

1 DAVID GLENN SPIVAK (SBN 179684)

2 david@spivaklaw.com

3 THE SPIVAK LAW FIRM

4 8605 Santa Monica Bl

5 PMB 42554

6 West Hollywood, CA 90069

7 Telephone: (213) 725-9094

8 Facsimile: (213) 634-2485

9 Attorneys for Plaintiff(s),

10 VICKIE WILLIAMS, and all others similarly situated

11 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

12 **FOR THE COUNTY OF SOLANO**

13 **(UNLIMITED JURISDICTION)**

14 VICKIE WILLIAMS, on behalf of herself, all
15 others similarly situated, the general public, and
16 as an “aggrieved employee” on behalf of other
17 “aggrieved employees” under the Labor Code
18 Private Attorneys General Act of 2004,

19 *Plaintiff(s),*

20 vs.

21 VALLEJO HOSPITALITY LLC, California
22 limited liability company; THREE65
23 HOSPITALITY LLC, a California limited
24 liability company; and DOES 1–50, inclusive,

25 *Defendant(s).*

Case No. FCS059352

**DECLARATION OF DAVID SPIVAK
IN SUPPORT OF PLAINTIFF VICKIE
WILLIAMS’S MOTION FOR
PRELIMINARY APPROVAL OF
CLASS ACTION SETTLEMENT**



SPIVAK LAW
EMPLOYEE RIGHTS

Mail:

8605 Santa Monica Bl
PMB 42554
West Hollywood, CA 90069
(213) 725-9094 Tel
(213) 634-2485 Fax
SpivakLaw.com

Office:

1875 Century Park East
Fl 7
Los Angeles, CA 90067

ADDITIONAL ATTORNEYS FOR PLAINTIFF(S)

WALTER L. HAINES (SBN 71075)

walter@uelglaw.com

UNITED EMPLOYEES LAW GROUP

8605 Santa Monica Bl.

PMB 63354

West Hollywood, CA 90069

Telephone: (562) 256-1047

Facsimile: (562) 256-1006

Attorneys for Plaintiff(s),

VICKIE WILLIAMS, and all others similarly situated



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Mail:

8605 Santa Monica Bl

PMB 42554

West Hollywood, CA 90069

(213) 725-9094 Tel

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Fl 7

Los Angeles, CA 90067

1 **DECLARATION OF DAVID SPIVAK IN SUPPORT OF PLAINTIFF VICKIE**
2 **WILLIAMS'S MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION**
3 **SETTLEMENT**

4 I, DAVID SPIVAK, declare as follows:

5 1. I am an attorney duly licensed to practice law in the State of California and am an
6 attorney of record for Plaintiff Vickie Williams ("Plaintiff") in her lawsuit against Defendant
7 Vallejo Hospitality LLC and THREE65 Hospitality LLC (collectively "Defendants"). Plaintiff
8 and Defendants are collectively referred to as the "Parties."

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

11 3. The Class Action and PAGA Settlement Agreement and Class Notice (the
12 "Settlement") is attached hereto as **Exhibit 1**. The Settlement Class consists of all Defendants'
13 hourly, non-exempt California employees during the Class Period. The "Class Period" means the
14 period from November 30, 2018, through March 17, 2025. *Id.* The "Aggrieved Employees" are a
15 person employed by Defendants in California and classified as an hourly, non-exempt who
16 worked for Defendants during the PAGA Period. The "PAGA Period" begins November 28,
17 2021, and ends March 17, 2025. *Id.* The Settlement is written, signed by all necessary Parties,
18 and attached to this declaration as stated above.

19 ***The Release Provisions***

20 4. **Released Persons.** Under the Settlement, the release to be given by the
21 Participating Class Members (other than the Class representative) is limited to Defendants named
22 in the Operative Complaint, together with their officers, directors, employees, and agents. The
23 released persons consist of: Defendants and each of their officers, directors, employees, and
24 agents. Settlement, ¶ 1.42.

25 5. **Released Claims.** Under the Settlement, the release to be given by the Participating
26 Class Members (other than the Class representative) is limited to the claim stated in the Operative
27 Complaint, and those based solely upon the facts alleged in the Operative Complaint.

28 6. **Release Period.** Under the Settlement, the release to be given by the Participating
Class Members (other than the Class representative) is limited to liability that arose during the Class



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Period. See above.

7. **PAGA Release.** Under the Settlement, Plaintiff releases all claims for civil penalties that could have been sought by the Labor Commissioner for the violations identified in Plaintiff's pre-filing letter to the LWDA; Plaintiff does not release the claim for wages or damages of any Aggrieved Employee unless such Aggrieved Employee is a Participating Class Member. The PAGA Release states as follows: Release of PAGA Claim. Plaintiff releases all claims for civil penalties that could have been sought by the Labor Commissioner for the violations identified in Plaintiff's pre-filing letter to the LWDA; Plaintiff does not release the claim for wages or damages of any Aggrieved Employee unless such Aggrieved Employee is a Participating Class Member. Settlement Agreement ¶6.3.

No Reversion

8. The Settlement does not provide that any portion of the consideration paid or deposited by the Defendant may revert to the Defendant.

Taxes

9. The Settlement provides that Defendant will separately pay the employer's share of any applicable payroll taxes. Tax Allocation of Individual Class Payments. 33.33% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The 66.67% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment. Settlement Agreement ¶ 3.2.4.1.

10. The Settlement provides as follows with regard to the tax treatment of settlement shares: Tax Allocation of Individual Class Payments. 33.33% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The 66.67% of each Participating Class Member's Individual Class Payment will



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1 be allocated to settlement of claims for interest and penalties (the “Non-Wage Portion”). The
2 Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms.
3 Participating Class Members assume full responsibility and liability for any employee taxes owed
4 on their Individual Class Payment. Settlement Agreement ¶3.2.4.1.

5 ***Factual and Procedural Background***

6 11. **Plaintiff’s Employment with Defendant.** Defendant employed Plaintiff as a food
7 attendant and front desk worker in California from about May 8, 2022, until June 10, 2022.

8 12. **LWDA Notice.** On November 28, 2022, Plaintiff notified Defendants and the
9 California Labor and Workforce Development Agency (“LWDA”), pursuant to the California
10 Private Attorneys General Act of 2004, California Labor Code sections 2698, *et seq.* (“PAGA”),
11 of alleged Labor Code violations committed by Defendant. A true and correct copy of the letter
12 to the LWDA dated November 28, 2022 is attached hereto as **Exhibit 2**.

13 13. **Lawsuit.** On November 30, 2022, Plaintiff filed a Class Action Complaint in the
14 Solano County Superior Court, Case No. FCS059352, against Defendant on behalf of herself and
15 others similarly situated, alleging causes of action on a class-wide basis for: (1) Failure to Pay All
16 Wages Earned for All Hours Worked (Lab. Code §§ 510, 1194, 1197, and 1198); (2) Failure to
17 Provide Rest Breaks (Lab. Code §§226.7 and 1198); (3) Failure to Provide Meal Periods (Lab.
18 Code §§226.7, 512 and 1198); (4) Failure to Indemnify (Lab. Code §§ 1198 and 2802); (5) Wage
19 Statement Penalties (Lab. Code §§ 226 and 226.2); (6) Waiting Time Penalties (Lab. Code §§
20 201-203); and (7) Unfair Competition (Bus. & Prof. Code §§ 17200, *et seq.*). On February 10,
21 2023, Plaintiff filed her First Amended Complaint adding a claim under the Labor Code Private
22 Attorneys General Act of 2004, Labor Code §§ 2698, *et seq.* (“PAGA”). On March 13, 2023,
23 Defendant filed an answer to Plaintiff’s First Amended Complaint. Defendants deny all of
24 Plaintiff’s allegations and strongly contend that their wage and hour policies, practices and
25 procedures are fully compliant with all applicable laws. A true and correct copy of the complaint
26 is attached hereto as **Exhibit 3**. A true and correct copy of Plaintiff’s First Amended Complaint
27 is attached hereto as **Exhibit 4**. A true and correct copy of Defendants’ Answer is attached hereto
28 as **Exhibit 5**.



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1 14. **Investigation.** On August 21, 2024, Plaintiff requested that Defendant informally
2 disclose documents and data to enable Plaintiff to prepare for settlement discussions, including
3 the number of putative class members and aggrieved employees, the number of paychecks and
4 workweeks for the various limitations periods applicable to Plaintiff's claims. Plaintiff also
5 requested a reasonable, randomly selected sample of Defendants' time, payroll, and expense
6 records, and related personnel records. *Id.* Finally, Plaintiff requested Defendants' written policies
7 applicable to the claims at hand and asked Defendant identify any and all comparable claims
8 against them.

9 15. The Parties thereafter engaged in an informal, voluntary exchange of information
10 in the context of privileged settlement discussions to facilitate an early mediation. Defendant
11 produced Plaintiff's entire personnel file (including policies and agreements she signed and
12 acknowledged) and copies of their relevant company written policies.

13 16. **Sampling.** Defendants contend that they employed 125 putative class members
14 during the period of May 03, 2021 to March 17, 2025. Defendant produced the records of 63.20%
15 of the putative class members for the period of May 03, 2021 to March 17, 2025. There were
16 records for 79 employees in the sample. Defendant chose the sample. The sample was randomly
17 selected. The sample consisted of Time sheets, payroll records, and related records.

18 17. **Plaintiff's Data Analyst.** Plaintiff retained Sridhar Srinivasan, a data analyst, to
19 analyze the sample. Plaintiff also employed the Raosoft¹ Sample Size calculator
20 (<http://www.raosoft.com/samplesize.html>) to determine if the sample size selected is statistically
21 reliable. *Bell v. Farmers Ins. Exch.* (2004) 115 Cal. App. 4th 715 and *Duran v. U.S. Bank* (2014)
22 59 Cal.4th 1. The *Bell* court found a relative margin of error of 32.4 percent was unacceptable
23

24 ¹ Raosoft advertises, "Raosoft, Inc. produces EZSurvey for the
25 Internet, InterForm, SurveyWin, EZReport and Rapid Report innovative survey software
26 programs for information gathering and analysis. The family of survey software supports data
27 collection and reporting for any form-based data. Support is for web-surveys and forms, email
28 distribution, diskette, PDA, laptop or pen-based: all types of distribution." The Raosoft webpage
advertises that is it "database web survey software for gathering information."
<http://www.raosoft.com/> . It also advertises, "The parameters of the sample size calculation are
something that you choose." <http://www.raosoft.com/suggestreading.html>.



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1 of whom would also be members of the class to find in this action. I have made a reasonable
2 inquiry of the other members of my law firm and my counsel to determine whether they are aware
3 of any such similar actions. Based on these inquiries, I am aware of no such similar actions. The
4 Defendants disclosed that there have not been any comparable claims against it.

5 ***Uncashed Checks***

6 21. **Unclaimed Property Fund.** The Settlement provides for the disposition of
7 uncashed checks as follows: For any Class Member whose Individual Class Payment check or
8 Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator
9 shall transmit the funds represented by such checks to the California Controller's Unclaimed
10 Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to
11 the requirements of California Code of Civil Procedure Section 384, subd. (b). Settlement
12 Agreement ¶ 4.4.3. In my view, sending funds represented by uncashed checks to the Unclaimed
13 Property Fund instead of a *cy pres* recipient is the best way to insure that the Class Members and
14 Aggrieved Employees actually receive their portions of the Settlement.

15 ***Ascertainable and Numerous Class***

16 22. **Ascertainability.** A class is ascertainable when it may be readily identified
17 without unreasonable expense or time by reference to official records. Here, Plaintiff maintains
18 that the above-defined Class is ascertainable because its members may be identified by reference
19 to Defendants' records and Defendant has agreed to share the relevant information from their
20 records to facilitate the settlement process. Therefore, the Settlement Class is ascertainable.

21 23. **Numerosity.** The Settlement Class has sufficiently numerous members to render
22 joinder impractical. No set number is required as a matter of law to maintain a class action. The
23 California Supreme Court has upheld a class of as few as 10 individuals. Defendant estimates that
24 there are approximately 125 Class Members for the Class Period of November 30, 2018 to March
25 17, 2025. Plaintiff maintains that it would be impractical and economically inefficient to require
26 each Class Member to separately maintain an individual action or be joined as a named plaintiff
27 in this action. In light of these considerations, the Settlement Class' membership is sufficiently
28 numerous. Additionally, there are 125 Aggrieved Employees for the PAGA Period of November



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PMB 42554
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1 28, 2021 to March 17, 2025.

2 ***Predominant Common Questions***

3 24. A question of law or fact is common to the members of a class if it may be resolved
4 through common proof. In this case, there are many predominant common questions. Plaintiff
5 asserts all class members were subject to the same or similar operations and employment policies,
6 practices, and procedures. The claims arise from Defendants' alleged policy-driven failure to pay
7 wages, unauthorized and unlawful wage deductions, failure to provide meal periods, failure to
8 authorize and permit rest periods, failure to indemnify for business expenses, failure to issue
9 proper wage statements, failure to timely pay wages, failure to maintain required payroll records,
10 and related labor law violations, all of which Plaintiff claims constitute unfair business practices
11 and give rise to PAGA penalties. Plaintiff asserts that common questions include, but are not
12 limited to: (1) Whether Defendant failed to pay all wages earned to class members for all hours
13 worked at the correct rates of pay; (2) Whether Defendant failed to provide the class with all meal
14 and rest periods in compliance with California law; (3) Whether Defendant failed to pay the class
15 one additional hour of pay on workdays they failed to provide the class with one or more meal or
16 rest periods in compliance with California law; (4) Whether Defendant failed to indemnify the
17 class for all necessary business expenditures incurred during the discharge of their duties; (5)
18 Whether Defendant knowingly and intentionally failed to provide the class with accurate wage
19 statements; (6) Whether Defendant willfully failed to provide the class with timely final wages;
20 and (7) Whether Defendant engaged in unfair competition within the meaning of Business and
21 Professions Code section 17200, *et seq.*, with respect to the class.

22 ***Typicality***

23 25. Plaintiff contends that her claims are typical for the purposes of certifying the
24 Settlement Class. Plaintiff asserts that she, like absent Class Members was subject to the same
25 relevant policies and procedures governing her compensation, hours of work and meal and rest
26 periods. Because Plaintiff contends that she was subject to the same general course of conduct as
27 absent Class Members, resolving the common questions as they apply to Plaintiff will determine
28 Defendants' *prima facie* liability to all Class Members. Moreover, Plaintiff's claims could



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1 potentially be subject to the same primary affirmative defenses as those of absent Class Members.
2 Accordingly, Plaintiff's claims are typical of the Class.

3 *Adequacy*

4 26. The adequacy requirement is met where the plaintiff is represented by counsel
5 qualified to conduct the litigation and the plaintiff's interest in the litigation is not antagonistic to
6 the class' interests. In other words, where the plaintiff has adequate counsel, the plaintiff may
7 represent the entire class absent any disabling conflicts of interest that might hinder the plaintiff's
8 ability to represent the class.

9 27. To the best of my knowledge, neither Plaintiff nor I have any conflicts of interest
10 with the absent Settlement Class Member. Plaintiff contends that she is an adequate class
11 representative. Plaintiff and the Class Members have strong and co-extensive interests in this
12 litigation because they all worked for Defendant during the relevant time period, allegedly
13 suffered the same alleged injuries from the same alleged course of conduct, and there is no
14 evidence of any conflict of interest between Plaintiff and the Class Member. Moreover, Plaintiff
15 has demonstrated her commitment to the Settlement Class by, among other things, retaining
16 experienced counsel, providing counsel with documents and extensively speaking with them to
17 assist in identifying the claims asserted in this case, assisting them in identifying witnesses, as
18 well as exposing herself to the risk of attorneys' fees and costs awards against her if this lawsuit
19 had been unsuccessful. Thus, Plaintiff is adequate to serve as settlement class representative. The
20 declaration of Plaintiff Vickie Williams on this subject will be filed concurrently with this
21 declaration.

22 *Background of Class Counsel*

23 28. In 1991, I earned a Bachelor of the Arts degree with a major in Political Science
24 from the University of California at Berkeley. In 1995, I earned a Juris Doctor degree from
25 Southwestern University School of Law.

26 29. In December of 1995, the Supreme Court for the State of California admitted me
27 as an Attorney and Counselor at Law and licensed me to practice law in all the Courts of this
28 State. On May 11, 2012, I also became admitted to the District of Columbia Bar. In February



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1 2013, I became admitted to the New York State Bar.

2 30. My law practice has always focused on representation of private and public
3 employees with claims of unpaid wages, wrongful termination, harassment, family and medical
4 leave, whistleblowing, discrimination, benefits, and civil rights violations. One of my websites,
5 FightWrongfulTermination.com, provides a further description of my practice.

6 31. I have tried many cases before California and federal courts, government agencies
7 and neutral arbitrators. I am a member of the California Employment Lawyers Association
8 (CELA).

9 32. Since I started practicing law, I have tried many cases before courts, arbitrators
10 and government agencies. Some of my cases are:

11 a. *Ricardo Sandoval v. Dept. of Treasury*, United States District Court,
12 Southern District of California (the Honorable Judith Keep presiding), 1998. Plaintiffs Special
13 Agent for the U. S. Customs Service alleged discrimination and retaliation in promotions and
14 discipline. The jury awarded compensatory damages. Court subsequently awarded additional
15 back pay and gave Plaintiffs a retroactive promotion. *See* "Lawsuit Puts Customs Service on Trial:
16 Agent Alleges Corruption, White Supremacist Cabal" by Valerie Alvord, San Diego Union-
17 Tribune, April 29, 1998; "Customs Agent Is Awarded \$200,000: Jury Says He Faced Bias And
18 Retaliation" by Valerie Alvord, San Diego Union-Tribune, May 16, 1998.

19 b. *Jorge Guzman v. Department of Justice*, United States District Court,
20 Central District of California (the Honorable Lourdes Baird presiding), 1999. Plaintiffs Special
21 Agent for the Immigration and Naturalization Service alleged racial discrimination, retaliation
22 and police brutality by agents of the Office of the Inspector General. Jury found the Defendants
23 liable. Case settled shortly before the damages phase. *See* "U.S. to Pay \$400,000 to INS Agent in
24 Bias Suit; Courts: Complaint says he suffered 10 years of harassment on the job because he is
25 Latino, including falsified charges" by Patrick J. McDonnell, Los Angeles Times, January 21,
26 1999.

27 c. *Dr. Perry Crouch v. SHIELDS*, Los Angeles Superior Court, Compton (the
28 Honorable Michael Rutberg presiding), 2001. Plaintiff whistleblower brought civil rights claims



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1 and wrongful termination claims against employer in a month-long jury trial. The jury awarded
2 compensatory and punitive damages. See "Activist Says Criticism of Rail Plan Cost His Job" by
3 Dan Weikel, Los Angeles Times, September 28, 2000; "Punitive Damages Awarded to Fired
4 Social Worker" by Dan Weikel, Los Angeles Times, June 10, 2000; "A Whistleblower's
5 Revenge" by Susan Goldsmith, New Times Los Angeles, June 8, 2000.

6 d. *Imagraph, Inc. (Steve Shiffman) v. Mohamed T. Nehmeh*, Orange County
7 Superior Court, Central Justice Center (the Honorable Kirk H. Nakamura presiding), 2004.
8 Plaintiff, who I represented pro bono sought the return of \$45,000.00 he paid to an attorney escrow
9 officer who subsequently absconded with the money. The jury awarded compensatory damages.
10 The Judgment with interest is now far in excess of that amount. Soon after this case was litigated,
11 the State Bar of California awarded me the Wiley W. Manuel Award for Pro Bono Legal Services.

12 e. *Rick Pierce v. Department of Treasury*, Merit Systems Protection Board
13 (1999). Administrative Judge awarded compensatory damages to wrongfully terminated Customs
14 Agent, followed by an award of Attorneys' fees and costs.

15 f. *Richard Wamel v. Ocelot Engineering Co.*, Judicate West before the
16 Honorable Robert Polis (ret.) (2008). In that case, I represented a victim of FMLA violations and
17 wrongful termination against his former employer. The Neutral Arbitrator awarded compensatory
18 and liquidated damages. The claims for damages, attorney's fees and costs were resolved shortly
19 thereafter by means of a confidential settlement.

20 g. *Alina Ghrdilyan v. RJ Financial, Inc., et al.*, LA Superior Court case no.
21 BC430633 (2012), the Honorable Ronald Sohigian presiding. To my knowledge, this case is the
22 first and only case to be successfully prosecuted through trial under the Labor Code Private
23 Attorney Generals Act of 2004, Labor Code §§ 2698, et seq. on behalf of plaintiffs and other
24 aggrieved employees against someone other than an employer for civil penalties including unpaid
25 wages. The case involves claims of unpaid overtime, unprovided rest and meal periods, unpaid
26 vacation, untimely interval and final wages, and unreimbursed expenses. For my work in that
27 case, the Court awarded me an hourly rate of \$600.00 hour based on my skill and experience.

28 33. Since 2007, I have prosecuted several traditional wage & hour class actions as the



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1 sole or primary attorney for the plaintiffs, including *Pudelwitts v. Regent Parking, Inc.*, *Singery*
2 *v. Quality Vessel Engineering*, *Tesillo v. LA Executive Towing Service, Inc.*, and *Madison v. The*
3 *Limousine Connection*. One such case is *Jose Tapia v. Mangen Group, Inc.*, LASC case no.
4 BC377114, a garden-variety wage & hour class action with many of the same claims at issue in
5 this case. The Honorable Jane Johnson of the Los Angeles Superior Court, presiding over the
6 motion for final approval of the Settlement Class action settlement in *Tapia*, had no quarrel with
7 an hourly rate of \$525.00 for my services.

8 34. In my representation of employees, I have prosecuted several lawsuits on behalf
9 of employees with claims of rest and meal period and overtime violations or other wage claims.

10 35. I have been involved in the prosecution of numerous wage and hour class actions
11 at various stages of litigation. A small sampling of the wage and hour class action cases in which
12 I have recently been counsel of records is as follows:

13 a. *Alafa v. Custom Built Personal Training, Inc.*, Tulare County Superior
14 Court, Case No. VCU-245496 (appointed Class Counsel and granted final approval class action
15 settlement on behalf of assistant fitness manager employees).

16 b. *Cuellar v. Lovin Oven*, Orange County Superior Court, Case No. 30-2010-
17 000382146 (appointed Class Counsel and granted final approval of class action settlement by the
18 court on behalf of nonexempt employees).

19 c. *Cunningham v. DPI Specialty Foods West, Inc.*, Los Angeles Sup.Ct., Case
20 No. BC465017 (appointed Class Counsel and granted final approval by this Court of class action
21 settlement on behalf of merchandiser employees).

22 d. *Deckard v. MSL Community Management LLC*, Riverside County Superior
23 Court, Case No. RIC1204182 (appointed Class Counsel and granted final approval of class action
24 settlement on behalf of caregivers and medical technicians).

25 e. *DiCato v. Francesca's Collections, Inc.*, San Diego County Superior
26 Court, Case No. 37-2012-00094401-CU-OE-CTL (appointed Class Counsel and granted final
27 approval of class action settlement on behalf of boutique manager and assistant manager
28 employees).



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1 f. *Evans v. Equinox, et al.*, Los Angeles Sup.Ct., Case No. BC440058
2 (appointed Class Counsel and granted final approval by this Court of class action settlement on
3 behalf of personal trainer employees).

4 g. *Huynh v. Carefusion Resources, LLC, et al.*, San Diego Sup.Ct., Case No.
5 37-2009-00103277-CU-OE-CTL (appointed Class Counsel and granted final approval of class
6 action settlement on behalf of medical devices employees).

7 h. *Hidalgo, et al. v. Sun Hill*, Los Angeles Superior Court, Case No.
8 BC480808 (appointed Class Counsel and granted final approval of class action settlement on
9 behalf of hourly employees).

10 i. *La Fleur v. Medical Management International, Inc.*, United States District
11 Court, Central District of California, Case No. EDCV13-00398-VAP (appointed Class Counsel
12 and granted final approval of class action settlement on behalf of practice managers).

13 j. *Linder, et al. v. Warehouse Services, Inc.*, San Bernardino Superior Court,
14 Case No. CIVDS1500146 (appointed Class Counsel and granted final approval of class action
15 settlement on behalf of non-exempt hourly employees excluding truck drivers).

16 k. *Lynch, et al. v. American Guard Services*, Los Angeles Superior Court,
17 Case No. BC462681 (appointed Class Counsel and granted final approval of class action
18 settlement on behalf of security guard employees).

19 l. *Martin, et al. v. Aukeman Dairy, et al.*, Kern Superior Court, Case No. S-
20 1500-CV-282679 (appointed Class Counsel and granted final approval of class action settlement
21 on behalf of dairy and agricultural laborers).

22 m. *Montes v. Branam Enterprises, Inc.*, Los Angeles Sup.Ct. Case No.
23 BC442608 (appointed Class Counsel and granted final approval by this Court of class action
24 settlement on behalf of call concert rigging employees). *Nardone v. Sequoia Beverage Company,*
25 *LP*, Tulare County Superior Court, Case No. VCU-248370 (appointed Class Counsel and granted
26 final approval of class action settlement by the court on behalf of hourly employees).

27 n. *Ogbuehi v. Comcast of California/Colorado/Florida/Oregon, Inc.*, United
28 States District Court, Eastern District of California, Case No. EDCV13-00672-KJM-KJN



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1 (appointed Class Counsel and granted final approval of class action settlement on behalf of virtual
2 customer account executives).

3 o. *Rosen v. Image Transfer*, Los Angeles Superior Court, Case No.
4 BC511072 (appointed Class Counsel and granted final approval of class action settlement on
5 behalf of bobtail truck drivers).

6 p. *Sandoval v. Rite Aid Corp.*, Los Angeles Superior Court, Case No.
7 BC431249 (granted class certification through contested motion and appointed Class Counsel in
8 case on behalf of former pharmacy employees based on late final wage payments in violation of
9 Labor Code §§ 201–203).

10 q. *Shaw, et al. v. Interthinx, Inc.*, United States District Court for the District
11 of Colorado, Case No. 13-CV-01229-REB-BNB (appointed Class Counsel and granted final
12 approval of class action settlement by the court on behalf of auditor employees).

13 r. *Stucker v. L'Oreal*, Los Angeles Sup.Ct. Case No. BC456080 (appointed
14 Class Counsel and granted final approval by this Court of class action settlement involving alleged
15 misclassification of sales employees and unpaid vacation pay).

16 s. *Valdez v. Healthcare Services Group, Inc.*, Los Angeles Sup.Ct., Case No.
17 BC462917 (appointed Class Counsel and granted final approval by this Court of class action
18 settlement on behalf of service account manager employees).

19 t. *Valencia v. SCIS Air Security Corp.*, Los Angeles Superior Court, Case
20 No. BC421485 (granted class certification through contested motion and appointed Class Counsel
21 in case on behalf of former security workers based on late final wage payments in violation of
22 Labor Code §§ 201–203).

23 u. *Vang v. Burlington Coat Factory Corporation*, United States District Court
24 Central District of California, Case No. 09-CV-08061-CAS-JCx (appointed Class Counsel and
25 granted final approval of class action settlement by the court on behalf of assistant store manager
26 employees).

27 v. *Volney-Parris v. Southern California Edison Company*, Los Angeles
28 Superior Court, Case No. BC493038 (appointed Class Counsel and granted final approval of class



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1 action settlement on behalf of customer specialist employees).

2 w. *White v. 20/20 Communications, Inc.*, San Bernardino County Superior
3 Court, Case No. CIVRS1301718 (appointed Class Counsel and granted final approval of class
4 action settlement on behalf of hourly employees).

5 ***Class Action Treatment Is Superior***

6 36. A class action is also superior to other means of adjudicating the issues in this
7 action. The predominance of common legal and factual questions shows that this Court could
8 fairly adjudicate the claims of Class Members through a single class action. In view of the
9 *theoretical* alternatives that proposed class members could potentially utilize—representative
10 PAGA action (where there is less relief available), individual civil lawsuits or wage claims
11 through the Division of Labor Standards Enforcement (where there would be relatively little
12 money at stake, but the claims would be time-consuming to litigate)—a class action is plainly
13 superior to all of them. Thus, this consideration supports conditional class action treatment for
14 purposes of this Settlement only.

15 ***The Settlement is Presumptively Fair***

16 37. The class settlement here satisfies all of the *Kullar* factors. The Settlement resulted
17 from thorough, arms' length, negotiations between experienced counsel with the assistance of a
18 respected mediator after sufficient discovery was exchanged to assess the relative strengths and
19 weaknesses of their respective cases and Defendants' estimated exposure. Both defense counsel
20 and I are particularly experienced in employment law and wage and hour class actions. We are
21 experienced and qualified to evaluate the class claims, the viability of the defenses, and the risks
22 and benefits of settlement versus trial on a fully informed basis. I have negotiated many wage and
23 hour class settlements, including many involving the same issues presented here. Counsel on both
24 sides share the view that the Settlement is a fair and reasonable settlement in light of the
25 complexities of the case and uncertainties of class certification and litigation, and a fair result for
26 the Class Members.

27 ***Exposure & Risk Analysis***

28 38. On November 30, 2022, Plaintiff commenced this Action by filing a Complaint



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1 alleging causes of action against Defendants for failure to pay wages, unauthorized and unlawful
2 wage deductions, failure to provide meal periods, failure to authorize and permit rest periods,
3 failure to indemnify for business expenses, failure to issue proper wage statements, failure to
4 timely pay wages, failure to maintain required payroll records, and related claims. On February
5 10, 2023, Plaintiff filed a First Amended Complaint alleging causes of action against Defendants
6 for failure to pay wages, unauthorized and unlawful wage deductions, failure to provide meal
7 periods, failure to authorize and permit rest periods, failure to indemnify for business expenses,
8 failure to issue proper wage statements, failure to timely pay wages, failure to maintain required
9 payroll records, and related allegations. The First Amended Complaint is the operative complaint
10 in the Action (the “Operative Complaint.”) Defendants deny the allegations in the Operative
11 Complaint, deny any failure to comply with the laws identified in in the Operative Complaint and
12 deny any and all liability for the causes of action alleged. Settlement Agreement ¶ 2.1. Plaintiff
13 prepared “damages” estimates in advance of the mediation. Plaintiff determined Defendants’
14 maximum possible exposure for restitution and penalties to be approximately \$2,060,489.98
15 (consisting of \$23,645.96 in missed meal period premium wages, \$119,786.97 in missed rest
16 break premium wages, \$47,534.81 in unreimbursed expenses, \$83,650.00 for wage statement
17 penalties, \$297,772.25 for waiting time penalties, and \$1,488,100.00 for civil penalties under
18 PAGA. True and correct copies of the spreadsheets I prepared for mediation of this Action are
19 collectively attached to this declaration as **Exhibit 7**.

