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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF RIVERSIDE

KENNETH WARTA JR. and MICHAEL MUNOZ, individually, on behalf of all others similarly situated, and on behalf of the State of California and other aggrieved persons,

Plaintiffs,

v.

LOZANO PLUMBING SERVICES, INCORPORATED, a corporation; and DOES 1 through 10, inclusive,

Defendants.

Case No.: CVRI2304541

[Assigned for All Purposes to the Hon. Harold W. Hopp, Dept. 1]

DECLARATION OF JOHN G. YSLAS IN SUPPORT OF PLAINTIFFS' MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT

Preliminary Approval Hearing:
Date: July 7, 2026
Time: 8:30 a.m.
Dept.: 1

Reservation ID: 119201875815

Action Filed: August 29, 2023

<u>**DECLARATION OF JOHN G. YSLAS**</u>

I, John G. Yslas, hereby declare as follows:

1. I am an attorney at law licensed to practice before all of the courts of the State of California. I am a senior partner at Wilshire Law Firm, PLC ("WLF"), counsel for Plaintiffs Kenneth Warta Jr. and Michael Munoz (collectively "Plaintiffs") in this matter. I am thoroughly familiar with and have personal knowledge of all of the facts set forth herein.

2. I submit this declaration in support of Plaintiffs' Motion for Preliminary Approval of Class Action and PAGA Settlement.

Procedural History

3. On August 29, 2023, Plaintiff Kenneth Warta Jr. ("Plaintiff Warta") filed this putative class action against Defendant alleging: (1) failure to pay minimum and straight time wages; (2) failure to pay overtime wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay final wages at termination; (6) failure to provide accurate itemized wage statements; (7) failure to indemnify employees for expenditures; and (8) unfair business practices ("Class Action").

4. On September 22, 2023, Plaintiff Kenneth Warta Jr. ("Plaintiff Warta") provided written notice to the LWDA and Defendant of the specific provisions the Labor Code alleged to have been violated, including the facts and theories in support. A true and correct copy of Plaintiff Warta's PAGA letter is attached hereto as **Exhibit 1**. The LWDA did not notify Plaintiff Warta that it intended to investigate within 65 days of this written notice. On January 14, 2025, Plaintiff Michael Munoz ("Plaintiff Munoz") provided written notice to the LWDA and Defendant of the specific provisions the Labor Code alleged to have been violated, including the facts and theories in support. true and correct copy of Plaintiff Munoz's PAGA letter is attached hereto as **Exhibit 2**. The LWDA did not notify Plaintiff Munoz that it intended to investigate within 65 days of this written notice. Therefore, on May 19, 2025, Plaintiff Munoz filed a representative action against Defendant for civil penalties under PAGA in the Superior Court of California, County of Riverside, Case No. CVRI2502669 ("Munoz PAGA Action").

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5. On November 4, 2025, the Parties participated in a private full-day mediation with mediator, David Phillips. The negotiations were adversarial, conducted at arm's length, and tempered by the efforts of both sides to serve the interests of their clients. The Parties accepted the mediator's proposal and agreed upon general settlement terms.

6. The Parties negotiated the terms of the Settlement over the next few months and fully executed the Settlement in March 2026. A true and correct copy of the fully executed Class Action and PAGA Settlement Agreement and Class Notice ("Settlement Agreement") is attached hereto as **Exhibit 3**. A true and correct copy of the Parties' proposed Class Notice is attached thereto as **Exhibit A**. On May 29, 2026, Plaintiffs submitted a copy of the Settlement Agreement to the LWDA. A true and correct copy of the confirmation my office received after submitting the Settlement Agreement to the LWDA is attached hereto as **Exhibit 4**.

7. On May 11, 2026, the Parties submitted a Joint Stipulation in this Class Action requesting that Plaintiff Warta be granted leave to amend to file a First Amended Complaint that will add a cause of action for civil penalties under PAGA and add Plaintiff Munoz as a named plaintiff. After Preliminary Approval is granted in this Class Action, Plaintiff Munoz intends to dismiss the Munoz PAGA Action without prejudice.

Investigation and Exposure Analysis

8. Prior to attending mediation, Plaintiffs' Counsel thoroughly investigated the claims, applicable law, and potential defenses. Plaintiffs' Counsel assessed the value to the class claims using the data and documents Defendant produced in informal discovery. The data and documents produced by Defendant included the estimated number of Class Members, the number of workweeks in the Class Period, the estimated number of Aggrieved Employees, the number of pay periods in the PAGA Period, the average rate of pay, Defendant's employee handbooks, Defendant's written wage-and-hour policies, and a sampling of Class Members' time and payroll records. Plaintiffs' Counsel also engaged an expert consultant to quantify the potential exposure using the time and payroll records, and then assessed the risks associated with each claim meriting reductions in the likely success at class certification and likely recovery at trial.

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9. Defendants' records show that there are approximately 289 Class Members, making joinder of all Class Members impracticable. Further, given the size and amount of each Class Members' claim, Class Members have little incentive to litigate their claims on an individual basis because the out-of-pocket expenses and personal commitment necessary to litigate each claim likely outweigh any potential recovery.

10. Plaintiffs have alleged that Defendant maintained common employment policies and/or practices that unlawfully deprived Class Members of wages, meal periods, rest periods, reimbursements for business expenses, accurate wage statements, and timely payment of wages upon separation of employment. These allegations present common factual and legal questions of, *inter alia*, whether Defendant applied the same scheduling, timekeeping, pay, meal period, rest period, and reimbursement policies to all Class Members, whether these policies and practices resulted in Labor Code violations, whether Defendant's conduct was intentional, and whether Class Members are entitled to damages and/or penalties. These common questions could be resolved using Class Members' time records, payroll records, testimony from Defendant's designated representative(s), and Class Members' testimony.

11. Although the exposure Plaintiffs' Counsel calculated is substantial, the various risks at succeeding at class certification and through trial affected the valuation of the claims for settlement purposes.

12. <u>Minimum and Overtime Wages</u>: Plaintiffs' unpaid minimum and overtime wage claims were based on the allegation that Defendant required Class Members to perform work duties while off the clock, without compensation. For example, Plaintiffs alleged that Defendant regularly required them and other Class Members to work off the clock and required them to remain on call while off the clock in the event of plumbing emergencies, all without compensation. Based on these allegations, Plaintiffs' Counsel conservatively estimated that Class Members worked one (1) hour off the clock per week in calculating potential exposure for these claims to be approximately $686,700.83 (23,063 workweeks x $19.85 average hourly rate of pay x 1.00 hour/workweek x 1.5 overtime rate of pay). Because this claim would have relied heavily on Class Member testimony and would not be evidenced in Defendant's time and payroll records, the risk of succeeding at class

certification was substantial. Accordingly, Plaintiffs' Counsel applied a risk discount based on a 40% chance of succeeding at class certification and a 40% chance of succeeding at trial on the merits, yielding a realistic damage estimate of approximately $109,872.13 ($686,700.83 x 40% x 40%).

13. Meal Periods: Plaintiffs' meal period claim was based on the allegation that Defendant failed to provide Class Members with legally compliant meal periods or pay meal period premiums in lieu thereof. For example, Plaintiffs alleged that Defendant regularly failed to provide them and other Class Members with duty-free meal periods. Additionally, Plaintiffs' Counsel's expert found a facial violation rate of approximately 45.1% in Defendant's time and payroll records for shifts greater than five (5) hours after accounting for paid meal premiums. Therefore, potential liability for the meal period claims is approximately $853,534.95 (95,342 shifts greater than 5 hours x $19.85 hourly rate x 45.1% violation rate). After taking into account the difficulty of certifying and proving meal period claims, as well as Defendant's contention that the claim lacks merit and that a 45.1% violation rate is unrealistic, Plaintiffs' Counsel discounted this figure based on a 50% chance of succeeding at class certification and a 40% chance of succeeding at trial on the merits, yielding a realistic damage estimate of approximately $170,706.99 ($853,534.95 x 50% x 40%).

14. Rest Periods: Plaintiffs' rest period claim was based on the allegation that Defendant failed to provide Class Members with legally compliant rest periods or pay rest period premiums in lieu thereof. For example, Plaintiffs alleged that Defendant prohibited them and other Class Members from taking rest periods. Based on these allegations, Plaintiffs' Counsel applied a 100% violation rate to all shifts of 3.5 hours or longer. Therefore, potential liability for the rest period claims is approximately $1,987,838.55 (100,143 shifts of 3.5 hours or longer x $19.85 hourly rate x 100% violation rate). However, Plaintiffs' Counsel discounted this figure to account for the difficulty of certifying and proving rest period claims, particularly because rest periods do not have to be recorded, and to account for the possibility of Class Members voluntarily choosing to forego a rest period. Because this claim would have relied exclusively on Class Member testimony, Plaintiffs' Counsel discounted this claim based on a 30% chance of succeeding at class certification

and a 20% chance of succeeding at trial, yielding a realistic damage estimate of approximately $119,270.31 ($1,987,838.55 x 30% x 20%).

15. Reimbursements: Plaintiffs' reimbursement claim was based on the allegation that Defendant failed to indemnify Class Members for expenses incurred as a direct result of performing their job duties for Defendant. For example, Plaintiffs alleged that Defendant failed to reimburse them and other Class Members for mandatory use of their personal cell phones and to purchase their own plumbing tools and supplies for work-related purposes. For purposes of calculating Defendant's liability based on a best-case scenario for Plaintiffs and the Class, Plaintiffs' Counsel estimated that Defendant were liable to each class member for $100 per month, or $25.00 per workweek, in unreimbursed expenses, for a total amount of approximately $576,575.00 ($25.00 x 23,063 workweeks). Plaintiffs' Counsel discounted this figure based on an evaluation of a 30% chance of succeeding at class certification and a 30% chance of succeeding at trial to account for the difficulty of certifying and proving expense reimbursement claims, yielding a realistic damage estimate of approximately $51,891.75 ($576,575.00 x 30% x 30%).

16. In sum, Plaintiffs' Counsel estimated that Plaintiffs' maximum recovery for the off-the-clock claim, meal period violations, and rest period violations (i.e., the wage claims) is approximately $7.1 million, but after factoring in the risk and uncertainty of certification and prevailing at trial, Plaintiffs' Counsel estimates that Plaintiffs' realistic estimated recovery for these non-penalty wage claims is approximately $399,849.43.

