the Final Order; and,

3. If the State of California, acting through the LWDA or any other administrative agency or official, or any third party objects or intervenes, but no appeal is filed, the applicable time for appeal; or, in the event any appeal is filed, the date the appeal is disposed in the Parties' favor and is no longer subject to review by any court, whether by appeal, petitions for rehearing or re-argument, petitions for review, or otherwise. Should any appeal not result in approval of the Parties' Settlement as described herein, the Settlement shall be void and of no further force or effect.

I. "Final Order" means the final Court order entered in this Action in accordance with the terms herein, the Court adopting and approving this Agreement (and the terms of Settlement described herein) under the specific terms requested, the Court entering the Final Order dismissing all of Plaintiff's PAGA Claims with prejudice in their entirety, and the Court retaining jurisdiction over the enforcement, implementation, construction, administration, and interpretation of the Settlement.

J. "Individual Penalty Payments" means the portion of the Total Settlement Sum that shall be paid to each PAGA Settlement Group Member per the terms and conditions of this Agreement.

K. "LWDA" means the State of California Labor and Workforce Development Agency.

L. "Named Plaintiff" or "Plaintiff" means Luis Eduardo Alvarado Hernandez.

M. "PAGA" means the Private Attorneys General Act of 2004, California Labor Code section 2698, et seq.

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N. "PAGA Claims" means claims for PAGA penalties that arose or may be alleged to have arisen at any time from January 17, 2024 up to and including the Effective Date (the date of approval of the Parties' Joint Stipulation Requesting Approval of PAGA Settlement of claims arising from alleged violations of the following Labor Code sections as set forth in the Complaint).

O. "PAGA Settling Employees" means Plaintiff, and all current and former non-exempt, employees employed by Defendants between January 17, 2024 to the Effective Date. It is believed that there may be approximately 100 employees of Defendants who worked for the Defendants during the period of January 17, 2024 through the Effective Date and could be qualified PAGA Settling Employees. The Effective Date is the date of approval of the instant Joint Stipulation Requesting Approval of PAGA Settlement.

P. "Plaintiff's Counsel" means:

Harout Messrelian, Esq.
Nicole Aghakhani, Esq.
MESSRELIAN LAW, INC.
101 N. Brand Blvd.
Suite 1450
Glendale, CA 91203
Telephone: (818) 484-6531
Fax: (818) 956-1983

Q. "Released Parties" means Defendants, and any and all subsidiaries of Defendants, and each of their past, present, and future parents, subsidiaries, divisions, predecessors, successors, partners, joint venturers, shareholders, consultants, advisors, insurers, reinsurers and assigns, franchisors, and each of their past, present and future officers, investors, directors, executives, trustees, agents, employees, attorneys, representatives, benefit plans sponsored or administered by the Released Parties, and any other persons or entities acting on behalf of or in concert with any of the foregoing.

R. "Settlement" means the Parties' agreement, as detailed herein, to dispose of Plaintiff's PAGA Claims, and all other claims, demands, rights, promises, covenants, actions, suits, causes of action, obligations, debts, expenses, attorneys' fees and costs, administration costs, damages, penalties, fines, interest, injuries, compensation, judgments, orders and liabilities alleged in, arising from or related to the PAGA claims

S. "Total Settlement Sum" means the total gross settlement amount of Forty Thousand Dollars and Zero Cents ($40,000.00) to be paid by Defendant as provided by this Agreement to fully and finally settle, resolve and conclude this Action's PAGA Claims as provided under this Agreement, without any admission of fault or liability.

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II. APPROVAL AND IMPLEMENTATION OF SETTLEMENT

A. Cooperation

The Parties will cooperate in seeking approval of the Settlement described in this Agreement, including by drafting and filing the Joint Stipulation and Order. The Parties further agree to fully cooperate in the drafting and/or filing of any further documents or filings reasonably necessary to be prepared or filed, including responding to challenges by any third parties, and shall take all steps that may be requested by the Court relating to the approval and implementation of the Settlement described in this Agreement.

B. Court Approval

Because this Action includes PAGA claims, this Agreement requires review and approval by the Court. *See* Cal. Lab. Code § 2699(s)(2). Accordingly, the Parties enter into this Agreement on a conditional basis. This Agreement is expressly contingent upon the Court's approval of this Settlement and the terms and material conditions of this Agreement (including, but not limited to, issuance of the Final Order in a form agreed to by the Parties and entry of the Final Order in accordance therewith). If Court approval is not given and the Final Order is not entered, and thereafter an appeal is unsuccessful, under the specific terms requested, this entire Agreement shall automatically be deemed null, void, and shall be of no force or effect whatsoever, and shall not be referred to or used for any purpose whatsoever.

The Parties contemplate filing a Joint Stipulation for Approval of PAGA Settlement. If the Court does not grant the request for approval and issue the Final Order (including, but not limited to, dismissing all of Plaintiff's claims with prejudice in their entirety, and entering the Final Order in accordance with the terms and conditions of this Agreement), under the specific terms requested, the Parties agree to meet and confer to address the Court's concerns and determine whether resolution of the Action can be obtained in a manner consistent with the Court's concerns. But, under no circumstances may a modified settlement be entered by the Court without a written agreement signed by both parties.

Plaintiff will reasonably cooperate with Defendants in defending against any attempt by any PAGA Settlement Group Member or by any entity or agency to intervene in this matter or object to/opt-out of this settlement. The Parties will jointly defend against any appeal filed with respect to the Final Order. Such cooperation by Plaintiff will be subject to his availability and Defendants' indemnification to Plaintiff for his resulting attorney's fees and costs incurred.

Plaintiff shall submit to the LWDA a copy of the Final Order in this Action and a copy of any other order providing for or denying an award of civil penalties no later than 10 days after entry of the Final Order, in compliance with section 2699(s)(1)-(s)(3) of the California Labor Code.

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C. Settlement Sum Payment Procedures

1. Settlement Sum

In exchange for the releases, obligations, and promises set forth in this Agreement (and subject to the terms and conditions contained in this Agreement), Defendants agree to pay the Total Settlement Sum, which is the total and all-inclusive amount Defendants will be obligated to pay under the Settlement embodied by this Agreement. Other than payment of that portion of the Total Settlement Sum specifically allocated to settle the PAGA Claims, there shall be no other PAGA Claims payments arising out of or related to PAGA Settling Employees' allegations for the time period from January 17, 2024 up to and including the Effective Date, asserted against Defendants or any of the Released Parties on behalf of Plaintiff, the State of California, any PAGA Settlement Group Member, or any other individual or entity. The Total Settlement Sum shall be allocated as follows:

a. Payment of PAGA Penalties: The total sum available for payment of PAGA Penalties shall be $40,000.00, subject to approval of the Court.

b. Attorneys' fees in the amount of one-third (1/3) of the Total Settlement Sum, which is Thirteen Thousand Three Hundred and Thirty Three Dollars and Thirty Three Cents ($13,333.33), and reimbursement of litigation costs and expenses in the amount not to exceed Four Thousand Dollars($_4,000.00) (collectively, "Attorneys' Fees and Costs") to Plaintiff's Counsel, which Defendant will not contest.

c. Costs and expenses of administration of the Settlement up to the amount of Four Thousand Seventeen Dollars and Sixty-Five Cents ($4,017.65) ("Settlement Administration Costs") to. (the "PAGA Settlement Administrator").