20 39. The estimates are in essence “home run” projections that omit data points that will
21 undoubtedly reduce the maximum possible damages award and do not factor in any of the risks
22 involved in litigating this Action. Plaintiff calculated the damages based on the number of
23 workweeks and pay periods provided by Defendants, Plaintiff’s reports, and the sample data. *Id.*
24 Plaintiff also considered the possibility that Defendant could launch a *Pick Up Stix* campaign and
25 pursue individual release agreements from the Class Members. Defendants also represented that
26 they had interviewed Defendants’ current employees regarding Plaintiff’s claims, all of whom
27 would provide declarations, under penalty of perjury, that were favorable to Defendants with
28 respect to the relevant factual issues at issue in Plaintiff’s action. Plaintiff’s Counsel applied



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1 discounts to the maximum possible exposure to account for all other risks discussed below. While
2 it is difficult to assign anything but crudely-determined percentages of risk to any of the claims,
3 it is safe to say that the risk that a *Pick Up Stix* campaign would preclude recovery for such
4 employees is substantial and alone justifies a significant discount because Defendant would likely
5 by trial have gathered releases from the majority of the Class Members. A settlement for
6 approximately 12.13% of the potential recovery is a proportion substantially in excess of recovery
7 proportions sanctioned by existing case law.²

8 40. My initial estimates do not realistically account for the risks outlined below or the
9 risk that a class will not be certified. Therefore, I believe a class settlement for \$250,000.00 is fair
10 and reasonable.

11 41. **Risks Associated with Defendants' Financial Condition.** As stated above,
12 Defendants' financial condition was the key factor in reaching this Settlement. Due to
13 Defendants' financial condition, even if Plaintiff prevailed on all claims at trial, her may never
14 recover the damages due to the risk of insolvency. A very large class action judgment would
15 almost certainly put the company out of business and/or would interfere with the company's
16 ability to carry out its contractual obligations.

17 42. **Risks Associated with Unpaid Wages Claim.** There is a risk that Plaintiff's
18 recovery for unpaid wages would be extremely limited at best, largely because Defendants'
19 written policies throughout the relevant time period prohibited off-the-clock work. Off-the-clock
20 claims are difficult where a defendant requires in its written policies that all work must take place
21 while clocked in. *See Jong v. Kaiser Foundation Hospital* (2014) 226 Cal.App.4th 391 (employer
22 must have notice of off-the-clock work for it to be compensable). *Id.* In their written employment
23

24 ² See, e.g., *In re Newbridge Networks Sec. Litig.*, 1998 WL 765724 at *2 (D.D.C. Oct. 23, 1998)
25 (“[A]n agreement that secures roughly six to twelve percent of a total trial recovery . . . seems to
26 be within the targeted range of reasonableness.”); *Wise v. Ulta Salon, Cosmetics & Fragrance,*
27 *Inc.* 2019 WL 3943859 at *8 (E.D. Cal. Aug. 21, 2019) (granting preliminary approval where the
28 proposed allocation to settle class claims was at least 9.53 percent); *Bravo v. Gale Triangle, Inc.*,
2017 WL 708766 at * 10 (C.D. Cal. Feb 16, 2017) (“a settlement for fourteen percent recovery
of Plaintiffs’ maximum recovery is reasonable”); *In re Omnivision Techs., Inc.*, 559 F.Supp.2d
1036, 1042 (N.D. Cal. 2008) (approving settlement amount that “is just over 9% of the maximum
potential recovery asserted by either party.”).



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1 policies, Defendant mandates that employees must record all time worked accurately on their time
2 records and strictly prohibit employees from performing any work off-the-clock. Moreover, while
3 Defendant disputes that off-the-clock work occurred, they contends that any time spent off the
4 clock was *de minimis*. The California Supreme Court in *Troester v. Starbucks Corp.* (2018) 5 Cal.
5 5th 829, 835 suggested that irregular and minute periods of time may still be subject to a *de*
6 *minimis* defense even if compensable. (Stating that “We do not decide whether there are
7 circumstances where compensable time is so minute or irregular that it is unreasonable to expect
8 the time to be recorded.”). Following *Troester*, Defendants contend that the *de minimis* doctrine
9 may apply here because the time spent off the clock were minute and insignificant. Accordingly,
10 a large award of penalties seems unlikely with respect to this claim.

11 43. The difficulty inherent in proving that off-the-clock work occurred poses a
12 significant hurdle to Plaintiff. Plaintiff will rely on declarations and witness statements to prove
13 this claim. Generally, a court will not certify a class unless it can determine an appropriate
14 classwide methodology. *See, e.g., Duran v. U.S. Bank National Assn.*, 59 Cal. 4th 1 (2014). Here,
15 Plaintiff may rely heavily on anecdotal evidence to prove the off-the-clock work claim, especially
16 given the lack of records indicating when such off-the-clock work may have taken place.
17 Individualized inquiries would need to be conducted person-by-person, day-by-day, to determine
18 if an individual in fact worked “minutes” off-the-clock on a “regular” basis. Accordingly, there
19 is a significant risk that the Court would consider this evidentiary showing insufficient as a
20 classwide methodology.

21 44. **Risks Associated with the Meal Period Claims.** There are risks to Plaintiff’s
22 meal period claim. Defendants contend that, to establish a violation for missed meal periods, a
23 plaintiff must do more than show that a meal break was not taken. *Brinker*, 53 Cal. 4th at 1004.
24 So long as an employer provides employees with a “reasonable opportunity” to take a duty-free
25 meal period, it has no further duty to “police meal breaks and ensure no work thereafter is
26 performed.” *Id.* at 1040-41. *Id.* Instead, a plaintiff must show the employer impeded, discouraged,
27 or prohibited the employee from taking a proper break, or otherwise failed to release the employee
28 of all control. *Id.* “Thus, the crucial issue with regard to the meal break claim is the reason that a



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1 particular employee may have failed to take a meal break.” *Washington v. Joe’s Crab Shack* (N.D.
2 Cal. 2010) 271 F.R.D. 629, 641. *Id.*

3 45. Defendants contend they did not impede or discourage Plaintiff, or any other
4 employees, from taking their meal or rest periods. Defendants’ policies mandate that employees
5 take at least a 30-minute, uninterrupted meal periods and record the beginning and ending time
6 of their meal breaks each day on their time records. The time records that comprise the random
7 sample Defendant produced to Plaintiff for purposes of mediation show that meal periods were
8 taken the vast majority of the time. Of the time records that show a late, short or no lunch,
9 individualized evidence may be necessary to determine whether they occurred due to conduct of
10 the Defendant or each of the employees concerned. Accordingly, there is a significant risk that
11 the value of Plaintiff’s meal period claim would be substantially reduced at trial.

12 46. **Risks Associated with the Rest Break Claims.** There are risks to Plaintiff’s rest
13 period claim. Employers are not required to record rest periods and such periods are paid.
14 Defendants contend they provided non-exempt employees the opportunity to take rest periods in
15 accordance with California law. Further, Defendants’ written policies on meal and rest periods
16 are consistent with the Wage Order. Thus, unlike meal periods, where there are often records
17 showing whether an employee clocked out or not, there is no such evidence to prove a missed rest
18 period or that the employer refused to authorize and permit one. *Id.* Managing such claims at trial
19 has become exceedingly difficult. Plaintiff will depend on sample witness testimony and surveys
20 to prove the claims. While a victory with such evidence is certainly possible, relevant caselaw
21 makes such claims risky from a trial management and due process perspective. *See Duran v. U.S.*
22 *Bank National Assn.* (2014) 59 Cal. 4th 1, 31 (explaining “[I]f sufficient common questions exist
23 to support class certification, it may be possible to manage individual issues through the use of
24 surveys and statistical sampling.”); *Tyson Foods, Inc. v. Bouphakeo* (2015) 136 S.Ct. 382;
25 *Comcast Corporation v. Behrend* (2013) 133 S.Ct. 1426.

26 47. **Risks Associated with the Failure to Indemnify Claim.** There is a risk that the
27 Court may consider Plaintiff’s claims as to Defendants’ alleged failure to indemnify for business
28 expenses to be individual in nature and thus decline to certify the class. Plaintiff alleges that



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1 Defendant required Plaintiff and the Class Members to use their personal items including cellular
2 phones, computers and other electronic devices, vehicles, and tools, and failed to indemnify them
3 for these business expenses. Defendant presented evidence that they has supplied its employees
4 with tools, equipment, and other supplies and had an expense reimbursement policy. As such,
5 there is a risk that the Court may consider Plaintiff's claims to be individual in nature and unfit
6 for class wide resolution.

7 48. **Risks Associated with the Statutory Wage Statement Penalty Claims.** Plaintiff
8 also asserts claims for wage statement violations, untimely wage violations, and PAGA penalties.
9 Under Labor Code section 226, wage statements must include various information, including the
10 applicable rates of pay, corresponding hours worked, and gross pay. Here, Plaintiff's wage
11 statement claim has the same underlying risks as the above claims, as it is derivative of them. On
12 their face, the wage statements issued by Defendant comply with the requirements of Labor Code
13 section 226.

14 49. **Risks Associated with the Waiting Time Penalties Claims.** Without proof
15 willful behavior, Plaintiff will be unable to recover these penalties.

16 50. **Risks Associated With the PAGA Claim.**

17 51. As the Operative Complaint makes clear, Plaintiff predicates her PAGA claim
18 on the same Labor Code violations as her other claims. Plaintiff's "damages" spreadsheet,
19 Exhibit 7 states the length of the relevant time period for the PAGA claim and the number of
20 employees allegedly employed during that time period. Plaintiff's "damages" spreadsheet,
21 Exhibit 7 also states the total amount of civil penalties for which the Defendant is potentially
22 liable if all allegations are proven. As I state above in connection with Plaintiff's claims for
23 statutory penalties with regard to proof Defendants' intent, knowledge and willfulness, there are
24 serious risks to proving Defendant acted intentionally, knowingly, and willfully in violating the
25 rights of Class Members under the Labor Code. Plaintiff calculated the agreed-upon amount of
26 civil penalties by considering the risks outlined above and that the Settlement already provides
27 substantial payments for the Labor Code violations that the civil penalties claim is predicated on.

28 52. Regarding PAGA, a court has discretion to award a lesser amount than the



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1 maximum penalty. Lab. Code § 2699(e)(2); *Thurman v. Bayshore Transit Management, Inc.*
2 (2012) 203 Cal.App.4th 1112, 1135 (reducing PAGA award). As set forth above, Defendant has
3 posed valid defenses to the Labor Code claims underlying Plaintiff's PAGA allegations. Thus,
4 the PAGA claims likewise face significant uncertainty. There is a risk that the Court would
5 consider the maximum civil penalty available to be confiscatory.

6 53. This uncertainty increases Plaintiff's risk of pursuing the PAGA claims and
7 required a significant discount for settlement purposes. For mediation purposes, Plaintiff's
8 counsel estimated a maximum possible exposure of approximately \$1,488,100.00 in civil
9 penalties. This estimate did not take into account any of the risks discussed above and assumed a
10 violation for every single pay period. *Id.* Plaintiff's counsel also assessed multiple penalties for
11 the same pay period for the same alleged violations of different Labor Code provisions and
12 derivative violations. Although two federal district court decisions held that "stacking" PAGA
13 penalties in this fashion may be appropriate to determine the amount in controversy for purposes
14 of removal jurisdiction, Plaintiff's counsel is not aware of any California state courts awarding
15 plaintiffs multiple PAGA penalties for the same violation for the same pay period under different
16 Labor Code provisions. This may be because the PAGA does not provide for what many
17 employers characterize as claim splitting and not merely stacking.

18 54. I am aware of only two significant awards under the PAGA in a contested
19 proceeding, both issued by federal district courts.³ PAGA penalty awards are often small even for
20

21 ³ In *Bernstein v. Virgin Am., Inc.*, (N.D. Cal. 2022) 2022 WL 17994018, the court awarded civil
22 penalties under the PAGA of \$12,277,500.00 where total adjusted damages were
23 \$18,695,692.58. In this regard, the district court stated,

24 The plain language of PAGA provides that "a court may award a lesser amount than the
25 maximum civil penalty amount specified by this part if, *based on the facts and*
26 *circumstances of the particular case*, to do otherwise would result in an award that is
27 unjust, arbitrary and oppressive, or confiscatory." Cal. Lab. Code s 2699(e)(2) (emphasis
28 added). The relationship between the amount of total damages and the amount of
maximum PAGA penalties is certainly a "circumstance" of the case under the term's
ordinary meaning. The weight given to that circumstance is greater in this case because
Plaintiffs' PAGA penalties are based on PAGA claims that are all derivative of Plaintiffs'
individual claims except for one. As a general matter, it would be excessively punitive



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egregious, intentional violations of the Labor Code.⁴

55. For instance, on October 24, 2017, the Los Angeles Superior Court awarded a prevailing PAGA plaintiff, represented by very experienced counsel, civil penalties totaling only \$50.00. *Shields v. Security Paving Company, Inc.*, LA Superior Court case no. BC492828. Further, in *Carrington v. Starbucks Corp.*, 30 Cal.App.5th 504, 529 (2018), the Court of Appeal affirmed judgment which provided for a PAGA penalty of only \$5 per pay period for the Defendants' meal period violations. A similar result could occur here.

56. **Risks Associated With A Pick-Up Stix Campaign.** An employer enjoys the right to settle a putative class member's disputed wage claims individually, without the consent or involvement of class counsel. (See *Chindarah v. Pick Up Stix, Inc.* 171 Cal. App. 4th 796 (2009). As discussed above, Defendant may launch a "pick off" settlement campaign to pursue individual release agreements from the Class Members, thereby potentially narrowing the size of the Settlement Class – 79 members - until it is no longer numerous enough for class certification. *Id.* Plaintiff, then, may not have sufficient number of employees to represent. This led to a significant reduction of claim value in settlement negotiations.

57. While the evidence gathered through Plaintiff's discovery supports the merits of _____
for the penalty imposed as a consequence of a discrete injury or set of injuries to exceed the damages caused by that injury or set of injuries.
Id., fn. 9. The district court further stated, "Virgin "has not presented any evidence that the full penalty would be excessive in relation to its ability to pay," the weight of this factor is lessened."
Id.

In *Robert Magadia v. Wal-Mart Assocs.* (N.D. Cal. 2019) 384 F. Supp. 3d. 1058, the court awarded approximately \$102 million in damages, primarily based on the Defendants' failures to comply with the requirements of California Labor Code section 226.

⁴ In 2012, I tried *Ghrdilyan v. RJ Financial, Inc.*, Los Angeles Superior Court case number BC430633. In *Ghrdilyan*, the employer underpaid commission overtime wages. A true and correct copy of the first amended complaint in *Ghrdilyan* is attached as **Exhibit 8**. The plaintiff sought in excess of \$9 million in civil penalties under the PAGA. After a bench trial, the Honorable Judge Ronald M. Sohigian awarded approximately \$325,000 in civil penalties under the PAGA. A true and correct copy of the judgment transcript in *Ghrdilyan* is attached as **Exhibit 9**, 19:8-20:19. Also, on October 24, 2017, the Los Angeles Superior Court awarded a prevailing PAGA plaintiff civil, represented by very experienced counsel, penalties totaling only \$50.00. *Shields v. Security Paving Company, Inc.*, LA Superior Court case no. BC492828. A similar result could occur here.



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1 the claims asserted in this lawsuit, Plaintiff and her counsel recognize that continued litigation
2 presents significant risks that support a downward departure from Defendants' estimated liability
3 exposure. In view of the risks, the Settlement reflects my estimate of the total amount of damages,
4 monetary penalties or other relief that the Class could reasonably expect to be awarded at trial,
5 taking into account the likelihood of prevailing and other attendant risks. It also represents a fair,
6 adequate, and reasonable compromise amount for these claims and warrants preliminary
7 approval. *Id.*, *Torrissi v. Tucson Elec. Power Co.* (9th Cir. 1993) 8 F.3d 1370, 1376 (the financial
8 condition of defendant predominated in assessing the reasonableness of settlement); *Spann v. J.C.*
9 *Penney Corp.* (C.D. Cal. 2016) 211 F. Supp. 3d 1244, 1256 (uncertainty concerning Defendants'
10 financial stability "strongly supports the reasonableness of the settlement"); *See Laguna v.*
11 *Coverall N. Am., Inc.*, Case No. 12-55479 (9th Cir. June 3, 2014) 2014 WL 2465049, * 3.

12 *Allocation of the PAGA Payment*

13 58. The settlement of PAGA penalties in the sum of \$10,000.00, of which 75%
14 (\$7,500.00) will be paid to the LWDA and 25% (\$2,500.00) will be distributed to the Aggrieved
15 Employees, is reasonable and appropriate under the circumstances. The Parties negotiated a good
16 faith amount for PAGA Penalties to be paid to the LWDA and to the Aggrieved Employees. The
17 portion to be paid to the LWDA was not the result of self-interest at the expense of other
18 Aggrieved Employees.

19 *Attorneys' Fees and Costs*

20 59. I intend to request Class Counsel Attorneys' Fees of \$83,333.33 (one-third of the
21 GSA) and Class Counsel's litigation costs incurred in prosecuting this Action, which I currently
22 estimate to be approximately \$16,724.95 and will be no more than \$18,500.00 at the conclusion
23 of matters related to the Settlement. In view of my efforts and risks in pursuing this case these
24 amounts are well within the range of reasonableness and thus warrant this Court's preliminary
25 approval. In addition, based on my experience in wage and hour class action matters, fee awards
26 of approximately one-third of the settlement fund are routinely approved as reasonable. I have
27 been awarded attorneys' fees equaling approximately one-third of the fund in several recent wage
28 and hour class actions, including: *Alvarez v. Gary Grace Enterprises, LP*, Marin County Superior



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1 Court, Case No. CIV1002553 (one-third of fund); *Calderon v. Greatcall, Inc.*, San Diego Superior
2 Court, Case No. 37-2010-00093743-CU-OE-CTL (one-third of fund); *Butler v. Lexxiom, Inc.*,
3 San Bernardino County Superior Court, Case No. CIVRS1001579 (one-third of fund); *Perez v.*
4 *Southwest Dealer Services, Inc.*, Los Angeles County Superior Court, Case No. BC439253 (one-
5 third of fund); *O'Brien v. Optima Network Services, Inc.*, San Bernardino County Superior Court,
6 Case No. CIVRS1107056 (one-third of fund); *Noyd v. The Cristcat Group, et al.*, Los Angeles
7 County Superior Court, Case No. BC439558 (one-third of fund); *Huynh v. Carefusion Resources,*
8 *LLC, et al*, San Diego Sup.Ct., Case No. 37-2009-00103277-CU-OE-CTL (one-third of fund);
9 *Cunningham v. DPI Specialty Foods West, Inc.*, Los Angeles Sup.Ct., Case No. BC465017 (one-
10 third of fund); *Stucker v. L'Oreal USA S/D, Inc.*, Los Angeles Sup. Ct., Case No. BC456080 (one-
11 third of fund); *Valdez v. Healthcare Services Group, Inc.*, Los Angeles Sup.Ct., Case No.
12 BC462917 (one-third of fund); *Hernandez, et al v. HSBC*, U.S. District Court, Central District of
13 California, Case No. 10-CV-4753 (one-third of fund); *Sandoval, et al. v. Thrifty Payless, Inc.*, et
14 al. Los Angeles Sup.Ct., Case No. BC431249 (one-third of fund); *Alafa v. Custom Built Personal*
15 *Training, Inc.*, Tulare County Superior Court, Case No. VCU-245496 (one-third of fund);
16 *Nardone v. Sequoia Beverage Company, LP*, Tulare Sup.Ct., Case No. VCU-248370 (one-third
17 of fund); *Rosen v. Image Transfer*, Los Angeles Sup.Ct., Case No. BC511702 (one-third of fund);
18 *Tucker v. Maly's West, Inc.*, Los Angeles Sup.Ct., Case No. BC483920 (one-third of fund); *King*
19 *v. Build.com*, Butte Sup.Ct., Case No. 159985 (one-third of fund); *Clifford v. Anderson Hay &*
20 *Grain*, Los Angeles Sup.Ct., Case No. BC517625 (one-third of fund); *Nichols, et al. v. Vitamin*
21 *Shoppe*, Contra Costa Sup.Ct., Case No. CIVMSC13-01136 (one-third of fund); *Clarke v. Insight*
22 *Global*, U.S. District Court, Southern District of California, Case No. 13-CV-0357 (one-third of
23 fund); *Fischer, et al. v. National Distribution Centers LP, et al.*, Riverside Sup.Ct., Case No.
24 RIC1114952 (one-third of fund); *Shaw, et al. v. Interthinx, Inc.*, United States District Court for
25 the District of Colorado, Case No. 13-CV-01229-REB-BNB (one-third of fund); *Ogbuehi v.*
26 *Comcast of California/ Colorado/ Florida/ Oregon, Inc.*, United States District Court, Eastern
27 District of California, Case No. EDCV13-00672-KJM-KJN (one-third of fund); *Lynch, et al. v.*
28 *American Guard Services*, Los Angeles Superior Court, Case No. BC462681 (one-third of fund);

1 *Volney-Parris v. Southern California Edison Company*, Los Angeles Superior Court, Case No.
2 BC493038 (one-third of fund); *Hidalgo, et al. v. Sun Hill*, Los Angeles Superior Court, Case No.
3 BC480808 (one-third of fund); *Martin, et al. v. Aukeman Dairy, et al.*, Kern Superior Court, Case
4 No. S-1500-CV-282679 (one-third of fund); *Linder, et al. v. Warehouse Services, Inc.*, San
5 Bernardino Superior Court, Case No. CIVDS1500146 (one-third of fund).

6 60. The amount of fees and costs requested are commensurate with (1) the risk Class
7 Counsel took in bringing the case, (2) the extensive time, effort and expense dedicated to the case,
8 (3) the skill and determination Class Counsel has shown, (4) the results Class Counsel achieved,
9 (5) the value of the Class Counsel achieved for the class, and (6) the other cases Class Counsel
10 turned down to devote time to this matter. Class Counsel also interviewed and obtained
11 information from putative class members, met and conferred with Defendants' counsel on
12 numerous occasions, reviewed and analyzed hundreds of pages of data and documents provided
13 by Defendant and obtained through other sources, researched applicable law, and estimates of
14 "damages" for purposes of settlement discussions, among other tasks.

15 61. Class Counsel have borne all the risks and costs of litigation and will receive no
16 compensation until recovery is obtained. Class Counsel are well-experienced in wage-and-hour
17 class action litigation and used that experience to obtain a fair result for the Class. Considering
18 the amount of the attorney fees requested, the work performed, and the risks incurred, the
19 requested fees and costs are reasonable and should be awarded.

20 ***Class Representative Service Payment***

21 62. The Settlement provides that Plaintiff may seek a Class Representative Service
22 Payment of \$15,000.00. This amount is entirely reasonable given Plaintiff's efforts in this Action
23 and the risks she undertook on behalf of Class Members. Here, Plaintiff has devoted many hours
24 advancing the interests of the Settlement Class. Plaintiff has done this by, among other things,
25 retaining experienced counsel, providing them with information about her work history with
26 Defendant and Defendants' policies and practices with respect to the wage and hour claims at
27 issue, assisting counsel in identifying witnesses, traveling to and participating in mediation, and
28 being actively involved in the settlement process to ensure a fair result for the Settlement Class



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1 as a whole. In doing this, Plaintiff has been exposed to significant risks, including the risk of an
2 order to pay Defendants' attorneys' fees and costs if this action had been unsuccessful (*See* Labor
3 Code §§ 218.5-218.6). The efforts and risks that Plaintiff undertook on behalf of the Settlement
4 Class shows that the proposed Class Representative Service Payment is fair, adequate, and
5 reasonable, and thus warrant preliminary approval. Plaintiff Vickie Williams's declaration, filed
6 concurrently with mine, provides further information supporting her request for the Class
7 Representative Service Payment.

8 63. Plaintiff began her investigation and retention of attorneys to pursue the claims at
9 issue on approximately June 26, 2022. Awarding Plaintiff 6.00% of the GSA is entirely
10 reasonable given Plaintiff's efforts in this case undertaken on behalf of absent Class Member. In
11 this case, Plaintiff has devoted several hours of her time advancing the interests of the Class
12 Members and also expects to devote additional hours of her time with Class Counsel overseeing
13 the administration of the Settlement if the Court grants final approval of the Settlement. *See*
14 *generally* Declaration of Vickie Williams. Plaintiff has done this by, among other things, retaining
15 experienced counsel, providing them with extensive information about her work history with
16 Defendant and Defendants' policies and practices with respect to the wage and hour claims at
17 issue, assisting them in contacting absent Class Members to gather information, participating in
18 a full day of mediation, foregoing pursuit of her individual claims in favor of a fair class-wide
19 resolution, and being actively involved in the settlement process to ensure a fair result for the
20 Class Members as a whole.

21 64. As Class Representative, Plaintiff agreed to (1) consider the interests of the class
22 just as she would consider her own interests and, in some cases, to put the interests of the class
23 before her own interests; (2) actively participate in the lawsuit, as necessary, by among other
24 things, answering interrogatories, producing documents to Defendants and giving deposition and
25 trial testimony if requested; (3) travel to give such testimony; (4) recognize and accept that any
26 resolution of the lawsuit by dismissal or settlement, is subject to court approval, and must be
27 designed in the best interest of the class as a whole; (5) follow the progress of the lawsuit and
28 provide all relevant facts to Class Counsel ; (6) champion many other people with similar claims



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1 and injuries because of the importance of the case and that necessity that all Class Members
2 benefit from the lawsuit; and (7) fight for a resolution in which the individual recovery to each
3 Class Member, including Plaintiff, may be relatively small. Plaintiff agreed to shoulder all of
4 these responsibilities in exchange for a proportionate share of funds made available for
5 distribution to the Class Members. *See generally* Declaration of Vickie Williams. Plaintiff had no
6 guarantee of a Class Representative Service Payment. This justifies the Class Representative
7 Service Payment sought.

8 65. In taking the actions outlined above, Plaintiff has exposed herself to significant
9 risks, including the risk that she could have been ordered to pay Defendants' attorneys' fees and
10 costs if this Action had been unsuccessful (*see* Lab. Code §§ 218.5-218.6), as well as the risk that
11 she could, in the future, face a potentially hostile work environment and worsened career
12 prospects for suing a prior employer for wage and hour violations and serving as the Plaintiff in
13 a class action lawsuit. Additionally, Plaintiff has exposed herself to the risk that she could end up
14 receiving less than Defendant would have paid her at the beginning of the Action via a C.C.P. §
15 998 offer or other individual settlement offer to drop her class allegations. On many occasions,
16 California courts have ordered wage and hour plaintiffs and would be class representatives to pay
17 outrageous fee and/or cost awards for unsuccessful claims. A few examples are:

- 18 a. *Zalewa v. Tempo Research Corp.*, No. B238142, 2013 WL 766535 (CA 2nd Dist.
19 March 1, 2013) (court awarded the employer \$2,210,360 in attorney's fees to be
20 paid by employee for employee's unsuccessful suit for unpaid bonuses). A true
21 and correct copy of the court's order is attached to this declaration as **Exhibit 10**.
22 b. *Cun v. Café Tiramisu LLC*, No. A131241, 2011 WL 5979937 (CA 1st Dist. Nov.
23 30, 2011) (court ordered the employee to pay \$36,612.50 in attorney's fees and
24 costs to employer for unsuccessful suit for unpaid wages). A true and correct copy
25 of the court's order is attached to this declaration as **Exhibit 11**.
26 c. *Csaszi v. Sharp Healthcare*, No. D038558, 2003 WL 352422 (CA 4th Dist. Feb.
27 18, 2003) (court ordered the employee to pay \$20,269 in attorney's fees and costs
28 to the employer for unsuccessful suit for unpaid wages and overtime). A true and



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correct copy of the court's order is attached to this declaration as **Exhibit 12**.

d. *Villalobos v. Guertin*, No. CIV. S-07-2778 LKK/GGH, 2009 WL 4718721 (U.S.D.C. Eastern Dist. Dec. 3, 2009) (court ordered Plaintiff's counsel to pay \$21,180 in attorney's fees and \$1,525.80 in costs to defense counsel for unpaid wages). A true and correct copy of the court's order is attached to this declaration as **Exhibit 13**.

Such costs awards are higher than the share of the Net Settlement Amount ("NSA") that Plaintiff stands to receive as a Participating Class Member. It is unfair in view of the substantial risk of an adverse fee or cost award of several thousand dollars that Plaintiff receives less as a reward for taking such a risk. Moreover, we cannot lose sight of the fact that Plaintiff is not a high wage earner. Even the lowest of the cost awards listed above would have devastating consequences for Plaintiff in view of her modest earnings.

66. As I explain further below, Plaintiff's individual share of the Net Settlement Amount will be less than that of some absent Participating Class Members. Under the Settlement, Participating Class Members will receive a *pro rata* distribution of the Settlement proceeds proportionate to the period of time he or she worked for Defendant during the Class Period, compared to the total of the total period of time worked by all Participating Class Members during the Class Period, as reflected by Defendants' records. Because Plaintiff may have been employed for a shorter period during the Class Period, some Class Members will have worked more Work Weeks than Plaintiff and, as a result, receive larger shares in the recovery – *even though they did not actively participate in the lawsuit*. While this is a risk that Plaintiff assumed when she brought her lawsuit, it is unfair to limit Plaintiff's Class Representative Service Payment to an amount not much greater than an absent Class Member' share of the recovery. To encourage employees like Plaintiff to don the helm of class champions (and thereby advance the important public policies behind class actions), the Court should award something substantial to Plaintiff for her readiness to receive less than absent Class Members while assuming all the risk and delay of payment.

67. The average putative class member in this case would be unlikely to pursue individually the claims Plaintiff brought against Defendant because such claims would be too



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1 small to justify the cost and the risk. A putative Class Members will be unlikely to find an attorney
2 who is willing to pursue an individual's claims because the claims are too small to justify the
3 hundreds of hours of legal work necessary to prove each claim. Only the class action vehicle,
4 which allows for the aggregation of hundreds of risky small dollar value claims, makes such
5 claims advantageous for an attorney to pursue on a contingency basis and there can be no class
6 action without a class member assuming the great fiduciary responsibilities of as class
7 representative. This Court should allow the Class Representative Service Payment requested
8 because to do otherwise would discourage employees (and attorneys) from bringing class actions
9 in the first place.

10 68. If would-be class action plaintiffs are not adequately incentivized to advance the
11 public policy behind class actions in court in light of the time and risk it will entail, it is unlikely
12 that they will bring class action lawsuits in the first place. Once employers realize that such
13 lawsuits are unlikely, they will have no incentive to comply with wage and hour laws.

14 69. Plaintiff faced the risk that she could face worsened career prospects for suing a
15 former employer for wage and hour violations and serving as the Plaintiff in a class action lawsuit.
16 *See generally* Declaration of Vickie Williams. Because she filed a lawsuit in the California
17 Superior Court, a public record now exists that Plaintiff sued her employer for Labor Code
18 violations – a fact that won't be lost on prospective employers considering her for a job. Common
19 sense dictates that an employer will think twice about hiring someone who sued her last employer.
20 Legal experts have recognized this fact. Attached to this declaration as **Exhibit 14** is a true and
21 correct copy of the article "Employees: Better Think Twice Before Suing Your Employer (Four
22 Reasons Why)." Attached to this declaration as **Exhibit 15** is a true and correct copy of the article
23 "What To Expect If You Sue Your Employer." California even has laws to address this risk:
24 Labor Code § 1102.5 prohibits retaliation against employees who speak up about Labor Code
25 violations and Labor Code § 98.6 prohibits discrimination against employees who bring Labor
26 Code violations to the attention of the Labor Commissioner. Thus, the risk to Plaintiff's future
27 employment shows that the Class Representative Service Payment sought is fair, adequate, and
28 reasonable, and warrants final approval of the Court.