17. Statutory Penalties: Plaintiffs alleged that as a result of Defendant's failure to pay all wages owed, Defendant owed waiting time penalties and wage statement penalties. With respect to Plaintiffs' derivative claims for statutory penalties, Plaintiffs' Counsel estimated that Defendant's realistic potential liability is approximately $109,094.48. Defendant's maximum potential liability for waiting time penalties is approximately $1,090,241.40 ([184 employees x $19.85 hourly rate x 8.00 hours/day x 30 days] + [184 employees x $19.85 hourly rate x 1.30 hours of overtime/day x 1.5 overtime rate x 30 days]) based on approximately 184 formerly employed class members during the 3-year statute of limitations period and an average shift length of 9.30 hours. Defendant's maximum potential liability for inaccurate wage statements is approximately

$728,000.00 (182 employees x $4,000.00 statutory maximum) based on approximately 182 class members who worked during the 1-year statute of limitations period and approximately 12,169 pay periods in that statutory timeframe. In light of the foregoing, Plaintiffs' Counsel believes that it would be unrealistic to expect the Court to award the full $1,818,241.40 in statutory penalties given Defendant's defenses, the contested nature of Plaintiffs' claims, the challenges of establishing willfulness as applicable, and the discretionary nature of penalties. Considering that the underlying wage claims are realistically estimated to be approximately $399,849.43, such a disproportionate award would also raise due process concerns. As such, Plaintiffs' counsel discounted these figures to account for the risk and uncertainty of obtaining class certification and prevailing at trial, resulting in a realistic evaluation of approximately $65,414.48 for waiting time penalty claims ($1,090,241.40 x 30% x 20%), and approximately $43,680.00 for wage statement penalty claims ($728,000.00 x 30% x 20%), or approximately $109,094.48 total for statutory penalties.

18. PAGA: For the PAGA claim, Plaintiffs' Counsel determined that Defendant's potential exposure could potentially reach $1,191,800.00, assuming the initial $100 penalty would apply for each of the 11,918 pay periods in the PAGA Period. However, even assuming success on the merits of each claim, PAGA gives the Court discretion to reduce penalties for a variety of reasons, including where to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory. As such, Plaintiffs' counsel discounted this figure to account for the risk and uncertainty of prevailing at trial, resulting in a realistic evaluation of approximately $119,180.00 for PAGA penalties ($1,191,800.00 x 10%). The settlement allocates $40,000.00 of the Gross Settlement Amount to PAGA, therefore the PAGA allocation amounts to 5% of the Gross Settlement Amount and approximately 34% of the realistic maximum damages for PAGA penalties ($40,000.00 / $119,180.00).

19. Using these estimated figures, Plaintiffs' Counsel predicted that the realistic maximum recovery for all claims, including penalties, would be approximately $680,015.66. This means that the gross settlement figure represents approximately 118% of the realistic maximum recovery ($800,000.00 / $680,015.66). Considering the risk and uncertainty of prevailing at class certification and at trial, this is an excellent result for the Class. Indeed, because of the proposed

Settlement, Class Members will receive timely, guaranteed relief and will avoid the risk of an unfavorable judgment.

20. Based on the figures in the Settlement Agreement, the Net Settlement Amount available for class settlement payments is currently estimated to be $430,833.34 for approximately 289 Class Members. As a result, each Settlement Class Member would be eligible to receive an average net benefit of approximately $1,490.77. Based on the estimated Net Settlement Amount available for individual class payments and there being approximately 23,063 workweeks in the Class Period, the estimated weekly valuation for individual class payments is $18.68 ($430,833.34/ 23,063 workweeks).

Plaintiffs' Counsel's Qualifications

21. Plaintiffs are represented by WLF. The attorneys at WLF performed significant work and expended litigation costs in prosecuting this matter with no guarantee of payment.

22. WLF was selected by Best Lawyers and U.S. News & World Report as one of the nation's Best Law Firms since 2020 and is comprised of more than 100 attorneys and over 600 employees. WLF is actively and continuously practicing in employment litigation, representing employees in both individual and class actions in both state and federal courts throughout California.

23. WLF is qualified to handle this Litigation because its attorneys are experienced in litigating Labor Code violations in both individual, class action, and representative action cases. WLF has handled, and is currently handling, numerous wage and hour class action lawsuits, as well as class actions involving consumer rights and data privacy litigation.

24. I graduated from the University of California, Santa Barbara with High Honors in 1991 with Bachelor of Arts degrees in Psychology. I received my Juris Doctor from UCLA Law School in 1996.

25. Upon graduating from law school in 1996, I worked for a boutique law firm practicing general litigation which included employment law matters. Since 2000 (that is, the last 23 years) my practice has been exclusively focused on labor and employment matters including handling wage and hour class, collective and representative actions (including the California

Private Attorneys General Act, or "PAGA"), including in the international law firms of Morgan, Lewis & Bockius LLP (where I was a senior associate), Foley & Lardner LLP (where I was a partner and a national Vice Chair of the Labor and Employment Group), Norton Rose Fulbright LLP (where I was a partner) and Seyfarth Shaw (where I was a partner and member of the Wage and Hour Practice Group). During my time at these law firms, I was the primary attorney or took a major leading role in defending employers on numerous wage and hour class, collective and representative actions.

26. In 2022 I left Seyfarth Shaw and joined my current firm, WLF, to represent plaintiff employees. I have been and am handling many wage and hour class and representative actions litigating such matters on behalf of plaintiff employees in numerous Superior Courts and District Courts. From matters representing both plaintiffs and defendants, I have successfully mediated the resolution of many wage and hour class, collective, and representative actions. Just since last year after joining WLF (and thus joining the plaintiff's bar) I have already successfully mediated matters in which I have been counsel or co-counsel resulting in **well over $250 million** in settlements which are in the process of being finalized, and with numerous upcoming mediations scheduled. In those and numerous other matters, I have managed and assisted with the litigation and settlement of many wage and hour PAGA and class actions. In those actions, I performed similar tasks as those performed in the course of prosecuting this action. Indeed, I recently tried and prevailed in achieving a jury verdict in a wage and hour class action in the matter of *Aguilar-Flores v. Javier's – CC LLC*, Los Angeles County Superior Court, Case No. 19STCV36438 (settled after verdict).

27. I have received numerous awards for my legal work. For example, from 2015 to 2018, I was listed in Los Angeles Super Lawyers for Employment Litigation (Thomson Reuters). have also served on numerous prominent boards and in other leadership positions, including currently serving as Southern California Regional President for the Hispanic National Bar Association and on the board of directors of the Mexican American Bar Foundation. I also previously served on the 5-member Los Angeles Civil Service Commission, which generally oversees the personnel decisions for the City of Angeles.

28. I have also published numerous blogs on labor and employment issues including on wage and hour issues. For example, I published "Headline News: Wal-Mart v. Dukes-Impact on Class Action Litigation" (while a partner with Foley & Lardner LLP) and "Are You Really Protected From Wage-and-Hour Successor Liability in an Asset Purchase" (while a partner with Seyfarth Shaw LLP). I have also been a presenter at numerous conferences, including being a presenter involving the "Employment Law Update" at a National Employment Law Council conference.

29. Arrash T. Fattahi ("Mr. Fattahi") is a Partner at Wilshire Law Firm, PLC. Mr. Fattahi graduated from the University of California, Los Angeles with a Bachelor of Arts in Political Science, *summa cum laude*. He received his Juris Doctor from The George Washington University Law School. During law school, he was a member of the student editorial board for the Federal Circuit Bar Journal. Mr. Fattahi's practice is focused on advocating for the rights of consumers and employees in class action litigation. He is currently the managing attorney in charge of litigating several class action cases in state and federal courts in California. As the attorney responsible for day-to-day management of this matter at the Wilshire Law Firm, PLC, Mr. Fattahi has over five years of experience litigating wage and hour class actions. Over the past five plus years, Mr. Fattahi has managed and assisted with the litigation and settlement of several wage and hour class actions. In those class actions, he performed similar tasks as those performed in the course of prosecuting this action. Mr. Fattahi was selected as a "Southern California Rising Star" in 2025 and 2026. Mr. Fattahi's current contingent billing rate of $850.00 per hour is consistent with the legal market, accepted hourly rates, and his expertise and knowledge as it pertains to wage and hour matters.

30. Arman A. Salehi ("Mr. Salehi") is an Associate Attorney at Wilshire Law Firm, PLC. He was admitted to practice law in the State of California in 2023. Mr. Salehi graduated from the University of California, Los Angeles, with a Bachelor of Arts in Sociology. He received his Juris Doctor from the University of California College of the Law, San Francisco (formerly known as U.C. Hastings). Since November 2023, Mr. Salehi's practice has mainly been focused on wage and hour class action litigation.

31. Courtney M. Miller ("Ms. Miller") is a Settlement Attorney at WLF. She was admitted to practice law in the State of California in 2019. Ms. Miller graduated from the University of California, Santa Cruz, with a Bachelor of Arts in Sociology. Prior to becoming an attorney, Ms. Miller worked at a boutique civil litigation firm for nearly a decade, primarily handling employment matters. She earned her Juris Doctor from Southwestern Law School in 2019. Ms. Miller has prosecuted wage and hour class and PAGA actions, almost exclusively, since 2020. As a handling attorney, Ms. Miller obtained over $30 million dollars in settlements on behalf of California employees.

No Conflicts

32. WLF has no actual or potential conflicts of interest with Class Members or the proposed Administrator, ILYM Group Inc.

33. I am not aware of any class, representative or other collective action in any other court in this or any other jurisdiction that asserts claims similar to those asserted in this action on behalf of a class or group of individuals, some or all of whom would also be members of the class defined in this action. I also made a reasonable inquiry of other members of WLF to determine whether they are aware of any such similar actions. Additionally, WLF searched the LWDA website for all PAGA notices submitted in the last five (5) years and searched Trellis for all general employment cases filed against Defendant.

34. WLF does not have a fee splitting agreement in this case.

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Settlement Administrator

35. WLF sought bids from three (3) third-party administrators for administering this Settlement and obtained bids from two (2) of them. Apex Class Action LLC's bid to administer this Settlement was $7,990.00. ILYM Group Inc.'s bid to administer this Settlement was $7,500.00. The Parties selected the administrator with the lower bid, ILYM Group Inc.

