

**JOINT STIPULATION OF PAGA SETTLEMENT AGREEMENT AND
RELEASE**

Plaintiff Ronnie Lopez (“Plaintiff”), on his own behalf and on behalf of all Covered Employees, as defined below, and on behalf of the State of California, on the one hand, and Defendant Lanic Engineering, Inc. (“Defendant”), on the other hand (Plaintiff and Defendant collectively, the “Parties”), hereby stipulate and agree to the following binding settlement pursuant to the terms and conditions set forth below. Once approved by the Court (as defined below), this settlement shall be binding under the terms stated herein.

I. DEFINITIONS

A. Administrative Costs. All administrative costs of settlement, including cost of notice to the Covered Employees, claims administration, settlement administration and any fees and costs incurred or charged by the Settlement Administrator in connection with the execution of its duties under this Joint Stipulation of PAGA Settlement Agreement and Release. The Parties agree that the Administrative Costs shall not exceed Three Thousand Six Hundred and Fifty Dollars and Zero Cents (\$3,650.00).

B. Agreement. The terms “Agreement”, “Settlement” or “Settlement Agreement” are used synonymously herein to mean this Joint Stipulation of PAGA Settlement Agreement and Release.

C. Court. The term “Court” as used herein means the Superior Court of the State of California for the County of San Bernardino.

D. Covered Employees. The term “Covered Employees” or “Aggrieved Employees” as used herein means all of Defendant’s current and former exempt and non-exempt employees employed by Defendant at any time during the Covered Period (including, but not limited to, Plaintiff). The Parties estimate that there were approximately 65 Covered Employees as of June 25, 2024. It is estimated that these Covered Employees worked approximately 2,211 Pay Periods from the start of the Covered Period to June 25, 2024.

E. Covered Period. The term “Covered Period” or “PAGA Period” as used herein means the time period from June 21, 2021 to the date the Court grants approval of this Settlement.

F. Defendant. The term “Defendant” as used herein shall mean Lanic Engineering, Inc.

G. Defense Counsel. The term “Defense Counsel” shall mean and refer to John M. Wicker from Stradling Yocca Carlson & Rauth LLP. Defense Counsel’s address is 660 Newport Center Drive, Suite 1600, Newport Beach, CA 92660.

H. Effective Date. The date that the Court grants approval of this Agreement will be the Effective Date.

I. Gross Settlement Amount. The term “Gross Settlement Amount” as used herein means the total amount to be paid by Defendant pursuant to this Agreement, which shall equal no more than Seventy-Five Thousand Dollars and Zero Cents (\$75,000.00) under any circumstances. All payments associated with this Agreement shall be paid from the Gross Settlement Amount, including all of the following: all civil penalty payments to the Covered Employees and the California Labor and Workforce Development Agency (“LWDA”) pursuant to the California Labor Code Private Attorneys General Act of 2004, including all amendments thereto, California Labor Code § 2698 (the “PAGA”), all Court-approved attorneys’ fees and Litigation costs, all Administrative Costs, all expenses, all statutory penalties, all interest, and all employment taxes if any are owed.

J. Lawsuit. The term “Lawsuit”, “Litigation”, or “Action” as used herein means the Private Attorneys General Act cause of action contained in the Second Amended Complaint in the action filed on July 21, 2023 in the San Bernardino County Superior Court entitled *RONNIE LOPEZ, individually and on behalf of all others similarly situated, Plaintiff, v. LANIC ENGINEERING, INC. a corporation; and DOES 1-20, inclusive* (Case No. CIVSB2220432), as well as the allegations contained in Plaintiff’s LWDA Notice (as defined below). A copy of the Second Amended Complaint is attached hereto as Exhibit A.

K. LWDA Notice. The term “LWDA Notice” as used herein shall mean Plaintiff’s Notice to the California Labor and Workforce Development Agency dated June 21, 2022, and submitted to the California Labor and Workforce Development Agency on June 21, 2022, a copy of which is attached hereto as Exhibit B.

L. Net Settlement Amount. The term “Net Settlement Amount” or “NSA” as used herein means the Gross Settlement Amount minus any award of attorneys’ fees and Litigation costs, and Administrative Costs.

M. Pay Period. The term “Pay Period” as used herein means a biweekly period pursuant to Defendant’s payroll cycle running from Monday at 12:00 a.m. to the second Sunday at 11:59 p.m. and occurring during the Covered Period, in which a Covered Employee was employed by Defendant for one or more days. For the sake of clarity, Defendant’s Pay Periods during the Covered Period are each two weeks in duration, and the first Pay Period occurring during the Covered Period ended on July 4, 2021.

N. Plaintiff. The term “Plaintiff” as used herein means Ronnie Lopez.

O. Plaintiff’s Counsel. The term “Plaintiff’s Counsel” as used herein shall mean Christopher Adams, Vache Thomassian and Caspar Jivalagian of KJT Law Group LLP. Plaintiff’s Counsel’s address is 230 N. Maryland Ave., Suite 306, Glendale, California 91206.

P. Released Persons. The term “Released Persons” shall mean Defendant and all affiliated and related entities, and their respective past and present agents, managing agents, officers, directors, shareholders, investors, owners, founders, lenders, members, partners, managers, representatives, servants, employees, joint employers, attorneys, consultants, insurers, subsidiaries, parent entities, predecessors, successors and assigns, and as to any individual their marital community, community property, trustees, trusts, executors, heirs, guardians and registered representatives. Without in any way limiting the foregoing, “Released Persons” expressly includes any individual or entity which could be jointly and/or severally liable with Defendant.

Q. Settlement Administrator. The term “Settlement Administrator” as used herein means ILYM Group, Inc., which will be responsible for the administration of the Gross Settlement Amount and all related matters, including all matters regarding settlement administration.

II. BACKGROUND

From approximately June 29, 2020 to August 25, 2021, Plaintiff was employed by Defendant as a Shipping and Receiving Clerk. Plaintiff claims that he and the Covered Employees suffered various violations of the California Labor Code and Wage Orders of the California Industrial Welfare Commission due to Defendant’s allegedly unlawful labor and employment policies and practices, as alleged in the Litigation. Specifically, Plaintiff alleges in the Litigation that Defendant committed violations of the California Labor Code and Wage Orders of the California Industrial Welfare Commission against the Covered Employees, including himself, including, without limitation, the following violations: (1) failure to pay minimum wages; (2) failure to pay all overtime and/or double time wages including, but not limited to, failure to pay overtime and double times wages at each Covered Employee’s correct regular rate of pay; (3) failure to pay all wages and to timely pay all wages (including during employment) for all hours worked as required by applicable law, including, but not limited to, failure to pay wages for off-the-clock work, failure to pay premiums owed for non-compliant meal breaks and rest breaks, failure to correctly calculate wages owed and hours worked by Covered Employees, failure to pay overtime, double time and minimum wages, and failure to pay wages for on-duty travel time; (4) failure to provide compliant meal periods and to pay related meal period premiums of one additional hour of pay at each Covered Employee’s regular rate of pay for each work day that one or more meal periods was not provided in compliance with California law; (5) failure to provide compliant rest periods and to pay related rest period premiums of one additional hour of pay at each Covered Employee’s regular rate of pay for each work day that one or more rest periods was not provided in compliance with California law; (6) failure to furnish compliant, complete and accurate itemized wage statements, and failure to

provide wage statements altogether; (7) failure to timely pay all wages at the time of separation from employment (both as to Covered Employees who voluntarily resigned with and without notice, as well as to those who were involuntarily terminated), and failure to pay applicable waiting time penalties (continuous wages as mandated by the Labor Code for up to 30 days); (8) failure to reimburse and/or indemnify for all necessary business expenses, losses and/or costs incurred; (9) violations of Labor Code section 558; and (10) violations of Labor Code section 511 including, but not limited to, failure to legally and properly implement and/or administer an alternate workweek schedule for Covered Employees.

As part of this Agreement, Plaintiff will and is required to obtain approval of this Settlement, which shall fully and finally resolve all claims in the Litigation (including, without limitation, the LWDA Notice), and to take any and all other steps necessary to cause such claims to be fully, finally and forever released with prejudice by the Covered Employees and the State of California for the Covered Period. Defendant denies and disputes all of Plaintiff's alleged claims and allegations in the Litigation.

Before reaching the proposed Settlement, the Parties litigated this action. On June 25, 2024, the Parties attended a full-day mediation with the Hon. Dickran M. Tevrizian (Ret.), a retired judge who most recently served at the U.S. District Court for the Central District of California and who also served as a Judge for the Los Angeles Municipal Court as well as the Los Angeles County Superior Court. Judge Tevrizian is experienced in mediating employment law cases, including PAGA claims. During the mediation the Parties discussed and mediated all of the claims asserted in the Litigation. Prior to and in connection with the Parties' mediation, Defense Counsel provided Plaintiff's Counsel with the information requested by Plaintiff's Counsel to evaluate Plaintiff's asserted claims and allegations, as outlined in the Litigation. Specifically, Defense Counsel provided Plaintiff's Counsel with information regarding the Covered Employees, including information regarding the number of non-exempt Covered Employees, their rates of pay, and dates of employment, as well as their daily time punch and payroll records. Defendant also produced its wage and hour policy and procedure related

documents, including relevant portions of its employee handbook. Plaintiff's counsel analyzed this data and documents and obtained a calculation of alleged potential damages in connection with Plaintiff's alleged claims. During the mediation, the Parties engaged in extensive good-faith arms-length negotiations concerning possible resolution of the Litigation, and were ultimately able to reach an agreement on the terms of a settlement to resolve the Litigation in accordance with the terms set forth in this Agreement. The Parties thereafter conducted further negotiations regarding the terms and conditions of the Settlement before agreeing to this Agreement, which the Parties will submit for Court approval.

Plaintiff's Counsel has conducted an investigation of the law and facts relating to the claims asserted in the Litigation and has concluded, taking into account the sharply contested issues involved, the defenses asserted by Defendant, the expense and time necessary to pursue the Litigation through trial and any appeals, the risks and costs of further prosecution of the Litigation, the risk of an adverse outcome, the uncertainties of complex litigation, and the substantial benefits to be received by the Plaintiff and Covered Employees pursuant to this Agreement, that a settlement with Defendant on the terms and conditions set forth herein is fair, reasonable, and adequate. Plaintiff, on his own behalf and on behalf of Covered Employees and the State of California, has agreed to settle the Litigation with Defendant on the terms set forth herein.

Defendant denies each of the allegations and claims asserted against it in the Litigation, and denies any liability to the Covered Employees including Plaintiff. However, Defendant nevertheless desires to settle the Litigation for the purpose of avoiding the burden, expense and uncertainty of continuing litigation and for the purpose of putting to rest the controversies engendered by the Litigation.