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1 70. Class Counsel depended on Plaintiff's input to prosecute this lawsuit. Plaintiff
2 made this case possible for a number of reasons. First, Plaintiff challenged her employers on an
3 unlawful practice that led to Defendant paying a large percentage of the unpaid wages in question
4 plus interest to the remainder of their employees – in spite of Defendants' financial limitations.
5 Plaintiff provided Class Counsel with detailed descriptions of how Defendants' business operates,
6 the hours and scheduling of employees, and the nature of the work Class Members performed.
7 *See generally* Declaration of Vickie Williams.

8 71. By agreeing to settle the case in the best interest of the Class Member, Plaintiff
9 has given up the right to pursue individual claims and recover substantially more in unpaid wages,
10 interest, waiting time penalties, pay stub penalties, and civil penalties that she will release as part
11 of the Settlement. Plaintiff did not seek an individual settlement for her claims at all, instead
12 choosing to prosecute the claims on behalf of the Class Member.

13 72. In view of the risks, Plaintiff achieved a result the Class can be proud of. There
14 were significant risks (outlined in the preliminary approval motion) to any award on behalf of the
15 Class Members and still Plaintiff achieved a settlement of \$250,000.00. This outstanding result
16 calls for significant awards to Plaintiff for making the result possible. If the Court is disinclined
17 to award Plaintiff all or part of the Class Representative Service Payment requested, Class
18 Counsel request that the Court allocate the difference to Plaintiff from Class Counsel's requested
19 attorney fee award.

20 ***Class Member and Aggrieved Employee Settlement Share Estimates***

21 73. Above, Plaintiff estimates Plaintiff's anticipated Individual Class Payment.

22 74. **Individual Class Payments.** At \$16.73 per hour (the average Class Member or
23 Settlement Class Member's hourly wage), the average estimated Individual Class Payment to
24 Participating Class Members is the equivalent of over 53 hours of unpaid wages (the primary
25 remedies sought) ($\$889.33 / \$16.73 = 53$ hours). Thus, this is a result the Class can be proud of
26 in view of the significant risks.

27 75. Plaintiff estimates that there are 1,699 Work Weeks for the Class Period. So, each
28 Work Week has a value of approximately \$65.43 ($\$111,166.67$ Net Settlement Amount / 1,699



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1 Work Weeks = \$65.43). Plaintiff had 6 Work Weeks during the Class Period. Based on this, it is
2 anticipated that Plaintiff Vickie Williams will receive an Individual Class Payment of
3 approximately \$392.58 as a Participating Class Member (6 Work Weeks x \$65.43 = \$392.58)
4 while the average estimated Individual Class Payment to Participating Class Members will be
5 approximately \$889.33. Some Class Members – those who worked more Work Weeks during the
6 Class Period - will receive more, and some less. The highest possible Individual Class Payment
7 to a Participating Class Member (i.e., to those who qualify for all Work Weeks in the Class Period)
8 will be approximately \$21,430.22. The lowest possible Individual Class Payment to a
9 Participating Class Member (i.e., to those who qualify for only one Work Week in the Class
10 Period) will be approximately \$65.43. *See Decl., ¶ 75.* Some Class Members – those who worked
11 more Work Weeks during the Class Period - will receive more, and some less.

12 76. The Individual Class Payment will be paid to each Class Member based on his or
13 her eligible Work Weeks compared to the total Work Weeks. Because this method compensates
14 Class Members based on the extent of their potential injuries, in that Class Members who worked
15 for Defendant longer would have been subject to more alleged violations, it is fair, adequate, and
16 reasonable.

17 77. **Individual PAGA Payments.** I estimate that the average Aggrieved
18 Employee Individual PAGA Payment will be \$20.00. *Id.* Plaintiff's Individual PAGA Payment,
19 her individual share of 25% of the PAGA Penalties, will be less than that of some absent
20 Aggrieved Employees. Under the Settlement, each Aggrieved Employee will receive a *pro rata*
21 distribution of 25% of the PAGA Penalties proportionate to the number of paychecks he or she
22 had with Defendant during the PAGA Period, compared to the total of all paychecks of all
23 Aggrieved Employees during the PAGA Period, as reflected by Defendants' records. Plaintiff
24 estimates that there are 876 Aggrieved Employee paychecks for the PAGA Period. So, each
25 Aggrieved Employee paycheck from the PAGA Period has a value of approximately \$2.85 (25%
26 of \$2,500.00 in PAGA Penalties / 876 Aggrieved Employee paychecks = \$2.85). It is anticipated
27 that Plaintiff Vickie Williams will receive an Individual PAGA Payment of approximately \$5.70
28 as an Aggrieved Employee (2 paychecks during the PAGA Period x \$2.85 paycheck value =



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1 \$5.70) while the average estimated Individual PAGA Payment to an Aggrieved Employee will be
2 approximately \$20.00 (\$2,500.00, 25% of PAGA Penalties / 125 Aggrieved Employees during
3 the PAGA Period = \$20.00 Individual PAGA Payment). Some Aggrieved Employees – those who
4 had more paychecks during the PAGA Period - will receive more, and some less. The highest
5 possible Individual PAGA Payment to an Aggrieved Employee (i.e., to those who qualify for all
6 paychecks in the PAGA Period) will be approximately \$244.96. The lowest possible Individual
7 PAGA Payment to an Aggrieved Employee (i.e., to those who qualify for only one paycheck in
8 the PAGA Period) will be approximately \$2.85.

9 ***Proposed Preliminary Approval Order***

10 78. Plaintiff files a proposed Preliminary Approval Order with this declaration. The
11 proposed Preliminary Approval Order includes the Notice Packet. The Notice Packet consists of
12 the Class Notice (Exhibit A to the Preliminary Approval Order), the Election Not to Participate
13 in Settlement form (Exhibit B to the Preliminary Approval Order), the Work Week Dispute form
14 (Exhibit C to the Preliminary Approval Order), and the Objection form (Exhibit D to the
15 Preliminary Approval Order) in English with Spanish translations. Based on my investigation, the
16 Class Members all understand English, Spanish or both. The Notice Packet does not include any
17 other forms. The Settlement Agreement is not attached to the proposed Preliminary Approval
18 Order. I have carefully reviewed both the terms and the terminology of the proposed
19 Preliminary Approval Order and accompanying Notice Packet to confirm that the various
20 documents are internally consistent, consistent with each other, and consistent with the
21 Settlement Agreement.

22 79. **Identity of Administrator.** The proposed Preliminary Approval Order states
23 the name of the Administrator, and describes the nature of the services that the Administrator
24 will be required to perform, either directly or by reference to the Settlement Agreement.

25 80. **Exclusion Form.** The proposed Preliminary Approval Order provides that the
26 Class Notice shall be accompanied by the Election Not to Participate in Settlement form
27 (Exhibit B to the Preliminary Approval Order), the Work Week Dispute form (Exhibit C to the
28 Preliminary Approval Order), and the Objection form (Exhibit D to the Preliminary Approval



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Order) in English with Spanish translations. Based on my investigation, the Class Members all understand English, Spanish or both. The proposed Preliminary Approval Order provides that any exclusion form shall be submitted to the Administrator rather than filed with the Court. The proposed Preliminary Approval Order does not require the Class Member or Settlement Class Member to send copies of the exclusion form to counsel, but requires the Administrator to do so. The proposed Preliminary Approval Order provides that the Administrator shall file a declaration concurrently with the filing of Plaintiff's motion for final approval with a copy of every exclusion form received by the Administrator.

81. **Objection form.** The proposed Preliminary Approval Order provides that the Class Notice shall be accompanied by the Objection form that the Class Members may use. The proposed Preliminary Approval Order provides that any objection shall be submitted to the Administrator rather than filed with the Court. The proposed Preliminary Approval Order does not require the Class Member to send copies of the objection form to counsel, but requires the Administrator to do so. The proposed Preliminary Approval Order provides that the Administrator shall file a declaration concurrently with the filing of the motion for final approval with a copy of every objection form received by the administrator.

82. Neither the proposed Preliminary Approval Order, the Class Notice, nor the Objection form require an objecting party to, either personally or through counsel, appear at the hearing on the motion for final approval for that party's objection to be considered. Neither the proposed Preliminary Approval Order, the Class Notice, nor the Objection form require an objecting party to, either personally or through counsel, to file or serve, or to state in the objection, a notice of intention to appear at the hearing on the motion for final approval.

83. **Final Approval Hearing Date.** The proposed Preliminary Approval Order provides a proposed date for the Final Approval Hearing. The proposed Preliminary Approval Order requires the Administrator to give notice to any objecting party of any continuance of the hearing of the motion for final approval.

84. **No Injunction against Filing Claims.** Neither the proposed Preliminary Approval Order nor the Class Notice purports to enjoin the Class Members from filing any



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1 actions or administrative claims or proceedings pending the final hearing on the settlement,
2 or for any other period.

3 85. **No Claim Form.** The Settlement does not require a claim form.

4 ***The Notice Packet***

5 86. The Settlement requires distribution of the Notice by First Class U.S. mail only.
6 Settlement Agreement, ¶ 4.4.1. Although there are current employee Class Members, it is
7 uncertain whether Defendants' records of their contact information include email addresses and
8 Class Members, who perform all of their work, are not in a position to check their emails. As
9 such, notice by mail alone is fair, adequate, and reasonable. The Notice Packet (attached as
10 Exhibits A, B, C, and D to the Settlement) provides Class Members with all pertinent information
11 that they need to fully evaluate their options and exercise their rights under the Settlement.
12 Specifically, it clearly and concisely explains, among other things: (1) what the Settlement is
13 about; (2) who is a Class Member; (3) how Class Counsel will be paid; (4) how to submit an
14 exclusion request not to be bound by the Settlement; (5) how to object to the Settlement; (6) how
15 the Settlement will be allocated; (7) how payments to Class Members will be calculated; (8) how
16 the disputes will be resolved; and (9) the estimated settlement shares for each Class Member.
17 Additionally, the Notice will include the number of eligible Work Weeks a Class Member had
18 during the Class Period. Accordingly, the Notice should be approved because it describes the
19 Settlement with sufficient clarity and specificity to explain to Class Members what this action is
20 about, their rights under the Settlement, and how to exercise those rights. As such, the Parties'
21 proposed Notice fully complies with California Rules of Court 3.766(d) and 3.769(f) and will
22 allow Class Members to make informed responses to the proposed settlement.

23 87. The Settlement does not require Class Members to submit claims to
24 participate.

25 88. Each document in the Notice Packet is drafted in a manner that is likely to be
26 readily understood by the members of the Class. The Notice Packet does not contain any
27 Latin terms, legal terms of art, or unfamiliar symbols or abbreviations.

28 89. As stated above, the Class Notice includes an estimate of the likely recovery



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1 by the individual Class Member. It also provides the estimated dollar value of a Work Week
2 and the estimated dollar value of a Pay Period.

3 90. The Class Notice states that the Court has determined only that there is
4 sufficient evidence to suggest that the proposed settlement might be fair, adequate, and
5 reasonable, and that any final determination of those issues will be made at the final hearing.

6 91. The Class Notice advises the Class Members of where they can find the
7 Settlement Agreement, by describing the full title and filing date either of the settlement
8 agreement and this declaration to which the Settlement Agreement is attached. The Class
9 Notice also states the address of the courthouse to which the case is assigned, and the address
10 of the court's website at which the case file can be viewed on-line.

11 92. The Class Notice describes the releases by Plaintiff and the Class Member.

12 93. The lawsuit includes claim for civil penalties under PAGA. The Class Notice
13 defines PAGA. It states that Class Members may not opt out of the PAGA provisions of the
14 Settlement. However, it does not bar them from objecting to the PAGA portions of the
15 Settlement. The Class Notice also describes the terms of the settlement of the PAGA claim,
16 including who is an Aggrieved Employee. The Class Notice provides an estimate of the
17 individual Aggrieved Employee's share of 25% of the PAGA Penalties and advises
18 Aggrieved Employees that the payments will be reported on a Form 1099.

19 94. The Objection form instructs the objecting Class Members that the objection
20 must be delivered to the Administrator. The Objection form states the name and address of
21 the Administrator. It also states the date by which the objection must be mailed or otherwise
22 delivered.

23 95. The information required to be provided by an objecting Class Members on
24 the Objection form does not exceed the minimum information necessary to (i) identify the
25 objector as a person entitled to object to the Settlement, (ii) describe the nature of and basis
26 for the objection, and (iii) contact the objector to clarify any uncertainties.

27 96. The Election Not To Participate form (i) instructs the Class Members seeking
28 exclusion that the exclusion form must be mailed or delivered to the Administrator, (ii) states



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1 the name and address of the Administrator, and (iii) states the date by which the exclusion
2 form must be mailed or otherwise delivered.

3 97. The information required to be provided by a Class Members on the Election
4 Not To Participate form does not exceed the minimum information necessary to (i) identify
5 the person as a Class Member and (ii) contact the person to clarify any uncertainties.

6 98. The Election Not To Participate form indicates that exclusion from the Class
7 Settlement will not result in exclusion from the PAGA portion of the Settlement.

8 *Administrator Duties*

9 99. The duties of the Settlement Administrator are spelled out in the Settlement and in
10 the bid provided by APEX Class Action Administration a true and correct copy of which is
11 attached hereto as **Exhibit 16**.

12 *Administration Costs*

13 100. With regard to the settlement administration costs provision (Settlement
14 Agreement §3.2.3), it is reasonable. Before agreeing to APEX Class Action Administration the
15 Parties sought and reviewed bids from other reputable third-party administrators: (A) APEX Class
16 Action Administration = \$4,990.00; (B) ILYM Group, Inc. = \$3,950.00; and C) Phoenix =
17 \$6,500.00. A true and correct copy of the bid from ILYM Group, Inc. is attached hereto as **Exhibit**
18 **17**. A true and correct copy of the bid from Phoenix is attached hereto as **Exhibit 18**. The bid
19 provided by APEX Class Action Administration was competitive. Thus, the settlement
20 administration costs provision should be given preliminary approval.

21 *PAGA Provisions of the Settlement*

22 101. The memorandum of points and authorities that accompanies this declaration
23 explains the terms of the provisions of the Settlement that apply to PAGA and civil penalties.

24 102. The Settlement provides that 25% of the PAGA Penalties shall be distributed
25 among all Aggrieved Employees, even those who opt out of the Class Settlement. See Settlement,
26 ¶ 3.2.5.

27 103. The Settlement states as follows with regard to the release of the PAGA claim:
28 Release of PAGA Claim. Plaintiff releases all claims for civil penalties that could have been



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1 sought by the Labor Commissioner for the violations identified in Plaintiff's pre-filing letter to
2 the LWDA; Plaintiff does not release the claim for wages or damages of any Aggrieved Employee
3 unless such Aggrieved Employee is a Participating Class Member. Settlement ¶6.3.

4 104. The PAGA Release is limited to the Defendant named in the Operative
5 Complaint, together with Defendants' officers, directors, employees and agents. See
6 Settlement, ¶ 1.4.2 ("Released Parties").

7 105. The Settlement releases only those claims described in the notice sent by the
8 plaintiff to the LWDA, and only to the extent that they are alleged in the complaint. The
9 Settlement states: Release of PAGA Claim. Plaintiff releases all claims for civil penalties that
10 could have been sought by the Labor Commissioner for the violations identified in Plaintiff's pre-
11 filing letter to the LWDA; Plaintiff does not release the claim for wages or damages of any
12 Aggrieved Employee unless such Aggrieved Employee is a Participating Class Member.
13 Settlement ¶6.3.

14 *Notice of Settlement to the LWDA*

15 106. Pursuant to Labor Code § 2699(l)(2), Plaintiff has provided notice of this
16 settlement to the LWDA with the filing and service of this motion. A true and correct copy of
17 Plaintiff's submission with the LWDA and a confirmation email is attached hereto as **Exhibit 19**.

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

20 Executed on Wednesday, July 22, 2026 at New York, New York.

21 

22 DAVID SPIVAK,
23 Declarant



25 SPIVAK LAW
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27 Mail:
28 8605 Santa Monica Bl
PMB 42554
West Hollywood, CA 90069
(213) 725-9094 Tel
(213) 634-2485 Fax
SpivakLaw.com

Office:
1875 Century Park East
Fl 7
Los Angeles, CA 90067

EXHIBIT 1

1 DAVID GLENN SPIVAK (SBN 179684)

david@spivaklaw.com

2 THE SPIVAK LAW FIRM

3 8605 Santa Monica Bl

PMB 42554

4 West Hollywood, CA 90069

Telephone: (213) 725-9094

5 Facsimile: (213) 634-2485

6 Attorneys for Plaintiff(s),

7 VICKIE WILLIAMS, and all others similarly situated

(Additional attorneys for parties on following page)

8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**

9 **FOR THE COUNTY OF SOLANO**

10 **(UNLIMITED JURISDICTION)**

11
12 VICKIE WILLIAMS, on behalf of herself and all
13 others similarly situated, and as "aggrieved
14 employees" on behalf of other "aggrieved
Attorneys General Act of 2004,

15 *Plaintiff(s),*

16 vs.

17 VALLEJO HOSPITALITY LLC, California
18 limited liability company; THREE65
19 HOSPITALITY LLC, a California limited
liability company; and DOES 1-50, inclusive,

20 *Defendant(s).*
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23
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27
28

Case No. FCS059352

**CLASS ACTION AND PAGA
SETTLEMENT AGREEMENT AND
CLASS NOTICE**

Action filed: November 30, 2022

Dept: 8, The Honorable Wendy G.
Getty

1 **ADDITIONAL ATTORNEYS FOR PLAINTIFF(S)**

2 WALTER L. HAINES (SBN 71075)
3 walter@uelglaw.com
4 UNITED EMPLOYEES LAW GROUP
5 8605 Santa Monica Bl.
6 PMB 63354
7 West Hollywood, CA 90069
8 Telephone: (562) 256-1047
9 Facsimile: (562) 256-1006

10 Attorneys for Plaintiff(s),
11 VICKIE WILLIAMS, and all others similarly situated

12 **ATTORNEYS FOR DEFENDANT(S)**

13 PETER SAMUEL (SBN 72503)
14 PFSamuel@samuellaw.com
15 SAMUEL AND SAMUEL
16 5050 Sunrise Blvd Ste C-1
17 Ste C-1
18 Fair Oaks CA 95628-4942
19 Telephone: (916) 966-4722

20 Attorneys for Defendant(s),
21 VALLEJO HOSPITALITY LLC

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiff Vickie Williams (“Plaintiff”) and defendants Vallejo Hospitality LLC, and Three65 Hospitality LLC (collectively “Defendants”). The Agreement refers to Plaintiff and Defendants collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

1.1. “Action” means the Plaintiff’s lawsuit alleging wage and hour violations against Vallejo Hospitality LLC, and Three65 Hospitality LLC captioned “Vickie Williams, on behalf of herself, and all others similarly situated, and as ‘aggrieved employees’ on behalf of other ‘aggrieved employees’ under the Labor Code Private Attorneys General Act of 2004, *Plaintiff(s)*, vs. Vallejo Hospitality LLC, California limited liability company, Three65 Hospitality LLC, a California limited liability company, and DOES 1 through 50, inclusive, *Defendant(s)*,” Case No. FCS059352 initiated on November 30, 2022 and pending in Superior Court of the State of California, County of Solano.

1.2. “Administrator” means APEX Class Action Administration, the neutral entity the Parties have agreed to appoint to administer the Settlement.

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

1.4. “Aggrieved Employee” means a person employed by Defendants in California and classified as an hourly, non-exempt employee who worked for Defendants during the PAGA Period.

1.5. “Class” means all Defendants’ hourly, non-exempt California employees during the Class Period.

1.6. “Class Counsel” means David Glenn Spivak of The Spivak Law Firm and Walter L. Haines of United Employees Law Group.

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

1.8. “Class Data” means Class Member identifying information in Defendants’

possession including the Class Member's name, last-known mailing address, Social Security number, and number of Class Period Work Weeks and PAGA Pay Periods.

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

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

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

1.12. "Class Period" means the period from November 30, 2018 to March 17, 2025.

1.13. "Class representative" means the named Plaintiff in the operative complaint in the Action seeking Court approval to serve as Class representative.

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

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

1.16. "Defendants" means named Defendants Vallejo Hospitality LLC, and Three65 Hospitality LLC.

1.17. "Defense Counsel" means Peter Samuel of Samuel and Samuel.

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

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

1 1.20. "Final Approval Hearing" means the Court's hearing on the Motion for Final
2 Approval of the Settlement.

3 1.21. "Final Judgment" means the Judgment Entered by the Court upon Granting Final
4 Approval of the Settlement. A proposed Final Judgment form is attached as Exhibit F.

5 1.22. "Gross Settlement Amount" means \$250,000.00 which is the total amount
6 Defendants agree to pay under the Settlement except as provided in Paragraph 9 below. The Gross
7 Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments,
8 the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative
9 Service Payment and the Administrator's Expenses.

10 1.23. "Individual Class Payment" means the Participating Class Member's pro rata
11 share of the Net Settlement Amount calculated according to the number of Work Weeks worked
12 during the Class Period.

13 1.24. "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of
14 25% of the PAGA Penalties calculated according to the number of Work Weeks worked during
15 the PAGA Period.

16 1.25. "Judgment" means the judgment entered by the Court based upon the Final
17 Approval.

18 1.26. "LWDA" means the California Labor and Workforce Development Agency, the
19 agency entitled, under Labor Code section 2699, subd. (i).

20 1.27. "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the
21 LWDA under Labor Code section 2699, subd. (i).

22 1.28. "Net Settlement Amount" means the Gross Settlement Amount, less the following
23 payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA
24 Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel
25 Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be
26 paid to Participating Class Members as Individual Class Payments.

27 1.29. "Non-Participating Class Member" means any Class Member who opts out of the
28 Settlement by sending the Administrator a valid and timely Request for Exclusion.

1.30. "Notice Packet" means the Class Notice (Exhibit A), the Election Not to
Participate in Settlement form (Exhibit B), the Work Week Dispute form (Exhibit C), and the
Objection form (Exhibit D) in English with Spanish translations.

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

1.32. "PAGA Period" means the period from November 28, 2021 to March 17, 2025.

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

1.34. "PAGA Notice" means Plaintiff's November 28, 2022 letter to Defendants and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).

1.35. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$2,500.00) and the 75% to LWDA (\$7,500.00) in settlement of PAGA claims.

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

1.37. "Plaintiff" means Vickie Williams, the named Plaintiff in the Action.

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

1.39. "Preliminary Approval Order" means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement. A proposed Preliminary Approval Order form is attached as Exhibit E.

1.40. "Released Class Claims" means the claims being released as described in Paragraph 6.2 below.

1.41. "Released PAGA Claims" means the claims being released as described in Paragraph 6.3 below.

1.42. "Released Parties" means: Defendants and each of their officers, directors, employees and agents.

1.43. "Request for Exclusion" means a Class Member's submission of a written request to be excluded from the Class Settlement signed by the Class Member. An Election Not to Participate in Settlement form is attached as Exhibit B.

1.44. "Response Deadline" means 60 days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond

1 the Response Deadline has expired.

2 1.45. "Settlement" means the disposition of the Action effected by this Agreement and
3 the Judgment.

4 1.46. "Workweek" means any week during which a Class Member worked for
5 Defendants for at least one day, during the Class Period.

6 1.47. A Work Week Dispute form is attached as Exhibit C.

7 **2. RECITALS.**

8 2.1. On November 30, 2022, Plaintiff commenced this Action by filing a Complaint
9 alleging causes of action against Defendants for failure to pay wages, unauthorized and unlawful
10 wage deductions, failure to provide meal periods, failure to authorize and permit rest periods,
11 failure to indemnify for business expenses, failure to issue proper wage statements, failure to
12 timely pay wages, failure to maintain required payroll records, and related claims. On February
13 10, 2023, Plaintiff filed a First Amended Complaint alleging causes of action against Defendants
14 for failure to pay wages, unauthorized and unlawful wage deductions, failure to provide meal
15 periods, failure to authorize and permit rest periods, failure to indemnify for business expenses,
16 failure to issue proper wage statements, failure to timely pay wages, failure to maintain required
17 payroll records, and related allegations. The First Amended Complaint is the operative complaint
18 in the Action (the "Operative Complaint.") Defendants deny the allegations in the Operative
19 Complaint, deny any failure to comply with the laws identified in in the Operative Complaint and
20 deny any and all liability for the causes of action alleged.

21 2.2. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written
22 notice to Defendants and the LWDA by sending the PAGA Notice.

23 2.3. On September 17, 2025, the Parties participated in an all-day mediation presided
24 over by Mark C. Peters which led to this Agreement to settle the Action (describe alternative
25 means of negotiation.

26 2.4. Prior to negotiating the Settlement, Plaintiff obtained, through informal
27 discovery, the number of comparable employees, the number of workweeks, the number of pay
28 periods, average rates of pay, sample time records, sample payroll records, written policies,
financial records, and related information. Plaintiff's investigation was sufficient to satisfy the
criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794,

1 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130
2 (“*Dunk/Kullar*”).

3 2.5. The Court has not granted class certification.

4 2.6. The Parties, Class Counsel and Defense Counsel represent that they are not aware
5 of any other pending matter or action asserting claims that will be extinguished or affected by the
6 Settlement.

7 **3. MONETARY TERMS.**

8 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below,
9 Defendants promise to pay \$250,000.00 and no more as the Gross Settlement Amount and to
10 separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual
11 Class Payments. Defendants have no obligation to pay the Gross Settlement Amount (or any
12 payroll taxes) prior to the deadline stated in Paragraph 6.1 of this Agreement. The Administrator
13 will disburse the entire Gross Settlement Amount without asking or requiring Participating Class
14 Members or Aggrieved Employees to submit any claim as a condition of payment. None of the
15 Gross Settlement Amount will revert to Defendants.

16 3.2. Payments from the Gross Settlement Amount. The Administrator will make and
17 deduct the following payments from the Gross Settlement Amount, in the amounts specified by
18 the Court in the Final Approval:

19 3.2.1. To Plaintiff: Class Representative Service Payment to the Class
20 representative of not more than \$15,000.00 each (in addition to any Individual Class Payments and
21 any Individual PAGA Payments the Class representative are entitled to receive as Participating
22 Class Members). Defendants will not oppose Plaintiff’s request for a Class Representative
23 Service Payment that do not exceed this amount. As part of the motion for Class Counsel Fees
24 Payment and Class Litigation Expenses Payment, Plaintiff will seek Court approval for any Class
25 Representative Service Payment no later than 16 court days prior to the Final Approval Hearing.
26 If the Court approves a Class Representative Service Payment less than the amount requested, the
27 Administrator will retain the remainder in the Net Settlement Amount. The Administrator will
28 pay the Class Representative Service Payment using IRS Form 1099. Plaintiff assumes full
responsibility and liability for employee taxes owed on the Class Representative Service Payment.

3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than 33 and

1 1/3%, which is currently estimated to be \$83,333.33 and a Class Counsel Litigation Expenses
2 Payment of not more than \$18,500.00. Defendants will not oppose requests for these payments
3 provided that do not exceed these amounts. Plaintiff and/or Class Counsel will file a motion for
4 Class Counsel Fees Payment and Class Litigation Expenses Payment no later than 16 court days
5 prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or
6 a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator
7 will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability
8 to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class
9 Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator
10 will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more
11 IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the
12 Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds
Defendants harmless, and indemnifies Defendants, from any dispute or controversy regarding any
division or sharing of any of these Payments.

13 3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed
14 \$4,990 except for a showing of good cause and as approved by the Court. To the extent the
15 Administration Expenses are less or the Court approves payment not to exceed \$4,990, the
16 Administrator will retain the remainder in the Net Settlement Amount.

17 3.2.4. To Each Participating Class Member: An Individual Class Payment
18 calculated by (a) dividing the Net Settlement Amount by the total number of Work Weeks worked
19 by all Participating Class Members during the Class Period and (b) multiplying the result by each
Participating Class Member's Work Weeks.

20 3.2.4.1. Tax Allocation of Individual Class Payments. 33.33% of
21 each Participating Class Member's Individual Class Payment will be allocated to settlement of
22 wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be
23 reported on an IRS W-2 Form. The 66.67% of each Participating Class Member's Individual
24 Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage
25 Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on
26 IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any
employee taxes owed on their Individual Class Payment.

27 3.2.4.2. Effect of Non-Participating Class Members on Calculation

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

4 3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the
5 amount of \$10,000.00 to be paid from the Gross Settlement Amount, with 75% (\$7,500.00)
6 allocated to the LWDA PAGA Payment and 25% (\$2,500.00) allocated to the Individual PAGA
7 Payments.

8 3.2.5.1. The Administrator will calculate each Individual PAGA Payment
9 by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties \$2,500.00
10 by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the
11 PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay
12 Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their
13 Individual PAGA Payment.

14 3.2.5.2. If the Court approves PAGA Penalties of less than the amount
15 requested, the Administrator will allocate the remainder to the Net Settlement Amount. The
16 Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

17 **4. SETTLEMENT FUNDING AND PAYMENTS.**

18 4.1. Class Work Weeks and Aggrieved Employee Pay Periods. Based on a review of
19 their records to date, Defendants estimate there are 125 Class Members who collectively worked
20 a total of 1,669 Work Weeks, and 125 of Aggrieved Employees who worked a total 876 of PAGA
21 Pay Periods.

22 4.2. Class Data. Not later than 15 days after the Court grants Preliminary Approval
23 of the Settlement, Defendants will simultaneously deliver the Class Data to the Administrator, in
24 the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the
25 Administrator must maintain the Class Data in confidence, use the Class Data only for purposes
26 of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator
27 employees who need access to the Class Data to effect and perform under this Agreement.
28 Defendants have a continuing duty to immediately notify Class Counsel if they discover that the
Class Data omitted class member identifying information and to provide corrected or updated
Class Data as soon as reasonably feasible. Without any extension of the deadline by which

1 Defendants must send the Class Data to the Administrator, the Parties and their counsel will
2 expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related
3 to missing or omitted Class Data.

4 4.3. Funding of Gross Settlement Amount. Defendants shall fully fund the Gross
5 Settlement Amount, and also fund the amounts necessary to fully pay Defendants' share of payroll
6 taxes by transmitting the funds to the Administrator within 365 days of the Effective Date.

7 4.4. Payments from the Gross Settlement Amount. Within 14 days after Defendants
8 fund the Gross Settlement Amount, the Administrator will mail checks for all Individual Class
9 Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration
10 Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses
11 Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees
12 Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service
13 Payment shall not precede disbursement of Individual Class Payments and Individual PAGA
14 Payments.