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

Executed on May 29, 2026 at Los Angeles, California.

John G. Yslas

EXHIBIT 1

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September 22, 2023

LWDA
Attn. PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612
(***Via Online Submission***)

Nathan Heyde
Agent for Service of Process for:
Lozano Plumbing Services, Incorporated
3750 University Avenue, Suite 610
Riverside, CA 92501
(Via Certified Mail, Return Receipt Requested)
#9489 0090 0027 6498 8419 85

Lozano Plumbing Services, Incorporated
3615 Presley Ave.
Riverside, CA 92507
(Via Certified Mail, Return Receipt Requested)
##9489 0090 0027 6498 8419 92

Lozano Plumbing Services, Incorporated
PO Box 53137
Riverside, CA 92517
(Via Certified Mail, Return Receipt Requested)
##9489 0090 0027 6498 8420 05

Re: ***Kenneth Warta Jr. v. Lozano Plumbing Services, Incorporated***
Notice of Labor Code Violations and PAGA Penalties

To Whom It May Concern:

Please be advised that my office has been retained by Kenneth Warta Jr. ("Plaintiff") to pursue a Labor Code Private Attorneys General Act ("PAGA") representative action (Cal. Lab. Code §§ 2699, *et seq.*) against his former employer, Lozano Plumbing Services, Incorporated ("Defendant"). The purpose of this letter is to comply with PAGA and set forth the facts and theories of California Labor Code violations which we allege Defendant engaged in with respect to Plaintiff and all of Defendant's Aggrieved Employees.

Plaintiff wishes to pursue this action on behalf of himself as an aggrieved employee, on behalf of the State of California, as well as on behalf of all other persons who worked for Defendant in California as a non-exempt or hourly-paid employee at any time within the applicable statutory period (hereafter, the "Aggrieved Employees").

Plaintiff and the Aggrieved Employees suffered the Labor Code violations described below.

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<u>Plaintiff's Employment with Defendant</u>

Defendant owns/owned and operates/operated an industry, business, and establishment within the State of California, including Riverside County. As such, and based upon all the facts and circumstances incident to Defendant's business in California, Defendant is subject to the California Labor Code, Wage Orders issued by the Industrial Welfare Commission ("IWC"), and the California Business & Professions Code.

Plaintiff Kenneth Warta Jr. is a resident of Riverside County, California who worked for Defendant in Riverside County, California as an hourly-paid, non-exempt employee from approximately July 2020 to approximately May 2023. Defendant typically scheduled Plaintiff to work at least five days in a workweek and at least eight hours per day, but Plaintiff regularly worked more than eight hours in a workday and/or more than forty (40) hours in a workweek.

Throughout Plaintiff's employment, Defendant failed to pay for all hours worked (including minimum, straight time, and overtime wages), failed to provide Plaintiff with legally compliant meal periods, failed to authorize and permit Plaintiff to take rest periods, failed to timely pay all final wages to Plaintiff when Defendant terminated his employment, failed to furnish accurate wage statements to Plaintiff, and failed to indemnify Plaintiff for expenditures. As discussed below, Plaintiff's experience working for Defendant was typical and illustrative.

<u>Defendant Failed to Pay for All Hours Worked, Including Minimum, Straight Time, and Overtime Wages</u>

Under California law, an employer must pay for all hours worked by an employee. "Hours worked" is the time during which an employee is subject to the control of an employer, and includes all the time the employee is suffered or permitted to work, whether or not required to do so.

In addition, Labor Code § 510 provides that employees in California shall not be employed more than eight hours in any workday or forty (40) hours in a workweek unless they receive additional compensation beyond their regular wages in amounts specified by law.

Labor Code §§ 1194 and 1198 also provide that employees in California shall not be employed more than eight hours in any workday unless they receive additional compensation beyond their regular wages in amounts specified by law. Additionally, Labor Code § 1198 states that the employment of an employee for longer hours than those fixed by the IWC is unlawful.

Throughout the statutory period, Defendant maintained a policy and practice of not paying Plaintiff and the Aggrieved Employees for all hours worked, including minimum, straight time, and overtime wages. Defendant required Plaintiff and the Aggrieved Employees to work "off-the-clock," uncompensated, by, for example, requiring Plaintiff and the Aggrieved Employees to perform work during unpaid meal periods, and after clocking out for the workday. Some of this unpaid work should have been paid at the overtime rate. In failing to pay for all hours worked, Defendant also failed to maintain accurate records of the hours Plaintiff and the Aggrieved Employees worked.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210, 1197.1, and 2699(f)(2) for failing to pay for all hours worked, including minimum, straight time, and overtime wages.

Failure to Provide Meal Periods

Under California law, employers have an affirmative obligation to relieve employees of all duty in order to take their first 30-minute, duty-free meal periods no later than the start of sixth hour of work in a workday, and to allow employees to take their second 30-minute, duty-free meal period no later than the start of the eleventh hour of work in the workday. Further, employees are entitled to be paid one hour of additional wages for each workday they were not provided with all required meal period(s).

Despite these legal requirements, Defendant wrongfully failed to provide Plaintiff and the Aggrieved Employees with legally compliant meal periods. Defendant regularly, but not always, required Plaintiff and the Aggrieved Employees to work in excess of five consecutive hours a day without providing a 30-minute, uninterrupted, and duty-free meal period for every five hours of work, or without compensating Plaintiff and the Aggrieved Employees for meal periods that were not provided by the end of the fifth hour of work or tenth hour of work. Instead, Defendant continued to assert control over Plaintiff and the Aggrieved Employees by requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory meal periods, or by denying Plaintiff and the Aggrieved Employees permission to take a meal period. Accordingly, Defendant's policy and practice was not to provide meal periods to Plaintiff and the Aggrieved Employees in compliance with California law.

Plaintiff and the Aggrieved Employees are thus entitled to be paid one hour of additional wages for each workday he or she was not provided with all required meal period(s). Defendant, however, regularly failed to pay Plaintiff and the Aggrieved Employees the additional wages to which they were entitled for meal periods and that were not provided.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210 and 2699(f)(2) for failing to provide meal periods and pay meal period premium wages.

Failure to Authorize and Permit Rest Periods

Employers are required by California law to authorize and permit breaks of ten uninterrupted minutes for each four hours of work or major fraction of four hours (i.e. more than two hours). Thus, for example, if an employee's work time is six hours and ten minutes, the employee is entitled to two rest breaks. Each failure to authorize rest breaks as so required is itself a violation of California's rest break laws.

Throughout the statutory period, Defendant has wrongfully failed to authorize and permit Plaintiff and the Aggrieved Employees to take legally compliant rest periods. Defendant regularly required Plaintiff and the Aggrieved Employees to work in excess of four consecutive hours a day without Defendant authorizing and permitting them to take a 10-minute, uninterrupted, duty-free rest period for every four hours of work (or major fraction of four hours), or without compensating Plaintiff and the Aggrieved Employees for rest periods that were not authorized or permitted. Instead, Defendant continued to assert control over Plaintiff and the Aggrieved Employees by requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory rest periods, or by denying Plaintiff and the Aggrieved Employees permission to take a rest period. Accordingly, Defendant's policy and practice was to not authorize and permit Plaintiff and the Aggrieved Employees to take rest periods in compliance with California law.

Plaintiff and the Aggrieved Employees are thus entitled to be paid one hour of additional wages for each workday he or she was not authorized and permitted to take all required rest period(s). Defendant, however, regularly failed to pay Plaintiff and the Aggrieved Employees the additional wages to which they were entitled for rest periods and that they were not authorized and permitted to take.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210 and 2699(f)(2) for failing to authorize and permit rest periods and pay rest period premium wages.

Failure to Pay All Earned Wages Twice Per Month

Based on its failure to pay Plaintiff and the Aggrieved Employees for all wages as discussed above, Defendant also violated Labor Code § 204.

Labor Code § 204 requires employers to pay employees all earned wages two times per month. Throughout the statute of limitations period applicable to this cause of action, employees were entitled to be paid twice a month at their regular rates, including all meal period premium wages owed, rest period premium wages owed, and wages owed for overtime hours worked. However, during all such times, Defendant systematically failed and refused to pay the employees all wages due, and failed to pay those wages twice a month, in that employees were not paid all wages for all meal periods not provided by Defendant, all wages for all rest periods not authorized and permitted by Defendant, and all wages for all hours worked. As a result, Defendant owes employees the legally required wages for unpaid wages, and Plaintiff and the Aggrieved Employees suffered damages in those amounts.

Moreover, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 210 for failing to pay all earned wages twice per month.

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<u>Failure to Maintain Accurate Records of Hours Worked and Meal Periods</u>

Plaintiff seeks penalties under California Labor Code § 1174(d). Pursuant to California Labor Code § 1174.5, any person, including any entity, employing labor who willfully fails to maintain accurate and complete records required by California Labor Code § 1174 is subject to a penalty under § 1174.5. Pursuant to the applicable IWC Order § 7(A)(3), every employer shall keep time records showing when the employee begins and ends each work period. Meal periods and total hours worked daily shall also be recorded.

Defendant, however, failed to maintain accurate records of hours worked and all meal periods taken or missed by Plaintiff and the Aggrieved Employees.

Defendant's failure to provide and maintain records required by the California Labor Code and the applicable IWC Wage Orders deprived Plaintiff and the Aggrieved Employees the ability to know, understand and question the accuracy and frequency of meal periods, and the accuracy of their hours worked stated in Defendant's records. Therefore, Plaintiff and the Aggrieved Employees had no way to dispute the resulting failure to pay wages, all of which resulted in an unjustified economic enrichment to Defendant. As a direct result, Plaintiff and the Aggrieved Employees have suffered and continue to suffer, substantial losses related to the use and enjoyment of such wages, lost interest on such wages and expenses and attorney's fees in seeking to compel Defendant to fully perform its obligation under state law, all to their respective damage in amounts according to proof at trial. As a result of Defendant's knowing failure to comply with the California Labor Code and applicable IWC Wage Orders, Plaintiff and the Aggrieved Employees have also suffered an injury in that they were prevented from knowing, understanding, and disputing the wage payments paid to them.