This Agreement is intended to and does effectuate the full, final and complete resolution of all claims for civil penalties that were asserted, or could have been asserted, based on the facts stated in the LWDA Notice attached hereto as Exhibit B and/or Plaintiff's First Amended Complaint attached hereto as Exhibit A, as well as all claims for civil penalties arising from,

related to or attributable to the facts and/or claims stated in the LWDA Notice attached hereto as Exhibit B and/or Plaintiff's State Court Complaint attached hereto as Exhibit A, whether known or unknown, suspected or unsuspected, by Plaintiff and other Covered Employees and the State of California as outlined herein.

Under California Law, the State may assess and collect civil penalties from employers for violation of certain provisions of the Labor Code. Cal. Lab. Code §§ 2698 *et seq.* Under PAGA, however, if an "aggrieved employee" "give[s] written notice by online filing [to] the Labor and Workforce Development Agency ... of the specific provisions of [the Labor Code] alleged to have been violated, including the facts and theories to support the alleged violation," and the Labor and Workforce Development Agency thereafter decides not to investigate, as the Labor and Workforce Development Agency decided not to investigate here, or does investigate and determines that a citation against the employer should not issue, the employee may, "as an alternative" to enforcement by the State, act as a proxy or agent of the state's labor law enforcement agencies and bring a civil action under PAGA to recover civil penalties "on behalf of himself or herself and other current or former employees." "[C]ivil penalties recovered by aggrieved employees shall be distributed as follows: 75 percent to the Labor and Workforce Development Agency...and 25 percent to the aggrieved employees."

California Labor Code § 2699(1)(2) provides that "The superior court shall review and approve any settlement of any civil action filed pursuant to this part. The proposed settlement shall be submitted to the agency at the same time that it is submitted to the court."

In consideration of the promises and agreements contained herein, the Parties agree and covenant as follows:

III. TERMS OF THE SETTLEMENT

Subject to submission of this Settlement Agreement to the LWDA by Plaintiff and no objection or disapproval by the LWDA, and subject to the Court's approval of the Settlement pursuant to Labor Code section 2699(1)(2), which Defense Counsel, Plaintiff's Counsel and the

Parties agree to recommend in good faith to the Court, the Parties agree to the following binding settlement and disposal of the entire Litigation, with prejudice.

A. Consideration. In exchange for the promises and the release of claims by the State of California and the Covered Employees contained in this Settlement Agreement, Defendant agrees to pay the Settlement Administrator the Gross Settlement Amount in full settlement of the Litigation within thirty (30) calendar days after the Effective Date. However, in no event shall Defendant be required to fund the Gross Settlement Amount before the judgment of the Court granting approval of this Settlement is final and no longer subject to appeal. The Gross Settlement Amount includes all payments associated with this Agreement, including all civil penalty payments to the Covered Employees and the California Labor and Workforce Development Agency (“LWDA”) pursuant to the California Labor Code Private Attorneys General Act of 2004, including all amendments thereto, California Labor Code § 2698 (the “PAGA”), all Court-approved attorneys’ fees and Litigation costs, all Administrative Costs, all expenses, all statutory penalties, all interest, and all employment taxes. The Parties additionally agree that there shall be no interest due or payable on the Gross Settlement Amount under any circumstances whatsoever. The payments to be made from the Gross Settlement Amount, including the amounts of such payments, are subject to Court approval. The Settlement is non-reversionary and no claim forms need to be submitted. The Net Settlement Amount shall be distributed twenty-five percent (25%) to the Plaintiff and other Covered Employees, and seventy-five percent (75%) to the LWDA. The amount paid to the Covered Employees will be paid out based proportionally on the total number of Pay Periods during the Covered Period in which they worked, as discussed in further detail herein below.

B. Release of Claims by All Covered Employees (including Plaintiff) and the State of California. As of the Effective Date, regardless of whether they actually receive notice of the Settlement or any payment pursuant to the Settlement, Plaintiff, the Covered Employees, and the State of California hereby release the Released Persons from all claims, liabilities and/or causes of action for civil penalties for violations of the California Labor Code, the Wage Orders

of the California Industrial Welfare Commission, local statutes, ordinances, orders or regulations, state and/or federal statutes or regulations, and/or any other provisions of local, state and/or federal law alleged in the Litigation, or that could have been alleged in the Litigation based on the facts alleged in the Litigation, or that are related or attributable to or arise from the facts, causes of action and/or claims alleged in the Litigation, occurring during the Covered Period that Plaintiff, the Covered Employees, and/or the State of California may have, whether known or unknown, suspected or unsuspected, including but not limited to those arising from, related to, or attributable to any allegations that Plaintiff and/or the Covered Employees suffered violations of the California Labor Code, the Wage Orders of the California Industrial Welfare Commission, local statutes, ordinances, orders or regulations, state and/or federal statutes or regulations, and/or any other provisions of local, state and/or federal law based on and/or for: (1) failure to pay minimum wages; (2) failure to pay all overtime and/or double time wages including, but not limited to, failure to pay overtime and double times wages at each Covered Employee's correct regular rate of pay; (3) failure to pay all wages and to timely pay all wages (including during employment) for all hours worked as required by applicable law, including, but not limited to, failure to pay wages for off-the-clock work, failure to pay premiums owed for non-compliant meal breaks and rest breaks, failure to correctly calculate wages owed and hours worked by Covered Employees, failure to pay overtime, double time and minimum wages, and failure to pay wages for on-duty travel time; (4) failure to provide compliant meal periods and to pay related meal period premiums of one additional hour of pay at each Covered Employee's regular rate of pay for each work day that one or more meal periods was not provided in compliance with California law; (5) failure to provide compliant rest periods and to pay related rest period premiums of one additional hour of pay at each Covered Employee's regular rate of pay for each work day that one or more rest periods was not provided in compliance with California law; (6) failure to furnish compliant, complete and accurate itemized wage statements, and failure to provide wage statements altogether; (7) failure to timely pay all wages at the time of separation from employment (including both as to Covered Employees who voluntarily

resigned with and without notice, as well as to those who were involuntarily terminated), and failure to pay applicable waiting time penalties (continuous wages as mandated by the Labor Code for up to 30 days); (8) failure to reimburse and/or indemnify for all necessary business expenses, losses and/or costs incurred; (9) violations of Labor Code section 558; (10) violations of Labor Code section 511 including, but not limited to, failure to legally and properly implement and/or administer an alternate workweek schedule for Covered Employees; (11) any other violations of law alleged in the Litigation, or that could have been alleged in the Litigation based on the facts alleged in the Litigation; and (12) any other violations of applicable law based on, arising from, related to, or attributable to the facts alleged and contentions raised in the Litigation, which include, but are not limited to, alleged violations of California Labor Code sections 119, 200 – 203, 204, 210, 211, 226, 226.3, 226.7, 227.3, 256, 510 – 511, 512, 551, 552, 558, 1118.12, 1193.6, 1194, 1194.2, 1197, 1197.1, 1198, 2800, 2802; the Wage Orders of the California Industrial Welfare Commission, including, without limitation, Wage Order nos. 1, 4, 7 and 9; and other provisions of California law and the California Code of Civil Procedure (the “Released Claims”). Without in any way limiting the foregoing, and for the avoidance of doubt, Plaintiff, the Covered Employees and the State of California release the Released Persons from all of the Released Claims on behalf of themselves and their heirs, executors, representatives, administrators, agents, insurers, successors and assigns. Further, without in any way limiting the foregoing, and for the avoidance of doubt, Plaintiff, the Covered Employees and the State of California also release the Released Persons from any and all claims for attorneys’ fees and/or Litigation costs incurred in connection with the Action or otherwise, including, but not limited to, in connection with prosecuting the Released Claims, other than those attorneys’ fees and Litigation costs set forth in this Agreement that are to be paid from the Gross Settlement Amount to the extent they are approved by the Court.

Without in any way limiting the foregoing, Plaintiff, the Covered Employees and/or the State of California may hereafter discover facts or legal arguments in addition to or different from those they now know or currently believe to be true with respect to the claims, causes of

action and legal theories of recovery in the Litigation which are the subject matter of the Released Claims. Regardless, the discovery of new facts or legal arguments shall in no way limit the scope or definition of the Released Claims.

Further, without in any way limiting the foregoing, Plaintiff, the Covered Employees and the State of California understand that this Agreement extends to all claims of every nature and kind, known or unknown, suspected or unsuspected, arising from, related to or attributable to the Released Claims only. Plaintiff, the Covered Employees and the State of California hereby expressly waive and relinquish any and all claims, rights or benefits that they may have under California Civil Code § 1542 as to the Released Claims only, which provides as follows:

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

Plaintiff, the Covered Employees and/or the State of California may hereafter discover claims or facts in addition to, or different from, those which they know or believe to exist, but Plaintiff, the Covered Employees and the State of California expressly agree to fully, finally and forever settle and release any and all claims against the Released Persons, known or unknown, suspected or unsuspected, which exist or may exist, arising from, related to or attributable to the Released Claims. Plaintiff, the Covered Employees and the State of California further acknowledge, understand and agree that this Agreement would not have been entered into were it not for this representation and commitment.

C. Statement of No Admission. Defendant denies liability to the State of California, Plaintiff and to the Covered Employees on any and all claims, theories, and/or causes of action asserted or that could have been asserted.

This Agreement does not constitute, and is not intended to constitute, an admission by Defendant as to the merits, validity, or accuracy of any of the allegations or claims made against it in the Litigation.

Nothing in this Agreement, nor any action taken in implementation thereof, nor any statements, discussions or communications, nor any pleadings or judgments in the Litigation, nor any materials prepared, exchanged, issued or used during the course of the negotiations leading to this Agreement or the Settlement, is intended by the Parties to constitute, nor will any of the foregoing constitute, be introduced, be used or be admissible in any way in this case or any other judicial, court, arbitral, administrative, investigative or other forum or proceeding as evidence of any violation of any federal, state, or local law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity. The Parties themselves agree not to introduce, use, or admit this Agreement, directly or indirectly, in this case or any other judicial, arbitral, administrative, investigative or other forum or proceeding, as purported evidence of any violation of any federal, state, or local law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity, or for any other purpose. Notwithstanding the foregoing, this Agreement may be used in any proceeding before the Court that has as its purpose the approval, interpretation, implementation, or enforcement of this Agreement or any orders or judgments of the Court entered in connection with the Settlement. The Parties may also submit the Motion for Approval (as defined below) and the Agreement to the LWDA for the purposes of securing approval of the Settlement.

None of the documents produced or created by Plaintiff or the Covered Employees in connection with the claims procedures or claims resolution procedures constitute, and they are not intended to constitute, an admission by Defendant of any violation of any federal, state, or local law, statute, ordinance, regulation, rule or executive order, or any obligation or duty at law or in equity.