15 4.4.1. The Administrator will issue checks for the Individual Class Payments
16 and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail,
17 postage prepaid. The face of each check shall prominently state the date (not less than 180 days
18 after the date of mailing) when the check will be voided. The Administrator will cancel all checks
19 not cashed by the void date. The Administrator will send checks for Individual Settlement
20 Payments to all Participating Class Members (including those for whom Notice Packet was
21 returned undelivered). The Administrator will send checks for Individual PAGA Payments to all
22 Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved
23 Employees (including those for whom Notice Packet was returned undelivered). The
24 Administrator may send Participating Class Members a single check combining the Individual
25 Class Payment and the Individual PAGA Payment. Before mailing any checks, the Administrator
26 must update the recipients' mailing addresses using the National Change of Address Database.

27 4.4.2. The Administrator must conduct a Class Member Address Search for all
28 other Class Members whose checks are returned undelivered without USPS forwarding address.
Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS
forwarding address provided or to an address ascertained through the Class Member Address
Search. The Administrator need not take further steps to deliver checks to Class Members whose

1 re-mailed checks are returned as undelivered. The Administrator shall promptly send a
2 replacement check to any Class Member whose original check was lost or misplaced, requested
3 by the Class Member prior to the void date.

4 4.4.3. For any Class Member whose Individual Class Payment check or
5 Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator
6 shall transmit the funds represented by such checks to the California Controller's Unclaimed
7 Property Fund in the name of the Class Member thereby leaving no "unpaid residue" subject to
8 the requirements of California Code of Civil Procedure Section 384, subd. (b).

9 4.4.4. The payment of Individual Class Payments and Individual PAGA
10 Payments shall not obligate Defendants to confer any additional benefits or make any additional
11 payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in
12 this Agreement.

13 **5. [OMITTED]**

14 **6. RELEASES OF CLAIMS.** Effective on the date when Defendants fully fund the entire
15 Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the
16 Individual Class Payments, Plaintiff, Class Members, and Class Counsel will release claims
17 against all Released Parties as follows:

18 6.1 Plaintiff's Release. Plaintiff and her respective former and present spouses,
19 representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release
20 and discharge Released Parties from all claims, transactions, or occurrences that occurred during
21 the Class Period, including, but not limited to: (a) all claims that were, or reasonably could have
22 been, alleged, based on the facts contained, in the Operative Complaint and (b) all PAGA claims
23 that were, or reasonably could have been, alleged based on facts contained in the Operative
24 Complaint, Plaintiff's PAGA Notice, or ascertained during the Action and released under 6.3,
25 below. ("Plaintiff's Release.") Plaintiff's Release does not extend to any claims or actions to
26 enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability
27 benefits, social security benefits, workers' compensation benefits that arose at any time, or based
28 on occurrences outside the Class Period. Plaintiff acknowledges that Plaintiff may discover facts
or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be
true but agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects,
notwithstanding such different or additional facts or Plaintiff's discovery of them.

1 6.1.1 Plaintiff's Waiver of Rights Under California Civil Code Section 1542. For
2 purposes of Plaintiff's Release, expressly waives and relinquishes the provisions, rights, and
3 benefits, if any, of section 1542 of the California Civil Code, which reads:

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

8 6.2 Release by Participating Class Members Who Are Not Aggrieved Employees:
9 All Participating Class Members, on behalf of herself and their respective former and present
10 representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released
11 Parties from all claims stated in the Operative Complaint and those based solely upon the facts
12 alleged in the Operative Complaint. Except as set forth in Section 6.3 of this Agreement,
13 Participating Class Members do not release any other claims, including claims for vested benefits,
14 wrongful termination, violation of the Fair Employment and Housing Act, unemployment
15 insurance, disability, social security, workers' compensation, or claims based on facts occurring
16 outside the Class Period.

17 6.3 Release of PAGA Claim. Plaintiff releases all claims for civil penalties that
18 could have been sought by the Labor Commissioner for the violations identified in Plaintiff's
19 pre-filing letter to the LWDA; Plaintiff does not release the claim for wages or damages of any
20 Aggrieved Employee unless such Aggrieved Employee is a Participating Class Member.

21 **7. MOTION FOR PRELIMINARY APPROVAL.** The Parties agree to jointly prepare and
22 file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with
23 the Court's current checklist for Preliminary Approvals. A Preliminary Approval Order form is
24 attached as Exhibit E.

25 7.1 Defendants' Declaration in Support of Preliminary Approval. Within ten (10)
26 days of the full execution of this Agreement, Defendants will prepare and deliver to Class Counsel
27 a signed Declaration from Defendants and Defense Counsel disclosing all facts relevant to any
28 actual or potential conflicts of interest with the Administrator. In their Declarations, Defense

1 Counsel and Defendants shall aver that they are not aware of any other pending matter or action
2 asserting claims that will be extinguished or adversely affected by the Settlement.

3 7.2 Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel
4 all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice,
5 and memorandum in support, of the Motion for Preliminary Approval that includes an analysis
6 of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under
7 Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval
8 and Approval of PAGA Settlement; (iii) a draft proposed Notice Packet; (iv) a signed declaration
9 from the Administrator attaching its "not to exceed" bid for administering the Settlement and
10 attesting to its willingness to serve; competency; operative procedures for protecting the security
11 of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other
12 misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members;
13 and the nature and extent of any financial relationship with Plaintiff, Class Counsel or Defense
14 Counsel; (v) a signed declaration from Plaintiff confirming willingness and competency to serve
15 and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members,
16 and/or the Administrator; (v) a signed declaration from each Class Counsel firm attesting to its
17 competency to represent the Class Members; its timely transmission to the LWDA of all necessary
18 PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative
19 Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699,
20 subd. (l)(2)); (vi) a redlined version of the parties' Agreement showing all modifications made to
21 the Model Agreement ready for filing with the Court; and (vii) all facts relevant to any actual or
22 potential conflict of interest with Class Members, the Administrator. In their Declarations,
23 Plaintiff and Class Counsel shall aver that they are not aware of any other pending matter or action
24 asserting claims that will be extinguished or adversely affected by the Settlement.

25 7.3 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly
26 responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later
27 than 30 days after the full execution of this Agreement; obtaining a prompt hearing date for the
28 Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion
for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary
Approval to the Administrator.

7.4 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion

1 for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and
2 Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person
3 or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant
4 Preliminary Approval or conditions Preliminary Approval on any material change to this
5 Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of
6 the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and
7 otherwise satisfy the Court's concerns.

8 **8. SETTLEMENT ADMINISTRATION.**

9 8.1 Selection of Administrator. The Parties have jointly selected APEX Class Action
10 Administration to serve as the Administrator and verified that, as a condition of appointment,
11 APEX Class Action Administration agrees to be bound by this Agreement and to perform, as a
12 fiduciary, all duties specified in this Agreement in exchange for payment of Administration
13 Expenses. The Parties and their Counsel represent that they have no interest or relationship,
14 financial or otherwise, with the Administrator other than a professional relationship arising out of
15 prior experiences administering settlements. Administrator's total fees and costs shall be **capped**
16 **at \$4,990.00 all-in**, consistent with the quotation dated Sept. 25, 2025 (Williams/Country Inn &
17 Suites By Radisson). Any amount above the cap requires **prior written consent of both Parties**
18 **and Court approval**, and absent such approval shall be the responsibility of the requesting Party.

19 8.2 Employer Identification Number. The Administrator shall have and use its own
20 Employer Identification Number for purposes of calculating payroll tax withholdings and
21 providing reports state and federal tax authorities.

22 8.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund
23 that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury
24 Regulation section 468B-1.

25 8.4 Notice to Class Members.

26 8.4.1 No later than three (3) business days after receipt of the Class Data, the
27 Administrator shall notify Class Counsel that the list has been received and state the number of
28 Class Members, PAGA Members, Work Weeks, and Pay Periods in the Class Data.

8.4.2 Using best efforts to perform as soon as possible, and in no event later than
14 days after receiving the Class Data, the Administrator will send to all Class Members identified

1 in the Class Data, via first-class United States Postal Service (“USPS”) mail, the Notice Packet
2 with Spanish translation, if applicable substantially in the forms attached to this Agreement as
3 **Exhibits A, B, C, and D**. The first page of the Class Notice shall prominently estimate the dollar
4 amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class
5 Member, and the number of Work Weeks and PAGA Pay Periods (if applicable) used to calculate
6 these amounts. Before mailing Notice Packets, the Administrator shall update Class Member
addresses using the National Change of Address database.

7 8.4.3 Not later than 3 business days after the Administrator’s receipt of any
8 Notice Packet returned by the USPS as undelivered, the Administrator shall re-mail the Notice
9 Packet using any forwarding address provided by the USPS. If the USPS does not provide a
10 forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail
11 the Notice Packet to the most current address obtained. The Administrator has no obligation to
12 make further attempts to locate or send Notice Packet to Class Members whose Notice Packet is
returned by the USPS a second time.

13 8.4.4 The deadlines for Class Members’ written objections, Challenges to Work
14 Weeks and/or Pay Periods (disputes), and Requests for Exclusion will be extended an additional
15 14 days beyond the 60 days otherwise provided in the Class Notice for all Class Members whose
16 notice is re-mailed. The Administrator will inform the Class Member of the extended deadline
with the re-mailed Notice Packet.

17 8.4.5 If the Administrator, Defendants or Class Counsel is contacted by or
18 otherwise discovers any persons who believe they should have been included in the Class Data
19 and should have received Notice Packet, the Parties will expeditiously meet and confer in person
20 or by telephone, and in good faith, in an effort to agree on whether to include them as Class
21 Members. If the Parties agree, such persons will be Class Members entitled to the same rights as
22 other Class Members, and the Administrator will send, via email or overnight delivery, a Class
23 Notice requiring them to exercise options under this Agreement not later than 14 days after receipt
of Class Notice, or the deadline dates in the Class Notice, which ever are later.

24 **8.5 Requests for Exclusion (Opt-Outs)**

25 8.5.1 Class Members who wish to exclude themselves (opt-out of) the Class
26 Settlement must send the Administrator, by fax, email, or mail, a signed written Request for
27 Exclusion not later than 60 days after the Administrator mails the Notice Packet (plus an

1 additional 14 days for Class Members whose Notice Packet is re-mailed). A Request for
2 Exclusion is a letter from a Class Member or his/her representative that reasonably communicates
3 the Class Member's election to be excluded from the Settlement and includes the Class Member's
4 name, address and email address or telephone number. To be valid, a Request for Exclusion must
5 be timely faxed, emailed, or postmarked by the Response Deadline. An Election Not to Participate
in Settlement form, attached as Exhibit B, may be used for this purpose but is not required.

6 8.5.2 The Administrator may not reject a Request for Exclusion as invalid
7 because it fails to contain all the information specified in the Class Notice. The Administrator
8 shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the
9 identity of the person as a Class Member and the Class Member's desire to be excluded. The
Administrator's determination shall be final and not appealable or otherwise susceptible to
10 challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion,
11 the Administrator may demand additional proof of the Class Member's identity. The
12 Administrator's determination of authenticity shall be final and not appealable or otherwise
13 susceptible to challenge.

14 8.5.3 Every Class Member who does not submit a timely and valid Request for
15 Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all
16 benefits and bound by all terms and conditions of the Settlement, including the Participating Class
17 Members' Releases under Paragraphs 6.2 and 6.3 of this Agreement, regardless of whether the
Participating Class Member actually receives the Class Notice or objects to the Settlement.

18 8.5.4 Every Class Member who submits a valid and timely Request for
19 Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment
20 or have the right to object to the class action components of the Settlement. Aggrieved Employees
21 are eligible for an Individual PAGA Payment.

22 8.6 Challenges to Calculation of Work Weeks. Each Class Member shall have 60
23 days after the Administrator mails the Notice Packet (plus an additional 14 days for Class
24 Members whose Notice Packet is re-mailed) to challenge the number of Class Work Weeks and
25 PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. This is also known
26 as a dispute. A Work Week Dispute form, attached as Exhibit C, may be used for this purpose
27 but is not required. The Class Member may challenge the allocation by communicating with the
Administrator via fax, email or mail. The Administrator must encourage the challenging Class

1 Member to submit supporting documentation. In the absence of any contrary documentation, the
2 Administrator is entitled to presume that the Work Weeks contained in the Class Notice are
3 correct so long as they are consistent with the Class Data. The Administrator's determination of
4 each Class Member's allocation of Work Weeks and/or Pay Periods shall be final and not
5 appealable or otherwise susceptible to challenge. The Administrator shall promptly provide
6 copies of all challenges to calculation of Work Weeks and/or Pay Periods to Defense Counsel and
7 Class Counsel and the Administrator's determination the challenges.

8 **8.7 Objections to Settlement.**

9 8.7.1 Only Participating Class Members may object to the class action
10 components of the Settlement and/or this Agreement, including contesting the fairness of the
11 Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel
12 Litigation Expenses Payment and/or Class Representative Service Payment.

13 8.7.2 Participating Class Members may send written objections to the
14 Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear
15 in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval
16 Hearing. A Participating Class Member who elects to send a written objection to the
17 Administrator must do so not later than 60 days after the Administrator's mailing of the Notice
18 Packet (plus an additional 14 days for Class Members whose Notice Packet was re-mailed). The
19 Objection form attached as Exhibit D may be used for this purpose but is not required.

20 8.7.3 Non-Participating Class Members have no right to object to any of the class
21 action components of the Settlement.

22 **8.8 Administrator Duties.** The Administrator has a duty to perform or observe all
23 tasks to be performed or observed by the Administrator contained in this Agreement or otherwise.

24 8.8.1 Website, Email Address and Toll-Free Number. The Administrator will
25 establish and maintain and use an internet website to post information of interest to Class
26 Members including the date, time and location for the Final Approval Hearing and copies of the
27 Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Notice
28 Packet, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class
Counsel Litigation Expenses Payment and Class Representative Service Payment, the Final
Approval and the Judgment. Until the website address for the class is
identified, class members can contact the Administrator, APEX Class

1 Action Administration, LLC., directly at
2 <https://apexclassaction.com/>, emailing info@apexclassaction.com, or
3 by calling APEX at 1 (800) 355-0700. The Administrator will also maintain and
4 monitor an email address and a toll-free telephone number to receive Class Member calls, faxes
5 and emails.

6 8.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator
7 will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not
8 later than 5 days after the expiration of the deadline for submitting Requests for Exclusion, the
9 Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names
10 and other identifying information of Class Members who have timely submitted valid Requests
11 for Exclusion ("Exclusion List"); (b) the names and other identifying information of Class
12 Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for
13 Exclusion from Settlement submitted (whether valid or invalid).

14 8.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide
15 written reports to Class Counsel and Defense Counsel that, among other things, tally the number
16 of: Notice Packets mailed or re-mailed, Notice Packets returned undelivered, Requests for
17 Exclusion (whether valid or invalid) received, objections received, challenges to Work Weeks
18 and/or Pay Periods received and/or resolved, and checks mailed for Individual Class Payments
19 and Individual PAGA Payments ("Weekly Report"). The Weekly Reports must include provide
20 the Administrator's assessment of the validity of Requests for Exclusion and attach copies of all
21 Requests for Exclusion and objections received.

22 8.8.4 Workweek and/or Pay Period Challenges. The Administrator has the
23 authority to address and make final decisions consistent with the terms of this Agreement on all
24 Class Member challenges over the calculation of Work Weeks and/or Pay Periods. The
25 Administrator's decision shall be final and not appealable or otherwise susceptible to challenge.

26 8.8.5 Administrator's Declaration. Not later than 14 days before the date by
27 which Plaintiff is required to file the Motion for Final Approval of the Settlement, the
28 Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable
for filing in Court attesting to its due diligence and compliance with all of its obligations under
this Agreement, including, but not limited to, its mailing of the Notice Packets, the Notice Packets
returned as undelivered, the re-mailing of Notice Packets, attempts to locate Class Members, the

1 total number of Requests for Exclusion from Settlement it received (both valid or invalid), the
2 number of written objections and attach the Exclusion List. The Administrator will supplement
3 its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible
4 for filing the Administrator's declaration(s) in Court.

5 8.8.6 Final Report by Administrator. Within 10 days after the Administrator
6 disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel
7 and Defense Counsel with a final report detailing its disbursements by employee identification
8 number only of all payments made under this Agreement. At least 15 days before any deadline
9 set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense
10 Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all
11 payments required under this Agreement. Class Counsel is responsible for filing the
12 Administrator's declaration in Court.

13 **9. CLASS SIZE ESTIMATES and ESCALATOR CLAUSE.** Based on their records,
14 Defendants estimate that, as of the date of this Settlement Agreement, (1) there are 125 Class
15 Members and 1,669 Total Work Weeks during the Class period and (2) there were 125 Aggrieved
16 Employees who worked 876 Pay Periods during the PAGA Period. If the Work Weeks and/or
17 Class Members as of the date the Court approves the settlement exceeds the referenced 1,669
18 Work Weeks and/or 79 Class Members by more than 10.00%, the Gross Settlement Amount,
19 including the Class Counsel Fees Payment, the Class Representative Service Payment, and the
20 LWDA payment, will increase proportionally according to the number of additional Work Weeks
21 or Class Members, whichever results in a higher increase in the Gross Settlement Amount.

22 **10. DEFENDANTS' RIGHT TO WITHDRAW.** If the number of valid Requests for
23 Exclusion identified in the Exclusion List exceeds 10.00% of the total of all Class Members,
24 Defendants may, but are not obligated, elect to withdraw from the Settlement. The Parties agree
25 that, if Defendants withdraw, the Settlement shall be void ab initio, have no force or effect
26 whatsoever, and that neither Party will have any further obligation to perform under this
27 Agreement; provided, however, Defendants will remain responsible for paying all Settlement
28 Administration Expenses incurred to that point. Defendants must notify Class Counsel and the
Court of their election to withdraw not later than 7 days after the Administrator sends the final

1 Exclusion List to Defense Counsel; late elections will have no effect.

2
3 **11. MOTION FOR FINAL APPROVAL.** Not later than 16 court days before the calendared
4 Final Approval Hearing, Plaintiff will file in Court, a motion for final approval of the Settlement
5 that includes a request for approval of the PAGA settlement under Labor Code section 2699,
6 subd. (I), a Proposed Final Approval Order and a proposed Judgment (collectively “Motion for
7 Final Approval”). Plaintiff shall provide drafts of these documents to Defense Counsel not later
8 than 7 days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel
9 will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any
disagreements concerning the Motion for Final Approval.

10 11.1 Response to Objections. Each Party retains the right to respond to any objection
11 raised by a Participating Class Member, including the right to file responsive documents in Court
12 no later than 5 court days prior to the Final Approval Hearing, or as otherwise ordered or accepted
by the Court.

13 11.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final
14 Approval on any material change to the Settlement (including, but not limited to, the scope of
15 release to be granted by Class Members), the Parties will expeditiously work together in good
16 faith to address the Court’s concerns by revising the Agreement as necessary to obtain Final
17 Approval. The Court’s decision to award less than the amounts requested for the Class
18 Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation
19 Expenses Payment and/or Administrator Expenses Payment shall not constitute a material
modification to the Agreement within the meaning of this paragraph.

20 11.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of
21 Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for
22 purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement
administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

23 11.4 Five-Year Rule Tolling and Stay: From full execution through Final Approval
24 and completion of distribution, the Action is stayed for all purposes other than settlement approval
25 and enforcement. The Parties agree that all periods are **tolled** for purposes of **CCP §§ 583.310–**
26 **.360** during the pendency of the stay and the time required to complete administration.

27 11.5 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms

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

11 11.6 Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If
12 the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a
13 material modification of this Agreement (including, but not limited to, the scope of release to be
14 granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless
15 expeditiously work together in good faith to address the appellate court's concerns and to obtain
16 Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration
17 Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify
18 the Court's award of the Class Representative Service Payment or any payments to Class Counsel
19 shall not constitute a material modification of the Judgment within the meaning of this paragraph,
20 as long as the Gross Settlement Amount remains unchanged.

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

24 **13. ADDITIONAL PROVISIONS.**

25 13.1 No Admission of Liability, Class Certification or Representative Manageability
26 for Other Purposes. This Agreement represents a compromise and settlement of highly disputed
27 claims. Nothing in this Agreement is intended or should be construed as an admission by
28 Defendants that any of the allegations in the Operative Complaint have merit or that Defendants
have any liability for any claims asserted; nor should it be intended or construed as an admission

1 by Plaintiff that Defendants' defenses in the Action have merit. The Parties agree that class
2 certification and representative treatment is for purposes of this Settlement only. If, for any reason
3 the Court does grant Preliminary Approval, Final Approval or enter Judgment, Defendants
4 reserve the right to contest certification of any class for any reasons, and Defendants reserve all
5 available defenses to the claims in the Action, and Plaintiff reserves the right to move for class
6 certification on any grounds available and to contest Defendants' defenses. The Settlement, this
7 Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be
8 admissible in connection with, any litigation (except for proceedings to enforce or effectuate the
Settlement and this Agreement).

9 13.2 Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel,
10 Defendants and Defense Counsel separately agree that, until the Motion for Preliminary Approval
11 of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or
12 cause or permit another person to disclose, disseminate or publicize, any of the terms of the
13 Agreement directly or indirectly, specifically or generally, to any person, corporation, association,
14 government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses,
15 all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter;
16 (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a
17 court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal
18 government agency.

19 Each Party agrees to immediately notify each other Party of any judicial or agency
20 order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendants and
21 Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other
22 communication, before the filing of the Motion for Preliminary Approval, any with third party
23 regarding this Agreement or the matters giving rise to this Agreement except to respond only that
24 "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's
25 communications with Class Members in accordance with Class Counsel's ethical obligations
26 owed to Class Members.

27 13.3 No Solicitation. The Parties separately agree that they and their respective
28 counsel and employees will not solicit any Class Member to opt out of or object to the Settlement,
or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class
Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical

obligations owed to Class Members.

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

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

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

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

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

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

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

13.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will

1 be governed by and interpreted according to the internal laws of the state of California, without
2 regard to conflict of law principles.

3 13.12 Cooperation in Drafting. The Parties have cooperated in the drafting and
4 preparation of this Agreement. This Agreement will not be construed against any Party on the
5 basis that the Party was the drafter or participated in the drafting.

6 13.13 Confidentiality. To the extent permitted by law, all agreements made, and orders
7 entered during Action and in this Agreement relating to the confidentiality of information shall
8 survive the execution of this Agreement.

9 13.14 Use and Return of Class Data. Information provided to Class Counsel pursuant
10 to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class
11 Counsel by Defendants in connection with the mediation, other settlement negotiations, or in
12 connection with the Settlement, may be used only with respect to this Settlement, and no other
13 purpose, and may not be used in any way that violates any existing contractual agreement, statute,
14 or rule of court. Not later than 90 days after the date when the Court discharges the
15 Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement
16 funds, Plaintiff shall destroy, all paper and electronic versions of Class Data received from
17 Defendants unless, prior to the Court's discharge of the Administrator's obligation, Defendants
18 make a written request to Class Counsel for the return, rather than the destructions, of Class Data.

19 13.15 Headings. The descriptive heading of any section or paragraph of this Agreement
20 is inserted for convenience of reference only and does not constitute a part of this Agreement.

21 13.16 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement
22 shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a
23 weekend or federal legal holiday, such date or deadline shall be on the first business day
24 thereafter.

25 13.17 Notice. All notices, demands or other communications between the Parties in
26 connection with this Agreement will be in writing and deemed to have been duly given as of the
27 third business day after mailing by United States mail, or the day sent by email or messenger,
28 addressed as follows:

To Plaintiff:
David Glenn Spivak, Esq.
The Spivak Law Firm

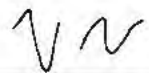
1 8605 Santa Monica Bl
2 PMB 42554
3 West Hollywood, CA 90069
4 david@spivaklaw.com

5 To Defendant:
6 Peter Samuel, Esq.
7 Samuel and Samuel
8 5050 Sunrise Blvd Ste C-1
9 Ste C-1
10 Fair Oaks, CA 95628-4942
11 PFSamuel@samuellaw.com

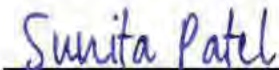
12 13.18 Execution in Counterparts. This Agreement may be executed in one or more
13 counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this
14 Agreement shall be accepted as an original. All executed counterparts and each of them will be
15 deemed to be one and the same instrument if counsel for the Parties will exchange between
16 themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove
17 the existence and contents of this Agreement.

18 13.19 Stay of Litigation. The Parties agree that upon the execution of this Agreement
19 the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further
20 agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the
21 date to bring a case to trial under CCP section 583.310 for the entire period of this settlement
22 process.

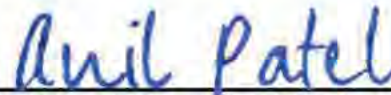
23 Dated: 03 / 06 / 2026

24 By: 
25 VICKIE WILLIAMS

26 Dated: March 04, 2026

27 By: 
28 Sunita Patel, Managing Member
Vallejo Hospitality LLC

Dated: March 04, 2026

By: 
Anil Patel, Managing Member
Vallejo Hospitality LLC

1
2 Dated: March 04, 2026

By: Sunita Patel
Sunita Patel, Managing Member
Three65 Hospitality, LLC

3
4
5 Dated: March 04, 2026

By: Anil Patel
Anil Patel, Managing Member
Three65 Hospitality, LLC

6
7
8
9 THE SPIVAK LAW FIRM

10 Dated: 03 / 06 / 2026

By: David Spivak
DAVID GLENN SPIVAK, Attorneys
for Plaintiff(s), VICKIE WILLIAMS,
and all others similarly situated

11
12
13
14 UNITED EMPLOYEES LAW GROUP

15
16 Dated: March 5, 2026

By: Walter L. Haines
WALTER L. HAINES, Attorneys for
Plaintiff(s), VICKIE WILLIAMS, and
all others similarly situated

17
18
19
20 SAMUEL AND SAMUEL

21 Dated: March 04, 2026

By: Peter Samuel
PETER SAMUEL, Attorneys for
Defendant(s), Vallejo Hospitality LLC,
and Three65 Hospitality LLC
THREE65
HOSPITALITY LLC

EXHIBIT A

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

(case name: Vickie Williams v. Vallejo Hospitality LLC and number FCS059352)

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

You may be eligible to receive money from an employee class action lawsuit ("Action") against Vallejo Hospitality LLC, and Three65 Hospitality LLC ("Defendants" is used herein as a placeholder) for alleged violations of California's labor laws. The Action was filed by Defendants' employees Vickie Williams ("Plaintiff") and seek payment of (1) wages and other relief for a class of all Defendants' hourly, non-exempt California employees during the Class Period. ("Class Members") Defendants during the Class Period (November 30, 2018 to March 17, 2025); and (2) penalties under the California Private Attorney General Act ("PAGA") for hourly, non-exempt employees who worked for Defendants during the PAGA Period (November 28, 2021 to March 17, 2025) ("Aggrieved Employees").

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

Based on Defendants' records, and the Parties' current assumptions, **your Individual Class Payment is estimated to be \$<<IndividualClassPaymentAmount>> (less withholding) and your Individual PAGA Payment is estimated to be \$<<IndividualPAGAPaymentAmount>>.** The estimated dollar value of a Work Week is <<\$increment type value>> and a Pay Period is <<@PayPeriodValue>>. The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to Defendants' records you are not eligible for an Individual PAGA Payment under the Settlement because you didn't work during the PAGA Period.) The individual payments amounts will vary. However, the average Individual Class Payment to a Class Member is estimated to be <<\$Average Individual Class Payment Amount>>. The average Individual PAGA Payment to a Class Member is estimated to be <<\$Average Individual PAGA Payment Amount>>. The highest Individual Class Payment to a Class Member is estimated to be <<\$Highest Individual Class Payment Amount>> and the lowest is estimated to be <<\$Lowest Individual Class Payment Amount>>. The highest Individual PAGA Payment to a Class Member is estimated to be <<\$Highest Individual PAGA Payment Amount>> and the lowest is estimated to be <<\$Lowest Individual PAGA Payment Amount>>.

The above estimates are based on Defendants' records showing that **you worked <<__>> Work Weeks** during the Class Period and **you worked <<__>> Pay Periods** during the PAGA Period. If you believe that you worked more Work Weeks during either period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

1 The Court has already preliminarily approved the proposed Settlement and approved this
2 Notice. The Court has not yet decided whether to grant final approval. The Court has
3 determined only that there is sufficient evidence to suggest that the proposed settlement
4 might be fair, adequate, and reasonable, and that any final determination of those issues
5 will be made at the Final Approval Hearing. Your legal rights are affected whether you act or
6 not act. Read this Notice carefully. You will be deemed to have carefully read and understood it.
7 At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement
8 and how much of the Settlement will be paid to Plaintiff and Plaintiff's attorneys ("Class
9 Counsel"). The Court will also decide whether to enter a judgment that requires Defendants to
10 make payments under the Settlement and requires Class Members and Aggrieved Employees to
11 give up their rights to assert certain claims against Defendants.

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

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

18 (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class
19 Settlement (opt-out) by submitting a written Request for Exclusion or otherwise notifying the
20 Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual
21 Class Payment. You will, however, preserve your right to personally pursue Class Period claims
22 for California labor law violations against Defendants, and, if you are an Aggrieved Employee,
23 remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of
24 the proposed Settlement.

25 **Defendants will not retaliate against you for any actions you take with respect to the
26 proposed Settlement.**

27 SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

28 You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the claims against Defendants that are covered by this Settlement (Released Claims).
29 You Can Opt-out of the Class Settlement but not the PAGA Settlement 30 The Opt-out Deadline is <<RESPONSE DEADLINE>>	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. You can use the enclosed Election Not To Participate In Settlement form for this purpose. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice.

		You cannot opt-out of the PAGA portion of the proposed Settlement. Defendants must pay Individual PAGA Payments to all Aggrieved Employees and Plaintiff releases Defendants from civil penalties they may owe to the Aggrieved Employees.
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement		All Class Members who do not opt-out (“Participating Class Members”) can object to any aspect of the proposed Settlement. You can use the enclosed Objection form for this purpose. The Court’s decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section 7 of this Notice.
Written Objections Must be Submitted by <<RESPONSE DEADLINE>>		
You Can Participate in the <<FinalApprovalHearingDate>> Final Approval Hearing		The Court’s Final Approval Hearing is scheduled to take place on <<FinalApprovalHearingDate>>. You don’t have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court’s virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing whether or not they submitted a written objection. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Work Week / Pay Periods		The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many Work Weeks you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number Class Period Work Weeks and number of PAGA Period Pay Periods you worked according to Defendants’ records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by <<RESPONSE DEADLINE>>. See Section 4 of this Notice. You can use the enclosed Work Weeks Dispute form for this purpose.
Written Challenges Must be Submitted by <<RESPONSE DEADLINE>>		

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former employee of Defendants. The Action accuses Defendants of violating California labor laws by failure to pay wages, unauthorized and unlawful wage deductions, failure to provide meal periods, failure to authorize and permit rest periods, failure to indemnify for business expenses, failure to issue proper wage statements, failure to timely pay wages, failure to maintain required payroll records, and related violations of the Labor Code. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the PAGA (Labor Code section 2698 and sections that follow) (“PAGA”). Plaintiff is represented by attorneys in the Action: David Glenn Spivak of The Spivak Law Firm and Walter L. Haines of United Employees Law Group (“Class Counsel.”)