The amounts stated in Sections 1(b) – 1(c) above, once approved by the Court, shall be paid from the Total Settlement Sum. The balance remaining after these deductions is referred to as the "Net Settlement Sum."

Sixty-five percent (65%) of the Net Settlement Sum will be distributed to the LWDA ("LWDA Payment"); and the remaining thirty-five percent (35%) will be distributed to all current and former non-exempt, employees employed by Defendants between January 17, 2024 to the Effective Date (the "PAGA Settlement Group Members").

(Because this is a settlement of PAGA claims for civil penalties only, no portion of the Settlement is allocated to unpaid wages. One Hundred Percent (100%) of the payments for Attorneys' Fees and Costs, and the Net Settlement Sum to be paid to the LWDA and Aggrieved Employees as described in Section 3(a) above will be treated and reported for tax purposes as non-wage payments and the PAGA Settlement Administrator will be responsible for issuing IRS Forms 1099 as required.

The Individual Penalty Payments for each PAGA Settlement Group Member shall be divided on a pro rata basis between each PAGA Settlement Group Members based on Defendant's payroll records. Specifically, to calculate each Aggrieved Employee's share of the employees' portion, the

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PAGA Settlement Administrator shall: (i) for each Aggrieved Employee, divide the number of compensable pay periods he or she individually worked by the total aggregate number of compensable pay periods worked by all Aggrieved Employees, and then (ii) multiply this amount by the employees' portion to arrive at each Aggrieved Employee's Individual Settlement Share.

2. Distribution Process

a. Subject to Section II.B above, Defendant shall remit to the PAGA Settlement Administrator the Total Settlement Sum, after all of the following has occurred: (i) the Settlement Agreement is fully executed by all Parties and their counsel; and (ii) the Court has entered an order approving the Settlement Agreement. The funds shall be provided to the Settlement Administrator by Defendant within one hundred eighty (180) days after Court approval of the Settlement Agreement.

b. Upon complete distribution of the Total Settlement Sum by the PAGA Settlement Administrator in accordance with this Settlement Agreement, the PAGA Settlement Administrator will notify the Parties of distribution of the entire Total Settlement Sum.

3. Administrator

a. The parties agree that the costs associated with the use of the third party administrator to send settlement payments shall be deducted from the PAGA settlement amount of $40,000.00. The costs associated with the use of the third party administrator shall not exceed $4,017.65.

b. Plaintiff nor his counsel will be made privy to PAGA aggrieved employee contact information. Instead, this information will be sent directly to the PAGA administrator within five business days of Court approval of the PAGA settlement in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employee's privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify PAGA Counsel if it discovers that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.

c. There will be no claim process. Instead, the PAGA administrator will handle the distribution of the PAGA settlement funds. If there are uncashed settlement checks after 180 days, the uncashed funds will be transmitted to the State Controller's Office Unclaimed Property Division in the name of the Aggrieved Employee(s) at issue and in the amount of his or her respective Individual Settlement Share(s). The Administrator will issue checks for the Individual PAGA Payments and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (180 days after the date of mailing) when the

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check will be voided. The Administrator will cancel all checks not cashed by the void date. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

d. The Administrator must conduct an Aggrieved Employee Address Search for all Aggrieved Employees whose checks are returned undelivered without USPS forwarding address. Within seven (7) days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Aggrieved Employee Address Search. The Administrator need not take further steps to deliver checks to Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Aggrieved Employee whose original check was lost or misplaced, requested by the Aggrieved Employee prior to the void date.

e. Accompanying every Settlement Check shall be a letter addressed to the Aggrieved Employees explaining the reason for the Individual PAGA Payment indicating that by operation of the Court's approval of the Settlement, all claims under the Private Attorneys General Act through the Effective Date are released. A copy of this letter is attached as Exhibit A.

f. The amount of the Administrator Expenses Payment is to be considered separately from the Court's consideration of the fairness, reasonableness, adequacy, and good faith of the settlement of the Action. The outcome of the Court's ruling on the amount of the Administrator Expenses Payment shall not terminate this Agreement or otherwise affect the Court's ruling on the motion for approval.

g. PAGA Penalties in the amount of $40,000.00 to be paid from the Total Settlement Sum, with 65% of the Net Settlement Sum ($12,121.86) allocated to the LWDA PAGA Payment and 35% of the Net Settlement Sum ($6,527.16) allocated to the Individual PAGA Payments. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 35% share of PAGA Penalties ($6,527.16) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Sum. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

h. The Administrator has a duty to perform or observe all tasks to be performed or observed by the Administrator contained in this Agreement or otherwise. The Administrator shall be responsible for: (i) maintaining the PAGA Settlement Fund in its bank account; (ii) promptly and simultaneously copying counsel for all Parties on material correspondence and promptly and simultaneously notifying all counsel for the Parties of any material requests or communications made by any Party; (iii) promptly and simultaneously furnishing to counsel for the Parties copies of any objections or other written or electronic

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communications from Aggrieved Employees which the Administrator receives; (iv) calculating the Individual PAGA Payments to Aggrieved Employees based on the Aggrieved Employee Data; (v) mailing LWDA Payment to the LWDA; (vi) mailing the Individual PAGA Payments to Aggrieved Employees; (vii) issuing the PAGA Counsel Fees and Litigation Expenses Payment to PAGA Counsel; (viii) providing a final report detailing the results of the Aggrieved Employee mailings Defense Counsel, (ix) issuing 1099 forms for amounts paid to Aggrieved Employees from the Total Settlement Sum; (x) maintaining adequate records of its activities including dates of mailing and issuance of tax documents to Aggrieved Employees; (xi) confirming in writing to the Parties and the Court its completion of the administration of the settlement; (xii) returning any unused portion of the Reserve Fund and, if any, the Escrow Fund to Defendant; and (xiii) such other tasks as the Parties mutually agree.