<u>Failure to Timely Pay All Wages at Termination</u>

Labor Code §§ 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and that if an employee voluntarily leaves his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

Within the applicable statute of limitations, the employment of Plaintiff and many other Aggrieved Employees ended, i.e., was terminated by quitting or being discharged, and the employment of others will be terminated. However, during the relevant time period, Defendant failed, and continues to fail to pay Plaintiff and terminated Aggrieved Employees, without abatement, all wages required to be paid by Labor Code sections 201 and 202 either at the time of discharge, or within seventy-two (72) hours of their leaving Defendant's employment. These unpaid wages include wages for unpaid work time (including minimum, straight time, and overtime wages), missed meal period premium wages, and missed rest period premium wages.

Defendant's conduct violates Labor Code §§ 201 and 202. Labor Code § 203 provides that if an employer willfully fails to pay wages owed, in accordance with sections 201 and 202, then the wages of the employee shall continue as a penalty wage from the due date, and at the same rate until paid or until an action is commenced; but the wages shall not continue for more than thirty (30) days.

Accordingly, Plaintiff and the Aggrieved Employees are entitled to recover from Defendant their additionally accruing wages for each day they were not paid, at their regular hourly rate of pay, up to thirty (30) days maximum pursuant to Labor Code § 203.

Moreover, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 2699(f)(2) for failing to timely pay all wages at termination.

Failure to Furnish Accurate Itemized Wage Statements

Labor Code § 226(a) provides that every employer shall furnish each of his or her employees an accurate itemized wage statement in writing showing nine pieces of information, including: (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and the last four digits of his or her social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer, and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. An employee is presumed to suffer an injury if this information is missing. (Lab. Code § 226(e)(2)(B)(iii).)

The statute further provides: "An employee suffering injury as a result of a knowing and intentional failure by an employer to comply with subdivision (a) is entitled to recover the greater of all actual damages or fifty dollars ($50) for the initial pay period in which a violation occurs and one hundred dollars ($100) per employee for each violation in a subsequent pay period, not to exceed an aggregate penalty of four thousand dollars ($4,000), and is entitled to an award of costs and reasonable attorney's fees." (Lab. Code § 226(e)(1).)

Throughout the statutory period, Defendant failed to furnish Plaintiff and the Aggrieved Employees with accurate, itemized wage statements showing all applicable hourly rates, and all gross and net wages earned (including correct hours worked, correct wages for meal periods that were not provided in accordance with California law, and correct wages for rest periods that were not authorized and permitted to take in accordance with California law).

Because Defendant violated Labor Code § 226, Plaintiff and similarly Aggrieved Employees suffered injury and damage to their statutorily protected rights. Accordingly, Plaintiff and similarly Aggrieved Employees are entitled to recover from Defendant the greater of their actual damages caused by Defendant's failure to comply with Labor Code § 226(a), or an aggregate penalty not exceeding four thousand dollars ($4,000) per employee.

Moreover, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 226.3 for failing to furnish accurate itemized wage statements.

Failure to Indemnify for Necessary Expenditures

Labor Code § 2802(a) provides that employers shall indemnify his or her employees for all necessary business expenditures or losses that have been incurred by the employees in direct discharge of his or her duties. Throughout the statute of limitations period applicable to this cause of action, Defendant wrongfully required Plaintiff and the Aggrieved Employees to pay expenses that they incurred in direct discharge of their duties for Defendant. Plaintiff and the Aggrieved Employees regularly paid out-of-pocket for necessary employment-related expenses, including, without limitation, work-related equipment, use of personal cell phones, and use of personal vehicles. Plaintiff and the Aggrieved Employees incurred substantial expenses as a direct result of performing their job duties for Defendant, but Defendant failed to indemnify Plaintiff and the Aggrieved Employees for these employment-related expenses.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 2802 and 2699(f)(2) for failing to indemnify Plaintiff and the Aggrieved Employees for necessary business expenditures.

Action for Civil Penalties Under PAGA

In light of the above, Plaintiff alleges that Defendant violated the following provisions of the Labor Code with respect to the Aggrieved Employees:

1. Labor Code § 204, 510, 1194, 1197, and 1198 by failing to pay for all hours worked, including minimum wages, straight time wages, and overtime wages;
2. Labor Code § 226.7 and applicable Wage Orders by failing to provide meal periods;
3. Labor Code § 226.7 and applicable Wage Orders by failing to authorize and permit rest periods;
4. Labor Code § 204 by failing to pay all earned wages two times per month;
5. California Labor Code § 1174.5 and applicable Wage Orders by failing to maintain accurate records of hours worked and meal periods taken or missed;
6. Labor Code §§ 201 to 203 by willfully failing to pay all wages owed at termination;
7. Labor Code § 226 by failing to provide accurate itemized wage statements; and

8. Labor Code § 2802 by failing to indemnify for necessary expenditures.

Therefore, on behalf of all Aggrieved Employees, Plaintiff seeks applicable penalties related to the violations alleged above pursuant to the PAGA. These include, but are not limited to, penalties under Labor Code §§ 210, 226.3, 1174.5, 1197.1, and 2699(f)(2).

Plaintiff has placed Defendant on notice by mailing a certified copy of this correspondence, as indicated on the first page. Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact me.

Sincerely,

WILSHIRE LAW FIRM

Justin F. Marquez, Esq.

WILSHIRE LAW FIRM, PLC
3055 WILSHIRE BLVD. 12TH FLOOR
LOS ANGELES, CA 90010

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WILSHIRE LAW FIRM, PLC
3055 WILSHIRE BLVD. 12TH FLOOR
LOS ANGELES, CA 90010

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Lozano Plumbing Services, Incorporated
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Riverside, CA 92517

24268

EXHIBIT 2

WILSHIRE LAW FIRM, PLC
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Molly Desario, Esq.
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Benjamin Haber, Esq.
Arsiné Grigoryan, Esq.
Arrash T. Fattahi, Esq.
Daniel Kramer, Esq.
Dorota James, Esq.
Chase Stern, Esq.
Bradford Smith, Esq.
Arman A. Salehi, Esq.
Kareen Shatikian, Esq.

January 14, 2025

LWDA
Attn. PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612
(***Via Online Submission***)

Lozano Plumbing Services, Incorporated
3615 Presley Ave.
Riverside, CA 92507
(Via Certified Mail, Return Receipt Requested)
#

Lozano Plumbing Services, Incorporated
PO Box 53137
Riverside, CA 92517
(Via Certified Mail, Return Receipt Requested)
#

Nathan Heyde
Agent for Service of Process for:
Lozano Plumbing Services, Incorporated
3750 University Avenue, Suite 610
Riverside, CA 92501
(Via Certified Mail, Return Receipt Requested)
#

Re: ***Michael Munoz v. Lozano Plumbing Services, Incorporated***
Notice of Labor Code Violations and PAGA Penalties

To Whom It May Concern:

Please be advised that my office has been retained by Michael Munoz ("Plaintiff") to pursue a Labor Code Private Attorneys General Act ("PAGA") representative action (Cal. Lab. Code §§ 2699, *et seq.*) against Plaintiff's former employer, Lozano Plumbing Services, Incorporated ("Defendant").. The purpose of this letter is to comply with PAGA and set forth the facts and theories of California Labor Code violations which we allege Defendants engaged in with respect to Plaintiff and all of Defendant's Aggrieved Employees.

Plaintiff wishes to pursue this action as an aggrieved employee, on behalf of the State of California, as well as on behalf of all other persons who worked for Defendant in California as a non-exempt or hourly-paid employee at any time within the applicable statutory period (hereafter, the "Aggrieved Employees").

Plaintiff and the Aggrieved Employees suffered the Labor Code violations described below.

Plaintiff's Employment with Defendant

Defendant own/owned and operates/operated an industry, business, and establishment within the State of California, including Riverside County. As such, and based upon all the facts and circumstances incident to Defendant's business in California, Defendant is subject to the California Labor Code, Wage Orders issued by the Industrial Welfare Commission ("IWC"), and the California Business & Professions Code.

Plaintiff Michael Munoz worked for Defendant in California as an hourly-paid, non-exempt employee during the past year. During Plaintiff's employment for Defendant, Defendant paid Plaintiff an hourly wage and classified Plaintiff as non-exempt from overtime. Defendant typically scheduled Plaintiff to work at least five days in a workweek and at least eight hours per day, but Plaintiff regularly worked more than eight hours in a workday and/or more than forty (40) hours in a workweek.

Throughout Plaintiff's employment, Defendant: failed to pay for all hours worked (including minimum, straight time, and overtime wages); failed to provide Plaintiff with legally compliant meal periods (and pay corresponding meal period premium wages at the correct rate of pay); failed to authorize and permit Plaintiff to take rest periods; failed to timely pay all final wages to Plaintiff when Defendant terminated Plaintiff's employment; failed to furnish accurate wage statements to Plaintiff; and failed to indemnify Plaintiff for expenditures. As discussed below, Plaintiff's experience working for Defendant was typical and illustrative.

Defendant Failed to Pay for All Hours Worked, Including Minimum, Straight Time, and Overtime Wages

Under California law, an employer must pay for all hours worked by an employee. "Hours worked" is the time during which an employee is subject to the control of an employer, and includes all the time the employee is suffered or permitted to work, whether or not required to do so.

In addition, Labor Code § 510 provides that employees in California shall not be employed more than eight hours in any workday or forty (40) hours in a workweek unless they receive additional compensation beyond their regular wages in amounts specified by law.

Labor Code §§ 1194 and 1198 also provide that employees in California shall not be employed more than eight hours in any workday unless they receive additional compensation beyond their regular wages in amounts specified by law. Additionally, Labor Code § 1198 states that the employment of an employee for longer hours than those fixed by the IWC is unlawful.

Throughout the statutory period, Defendant maintained a policy and practice of not paying Plaintiff and the Aggrieved Employees for all hours worked, including minimum, straight time, and overtime wages. Defendant required Plaintiff and the Aggrieved Employees to work "off-the-clock", uncompensated, by, for example, requiring Plaintiff and the Aggrieved Employees to perform work during unpaid meal periods and after clocking out for the workday. Some of this unpaid work should have been paid at the overtime rate. In failing to pay for all hours worked, Defendant also failed to maintain accurate records of the hours Plaintiff and the Aggrieved Employees worked.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210, 1197.1, and 2699(f)(2) for failing to pay for all hours worked, including minimum, straight time, and overtime wages.