Defendants strongly deny violating any laws or failing to pay any wages and contend they complied with all applicable laws.

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

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

Plaintiff and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Defendants have agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

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

A. Gross Settlement Amount. Defendants Will Pay \$250,000.00 as the Gross Settlement Amount (Gross Settlement). Defendants have agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel's attorney's fees and expenses, the Administrator's expenses, and penalties to be paid to the California Labor and Workforce Development Agency ("LWDA"). Assuming the Court grants Final Approval, Defendants will fund the Gross Settlement with 365 days after the Judgment entered by the Court become final. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed. No interest, penalties, or liquidated damages shall accrue on any unpaid portion before the 365-day deadline. The Administrator may not issue checks before Defendants have fully funded the QSF unless the Parties agree in writing. The exclusive remedy for non-funding is specific performance on shortened notice; no confession of judgment shall be required or permitted.

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

1. Attorney Fees and Costs. Up to \$83,333.33 (33 and 1/3% of the Gross

1 Settlement to Class Counsel for attorneys' fees and up to \$18,500.00 for their litigation expenses.
2 To date, Class Counsel have worked and incurred expenses on the Action without payment.

3 2. Class Representative Service Payment. Up to \$15,000.00 as a Class
4 Representative Service Payment for filing the Action, working with Class Counsel and
5 representing the Class. A Class Representative Service Payment will be the only monies Plaintiff
6 will receive other than Plaintiff's Individual Class Payments and any Individual PAGA Payments.

7 3. Administration Expenses. Up to \$4,990.00 to the Administrator for
8 services administering the Settlement.

9 4. PAGA Penalties. Up to \$10,000.00 for PAGA Penalties, allocated 75% to
10 the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees
11 based on their PAGA Period Pay Periods.

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

14 Based on their records, Defendants estimated that, as of the date of the Settlement, (1)
15 there are 125 Class Members and 1,669 Total Work Weeks during the Class period and (2) there
16 were 125 Aggrieved Employees who worked 876 Pay Periods during the PAGA Period. If the
17 Work Weeks and/or Class Members as of the date the Court approves the settlement exceeds the
18 referenced 1,669 Work Weeks and/or 79 Class Members by more than 10.00%, the Gross
19 Settlement Amount, including the Class Counsel Fees Payment, the Class Representative Service
20 Payment, and the LWDA payment, will increase proportionally according to the number of
21 additional Work Weeks or Class Members, whichever results in a higher increase in the Gross
22 Settlement Amount.

23 C. Net Settlement Distributed to Class Members. After making the above deductions
24 in amounts approved by the Court, the Administrator will distribute the rest of the Gross
25 Settlement (the "Net Settlement") by making Individual Class Payments to Participating Class
26 Members based on their Class Period Work Weeks.

27 D. Taxes Owed on Payments to Class Members. Plaintiff and Defendants are asking
28 the Court to approve an allocation of 33.33% of each Individual Class Payment to taxable wages
("Wage Portion") and 66.67% to interest and penalties ("Non-Wage Portion."). The Wage Portion
is subject to withholdings and will be reported on IRS W-2 Forms. Defendants will separately
pay employer payroll taxes they owe on the Wage Portion. The Individual PAGA Payments are
counted as penalties rather than wages for tax purposes. The Administrator will report the
Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS
1099 Forms.

Although Plaintiff and Defendants have agreed to these allocations, neither side is giving
you any advice on whether your Payments are taxable or how much you might owe in taxes. You
are responsible for paying all taxes (including penalties and interest on back taxes) on any

1 Payments received from the proposed Settlement. You should consult a tax advisor if you have
2 any questions about the tax consequences of the proposed Settlement.

3 E. Need to Promptly Cash Payment Checks. The front of every check issued for
4 Individual Class Payments and Individual PAGA Payments will show the date when the check
5 expires (the void date). If you don't cash it by the void date, your check will be automatically
6 cancelled, and the monies will be deposited with the California Controller's Unclaimed Property
7 Fund (https://www.sco.ca.gov/search_upd.html) in your name.

8 F.
9 If the monies represented by your check is sent to the Controller's Unclaimed Property Fund, you
10 should consult the rules of the Fund for instructions on how to retrieve your money. You can
11 contact the Unclaimed Property Fund at (800) 992-4647.

12 G. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated
13 as a Participating Class Member, participating fully in the Class Settlement, unless you notify the
14 Administrator in writing, not later than <<RESPONSE DEADLINE>>, that you wish to opt-out.
15 The easiest way to notify the Administrator is to email, fax, or mail a written and signed Request
16 for Exclusion by the <<RESPONSE DEADLINE>> Response Deadline. The Request for
17 Exclusion should be a letter from a Class Member or his/her representative setting forth a Class
18 Member's name, present address, telephone number, and a simple statement electing to be
19 excluded from the Settlement. You may use the enclosed Election Not To Participate In
20 Settlement form for this purpose. Excluded Class Members (i.e., Non-Participating Class
21 Members) will not receive Individual Class Payments, but will preserve their rights to personally
22 pursue claims against Defendants for violations of California's labor laws.

23 You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude
24 themselves from the Class Settlement (Non-Participating Class Members) remain eligible for
25 Individual PAGA Payments and Plaintiff releases Defendants from civil penalties they may owe
26 to the Aggrieved Employees.

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

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

J. Participating Class Members' Release. After the Judgment is final and Defendants
have fully funded the Gross Settlement (and separately paid all employer payroll taxes),
Participating Class Members will be legally barred from asserting any of the claims released under

1 the Settlement. This means that unless you opted out by validly excluding yourself from the Class
2 Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendants or
3 their officers, directors, employees, and agents for wages based on the Class Period facts and
4 PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this
5 Settlement.

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

7 All Participating Class Members, on behalf of herself and their respective former
8 and present representatives, agents, attorneys, heirs, administrators, successors,
9 and assigns, release Released Parties from all claims stated in the Operative
10 Complaint and those based solely upon the facts alleged in the Operative
11 Complaint. Except as set forth in Section 6.3 of the Settlement Agreement,
12 Participating Class Members do not release any other claims, including claims for
13 vested benefits, wrongful termination, violation of the Fair Employment and
14 Housing Act, unemployment insurance, disability, social security, workers'
15 compensation, or claims based on facts occurring outside the Class Period.

16 K. The PAGA Release. After the Court's judgment is final, and Defendants have paid
17 the Gross Settlement (and separately paid the employer-side payroll taxes), Plaintiff releases all
18 claims for civil penalties that could have been sought by the Labor Commissioner for the
19 violations identified in Plaintiff's pre-filing letter to the LWDA; Plaintiff does not release the
20 claim for wages or damages of any Aggrieved Employee unless such Aggrieved Employee is a
21 Participating Class Member.

22 **4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?**

23 A. Individual Class Payments. The Administrator will calculate Individual Class
24 Payments by (a) dividing the Net Settlement Amount by the total number of Work Week worked
25 by all Participating Class Members, and (b) multiplying the result by the number of Work Week
26 worked by each individual Participating Class Member.

27 B. Individual PAGA Payments. The Administrator will calculate Individual PAGA
28 Payments by (a) dividing \$2,500.00 by the total number of PAGA Pay Periods worked by all
Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods
worked by each individual Aggrieved Employee.

C. Workweek/Pay Period Challenges. The number of Class Work Weeks you worked
during the Class Period and the number of PAGA Pay Periods you worked during the PAGA
Period, as recorded in Defendants' records, are stated in the first page of this Notice. You have
until <<RESPONSE DEADLINE>> to challenge the number of Work Weeks and/or Pay Periods
credited to you. You can submit your challenge by signing and sending a letter to the
Administrator by email, fax or regular U.S. mail. You can use the enclosed Dispute form for this
purpose. Section 9 of this Notice has the Administrator's contact information.

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

6 5. HOW WILL I GET PAID?

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

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

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

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

16 Email, fax, or mail a written and signed letter with your name, present address, telephone
17 number, and a simple statement that you do not want to participate in the Settlement. You may
18 use the enclosed Election Not To Participate In Settlement form for this purpose. The
19 Administrator will exclude you based on any writing communicating your request be excluded.
20 Be sure to personally sign your request, identify the Action as *Vickie Williams vs. Vallejo
21 Hospitality LLC*, Case No. FCS059352, and include your identifying information (full name,
22 address, telephone number, approximate dates of employment, and social security number for
23 verification purposes). You must make the request yourself. If someone else makes the request
24 for you, it will not be valid. You should send your Request for Exclusion to the Administrator by
25 email, fax, or send by regular U.S. mail. **The Administrator must be sent your request to be
26 excluded by <<RESPONSE DEADLINE>>, or it will be invalid.** Section 9 of the Notice has
27 the Administrator's contact information. If you are an Aggrieved Employee, you will still receive
28 an Individual PAGA Payment.

24 7. HOW DO I OBJECT TO THE SETTLEMENT?

25 Only Participating Class Members have the right to object to the Settlement. Before deciding
26 whether to object, you may wish to see what Plaintiff and Defendants are asking the Court to
27 approve. At least 16 days before the Final Approval Hearing, Class Counsel and/or Plaintiff will
28 file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why

1 the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Award
2 stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and
3 (ii) the amount Plaintiff is requesting as a Class Representative Service Payment. Upon
4 reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will
5 send you copies of these documents at no cost to you. You can also view them and the Settlement
6 Agreement on the Administrator's Website <<ADMINISTRATOR WEBSITE>> or the Court's
7 website <<COURT WEBSITE>>.

8 A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for
9 Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to
10 object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class
11 Counsel or Plaintiff are too high or too low. **The deadline for sending written objections to the
12 Administrator is <<RESPONSE DEADLINE>>.** Be sure to tell the Administrator what you
13 object to, why you object, and any facts that support your objection. Make sure you identify the
14 Action, *Vickie Williams vs. Vallejo Hospitality LLC*, case no. FCS059352, and include your name,
15 current address, telephone number, and approximate dates of employment for Defendants and
16 sign the objection. Section 9 of this Notice has the Administrator's contact information. You may
17 use the enclosed Objection form for this purpose. You should send your objection to the
18 Administrator by email, fax, or send by regular U.S. mail.

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

24 **8. CAN I ATTEND THE FINAL APPROVAL HEARING?**

25 You can, but don't have to, attend the Final Approval Hearing on <<FINAL APPROVAL
26 HEARING DATE>> at <<FINAL APPROVAL HEARING TIME>> in Department 8 of the Solano
27 Superior Court, located at Old Solano Courthouse, 580 Texas St., Fairfield, CA 94533. At the
28 Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much
of the Gross Settlement will be paid to Class Counsel, Plaintiff, and the Administrator. The Court
will invite comment from objectors, Class Counsel and Defense Counsel before making a
decision. You can attend (or hire a lawyer to attend) either personally or virtually by
<<CourtConnect/CourtCall/MicrosoftTeams>>
(<https://www.<<CourtVirtualAppearanceLink>>>). Check the Court's website for the most current
information.

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

1 **9. HOW CAN I GET MORE INFORMATION?**

2 The Agreement sets forth everything Defendants and Plaintiff have promised to do under the
3 proposed Settlement. The easiest way to read the Agreement, the Judgment or any other
4 Settlement documents is to go to the Administrator's website at <<CLERK OF COURT'S PHONE
5 NUMBER>>. You can also telephone or send an email to Class Counsel or the Administrator
6 using the contact information listed below, or consult the Superior Court website by going to
7 (<http://www.<<COURT'S WEBSITE>>.aspx>) and entering the Case Number for the Action, Case
8 No. FCS059352. You can also make an appointment to personally review court documents in the
9 Clerk's Office at the Old Solano Courthouse by calling <<CLERK OF COURT'S PHONE
10 NUMBER>>.

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

13 Class Counsel:

14 Name of Attorney: David Glenn Spivak
15 Email Address: david@spivaklaw.com
16 Name of Firm: The Spivak Law Firm
17 Mailing Address: 8605 Santa Monica Bl
18 PMB 42554
19 West Hollywood, CA 90069
20 Telephone: (213) 725-9094

21 Administrator:

22 Name of Company: APEX Class Action Administration
23 Email Address: _____
24 Mailing Address: _____
25 Telephone: _____
26 Fax Number: _____
27

28 **10. WHAT IF I LOSE MY SETTLEMENT CHECK?**

29 If you lose or misplace your settlement check before cashing it, the Administrator will replace it
30 as long as you request a replacement before the void date on the face of the original check. If
31 your check is already void you should consult the Unclaimed Property Fund
32 (https://www.sco.ca.gov/search_upd.html) for instructions on how to retrieve the funds. You can
33 contact the Unclaimed Property Fund at (800) 992-4647.

34 **11. WHAT IF I CHANGE MY ADDRESS?**

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

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EXHIBIT B

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Williams v. Vallejo Hospitality LLC
Superior Court of the State of California, County of Solano
Case No. FCS059352

ELECTION NOT TO PARTICIPATE IN SETTLEMENT FORM

**IF YOU WANT TO BE INCLUDED IN THIS CLASS ACTION SETTLEMENT AND BE ELIGIBLE FOR
A SHARE OF THE SETTLEMENT PROCEEDS,
DO NOT FILL OUT THIS FORM.**

**IF YOU DO NOT WANT TO BE INCLUDED IN THE SETTLEMENT, YOU MUST COMPLETE AND
SIGN THIS DOCUMENT AND MAIL IT TO THE ADDRESS BELOW, EMAILED, FAXED, OR
POSTMARKED NOT LATER THAN <<RESPONSE DEADLINE>>:**

Williams v. Vallejo Hospitality LLC Class Action Administrator
APEX Class Action Administration, LLC
18 Technology Drive, Suite 154
Irvine, CA 92618
<https://apexclassaction.com/>
1 (800) 355-0700

I declare as follows: I have received notice of the proposed settlement in this action and I wish to be excluded from the class and *not* to participate in the proposed settlement. I understand this means that I will not be bound by the Settlement and also will not share in the settlement proceeds. I understand that exclusion from the Class Settlement will not result in exclusion from the PAGA portion of the Settlement. If I am an Aggrieved Employee under the Settlement, I will still receive an Individual PAGA Payment.

(Typed or Printed Name)

(Address)

(City, State, Zip Code)

(Telephone Number, Including Area Code)

(Identification Number)

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

Dated: ____,
(Signature)

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EXHIBIT C

1 **WORK WEEK DISPUTE FORM**

2 Superior Court of The State of California
3 For The County of Solano
4 *Vickie Williams v. Vallejo Hospitality LLC*, Case No. FCS059352

5 Indicate Name/Address Changes, if any:

6 <<Name>>

7 <<Address>>

8 <<City>>, <<State>> <<Zip Code>>

9 XX - XX -

10 TO ALL DEFENDANTS' HOURLY, NON-EXEMPT CALIFORNIA EMPLOYEES DURING
11 THE CLASS PERIOD FROM NOVEMBER 30, 2018 THROUGH 03/17/2025.

12 The amount of your estimated Settlement Award is based upon the number of Eligible Work
13 Weeks you worked between November 30, 2018 and March 17, 2025 and Eligible Work Weeks
14 you worked between November 28, 2021 and March 17, 2025. "Individual Class Work Weeks"
15 are defined as any Work Week in which you worked at least one (1) day as an hourly, non-exempt
16 of Vallejo Hospitality LLC, and Three65 Hospitality LLC ("Defendants") in California during
17 the calendar week. "Individual PAGA Work Weeks" are defined as any Work Week in which
18 you worked at least one (1) day as an hourly, non-exempt of Defendants in California during the
19 calendar week during the period of November 28, 2021 through March 17, 2025. The number of
20 Class and PAGA Work Weeks applicable to your claim are set forth below.

21 **YOUR ELIGIBLE WORK WEEKS**

22 Defendants' records indicate that you worked <<number of Work Weeks>> Work Weeks
23 between November 30, 2018 and March 17, 2025 and <<number of Work Weeks>> Work Weeks
24 between November 28, 2021 through March 17, 2025.

25 **YOUR ESTIMATED SETTLEMENT AWARD AND DISPUTE PROCEDURE**

26 Under the terms of the Class Action Settlement, you are entitled to receive a settlement payment
27 in the approximate estimated amount of <<\$Settlement Share Amount>>, minus all applicable
28 payroll and tax deductions, after the Court approves the Settlement and it goes into effect. This
process may take six months or more. You will receive a Form W-2 reflecting the payment to
you. Your Settlement Share reflected on this Notice is only an estimate. The exact amount of the
payment could vary, up or down.

If you wish to dispute the number of November 30, 2018 credited to you, or anything else about
your employment status, you must complete and return this form by indicating what you believe
is incorrect on the blank lines below and return it on or before <<RESPONSE DEADLINE>> to
the Administrator by email, fax, or regular U.S. Mail with proof of the submission date (such as
a postmark or delivery service date stamp). You may use this Work Weeks Dispute form for this

1 purpose. You must also send any documents or other information that you contend supports your
2 belief that the information set forth above is incorrect. The Administrator will resolve any dispute
3 based upon Defendants' records and any information you provide. Please be advised that the
4 information on this Work Weeks Dispute Form is presumed to be correct unless the documents
5 you submit are company records from Defendants.

6
7 **UNLESS YOU ARE FILING A DISPUTE REGARDING THE NUMBER OF WORK**
8 **WEEKS, RECEIPT OF A SETTLEMENT PAYMENT, OR YOUR EMPLOYMENT**
9 **STATUS, YOU DO NOT NEED TO TAKE ANY ACTION**
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EXHIBIT D

1 **OBJECTION FORM**

2 ***Vickie Williams v. Vallejo Hospitality LLC***
3 **Superior Court of the State California, County of Solano**
4 **Case No. FCS059352**

5 Please verify and/or complete any missing identifying information:

6 CPT ID: <<CPT ID>>

7 <<Name>>

8 <<Address1>>

9 <<Address2>>

10 <<City>>, <<State>> <<Zip>>

CORRECT NAME AND ADDRESS HERE:

Telephone Number: (_____) _____ - _____

11 **THIS FORM IS TO BE USED ONLY IF YOU WANT TO PARTICIPATE IN THE**
12 **SETTLEMENT, BUT YOU OBJECT TO THE TERMS OF THE SETTLEMENT. IF**
13 **YOU OBJECT TO THE SETTLEMENT, YOU SHOULD SIGN AND COMPLETE THIS**
14 **FORM ACCURATELY AND IN ITS ENTIRETY (OR ONE LIKE IT), AND YOU**
15 **SHOULD EMAIL IT TO <<_____@_____.COM>>, FAX IT TO <<XXX-XXX-**
16 **XXXX>>, OR MAIL IT BY FIRST CLASS U.S. MAIL TO THE ADMINISTRATOR SO**
17 **THAT IT IS POSTMARKED ON OR BEFORE <<RESPONSE DEADLINE>>. THE**
18 **ADDRESS FOR THE ADMINISTRATOR IS NOTED ON PAGE TWO OF THIS FORM.**

19 **IF YOU DO NOT OBJECT TO THE SETTLEMENT, DO NOT SUBMIT THIS FORM.**
20 **THE ADMINISTRATOR WILL SEND THIS OBJECTION AND ANY SUPPORTING**
21 **DOCUMENTS TO THE ATTORNEYS FOR THE PARTIES. THE ATTORNEYS FOR**
22 **THE PARTIES WILL FILE THE OBJECTION WITH THE COURT.**

23 The Court will consider your objection at the Final Approval Hearing if you timely submit it.
24 Include any and all evidence and supporting papers (including, without limitation, all briefs,
25 written evidence, and declarations) that you would like the Court to consider. However, you may
26 speak to the Court at the final approval hearing whether or not you submit a timely objection.

27 [] I OBJECT to the *Vickie Williams v. Vallejo Hospitality LLC* Settlement on the
28 following grounds (if additional space necessary, please include additional sheets of paper):

23 _____

24 _____

25 _____

26 _____

27 _____

1 [] I am or will be represented by an attorney (provide name and address of attorney on lines
2 below if applicable):

3 _____
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8
9 Executed on _____, 2023

10 _____
(Signature)

11 <<Name>> _____

12 (Printed Name)

13
14 EMAIL TO THE ADMINISTRATOR: << _____@_____.COM>>

15 FAX TO THE ADMINITRATOR: <<(XXX) XXX-XXXX>>

16
17 MAIL TO THE SETTLEMENT ADMINISTRATOR, BY U.S. MAIL
18 POSTMARKED NOT LATER THAN <<RESPONSE DEADLINE>>:

19 *Vickie Williams* v. *Vallejo Hospitality LLC* Administrator
[ADDRESS]

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EXHIBIT E

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8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
9 **FOR THE COUNTY OF SOLANO**
10 **(UNLIMITED JURISDICTION)**

11 VICKIE WILLIAMS, on behalf of herself and all
12 others similarly situated, and as “aggrieved
13 employees” on behalf of other “aggrieved
14 employees” under the Labor Code Private
Attorneys General Act of 2004,

15 *Plaintiff(s).*

16 vs.

17 VALLEJO HOSPITALITY LLC, California
18 limited liability company; THREE65
19 HOSPITALITY LLC, a California limited
liability company; and DOES 1–50, inclusive.

20 *Defendant(s).*

Case No. FCS059352

**[PROPOSED] ORDER
PRELIMINARILY APPROVING
CLASS ACTION SETTLEMENT**

Action filed: November 30, 2022
Dept: 8, The Honorable Wendy
G. Getty

21
22
23 The Motion of Plaintiff Vickie Williams, Three65 Hospitality LLC, and Three65
24 Hospitality LLC (hereafter referred to as “the Parties”) for Preliminary Approval of a Class Action
25 Settlement (the “Motion”) was considered by the Court, The Honorable Wendy G. Getty
26 presiding. The Court having considered the Motion, the Class Action and PAGA Settlement
27

1 Agreement and Class Notice (“Settlement” or “Settlement Agreement”), and supporting papers,
2 HEREBY ORDERS THE FOLLOWING:

3 1. The Court grants preliminary approval of the Settlement and the Settlement Class
4 based upon the terms set forth in the Settlement filed as an Exhibit to the Motion for Preliminary
5 Approval. All terms herein shall have the same meaning as defined in the Settlement. The Court
6 has determined only that there is sufficient evidence to suggest that the proposed settlement
7 might be fair, adequate, and reasonable, and that any final determination of those issues
8 will be made at the final hearing. The Court will make a determination at the hearing on the
9 motion for final approval of class action settlement (the “Final Approval Hearing”) as to whether
10 the Settlement is fair, adequate and reasonable to the Settlement Class.
11

12 2. For purposes of this Preliminary Approval Order, the “Settlement Class” means
13 All Defendants’ hourly, non-exempt California employees during the Class Period. (collectively
14 “Class Members”), who worked anytime during the Class Period. The “Class Period” shall mean
15 the period of time from November 30, 2018, through March 17, 2025.
16

17 3. Based on its records, Defendants estimate that, as of the date of the Settlement
18 Agreement, (1) there are 125 Class Members and 1,669 Total Work Weeks during the Class
19 period and (2) there were 125 Aggrieved Employees who worked 876 Pay Periods during the
20 PAGA Period. If the Work Weeks and/or Class Members as of the date the Court approves the
21 settlement exceeds the referenced 1,669 Work Weeks and/or 79 Class Members by more than
22 10.00%, the Gross Settlement Amount, including the Class Counsel Fees Payment, the Class
23 Representative Service Payment, and the LWDA payment, will increase proportionally according
24 to the number of additional Work Weeks or Class Members, whichever results in a higher increase
25 in the Gross Settlement Amount.
26
27

1 4. “Effective Date” means the date by when both of the following have occurred: (a)
2 the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the
3 Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no
4 Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if
5 one or more Participating Class Members objects to the Settlement, the day after the deadline for
6 filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the
7 day after the appellate court affirms the Judgment and issues a remittitur.
8

9 5. This action is provisionally certified pursuant to section 382 of the California Code
10 of Civil Procedure and Rule 3.760, et seq. of the California Rules of Court as a class action for
11 purposes of settlement only with respect to the proposed Settlement Class.
12

13 6. Not later than 15 days after the Court grants Preliminary Approval of the
14 Settlement, Defendants will simultaneously deliver the Class Data to the Administrator, in the
15 form of a Microsoft Excel spreadsheet. To protect Class Members’ privacy rights, the
16 Administrator must maintain the Class Data in confidence, use the Class Data only for purposes
17 of the Settlement and for no other purpose, and restrict access to the Class Data to Administrator
18 employees who need access to the Class Data to effect and perform under the Settlement
19 Agreement. Defendants have a continuing duty to immediately notify Class Counsel if they
20 discover that the Class Data omitted class member identifying information and to provide
21 corrected or updated Class Data as soon as reasonably feasible. Without any extension of the
22 deadline by which Defendants must send the Class Data to the Administrator, the Parties and their
23 counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any
24 issues related to missing or omitted Class Data.
25

26 7. No later than three (3) business days after receipt of the Class Data, the
27
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1 Administrator shall notify Class Counsel that the list has been received and state the number of
2 Class Members, PAGA Members, Work Weeks, and Pay Periods in the Class Data.

3 8. Using best efforts to perform as soon as possible, and in no event later than 14
4 days after receiving the Class Data, the Administrator will send to all Class Members identified
5 in the Class Data, via first-class United States Postal Service ("USPS") mail, the Notice Packet
6 with Spanish translation, if applicable substantially in the forms attached to this order as **Exhibits**
7 **A, B, C, and D**. The first page of the Class Notice shall prominently estimate the dollar amounts
8 of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member,
9 and the number of Work Weeks and PAGA Pay Periods (if applicable) used to calculate these
10 amounts. Before mailing Notice Packets, the Administrator shall update Class Member addresses
11 using the National Change of Address database.
12

13 9. Not later than 3 business days after the Administrator's receipt of any Notice
14 Packet returned by the USPS as undelivered, the Administrator shall re-mail the Notice Packet
15 using any forwarding address provided by the USPS. If the USPS does not provide a forwarding
16 address, the Administrator shall conduct a Class Member Address Search, and re-mail the Notice
17 Packet to the most current address obtained. The Administrator has no obligation to make further
18 attempts to locate or send Notice Packet to Class Members whose Notice Packet is returned by
19 the USPS a second time.
20

21 10. Class Counsel's contact information is David Glenn Spivak, Esq., The Spivak Law
22 Firm, 8605 Santa Monica Bl, PMB 42554, West Hollywood, CA 90069. Defense Counsel's
23 contact information is Peter Samuel, Esq., Samuel and Samuel, 5050 Sunrise Blvd Ste C-1, Ste
24 C-1, Fair Oaks, CA, 95628-4942.
25

26 11. The deadlines for Class Members' written objections, Challenges to Work Weeks
27
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1 and/or Pay Periods (disputes), and Requests for Exclusion will be extended an additional 14 days
2 beyond the 60 days otherwise provided in the Class Notice for all Class Members whose notice is
3 re-mailed. The Administrator will inform the Class Member of the extended deadline with the
4 re-mailed Notice Packet.

5
6 12. If the Administrator, Defendants or Class Counsel is contacted by or otherwise
7 discovers any persons who believe they should have been included in the Class Data and should
8 have received Notice Packet, the Parties will expeditiously meet and confer in person or by
9 telephone, and in good faith, in an effort to agree on whether to include them as Class Members.
10 If the Parties agree, such persons will be Class Members entitled to the same rights as other Class
11 Members, and the Administrator will send, via email or overnight delivery, a Notice Packet
12 requiring them to exercise options under the Settlement Agreement not later than 14 days after
13 receipt of Notice Packet, or the deadline dates in the Notice Packet, which ever are later.

14
15 13. Requests for Exclusion. Class Members who wish to exclude themselves (opt-out
16 of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written
17 Request for Exclusion not later than 60 days after the Administrator mails the Notice Packet (plus
18 an additional 14 days for Class Members whose Notice Packet is re-mailed). A Request for
19 Exclusion is a letter from a Class Member or his/her representative that reasonably communicates
20 the Class Member's election to be excluded from the Settlement and includes the Class Member's
21 name, address and email address or telephone number. To be valid, a Request for Exclusion must
22 be timely faxed, emailed, or postmarked by the Response Deadline. An Election Not to Participate
23 in Settlement form, attached as Exhibit B, may be used for this purpose but is not required.

24
25 14. The Administrator may not reject a Request for Exclusion as invalid because it
26 fails to contain all the information specified in the Class Notice. The Administrator shall accept
27

1 any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of
2 the person as a Class Member and the Class Member's desire to be excluded. The Administrator's
3 determination shall be final and not appealable or otherwise susceptible to challenge. If the
4 Administrator has reason to question the authenticity of a Request for Exclusion, the
5 Administrator may demand additional proof of the Class Member's identity. The Administrator's
6 determination of authenticity shall be final and not appealable or otherwise susceptible to
7 challenge.
8

9 15. Every Class Member who does not submit a timely and valid Request for Exclusion
10 is deemed to be a Participating Class Member under the Settlement Agreement, entitled to all
11 benefits and bound by all terms and conditions of the Settlement, including the Participating Class
12 Members' Releases under Paragraphs 6.2 and 6.3 of the Settlement, regardless whether the
13 Participating Class Member actually receives the Class Notice or objects to the Settlement.
14

15 16. Every Class Member who submits a valid and timely Request for Exclusion is a
16 Non-Participating Class Member and shall not receive an Individual Class Payment or have the
17 right to object to the class action components of the Settlement. Plaintiff releases all claims for
18 civil penalties that could have been sought by the Labor Commissioner for the violations
19 identified in Plaintiff's pre-filing letter to the LWDA; Plaintiff does not release the claim for
20 wages or damages of any Aggrieved Employee unless such Aggrieved Employee is a
21 Participating Class Member.
22

23 17. Challenges to Calculation of Work Weeks. Each Class Member shall have 60 days
24 after the Administrator mails the Notice Packet (plus an additional 14 days for Class Members
25 whose Notice Packet is re-mailed) to challenge the number of Class Work Weeks and PAGA Pay
26 Periods (if any) allocated to the Class Member in the Class Notice. This is also known as a dispute.
27

1 A Work Week Dispute form, attached as Exhibit C, may be used for this purpose but is not
2 required. The Class Member may challenge the allocation by communicating with the
3 Administrator via fax, email or mail. The Administrator must encourage the challenging Class
4 Member to submit supporting documentation. In the absence of any contrary documentation, the
5 Administrator is entitled to presume that the Work Weeks contained in the Class Notice are
6 correct so long as they are consistent with the Class Data. The Administrator's determination of
7 each Class Member's allocation of Work Weeks and/or Pay Periods shall be final and not
8 appealable or otherwise susceptible to challenge. The Administrator shall promptly provide
9 copies of all challenges to calculation of Work Weeks and/or Pay Periods to Defense Counsel and
10 Class Counsel and the Administrator's determination the challenges.

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

17 19. Participating Class Members may send written objections to the Administrator, by
18 fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire
19 an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A
20 Participating Class Member who elects to send a written objection to the Administrator must do
21 so not later than 60 days after the Administrator's mailing of the Notice Packet (plus an additional
22 14 days for Class Members whose Notice Packet was re-mailed). The Objection form attached as
23 Exhibit D may be used for this purpose but is not required.