4. Escalation Clause

Defendant's monetary obligation under this Agreement is limited to the Settlement Sum, unless it turns out the number of pay periods within the PAGA class increases beyond 15%, in which case Defendant will pay an increased amount proportional to the number of additional employees and pay periods in the PAGA time period which were not previously accounted for in the $40,000.00 PAGA Claim amount. Defendant shall not be required to pay more than the Total Settlement Sum to obtain the relief (including, but not limited to, the Settlement, releases of claims, issuance of the Final Order, dismissing all of Plaintiff's claims with prejudice in their entirety,) provided in this Agreement or to fully and finally settle and resolve Plaintiff's individual claims.

The parties acknowledge that as of August 1 , 2026, Defendant has employed an estimated total of 100 non-exempt employees between January 17, 2024 and August 1, 2026 and that these 100 employees collectively worked an estimated 2,000 pay periods between January 17, 2024 and August 1, 2026. Defendant represents that when adding additional pay periods by those individuals still employed by Defendant on August 1, 2026, the total number of estimated pay periods worked by all non-exempt employees does not exceed 15% of the 2,000 pay periods used to formulate the parties' respective settlement position. Defendant will confirm the foregoing is true and correct in writing to Messrelian Law, Inc. at least seven business days prior to the prospective motion to approve PAGA settlement.

Notwithstanding the above, in the event that this Agreement is voided or nullified, in whole or in part, however that may occur, or the Settlement of the Action is barred by operation of law, or invalidated, or ordered not to be carried out by a Court of competent jurisdiction, Defendant will cease to have any obligation to pay any portion of the Total Settlement Sum to anyone, and all previous disbursements from the Total Settlement Sum (any Individual Employee Penalty Payment, and/or the LWDA Penalty Payment) will immediately be paid back to Defendant by the person(s) and/or entity who received such disbursement.

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5. No Claims Resulting from Payments

No person shall have any claim of any kind whatsoever against any of the Parties, Defense Counsel, and/or Plaintiff's Counsel, based on distribution of the Total Settlement Sum (including, without limitation, the LWDA Penalty Payment and/or the Individual Penalty Payments) made in accordance with this Agreement.

6. Tax Indemnity

The Individual Penalty Payments are penalties, shall be reported on an IRS Form 1099 (to the extent required by law), and will not be subject to local, state or federal tax withholdings. Each PAGA Settlement Group Member will be responsible for paying all applicable state, local and federal income taxes on all amounts received pursuant to this Settlement, and they shall not seek any indemnification from the Released Parties in this regard.

III. LIMITATIONS ON USE OF THIS SETTLEMENT

A. No Admission

Defendant disputes that Plaintiff or any PAGA Settling Employee are entitled to any additional wages other that those already paid and/or any penalties, dispute the allegations and each and every cause of action in the Action, and dispute that the Action may be maintained on a class or representative basis. This Agreement is entered into solely for the purpose of compromising highly disputed claims. This Agreement and the payment of the Total Settlement Sum and the other considerations recited herein represent the compromise of disputed claims. Nothing in this Agreement is intended as or may be construed as an admission of liability, unlawful conduct, or wrongdoing by Defendants (and/or any of the Released Parties) in any way, shape or form, and Defendants and the Released Parties deny any such liability or wrongdoing.

B. Non-Evidentiary Use

Except for purposes of effectuating the Settlement pursuant to this Agreement and/or for Defendants (and/or a Released Party) to establish that a PAGA Settlement Group Member has resolved any of his/her claims released through this Agreement, and regardless of whether the Final Order occurs, neither this Agreement nor any of its terms (including, but not limited to, the payment of the Settlement Sum) nor the Settlement itself will be construed as, offered, or admitted in evidence as, received as, or deemed to be evidence, in any further proceeding in the Action, or any other civil, criminal, and/or administrative action or proceeding, for any purpose adverse to Defendant or any of the Released Parties, including but not limited to, evidence of a presumption, concession, indication, or admission by Defendant or any of the Released Parties of any liability, fault, wrongdoing, omission, concession, or damage.

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IV. RELEASE AND WAIVER OF CLAIMS

A. PAGA Settlement Group Member Release

Upon entry of the Final Order, Plaintiff, all PAGA Settling Employees, and the State of California shall be deemed to have fully, finally, and forever waived, released, relinquished, and discharged Defendant and each and all of the Released Parties from any and all PAGA Claims as defined herein that arose or may be alleged to have arisen at any time from January 17, 2024, up to and including the Effective Date. Specifically, in exchange for the payments described above, Plaintiff, on behalf of himself, the State of California, and the PAGA Settling Employees, will release Defendants from liability for any and all claims for civil penalties related to alleged Labor Code violations that may be brought under the PAGA based on alleged violations of the Labor Code in Plaintiff's Complaint. To extent an alleged PAGA violation arises directly from the operative facts pled in the Complaint and implicates the same primary rights and defenses being settled here, those claims are settled and released to the fullest extent permitted under applicable law.

B. No Additional Attorneys' Fees or Costs

The Parties agree to bear its/their own attorneys' fees and costs related to this Action except as specifically provided for by this Agreement.

V. MISCELLANEOUS PROVISIONS

A. LWDA Notice

The LWDA will be given notice of this Settlement pursuant to Cal. Lab. Code § 2699(s)(2). Plaintiff will serve a copy of the Settlement to the LWDA on the same day the Settlement is filed with the Court.

Additionally, a copy of the Court's Final Order will be submitted by Plaintiff to the LWDA within ten business (10) days after entry of the Final Order, pursuant to California Labor Code § 2699(s)(3).

B. Voluntariness

This Agreement is executed voluntarily and without duress or undue influence on the part of or on behalf of any of the Parties, or of any other person, firm or other entity.

C. Amendments

The terms and provisions of this Agreement may be amended or modified only by an express written agreement that is signed by the Plaintiff and an authorized representative of Defendant.

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D. Assignment

None of the rights, commitments, or obligations recognized under this Agreement may be assigned by any Party, PAGA Settling Employee, the State of California, Plaintiff's Counsel, or Defense Counsel without the express written consent of each Party. Plaintiff expressly warrants that he has not transferred to any person or entity any right or cause of action, or claim released by this Agreement.

E. Representation and Warranties

Plaintiff jointly and severally represent and warrant to Defendants that there are no attorneys beyond those named as Plaintiff's Counsel who have claims for fees arising out of the Action or the Settlement contemplated hereby.

F. Governing Law

This Agreement shall be governed, construed, and interpreted, and the rights of the Parties shall be determined, in accordance with the laws of the State of California, irrespective of the State of California's choice of law principles.

G. Entire Agreement

This Agreement and the Individual Settlement Agreement previously executed set forth the entire agreement between the Parties hereto and fully supersedes any and all prior and/or supplemental understandings, whether written or oral, between the Parties concerning the subject matter of this Agreement. Plaintiff acknowledges that he has not relied on any representations, promises or agreements of any kind made to him in connection with his decision to accept the terms of this Agreement and/or the Individual Settlement Agreement except for the representations, promises and agreements herein and therein, respectively. Any modification to this Agreement must be in writing and signed by Plaintiff and an authorized representative of Defendants.