D. Tax Treatment of PAGA Payments. For withholding tax characterization purposes and payment of taxes, the settlement payments to the Covered Employees shall be

deemed and are allocated by the Parties as one-hundred percent penalties, or miscellaneous income, and shall not be subject to withholdings. Forms 1099 will be distributed at times and in the manner required by the Internal Revenue Code of 1986 (the “Code”) and consistent with this Agreement by the Settlement Administrator. If the Code, the regulations promulgated thereunder, or other applicable tax law is changed after the date of this Agreement, the processes set forth in this Section may be modified in a manner for compliance with any such changes.

E. Settlement Administrator. Plaintiff, through his counsel, has selected ILYM Group, Inc. as the Settlement Administrator to administer the Settlement, which includes but is not limited to distributing and responding to inquiries about the Notice of PAGA Settlement and Release of Claims. The Settlement Administrator shall also be responsible for distributing all payments pursuant to this Agreement, including the payment to the LWDA and all individual payments to the Covered Employees, as well as any and all tax reporting and related matters. The Settlement Administrator shall also be responsible for any other tasks that the Parties mutually agree or the Court orders the Settlement Administrator to perform.

The charges and expenses of the Settlement Administrator shall be paid from the Gross Settlement Amount and shall not exceed Three Thousand Six Hundred and Fifty Dollars and Zero Cents (\$3,650.00).

F. Notice to Covered Employees and Funding of Settlement. Plaintiff and Defendant, through their respective attorneys, have jointly prepared a Notice of PAGA Settlement and Release of Claims (the “Notice”), which is attached as Exhibit C hereto (and which will also be provided in Spanish). In substance, the Notice will be provided to the Covered Employees as follows:

No later than sixty (30) calendar days after the Effective Date, Defendant shall provide the Settlement Administrator with a list of all Covered Employees (“Covered Employees List”). The Covered Employees List will include each Covered Employee’s: (1) name; (2) last known address; (3) number of Pay Periods as a Covered Employee during the Covered Period; and (4) social security number. The Covered Employee List and information contained therein shall

be treated as and remain confidential, shall be used solely by the Settlement Administrator to manage the notice and payment process described herein, and shall not be disclosed to anyone other than the Settlement Administrator, except to applicable taxing authorities, or pursuant to express written authorization of Defendant or the individual in question, or by order of the Court. In the event that the Settlement Administrator receives a subpoena for the production of documents or information reflecting the information provided by Defendant pursuant to this paragraph, the Settlement Administrator shall promptly notify Defendant and provide a copy of any such subpoena. The Settlement Administrator shall run all the addresses provided through the United States Postal Service NCOA database (which provides updated addresses for any individual who has moved in the previous four years who has notified the U.S. Postal Service of a forwarding address) to obtain current address information.

In the same period, no later than thirty (30) calendar days after the Effective Date, Defendant shall deposit the Gross Settlement Amount into a qualified settlement account (to be established by the Settlement Administrator).

No later than ten (10) calendar days after the receipt of the Covered Employees List and the deposit of the full Gross Settlement Amount, the Settlement Administrator shall mail the Notice (attached hereto as Exhibit C) together with settlement payments to all Covered Employees (pursuant to the formula in Section III(G) below) by first-class United States mail, postage prepaid, to the last known address of each recipient. The Settlement Administrator shall direct the Postmaster to forward any undeliverable Notices and settlement payment to the Settlement Administrator. For each Notice and settlement payment that is returned as undeliverable, the Settlement Administrator shall promptly attempt to locate the Covered Employee by using an address refresher database. At the same time, no later than ten (10) calendar days after the receipt of the Covered Employees List and deposit of the full Gross Settlement Amount, the Settlement Administrator shall disburse seventy-five percent of the Net Settlement Amount to the LWDA. Plaintiff will provide notice to the LWDA of the fact that the Settlement has been approved by the Court along with a copy of the Settlement Agreement and

the Court order confirming the approval of the Settlement within the time periods required by applicable law, including California Labor Code sections 2698, *et seq.* As set forth above, as part of this Agreement Plaintiff will and is required to obtain approval of this Settlement, which shall fully and finally resolve all of the Released Claims, and to take any and all other steps necessary to cause the Released Claims to be fully, finally and forever released with prejudice by the Covered Employees and the State of California for the Covered Period.

G. Payment of PAGA Penalties. Covered Employees will receive a lump sum payment in an amount determined by the Settlement Administrator in accordance with the provisions of this Agreement. The Net Settlement Amount (“NSA”) is computed by subtracting from the Gross Settlement Amount the court approved amounts of: the attorney’s fees and Litigation costs awarded to counsel for Plaintiff (if any), and the Administrative Costs.

Seventy-five percent (75%) of the NSA shall be paid to the LWDA; the remaining twenty-five percent (25%) of the NSA shall be paid to Covered Employees based on the following formula:

The Covered Employee portion of the NSA (25%) (estimated to be Nine Thousand Five Hundred Sixty-Five Dollars and Thirty-One Cents (\$9,565.31)) shall be divided amongst the Covered Employees based on their number of Pay Periods employed during the Covered Period as reflected in Defendant’s records. Specifically, the Covered Employee portion of the NSA (25%) shall be divided by the total Pay Periods all Covered Employees have been employed by Defendant during the Covered Period as reflected in Defendant’s records to yield the “Employee Settlement Share Value.” Each Covered Employee shall be paid an amount equal to the number of total Pay Periods they were employed by Defendant during the Covered Period multiplied by the Employee Settlement Share Value.

The settlement checks issued to each Covered Employee shall remain valid for one hundred eighty (180) days from the date of issuance. Funds represented by settlement checks returned as undeliverable and those settlement checks remaining uncashed for more than one hundred eighty (180) days after issuance shall be voided and then shall be transmitted to the

Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Code of Civil Procedure section 1500, *et seq.* in the names of those Covered Employees who did not cash their settlement checks until such time they claim their property. Defendant will not be required to pay any interest on any settlement funds distributed to the Settlement Administrator.

If a check is returned to the Settlement Administrator as undeliverable, the Settlement Administrator shall promptly attempt to obtain a valid mailing address by performing a skip trace search and, if another address is identified, shall mail the check to the newly identified address. If the Settlement Administrator is unable to obtain a valid mailing address through this process, the monies represented by the check shall be turned over according to the above procedures.

H. Attorneys' Fees and Litigation Costs. Defendant shall not oppose an application by Plaintiff's Counsel for, and Plaintiff's Counsel shall not seek or receive an amount in excess of \$25,000.00, which represents one-third of the Gross Settlement Amount, for all past and future attorneys' fees necessary to prosecute, settle and administer the Litigation and this Settlement. Additionally, Defendant shall not oppose an application by Plaintiff's Counsel for, and Plaintiff's Counsel shall not seek or receive an amount in excess of \$8,088.75, which represents all past and future Litigation costs and expenses necessary to prosecute, settle and administer the Litigation and this Settlement. Any attorneys' fees or Litigation costs awarded to Plaintiff's Counsel by the Court shall be deducted from the Gross Settlement Amount for the purpose of determining the Net Settlement Amount. The "future" aspect of these amounts includes, without limitation, all time and expenses expended by Plaintiff's Counsel in defending the Settlement and securing approval. There will be no additional charge of any kind to either the Covered Employees or the State of California or request for additional consideration from Defendant for such work. This amount shall include all attorneys' fees, Litigation costs and expenses for which Plaintiff and Plaintiff's Counsel could claim under any legal theory whatsoever. No later than ten (10) calendar days after the Gross Settlement Amount has been fully funded by Defendant as set forth in Section III(A) above, the Settlement Administrator

shall disburse payment from the Gross Settlement Amount for the amount of attorneys' fees and Litigation costs approved by the Court to Plaintiff's Counsel. Should the Court approve a lesser percentage or amount of attorneys' fees and/or Litigation costs than the amount that Plaintiff's Counsel ultimately seeks, then the unapproved portion or portions shall revert into the Net Settlement Amount and the lower award amounts will not reduce or impact the enforceability of this Agreement in any way.

I. Court Approval. Plaintiff will bring a motion before the Court at Plaintiff's expense for an order approving the Settlement, including the Released Claims, Plaintiff's Counsel's attorneys' fees and Litigation costs, and Administrative Costs (the "Motion for Approval"). The Motion for Approval shall also, among other things, request that the Court enter judgment approving the Settlement and this Agreement, adjudging the terms thereof to be fair, reasonable and adequate, and directing consummation of its terms and provisions. Plaintiff's Counsel will prepare the Motion for Approval, which shall be subject to review and approval by Defendant. Defense Counsel shall have a minimum of six (6) business days to review the Motion for Approval and all supporting documents (including, but not limited to, the Court order and judgment confirming and/or entering the approval of the Settlement) in a finalized form substantially ready to be filed before Plaintiff's Counsel files the Motion for Approval with the Court. On the same date on which the Motion for Approval is filed with the Court, Plaintiff's Counsel shall concurrently submit the Motion for Approval and supporting papers to the LWDA in compliance with Labor Code section 2698 *et seq.* This Agreement and the Settlement is contingent upon approval by the Court and the entry of judgment. Plaintiff and Defendant agree to take all steps as may be reasonably necessary to secure approval of the Settlement, to the extent not inconsistent with the terms of this Agreement, and will not take any action adverse to each other in obtaining court approval, and, if necessary, appellate approval, of the Settlement in all respects. Plaintiff and Defendant, as well as Plaintiff's Counsel and Defense Counsel, expressly agree that they will not file any objection to the terms of the Settlement or assist or encourage any person or entity to file any such objection. Plaintiff and Defendant, as well as

Plaintiff's Counsel and Defense Counsel, also expressly agree that they will not appeal any judgment entered in conformance with this Agreement. Further, upon completion of all distributions in accordance with the terms of the judgment entered in conformance with the terms of this Agreement, Plaintiff's Counsel shall prepare, file and serve on Defense Counsel an Acknowledgment of Satisfaction of the judgment in full.

As of the Effective Date, Plaintiff will: (i) be bound by the terms and conditions of this Agreement and the releases set forth therein; and (ii) be deemed to have waived all objections and oppositions to the fairness, reasonableness and adequacy of the Settlement and the Court's order granting approval.

If the Court should, for any reason, decline to approve the Settlement as set forth in this Agreement, the Parties agree to use their best efforts and to negotiate in good faith in an effort to resolve and/or address the Court's reason(s) for denying approval by amending this Agreement or otherwise. If, after exhausting their best efforts to do so, they are unable to reach agreement and/or to obtain Court approval, this Agreement shall be considered null and void, and all Parties to this Settlement shall stand in the same position, without prejudice, as if the Settlement Agreement had been neither entered into nor filed with the Court.