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

1 21. Not later than 14 days before the date by which Plaintiff is required to file the
2 Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and
3 Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and
4 compliance with all of its obligations under the Settlement Agreement, including, but not limited
5 to, its mailing of the Notice Packets, the Notice Packets returned as undelivered, the re-mailing
6 of Notice Packets, attempts to locate Class Members, the total number of Requests for Exclusion
7 from Settlement it received (both valid or invalid), the number of written objections and attach
8 the Exclusion List. The Administrator will supplement its declaration as needed or requested by
9 the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's
10 declaration(s) in Court.
11

12 22. The Court approves, as to form and content, the Class Notice in substantially the
13 form attached as Exhibit A to this Order, the Election Not to Participate in Settlement form in
14 substantially the form attached as Exhibit B to this Order, the Work Weeks Dispute form in
15 substantially the form attached as Exhibit C to this Order, and the Objection form in substantially
16 the form attached as Exhibit D to this Order.
17

18 23. The Court approves, for settlement purposes only, David Glenn Spivak of The
19 Spivak Law Firm and Walter L. Haines of United Employees Law Group as Class Counsel.
20

21 24. The Court approves, for settlement purposes only, Vickie Williams as the Class
22 Representative.
23

24 25. The Court approves APEX Class Action Administration as the Administrator.
25

26 26. The Court preliminarily approves Class Counsel's request for attorneys' fees and
27 costs subject to final review by the Court.
28

 27. The Court preliminarily approves the estimated Administrator costs payable to the

1 Administrator subject to final review by the Court.

2 28. The Court preliminarily approves Plaintiff's Class Representative Service
3 Payment subject to final review by the Court.

4 29. A Final Approval Hearing shall be held on ____ at ____.m. in Department 8 of the
5 Superior Court for the State of California, County of Solano, located at the Old Solano
6 Courthouse, 580 Texas St., Fairfield, CA 94533 to consider the fairness, adequacy and
7 reasonableness of the proposed Settlement preliminarily approved by this Preliminary Approval
8 Order, and to consider the application of Class Counsel for attorneys' fees and costs and the Class
9 Representative Service Payment to the Class representative. The notice of motion and all briefs
10 and materials in support of the motion for final approval of class action settlement and motion for
11 attorneys' fees and litigation costs shall be served and filed with this Court on or before ____.
12 Plaintiff's counsel must give notice to any objecting party of any continuance of the hearing of
13 the motion for final approval.
14
15

16 30. If for any reason the Court does not execute and file a Final Approval Order and
17 judgment, or if the Effective Date, as defined in the Settlement, does not occur for any reason, the
18 proposed Settlement that is the subject of this order, and all evidence and proceedings had in
19 connection therewith, shall be without prejudice to the status quo ante rights of the Parties to the
20 litigation, as more specifically set forth in the Settlement.
21

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31. The Court expressly reserves the right to adjourn or continue the Final Approval Hearing from time to time without further notice to members of the Class. The Plaintiff shall give prompt notice of any continuance to Settlement Class Members who object to the Settlement.

IT IS SO ORDERED.

DATE _____

**THE HONORABLE WENDY G.
GETTY
SUPERIOR COURT JUDGE**

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EXHIBIT F

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SOLANO
(UNLIMITED JURISDICTION)

VICKIE WILLIAMS, on behalf of herself and all others similarly situated, and as “aggrieved employees” on behalf of other “aggrieved employees” under the Labor Code Private Attorneys General Act of 2004,

Plaintiff(s).

vs.

VALLEJO HOSPITALITY LLC, California limited liability company; THREE65 HOSPITALITY LLC, a California limited liability company; and DOES 1–50, inclusive,

Defendant(s).

Case No. FCS059352

[PROPOSED] FINAL ORDER AND JUDGMENT APPROVING CLASS ACTION SETTLEMENT

Action filed: November 30, 2022
Dept: 8, The Honorable Wendy G. Getty

This matter came on for hearing on ____ at ____m. in Department 8 of the above-captioned court on Plaintiff’s Motion for Final Approval of a Class Action Settlement pursuant to California Rules of Court, Rule 3.769, as set forth in the Joint Stipulation of Class Action Settlement and Release of Claims (the “Settlement”) filed herewith which provides for a Gross Settlement Amount (“GSA”) of up to \$250,000.00 in compromise of all disputed claims on behalf of All Defendants’ hourly, non-exempt California employees during the Class Period. during the period

1 of November 30, 2018 to March 17, 2025 ("Settlement Class Period"). All capitalized terms used
2 herein shall have the same meaning as defined in the Settlement.

3 In accordance with the Court's prior Order Granting Preliminary Approval of Class
4 Action Settlement, Class Members have been given notice of the terms of the Settlement and the
5 opportunity to submit a claim, request exclusion, comment upon or object to it or to any of its
6 terms. Having received and considered the Settlement, the supporting papers filed by the Parties,
7 and the evidence and argument received by the Court in conjunction with the motions for
8 preliminary and final approval of the Settlement, the Court grants final approval of the Settlement
9 and HEREBY ORDERS, ADJUDGES, DECREES AND MAKES THE FOLLOWING
10 DETERMINATIONS¹:

11
12 1. The Court has jurisdiction over the subject matter of the Action and over all Parties
13 to the Action, including all Class Members. Pursuant to this Court's Order Granting Preliminary
14 Approval of Class Action Settlement of ___, the Notice Packet was sent to each Class Member
15 by First Class U.S. mail. The Notice Packet informed Class Members of the terms of the
16 Settlement, their right to receive their proportional share of the Settlement, their right to request
17 exclusion, their right to comment upon or object to the Settlement, and their right to appear in
18 person or by counsel at the final approval hearing and be heard regarding final approval of the
19 Settlement. Adequate periods of time were provided by each of these procedures. No member of
20 the Settlement Class presented written objections to the proposed Settlement as part of this notice
21 process, stated an intention to appear, or actually appeared at the final approval hearing.
22
23
24

25
26 ¹ A true and correct copy of the Court's ruling on the Motion for Final Approval of Class Action
27 Settlement entered on ___ is attached hereto as **Exhibit A** and incorporated by reference. A true
28 and correct copy of the Court's Minute Order dated ___ is attached hereto as **Exhibit B** and
incorporated by reference.

2. For purposes of this Final Order and Judgment, the Class Members are All Defendants' hourly, non-exempt California employees during the Class Period. during the Class Period. at any time during the period of November 30, 2018 to March 17, 2025 ("Settlement Class Period").

3. The Court finds and determines that the notice procedure afforded adequate protections to Class Members and provides the basis for the Court to make an informed decision regarding final approval of the Settlement based on the responses of Class Members. The Court finds and determines that the notice provided in this case was the best notice practicable, which satisfied the requirements of law and due process as to all persons entitled to such notice.

Release by Plaintiff and Class Members. The Parties agree that it is their intent that the resolution set forth in this Settlement will release and discharge the Released Claims by way of any further attempt, by lawsuit, administrative claim or action, arbitration, demand, or other action of any kind by each and all of the Settlement Class Members (including participation to any extent in any representative or collective action) against the Released Parties. This release will not take effect until Defendants have paid the Gross Settlement Amount in full per this Settlement Agreement.

PAGA Release. Plaintiff releases all claims for civil penalties that could have been sought by the Labor Commissioner for the violations identified in Plaintiff's pre-filing letter to the LWDA; Plaintiff does not release the claim for wages or damages of any Aggrieved Employee unless such Aggrieved Employee is a Participating Class Member.

“**Released Claims**” shall mean all claims stated in the Operative Complaint and based solely on the facts alleged in the Operative Complaint. “**Released Parties**” shall mean Defendants, their officers, directors, employees and agents.

2. The Court further finds and determines that the terms of the Settlement are fair, reasonable and adequate, that the Settlement is ordered finally approved, and that all terms and provisions of the Settlement, including the release of claims contained therein, should be and hereby are ordered to be consummated, and directs the Parties to effectuate the Settlement according to its terms. As of the Effective Date of Settlement, and for the duration of the Settlement Class Period, all Class Members are hereby deemed to have waived and released all Released Claims and are forever barred and enjoined from prosecuting the Released Claims against the Released Parties as fully set forth in the Settlement. No objections were received by the Parties or the Court through the date of this Final Order and Judgment. The Court finds ____ Class Member(s) - ____ - submitted a request for exclusion from the Settlement as determined by the Administrator and therefore is/are not in the Settlement Class.

3. The Court finds and determines that (a) the Settlement Shares to be paid to Participating Class Members and (b) the LWDA payment as civil penalties under the California Labor Code Private Attorneys General Act of 2004, as amended, California Labor Code sections 2699 *et seq.*, as provided for by the Settlement are fair and reasonable. The Court hereby grants final approval to, and orders the payment of, those amounts be made to the Participating Class Members and to the California Labor & Workforce Development Agency ("LWDA"), in accordance with the terms of the Settlement.

4. The Court further grants final approval to and orders that the following payments be made in accordance with the terms of the Settlement:

a. Class Counsel fees & costs of \$83,333.33 in attorneys' fees and \$18,500.00 in litigation costs to Class Counsel;

b. \$15,000.00 as a Class Representative Service Payment award payable to

1 the Plaintiff for her services as Class representative;

2 c. \$4,990.00 in costs of the Administrator payable to APEX Class Action
3 Administration for its services as the Administrator; and

4 d. Payment of \$7,500.00 (75% of the (\$10,000.00 PAGA penalty) to the
5 LWDA.
6

7 7. The settlement shall proceed as directed in the Settlement, and no payments
8 pursuant to the Settlement shall be distributed until after the Effective Date of Settlement. Without
9 affecting the finality of this Final Order and Judgment in any way, the Court retains jurisdiction
10 of all matters relating to the interpretation, administration, implementation, effectuation and
11 enforcement of this Final Order and Judgment and the Settlement pursuant to California Rule of
12 Court 3.769(h).
13

14 8. Within 365 calendar days of the Effective Date of Settlement, Defendants shall
15 deposit the Settlement proceeds in an account designated by the Administrator: (i) the total
16 amount of all Individual Class Payments to Participating Class Members, (ii) the Court approved
17 Class Counsel fees & costs, (iii) the Court-approved Class Representative Service Payment, (iv)
18 the Court-approved costs of the Administrator, (v) the payment to the LWDA, and (vi) (i) the
19 total amount of all Individual PAGA Payments to Aggrieved Employees.
20

21 9. Other than their employer side payroll taxes, Defendants' payment of such sums
22 shall be the sole financial obligation of Defendants under the Settlement, and shall be in full
23 satisfaction of all claims released herein, including, without limitation, all claims for wages,
24 penalties, interest, attorneys' fees, costs and expenses.

25 10. Pursuant to CCP 384 and the Settlement. Participating Class Members shall have
26 one hundred and eighty (180) days from the date of the check's issuance to cash their Settlement
27

1 Share check. After 180 days, the Administrator shall remit any uncashed or unclaimed payments,
2 together with any interest actually accrued in the QSF, to the California State Controller's
3 Unclaimed Property Fund pursuant to CCP § 384. Defendants shall have no further responsibility
4 for such funds.

5 11. The Parties shall file a final accounting report by _____. A non-appearance case
6 review re submission of a final report is scheduled for ____ at _____.m. in **Department 8**. The
7 Parties shall also prepare and file a stipulation and proposed order and proposed Amended Final
8 Order and Judgment by _____ which includes the amount of distribution of unpaid cash Residue,
9 and unclaimed or abandoned funds to the non-party, the accrued interest on that sum. The
10 stipulation shall be signed by counsel for the class and defense counsel in accord with the
11 proposed Amended Final Order and Judgment. If there are objections by any party or non-party,
12 class counsel shall immediately notify the Court and the matter will be set for further hearing. A
13 non-appearance hearing for the lodging of the stipulation and proposed order and separate
14 amended judgment is scheduled for ____ at _____.m. in **Department 8**.

15 12. Nothing in this Final Order and Judgment shall preclude any action to enforce the
16 Parties' obligations under the Settlement or hereunder, including the requirement that Defendants
17 deposit funds for distribution by the Administrator to Participating Class Members in accordance
18 with the Settlement.

19 13. The Court hereby enters final judgment in this case in accordance with the terms
20 of the Settlement, Order Granting Preliminary Approval of Class Action Settlement, and this Final
21 Order and Judgment.

22 14. The Parties are hereby ordered to comply with the terms of the Settlement.

23 15. The Parties shall bear their own costs and attorneys' fees except as otherwise
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1 provided by the Settlement and this Final Order and Judgment.

2 16. The Settlement is not an admission by Defendants nor is this Final Order and
3 Judgment a finding of the validity of any claims in the Action or of any wrongdoing by
4 Defendants. Furthermore, the Settlement is not a concession by Defendants and shall not be used
5 as an admission of any fault, omission, or wrongdoing by Defendants. Neither this Final Order
6 and Judgment, the Settlement, any document referred to herein, any exhibit to any document
7 referred to herein, any action taken to carry out the Settlement, nor any negotiations or
8 proceedings related to the Settlement are to be construed as, or deemed to be evidence of, or an
9 admission or concession with regard to, the denials or defenses of Defendants, and shall not be
10 offered in evidence in any proceeding against the Parties hereto in any Court, administrative
11 agency, or other tribunal for any purpose whatsoever other than to enforce the provisions of this
12 Final Order and Judgment. This Final Order and Judgment, the Settlement and exhibits thereto,
13 and any other papers and records on file in the Action may be filed in this Court or in any other
14 litigation as evidence of the settlement by Defendants to support a defense of res judicata,
15 collateral estoppel, release, or other theory of claim or issue preclusion or similar defense as to
16 the Released Claims.
17

18
19 17. This document shall constitute a Judgment for purposes of California Rule of
20 Court 3.769(h).
21

22 **IT IS SO ORDERED, ADJUDGED AND DECREED.**
23

24 _____
25 **DATE**

**THE HONORABLE WENDY G.
GETTY
SUPERIOR COURT JUDGE**

EXHIBIT 2



THE SPIVAK LAW FIRM

EMPLOYEE RIGHTS

8605 Santa Monica Bl PMB 42554 West Hollywood CA 90069

1801 Century Park East, 25th Floor, Los Angeles, CA 90067

(213) 725-9094

(213) 634-2485

spivaklaw.com

Mail

Office

Tel

Fax

Web

SENT BY ELECTRONIC SUBMISSION, CERTIFIED MAIL, AND EMAIL

November 28, 2022

Attn: PAGA Administrator
Labor and Workforce Development Agency
<http://dir.tflaforms.net>
Via Electronic Submission

Re: Vickie Williams / Vallejo Hospitality Group LLC, *et al*
LWDA Number: 918176-22

To Whom It May Concern:

Pursuant to the Labor Code Private Attorneys General Act of 2004, Labor Code sections 2698, *et seq.*, Vickie Williams (hereafter “Williams” or “Complainant”) provides notice that Vallejo Hospitality Group LLC, a California limited liability company, Three65 Hospitality LLC, a California limited liability company, and related entities (collectively “the Vallejo Hospitality Group Employers” or “the Employers”) violated her rights and those of all other individuals the Vallejo Hospitality Group Employers have employed or otherwise contracted with in California as hourly, non-exempt employees, including hotel food attendants and front desk workers, individuals performing work comparable to the aforementioned, and individuals in similar positions (hereafter the “Aggrieved Employees”) under Labor Code sections 201, 202, 203, 204, 226, 226.7, 512, 1198, 2802, and related Labor Code statutes. On behalf of herself and all other Aggrieved Employees, Williams hereby provides this notice to the Labor & Workforce Development Agency and the Vallejo Hospitality Group Employers and their agents and representatives.

At all relevant times, the Vallejo Hospitality Group Employers have employed persons, conducted business, and engaged in illegal payroll practices and policies, throughout California. Williams and all other Aggrieved Employees are “employees” within the meaning of Industrial Welfare Commission Order No. 5-2001 (hereafter “the Wage Order”) section 2, subdivision (F) and “Aggrieved Employees” within the meaning of Labor Code section 2699(c).

Statement of Facts

On approximately May 8, 2022, the Vallejo Hospitality Group Employers began to employ Williams in Vallejo in the position of hourly, non-exempt food attendant and then as a front desk worker. The Vallejo Hospitality Group Employers continuously employed her in that capacity until on or about June 10, 2022, when her employment ended.

At all relevant times, the Vallejo Hospitality Group Employers issued wages to Williams and all other Aggrieved Employees on a biweekly (26 paychecks/year) basis and paid them by the hour. At all relevant times, the Vallejo Hospitality Group Employers classified Williams and all other Aggrieved Employees as non-exempt employees entitled to the protections of the Labor Code and the Wage Order.

The Vallejo Hospitality Group Employers failed to compensate Williams and all other Aggrieved Employees at the correct rates of pay for all hours worked over eight in a day, over 40 in a week, and for the first eight hours of the seventh day of the workweek.

At all relevant times, the Vallejo Hospitality Group Employers failed to provide Williams and all other Aggrieved Employees with all timely 30-minute, off-duty meal periods. The Vallejo Hospitality Group Employers required Williams and all other Aggrieved Employees to remain at their assigned workstations or work areas at all times. Additionally, the Vallejo Hospitality Group Employers understaffed their hotel and required Williams and all other Aggrieved Employees to regularly work 12-hour shifts. The Vallejo Hospitality Group Employers required Williams and all other Aggrieved Employees to work during their rest and meal periods to cover multiple positions. The Vallejo Hospitality Group Employers compelled Williams and all other Aggrieved Employees to work and forgo meal and rest periods to cover positions that the Vallejo Hospitality Group Employers failed to staff. Consequently, the Vallejo Hospitality Group Employers prevented Williams and other Aggrieved Employees from taking their 30-minute meal period. The Vallejo Hospitality Group Employers also failed to pay premium wages for days on which they failed to provide Williams and all other Aggrieved Employees with meal periods as required by law.

At all relevant times, the Vallejo Hospitality Group Employers failed to authorize and permit Williams and all other Aggrieved Employees to take ten-minute, off-duty, paid rest breaks every four hours worked or major portion thereof. The Vallejo Hospitality Group Employers required Williams and all other Aggrieved Employees to remain at

their assigned workstations or work areas at all times. Additionally, the Vallejo Hospitality Group Employers understaffed their hotel and required Williams and all other Aggrieved Employees to regularly work 12-hour shifts. The Vallejo Hospitality Group Employers required Williams and all other Aggrieved Employees to work during their rest and meal periods to cover multiple positions. The Vallejo Hospitality Group Employers compelled Williams and all other Aggrieved Employees to work and forgo meal and rest periods to cover positions that the Vallejo Hospitality Group Employers failed to staff. Consequently, the Vallejo Hospitality Group Employers prevented Williams and other Aggrieved Employees from taking their 10-minute rest break every four hours or major portion thereof. The Vallejo Hospitality Group Employers also failed to pay premium wages for days on which they failed to authorize and permit Williams and all other Aggrieved Employees to take rest breaks as required by law.

At all relevant times, the Vallejo Hospitality Group Employers required Williams and all other Aggrieved Employees to incur certain business expenses in the course of performing their duties. The Vallejo Hospitality Group Employers required Williams and all other Aggrieved Employees to supply mobile phones, telecom, and uniforms to perform their job duties. However, the Vallejo Hospitality Group Employers did not provide these items and did not reimburse Williams and the other Aggrieved Employees for these items. The Vallejo Hospitality Group required Williams and all other Aggrieved Employees to use their personal mobile phones to remain in contact with management. The Vallejo Hospitality Group also relied on group chats with Williams and all other Aggrieved Employees to conduct company business. The Vallejo Hospitality Group Employers did not reimburse Williams and all other Aggrieved Employees for their personal electronic devices nor their telecom expenses. Additionally, the Vallejo Hospitality Group Employers required Williams and all other Aggrieved Employees classified as food attendants to wear “scrub” type uniforms that cost over \$70.00 per set. The Vallejo Hospitality Group Employers forced Williams and all other Aggrieved Employees to pay for the required uniforms and the cleaning of same but did not reimburse them.

At all relevant times, the Vallejo Hospitality Group Employers failed to issue to Williams and all other Aggrieved Employees complete and accurate wage statements that state all hours worked at the correct rates of pay and all wages earned. The Vallejo Hospitality Group Employers knowingly and intentionally failed to state on the wage statements they issued to Williams and all other Aggrieved Employees the unpaid wages

discussed above. The wage statements fail to state all meal period premium wages earned, all rest break premium wages earned, and other required information.

The Vallejo Hospitality Group Employers also failed to timely pay Williams and all other Aggrieved Employees all earned wages as described above during and at the conclusion of employment.

The Vallejo Hospitality Group Employers failed to maintain accurate employee records of Williams and all other Aggrieved Employees.

For the reasons stated herein, Williams alleges the following violations of the Labor Code and the Wage Order on behalf of herself and all other Aggrieved Employees:

- (a) The Vallejo Hospitality Group Employers failed to provide Williams and all other Aggrieved Employees all meal periods in compliance with California law;
- (b) The Vallejo Hospitality Group Employers failed to authorize and permit Williams and all other Aggrieved Employees to take rest breaks in compliance with California law;
- (c) The Vallejo Hospitality Group Employers failed to compensate Williams and all other Aggrieved Employees at one hour's pay for each day in which the Vallejo Hospitality Group Employers failed to provide them with one or more meal periods as required by law;
- (d) The Vallejo Hospitality Group Employers failed to compensate Williams and all other Aggrieved Employees at one hour's pay for each day in which the Vallejo Hospitality Group Employers failed to authorize and permit them to take one or more rest breaks as required by law;
- (e) The Vallejo Hospitality Group Employers failed to indemnify Williams and all other Aggrieved Employees for all necessary business expenditures incurred during the discharge of their duties;

- (f) The Vallejo Hospitality Group Employers knowingly and intentionally failed to provide Williams and all other Aggrieved Employees with accurate wage statements;
- (g) The Vallejo Hospitality Group Employers willfully failed to timely pay Williams and all other Aggrieved Employees all earned and unpaid wages during their employment with the Vallejo Hospitality Group Employers and when their employment ended; and
- (h) The Vallejo Hospitality Group Employers failed to maintain accurate employment records pertaining to Williams and all other Aggrieved Employees.

Accordingly, Williams now seeks civil penalties on behalf of herself and all other Aggrieved Employees based on the Vallejo Hospitality Group Employers' alleged violations of the Labor Code and the Wage Order.

The Wage Order

The Wage Order applies to "all persons employed in the public housekeeping industry whether paid on a time, piece rate, commission, or other basis." Wage Order, § 1. The Wage Order defines "Public Housekeeping Industry" to mean

any industry, business, or establishment which provides meals, housing, or maintenance services whether operated as a primary business or when incidental to other operations in an establishment not covered by an industry order of the Commission, and includes, but is not limited to the following:

- (1) Restaurants, night clubs, taverns, bars, cocktail lounges, lunch counters, cafeterias, boarding houses, clubs, and all similar establishments where food in either solid or liquid form is prepared and served to be consumed on the premises;
- (2) Catering, banquet, box lunch service, and similar establishments which prepare food for consumption on or off the premises;

- (3) Hotels, motels, apartment houses, rooming houses, camps, clubs, trailer parks, office or loft buildings, and similar establishments offering rental of living, business, or commercial quarters;
- (4) Hospitals, sanitariums, rest homes, child nurseries, child care institutions, homes for the aged, and similar establishments offering board or lodging in addition to medical, surgical, nursing, convalescent, aged, or child care;
- (5) Private schools, colleges, or universities, and similar establishments which provide board or lodging in addition to educational facilities;
- (6) Establishments contracting for development, maintenance or cleaning of grounds; maintenance or cleaning of facilities and/or quarters of commercial units and living units; and
- (7) Establishments providing veterinary or other animal care services.

Wage Order, § 2(P). At all relevant times during the applicable limitations period, the Country Inn & Suites Employers, Williams, and all other Aggrieved Employees were covered by the Wage Order because the Vallejo Hospitality Group Employers operated, and Williams, and all other Aggrieved Employees worked for, one or more hotels. Accordingly, Williams and all other Aggrieved Employees are entitled to the protections the Wage Order provides.

Failure to Provide Meal Periods
(Lab. Code §§ 226.7, 512, and 1198)

In relevant part, section 2(K) of the Wage Order states,

“Hours worked” means the time during which an employee is subject to the control of an employer, and includes all the time the employee is suffered or permitted to work, whether or not required to do so.

In relevant part, Labor Code section 1198 states, “The employment of any employee ... under conditions of labor prohibited by the [Wage Order] is unlawful.”

In relevant part, Labor Code section 512 states:

An employer may not employ an employee for a work period of more than five hours per day without providing the employee with a meal period of not less than 30 minutes, except that if the total work period per day of the employee is no more than six hours, the meal period may be waived by mutual consent of both the employer and employee. An employer may not employ an employee for a work period of more than 10 hours per day without providing the employee with a second meal period of not less than 30 minutes, except that if the total hours worked is no more than 12 hours, the second meal period may be waived by mutual consent of the employer and the employee only if the first meal period was not waived.

In relevant part, section 11 of the Wage Order states:

Meal Periods:

- (A) No employer shall employ any person for a work period of more than five (5) hours without a meal period of not less than 30 minutes, except that when a work period of not more than six (6) hours will complete the day's work the meal period may be waived by mutual consent of the employer and the employee. Unless the employee is relieved of all duty during a 30 minute meal period, the meal period shall be considered an "on duty" meal period and counted as time worked. . . .
- (B) If an employer fails to provide an employee a meal period in accordance with the applicable provisions of this Order, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of compensation for each workday that the meal period is not provided.

In addition, Labor Code section 226.7 states:

- (b) An employer shall not require an employee to work during a meal or rest or recovery period mandated pursuant to an applicable statute, or applicable regulation, standard, or order of the Industrial Welfare Commission, the Occupational Safety and Health

Standards Board, or the Division of Occupational Safety and Health.

- (c) If an employer fails to provide an employee a meal or rest or recovery period in accordance with a state law, including, but not limited to, an applicable statute or applicable regulation, standard, or order of the Industrial Welfare Commission, the Occupational Safety and Health Standards Board, or the Division of Occupational Safety and Health, the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest or recovery period is not provided.

At all relevant times, the Vallejo Hospitality Group Employers failed to provide Williams and all other Aggrieved Employees with all timely meal periods. The Vallejo Hospitality Group Employers denied Williams and all other Aggrieved Employees their 30-minute off-duty meal period within the first five hours of work and all subsequent earned meal periods. The Vallejo Hospitality Group Employers required Williams and all other Aggrieved Employees to remain at their assigned workstations or work areas at all times. Additionally, the Vallejo Hospitality Group Employers understaffed their hotel and required Williams and all other Aggrieved Employees to regularly work 12-hour shifts. The Vallejo Hospitality Group Employers required Williams and all other Aggrieved Employees to work during their rest and meal periods to cover multiple positions. The Vallejo Hospitality Group Employers compelled Williams and all other Aggrieved Employees to work and forgo meal and rest periods to cover positions that the Vallejo Hospitality Group Employers failed to staff. Consequently, the Vallejo Hospitality Group Employers prevented Williams and other Aggrieved Employees from taking their 30-minute meal period. Furthermore, the Vallejo Hospitality Group Employers failed to pay premium wages for days on which they failed to provide Williams and all other Aggrieved Employees with timely meal periods. Accordingly, Williams now seeks civil penalties for these Labor Code violations that the Vallejo Hospitality Group Employers have committed against her and all of the other Aggrieved Employees as follows:

1. \$100 for each aggrieved employee for each initial violation of Labor Code section 226.7, and \$200 for each aggrieved employee for each subsequent violation, per pay period (penalties set by Labor Code section 2699(f)(2));

2. \$50 for each aggrieved employee for each initial violation of Labor Code section 512, and \$100 for each aggrieved employee for each subsequent violation, per pay period in addition to an amount sufficient to recover underpaid wages (penalties set by Labor Code section 558); and
3. \$100 for each aggrieved employee for each initial violation of Labor Code section 1198, and \$200 for each aggrieved employee for each subsequent violation, per pay period (penalties set by Labor Code section 2699(f)(2)).

Failure to Authorize and Permit Rest Periods
(Lab. Code §§ 226.7 & 1198)

Section 2(K) of the Wage Order states,

“Hours worked” means the time during which an employee is subject to the control of an employer, and includes all the time the employee is suffered or permitted to work, whether or not required to do so.

In relevant part, Labor Code section 1198 states,

The employment of any employee . . . under conditions of labor prohibited by the [Wage Order] is unlawful.

Section 12 of the Wage Order provides, in relevant part:

Rest Periods:

- (A) Every employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period. The authorized rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof. However, a rest period need not be authorized for employees whose total daily work time is less than three and one-half (3 ½) hours. Authorized rest period time shall be counted as hours worked for which there shall be no deduction from wages.

- (B) If an employer fails to provide an employee a rest period in accordance with the applicable provisions of this order, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of compensation for each workday that the rest period is not provided.

In addition, Labor Code section 226.7 states:

- (b) An employer shall not require an employee to work during a meal or rest or recovery period mandated pursuant to an applicable statute, or applicable regulation, standard, or order of the Industrial Welfare Commission, the Occupational Safety and Health Standards Board, or the Division of Occupational Safety and Health.
- (c) If an employer fails to provide an employee a meal or rest or recovery period in accordance with a state law, including, but not limited to, an applicable statute or applicable regulation, standard, or order of the Industrial Welfare Commission, the Occupational Safety and Health Standards Board, or the Division of Occupational Safety and Health, the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest or recovery period is not provided.

The Vallejo Hospitality Group Employers failed to authorize and permit Williams and all other Aggrieved Employees to take ten-minute, paid, duty-free rest breaks every four hours worked or major fraction thereof. The Vallejo Hospitality Group Employers did not seek an exemption from the rest period protections of the Wage Order from the California Division of Labor Standards Enforcement. The Vallejo Hospitality Group Employers required Williams and all other Aggrieved Employees to remain at their assigned workstations or work areas at all times. Additionally, the Vallejo Hospitality Group Employers understaffed their hotel and required Williams and all other Aggrieved Employees to regularly work 12-hour shifts. The Vallejo Hospitality Group Employers required Williams and all other Aggrieved Employees to work during their rest and meal periods to cover multiple positions. The Vallejo Hospitality Group

Employers compelled Williams and all other Aggrieved Employees to work and forgo meal and rest periods to cover positions that the Vallejo Hospitality Group Employers failed to staff. Consequently, the Vallejo Hospitality Group Employers prevented Williams and other Aggrieved Employees from taking their 10-minute rest breaks every four hours. Moreover, the Vallejo Hospitality Group Employers failed to pay Williams and all other Aggrieved Employees premium wages on workdays the Vallejo Hospitality Group Employers failed to provide Williams and all other Aggrieved Employees with 10-minute rest periods every four hours worked or major fraction thereof. Accordingly, Williams now seeks civil penalties for these Labor Code violations that the Vallejo Hospitality Group Employers have committed against her and all of the other Aggrieved Employees as follows:

1. \$100 for each aggrieved employee for each initial violation of Labor Code section 226.7, and \$200 for each aggrieved employee for each subsequent violation, per pay period (penalties set by Labor Code section 2699(f)(2)); and
2. \$100 for each aggrieved employee for each initial violation of Labor Code section 1198, and \$200 for each aggrieved employee for each subsequent violation, per pay period (penalties set by Labor Code section 2699(f)(2)).