H. Waiver of Compliance

A waiver or failure to insist upon strict compliance with any representation, warranty, covenant, agreement, or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

I. Counterparts

This Agreement, and any amendments hereto, may be executed in any number of counterparts and any Party and/or its/their respective counsel hereto may execute any such counterpart, each of which when executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument. A fax or PDF signature on this Agreement shall be as valid as an original signature.

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J. Meet and Confer Regarding Dispute(s)

Should any dispute(s) arise among the Parties or their respective counsel regarding the implementation or interpretation of this Agreement, Plaintiff's Counsel and Defense Counsel shall attempt to meet and confer in an attempt to resolve such disputes prior to submitting such disputes to the Court, but such meet and confer attempts will not operate as a condition for any Party to seek enforcement of this Agreement under Code of Civil Procedure Section 664.6.

K. Agreement Binding on Successors

This Agreement shall bind and inure to the benefit of the Parties hereto and to their respective successors, assigns, legatees, heirs, and personal representatives.

L. Cooperation in Drafting

The Parties have cooperated in the negotiation and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party, or the Party's counsel, was the drafter or participated in the drafting of this Agreement.

M. Fair Settlement

Plaintiff, Defendants, Plaintiff's Counsel, and Defense Counsel believe that this Agreement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at this Agreement through arms' length negotiation, taking into account all relevant factors, current and potential, and is consistent with public policy, and fully complies with applicable provisions of law

N. Headings

The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement and shall not be considered in interpreting this Agreement.

O. Continuing Jurisdiction

The Parties agree that upon the occurrence of the Final Order pursuant to the terms of this Agreement, this Agreement shall be enforceable by the Court pursuant to Code of Civil Procedure Section 664.6 and the Court shall retain exclusive and continuing equity jurisdiction of this Action over all Parties and the PAGA Settling Employees to the fullest extent to interpret, enforce and effectuate the terms, conditions, intents and obligations of the Agreement. The prevailing Party in any action brought to enforce the terms of this Agreement shall be entitled to recover their reasonable attorney's fees and costs.

P. No Reliance on Representations

The Parties have made such investigation of the facts and the law pertaining to the matters described herein and to this Agreement as they deem necessary, and have not relied, and do not

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rely, on any statement, promise, or representation of fact or law, made by any of the other Parties, or any of their agents, employees, attorneys, or representatives, with regard to any of their rights or asserted rights, or with regard to the advisability of making and executing this Agreement, or with respect to any such matters. No representations, warranties, or inducements have been made to any Party concerning this Agreement.

Q. No Collateral Attack

The Parties agree that this Agreement may not be subject to collateral attack by any PAGA Settlement Group Member or the State of California prior to or after entry of the Final Order, to the fullest extent permitted by law.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the date set forth below.

APPROVED AND ACCEPTED.

Dated: 7/23/2026

Luis Hernandez
ID V4BVAFpfus7Uu7Ty19jdK5zd

LUIS EDUARDO ALVARADO HERNANDEZ,
Plaintiff and PAGA Representative

Dated: 7/8/2026

DUMPLING CAPITAL LLC, DUMPLING DEPOT LLC, DUMPLING CITY LLC, EPIC DUMPLING LLC, DUMPLING GARDEN LLC

By Signed by: Kenny Qiu
36C9402959764CF...

Kenny Qiu, its Manager

Dated: 7/8/2026

Signed by: Kenny Qiu
36C9402959764CF...

KENNY QIU Defendant

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EXHIBIT A

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NOTICE OF PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT AGREEMENT

Luis Eduardo Alvarado Hernandez v. Dumpling Capital LLC; Dumpling Depot LLC; Dumpling City LLC; Epic Dumpling LLC; Dumpling Garden LLC; Kenny Qiu
Santa Clara County Superior Court, Case No. 25CV462575

This is not a solicitation by a lawyer. You are not being sued.

Why am I receiving this Notice?

A settlement (the "Settlement") has been reached in the lawsuit entitled *Luis Eduardo Alvarado Hernandez v. Dumpling Capital LLC; Dumpling Depot LLC; Dumpling City LLC; Epic Dumpling LLC; Dumpling Garden LLC; Kenny Qiu, Santa Clara County Superior Court, Case No. 25CV462575* (the "Lawsuit"). You are receiving this Notice because the Settlement affects your rights.

Who is affected by the Settlement?

PAGA Employees are affected by the Settlement. PAGA Employees are all current and former non-exempt, hourly employees who worked for Dumpling Capital LLC; Dumpling Depot LLC; Dumpling City LLC; Epic Dumpling LLC; Dumpling Garden LLC and Kenny Qiu, within the State of California at any time from January 17, 2024 to August 1, 2026. You are receiving the instant Notice because you have been identified by Dumpling Capital LLC; Dumpling Depot LLC; Dumpling City LLC; Epic Dumpling LLC; Dumpling Garden LLC and Kenny Qiu, as a PAGA Employee.

What is the Lawsuit about?

In the Lawsuit, Plaintiff Luis Eduardo Alvarado Hernandez ("Plaintiff") asserted claims that Dumpling Capital LLC; Dumpling Depot LLC; Dumpling City LLC; Epic Dumpling LLC; Dumpling Garden LLC and Kenny Qiu ("Defendants") violated provisions of the California Labor Code, giving rise to claims for civil penalties under the California Private Attorneys General Act of 2004 ("PAGA"). Dumpling Capital LLC; Dumpling Depot LLC; Dumpling City LLC; Epic Dumpling LLC; Dumpling Garden LLC and Kenny Qiu deny all liability for these claims based on various legal and factual defenses. Nevertheless, Dumpling Capital LLC; Dumpling Depot LLC; Dumpling City LLC; Epic Dumpling LLC; Dumpling Garden LLC and Kenny Qiu have agreed to settle the Lawsuit to avoid the risks, distractions, and costs associated with further litigation of the Lawsuit.

The Settlement is, therefore, a compromise reached after good faith, arm's length negotiations between the Plaintiff and Defendants and is not an admission of liability by Dumpling Capital LLC; Dumpling Depot LLC; Dumpling City LLC; Epic Dumpling LLC; Dumpling Garden LLC and Kenny Qiu. The Court has not ruled on the merits of Plaintiff's claims or Dumpling Capital LLC; Dumpling Depot LLC; Dumpling City LLC; Epic Dumpling LLC; Dumpling Garden LLC and Kenny Qiu defenses, but did approve the Settlement.

What are the Settlement terms?