Failure to Provide Meal Periods

Under California law, employers have an affirmative obligation to relieve employees of all duty in order to take their first 30-minute, duty-free meal periods no later than the start of sixth hour of work in a workday, and to allow employees to take their second 30-minute, duty-free meal period no later than the start of the eleventh hour of work in the workday. Further, employees are entitled to be paid one hour of additional wages for each workday they were not provided with all required meal period(s).

Despite these legal requirements, Defendant wrongfully failed to provide Plaintiff and the Aggrieved Employees with legally compliant meal periods. Defendant regularly, but not always, required Plaintiff and the Aggrieved Employees to work in excess of five consecutive hours a day without providing a 30-minute, uninterrupted, and duty-free meal period for every five hours of work, or without compensating Plaintiff and the Aggrieved Employees for meal periods that were not provided by the end of the fifth hour of work or tenth hour of work. Instead, Defendant continued to assert control over Plaintiff and the Aggrieved Employees by requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory meal periods, or by denying Plaintiff and the Aggrieved Employees permission to take a meal period. Defendant also never informed Plaintiff of the right to, nor permitted Plaintiff to take, a second meal period when Plaintiff worked at least ten hours in a workday. Accordingly, Defendant's policy and practice was not to provide meal periods to Plaintiff and the Aggrieved Employees in compliance with California law.

Plaintiff and the Aggrieved Employees are thus entitled to be paid one hour of additional wages for each workday he or she was not provided with all required meal period(s). Defendant, however, regularly failed to pay Plaintiff and the Aggrieved Employees the additional wages to which they were entitled for meal periods and that were not provided.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210 and 2699(f)(2) for failing to provide meal periods and pay meal period premium wages.

Failure to Authorize and Permit Rest Periods

Employers are required by California law to authorize and permit breaks of ten uninterrupted minutes for each four hours of work or major fraction of four hours (i.e. more than two hours). Thus, for example, if an employee's work time is six hours and ten minutes, the employee is entitled to two rest breaks. Each failure to authorize rest breaks as so required is itself a violation of California's rest break laws.

Throughout the statutory period, Defendant has wrongfully failed to authorize and permit Plaintiff and the Aggrieved Employees to take legally compliant rest periods. Defendant regularly required Plaintiff and the Aggrieved Employees to work in excess of four consecutive hours a day without Defendant authorizing and permitting them to take a 10-minute, uninterrupted, duty-free rest period for every four hours of work (or major fraction of four hours), or without compensating Plaintiff and the Aggrieved Employees for rest periods that were not authorized or permitted. Instead, Defendant continued to assert control over Plaintiff and the Aggrieved Employees by requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory rest periods, or by denying Plaintiff and the Aggrieved Employees permission to take a rest period. Accordingly, Defendant's policy and practice was to not authorize and permit Plaintiff and the Aggrieved Employees to take rest periods in compliance with California law.

Plaintiff and the Aggrieved Employees are thus entitled to be paid one hour of additional wages for each workday he or she was not authorized and permitted to take all required rest period(s). Defendant, however, regularly failed to pay Plaintiff and the Aggrieved Employees the additional wages to which they were entitled for rest periods and that they were not authorized and permitted to take.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210 and 2699(f)(2) for failing to authorize and permit rest periods and pay rest period premium wages.

Failure to Pay All Earned Wages Twice Per Month

Based on its failure to pay Plaintiff and the Aggrieved Employees for all wages as discussed above, Defendant also violated Labor Code § 204.

Labor Code § 204 requires employers to pay employees all earned wages two times per month. Throughout the statute of limitations period applicable to this cause of action, employees were entitled to be paid twice a month at their regular rates, including all meal period premium wages owed, rest period premium wages owed, and wages owed for overtime hours worked. However, during all such times, Defendant systematically failed and refused to pay the employees all wages due, and failed to pay those wages twice a month, in that employees were not paid all wages for all meal periods not provided by Defendant, all wages for all rest periods not authorized and permitted by Defendant, and all wages for all hours worked. As a result, Defendant owes employees the legally required wages for unpaid wages, and Plaintiff and the Aggrieved Employees suffered damages in those amounts.

Moreover, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 210 for failing to pay all earned wages twice per month.

<u>Failure to Maintain Accurate Records of Hours Worked and Meal Periods</u>

Plaintiff seeks penalties under California Labor Code § 1174(d). Pursuant to California Labor Code § 1174.5, any person, including any entity, employing labor who willfully fails to maintain accurate and complete records required by California Labor Code § 1174 is subject to a penalty under § 1174.5. Pursuant to the applicable IWC Order § 7(A)(3), every employer shall keep time records showing when the employee begins and ends each work period. Meal periods and total hours worked daily shall also be recorded.

Defendant, however, failed to maintain accurate records of hours worked and all meal periods taken or missed by Plaintiff and the Aggrieved Employees.

Defendant's failure to provide and maintain records required by the California Labor Code and the applicable IWC Wage Orders deprived Plaintiff and the Aggrieved Employees the ability to know, understand and question the accuracy and frequency of meal periods, and the accuracy of their hours worked stated in Defendant's records. Therefore, Plaintiff and the Aggrieved Employees had no way to dispute the resulting failure to pay wages, all of which resulted in an unjustified economic enrichment to Defendant. As a direct result, Plaintiff and the Aggrieved Employees have suffered and continue to suffer, substantial losses related to the use and enjoyment of such wages, lost interest on such wages and expenses and attorney's fees in seeking to compel Defendant to fully perform its obligation under state law, all to their respective damage in amounts according to proof at trial. As a result of Defendant's knowing failure to comply with the California Labor Code and applicable IWC Wage Orders, Plaintiff and the Aggrieved Employees have also suffered an injury in that they were prevented from knowing, understanding, and disputing the wage payments paid to them.

<u>Failure to Timely Pay All Wages at Termination</u>

Labor Code §§ 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and that if an employee voluntarily leaves his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

Within the applicable statute of limitations, the employment of Plaintiff and many other Aggrieved Employees ended, i.e., was terminated by quitting or being discharged, and the employment of others will be terminated. However, during the relevant time period, Defendant failed, and continues to fail, to pay Plaintiff and terminated Aggrieved Employees, without abatement, all wages required to be paid by Labor Code sections 201 and 202 either at the time of discharge, or within seventy-two (72) hours of their leaving Defendant's employment. These unpaid wages include wages for unpaid work time (including minimum, straight time, and overtime wages), missed meal period premium wages, and missed rest period premium wages.

Defendant's conduct violates Labor Code §§ 201 and 202. Labor Code § 203 provides that if an employer willfully fails to pay wages owed, in accordance with sections 201 and 202, then the wages of the employee shall continue as a penalty wage from the due date, and at the same rate until paid or until an action is commenced; but the wages shall not continue for more than thirty (30) days.

Accordingly, Plaintiff and the Aggrieved Employees are entitled to recover from Defendant their additionally accruing wages for each day they were not paid, at their regular hourly rate of pay, up to thirty (30) days maximum pursuant to Labor Code § 203.

Moreover, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 2699(f)(2) for failing to timely pay all wages at termination.

Failure to Furnish Accurate Itemized Wage Statements

Labor Code § 226(a) provides that every employer shall furnish each of his or her employees an accurate itemized wage statement in writing showing nine pieces of information, including: (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and the last four digits of his or her social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer, and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. An employee is presumed to suffer an injury if this information is missing. (Lab. Code § 226(e)(2)(B)(iii).)

The statute further provides: "An employee suffering injury as a result of a knowing and intentional failure by an employer to comply with subdivision (a) is entitled to recover the greater of all actual damages or fifty dollars ($50) for the initial pay period in which a violation occurs and one hundred dollars ($100) per employee for each violation in a subsequent pay period, not to exceed an aggregate penalty of four thousand dollars ($4,000), and is entitled to an award of costs and reasonable attorney's fees." (Lab. Code § 226(e)(1).)

Throughout the statutory period, Defendant failed to furnish Plaintiff and the Aggrieved Employees with accurate, itemized wage statements showing all applicable hourly rates, and all gross and net wages earned (including correct hours worked, correct wages for meal periods that were not provided in accordance with California law, and correct wages for rest periods that were not authorized and permitted to take in accordance with California law). Whether unpaid premiums for missed meal periods must be reported as "wages earned" and credited as "hours worked" in wage statements has been a settled issue since at least 2022.

Because Defendant violated Labor Code § 226, Plaintiff and similarly Aggrieved Employees suffered injury and damage to their statutorily protected rights. Accordingly, Plaintiff and similarly Aggrieved Employees are entitled to recover from Defendant the greater of their actual damages caused by Defendant's failure to comply with Labor Code § 226(a), or an aggregate penalty not exceeding four thousand dollars ($4,000) per employee.

Moreover, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 226.3 for failing to furnish accurate itemized wage statements.

Failure to Indemnify for Necessary Expenditures

Labor Code § 2802(a) provides that employers shall indemnify his or her employees for all necessary business expenditures or losses that have been incurred by the employees in direct discharge of his or her duties. Throughout the statute of limitations period applicable to this cause of action, Defendant wrongfully required Plaintiff and/or the Aggrieved Employees to pay expenses that they incurred in direct discharge of their duties for Defendant. Plaintiff and/or the Aggrieved Employees paid out-of-pocket for necessary employment-related expenses (which is defined as including, without limitation, work attire, work equipment, personal protective equipment, use of personal cell phones, and/or use of personal vehicles.) Plaintiff and/or the Aggrieved Employees incurred substantial expenses as a direct result of performing their job duties for Defendant, but Defendant failed to indemnify Plaintiff and/or the Aggrieved Employees for these employment-related expenses.

As a result, Defendant is liable to Plaintiff and/or the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 2802 and 2699(f)(2) for failing to indemnify Plaintiff and/or the Aggrieved Employees for necessary business expenditures.