J. Jurisdiction. The Court has jurisdiction over the Parties and the subject matter of this Litigation. The Litigation includes claims that, while Defendant denies them in their entirety, would, if proven, authorize the Court to grant relief pursuant to the applicable statutes. After the Court has approved the Settlement and after the Court has ordered the entry of judgment, pursuant to California Code of Civil Procedure section 664.6 the Court shall retain jurisdiction of this action solely for the purpose of interpreting, implementing, and enforcing this Settlement consistent with the terms set forth herein.

K. Severability. The Parties agree that if any provision(s) of this Settlement Agreement is determined to be invalid or unenforceable, then to the maximum extent permitted by law, any such provision(s) shall be deemed severed and the remaining provisions of this Agreement shall remain in full force and effect unless the effect of the severing of any such

provision(s) adversely and materially affects the overall purpose of the Agreement, to wit: the full, final and complete release and resolution of the Litigation and all claims for civil penalties that were asserted in the Litigation, or could have been asserted, based on the facts alleged in the Litigation, as well as all claims for civil penalties, arising from, related to or attributable to the facts and/or claims alleged in the Litigation, whether known or unknown, suspected or unsuspected, by Plaintiff and the Covered Employees and the State of California of the Released Persons (nothing in this Section is intended to limit the scope of Section III(B) of this Agreement in any way whatsoever). In the event of a breach, this Agreement may be specifically enforced.

L. Publicity. Defendant, Plaintiff, and Plaintiff's Counsel agree to limit public comment on this Settlement and the Litigation to stating that the matter has been resolved to the satisfaction of the Parties. Neither the Parties nor their counsel will initiate public comment, including but not limited to press inquiries or website, blog, or social media postings and represent that they will not post anything on a website or social media regarding this Settlement, or respond to inquiries from, or otherwise communicate with third parties, including the press, regarding this Settlement, other than to state that this matter has been resolved.

IV. MISCELLANEOUS PROVISIONS

A. Stay of the Litigation. Plaintiff and Defendant agree to a stay of this Litigation including Plaintiff's State Court Case and all pending deadlines immediately, pending approval of the Settlement by the Court. In the event that Plaintiff's Motion for Approval is finally denied, Defendant shall have a minimum of forty five (45) calendar days from the date of the Order finally denying Plaintiff's Motion for Approval to: (i) move to compel further responses to the first sets of written discovery propounded to Plaintiff (consisting of Form Interrogatories - Employment Law, Special Interrogatories, Requests for Production of Documents and Requests for Admission), and (ii) serve objections and responses to Plaintiff's first set of outstanding written discovery propounded on it (consisting of Form Interrogatories - Employment Law , Form Interrogatories - General, Request for Special Interrogatories, Request for Production of Documents and Request for Admission).

B. Interpretation of the Agreement. This Agreement constitutes the entire agreement between Plaintiff and Defendant with respect to the subject matter hereof; notwithstanding the foregoing, Plaintiff has entered or will enter into a settlement agreement providing a full general release and resolving his individual claims against Defendant and other related and affiliated persons and entities, which is documented in a separate agreement entitled **SETTLEMENT AGREEMENT AND RELEASE OF ALL CLAIMS** that shall survive this agreement and be separately enforceable, as discussed further below. Except as expressly provided herein, this Agreement has not been executed in reliance upon any other written or oral representations or terms, and no such extrinsic oral or written representations or terms shall modify, vary or contradict its terms. In entering into this Agreement, the Parties agree that this Agreement is to be construed according to its terms and may not be varied or contradicted by extrinsic evidence. The Agreement will be interpreted and enforced under the laws of the State of California, both in its procedural and substantive aspects, without regard to its conflict of laws provisions. Any claim arising out of or relating to the Agreement, or the subject matter hereof, will be resolved solely and exclusively in the Superior Court of the State of California for the County of San Bernardino, and Plaintiff and Defendant hereby consent to the personal jurisdiction of the Court over them solely in connection therewith. The foregoing is only limited to disputes concerning this Agreement and in no way limits or negates the enforceability and effect of any arbitration agreements signed by employees of Defendant obligating them to arbitrate any and all claims on an individual (and not on a class or collective) basis. Plaintiff, on his own behalf and on behalf of the Covered Employees and the State of California, as well as Defendant participated in the negotiation and drafting of this Agreement and each had available to them the advice and assistance of independent counsel such that the language used in this Agreement shall be deemed to be the language chosen by the Parties to express their mutual intent. As such, in the event that any language in this Agreement is held to be uncertain or ambiguous, any such language shall not be interpreted against any Party based on authorship of such language. Each of the Parties and their counsel have reviewed and revised this Agreement,

and the normal rule of construction to the effect of any ambiguities in an agreement are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement. Each of the Parties represents and warrants that the attorney approving this Agreement as to form on their behalf is the attorney employed to represent them with respect to this Agreement, and all matters covered by and related to it, and they have been fully advised by those attorneys with respect to their rights and obligations as to this Agreement. The Parties declare that they know and understand the contents of this Agreement, and they have executed it voluntarily. Further, this Agreement shall be construed without regard to any presumption or rule requiring construction against the Party causing such instrument or any portion thereof to be drafted, or in favor of the Party receiving a particular benefit under this Agreement.

The terms and conditions of this Agreement constitute the exclusive and final understanding and expression of all agreements between Plaintiff and Defendant with respect to the Settlement of the Litigation. Notwithstanding the foregoing, in connection with the Settlement of the Litigation Plaintiff is required to and shall sign or has already signed a separate individual settlement agreement entitled SETTLEMENT AGREEMENT AND RELEASE OF ALL CLAIMS that includes a full general release of all claims he has or may have ever had against Defendant and other related and affiliated persons and entities specified in that agreement, including a full waiver of Civil Code section 1542. This Agreement in no way alters, modifies, supersedes or amends the separate individual settlement agreement Plaintiff shall sign or has already signed in connection with the Settlement of the Litigation and, likewise, nothing in Plaintiff's separate individual settlement agreement shall alter, modify, supersede or amend this Agreement.

C. Further Cooperation. Plaintiff and Defendant and their respective attorneys shall proceed diligently to prepare and execute all documents, to seek the necessary approvals from the Court, and to do all things reasonably necessary or convenient to consummate the Agreement as expeditiously as possible.

D. Confidentiality of Documents. Plaintiff and Plaintiff's Counsel agree to delete and destroy any and all documents and Electronically Stored Information, and any other forms or items of information received from Defendant in this Litigation, within ten (10) calendar days of the Effective Date. Plaintiff and Plaintiff's Counsel shall provide written verification that all such documents and information have been deleted and/or destroyed within ten (10) calendar days of the deadline for the deletion and destruction of documents and information.

E. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, and may be sent by email. The Parties agree that emailed, electronic and/or facsimile signatures shall be deemed to be as effective and binding as original signatures hereto for all purposes.

F. Authority. Each individual signing below warrants that they have the authority to execute this Agreement on behalf of the Party for whom or which that individual signs.

G. Deadlines Falling on Weekends or Holidays. To the extent that any deadline set forth in this Agreement falls on a Saturday, Sunday, or legal holiday, that deadline shall be continued until the following business day.

H. No Prior Assignments. The Parties hereto represent, covenant and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or rights released and discharged by this Settlement Agreement. Each Party shall defend and indemnify the other Parties from and against a breach of the representation in this section.

I. Attorneys' Fees in Enforcement Actions: Except as otherwise provided in this Settlement Agreement, in the event that any Party to this Settlement Agreement institutes any legal action or other proceeding against any other Party to enforce the provisions of this Settlement Agreement, to interpret this Settlement Agreement, and/or to declare rights and/or obligations under this Settlement Agreement, the successful Party shall be entitled to recover

from the unsuccessful Party reasonable attorneys' fees and costs incurred in connection with any such action(s), including attorneys' fees and costs on appeal.

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

To Plaintiff as follows:

KJT LAW GROUP LLP
Christopher Adams (SBN 266440)
230 N. Maryland Ave., Suite 306
Glendale, California 91206
chris@kjtlawgroup.com

To Defendant as follows:

Lanic Engineering, Inc.
Stradling Yocca Carlson & Rauth LLP
John M. Wicker (SBN 292023)
660 Newport Center Drive, Suite 1600
Newport Beach, California 92660
Jwicker@stradlinglaw.com

K. Captions: Paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend or describe the scope of this Settlement Agreement or any provision hereof. Each term of this Settlement Agreement is contractual and not merely a recital.

L. Modification: This Settlement Agreement may not be changed, altered, or modified, except in a writing signed by the Parties hereto which expresses, by its terms, an intention to modify this Agreement, and which is approved by the Court. This Settlement Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by all of the Parties hereto.

M. No Unintended Waivers. No waiver by any Party of any provision of this Agreement shall be deemed a waiver of any other provision of this Agreement or any subsequent breach of the same or any other provision of this Agreement.

N. No Tax Advice. Defendant does not intend anything contained in this Agreement to constitute legal advice regarding the taxability of any amount paid hereunder, and Plaintiff and the Covered Employees agree that they are not relying upon Defendant, the Released Persons, or any of them, for tax advice. The tax issues for each Covered Employee may be unique, and each Covered Employee is advised to obtain tax advice from their own tax advisor with respect to any payment made pursuant to this Agreement.

O. Headings. The descriptive headings of any paragraphs or sections of this Agreement are inserted for convenience or reference only and do not constitute a part of this Agreement.

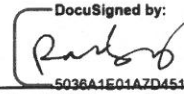
P. Admissibility. The Parties hereby agree that this Agreement is admissible or subject to disclosure and waive any confidentiality protections for this Agreement under California Evidence Code section 1123.

Q. Successors: This Settlement Agreement shall be binding upon and inure to the benefit of the Parties hereto and to their respective heirs, executors, personal representatives, trustees, executors, administrators, successors and assigns.

[Remainder of Page Intentionally Left Blank; Signature Page to Follow]

THE ABOVE TERMS AND CONDITIONS ARE HEREBY VOLUNTARILY AGREED TO
BY THE UNDERSIGNED PARTIES.

Date: 8/19/2024, 2024

DocuSigned by:

5036A1E01A7D451

Plaintiff Ronnie Lopez, on behalf of himself,
the Covered Employees and the State of
California

Date: 8-26-, 2024


Defendant Lanic Engineering, Inc.
By: Robert Leaming, Chief Executive Officer

Exhibit A

1 Christopher Adams (S.B. # 266440)
2 chris@kjtlawgroup.com
3 Vache A. Thomassian (S.B. #289053)
4 vache@kjtlawgroup.com
5 Caspar Jivalagian (S.B. #282818)
6 caspar@kjtlawgroup.com
7 KJT LAW GROUP LLP
8 230 N. Maryland Ave. Suite 306
9 Glendale, CA 91206
10 Telephone: 818.507.8525

11 Attorneys for Plaintiff Ronnie Lopez

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN BERNARDINO

RONNIE LOPEZ, individually and on
behalf of all others similarly situated,

Plaintiff,

v.