Failure to Reimburse for Expenses
(Lab. Code §§ 1198 and 2802)

In pertinent part, Labor Code § 2802(a) states, “An employer shall indemnify his or her employee[s] for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her duties.”

Additionally, the Wage Order states,

- (A) When uniforms are required by the employer to be worn by the employee as a condition of employment, such uniforms shall be provided and maintained by the employer.
...
- (B) When tools or equipment are required by the employer or are necessary to the performance of a job, such tools and equipment shall be provided

and maintained by the employer, except that an employee whose wages are at least two (2) times the minimum wage provided herein may be required to provide and maintain hand tools and equipment customarily required by the trade or craft.

Wage Order, § 9(B).

Labor Code Section 1198 prohibits an employer from employing any person under conditions that violate the Wage Order.

As described above, the Vallejo Hospitality Group Employers required Williams and all other Aggrieved Employees to incur certain business expenses in the course of performing their duties. The Vallejo Hospitality Group Employers required Williams and all other Aggrieved Employees to supply mobile phones, telecom, and uniforms to perform their job duties. However, the Vallejo Hospitality Group Employers did not provide these items and did not reimburse Williams and the other Aggrieved Employees for these items. The Vallejo Hospitality Group required Williams and all other Aggrieved Employees to communicate with management during their shifts using their personal mobile phones. The Vallejo Hospitality Group also required Williams and all other Aggrieved Employees to conduct company business. The Vallejo Hospitality Group Employers did not reimburse Williams and all other Aggrieved Employees for their personal electronic devices nor their telecom expenses. Additionally, the Vallejo Hospitality Group Employers required Williams and all other Aggrieved Employees classified as food attendants to wear "scrub" type uniforms that cost over \$70.00 per set. The Vallejo Hospitality Group Employers forced Williams and all other Aggrieved Employees to pay for the required uniforms but did not reimburse them. Accordingly, Williams seeks civil penalties for these Labor Code violations that the Vallejo Hospitality Group Employers have committed against her and all of the other Aggrieved Employees as follows:

1. \$100 for each aggrieved employee for each initial violation of Labor Code section 2802, and \$200 for each aggrieved employee for each subsequent violation, per pay period (penalties set by Labor Code section 2699(f)(2)); and

2. \$100 for each aggrieved employee for each initial violation of Labor Code section 1198, and \$200 for each aggrieved employee for each subsequent violation, per pay period (penalties set by Labor Code section 2699(f)(2)).

Failure to Provide Accurate Wage Statements
(Lab. Code § 226)

Labor Code section 226(a) requires an employer to provide an employee, either semi-monthly or at the time of each wage payment, with an accurate and itemized written wage statement that shows:

1. Gross wages earned;
2. Total hours worked by the employee, except for any employee whose compensation is solely based on a salary and who is exempt from payment of overtime under subdivision (a) of Section 515 or any applicable order of the Industrial Welfare Commission;
3. The number of piece rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis;
4. All deductions, provided that all deductions made on written orders of the Employee may be aggregated and shown as one item;
5. Net wages earned;
6. The inclusive dates of the period for which the employee is paid;
7. The name of the employee and his or her social security number, except that by January 1, 2008, only the last four digits of his or her social security number or an employee identification number other than a social security number may be shown on the itemized statement;
8. The name and address of the legal entity that is the employer; and

9. All applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee.

At all relevant times during the applicable limitations period, the Vallejo Hospitality Group Employers violated Labor Code section 226 because they did not properly and accurately itemize each Aggrieved Employee's gross wages earned, net wages earned, the total hours worked, the corresponding number of hours worked at each rate by the Aggrieved Employee and other requirements of Labor Code section 226. The Vallejo Hospitality Group Employers knowingly and intentionally failed to state on the wage statements they issued to Williams and all other Aggrieved Employees the earned, but unpaid wages described above. The wage statements do not state all meal period premium wages earned, all rest break premium wages earned, and other required information.

Accordingly, Williams seeks civil penalties for the Labor Code violations that the Vallejo Hospitality Group Employers have committed against her and all of the other Aggrieved Employees as follows: \$250 for each aggrieved employee for each initial violation of Labor Code section 226(a), and \$1,000 for each aggrieved employee for each subsequent violation (penalties set by Labor Code section 226.3).

Failure to Timely Pay Wages During Employment
(Lab. Code § 204)

Labor Code section 204 states all wages (other than those mentioned in Labor Code sections 201 and 202) earned by any person in any employment are due and payable twice during each calendar month, on days designated in advance by the employer as the regular paydays. Labor performed between the 1st and 15th days, inclusive, of any calendar month shall be paid for between the 16th and the 26th day of the month during which the labor was performed, and labor performed between the 16th and the last day, inclusive, of any calendar month, shall be paid for between the 1st and 10th day of the following month. In addition, all wages for work performed in excess of the normal work period must be paid by no later than the following regular payday.

The Vallejo Hospitality Group Employers failed to compensate Williams and all other Aggrieved Employees for wages earned, including unprovided meal period premium wages, unprovided rest break premium wages, and other compensation, at the intervals

stated above. As a result, the Vallejo Hospitality Group Employers failed to timely pay all earned wages due during employment within the time periods set by Labor Code section 204. Accordingly, Williams now seeks civil penalties for the Labor Code violations that the Vallejo Hospitality Group Employers have committed against her and all of the other Aggrieved Employees as follows: \$100 for each aggrieved employee for each initial violation of Labor Code section 204, and \$200 for each aggrieved employee for each subsequent violation, plus 25% of the amount unlawfully withheld from each aggrieved employee (penalties set by Labor Code section 210).

Failure to Timely Pay Wages Upon Termination of Employment
(Lab. Code §§ 201, 202, and 203)

Under Labor Code § 201, if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately. Under § 202, if an employee not having a written contract for a definite period quits his or her employment, his or her wages shall become due and payable not later than 72-hours thereafter, unless the employee has given 72-hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting. Notwithstanding any other provision of law, an employee who quits without providing a 72-hour notice shall be entitled to receive payment by mail if he or she so requests and designates a mailing address. *Id.* The date of the mailing shall constitute the date of payment for purposes of the requirement to provide payment within 72 hours of the notice of quitting. *Id.*

Under Labor Code § 203, if an employer willfully fails to pay without abatement or reduction, in accordance with §§ 201 and 202, the wages of an employee who is discharged or who quits, the wages of the employee shall continue as a penalty from the due date thereof at the same rate until paid or until an action therefor is commenced; but the wages shall not continue for more than 30 days.

The Vallejo Hospitality Group Employers failed to pay Williams and all other Aggrieved Employees whose employment ended all the earned, but unpaid wages described above by the conclusion of their employment with Williams, including regular wages, overtime wages, unprovided meal period premium wages, unprovided rest break premium wages, and other compensation. Additionally, the Vallejo Hospitality Group Employers failed to issue to Williams and all other Aggrieved Employees whose employment ended their final paychecks for over two weeks following termination. By failing to pay Williams

and all other Aggrieved Employees as set forth above at the end of employment, the Vallejo Hospitality Group Employers are liable for violations of Labor Code §§ 201, 202, and 203. Accordingly, on behalf of herself and all other Aggrieved Employees, Williams seeks civil penalties from the Vallejo Hospitality Group Employers as follows:

1. For violations of Labor Code § 201, \$100 per aggrieved employee for each of the pay periods in which initial violations of § 201 occurred, and \$200 per aggrieved employee per pay period in which subsequent violations of § 201 occurred (penalties set by Labor Code § 2699(f)(2));
2. For violations of Labor Code § 202, \$100 per aggrieved employee for each of the pay periods in which initial violations of § 202 occurred, and \$200 per aggrieved employee per pay period in which subsequent violations of § 202 occurred (penalties set by Labor Code § 2699(f)(2)); and
3. For violations of Labor Code § 203, \$100 per aggrieved employee for each of the pay periods in which initial violations of § 203 occurred, and \$200 for per aggrieved employee per pay period in which subsequent violations of § 203 occurred (penalties set by Labor Code § 2699(f)(2)).

Failure to Maintain Accurate Employment Records
(Lab. Code §§ 1174 & 1198)

Labor Code section 1174, which also pertains to recordkeeping, states:

Every person employing labor in this state shall:

...

(c) Keep a record showing the names and addresses of all employees employed and the ages of all minors

(d) Keep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. These records shall be kept in accordance with

rules established for this purpose by the commission, but in any case shall be kept on file for not less than three years. An employer shall not prohibit an employee from maintaining a personal record of hours worked, or, if paid on a piece-rate basis, piece-rate units earned.

Labor Code section 1174.5 states:

Any person employing labor who willfully fails to maintain the records required by subdivision(c) of Section 1174 or accurate and complete records required by subdivision (d) of Section 1174, or to allow any member of the commission or employees of the division to inspect records pursuant to subdivision (b) of Section 1174, shall be subject to a civil penalty of five hundred dollars (\$500).

Section 7 of Wage Order stat

(A) Every employer shall keep accurate information with respect to each employee including the following:

- (1) Full name, home address, occupation and social security number.
- (2) Birth date, if under 18 years, and designation as a minor.
- (3) Time records showing when the employee begins and ends each work period. Meal periods, split shift intervals and total daily hours worked shall also be recorded. Meal periods during which operations cease and authorized rest periods need not be recorded.
- (4) Total wages paid each payroll period, including value of board, lodging, or other compensation actually furnished to the Employee.

- (5) Total hours worked in the payroll period and applicable rates of pay. This information shall be made readily available to the employee upon reasonable request.
- (6) When a piece rate or incentive plan is in operation, piece rates or an explanation of the incentive plan formula shall be provided to employees. An accurate production record shall be maintained by the employer.

Labor Code section 1198 prohibits employers from employing their employees under conditions prohibited by the Wage Order.

The Vallejo Hospitality Group Employers failed to compensate Williams and all other Aggrieved Employees for all hours worked at the correct rates of pay, including all meal period premium wages earned, all rest break premium wages earned, and related compensation. As a result, the Vallejo Hospitality Group Employers have failed to accurately maintain all records required by section 1174 and the Wage Order, including but not limited to Williams and all other Aggrieved Employees' total hours worked, total wages paid, and applicable hourly rates during each payroll period. Accordingly, Williams seeks civil penalties on behalf of herself and all of the other Aggrieved Employees as follows:

1. \$500 for each aggrieved employee for each violation of Labor Code section 1174 (penalties set by Labor Code section 1174.5); and
2. \$100 for each aggrieved employee for each initial violation of Labor Code section 1198, and \$200 for each Aggrieved Employee for each subsequent violation, per pay period (penalties set by Labor Code section 2699(f)(2)).

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LWDA / The Vallejo Hospitality Group Employers
Re: Vickie Williams
November 28, 2022
Page 19 of 19

Conclusion

As noted above, this letter constitutes the required notice under the Labor Code Private Attorneys General Act of 2004. Please be advised that Vickie Williams will seek both reasonable attorneys' fees and costs under Labor Code section 2699(g)(1) in a civil action should the LWDA decline to pursue this matter. This letter also serves as a formal notice under the catalyst theory and Code of Civil Procedure section 1021.5 to resolve this matter before litigation.

Sincerely,



David Spivak, Esq.
David@spivaklaw.com
cc: Vickie Williams

Walter L. Haines
United Employees Law Group
4276 Katella Ave
Suite 301
Los Alamitos, CA 90720
walter@uelglaw.com

Vallejo Hospitality LLC
c/o Michael Heath Esq.
Law Offices of Michael Heath
3251 Steiner Street
San Francisco, CA 94123

Three65 Hospitality Group LLC
c/o Silicon Valley Tax & Accounting Services
20111 Stevens Creek Blvd, Ste 280
Cupertino, CA 95014

EXHIBIT 3

NOV 30 2022

By A. Amaral
DEPUTY CLERK

1 DAVID G. SPIVAK (SBN 179684)
david@spivaklaw.com
2 MAYA CHEAITANI (SBN 335777)
maya@spivaklaw.com
3 JENICA LEONARD (SBN 245366)
jenica@spivaklaw.com
4 THE SPIVAK LAW FIRM
5 8605 Santa Monica Bl
PMB 42554
6 West Hollywood, CA 90069
7 Telephone: (213) 725-9094
Facsimile: (213) 634-2485

8 Attorneys for Plaintiff(s),
9 VICKIE WILLIAMS, and all others similarly situated
10 (Additional attorneys for Plaintiff(s) on next page)

ASSIGNED TO
JUDGE Christine Carringer
FOR ALL PURPOSES

11 SUPERIOR COURT OF THE STATE OF CALIFORNIA

12 FOR THE COUNTY OF SOLANO
13 (UNLIMITED JURISDICTION)

14 VICKIE WILLIAMS, on behalf of herself and all
15 others similarly situated, and the general public,

16 *Plaintiff(s),*

17 vs.

18 VALLEJO HOSPITALITY LLC, a California
19 limited liability company; THREE65
20 HOSPITALITY LLC, a California limited
liability company; and DOES 1-50, inclusive,

21 *Defendant(s).*

Case No.

FCS059352

CLASS ACTION

COMPLAINT FOR:

1. Failure to Provide Rest Breaks (Lab. Code §§ 226.7 and 1198);
2. Failure to Provide Meal Periods (Lab. Code §§ 226.7, 512 and 1198);
3. Failure to Indemnify (Lab. Code §§ 1198 and 2802);
4. Wage Statement Penalties (Lab. Code § 226); and
5. Unfair Competition (Bus. & Prof. Code §§ 17200, et seq.)

JURY TRIAL DEMANDED



SPIVAK LAW
EMPLOYEE RIGHTS

Mail:
8605 Santa Monica Bl
PMB 42554
West Hollywood, CA 90069
(213) 725-9094 Tel
(213) 634-2485 Fax
Spivaklaw.com

Office:
1801 Century Park East
25th Floor
Los Angeles, CA 90067

ADDITIONAL ATTORNEY(S) FOR PLAINTIFF(S)

WALTER L. HAINES (SBN 71075)
walter@uelglaw.com
UNITED EMPLOYEES LAW GROUP
4276 Katella Ave
Suite 301
Los Alamitos, CA 90720
Telephone: (562) 256-1047
Facsimile: (562) 256-1006



SPIVAK LAW
EMPLOYEE RIGHTS

Mail:
8605 Santa Monica Bl
PMB 42554
West Hollywood, CA 90069
(213) 725-9094 Tel
(213) 634-2485 Fax
SpivakLaw.com

Office:
1801 Century Park East
25th Floor
Los Angeles, CA 90067

1 Plaintiff, Vickie Williams (hereafter “Plaintiff” or “Williams”), on behalf of herself and
2 all others similarly situated, complains and alleges as follows:

3 **I. INTRODUCTION**

4 1. Plaintiff brings this class action for alleged violations of the California Labor
5 Code, Industrial Welfare Commission Order No. 5-2001 (hereafter “the Wage Order”), and the
6 California Business and Professions Code against Defendants Vallejo Hospitality LLC, a
7 California limited liability company, Three65 Hospitality LLC, a California limited liability
8 company, and Does 1 through 50, inclusive (collectively “Defendants”).

9 2. As set forth in more detail below, Plaintiff alleges that Defendants are liable to her
10 and other similarly situated workers for unpaid wages, statutory penalties, interest, and related
11 relief. These claims are based on Defendants’ failures to:

- 12 (A) Provide all meal periods;
- 13 (B) Authorize and permit all rest breaks;
- 14 (C) Pay premium wages for unprovided meal periods;
- 15 (D) Pay premium wages for unprovided rest breaks;
- 16 (E) Indemnify for necessary work-related expenditures;
- 17 (F) Issue only accurate and complete itemized wage statements; and
- 18 (G) Timely pay wages upon termination of employment;

19 Accordingly, Plaintiff now seeks to recover unpaid wages, interest, liquidated damages,
20 restitution, statutory penalties, attorneys’ fees, costs, and related relief through this class action.

21 **II. THE PARTIES**

22 3. Plaintiff Vickie Williams is a resident of California.

23 4. Defendant Vallejo Hospitality LLC is a limited liability company organized and
24 existing under the laws of California and a citizen of California based on Plaintiff’s information
25 and belief.

26 5. Defendant Three65 Hospitality LLC is a limited liability company organized and
27 existing under the laws of California and a citizen of California based on Plaintiff’s information
28 and belief.

6. Plaintiff is ignorant of the true names, capacities, relationships, and extents of
participation in the conduct alleged herein of the Defendants sued as DOES 1-50, inclusive, but
is informed and believes and thereon alleges that said Defendants are legally responsible for the



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1 wrongful conduct alleged herein and therefore sues these Defendants by such fictitious names.
2 Plaintiff will amend the Complaint to allege the true names and capacities of the DOE Defendants
3 when ascertained.

4 7. Plaintiff is informed and believes and thereon alleges that, at all relevant times
5 herein, all Defendants were the agents, employees and/or servants, masters or employers of the
6 remaining defendants, and in doing the things hereinafter alleged, were acting or failing to act
7 within the course and scope of such agency, employment, direction and control, and with the
8 approval and ratification of each of the other Defendants.

9 8. At all relevant times, in perpetrating the acts and omissions alleged herein,
10 Defendants, and each of them, acted pursuant to and in furtherance of a policy, practice, or a lack
11 of a practice which resulted in Defendants not compensating Plaintiff and the other Class
12 Members or otherwise complying with their rights in accordance with applicable California labor
13 laws as alleged herein.

14 9. At all relevant times, in perpetrating the acts and omissions alleged herein,
15 Defendants and each of them acted pursuant to and in furtherance of a policy and/or practice, or
16 lack thereof, which resulted in Defendants not paying Plaintiff and other members of the below-
17 described class in accordance with applicable laws as alleged herein.

18 **III. CLASS ALLEGATIONS**

19 10. This action has been brought and may be maintained as a class action pursuant to
20 California Code of Civil Procedure section 382 because there is a well-defined community of
21 interest among the persons who comprise the readily ascertainable class defined below and
22 because Plaintiff is unaware of any difficulties likely to be encountered in managing this case as
23 a class action.

24 11. **Class Definition:** The Class is defined as follows: All persons Defendants
25 employed in California as hourly non-exempt workers, including hotel food attendants and front
26 desk workers, individuals performing work comparable to the aforementioned, compensated
27 comparably to the aforementioned, individuals in similar positions, at any time during the period
28 beginning four years prior to the filing of this action and ending on the date that final judgment is
entered in this action (“Class” or “Class Members”).

12. **Reservation of Rights:** Pursuant to Rule of Court 3.765(b), Plaintiff reserves the
right to amend or modify the class definition with greater specificity, by further division into



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subclasses and/or by limitation to particular issues.

13. **Numerosity:** The Class Members are so numerous that the individual joinder of each individual Class Member is impractical. While Plaintiff does not currently know the exact number of Class Members, Plaintiff is informed and believes that the actual number exceeds the minimum required for numerosity under California laws.

14. **Commonality and Predominance:** Common questions of law and fact exist as to all Class Members and predominate over any questions which affect only individual Class Members. These questions include, but are not limited to:

A. Whether Defendants failed to pay all wages earned to Class Members for all hours worked at the correct rates of pay, including meal period premium and rest period premium wages;

B. Whether Defendants failed to provide the Class Members with all meal periods in compliance with California law;

C. Whether Defendants failed to authorize and permit the Class Members to take all rest periods in compliance with California law;

D. Whether Defendants failed to indemnify the Class Members for the reasonable expenses they incurred during the course of performing their duties;

E. Whether Defendants knowingly and intentionally failed to provide the class with accurate and complete itemized wage statements;

F. Whether Defendants willfully failed to provide the class with timely final wages;

G. Whether Defendants engaged in unfair competition within the meaning of Business and Professions Code sections 17200, et seq., with respect to the Class; and

H. Whether Class Members are entitled to restitution of money or property that Defendants may have acquired from them through alleged Labor Code violations.

15. **Typicality:** Plaintiff's claims are typical of the other Class Members' claims. Plaintiff is informed and believes and thereon alleges that Defendants have a policy and/or practice, or lack thereof, which resulted in Defendants failing to comply with the California Labor Code, the Wage Order, and the Business and Professions Code.

16. **Adequacy of Class Representative:** Plaintiff is an adequate class representative in that she has no interests that are adverse to, or otherwise in conflict with, the interests of absent



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Class Members. Plaintiff is dedicated to vigorously prosecuting this action on behalf of Class Members. Plaintiff will fairly and adequately represent and protect the interests of Class Members.

17. **Adequacy of Class Counsel:** Plaintiff's counsel are adequate class counsel in that they have no known conflicts of interest with Plaintiff or absent Class Members, are experienced in class action litigation, and are dedicated to vigorously prosecuting this action on behalf of Plaintiff and absent Class Members.

18. **Superiority:** A class action is vastly superior to other available means for fair and efficient adjudication of Class Members' claims and would be beneficial to the parties and the Court. Class action treatment will allow a number of similarly situated persons to simultaneously and efficiently prosecute their common claims in a single forum without the unnecessary duplication of effort and expense that numerous individual actions would entail. In addition, the monetary amounts due to many individual Class Members are likely to be relatively small and would thus make it difficult, if not impossible, for individual Class Members to both seek and obtain relief. Moreover, a class action will serve an important public interest by permitting Class Members to effectively pursue the recovery of monies owed to them. Further, a class action will prevent the potential for inconsistent or contradictory judgments inherent in individual litigation.

IV. STATEMENT OF FACTS

19. The Wage Order applies to "all persons employed in the public housekeeping industry whether paid on a time, piece rate, commission, or other basis." Wage Order, § 1. The Wage Order defines "Public Housekeeping Industry" to mean

any industry, business, or establishment which provides meals, housing, or maintenance services whether operated as a primary business or when incidental to other operations in an establishment not covered by an industry order of the Commission, and includes, but is not limited to the following:

- (1) Restaurants, night clubs, taverns, bars, cocktail lounges, lunch counters, cafeterias, boarding houses, clubs, and all similar establishments where food in either solid or liquid form is prepared and served to be consumed on the premises;
- (2) Catering, banquet, box lunch service, and similar establishments which prepare food for consumption on or off the premises;
- (3) Hotels, motels, apartment houses, rooming houses, camps, clubs, trailer



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1 parks, office or loft buildings, and similar establishments offering rental
2 of living, business, or commercial quarters;

3 (4) Hospitals, sanitariums, rest homes, child nurseries, child care institutions,
4 homes for the aged, and similar establishments offering board or lodging
5 in addition to medical, surgical, nursing, convalescent, aged, or child care;

6 (5) Private schools, colleges, or universities, and similar establishments which
7 provide board or lodging in additional to educational facilities;

8 (6) Establishments contracting for development, maintenance or cleaning of
9 grounds; maintenance or cleaning of facilities and/or quarters of
10 commercial units and living units; and

11 (7) Establishments providing veterinary or other animal care services.

12 Wage Order, § 2(P). At all relevant times during the applicable limitations period, the Defendants,
13 Williams, and all Class Members were covered by the Wage Order because the Defendants
14 operated, and Williams, and all Class Members, worked for, one or more hotels. Accordingly,
15 Williams and all other Class Members are entitled to the protections the Wage Order provides.

16 20. On approximately May 8, 2022, the Defendants began to employ Williams in
17 Vallejo in the position of hourly, non-exempt food attendant and then as a front desk worker. The
18 Defendants continuously employed her in that capacity until on or about June 10, 2022 when her
19 employment ended.

20 21. At all relevant times, the Defendants issued wages to Williams and all other Class
21 Members on a biweekly (26 paychecks/year) basis and paid them by the hour. At all relevant
22 times, the Defendants classified Williams and all other Class Members as non-exempt employees
23 entitled to the protections of the Labor Code and the Wage Order.

24 22. At all relevant times, the Defendants failed to provide Williams and all other Class
25 Members with all timely 30-minute, off-duty meal periods. The Defendants required Plaintiff and
26 all other Class Members to remain at their assigned work areas or stations at all times.
27 Additionally, the Defendants understaffed their hotel causing Plaintiff and all other Class
28 Members to regularly work 12-hour shifts. The Defendants required Plaintiff and all other Class
Members to work during their rest and meal periods to cover multiple positions. The Defendants
compelled Plaintiff and all other Class Members to work and forgo duty-free meal and rest periods
to cover positions that the Defendants failed to staff. Consequently, the Defendants did not afford



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1801 Century Park East
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Los Angeles, CA 90067

Williams and all other Class Members a 30-minute meal period. The Defendants also failed to pay premium wages for days on which they failed to provide Williams and all other Class Members with meal periods as required by law.

23. At all relevant times, the Defendants failed to authorize and permit Williams and all other Class Members to take 10-minute, off-duty, paid rest breaks every four hours worked or major portion thereof. The Defendants required Plaintiff and all other Class Members to remain at their assigned work areas or stations at all times. Additionally, the Defendants understaffed their hotel causing Plaintiff and all other Class Members to regularly work 12-hour shifts. The Defendants required Plaintiff and all other Class Members to work during their rest and meal periods to cover multiple positions. The Defendants compelled Plaintiff and all other Class Members to work and forgo duty-free meal and rest periods to cover positions that the Defendants failed to staff. Due to their understaffing, the Defendants prohibited Williams and all other Class Members from taking all 10-minute rest breaks. The Defendants also failed to pay premium wages for days on which they failed to authorize and permit Williams and all other Class Members to take rest breaks as required by law.

24. At all relevant times, the Defendants required Williams and all other Class Members to incur certain business expenses in the course of performing their duties. The Defendants required Williams and all other Class Members to supply mobile phones and uniforms to perform their job duties. However, the Defendants did not provide these items and did not reimburse Williams and the other Class Members for these items. The Defendants required Williams and all other Class Members to use their personal mobile phones to remain in contact with management. The Defendants also relied on group chats with Williams and all other Class Members to conduct company business. The Defendants did not reimburse Williams and all other Class Members for their personal electronic devices nor their telecom expenses. Additionally, the Defendants required Williams and all other Class Members classified as food attendants to wear "scrub" type uniforms that cost over \$70.00 per set. The Defendants forced Williams and all other Class Members to pay for the required uniforms but did not reimburse them.

25. At all relevant times, the Defendants failed to issue to Williams and all other Class Members complete and accurate wage statements that state all hours worked at the correct rates of pay and all wages earned. The Defendants knowingly and intentionally failed to state on the wage statements they issued to Williams and all of the other Class Members the unpaid wages



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discussed above. The wage statements fail to state all meal period premium wages earned, all rest break premium wages earned, and related information.

26. At all relevant times, the Defendants also failed to timely pay Williams and all other Class Members all earned wages as described above during and at the conclusion of employment.

27. At all relevant times, the Defendants failed to maintain accurate employee records of Williams and all other Class Members.

28. For the reasons stated herein, Plaintiff alleges that as a result of Defendants' unlawful practices and policies, Plaintiff and the Class Members were:

- A. Not provided with all off duty meal periods;
- B. Not authorized and permitted to take all rest break periods;
- C. Not paid one hour's pay for each workday in which Defendants failed to authorize and permit them to take one or more timely rest periods;
- D. Not paid one hour's pay for each workday in which Defendants failed to provide them with one or more timely meal periods;
- E. Not paid all wages earned, including, but not limited to, minimum, regular, overtime, and doubletime wages for work performed while clocked out;
- F. Not indemnified for all necessary business expenditures incurred during the discharge of their duties;
- G. Not provided with accurate and complete wage statements; and
- H. Not timely paid all earned and unpaid wages at the time their employment ended.

FIRST CAUSE OF ACTION

FAILURE TO PROVIDE MEAL PERIODS

Lab. Code §§ 226.7 and 512

(By Plaintiff, on behalf of herself and the Class, against all Defendants)

29. Plaintiff incorporates all paragraphs of this complaint as if fully alleged herein.

30. At all relevant times during the applicable limitations period, Plaintiff and the Class Members have been employees of Defendants and entitled to the benefits and protections of California Labor Code §§ 226.7, 512 and 1198, and the Wage Order.

31. In relevant part, California Labor Code § 1198 states:



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

32. In relevant part, In relevant part, California Labor Code § 512 states:

An employer shall not employ an employee for a work period of more than five hours per day without providing the employee with a meal period of not less than 30 minutes, except that if the total work period per day of the employee is no more than six hours, the meal period may be waived by mutual consent of both the employer and employee.

An employer shall not employ an employee for a work period of more than 10 hours per day without providing the employee with a second meal period of not less than 30 minutes, except that if the total hours worked is no more than 12 hours, the second meal period may be waived by mutual consent of the employer and the employee only if the first meal period was not waived.

33. In relevant part, Section 11 of the Wage Order states:

Meal Periods

(A) No employer shall employ any person for a work period of more than five (5) hours without a meal period of not less than 30 minutes, except that when a work period of not more than six (6) hours will complete the day's work the meal period may be waived by mutual consent of the employee and the employer. Unless the employee is relieved of all duty during a 30 minute meal period, the meal period shall be considered an 'on duty' meal period and counted as time worked. An 'on duty' meal period shall be permitted only when the nature of the work prevents an employee from being relieved of all duty and when by written agreement between the parties an on-the-job paid meal period is agreed to. The written agreement shall state that the employee may, in writing, revoke the agreement at any time.

(B) If an employer fails to provide an employee a meal period in accordance with the applicable provisions of this Order, the employer shall pay the employee one (1) hour of pay at



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the employee's regular rate of compensation for each work day that the meal period is not provided

34. In relevant part, California Labor Code § 226.7 states:

(b) An employer shall not require an employee to work during a meal or rest period mandated pursuant to an applicable statute, or applicable regulation, standard, or order of the Industrial Welfare Commission, the Occupational Safety and Health Standards Board, or the Division of Occupational Safety and Health.

(c) If an employer fails to provide an employee a meal period or rest period in accordance with a state law, including, but not limited to, an applicable statute or applicable regulation, standard, or order of the Industrial Welfare Commission, the Occupational Safety and Health Standards Board, or the Division of Occupational Safety and Health, the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each work day that the meal or rest period is not provided.

35. Pursuant to California Labor Code § 512 and the Wage Order, Plaintiff and the Class Members were entitled to uninterrupted meal periods of at least 30 minutes for each day they worked five or more hours. Pursuant to California Labor Code § 512, they were also entitled to a second 30-minute meal period when they worked more than 10 hours in a workday.

36. Defendants intentionally failed to provide Plaintiff and the Class Members with all required 30-minute duty free meal periods in accordance with the Wage Order. The Defendants required Williams and all other Class Members to remain at their assigned work areas or stations at all times. Additionally, the Defendants understaffed their hotel causing Williams and all other Class Members to regularly work 12-hour shifts. The Defendants required Plaintiff and all other Class Members to remain at their assigned work areas or stations at all times. Additionally, the Defendants understaffed their hotel causing Plaintiff and all other Class Members to regularly work 12-hour shifts. The Defendants required Plaintiff and all other Class Members to work during their rest and meal periods to cover multiple positions. The Defendants compelled Plaintiff and all other Class Members to work and forgo duty-free meal and rest periods to cover positions that the Defendants failed to staff. Consequently, Defendants did not afford Williams and all other



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1 Class Members their off-duty, 30-minute meal periods.