Action for Civil Penalties Under PAGA

In light of the above, Plaintiff alleges that Defendants violated the following provisions of the Labor Code with respect to the Aggrieved Employees:

1. Labor Code § 204, 510, 1194, 1197, and 1198 by failing to pay for all hours worked, including minimum wages, straight time wages, and overtime wages;
2. Labor Code § 226.7 and applicable Wage Orders by failing to provide meal periods;
3. Labor Code § 226.7 and applicable Wage Orders by failing to authorize and permit rest periods;
4. Labor Code § 204 by failing to pay all earned wages two times per month;

5. Labor Code § 1174.5 and applicable Wage Orders by failing to maintain accurate records of hours worked and meal periods taken or missed;
6. Labor Code §§ 201 to 203 by willfully failing to pay all wages owed at termination;
7. Labor Code § 226 by failing to provide accurate itemized wage statements;
8. Labor Code § 2802 by failing to indemnify for necessary expenditures; and

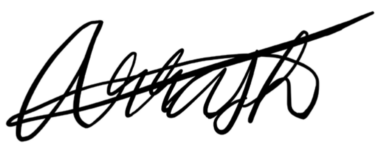
Therefore, on behalf of all Aggrieved Employees, Plaintiff seeks applicable penalties related to the violations alleged above pursuant to the PAGA. These include, but are not limited to, penalties under Labor Code §§ 210, 226.3, 1174.5, 1197.1, and 2699(f)(2).

The facts and claims contained herein are based on the information available at the time of this writing. Therefore, if through discovery and/or expert review, Plaintiff becomes aware of additional claims, she reserves the right to revise these facts and/or add any new claims by amending the claim letter or by adding applicable causes of action in the complaint for damages.

Plaintiff has placed Defendants on notice by mailing a certified copy of this correspondence, as indicated on the first page. Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact me.

Sincerely,

WILSHIRE LAW FIRM



Arrash T. Fattahi, Esq.

EXHIBIT 3

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement ("Agreement") is made by and between plaintiffs Kenneth Warta Jr. and Michael Munoz (together, the "Plaintiffs") and defendant Lozano Plumbing Services, Incorporated ("Defendant"). The Agreement refers to Plaintiffs and Defendant collectively as "Parties," or individually as "Party."

1. DEFINITIONS.

1.1. "Action" means the lawsuit alleging wage and hour violations against Defendant captioned *Kenneth Warta Jr., et al. v. Lozano Plumbing Services, Incorporated,* pending in the Superior Court of the State of California, County of Riverside (Case No. CVRI2304541).

1.2. "Administrator" means ILYM Group, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement.

1.3. "Administration Expenses Payment" means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator's "not to exceed" bid submitted to the Court in connection with Preliminary Approval of the Settlement.

1.4. "Aggrieved Employee" means a person employed by Defendant in California and classified as an hourly-paid non-exempt employee who worked for Defendant during the PAGA Period.

1.5. "Class" means all persons employed by Defendant in California and classified as an hourly-paid non-exempt employee who worked for Defendant during the Class Period.

1.6. "Class Counsel" means John G. Yslas, Arrash T. Fattahi, and Arman A. Salehi of Wilshire Law Firm, PLC.

1.7. "Class Counsel Fees Payment" and "Class Counsel Litigation Expenses Payment" mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys' fees and expenses, respectively, incurred to prosecute the Action.

1.8. "Class Data" means Class Member identifying information in Defendant's possession including the Class Member's name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.

1.9. "Class Member" or "Settlement Class Member" means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).

1.10. "Class Member Address Search" means the Administrator's investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.

1.11. "Class Notice" means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English, with a Spanish translation, in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.

1.12. "Class Period" means the period from August 29, 2019 until Preliminary Approval.

1.13. "Class Representative" means the named Plaintiffs in the operative complaint in the Action seeking Court approval to serve as the Class Representatives.

1.14. "Class Representative Service Payment" means the payment to each Class Representative for initiating the Action and providing services in support of the Action.

1.15. "Court" means the Superior Court of California, County of Riverside.

1.16. "Defendant" means Defendant Lozano Plumbing Services, Incorporated.

1.17. "Defense Counsel" means Carmine J. Pearl II of Pearl Legal, APC.

1.18. "Effective Date" means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

1.19. "Final Approval" means the Court's order granting final approval of the Settlement.

1.20. "Final Approval Hearing" means the Court's hearing on the Motion for Final Approval of the Settlement.

1.21. "Final Judgment" means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.

1.22. "Gross Settlement Amount" means $800,000.00 which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 8 below.

The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payment, and the Administrator's Expenses.

1.23. "Individual Class Payment" means the Participating Class Member's pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.

1.24. "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of Workweeks worked during the PAGA Period.

1.25. "Judgment" means the judgment entered by the Court based upon the Final Approval.

1.26. "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).

1.27. "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).

1.28. "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.

1.29. "Non-Participating Class Member" means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.

1.30. "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.

1.31. "PAGA Period" means the period from September 22, 2022 to Preliminary Approval.

1.32. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698, et seq.).

1.33. "PAGA Notice" means Plaintiff Warta Jr.'s September 22, 2023 letter and Michael Munoz's May 19, 2025 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd. (a).

1.34. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees ($10,000.00) and the 75% to LWDA ($30,000.00) in settlement of PAGA claims.

1.35. "Participating Class Member" means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.

1.36. "Plaintiffs" means Kenneth Warta Jr. and Michael Munoz, the named Plaintiffs in the Action.

1.37. "Preliminary Approval" means the Court's Order Granting Preliminary Approval of the Settlement.

1.38. "Preliminary Approval Order" means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.

1.39. "Released Class Claims" means the claims being released as described in Paragraph 5.2 below.

1.40. "Released PAGA Claims" means the claims being released as described in Paragraph 5.3 below.

1.41. "Released Parties" means: Defendant and each of its former and present directors, officers, members, and investors.

1.42. "Request for Exclusion" means a Class Member's submission of a written request to be excluded from the Class Settlement signed by the Class Member.

1.43. "Response Deadline" means 45 days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.

1.44. "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.

1.45. "Workweek" means any week during which a Class Member worked for Defendant for at least one day, during the Class Period.

2. RECITALS.

2.1 On August 29, 2023, Plaintiff Warta Jr. commenced this Action by filing a Complaint alleging causes of action against Defendant for failure to pay minimum and straight time wages, failure to pay overtime wages, failure to provide meal periods, failure to authorize and permit rest periods, failure to timely pay final wages at termination, failure to provide accurate itemized wage statements, failure to indemnify employees for expenditures, and unfair business practices. On May 19, 2025, Plaintiff Munoz filed a PAGA Representative Action Complaint, alleging a single cause of action for civil penalties under PAGA (the "Munoz PAGA Action"). Plaintiff Warta Jr. intends to file a First Amended Class & Representative Action Complaint, adding Plaintiff Munoz and a cause of action for civil penalties under the PAGA to the first-filed action (the "FAC" and "Operative Complaint"). After the FAC is filed, Plaintiff Munoz will dismiss the Munoz PAGA Action. For purposes of settlement, Defendant agrees to stipulate for leave to allow Plaintiffs to file their FAC.

2.2 Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff Warta Jr. and Plaintiff Michael Munoz gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.

2.3 On November 4, 2025, the Parties participated in an all-day mediation presided over by David Phillips, Esq., which led to a mediator's proposal. The mediator's proposal was ultimately accepted by both sides, which led to the agreement to settle this Action.

2.4 Prior to mediation and negotiating the Settlement, Plaintiffs obtained, through informal discovery, a sample of Defendant's timekeeping records, policies, and other information. Plaintiffs' investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").

2.5 The Court has not granted class certification.

2.6 The Parties, Class Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendant promises to pay $800,000.00 and no more as the Gross Settlement Amount and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. Defendant has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.2 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:

3.2.1. To Plaintiffs: Class Representative Service Payment to Plaintiffs of not more than $10,000.00 each ($20,000.00 total) (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representatives are entitled to receive as a Participating Class Member). Defendant will not oppose Plaintiffs' request for a Class Representative Service Payment that does not exceed these amounts. As part of the Motion for Final Approval, Plaintiffs will seek Court approval for the Class Representative Service Payments no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payments using IRS Form 1099s. Plaintiffs assume full responsibility and liability for employee taxes owed on the Class Representative Service Payment.

3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than 1/3 of the Gross Settlement Amount, which is currently estimated to be $266,666.66, and a Class Counsel Litigation Expenses Payment of not more than $35,000.00. Defendant will not oppose requests for these payments provided that do not exceed these amounts. Plaintiffs and/or Class Counsel will file a Motion for Final Approval no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiffs' Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed $7,500.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than $7,500.00, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.4. To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks.

3.2.4.1. Tax Allocation of Individual Class Payments. 20% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The 80% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

3.2.4.2. Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.

3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of $40,000.00 to be paid from the Gross Settlement Amount, with 75% ($30,000.00) allocated to the LWDA PAGA Payment and 25% ($10,000.00) allocated to the Individual PAGA Payments.

3.2.5.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.5.2. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Class Workweeks. Based on a review of its records through the date of the Parties' mediation, Defendant estimates there are approximately 289 Class Members who collectively worked a total of approximately 23,063 Workweeks.

4.2. Class Data. Not later than 15 days after the Court grants Preliminary Approval of the Settlement, Defendant will simultaneously deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class 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 Class Data.

4.3. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator no later than 14 days after the Effective Date.

4.4. Payments from the Gross Settlement Amount. Within 14 days after Defendant fully funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

4.4.1. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

4.4.2. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within 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 Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.

4.4.3. For any Class Member whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such checks to the California Controller's Unclaimed Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure section 384, subdivision (b).

4.4.4. The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

5. **RELEASES OF CLAIMS**. Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiffs, Class Members, and Class Counsel will release claims against all Released Parties as follows:

5.1 Plaintiffs' Release. Plaintiffs and their respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences that occurred during the Class Period, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint; and (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Operative Complaint, Plaintiff Horne's PAGA Notice, or ascertained during the Action and released under 5.2, below. ("Plaintiffs' Release"). Plaintiffs' Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiffs acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now know or believe to be true but agree, nonetheless, that Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them.

5.1.1 Plaintiffs' Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiffs' Release, Plaintiffs expressly waive and relinquish the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

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

5.2 Release by Participating Class Members Who Are Not Aggrieved Employees: Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint including, e.g., Failure to Pay Minimum and Straight Time Wages, Failure to Pay Overtime Wages, Failure to Provide Meal Breaks, Failure to Authorize and Permit Rest Periods, Failure to Timely Pay Final Wages at Termination, Failure to Provide Accurate Itemized Wage Statements, Failure to Indemnify Employees for Expenditures, and Unfair Business Practices. Except as set forth in Section 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

5.3 Release by Non-Participating Class Members Who Are Aggrieved Employees: The claims released by Aggrieved Employees on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns are all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative PAGA Complaint and the PAGA Notice, including, e.g. Failure to Pay Minimum and Straight Time Wages, Failure to Pay Overtime Wages, Failure to Provide Meal Breaks, Failure to Authorize and Permit Rest Periods, Failure to Timely Pay Final Wages at Termination, Failure to Provide Accurate Itemized Wage Statements, and Failure to Indemnify Employees for Expenditures.