LANIC ENGINEERING, INC. a
corporation; and DOES 1-20, inclusive,

FILED
SUPERIOR COURT OF CALIFORNIA
COUNTY OF SAN BERNARDINO
SAN BERNARDINO DISTRICT

JUL 21 2023

BY 
KALISKA MONTICUE, DEPUTY

Case No.: CIVSB2220432

FILED BY FAX

SECOND AMENDED COMPLAINT FOR
DAMAGES AND PENALTIES UNDER PAGA:

1. Failure to Pay Minimum Wage (Labor §§ 558, 1194 *et seq.*, 1197, 1197.1, 1198, IWC Wage Order)
2. Failure to Pay Overtime Wages (Labor Code §§ 510, 558, 1194 *et seq.*, 1197.1, 1198, IWC Wage Order);
3. Failure to Provide Meal Periods (California Labor Code §§ 226.7 and 512(a));
4. Failure to Provide Rest Periods (California Labor Code § 226.7);
5. Failure to Furnish Accurate Wage Statements (California Labor Code § 226);
6. Waiting Time Penalties (California Labor Code §§ 201-203);
7. Failure to Reimburse for Business Expenditures and Losses (Violation of Labor Code § 2802);
8. Inspecting Personnel Records (California Labor Code § 1198.5);
9. Failure to Pay Reporting Time Pay (IWC Wage Orders); and
10. Civil Penalties Under the Private Attorneys General Act (California Labor Code §§ 2698, *et seq.*).

JURY TRIAL REQUESTED

1 Plaintiff Ronnie Lopez ("Plaintiff") brings this action individually and on behalf of the State
2 of California and on behalf of aggrieved employees pursuant to the California Private Attorneys
3 General Act ("PAGA"), and alleges the following:

4 **I. INTRODUCTION**

5 1. Plaintiff brings this action to remedy wage-and-hour violations by defendants Lanic
6 Engineering, Inc. and Does 1 through 20 (collectively, the "Defendants"). For at least four years
7 prior to the filing of this Complaint and through the present, Defendants have engaged in a
8 uniform policy and systematic scheme of wage abuse against Plaintiff in violation of applicable
9 California laws, including, without limitation, failing to provide meal and rest breaks, failing to pay
10 minimum and overtime wages, failing to provide accurate wage statements, and failing to pay all
11 earned wages upon separation of employment.

12 **II. THE PARTIES**

13 2. **Defendant Lanic Engineering, Inc.** ("Lanic Engineering") is a sourcing supplier of
14 aircraft parts and related items located in Rancho Cucamonga, California. It conducted and
15 continues to conduct substantial business in the state of California. At all times mentioned herein,
16 Defendant Lanic Engineering was and is an employer covered by the California Labor Code and
17 the California Industrial Welfare Commission Wage Order.

18 3. Plaintiff is unaware and ignorant of the true names and capacities of defendants sued
19 herein as **Does 1 through 20**, inclusive, and for that reason sues said defendants by such fictitious
20 names (the "Doe Defendants").

21 4. At all times herein relevant, Defendant Lanic Engineering and the Doe Defendants,
22 and each of them, were the agents, partners, joint-venturers, joint employers, alter-egos,
23 representatives, servants, employees, successors-in-interest, co-conspirators and assigns, each of the
24 other, and at times relevant hereto were acting with the course and cope of theirs authority as such
25 agents, partners, joint-venturers, joint employers, alter-egos, representatives, servants, employees,
26 successors-in-interest, co-conspirators and assigns, and all acts or omissions alleges herein were
27 duly committed with the ratification, knowledge, permission, encouragement, authorization, and
28 consent of each defendant designated herein. Plaintiff is informed and believes, and based thereon

1 alleges that the acts of each Defendant are legally attributable to the other Defendants.

2 5. Plaintiff is informed and believes, and based thereon alleges that each of the Doe
3 Defendants is legally responsible for the events and happenings referred to in this Complaint, and
4 unlawfully caused the injuries and damages to Plaintiff as alleges in this Complaint. Plaintiff will
5 file and serve an amendment to this Complaint alleging the true names and capacities of the Doe
6 Defendants when such true names, capacities, and involvement is ascertained.

7 6. **Plaintiff Ronnie Lopez** was employed by Lanic Engineering as a receiving clerk from
8 approximately Juen 2019 to August 25, 2021 at Lanic Engineering's Rancho Cucamonga location
9 as a non-exempt general laborer employee and was and is paid in whole or in part on an hourly
10 basis. Plaintiff Ronnie Lopez is an individual residing in the County of San Bernardino,
11 California.

12 7. At all times relevant to this Complaint, Defendants exercised control over the wages,
13 hours, and working conditions of Plaintiff; suffered and permitted Plaintiff to work; and otherwise
14 engaged Plaintiff to work, so as to create an employer-employee relationship between Defendants
15 and Plaintiff. At all relevant times, Defendants were "employers" of Plaintiff within the meaning of
16 all applicable California state laws.

17 **III. JURISDICTION AND VENUE**

18 8. The monetary damages and restitution sought by Plaintiff exceed the minimal
19 jurisdiction limits of the Superior Court and will be established according to proof at trial.

20 9. This Court has jurisdiction over this action under the California Constitution, Article
21 VI, Section 10, which grants the Superior Court original jurisdiction in all causes except those
22 given by statute to other courts. The statutes under which this action is brought do not specifically
23 grant jurisdiction to any other court, and the issues are based solely on California statutes and law,
24 including the California Labor Code, California Industrial Welfare Commission ("IWC") Wage
25 Orders, California Code of Civil Procedure, California Civil Code, and the California Business
26 and Professions Code.

27 10. The California Superior Court has jurisdiction over Defendants, because they are
28 citizens of California, have sufficient minimum contacts in California, and otherwise intentionally

1 avail themselves to the California market, including establishing its principal place of business and
2 transacting business in California.

3 11. Venue is proper in this Court, because the Defendants own and operate a
4 manufacturing plant and otherwise transact business in the County of San Bernardino. And during
5 all relevant time periods, Plaintiff was employed by Defendants in the County of San Bernardino.

6 **IV. FACTUAL BACKGROUND**

7 12. At all relevant times set forth in this Complaint, Defendants employed Plaintiff as an
8 hourly, non-exempt employees.

9 13. Plaintiff was covered under one or more IWC Wage Orders, California Labor
10 Code provisions relating to wage-and-hour laws, and other applicable wage orders, regulations, and
11 statutes, which imposed an obligation on the part of Defendants, among other things, to provide
12 uninterrupted meal and rest periods, to pay overtime wages, to pay wages for all hours worked, to
13 pay all wages due at separation of employment, and to provide accurate wage statements.

14 14. Plaintiff is informed and believes, and based thereon alleges that Defendants
15 engaged in a uniform policy and systematic scheme of wage abuse against Plaintiff, including,
16 without limitation, depriving Plaintiff of uninterrupted thirty-minute meal periods for work periods
17 of at least five hours; depriving Plaintiff of ten-minute rest periods for work periods of four hours
18 or major fractions; failing to compensate Plaintiff for all hours worked, including overtime wages;
19 failing to provide timely, accurate itemized wage statements; and failing to pay, within the time
20 constraints imposed by applicable laws, all earned compensation at separation of employment.

21 15. Plaintiff is informed and believes, and based thereon alleges that Defendants failed
22 to provide Plaintiff the required meal periods or payment of one additional hour of pay at
23 Plaintiff's regular rate of pay when a meal break was missed during the relevant time period. This
24 was a result of Defendants' uniform policy and practice of failing to relieve Plaintiff from his job
25 duties. As a result of Defendants' demanding deadlines, Plaintiff was required to perform work as
26 ordered by Defendants for more than five hours during a shift without receiving a meal break.
27 Specifically, Defendants regularly and systematically schedule Plaintiff's meal breaks after his fifth
28 hour of work. Defendants had no policy, procedure, or practice for Plaintiff to report missed meal

1 periods or recover lost wages, and Defendants had no policy, procedure, or practice to provide
2 one hour of additional wages for each workday that the meal break was not provided.

3 16. Plaintiff is informed and believes, and based thereon alleges that Defendants failed
4 to provide Plaintiff rest periods of at least ten minutes per four hours worked, or major fraction
5 thereof, and failed to pay Plaintiff one hour of additional wages at Plaintiff's regular rate of pay
6 when a rest break was not provided during the relevant time period. Defendants had no policy,
7 procedure, or practice for Plaintiff to report missed rest breaks or recover lost wages, and
8 Defendants had no policy, procedure, or practice to provide one hour of additional wages for each
9 workday that the rest break was not provided.

10 17. Plaintiff is informed and believes, and based thereon alleges that Defendants failed
11 to provide Plaintiff wages, including overtime wages, for all hours worked, meaning the time during
12 which Plaintiff was subject to the control of Defendants, including all the time she was suffered or
13 permitted to work. This was a result of Defendants' uniform policy and practice of requiring
14 Plaintiff to work off-the-clock without paying his for all the time she was under Defendants'
15 control. Plaintiff was entitled to receive compensation for all hours worked, and she did not
16 receive compensation for all hours worked. Plaintiff worked over eight hours in a day, and/or forty
17 hours in a week during his employment with Defendants and Defendants failed to pay overtime
18 wages to Plaintiff for all hours worked more than eight hours in a day and/or forty hours per week.

19 18. Plaintiff is informed and believes, and based thereon alleges that Defendants have
20 unlawfully failed to provide timely, accurate, itemized wage statements to Plaintiff.
21 Plaintiff is informed and believes, and based thereon alleges that Defendants have failed to pay all
22 compensation due and owing to Plaintiff upon separation.

23 **VI. PAGA REPRESENTATIVE ACTION ALLEGATIONS**

24 19. At all relevant times, PAGA was applicable to Plaintiff and his employment with
25 Defendants. PAGA provides for a civil penalty to be assessed and collected by the Labor and
26 Workforce Development Agency ("LWDA") for violations of the California Labor Code. As an
27 alternative, these civil penalties may be recovered through a civil action brought by an aggrieved
28 employee on behalf of himself and other current or former employees.

20. Plaintiff and other employees of Defendants are “aggrieved employees” as defined by PAGA, because they are all current or former employees of Defendants, and one or more of the alleged violations were committed against them.