Dumpling Capital LLC; Dumpling Depot LLC; Dumpling City LLC; Epic Dumpling LLC; Dumpling Garden LLC and Kenny Qiu have agreed to pay $40,000.00 under the Settlement. This sum will be used for the payment of (a) **$**_____ to the California Labor and Workforce Development Agency as its 65% share of the PAGA Penalties; (b) **$**_____ to all PAGA Employees to be distributed *pro rata* as their 35% share of the PAGA Penalties; (c) 1/3 of the Settlement (i.e. $_____) to PAGA Counsel for Attorney's Fees; (d) $_____ to PAGA Counsel for actual litigation costs; (e) **$**_____to the Administrator for administration costs.

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Under the Settlement terms, all PAGA Employees will release Dumpling Capital LLC; Dumpling Depot LLC; Dumpling City LLC; Epic Dumpling LLC; Dumpling Garden LLC and Kenny Qiu and each of its past, present, and/or future, direct and/or indict owners, members, managers, representatives, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, joint venturers, officers, directors, employees, and agents that could be liable for any of the Released Claims, from all PAGA claims asserted in the operative Complaint and LWDA Notice, (ii) all PAGA claims that could have reasonably been asserted in the operative Complaint and LWDA Notice, and (iii) all PAGA claims arising out of the same operative facts alleged in the operative Complaint and LWDA Notice.

The Individual PAGA Payments to PAGA Employees are classified as other miscellaneous income and will be reported on an IRS Form 1099-MISC.

Your *pro rata* share of $_____was calculated based on the number of Pay Periods you worked for Dumpling Capital LLC; Dumpling Depot LLC; Dumpling City LLC; Epic Dumpling LLC; Dumpling Garden LLC and Kenny Qiu from January 17, 2024 to August 1, 2026.

All Individual Settlement Payment checks to PAGA Employees will remain valid and negotiable for one hundred eighty (180) days from the date of their issuance and shall thereafter automatically be void if not cashed within that time. Uncashed checks will be sent to the California State Controller's Unclaimed Property Fund in the name of the PAGA Employee. You can visit https://www.sco.ca.gov/search_upd.html to search for unclaimed property. If your check is lost or misplaced, you should contact the Administrator immediately at [xxx-xxx-xxxx] to request a replacement.

PLEASE DO NOT CONTACT THE COURT FOR INFORMATION REGARDING THIS SETTLEMENT.

PLEASE DO NOT CONTACT DEFENDANT'S COUNSEL REGARDING THIS SETTLEMENT.

EXHIBIT 2

MESSRELIAN LAW
ATTORNEYS AT LAW

500 N. Central Avenue, Suite 840
Glendale, California 91203
Tel: (818) 484-6531
Fax: (818) 956-1983

VIA ELECTRONIC FILING **January 17, 2025**

California Labor & Workforce Development Agency (LWDA)
Attn. PAGA Administrator
800 Capitol Mall, MIC-55
Sacramento, California 95814

VIA U.S. CERTIFIED MAIL (RETURN RECEIPT REQUESTED)

DUMPLING CAPITAL LLC
KENNY QIU
5075 STEVENS CREEK BLVD., STE 10
SANTA CLARA, CA 95051

DUMPLING DEPOT LLC
KENNY QIU
562 S MURPHY AVE
SUNNYVALE, CA 94086

DUMPLING CITY LLC
KENNY QIU
3487 EL CAMINO REAL
PALO ALTO, CA 94306

EPIC DUMPLING LLC
KENNY QIU
661 GRAPE AVENUE
SUNNYVALE, CA 94087

DUMPLING GARDEN LLC
KENNY QIU
108A N RENGSTORFF AVE
MOUNTAIN VIEW, CA 94043

LUIS EDUARDO ALVARADO HERNANDEZ v. DUMPLING CAPITAL LLC; DUMPLING DEPOT LLC; DUMPLING CITY LLC; EPIC DUMPLING LLC; DUMPLING GARDEN LLC; KENNY QIU

RE: PRIVATE ATTORNEYS GENERAL ACT NOTICE

To Whom It May Concern:

MESSRELIAN LAW
ATTORNEYS AT LAW

500 N. Central Avenue, Suite 840
Glendale, California 91203
Tel: (818) 484-6531
Fax: (818) 956-1983

Please be informed that our client, Mr. Luis Eduardo Alvarado Hernandez (hereinafter "Mr. Hernandez" or "our client") seeks penalties on behalf of the State of California and all current and former non-exempt or hourly paid California employees ("aggrieved employees") who worked for DUMPLING CAPITAL LLC; DUMPLING DEPOT LLC; DUMPLING CITY LLC; EPIC DUMPLING LLC; DUMPLING GARDEN LLC; and KENNY QIU (hereinafter collectively referred to as "DUMPLING CAPITAL") **at all of their restaurant locations in the State of California**, during the relevant time period pursuant to California Labor Code section 2698, et. seq., the Labor Code Private Attorneys General Act of 2004 ("PAGA"). The purpose of this letter is to comply with the statutory requirements of California Labor Code section 2699.3 and shall constitute notice of the same. Individual KENNY QIU is being included in this PAGA notice pursuant to Labor Code section 558.1 in that he was and is the owner and managing agent of the aforementioned Dumpling entities, was involved in the day-to-day operations of the businesses, including the wage and hour policies and practices, and as such, controlled the wages, hours, and/or working conditions of Mr. Hernandez and other hourly, non-exempt employees.

DUMPLING CAPITAL LLC; DUMPLING DEPOT LLC; DUMPLING CITY LLC; EPIC DUMPLING LLC; DUMPLING GARDEN LLC; KENNY QIU are all considered "joint employers" in that they each controlled the wages, hours, and/or working conditions of Mr. Hernandez and others. Furthermore, the aforementioned entities are an "integrated enterprise" under the law. The integrated enterprise test sets forth four factors for assessing whether two entities are considered a single entity for purposes of liability: (1) interrelation of operations; (2) common management; (3) centralized control of labor relations; and (4) common ownership or financial control. Even though one does not have to show proof of all factors to prevail on an integrated enterprise claim, here all four factors are unequivocally met as all companies and entities have the same ownership and management, including Kenny Qiu. Furthermore, there is centralized control of labor relations and there is interrelation of operations considering the fact that employees from one restaurant location also worked for the other restaurant locations, including Plaintiff Mr. Hernandez, who worked at several of the aforementioned locations.

Mr. Hernandez started working at DUMPLING CAPITAL in 2024 as a prep/washer. Mr. Hernandez was classified as an hourly, non-exempt employee. His latest rate of pay was $18.75 per hour. Mr. Hernandez generally worked 6 days per week from 10am to 9-930pm.