6. **MOTION FOR PRELIMINARY APPROVAL.** The Parties agree to jointly prepare and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the Court's current checklist for Preliminary Approvals.

6.1 Plaintiffs' Responsibilities. Plaintiffs will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2); (ii) a draft proposed Order Granting Preliminary Approval; (iii) a signed declaration from Plaintiffs confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members and the Administrator; (iv) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); and (v) all facts relevant to any actual or potential conflict of interest with Class Members and the Administrator. In their Declarations, Plaintiffs and Class Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.2 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.

6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

7.1 Selection of Administrator. The Parties have jointly selected ILYM Group, Inc. to serve as the Administrator and verified that, as a condition of appointment, ILYM Group, Inc. agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

7.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.

7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.

7.4 Notice to Class Members.

7.4.1 No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, PAGA Members, Workweeks, and Pay Periods in the Class Data.

7.4.2 Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service ("USPS") mail, the Class Notice, with Spanish translation, substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

7.4.3 Not later than 3 business days after the Administrator's receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.

7.4.4 The deadlines for Class Members' written objections, Challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional 14 days beyond the 45 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

7.4.5 If the Administrator, Defendant or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith. in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 14 days after receipt of Class Notice, or the deadline dates in the Class Notice, whichever are later.

7.5 Requests for Exclusion (Opt-Outs).

7.5.1 Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than 45 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 5.2 and 5.3 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

7.5.4 Every Class Member who submits a valid and timely Request for

Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

7.6 Challenges to Calculation of Workweeks. Each Class Member shall have 45 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination the challenges.

7.7 Objections to Settlement.

7.7.1 Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Class Representative Service Payment.

7.7.2 Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than 45 days after the Administrator's mailing of the Class Notice (plus an additional 14 days for Class Members whose Class Notice was re-mailed).

7.7.3 Non-Participating Class Members have no right to object to any of the class action components of the Settlement.

7.8 Administrator Duties. 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.

7.8.1 Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval Order, the Class Notice, the Motion for Final Approval, and the Final Approval Order and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.

7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than 5 days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion ("Exclusion List"); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).

7.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments ("Weekly Report"). The Weekly Reports must include provide the Administrator's assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

7.8.4 Workweek and/or Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or Pay Periods. The Administrator's decision shall be final and not appealable or otherwise susceptible to challenge.

7.8.5 Administrator's Declaration. Not later than 14 days before the date by which Plaintiffs are required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

7.8.6 Final Report by Settlement Administrator. Within 10 days after the

Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 15 days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

8. **ESCALATOR CLAUSE.** The GSA was calculated based on the estimate that 289 Class Members worked a total of 23,063 workweeks during the Class Period. If the total number of workweeks increases by more than 10% (i.e. an increase of more than 2,306 workweeks), Defendant shall have the option of: (a) increasing the GSA proportionally by the number of workweeks worked in excess of 10% (for example, if the final number of total workweeks increases by 11%, the GSA will increase by 1%); or (b) ending the Settlement Class Period and PAGA Period to an earlier date in which 25,369 workweeks is met. To avoid any uncertainty as to the Settlement Class Period end date, the Parties and/or the Administrator must verify the workweek total and confirm the end date of the Settlement Class Period prior to preliminary approval.

9. **MOTION FOR FINAL APPROVAL.** Not later than 16 court days before the calendared Final Approval Hearing, Plaintiffs will file in Court, a Motion for Final Approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l), a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

9.1 <u>Response to Objections</u>. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five (5) court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

9.2 <u>Duty to Cooperate</u>. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

9.3 <u>Continuing Jurisdiction of the Court</u>. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

9.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment reflected set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

9.5 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

10. AMENDED JUDGMENT. If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit a proposed amended judgment.

11. ADDITIONAL PROVISIONS.

11.1 No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that Defendant's defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does grant Preliminary Approval, Final Approval or enter Judgment, Defendant reserves the right to contest certification of any class for any reasons, and Defendant reserves all available defenses to the claims in the Action, and Plaintiffs reserve the right to move for class certification on any grounds available and to contest Defendant's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

11.2 Confidentiality Prior to Preliminary Approval. Plaintiffs, Class Counsel, Defendant and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiffs, Class Counsel, Defendant and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, any with third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

11.3 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

11.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.

11.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

11.6 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

11.7 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.

11.8 No Tax Advice. Neither Plaintiffs, Class Counsel, Defendant nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

11.9 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.

11.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.

11.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.

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

11.13 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement. Further, the Parties agree that they have not and will not publish any publicity materials relating to this Agreement. In response to any inquiries, the Parties will state that "the case was resolved, and it was resolved confidentially." The Parties shall not report the settlement reached in this Agreement in any medium or in any publication, shall not post or report anything regarding the claims in the Operative Complaint on its website, and shall not contact any reporters or media regarding the Action. Despite this provision, the Parties can discuss this Agreement and resolution of the Action with their respective representatives, the Settlement Class Members, and in any filings with the Court and the LWDA.

11.14 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.

11.15 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

11.16 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiffs:

John G. Yslas, Esq.
Arrash T. Fattahi, Esq.
Arman A. Salehi, Esq.
WILSHIRE LAW FIRM
660 S. Figueroa Street, Sky Lobby
Los Angeles, California 90017
Telephone: (213) 784-3830
Facsimile: (213) 381-9989
john.yslas@wilshirelawfirm.com
arrash.fattahi@wilshirelawfirm.com
arman.salehi@wilshirelawfirm.com

To Defendant:

Carmine J. Pearl, II, Esq.
PEARL LEGAL, APC
9891 Irvine Center Drive, Suite 200
Irvine, California 92618
Telephone: (949) 398-8230
cj@pearl-legal.com

11.17 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

11.18 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the entire period of this settlement process.

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11.19 Re-Open Proceedings. The Parties agree that, in the event the settlement is not approved by the Court, or if the settlement is terminated by either Party under the provisions of this Agreement, the Parties will request that the Court reopen proceedings within thirty (30) calendar days.

On Behalf of Plaintiff Kenneth Warta Jr.:

Dated: 3/17/2026

Signed by:
08EBEB59143F48B...
Kenneth Warta Jr., Plaintiff

On Behalf of Plaintiff Michael Munoz:

Dated: 3/18/2026

DocuSigned by:
88D0ACB34FAC452...
Michael Munoz, Plaintiff

On Behalf of Defendant Lozano Plumbing Services, Incorporated.:

Dated: ____________________

Name:
Title:

11.19 Re-Open Proceedings. The Parties agree that, in the event the settlement is not approved by the Court, or if the settlement is terminated by either Party under the provisions of this Agreement, the Parties will request that the Court reopen proceedings within thirty (30) calendar days.

On Behalf of Plaintiff Kenneth Warta Jr.:

Dated: ____________________

____
Kenneth Warta Jr., Plaintiff

On Behalf of Plaintiff Michael Munoz:

Dated: ____________________

____
Michael Munoz, Plaintiff

On Behalf of Defendant Lozano Plumbing Services, Incorporated.:

Dated: 3/18/2026

____
Name: Andrew Lozano
Title: President

EXHIBIT A

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

Kenneth Warta Jr., et al. v. Lozano Plumbing Services, Incorporated
Riverside County Superior Court Case No. CVRI2304541

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

You may be eligible to receive money from an employee class action lawsuit ("Action") against Lozano Plumbing Services, Incorporated ("Lozano") for alleged wage and hour violations. The Action was filed by former Lozano employees Kenneth Warta Jr. and Michael Munoz ("Plaintiffs"), and seeks payment of (1) unpaid minimum and straight time wages, (2) unpaid overtime, (3) unpaid meal period premiums, (4) unpaid rest break premiums, (5) untimely final wages, (6) inaccurate wage statements, (7) unreimbursed business expenses, and (8) unfair business practices for a class of hourly-paid or non-exempt employees ("Class Members") who worked for Lozano during the Class Period (August 29, 2019 to ________________); and (2) penalties under the California Private Attorney General Act ("PAGA") for all hourly employees who worked for Lozano during the PAGA Period (September 22, 2022 to ______________) ("Aggrieved Employees).

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

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

The above estimates are based on Lozano's records showing that **you worked ___________ workweeks** during the Class Period and **you worked _______ pay periods** during the PAGA Period. If you believe that you worked more workweeks during either period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. The Court has determined only that there is evidence suggesting that the settlement is fair, adequate and reasonable but that a final determination will be made at the Final Approval Hearing. Your legal rights are affected whether you act or not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiffs and Plaintiffs' attorneys ("Class Counsel"). The Court will also decide whether to enter a judgment that requires Lozano to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Lozano.

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

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

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

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

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Lozano that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement **The Opt-out Deadline is ________________**	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section **6** of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. Lozano must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).

Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement **Written Objections Must be Submitted by ______________**	All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiffs who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiffs, but every dollar paid to Class Counsel and Plaintiffs reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiffs if you think they are unreasonable. See Section **7** of this Notice.
You Can Participate in the ___ Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on ______. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section **8** of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods **Written Challenges Must be Submitted by ______________**	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number Class Period Workweeks and number of PAGA Period Pay Periods you worked according to Lozano's records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by ______. See Section **4** of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiffs are former Lozano employees. The Action accuses Lozano of violating California labor laws by for Failure to Pay Minimum and Straight Time Wages, Failure to Pay Overtime Wages, Failure to Provide Meal Breaks, Failure to Authorize and Permit Rest Periods, Failure to Timely Pay Final Wages at Termination, Failure to Provide Accurate Itemized Wage Statements, Failure to Indemnify Employees for Expenditures and Unfair Business Practices. Based on the same claims, Plaintiffs have also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) ("PAGA"). Plaintiffs are represented by attorneys in the Action ("Class Counsel."):

Wilshire Law Firm, PLC.
John G. Yslas
Arrash T. Fattahi

Arman A. Salehi
660 S. Figueroa St., Sky Lobby
Los Angeles, CA 90017

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

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

So far, the Court has made no determination whether Lozano or Plaintiffs are correct on the merits. In the meantime, Plaintiffs and Lozano hired an experienced, neutral mediator in an effort to resolve the Action by negotiating and to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement ("Agreement") and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiffs and Lozano have negotiated a proposed Settlement that is subject to the Court's Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Lozano does not admit any violations or concede the merit of any claims. Plaintiffs and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Lozano has agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

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

1. Lozano Will Pay $800,000 as the Gross Settlement Amount (Gross Settlement). Lozano has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payments, Class Counsel's attorney's fees and expenses, the Administrator's expenses, and penalties to be paid to the California Labor and Workforce Development Agency ("LWDA"). Assuming the Court grants Final Approval, Lozano will fund the Gross Settlement not more than 14 days after the Judgment entered by the Court become final. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.