21. On or about June 21, 2022, Plaintiff gave written notice of Defendants’ violations of various provisions of the California Labor Code and the applicable IWC Wage Order to (a) the LWDA by filing with the LWDA through the LWDA website and (b) to Defendants by certified mail.

22. The LWDA did not provide notice of its intention to investigate Defendants’ violations within 65 calendar days of the June 21, 2022 notice.

23. In doing so, Plaintiff has satisfied the administrative prerequisites under PAGA to recover civil penalties against Defendants, in addition to the other remedies, for violations of California Labor Code §§ 201-203, 226.7, 227.3, 510, 512, 551, 552, 1194 *et seq.*, 1197, and 1198.

V. CAUSES OF ACTION

FIRST CAUSE OF ACTION

Failure to Pay Minimum Wage

(Violation of Labor Code §§ 558, 1194 *et seq.*, 1197, 1197.1, 1198, IWC Wage Order)
(By Plaintiff Against Each Defendant)

24. Plaintiff incorporates by reference and re-alleges the paragraphs set forth above as though set forth fully herein.

25. California Labor Code § 204, the IWC Wage Orders, and other applicable laws and regulations, provide that an employer must timely pay its employees for all hours worked.

26. California Labor Code § 1197 further provides, “The minimum wage for employees fixed by the commission or by any applicable state or local law, is the minimum wage to be paid to employees, and the payment of a lower wage than the minimum so fixed is unlawful.”

27. California Labor Code § 1194 establishes an employee’s right to recover unpaid wages, including interest, and the cost of suit. California Labor Code § 1198 further provides that the employment of an employee for longer than those fixed by the IWC Wage Orders is unlawful.

28. Defendants maintained and enforced policies and practices of refusing to pay

1 Plaintiff for all hours worked. Defendants required Plaintiff to work without compensating his for
2 all hours worked as required by the California Labor Code and the applicable IWC Wage Order.

3 29. Defendants thus required Plaintiff to work under conditions prohibited by order of
4 the IWC, in violation of those orders.

5 30. Defendants deprived Plaintiff of his rightfully earned minimum wage compensation,
6 as a direct and proximate result of Defendants' failure to pay said compensation. Under California
7 Labor Code § 1194, Plaintiff is entitled to recover such amounts, plus interest thereon, reasonable
8 attorneys' fees, and costs. In addition, under California Labor Code § 1194.2, Plaintiff is entitled
9 to recover liquidated damages in an amount equal to the minimum wages unlawfully unpaid, and
10 interest thereon. Plaintiff is further entitled to attorneys' fees pursuant to California Code of Civil
11 Procedure § 1021.5, and pursuant to Labor Code § 2699(g)(1).

12 31. Furthermore, California Labor Code § 1197.1 provides for a civil penalty to be
13 assessed against any employer or other person acting on behalf of an employer who fails to pay a
14 wage less than the minimum fixed by law.

15 32. At all times relevant herein, Defendants routine and systematic practice of failing to
16 pay Plaintiff a fixed sum of \$50.00 per day resulted in a failure to pay employee wages at the
17 minimum fixed by law.

18 33. As a result of Defendants' failure to pay minimum wage, Plaintiff is entitled to
19 recover a penalty of \$100.00 for the initial violation for each underpaid employee for each pay
20 period for which each employee was underpaid and \$250 for each subsequent violation for each
21 underpaid employee for each pay period for which each employee was underpaid.

22 **SECOND CAUSE OF ACTION**

23 **Failure to Pay Overtime Wages**

24 (Violation of Labor Code §§ 510, 558, 1194 et seq., 1197.1, 1198, IWC Wage Order)

(By Plaintiff Against Each Defendant)

25 34. Plaintiff incorporates by reference and re-alleges the paragraphs set forth above as
26 though set forth fully herein.

27 35. California Labor Code § 204, the IWC Wage Orders, and other applicable laws and
28 regulations, provide that an employer must timely pay its employees for all hours worked.

1 36. California Labor Code § 510 further provides that employees in California shall be
2 employed more than eight hours per workday unless they receive additional compensation beyond
3 their regular wages in amounts specified by law.

4 37. California Labor Code § 1194 establishes an employee's right to recover unpaid
5 wages, including overtime compensation and interest, and the cost of suit. California Labor Code
6 § 1198 further provides that the employment of an employee for longer than those fixed by the
7 IWC Wage Orders is unlawful.

8 38. Defendants maintained and enforced policies and practices of refusing to pay
9 Plaintiff for all hours worked. Defendants employed Plaintiff for more than eight hours per day
10 and more than 40 hours per workweek during the operative timeframe, but Defendants failed to
11 pay Plaintiff the correct applicable overtime rate for the number of overtime hours she worked as
12 required by the California Labor Code and the applicable IWC Wage Order.

13 39. Defendants thus required Plaintiff to work under conditions prohibited by order of
14 the IWC, in violation of those orders.

15 40. Defendants deprived Plaintiff of his rightfully earned minimum wage compensation,
16 including overtime compensation, as a direct and proximate result of Defendants' failure to pay
17 said compensation. Under California Labor Code § 1194, Plaintiff is entitled to recover such
18 amounts, plus interest thereon, reasonable attorneys' fees, and costs.

19 41. Defendants owe Plaintiff overtime wages, have failed and refused, and continues to
20 fail and refuse, to pay the overtime wages owed. Additionally, Defendants did not include all the
21 required compensation in calculating the overtime rate of Plaintiff.

22 42. Defendants' failure to pay Plaintiff such premium overtime compensation and their
23 miscalculation of the regular rate of pay violates the provisions of California Labor Code § 510 and
24 § 1198, and the applicable IWC Wage Order and is therefore unlawful. Pursuant to California
25 Labor Code § 1194, Plaintiff is entitled to recover unpaid overtime compensation, as well as
26 interest, costs, and attorneys' fees. In addition, under California Labor Code § 1194.2, Plaintiff is
27 entitled to recover liquidated damages in an amount equal to the minimum wages unlawfully
28 unpaid, and interest thereon. Plaintiff is further entitled to attorneys' fees pursuant to California

Code of Civil Procedure § 1021.5, and pursuant to Labor Code § 2699(g)(1).

43. Pursuant to Labor Code § 558, Plaintiff is entitled to recover a penalty of \$50.00 for the initial failure to compensate employees at the statutory overtime rate for any work in excess of eight hours in one day or any work in excess of 40 hours in any workweek and/or failure to compensate employees at the statutory double time rates for any work in excess of twelve hours in one day or any work in excess of 8 hours on the seventh day of a workweek in addition to any underpaid wages; and \$100.00 for each subsequent failure to compensate employees at the statutory overtime rate for any work in excess of eight hours in one day or any work in excess of 40 hours in any workweek and/or failure to compensate employees at the statutory double time rates for any work in excess of twelve hours in one day or any work in excess of 8 hours on the seventh day of a workweek in addition to any underpaid wages.

44. As a proximate result of Defendants' failure to pay overtime and/or double time wages as alleged above, Plaintiff is entitled to recover from Defendants penalties pursuant to section 558 in an amount as may be established according to proof at trial.

THIRD CAUSE OF ACTION

Failure to Provide Meal Periods

(Violation of Labor Code §§ 226.7, 512, IWC Wage Order)

(By Plaintiff Against Each Defendant)

45. Plaintiff incorporates by reference and re-alleges the paragraphs set forth above as though set forth fully herein.

46. Plaintiff regularly worked greater than five hours and on occasion greater than ten hours per day. Pursuant to California Labor Code § 512, an employer may not employ someone for a shift of more than five hours without providing him or his with a meal period of not less than thirty minutes or for more than ten hours without providing him or his with a second meal period of not less than thirty minutes.

47. Despite the requirements of the applicable IWC Wage Order and California Labor Code §§ 512 and 226.7, Defendants have had a policy and practice of not providing Plaintiff with timely, uninterrupted first meal periods, and was similarly not provided with a second meal period to the extent such should have been provided.

54. Pursuant to Labor Code § 226.7, Plaintiff is entitled to recover one hour of premium pay for each day in which a rest period was not provided. Plaintiff is further entitled to attorneys' fees pursuant to California Code of Civil Procedure § 1021.5, and pursuant to California Labor Code § 2699(g)(1), Plaintiff is entitled to an award of reasonable attorneys' fees and costs relating to his claims for civil penalties.

55. Additionally, as a proximate result of Defendants' failure to provide rest breaks, Plaintiff is entitled to recover from Defendants penalties pursuant to California Labor Code § 558 in an amount as may be established according to proof at trial.

FIFTH CAUSE OF ACTION

Failure to Furnish Accurate Wage Statements
(Violation of California Labor Code §§ 226 & 226.3, IWC Wage Order)
(By Plaintiff Against Each Defendant)

56. Plaintiff incorporates by reference and re-alleges the paragraphs set forth above as though set forth fully herein.

57. California Labor Code § 226(a) and IWC Wage Order 5, § 7(B) require employers semimonthly or at the time of each payment of wages to furnish each employee with a statement itemizing, among other things, all applicable hourly rates. Labor Code § 226(b) provides that if an employer knowingly and intentionally fails to provide a statement itemizing, among other things, all applicable hourly rates, then the employee is entitled to recover the greater of all actual damages or fifty dollars for the initial violation and one hundred dollars for each subsequent violation, up to four thousand dollars.

58. Defendants knowingly and intentionally failed to furnish Plaintiff with timely, itemized statements as required by California Labor Code § 226(a) and IWC Wage Order 5, § 7(B). As a result, Defendants are liable to Plaintiff in the amounts provided by Labor Code § 226(b) and for penalties, and attorneys' fees.

SIXTH CAUSE OF ACTION

Failure to Pay Wages When Due and Waiting Time Penalties
(Violation of Labor Code §§ 200-203, IWC Wage Order)
(By Plaintiff Against Each Defendant)

59. Plaintiff incorporates by reference and re-alleges paragraphs set forth above as

1 though set forth fully herein.

2 60. Sections 201 and 202 of the California Labor Code requires that Defendants pay
3 employees all wages due immediately if Defendants discharge an employee, and within 72 hours if
4 an employee quits his or his employment. Section 203 of the California Labor Code provides that
5 if an employer willfully fails to timely pay such wages the employer must, as a sanction and amount
6 owed, continue to pay that employee's wages until the back wages are paid in full or an action is
7 commenced. The sanction and amount owed cannot exceed 30 days of wages.

8 61. Plaintiff is informed and believes that Plaintiff was terminated from his employment
9 with Defendants and has not received all forms of wages earned, including, but not limited to,
10 compensation for non-provided meal and rest periods. In addition, Plaintiff resigned but
11 Defendants have not unconditionally paid his earned wages upon separation of employment within
12 the time frame mandated by California Labor Code §§ 201 and 202. Defendants' conduct in this
13 regard has been willful.