<u>It is our position that due to personally suffering the below violations, Mr. Hernandez can equivocally bring the following labor code violations on behalf of all other employees, including ALL hourly, non-exempt employees who worked for DUMPLING CAPITAL anywhere in the state of California (at all different restaurant locations) during the relevant PAGA period.</u>

It is our position that DUMPLING CAPITAL has violated the following Labor Code Sections against Mr. Hernandez and other similarly situated aggrieved employees, who include all non-exempt, hourly employees who worked for DUMPLING CAPITAL at their various locations/restaurants in the State of California during the relevant PAGA period.

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DUMPLING CAPITAL violated Labor Code § 1194, 1194.2, 1197, and 1197.1 because it failed to pay our client and other similarly situated aggrieved employees for all hours worked, including the statutory minimum wage for all hours worked and for "off the clock" work. This is so because DUMPLING CAPITAL had a company policy wherein they would disproportionately round down the number of hours worked, resulting in "time shaving" and further resulting in aggrieved employees not being paid for all hours worked. In fact, for Mr. Hernandez specifically, there was no formal timekeeping system in that the company did not keep formal and accurate track of Mr. Hernandez's work hours. Moreover, to the extent that Mr. Hernandez and others would work through their meal breaks, the latter would also amount to a minimum wage violation because they were not paid for all hours worked. Moreover, DUMPLING CAPITAL failed to provide its employees with proper and accurate reporting time pay as well as the proper split shift premiums in that Mr. Hernandez and others would have 2-2.5-hour gaps in work scheduling and would have to wait around to resume their work schedule. Mr. Hernandez had a gap in scheduling from 230pm to 430pm/5pm and did not get the proper split shift premiums.

Due to the above "off the clock" violations, DUMPLING CAPITAL also violated Labor Code §510 because it failed to pay our client and other aggrieved employees overtime compensation, even though they worked more than 8 hours per day, 12 hours per day, and/or 40 hours per week throughout their employment. Mr. Hernandez's and other aggrieved employees' actual work hours entitled them to overtime compensation, however, DUMPLING CAPITAL did not compensate its hourly, non-exempt employees with the correct amount of overtime due to the time shaving/rounding as described above and the lack of a formal timekeeping system. Furthermore, DUMPLING CAPITAL failed to include bonuses/incentive payments/shift differentials in calculating employees' regular rate of pay for use in deciphering the correct overtime rate of pay. Additionally, the incentive, shift differential, and bonus payments were also not factored into employees' regular rate for purposes of receiving meal and rest break premiums per the Ferra v. Loews case.

DUMPLING CAPITAL also violated Labor Code § 226.7 and the appropriate Industrial Welfare Commission Wage Order no. 5 because it failed to provide our client and other similarly situated aggrieved employees with 10-minute rest periods for every four hours of work, or majority portion thereof, throughout their employment. DUMPLING CAPITAL did not completely relieve our client and others of all duty during said rest periods. DUMPLING CAPITAL did not pay to our client and others one additional hour of pay at our client's regular rate of compensation for each workday that one or more statutory rest periods was not provided. Rest breaks were non-existent, not enforced and never taken by Mr. Hernandez and others, especially due to the fast-paced nature of the work and the restaurant environment. As such, the culture as well as the policies and procedures of DUMPLING CAPITAL did not lend itself to the employees receiving consistent statutory rest breaks wherein they were relieved of all work duties. The environment at DUMPLING CAPITAL was not conducive to receiving statutory rest breaks under California law and timely, statutory rest breaks were not authorized or enforced.

DUMPLING CAPITAL violated Labor Code §§ 512 and 226.7 and the appropriate Industrial Welfare Commission Wage Order no. 5 because it failed to provide hourly, non-exempt employees, including Mr. Hernandez and others, the requisite 30-minute, uninterrupted meal

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periods for every five (5) hours of work throughout their employment. DUMPLING CAPITAL did not completely relieve Mr. Hernandez and other employees of all duty during said meal periods. DUMPLING CAPITAL did not pay to Mr. Hernandez and its hourly, non-exempt employees one additional hour of pay at their regular rate of compensation for each workday that one or more statutory meal periods was not provided. As part of their policy, management would specifically instruct Mr. Hernandez to finish all of his tasks in order to be able to take any meal break. Otherwise, Mr. Hernandez was not allowed to and could not take a meal break. The latter meant that Mr. Hernandez would either not be able to take a meal break or his meal break would be late and after the 5th hour worked. Moreover, even if Mr. Hernandez and others were able to take a meal period, they would be interrupted by work obligations due to the fast-paced nature of the restaurant industry. Consequently, it was the normal practice and custom of DUMPLING CAPITAL not to authorize, permit, and enforce timely statutory meal periods. If DUMPLING CAPITAL had our client sign a meal period waiver, it would not be valid and enforceable since our client and others generally worked more than a 5-hour shift. **Furthermore, under California law, however, employees must make an affirmative decision every day regarding whether to waive their meal periods. August 13, 2003 DLSE Opinion Letter ("The decision to forego a meal period may not, therefore, be based on a specific requirement of the employer or on a policy or practice which could reasonably be perceived to be a condition of employment. Therefore, blanket "waivers" of meal periods ...whether written or oral, will not be considered valid.").** If DUMPLING CAPITAL had our client sign an on-duty meal period agreement wherein our client agreed to work through the meal periods, it would be invalid and unenforceable because the nature of our client's job does not and did not prevent him from taking a meal period and the company could have hired "breakers" to relieve Mr. Hernandez of his job duties so that he can actually take a timely, uninterrupted meal period. Moreover, any such "on duty" meal period agreement did not allow for our client to revoke such an agreement even if it was signed. As such, our client and others did not always receive statutory, timely meal periods during their employment. To the extent that DUMPLING CAPITAL argues that employees receive meal break premium pay for missed meal periods, that argument is inconsequential for PAGA penalty purposes since the PAGA penalties are for the violations themselves, irrespective of whether an employee received the premium payment for a missed, short, or interrupted meal period. In *Kirby v. Immoos Fire Protection, Inc.*, the Court stated, "section 226.7 does not give employers a lawful choice between providing *either* meal and rest breaks *or* an additional hour of pay." *See Kirby v. Immoos Fire Protection, Inc.*, (2012) 53 Cal.4th 1244, 1256 (emphasis in original). Thus, the extra hour of pay does not excuse the violation; the employer has still committed a violation even if the remedy for the violation has been paid. *See Wert v. U.S. Bancorp*, (S.D. Cal. Mar. 22, 2016, 2016 WL 1110302 at *4). As such, the work environment and culture at DUMPLING CAPITAL was not conducive to receiving consistent, timely, statutory meal breaks under California law. Moreover, any meal or rest break premiums paid were not compensated at the weighted average regular rate, inclusive of bonuses and/or incentive payments as well as overtime compensation.