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

    A. Up to 1/3 of the Gross Settlement (currently estimated to be $266,666.66) to Class Counsel for attorneys' fees and up to $35,000.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.

B. Up to $10,000.00 as a Class Representative Service Payment to each named plaintiff ($20,000.00 total) for filing the Action, working with Class Counsel and representing the Class. A Class Representative Service Payment will be the only monies Plaintiffs will receive other than Plaintiffs' Individual Class Payment and any Individual PAGA Payment.

C. Up to $7,500.00 to the Administrator for services administering the Settlement.

D. Up to $40,000.00 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment ($30,000.00) and 25% in Individual PAGA Payments to the Aggrieved Employees ($10,000.00) based on their PAGA Pay Periods.

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

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

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

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

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be checks to the California Controller's Unclaimed Property Fund in the name of the Class Member

6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than ______________, that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the ______________ Response Deadline. The Request for Exclusion should

be a letter from a Class Member or his/her representative setting forth a Class Member's name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against Lozano.

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

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

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

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

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

   Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint including, e.g., Failure to Pay Minimum and Straight Time Wages, Failure to Pay Overtime Wages, Failure to Provide Meal Breaks, Failure to Authorize and Permit Rest Periods, Failure to Timely Pay Final Wages at Termination, Failure to Provide Accurate Itemized Wage Statements, Failure to Indemnify Employees for Expenditures, and Unfair Business Practices. Except as set forth in Section 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

10. Aggrieved Employees 'PAGA Release. After the Court's judgment is final, and Lozano has paid the Gross Settlement and separately paid the employer-side payroll taxes, all Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative PAGA Complaint and the PAGA Notice, including, e.g. Failure to Pay Minimum and Straight Time Wages, Failure to Pay Overtime Wages, Failure to Provide Meal Breaks, Failure to Authorize and Permit Rest Periods, Failure to Timely Pay Final Wages at Termination, Failure to Provide Accurate Itemized Wage Statements, and Failure to Indemnify Employees for Expenditures.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

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

2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing $10,000.00 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual PAGA Group Employee.

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

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

5. HOW WILL I GET PAID?

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

the Individual Class Payment and the Individual PAGA Payment.

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

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

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

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Warta Jr., et al. v. Lozano Plumbing Services, Incorporated*, Case No. CVRI2304541, and include your identifying information (full name, address, telephone number, approximate dates of employment, and last four digits social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by ____, or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

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

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Class Representative Service Payments may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiffs are too high or too low. **The deadline for sending written objections to the Administrator is ___________.** Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action as *Warta Jr., et al. v. Lozano Plumbing Services, Incorporated*, Case No. CVRI2304541, and include your name, current address, telephone number, and approximate dates of employment for Lozano and sign the objection. Section 9 of this Notice has the Administrator's contact information.

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

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on ______________ at (time) in Department 1 of the Riverside County Superior Court, Historic Courthouse, located at 4050 Main Street, Riverside, California 92501, also accessible online at also accessible online at https://www.riverside.courts.ca.gov/general-information/remote-appearances/remote-appearance-meeting-numbers. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiffs, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually. For more information on how to appear at the hearing virtually, please visit (https://www.riverside.courts.ca.gov/remoteappearance). Check the Court's website for the most current information.

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

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Lozano and Plaintiffs have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to (specify entity)'s website at (url). You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to https://epublic-access.riverside.courts.ca.gov/public-portal/?q=node/379 and entering the Case Number for the Action, Case No. CVRI2304541. The Settlement Agreement can be found as Exhibit 2 to the Declaration of John G. Yslas that was filed on [DATE].

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

<u>Class Counsel</u>:
Wilshire Law Firm, PLC.
John G. Yslas
Arrash T. Fattahi
Arman A. Salehi
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Los Angeles, CA 90017
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arman.salehi@wilshirelawfirm.com

Settlement Administrator:
ILYM Group, Inc.
Email Address:
Mailing Address:
Telephone:
Fax Number:

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If you do not cash your check by the deadline stated on the check itself, the money will be sent to the California State Controller's Unclaimed Property Division. Should you not cash your check in a timely fashion, you may find out more about how to recover your money by visiting https://www.sco.ca.gov/search_upd.html.

11. WHAT IF I CHANGE MY ADDRESS?

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

<u>REQUEST FOR EXCLUSION FORM</u>

Warta Jr., et al. v. Lozano Plumbing Services, Incorporated
Riverside County Superior Court Case No. CVRI2304541

IF YOU WANT TO BE INCLUDED IN THIS CLASS ACTION SETTLEMENT AND RECEIVE AN INDIVIDUAL CLASS SETTLEMENT PAYMENT, <u>DO NOT</u> FILL OUT THIS FORM.

If you do not want to be included in this class action settlement, and do not want to receive an individual class settlement payment, complete, date, and sign this form and send it back to the Settlement Administrator, which must be timely faxed, emailed, or postmarked no later than [45 days after Class Notice is Mailed]. You can send this form to the Settlement Administrator at:

[ADMINISTRATOR NAME]
Warta Jr., et al. v. Lozano Plumbing Services, Incorporated
[ADDRESS]
[EMAIL]
[FAX NUMBER]

If you submit this Request for Exclusion form, you will ***not*** receive an individual class settlement payment under the class action portion of the Settlement, and you will not be bound by the release set forth in the Settlement if the Court grants final approval of the Settlement. You will be excluded from the class action portion of the Settlement, and will not be a Class Member.

If you are entitled to receive a share of the PAGA Penalties, you will receive your Individual PAGA Payment even if you elect to exclude yourself from the class action portion of the Settlement. The employees who are entitled to receive a share of the PAGA Penalties are those who meet the following definition: person employed by Defendant in California and classified as an hourly-paid non-exempt employee who worked for Defendant during the PAGA Period (September 22, 2022 to _______________). Defendant is Lozano Plumbing Services, Incorporated.

By completing, signing, and returning this form, you are confirming your agreement with the following statement:

> I have received notice of the proposed Settlement in this class action lawsuit, and I wish to be excluded from the class settlement. I understand by requesting exclusion from the class settlement, I will not receive any money from the class settlement, but I will retain whatever individual rights I may have, if any, to pursue a claim against the Defendant with respect to the class claims raised in the above-referenced lawsuit.

Your Name: ____
Street Address: ____
City, State, Zip Code: ____
Telephone Number, Including Area Code: ____
Last four digits of Social Security Number: XXX-XX-_______

Date: _____________
Signature: ____________________________________

OBJECTION FORM

Warta Jr., et al. v. Lozano Plumbing Services, Incorporated
Riverside County Superior Court Case No. CVRI2304541

If you want to object to the Class Settlement, complete, date, and sign this form and send it back to the Settlement Administrator. For the written objection to be considered timely, it must be faxed, emailed, or postmarked to the Administrator no later than [45 days after Class Notice is Mailed]. You can send this form to the Settlement Administrator at:

[ADMINISTRATOR NAME]
Warta Jr., et al. v. Lozano Plumbing Services, Incorporated
[ADDRESS]
[EMAIL]
[FAX NUMBER]

If you choose, you may object to the proposed Settlement. The Court will consider your objection before deciding whether to grant final approval of the Class Action Settlement. By objecting, you are requesting that the Court *not* grant final approval of Settlement. If you are concerned that the settlement terms are unfair, you may submit an objection for the Court's review. The Court may or may not agree with your objection. Objecting to the Settlement will not exclude you from the Settlement, and if the Court grants final approval to the Settlement, you will get your individual class settlement payment and the release of claims will apply to you.

If you wish to object to the Settlement, you may complete this Objection form and state the basis for your objection, or you may write your objection in any other written format you choose. Alternatively, you may appear at the Final Approval Hearing and make your objection to the Court regardless of whether you submit a written objection. Send the completed Objection form or other written statement, along with legal briefs or other documents that support your objection, if any, by sending it to the Settlement Administrator no later than [45 days after Class Notice is Mailed].

Your Name: ____________________________________
Street Address: ____________________________________
City, State, Zip Code: ____________________________________
Telephone Number, Including Area Code: ____________________________________
Last four digits of Social Security Number: XXX-XX-_______
Date: _____________
Signature: ____________________________________

EXHIBIT 4

Evette Padilla

From: no-reply@formassembly.com
Sent: Friday, May 29, 2026 12:52 PM
To: Evette Padilla
Subject: Thank you for your Proposed Settlement Submission

05/29/2026 12:51:31 PM

Thank you for your submission to the Labor and Workforce Development Agency.

Item submitted: Proposed Settlement

On 05/29/2026 12:51:31 PM your Proposed Settlement was successfully processed for case number LWDA-CM-1073019-25

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

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website:
https://nam12.safelinks.protection.outlook.com/?url=http%3A%2F%2Flabor.ca.gov%2FPrivate_Attorneys_General_Act.htm&data=05%7C02%7Cevette.padilla%40wilshirelawfirm.com%7Cff24a97d679b48ef0f2208debdbbb835%7C9ada260a4f194da187b814d372333753%7C1%7C0%7C639156811129755712%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiIwLjAuMDAwMCIsIlAiOiJXaW4zMiIsIkFOIjoiTWFpbCIsIldUIjoyfQ%3D%3D%7C0%7C%7C%7C&sdata=ePhtYOEGB9C14z9iBazf686nnaP8uh4Wm4a1xn2Z9Ns%3D&reserved=0