14 62. Defendants willfully refused and continue to refuse to pay Plaintiff all wages earned
15 in a timely manner as required by California Labor Code § 203. As a consequence of Defendants'
16 willful conduct in not paying all earned wages, Plaintiff is entitled to 30 days of wages under
17 California Labor Code § 203 for failure to pay legal wages.

18 **SEVENTH CAUSE OF ACTION**

19 **Failure to Reimburse for Business Expenditures and Losses**

20 **(Violation of Labor Code § 2802)**

21 **(By Plaintiff and the Against Each Defendant)**

22 63. Plaintiff incorporates by reference and re-alleges paragraphs set forth above as
23 though set forth fully herein. Plaintiff alleges as follows as a cause of action on behalf of
24 themselves.

25 64. Pursuant to California Labor Code § 2802(a), "[a]n employer shall indemnify his or
26 his employee for all necessary expenditures or losses incurred by the employee in direct
27 consequence of the discharge of his or his duties, or of his or his obedience to the directions of the
28 employer, even though unlawful, unless the employee, at the time of obeying the directions,

1 believed them to be unlawful.”

2 65. As a pattern and practice, Defendants regularly failed to reimburse and indemnify
3 Plaintiff for business expenses, including without limitation, cell phone charges.

4 66. Pursuant to California Labor Code § 2802, Plaintiff is entitled to recover
5 unreimbursed business expenses. As a proximate result of these violations, Plaintiff has been
6 damaged in an amount according to proof at time of trial. Pursuant to California Labor Code §
7 2802(c), Plaintiff is also entitled to recover interest, costs, and attorneys’ fees. Plaintiff is further
8 entitled to attorneys’ fees pursuant to California Code of Civil Procedure §1021.5, and pursuant to
9 California Labor Code § 2699(g)(1), Plaintiff is entitled to an award of reasonable attorneys’ fees
10 and costs relating to their claims for civil penalties.

11 **EIGHTH CAUSE OF ACTION**

12 Inspecting Personnel Records
(California Labor Code § 1198.5)

(By Plaintiffs and Similarly Aggrieved Employees Against Defendants)

13 67. Plaintiffs incorporate by reference and re-allege paragraphs set forth above as though set
14 forth fully herein.

15 68. California Labor Code § 1198.5 provides, among other things, “Every current and
16 former employee, or his or her representative, has the right to inspect and receive a copy of the
17 personnel records that the employer maintains relating to the employee’s performance or to any
18 grievance concerning the employee.

19 69. Upon information and Plaintiff’s belief, Defendants knowingly and willfully violated
20 California Labor Code § 1198.5.

21 70. As a proximate result of Defendants’ unlawful actions and omissions, Plaintiff
22 has been damaged in an amount according to proof at trial. Additionally, Plaintiff is entitled to all
23 available statutory penalties and award of costs, expenses, and reasonable attorneys’ fees, including
24 those provided in California Labor Code § 1198.5 as well as other available remedies.

25 **NINTH CAUSE OF ACTION**

26 Failure to Pay Reporting Time Pay
27 (Violation of IWC Wage Order 9)
(By Plaintiff Against Each Defendant)

82. California IWC Wage Order 9 § 5 mandates that “[e]ach workday that an employee is required to report to the work site and does report, but is not put to work or is furnished less than half of his/her usual or scheduled day’s work, the employer shall pay him/her for half of the usual or scheduled day’s work but in no event for less than two (2) hours nor more than four (4) hours at the employee’s regular rate of pay”

83. Defendants have had a policy and practice of not paying reporting time pay in whole or in part when Plaintiff reported and report to work as scheduled, but were sent home for lack of work.

84. By their failure to provide reporting time pay, Defendants have violated the provisions of the applicable section of California IWC Wage Order 9 § 5.

85. As a result of Defendants' unlawful acts, Plaintiff has been deprived of wages in amounts to be determined at trial, and are entitled to recover such amounts plus interest thereon, penalties, attorneys' fees, and costs.

TENTH CAUSE OF ACTION

Private Attorney General Act

(California Labor Code §§ 2698, *et seq.* [PAGA])

(By Plaintiff and Other Aggrieved Employees Against Defendants)

86. Plaintiff incorporates by reference and re-alleges paragraphs set forth above as though set forth fully herein.

87. PAGA authorizes an aggrieved employee, on behalf of himself or other current or former employees, to bring a civil action to recover civil penalties against his or his employer pursuant to the procedures specified in California Labor Code § 2699.3. Plaintiff is an aggrieved employee within the meaning of PAGA, and pursuant to PAGA, Plaintiff is entitled to recover civil penalties on behalf of himself and other similarly aggrieved persons who are, or were employed, by Defendants and against whom one or more of the alleged violations were committed. If the employee prevails as private attorney general, the employer may be subject to civil penalties, of which the aggrieved employee is entitled to 25 percent.

1 88. Plaintiff has complied with the procedures for bringing suit under PAGA.
2 Specifically, on or about June 21, 2022 Plaintiff gave written notice of Defendants' violations —
3 including the facts and theories to support the violations — of various provisions of the California
4 Labor Code and the applicable IWC Wage Order to (a) the LWDA by filing with the LWDA
5 through the LWDA website and (b) to Defendants by certified mail.

6 89. Pursuant to California Labor Code § 2699.3, the LWDA must give written notice
7 by certified mail to the parties that it intends to investigate the alleged violations of the California
8 Labor Code within 60 days of the date of the complainant's written notice and more than 65 days
9 have passed since the notice and the LWDA did not provide the parties notice that it intended to
10 investigate his claims.

11 90. During the applicable time period preceding the filing of Plaintiff's notice to the
12 LWDA, Defendants violated California Labor Code §§ 201-203, 226, 226.7, 512(a), 1194, 1198,
13 and 2802, and the applicable IWC Wage Order provisions, as alleged in more detail above.

14 91. Pursuant to California Labor Code §§ 2699(a) and (f), and 2699.5, and 2699(g)(1),
15 Plaintiff and similarly aggrieved employees are entitled to an award of reasonable attorneys' fees
16 and costs. To that end, Plaintiff seeks all relief entitled under PAGA for any penalties assessed
17 against Defendants as a result of Defendants' California Labor Code violations, plus attorneys' fees
18 and costs.

19 **VI. PRAYER FOR RELIEF**

20 Wherefore, Plaintiff prays for an award and judgment against Defendants jointly and
21 severally, as follows:

- 22 1. For compensatory damages;
- 23 2. For general damages;
- 24 3. For applicable penalties;
- 25 4. For injunctive relief on applicable causes of action;
- 26 5. For an award of interest, including prejudgment interest, at the legal rate;
- 27 6. For an award of attorneys' fees on the applicable causes of action;
- 28

1 7. For costs of suit incurred; and

2 8. For such other and further relief as the Court deems appropriate.

3 **DEMAND FOR JURY TRIAL**

4 Plaintiff hereby demand a jury trial in this matter on all matters triable to a jury.

5 **KJT LAW GROUP, LLP**
6 Vache A. Thomassian, Esq.
7 Caspar Jivalagian, Esq.
8 Christopher A. Adams, Esq.

9
10 Dated: July 21, 2023

By:



Attorneys for Plaintiff
Ronnie Lopez

Exhibit B

NOTICE OF PRIVATE ATTORNEYS GENERAL ACT CLAIM

To: California Labor and Workforce Development Agency,
Lanic Engineering, Inc.
Date: June 21, 2022
Subject: *Ronnie Lopez vs. Lanic Engineering, Inc.*

INTRODUCTION

Please take notice that Ronnie Lopez intends to seek civil penalties against his employer, Lanic Engineering, Inc. ("Lanic Engineering") under the California Private Attorneys General Act, California Labor Code §§ 2698, *et seq.* ("PAGA"), on behalf of himself, the Labor and Workforce Development Agency ("LWDA"), and other aggrieved employees. Lanic Engineering is liable for these civil penalties as a result of its uniform and systematic failure to comply with California wage laws, including California Labor Code provisions relating to the payment of overtime wages and minimum wages, and providing meal and rest breaks (or payment of the statutory additional wages due) inaccurate wage statements, and waiting time penalties.

Before pursuing these PAGA penalties in a representative capacity, California Labor Code § 2699.3 requires that aggrieved employees notify their employer and the LWDA of the specific provisions of the California Labor Code allegedly violated, as well as the facts and legal grounds supporting the allegations. To that end, we submit this letter on behalf of our client, Ronnie Lopez, and on behalf of all aggrieved employees to provide notice of the following facts and violations of the California Labor Code:

GENERAL INFORMATION

Lanic Engineering, Inc. provides full service manufacturing in the aerospace industry, with the usage of high quality equipment, tools, and advanced software technology to fabricate detail parts and assemblies. Lanic Engineering has its headquarters in Rancho Cucamonga, California. At all times mentioned herein, Lanic Engineering was licensed to do business in the State of California and conducted and continues to conduct substantial business in the State of California. And at all times mentioned herein, Lanic Engineering was and is an employer covered by the California Labor Code and the applicable California Industrial Welfare Commission ("IWC") Wage Order.

Ronnie Lopez was employed by Lanic Engineering as a receiving clerk from June 2019 to August 25, 2021. At all times, Lanic Engineering employed Mr. Lopez as an hourly non-exempt employee.