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Furthermore, during the relevant time period, and due to the above labor code violations, DUMPLING CAPITAL failed to pay our client and other similarly situated aggrieved employees all wages due to them within any time period specified by California Labor Code section 204. Since Mr. Hernandez was not compensated for his "off the clock" work and since Mr. Hernandez did not receive proper and complete meal and rest break premiums, Mr. Hernandez would still be owed wages pursuant to Labor Code Section 204. DUMPLING CAPITAL was also in violation of California Labor Code section 226(a) by failing to include pertinent information on the wage statements, including but not limited to, the correct hourly rate, all hours worked, overtime hours worked, tips, correct overtime pay, gross wages earned, net wages earned, premium pay for missed meal and rest breaks, all deductions, the correct start and end of the pay period, all employee identifying information, tips, the correct and complete name and address of the legal employer, and reimbursement for business expenses, among others. As such, DUMPLING CAPITAL did not provide our client and other similarly situated aggrieved employees with complete, accurate itemized wage statements.

During the relevant time period, DUMPLING CAPITAL also failed to keep accurate and complete payroll records showing the actual hours worked per day and the wages paid to Mr. Hernandez and others pursuant to California Labor Code sections 1174(d).

DUMPLING CAPITAL also violated Labor Code § 203 because it willfully failed to pay our client and other similarly situated aggrieved employees earned and due wages upon separation of employment, either immediately upon involuntary termination, or within 72 hours of resignation. These earned but unpaid wages include compensation for all hours worked, including minimum wages, overtime compensation, and premium pay for missed meal and rest breaks.

During the relevant time period, Mr. Hernandez and other aggrieved employees incurred necessary, business-related expenses and costs that were not reimbursed by DUMPLING CAPITAL. These costs include, but are not limited to uniforms and equipment for work purposes. Accordingly, DUMPLING CAPITAL was in violation of California Labor Code sections 2800 and 2802.

Additionally, DUMPLING CAPITAL violated Labor Code Section 351 and 353 by taking some of the tips meant for employees and also deducting the tips from employees' earned wages. DUMPLING CAPITAL also deducted the credit card fee from employees' tips and did not timely provide the credit card and even cash tips to aggrieved employees. As such, aggrieved employees were not given accurate tips to which they were entitled.

Furthermore, DUMPLING CAPITAL did not provide proper and correct/accurate sick pay (inclusive of all bonuses/shift differentials/incentive payments) that was also delineated on employee pay stubs and also failed to provide proper sick leave in violation of Labor Code sections 233 and 246. Moreover, there were no suitable seating/rest break facilities for the employees pursuant to Wage Order no. 5-2001 as employees did not have a designated break area.

Please take notice that, based upon the above-mentioned violations, and in addition to the penalties provided by those specific sections themselves, Mr. Hernandez also intends to seek penalties under the following Labor Code sections which themselves are inviolable but provide

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for recovery of penalties for violating one or more of the above-mentioned Labor Code sections: Labor Code §§ 558, 226.3, 1197.1.

Should your agency choose not to pursue this matter, this law office intends to vigorously prosecute the aforementioned Labor Code violations on its behalf and vindicate the rights of all employees who have been subjected to these same Labor Code violations by DUMPLING CAPITAL.

If you have any questions or require additional information, please do not hesitate to contact us. Thank you in advance for your attention to this matter.

Very Truly Yours,

Harout Messrelian, Esq.

EXHIBIT 3

PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

May 21, 2026

CASE ASSUMPTIONS	
Class Members	100
Opt Out Rate	N/A
Opt Outs Received	
Total Class Claimants	100
Subtotal Admin Only	**$4,017.65**
Flat Fee Total	**$4,017.65**

For 100 Class Members

Pricing Good for Scope of Estimate Only

All Aspects of Escheating to the State of CA Included

Multi Language Translation, Printing & Mailing Included

Case: Hernandez v. Dumpling Capital, LLC, PAGA Administration

Phoenix Contact: Michael E. Moore
Contact Number: 949.331.0131
Email: mike@phoenixclassaction.com

Requesting Attorney: Nicole Aghakhani
Firm: Messrelain Law, Inc.
Contact Number: 818.484.6531
Email: nicole@messrelianlaw.com

Assumptions and Estimate are based on information provided by counsel. If class size changes, PHX will need to adjust this Estimate accordingly. Estimate is based on **100** Class Members. Class data **Must** be sent in Microsoft Excel or uploaded in the same format. Class Data Must be sent in one spreadsheet, with no additional programming needed. A rate of $150 per hour will be charged for any additional analysis or programming. Pricing good for 90 day

Case & Database Setup / Toll Free Setup & Call Center / NCOA (USPS)			
Administrative Tasks:	**Rate**	**Hours/Units**	**Line Item Estimate**
Programming Manager	$100.00	2	$200.00
Programming Database & Setup	$100.00	1	$100.00
Toll Free Setup*	$100.00	1	$100.00
Call Center & Long Distance	$2.50	16	$40.00
NCOA (USPS)	$25.00	1	$25.00
		Total	**$465.00**

* Up to 120 days after disbursement

Data Merger & Scrub / PAGA Letter & Check / Postage / Multi Language Translation			
Project Action	**Rate**	**Hours/Units**	**Line Item Estimate**
Notice Packet Formatting	$100.00	1	$100.00
Multi-Language Translation	$150.00	2	$300.00
Data Merge & Duplication Scrub	$0.09	100	$9.00
PAGA Letter and Check Packet	$1.00	100	$100.00
Estimated Postage (up to 1 oz.)*	$0.70	100	$70.00
		Total	**$579.00**

* Prices good for 90 days. Subject to change with the USPS Rate or change in Notice pages or Translation, if any.

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CLASS ACTION ADMINISTRATION SOLUTIONS

Skip Tracing & Remailing PAGA Packets / Tracking & Programming Undeliverables			
Project Action:	**Rate**	**Hours/Units**	**Line Item Estimate**
Case Associate	$55.00	2	$110.00
Skip Tracing Undeliverables	$0.75	25	$18.75
Remail PAGA Packets	$1.00	22	$22.00
Estimated Postage	$0.70	22	$15.40
Programming Undeliverables	$50.00	1	$50.00
		Total	**$216.15**

Case Management			
Project Action:	**Rate**	**Hours/Units**	**Line Item Estimate**
Case Associate	$55.00	3	$165.00
Case Manager	$85.00	2	$170.00
		Total	**$335.00**

Calculation & Disbursement Programming/ Create & Manage QSF/ Mail Checks			
Project Action:	**Rate**	**Hours/Units**	**Line Item Estimate**
Programming Calculations	$135.00	1	$135.00
Disbursement Review	$135.00	1	$135.00
Programming Manager	$95.00	1	$95.00
QSF Bank Account & EIN	$135.00	1	$135.00
Check Run Setup & Printing	$135.00	2	$270.00
		Total	**$770.00**