CALIFORNIA LABOR CODE VIOLATIONS

1. Failure to Provide Rest Periods

(California Labor Code §§ 226.7 and 512 and IWC Wage Orders)

An unceasing workload, strict deadlines, and continuous pressure to meet company goals forced Mr. Lopez and other employees to delay, shorten, or forgo their rest breaks to complete their assigned tasks. As a matter of fact, Mr. Lopez would skip his rest break at least three times per week. On top of this, Mr. Lopez and other employees would often be required to continue working while on their designated rest break. As a result, Lanic Engineering routinely failed to provide Mr. Lopez and other employees with a 10-minute rest breaks as required by California law. Specifically, Mr. Lopez and other employees regularly worked in excess of four hours or major fraction thereof during work days without being provided at least a ten-minute rest period in which they were relieved of all duties, in violation of California Labor Code §§ 226.7, 512 and 1198 IWC Wage Orders, and is liable for civil penalties under California Labor Code §§ 2698 *et seq.*

2. Failure to Provide Meal Periods

(California Labor Code §§ 226.7, 512 and IWC Wage Orders)

Due to the same workload demands discussed above, Lanic Engineering failed to provide Mr. Lopez and other employees with 30-minute meal periods as required by California law. For example, Lanic Engineering would often require Mr. Lopez and other employees to miss their meal breaks due to being short staffed. Similarly, Lanic Engineering required Mr. Lopez to take his meal break at 11:00 a.m., which is after his fifth hour of working considering he regularly his shift at 6:00 a.m. On top of all this, Mr. Lopez would be required to cut his meal break short by about 10-minute, because the time clock was in another building from his work location and designated break areas. As a result, Mr. Lopez and other employees worked more than five hours during a shift without being provided a timely half-hour meal period and/or more than ten hours in a shift without receiving a second timely half-hour meal period, as required by California Labor Code §§ 226.7 and 512 and the IWC Wage Orders. In doing so, Lanic Engineering has violated California Labor Code §§ 226.7 and 512 and the applicable IWC Wage Order, and is liable for civil penalties under California Labor Code §§ 2698 *et seq.*

3. Failure to Pay Minimum Wage

(California Labor Code §§ 204, 1118.12, 1197.1, IWC Wage Order)

Lanic Engineering failed to pay Mr. Lopez and other employees California's prevailing minimum wage for all "hours worked" by requiring Mr. Lopez and other employees to "work-off-clock." For example, as discussed above, Mr. Lopez and other employees would be required to continue working while on their meal breaks. In addition, Lanic Engineering required Mr. Lopez to deliver packages of different aircraft parts and tools to various locations while off the clock on his way home. In such instances, Lanic Engineering was obligated to pay wages for all hours worked, but failed to do so. As a result, Lanic Engineering has violated California Labor Code §§ 204, 558, 1118.12, 1193.6, 1194, 1197, 1197.1, and 1198 and the applicable IWC Wage Order

for failure to pay minimum wage for all hours worked, and is liable for civil penalties under California Labor Code §§ 558 and 2698 *et seq.*

4. Failure to Pay Overtime Wages
(California Labor Code §§ 510 and 1194, and 1198)

Under most circumstances, Lanic Engineering employed Mr. Lopez and other employees for more than eight hours per day or more than 40 hours per workweek. For some weeks, Lanic Engineering required that Mr. Lopez and other employees work “off-the-clock” and this resulted in these employees working more than eight hours per day or more than 40 hours per week. In this instance, the non-exempt employees are entitled to receive one-and-one half times their regular hourly rate of pay for working more than 8 hours but less than 12 hours in a workday or over 40 hours in a workweek. Notwithstanding this law, Lanic Engineering failed to maintain a policy that compensates Mr. Lopez and other employees for all hours worked, including overtime compensation and properly calculating the overtime rate.

As a result, Lanic Engineering has violated California Labor Code §§ 204, 210, 211, 510, 1194, 1197.1, and 1198 and the applicable IWC Wage Order for failure to pay overtime, and is liable for civil penalties under California Labor Code §§ 558 and 2698 *et seq.*

5. Failure to Provide Accurate Itemized Wage Statements
(California Labor Code § 226)

Mr. Lopez and other employees’ wage statements were deficient, because of the violations detailed in this notice, including not paying regular and overtime wages for all hours worked and failing to provide meal and rest break premiums. As a result, the wage statements provided to Mr. Lopez and other employees were not accurate and do not include all of the statutorily-required information. Specifically, Lanic Engineering has violated California Labor Code § 226 by willfully failing to furnish Mr. Lopez and other employees with accurate, itemized wage statements. These California Labor Code violations, in turn, constitute PAGA violations.

6. Failure to Pay Waiting Time Penalties
(California Labor Code § 203)

Sections 201 and 202 of the California Labor Code requires that employers pay employees all wages due immediately if an employer discharges an employee, and within 72 hours if an employee quits his or her employment. Section 203 of the California Labor Code provides that if an employer willfully fails to timely pay such wages the employer must, as a sanction and amount owed, continue to pay that employee’s wages until the back wages are paid in full or an action is commenced. The sanction and amount owed cannot exceed 30 days of wages. Lanic Engineering owed wages to discharged employees, such as premiums for missed meal and rest periods, minimum wage, and overtime pay for hours worked over eight hours in a workday or 40 in a workweek. Lanic Engineering’s failure to pay these wages at termination was willful and constitutes a PAGA violation based on a violation of California Labor Codes §§ 201-203 and 558.

7. Failure to Reimburse for Business Expenditures and Losses
(California Labor Code § 2802)

As a pattern and practice, Lanic Engineering regularly failed to reimburse and indemnify Mr. Lopez and other employees for business expenses. These expenses were necessary expenditures incurred by Mr. Lopez and other employees in performing their job duties. For example, Mr. Lopez was required to use his own personal cell phone in order to take pictures of boxes that arrived damaged and e-mail these to management. In addition to this, Mr. Lopez would be required to use his own vehicle in order to deliver boxes to various locations, however he was not reimbursed. Despite being aware of these business expenses, Lanic Engineering failed to reimburse Mr. Lopez and other employees for such business expenses in violation of California Labor Code § 2802, which requires employers to “indemnify his or her employee for all necessary expenditures and losses incurred by employees.” In turn, this constitutes a PAGA violation based on a violation of California Labor Code §§ 2800 and 2802.

CONCLUSION

In sum, Lanic Engineering has committed PAGA violations based on non-compliance with California Labor Code §§ 204, 1118.12, 1197.1 (minimum wage), 226 (inaccurate itemized wage statements), 226.7 (meal and rest break violations), 510-511, 119,512 (meal breaks), 226 (wage statements), 202-203 and 558 (waiting time penalties), and 2802 (expense reimbursements), as well as the applicable IWC Wage Order.

Mr. Lopez seeks to remedy these violations by securing unpaid wages and civil penalties. Please let me know whether the LWDA intends to investigate or whether we may proceed with a civil action as representatives for the LWDA and those employees that are aggrieved. If you have any questions, please do not hesitate to contact me.

Sincerely,



Vache Thomassian, Esq.
KJT Law Group, LLP

VIA ONLINE FILING

Labor and Workforce Development Agency

Attn: PAGA Administrator

Filed at “New PAGA Claim Notice” (<https://dir.tfaforms.net/308>)

VIA CERTIFIED MAIL, RRR

Lanic Engineering, Inc.
Agent of Service for Process: Shannon Robert Leaming
12144 6th Street
Rancho Cucamonga, CA 91730

Exhibit C

**NOTICE OF SETTLEMENT OF PRIVATE ATTORNEYS GENERAL ACT LAWSUIT AND
RELEASE OF CLAIMS**

Ronnie Lopez v. Lanic Engineering, Inc., et al.
San Bernardino County Superior Court, Case No. CIVSB2220432

[INSERT DATE OF MAILING]

This notice relates to the settlement of a lawsuit brought pursuant to the California Labor Code Private Attorneys General Act of 2004, Labor Code section 2698, *et seq.* ("PAGA"). On September 15, 2022, Plaintiff Ronnie Lopez ("Plaintiff") filed the current lawsuit in the San Bernardino County Superior Court (the "Court") on behalf of himself, all other allegedly aggrieved employees and the State of California against Defendant Lanic Engineering, Inc. ("Defendant"), which is titled *Ronnie Lopez v. Lanic Engineering, Inc., et al.* Case No. CIVSB2220432. Thereafter, on July 21, 2023, Plaintiff filed the operative Second Amended Complaint in this lawsuit.

Plaintiff brought the lawsuit as a representative action under PAGA on behalf of the State of California, himself and all other allegedly aggrieved employees. Plaintiffs' lawsuit asserts Defendant allegedly committed the following violations of California law: (1) failure to pay minimum wages; (2) failure to pay all overtime and/or double time wages including, but not limited to, failure to pay overtime and double times wages at each allegedly aggrieved employee's correct regular rate of pay; (3) failure to pay all wages and to timely pay all wages (including during employment) for all hours worked as required by applicable law, including, but not limited to, failure to pay wages for off-the-clock work, failure to pay premiums owed for non-compliant meal breaks and rest breaks, failure to correctly calculate wages owed and hours worked by allegedly aggrieved employees, failure to pay overtime, double time and minimum wages, and failure to pay wages for on-duty travel time; (4) failure to provide compliant meal periods and to pay related meal period premiums of one additional hour of pay at each allegedly aggrieved employee's regular rate of pay for each work day that one or more meal periods was not provided in compliance with California law; (5) failure to provide compliant rest periods and to pay related rest period premiums of one additional hour of pay at each allegedly aggrieved employee's regular rate of pay for each work day that one or more rest periods was not provided in compliance with California law; (6) failure to furnish compliant, complete and accurate itemized wage statements, and failure to provide wage statements altogether; (7) failure to timely pay all wages at the time of separation from employment (both as to allegedly aggrieved employees who voluntarily resigned with and without notice, as well as to those who were involuntarily terminated), and failure to pay applicable waiting time penalties (continuous wages as mandated by the Labor Code for up to 30 days); (8) failure to reimburse and/or indemnify for all necessary business expenses, losses and/or costs incurred; (9) violations of Labor Code section 558; and (10) violations of Labor Code section 511 including, but not limited to, failure to legally and properly implement and/or administer an alternate workweek schedule for allegedly aggrieved employees. By law, a PAGA action is an action for civil penalties in which the State of California receives seventy-five percent of any net settlement, and twenty-five percent of the net settlement is distributed to the allegedly aggrieved employees.

Defendant vigorously denies and disputes all of Plaintiff's alleged claims and allegations, contends that it has acted in compliance with all legal requirements, and contends that no penalties are due to Plaintiff, other allegedly aggrieved employees or the State of California.

The Court has made no determination on the merits of Plaintiff's claims, and there has been no finding of any wrongdoing by Defendant, but the parties have decided to resolve the case through settlement, with the approval of the Court. The allegedly aggrieved employees who have released their claims for penalties through this settlement, and who are therefore entitled to receive a settlement payment,

consist of all of Defendant's current and former exempt and non-exempt employees employed by Defendant at any time during the period from June 21, 2021 through and including [INSERT DATE COURT GRANTS APPROVAL OF THE SETTLEMENT] (including, but not limited to, Plaintiff). You have received this notice because Defendant's records indicate that you are one of the allegedly aggrieved employees covered by this settlement.

The enclosed check represents your portion of the net settlement payment, which is a pro-rata distribution based on the number of pay periods you worked for Defendant during the period from June 21, 2021 through and including [INSERT DATE COURT GRANTS APPROVAL OF THE SETTLEMENT]. You may deposit or cash the check without any further obligation on your part and there is no need for you to contact the settlement administrator, the parties, or the Court.

If you have any questions, please contact the settlement administrator, ILYM Group, Inc., at [INSERT PHONE NUMBER AND ADDRESS].

To the extent there are any conflicts between this notice and the terms of the Joint Stipulation of PAGA Settlement Agreement and Release executed by Plaintiff and Defendant, the terms of the Joint Stipulation of PAGA Settlement Agreement and Release will control and govern.

PLEASE DO NOT CONTACT THE COURT REGARDING THIS CASE.