* Checks are printed on 8.5 x 11 in. sheets with W2/1099 Tax Filing

PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

Tax Reporting & Reconciliation / Re-Issuance of Checks / Conclusion Reports and Declarations			
Project Action:	**Rate**	**Hours/Units**	**Line Item Estimate**
Case Supervisor	$80.00	1	$80.00
Remail Undeliverable Checks (Postage Included)	$1.50	15	$22.50
Case Associate	$55.00	3	$165.00
Reconcile Uncashed Checks	$85.00	3	$255.00
Conclusion Reports	$115.00	2	$230.00
Case Manager Conclusion	$85.00	2	$170.00
Final Reporting & Declarations	$115.00	2	$230.00
QSF Annual Tax Reporting * (State Tax Reporting & Escheating Uncashed Checks to the State of CA included)	$500.00	1	$500.00
		Total	**$1,652.50**

* All applicable California State & Federal taxes, which include SUI, ETT, and SDI, and FUTA filings. Additional taxes are Defendant's responsibilty.

Estimate Total: $4,017.65

PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

TERMS AND CONDITIONS

Provisions: The case estimate is in good faith and does not cover any applicable taxes and fees. The estimate does not make any provision for any services or class size not delineated in the request for proposal or stipulations. Proposal rates and amounts are subject to change upon further review, with Counsel/Client, of the Settlement Agreement. Only pre-approved changes will be charged when applicable. No modifications may be made to this estimate without the approval of PSA (Phoenix Settlement Administrators). All notifications are mailed in English language only unless otherwise specified. Additional costs will apply if translation into other language(s) is required. Rates to prepare and file taxes are for Federal and California State taxes only. Additional charges will apply if multiple state tax filing(s) is required. **Pricing is good for ninety (90) days.**

Data Conversion and Mailing: The proposal assumes that data provided will be in ready-to-use condition and that all data is provided in a single, comprehensive Excel spreadsheet. PSA cannot be liable for any errors or omissions arising due to additional work required for analyzing and processing the original database. A minimum of two (2) business days is required for processing prior to the anticipated mailing date with an additional two (2) business days for a National Change of Address (NCOA) update. Additional time may be required depending on the class size, necessary translation of the documents, or other factors. PSA will keep counsel apprised of the estimated mailing date.

Claims: PSA's general policy is to not accept claims via facsimile. However, in the event that facsimile filing of claims must be accepted, PSA will not be held responsible for any issues and/or errors arising out of said filing. Furthermore, PSA will require disclaimer language regarding facsimile transmissions. PSA will not be responsible for any acts or omissions caused by the USPS. PSA shall not make payments to any claimants without verified, valid Social Security Numbers. All responses and class member information are held in strict confidentiality.

Payment Terms: All postage charges and 50% of the final administration charges are due at the commencement of the case and will be billed immediately upon receipt of the data and/or notice documents. PSA bills are due upon receipt unless otherwise negotiated and agreed to with PSA by Counsel/Client. In the event the settlement terms provide that PSA is to be paid out of the settlement fund, PSA will request that Counsel/Client endeavor to make alternate payment arrangements for PSA charges that are due at the onset of the case. The entire remaining balance is due and payable at the time the settlement account is funded by Defendant, or no later than the time of disbursement. Amounts not paid within thirty (30) days are subject to a service charge of 1.5% per month or the highest rate permitted by law.

Tax Reporting Requirements

PSA will file the necessary tax returns under the EIN of the QSF, including federal and state returns. Payroll tax returns will be filed if necessary. Under the California Employment Development Department, all taxes are to be reported under the EIN of the QSF with the exception of the following taxes: Unemployment Insurance (UI) and Employment Training Tax (ETT), employer-side taxes, and State Disability Insurance (SDI), an employee-side tax. These are reported under Defendant's EIN. Therefore, to comply with the EDD payroll tax filing requirements we will need the following information:

1. Defendant's California State ID and Federal EIN.

2. Defendant's current State Unemployment Insurance (UI) rate and Employment Training Tax (ETT) rate. This information can be found in the current year DE 2088, Notice of Contribution Rates, issued by the EDD.

3. Termination dates of the class members, or identification of current employee class members, so we can account for the periods that the wages relate to for each class member.

4. An executed Power of Attorney (Form DE 48) from Defendant. This form is needed so that we may report the UI, SDI, and ETT taxes under Defendant's EIN on their behalf. If this form is not provided we will work with the EDD auditors to transfer the tax payments to Defendant's EIN.

5. Defendant is responsible for reporting the SDI portion of the settlement payments on the class member's W-2. PSA will file these forms on Defendant's behalf for an additional fee and will issue an additional W-2 for each class member under Defendant's EIN, as SDI is reported under Defendant's EIN rather than the EIN of the QSF. The Power of Attorney (Form DE 48) will be needed in order for PSA to report SDI payments.

EXHIBIT 4

PROOF OF SERVICE

STATE OF CALIFORNIA, LOS ANGELES COUNTY

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and not a party to the within action. My business address is 101 N. Brand Blvd, Suite 1450, Glendale, CA 91203.

On October 15, 2026, I served the foregoing document(s) described as **DECLARATION OF HAROUT MESSRELIAN IN SUPPORT OF UNOPPOSED MOTION FOR APPROVAL OF PAGA SETTLEMENT** on the interested parties in this action by attaching true copies thereof and addressing it as follows:

KAUFMAN DOLOWICH LLP
Kartikey A. Pradhan, Esq. (SBN 291870)
Sheedeh Lytz, Esq. (SBN 242687)
425 California Street, Suite 2100
San Francisco, CA 94104
Telephone: (415) 926-7600
Facsimile: (415) 926-7601
Email: kpradhan@kaufmandolowich.com
sheedeh.lytz@kaufmandolowich.com
Attorneys for Defendants
Dumpling Capital LLC

____ (**BY MAIL**) I caused such envelope to be deposited in the mail at Glendale, California. The envelope was mailed with postage thereon fully paid. As follows: I am "readily familiar" with the firm's practice of collection and processing correspondence from mailing. Under that practice it would be deposited with the U.S. postal service on that same day with postage thereon fully prepaid at Glendale, California, in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after the date of deposit for mailing in affidavit.

____ (**BY OVERNIGHT DELIVERY**) I caused such envelope to be delivered via overnight delivery to the addressee listed above.

__X__ (**BY ELECTRONIC TRANSMISSION**) I caused such document to be delivered via electronic transmission to the addressee(s) listed above.

I served the documents by the means described above on October 15, 2026.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

/s/Nicole Aghakhani
Nicole Aghakhani