2 37. At all relevant times, Defendants failed to provide Plaintiff and the Class Members
3 with all timely rest and meal periods. Defendants denied Plaintiff and the other Class Members
4 their 30-minute off-duty meal period within the first five hours of work. Furthermore, Defendants
5 failed to pay premium wages for days on which they failed to provide Plaintiff and the other Class
6 Members with timely meal periods.

7 38. Plaintiff is informed and believes and thereon alleges that, at all relevant times
8 within the applicable limitations period, Defendants had a policy, practice, or a lack of a policy
9 which resulted in Defendants not providing the and the Class Members with all off-duty meal
10 periods required by California law.

11 39. As a result of Defendants' unlawful conduct, Plaintiff and the Class Members have
12 suffered damages in amounts subject to proof to the extent they were not paid additional wages
13 owed for all meal periods not provided to them.

14 40. By reason of the above, Plaintiff and the Class Members are entitled to premium
15 wages for workdays in which one or more meal periods were not provided to them pursuant to
16 California Labor Code § 226.7.

17 **SECOND CAUSE OF ACTION**

18 **FAILURE TO AUTHORIZE AND PERMIT REST BREAKS**

19 **Lab. Code § 226.7**

20 **(By Plaintiff, on behalf of herself and the Class, against all Defendants)**

21 41. Plaintiff incorporates all paragraphs of this complaint as if fully alleged herein.

22 42. At all relevant times during the applicable limitations period, Plaintiff and the
23 Class Members have been employees of Defendants and entitled to the benefits and protections
24 of California Labor Code §§ 226.7 and 1198, and the Wage Order.

25 43. In relevant part, California Labor Code § 1198 states:

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

44. In relevant part, Section 12 of the Wage Order states:



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(213) 725-9094 Tel
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(B) If an employer fails to provide an employee a rest period in accordance with the applicable provisions of this Order, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of compensation for each work day that the rest period is not provided.

(b) An employer shall not require an employee to work during a meal or rest period mandated pursuant to an applicable statute, or applicable regulation, standard, or order of the Industrial Welfare Commission, the Occupational Safety and Health Standards Board, or the Division of Occupational Safety and Health.

46. Pursuant to the Wage Order, Plaintiff and the Class Members were entitled to be authorized and permitted to take net rest breaks of at least ten minutes for each four-hour period of work, or major fraction thereof.

47. Defendants intentionally failed to authorize and permit Plaintiff and the Class Members to take all 10-minute rest periods free from any work duties in accordance with the



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1 Wage Order.

2 48. At all relevant times, Defendants failed to authorize and permit Plaintiff and the
3 Class Members to take all timely rest periods. Furthermore, Defendants failed to pay premium
4 wages to Plaintiff and the Class Members for days on which they failed to authorize and permit
5 Plaintiff and the other Class Members to take timely rest periods.

6 49. At all relevant times, Defendants failed to authorize and permit Plaintiff and the
7 Class Members to take ten-minute, paid, duty-free rest breaks every four hours worked or major
8 fraction thereof. Defendants did not seek an exemption from the rest period protections of the
9 Wage Order from the California Division of Labor Standards Enforcement. Moreover,
10 Defendants failed to pay Plaintiff and the Class Members premium wages on workdays they failed
11 to authorize and permit them to take 10-minute rest periods every four hours worked or major
12 fraction thereof.

13 50. Plaintiff is informed and believes and thereon alleges that, at all relevant times
14 within the applicable limitations period, Defendants had a policy, practice, or a lack of a policy
15 which resulted in Defendants not authorizing and permitting Plaintiff and the Class Members to
16 take all rest breaks required by California law.

17 51. Defendants failed to provide Plaintiff with all required rest breaks in accordance
18 with the Wage Order. Plaintiff is informed and believes and thereon alleges that, at relevant times
19 within the applicable limitations period, Defendants had a policy, practice, or a lack of a policy
20 which resulted in Defendants not providing the Class Members with all rest breaks required by
21 California law.

22 52. The Defendants required Plaintiff and all other Class Members to remain at their
23 assigned work areas or stations at all times. Additionally, the Defendants understaffed their hotel
24 causing Plaintiff and all other Class Members to regularly work 12-hour shifts. The Defendants
25 required Plaintiff and all other Class Members to work during their rest and meal periods to cover
26 multiple positions. The Defendants compelled Plaintiff and all other Class Members to work and
27 forgo duty-free meal and rest periods to cover positions that the Defendants failed to staff. Due
28 to their understaffing, the Defendants prohibited Williams and all other Class Members from
taking all 10-minute rest breaks.

53. Defendants failed to pay Plaintiff the additional wages required by California
Labor Code § 226.7 for all rest breaks not provided to her. Plaintiff is informed and believes and



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(213) 725-9094 Tel
(213) 634-2485 Fax
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1 thereon alleges that, at relevant times within the applicable limitations period, Defendants have
2 maintained a policy, practice, or a lack of a policy which resulted in Defendants not providing the
3 Class Members with additional wages for all rest breaks not provided to them as required by
4 California Labor Code § 226.7.

5 54. As a result of Defendants' unlawful conduct, Plaintiff and the Class Members have
6 suffered damages in amounts subject to proof to the extent they were not paid additional wages
7 owed for all rest breaks not provided to them.

8 55. By reason of the above, Plaintiff and the Class Members are entitled to premium
9 wages for workdays in which one or more rest breaks were not provided to them pursuant to
10 California Labor Code § 226.7.

11 **THIRD CAUSE OF ACTION**

12 **FAILURE TO INDEMNIFY**

13 **Lab. Code § 2802**

14 **(By Plaintiff, on behalf of herself and the Class, against all Defendants)**

15 56. Plaintiff incorporates all paragraphs of this complaint as if fully alleged herein.

16 57. In pertinent part, California Labor Code § 2802(a) states: "An employer shall
17 indemnify his or her employee[s] for all necessary expenditures incurred by the employee in direct
18 consequence of the discharge of his or her duties."

19 58. California Labor Code § 1198 prohibits employers from employing their
20 employees under conditions prohibited by the Wage Order.

21 59. At all relevant times, Defendants required Plaintiff and the Class Members to incur
22 certain business expenses in the course of performing their duties.

23 60. As described above, the Defendants required Williams and all other Class
24 Members to incur certain business expenses in the course of performing their duties. The
25 Defendants required Williams and all other Class Members to supply mobile phones and uniforms
26 to perform their job duties. However, the Defendants did not provide these items and did not
27 reimburse Williams and the other Class members for these items. The Defendants required
28 Williams and all other Class Members to use their personal mobile phones to remain in contact
with management. The Defendants also relied on group chats with Williams and all other Class
Members to conduct company business. The Defendants did not reimburse Williams and all other
Class Members for their personal electronic devices nor their telecom expenses. Additionally, the



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8605 Santa Monica Bl
PMB 42554
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(213) 725-9094 Tel
(213) 634-2485 Fax
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1 Defendants required Williams and all other Class Members classified as food attendants to wear
2 "scrub" type uniforms that cost over \$70.00 per set. The Defendants forced Williams and all other
3 Class Members to pay for the required uniforms and cleaning of same but did not reimburse them.

4 61. Plaintiff is informed and believes and thereon alleges that, at all relevant times,
5 Defendants maintained a policy and/or practice, or lack thereof, which resulted in Defendants'
6 failure to indemnify Plaintiff and the Class Members for the reasonable expenses they incurred
7 during the course of performing their duties.

8 **FOURTH CAUSE OF ACTION**

9 **FAILURE TO ISSUE ACCURATE AND COMPLETE WAGE STATEMENTS**

10 **Lab. Code § 226**

11 **(By Plaintiff, on behalf of herself and the Class, against all Defendants)**

12 **FAILURE TO PROVIDE ACCURATE AND COMPLETE WRITTEN WAGE** 13 **STATEMENTS**

14 62. Plaintiff incorporates all paragraphs of this Complaint as if fully alleged herein.

15 63. Pursuant to California Labor Code § 226(a), Plaintiff and the Class Members were
16 entitled to receive, semi-monthly or at the time of each payment of wages, an accurate itemized
17 statement showing:

18 A. Gross wages earned;

19 B. Total hours worked by the employee, except for any employee whose
20 compensation is solely based on a salary and who is exempt from payment of overtime under
21 subdivision (a) of Section 515 or any applicable order of the Industrial Welfare Commission;

22 C. The number of piece rate units earned and any applicable piece rate if the
23 employee is paid on a piece-rate basis;

24 D. All deductions, provided that all deductions made on written orders of the
25 Employee may be aggregated and shown as one item;

26 E. Net wages earned;

27 F. The inclusive dates of the period for which the employee is paid;

28 G. The name of the employee and his or her social security number, except
that by January 1, 2008, only the last four digits of his or her social security number or an
employee identification number other than a social security number may be shown on the itemized
statement;



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1 H. The name and address of the legal entity that is the employer; and

2 I. All applicable hourly rates in effect during the pay period and the
3 corresponding number of hours worked at each hourly rate by the employee.

4 64. Pursuant to California Labor Code § 226, an employee is deemed to suffer injury
5 if the employer fails to provide a wage statement. Also, an employee is deemed to suffer injury if
6 the employer fails to provide accurate and complete information as required by California Labor
7 Code § 226(a) and the employee cannot “promptly and easily determine” from the wage statement
8 alone one or more of the following:

9 A. The amount of the gross wages or net wages paid to the employee during
10 the pay period or any of the other information required to be provided on the itemized wage
11 statement pursuant to California Labor Code § 226(a);

12 B. Which deductions the employer made from gross wages to determine the
13 net wages paid to the employee during the pay period;

14 C. The name and address of the employer and, if the employer is a farm labor
15 contractor, as defined in subdivision (b) of Section 1682 of the California Labor Code, the name
16 and address of the legal entity that secured the services of the employer during the pay period;

17 D. The name of the employee and only the last four digits of his or her social
18 security number or an employee identification number other than a social security number; and

19 E. The number of piece-rate units earned and the piece rate.

20 65. “Promptly and easily determine,” as stated in California Labor Code § 226(e),
21 means a reasonable person would be able to readily ascertain the information without reference
22 to other documents or information.

23 66. As alleged herein, at all relevant times during the applicable limitations period,
24 Defendants violated California Labor Code section 226 because they did not properly and
25 accurately itemize each employee’s gross wages earned, net wages earned, the total hours worked,
26 the corresponding number of hours worked at each rate by the employee and other requirements
27 of California Labor Code section 226. Defendants failed to state in the wage statements they
28 issued to Plaintiff and the other Class Members all their hours worked and wages earned,
including, but not limited to, regular and overtime wages for work they performed off-the-clock
after clocking-out (as described above). Defendants knowingly and intentionally did not issue
either as a detachable part of the check, draft, or voucher paying the employee’s wages, or



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1 separately if wages are paid by personal check or cash, statements to Plaintiff and the Class
2 Members that state all meal period premium wages earned and all rest break premium wages
3 earned.

4 67. Defendants' failure to provide Plaintiff and the other Class Members with accurate
5 wage statements was knowing and intentional. Defendants had the ability to provide Plaintiff and
6 the other Class Members with accurate wage statements but intentionally provided wage
7 statements that Defendants knew were not accurate.

8 68. As a result of being provided with inaccurate wage statements by Defendants,
9 Plaintiff and the other Class Members have suffered injury. Their legal rights to receive accurate
10 wage statements were violated and they were misled about the amount of wages they had actually
11 earned and were owed. In addition, the absence of accurate information on their wage statements
12 prevented immediate challenges to Defendants' unlawful pay practices, has required discovery
13 and mathematical computations to determine the amounts of wages owed, has caused difficulty
14 and expense in attempting to reconstruct time and pay records and/or has led to the submission of
15 inaccurate information about wages to state and federal government agencies. Further, Plaintiff
16 and the other Class Members were not able to ascertain from the wage statements whether
17 Defendants complied with their obligations under California Labor Code section 226(a).

18 **FIFTH CAUSE OF ACTION**

19 **WILLFUL FAILURE TO TIMELY PAY FINAL WAGES**

20 **Lab. Code §§ 201, 202, and 203**

21 **(By Plaintiff, on behalf of herself and the Class, against all Defendants)**

22 69. Plaintiff incorporates all paragraphs of this Complaint as if fully alleged herein.

23 70. At all relevant times during the applicable limitations period, Plaintiffs and the
24 Class have been non-exempt employees of Defendants and entitled to the benefits and protections
25 of California Labor Code §§ 201, 202, and 203, and the Wage Order.

26 71. Labor Code § 201 provides that all earned and unpaid wages of an employee who
27 is discharged are due and payable immediately at the time of discharge.

28 72. Labor Code § 202 provides that all earned and unpaid wages of an employee who
quits after providing at least 72-hours notice before quitting are due and payable at the time of
quitting and that all earned and unpaid wages of an employee who quits without providing at least
72-hours notice before quitting are due and payable within 72 hours.



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1 Class Members have suffered injuries in fact and lost money or property. Plaintiff and the Class
2 Members were deprived of missed meal period premium wages, missed rest period premium
3 wages, uniform expenses, phone expenses, and comparable money and property.

4 81. Pursuant to California Business & Professions Code § 17203, Plaintiff and the
5 Class Members are entitled to restitution of all monies rightfully belonging to them that
6 Defendants did not pay them or otherwise retained by means of their unlawful and unfair business
7 practices.

8 82. Plaintiff and the Class Members are entitled to reasonable attorneys' fees in
9 connection with their unfair competition claims pursuant to California Code of Civil Procedure §
10 1021.5, the substantial benefit doctrine and/or the common fund doctrine.

11 **V. PRAYER FOR RELIEF**

12 83. WHEREFORE, Plaintiff, on behalf of herself and the Class Members, prays for
13 relief and judgment against Defendants as follows:

14 A. An order that the action be certified as a class action with respect to
15 Plaintiff's claims for violations of California law;

16 B. An order that Plaintiff be appointed class representative;

17 C. An order that counsel for Plaintiff be appointed class counsel;

18 D. Statutory penalties, including waiting time penalties;

19 E. Restitution;

20 F. Declaratory relief;

21 G. Actual damages;

22 H. Pre-judgment interest;

23 I. Costs of suit;

24 J. Reasonable attorneys' fees; and

25 K. Such other relief as the Court deems just and proper.

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Respectfully submitted,

Dated: November 29, 2022

David Spivak



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1801 Century Park East
25th Floor
Los Angeles, CA 90067

EXHIBIT 4

FEB 14 2023

By D. HERTZ
DEPUTY CLERK

1 DAVID G. SPIVAK (SBN 179684)
david@spivaklaw.com

2 JENICA LEONARD (SBN 245366)
jenica@spivaklaw.com

3 THE SPIVAK LAW FIRM
4 8605 Santa Monica Bl
PMB 42554

5 West Hollywood, CA 90069
Telephone: (213) 725-9094
6 Facsimile: (213) 634-2485

7 Attorneys for Plaintiff(s),
8 VICKIE WILLIAMS, and all others similarly situated
9 (Additional attorneys for Plaintiff(s) on next page)

10 SUPERIOR COURT OF THE STATE OF CALIFORNIA

11 FOR THE COUNTY OF SOLANO
12 (UNLIMITED JURISDICTION)

13 VICKIE WILLIAMS, on behalf of herself and all
14 others similarly situated, and the general public,
15 and as an "aggrieved employee" on behalf of
16 other "aggrieved employees" and the State of
California under the Labor Code Private
Attorneys General Act of 2004,

17 *Plaintiff(s),*

18 vs.

19 VALLEJO HOSPITALITY LLC, a California
20 limited liability company; THREE65
21 HOSPITALITY LLC, a California limited
liability company; and DOES 1-50, inclusive,

22 *Defendant(s).*

Case No. FCS059352

FIRST AMENDED CLASS ACTION

COMPLAINT FOR:

1. Failure to Provide Rest Breaks (Lab. Code §§ 226.7 and 1198);
2. Failure to Provide Meal Periods (Lab. Code §§ 226.7, 512 and 1198);
3. Failure to Indemnify (Lab. Code §§ 1198 and 2802);
4. Wage Statement Penalties (Lab. Code § 226);
5. Waiting Time Penalties (Lab. Code § 203);
6. Unfair Competition (Bus. & Prof. Code §§ 17200, et seq.; and
7. Civil Penalties (Lab. Code §§ 2898, et seq.)

JURY TRIAL DEMANDED



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West Hollywood, CA 90069
(213) 725-9094 Tel
(213) 634-2485 Fax
SpivakLaw.com

Office:
1801 Century Park East
25th Floor
Los Angeles, CA 90067

ADDITIONAL ATTORNEY(S) FOR PLAINTIFF(S)

WALTER L. HAINES (SBN 71075)
walter@uelglaw.com
UNITED EMPLOYEES LAW GROUP
4276 Katella Ave
Suite 301
Los Alamitos, CA 90720
Telephone: (562) 256-1047
Facsimile: (562) 256-1006



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Mail:
8605 Santa Monica Bl
PMB 42554
West Hollywood, CA 90069
(213) 725-9094 Tel
(213) 634-2485 Fax
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Office:
1801 Century Park East
25th Floor
Los Angeles, CA 90067

1 Plaintiff, Vickie Williams (hereafter “Plaintiff” or “Williams”), on behalf of herself and
2 all others similarly situated, the general public, and as an “aggrieved employee” on behalf of other
3 “aggrieved employees” and the State of California under the Labor Code Private Attorneys
4 General Act of 2004, complains and alleges as follows:

5 **I. INTRODUCTION**

6 1. Plaintiff brings this class and representative action for alleged violations of the
7 California Labor Code, Industrial Welfare Commission Order No. 5-2001 (hereafter “the Wage
8 Order”), and the California Business and Professions Code against Defendants Vallejo Hospitality
9 LLC, a California limited liability company, Three65 Hospitality LLC, a California limited
liability company, and Does 1 through 50, inclusive (collectively “Defendants”).

10 2. As set forth in more detail below, Plaintiff alleges that Defendants are liable to her
11 and other similarly situated workers for unpaid wages, statutory penalties, interest, and related
12 relief. These claims are based on Defendants’ failures to:

- 13 (A) Provide all meal periods;
- 14 (B) Authorize and permit all rest breaks;
- 15 (C) Pay premium wages for unprovided meal periods;
- 16 (D) Pay premium wages for unprovided rest breaks;
- 17 (E) Indemnify for necessary work-related expenditures;
- 18 (F) Issue only accurate and complete itemized wage statements; and
- 19 (G) Timely pay wages upon termination of employment;

20 Accordingly, Plaintiff now seeks to recover unpaid wages, interest, liquidated damages,
21 restitution, statutory and civil penalties, attorneys’ fees, costs, and related relief through this class
22 action.

23 **II. THE PARTIES**

24 3. Plaintiff Vickie Williams is a resident of California. At all relevant times, Plaintiff
25 was an “employee” within the meaning of Title 8 California Code of Regulations § 11050 and an
26 “aggrieved employee” within the meaning of Labor Code § 2699(c).

27 4. Defendant Vallejo Hospitality LLC is a limited liability company organized and
28 existing under the laws of California and a citizen of California based on Plaintiff’s information
and belief.

5. Defendant Three65 Hospitality LLC is a limited liability company organized and



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1 existing under the laws of California and a citizen of California based on Plaintiff's information
2 and belief.

3 6. Plaintiff is ignorant of the true names, capacities, relationships, and extents of
4 participation in the conduct alleged herein of the Defendants sued as DOES 1-50, inclusive, but
5 is informed and believes and thereon alleges that said Defendants are legally responsible for the
6 wrongful conduct alleged herein and therefore sues these Defendants by such fictitious names.
7 Plaintiff will amend the Complaint to allege the true names and capacities of the DOE Defendants
8 when ascertained.

9 7. Plaintiff is informed and believes and thereon alleges that, at all relevant times
10 herein, all Defendants were the agents, employees and/or servants, masters, or employers of the
11 remaining defendants, and in doing the things hereinafter alleged, were acting or failing to act
12 within the course and scope of such agency, employment, direction and control, and with the
13 approval and ratification of each of the other Defendants.

14 8. At all relevant times, in perpetrating the acts and omissions alleged herein,
15 Defendants, and each of them, acted pursuant to and in furtherance of a policy, practice, or a lack
16 of a practice which resulted in Defendants not compensating Plaintiff and the other Class
17 Members or otherwise complying with their rights in accordance with applicable California labor
18 laws as alleged herein.

19 9. At all relevant times, in perpetrating the acts and omissions alleged herein,
20 Defendants and each of them acted pursuant to and in furtherance of a policy and/or practice, or
21 lack thereof, which resulted in Defendants not paying Plaintiff and other members of the below-
22 described class in accordance with applicable laws as alleged herein.

23 **III. CLASS ALLEGATIONS**

24 10. This action has been brought and may be maintained as a class action pursuant to
25 California Code of Civil Procedure section 382 because there is a well-defined community of
26 interest among the persons who comprise the readily ascertainable class defined below and
27 because Plaintiff is unaware of any difficulties likely to be encountered in managing this case as
28 a class action.

11. **Class Definition:** The Class is defined as follows: All persons Defendants
employed in California as hourly non-exempt workers, including hotel food attendants and front
desk workers, individuals performing work comparable to the aforementioned, compensated



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comparably to the aforementioned, individuals in similar positions, at any time during the period beginning four years prior to the filing of this action and ending on the date that final judgment is entered in this action (“Class” or “Class Members”).

12. **Reservation of Rights:** Pursuant to Rule of Court 3.765(b), Plaintiff reserves the right to amend or modify the class definition with greater specificity, by further division into subclasses and/or by limitation to particular issues.

13. **Numerosity:** The Class Members are so numerous that the individual joinder of each individual Class Member is impractical. While Plaintiff does not currently know the exact number of Class Members, Plaintiff is informed and believes that the actual number exceeds the minimum required for numerosity under California laws.

14. **Commonality and Predominance:** Common questions of law and fact exist as to all Class Members and predominate over any questions which affect only individual Class Members. These questions include, but are not limited to:

A. Whether Defendants failed to pay all wages earned to Class Members for all hours worked at the correct rates of pay, including meal period premium and rest period premium wages;

B. Whether Defendants failed to provide the Class Members with all meal periods in compliance with California law;

C. Whether Defendants failed to authorize and permit the Class Members to take all rest periods in compliance with California law;

D. Whether Defendants failed to indemnify the Class Members for the reasonable expenses they incurred during the course of performing their duties;

E. Whether Defendants knowingly and intentionally failed to provide the class with accurate and complete itemized wage statements;

F. Whether Defendants willfully failed to provide the class with timely final wages;

G. Whether Defendants engaged in unfair competition within the meaning of Business and Professions Code sections 17200, et seq., with respect to the Class; and

H. Whether Class Members are entitled to restitution of money or property that Defendants may have acquired from them through alleged Labor Code violations.

15. **Typicality:** Plaintiff’s claims are typical of the other Class Members’ claims.



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1 Plaintiff is informed and believes and thereon alleges that Defendants have a policy and/or
2 practice, or lack thereof, which resulted in Defendants failing to comply with the California Labor
3 Code, the Wage Order, and the Business and Professions Code.

4 16. **Adequacy of Class Representative:** Plaintiff is an adequate class representative
5 in that she has no interests that are adverse to, or otherwise in conflict with, the interests of absent
6 Class Members. Plaintiff is dedicated to vigorously prosecuting this action on behalf of Class
7 Members. Plaintiff will fairly and adequately represent and protect the interests of Class
8 Members.

9 17. **Adequacy of Class Counsel:** Plaintiff's counsel are adequate class counsel in that
10 they have no known conflicts of interest with Plaintiff or absent Class Members, are experienced
11 in class action litigation, and are dedicated to vigorously prosecuting this action on behalf of
12 Plaintiff and absent Class Members.

13 18. **Superiority:** A class action is vastly superior to other available means for fair and
14 efficient adjudication of Class Members' claims and would be beneficial to the parties and the
15 Court. Class action treatment will allow a number of similarly situated persons to simultaneously
16 and efficiently prosecute their common claims in a single forum without the unnecessary
17 duplication of effort and expense that numerous individual actions would entail. In addition, the
18 monetary amounts due to many individual Class Members are likely to be relatively small and
19 would thus make it difficult, if not impossible, for individual Class Members to both seek and
20 obtain relief. Moreover, a class action will serve an important public interest by permitting Class
21 Members to effectively pursue the recovery of monies owed to them. Further, a class action will
22 prevent the potential for inconsistent or contradictory judgments inherent in individual litigation.

23 **IV. STATEMENT OF FACTS**

24 19. The Wage Order applies to "all persons employed in the public housekeeping
25 industry whether paid on a time, piece rate, commission, or other basis." Wage Order, § 1. The
26 Wage Order defines "Public Housekeeping Industry" to mean

27 any industry, business, or establishment which provides meals, housing, or
28 maintenance services whether operated as a primary business or when
incidental to other operations in an establishment not covered by an industry
order of the Commission, and includes, but is not limited to the following:

(1) Restaurants, night clubs, taverns, bars, cocktail lounges, lunch



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counters, cafeterias, boarding houses, clubs, and all similar establishments where food in either solid or liquid form is prepared and served to be consumed on the premises;

(2) Catering, banquet, box lunch service, and similar establishments which prepare food for consumption on or off the premises;

(3) Hotels, motels, apartment houses, rooming houses, camps, clubs, trailer parks, office or loft buildings, and similar establishments offering rental of living, business, or commercial quarters;

(4) Hospitals, sanitariums, rest homes, child nurseries, child care institutions, homes for the aged, and similar establishments offering board or lodging in addition to medical, surgical, nursing, convalescent, aged, or child care;

(5) Private schools, colleges, or universities, and similar establishments which provide board or lodging in addition to educational facilities;

(6) Establishments contracting for development, maintenance or cleaning of grounds; maintenance or cleaning of facilities and/or quarters of commercial units and living units; and

(7) Establishments providing veterinary or other animal care services.

Wage Order, § 2(P). At all relevant times during the applicable limitations period, the Defendants, Williams, and all Class Members were covered by the Wage Order because the Defendants operated, and Williams, and all Class Members, worked for, one or more hotels. Accordingly, Williams and all other Class Members are entitled to the protections the Wage Order provides.

20. On approximately May 8, 2022, the Defendants began to employ Williams in Vallejo in the position of hourly, non-exempt food attendant and then as a front desk worker. The Defendants continuously employed her in that capacity until on or about June 10, 2022, when her employment ended.

21. At all relevant times, the Defendants issued wages to Williams and all other Class Members on a biweekly (26 paychecks/year) basis and paid them by the hour. At all relevant times, the Defendants classified Williams and all other Class Members as non-exempt employees entitled to the protections of the Labor Code and the Wage Order.

22. At all relevant times, the Defendants failed to provide Williams and all other Class Members with all timely 30-minute, off-duty meal periods. The Defendants required Plaintiff and



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1 all other Class Members to remain at their assigned work areas or stations at all times.
2 Additionally, the Defendants understaffed their hotel causing Plaintiff and all other Class
3 Members to regularly work 12-hour shifts. The Defendants required Plaintiff and all other Class
4 Members to work during their rest and meal periods to cover multiple positions. The Defendants
5 compelled Plaintiff and all other Class Members to work and forgo duty-free meal and rest periods
6 to cover positions that the Defendants failed to staff. Consequently, the Defendants did not afford
7 Williams and all other Class Members a 30-minute meal period. The Defendants also failed to
8 pay premium wages for days on which they failed to provide Williams and all other Class
Members with meal periods as required by law.

9 23. At all relevant times, the Defendants failed to authorize and permit Williams and
10 all other Class Members to take 10-minute, off-duty, paid rest breaks every four hours worked or
11 major portion thereof. The Defendants required Plaintiff and all other Class Members to remain
12 at their assigned work areas or stations at all times. Additionally, the Defendants understaffed
13 their hotel causing Plaintiff and all other Class Members to regularly work 12-hour shifts. The
14 Defendants required Plaintiff and all other Class Members to work during their rest and meal
15 periods to cover multiple positions. The Defendants compelled Plaintiff and all other Class
16 Members to work and forgo duty-free meal and rest periods to cover positions that the Defendants
17 failed to staff. Due to their understaffing, the Defendants prohibited Williams and all other Class
18 Members from taking all 10-minute rest breaks. The Defendants also failed to pay premium wages
19 for days on which they failed to authorize and permit Williams and all other Class Members to
take rest breaks as required by law.

20 24. At all relevant times, the Defendants required Williams and all other Class
21 Members to incur certain business expenses in the course of performing their duties. The
22 Defendants required Williams and all other Class Members to supply mobile phones and uniforms
23 to perform their job duties. However, the Defendants did not provide these items and did not
24 reimburse Williams and the other Class Members for these items. The Defendants required
25 Williams and all other Class Members to use their personal mobile phones to remain in contact
26 with management. The Defendants also relied on group chats with Williams and all other Class
27 Members to conduct company business. The Defendants did not reimburse Williams and all other
28 Class Members for their personal electronic devices nor their telecom expenses. Additionally,
the Defendants required Williams and all other Class Members classified as food attendants to



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1 wear "scrub" type uniforms that cost over \$70.00 per set. The Defendants forced Williams and all
2 other Class Members to pay for the required uniforms but did not reimburse them.

3 25. At all relevant times, the Defendants failed to issue to Williams and all other Class
4 Members complete and accurate wage statements that state all hours worked at the correct rates
5 of pay and all wages earned. The Defendants knowingly and intentionally failed to state on the
6 wage statements they issued to Williams and all of the other Class Members the unpaid wages
7 discussed above. The wage statements fail to state all meal period premium wages earned, all rest
8 break premium wages earned, and related information.

9 26. At all relevant times, the Defendants also failed to timely pay Williams and all
10 other Class Members all earned wages as described above during and at the conclusion of
11 employment.

12 27. At all relevant times, the Defendants failed to maintain accurate employee records
13 of Williams and all other Class Members.

14 28. For the reasons stated herein, Plaintiff alleges that as a result of Defendants'
15 unlawful practices and policies, Plaintiff and the Class Members were:

- 16 A. Not provided with all off duty meal periods;
- 17 B. Not authorized and permitted to take all rest break periods;
- 18 C. Not paid one hour's pay for each workday in which Defendants failed to
19 authorize and permit them to take one or more timely rest periods;
- 20 D. Not paid one hour's pay for each workday in which Defendants failed to
21 provide them with one or more timely meal periods;
- 22 E. Not paid all wages earned, including, but not limited to, minimum, regular,
23 overtime, and doubletime wages for work performed while clocked out;
- 24 F. Not indemnified for all necessary business expenditures incurred during
25 the discharge of their duties;
- 26 G. Not provided with accurate and complete wage statements; and
- 27 H. Not timely paid all earned and unpaid wages at the time their employment
28 ended.

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8605 Santa Monica Bl
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(213) 725-9094 Tel
(213) 634-2485 Fax
SpivakLaw.com

Office:
1801 Century Park East
25th Floor
Los Angeles, CA 90067

FIRST CAUSE OF ACTION
FAILURE TO PROVIDE MEAL PERIODS
Lab. Code §§ 226.7 and 512

(By Plaintiff, on behalf of herself and the Class, against all Defendants)

29. Plaintiff incorporates all paragraphs of this complaint as if fully alleged herein.

30. At all relevant times during the applicable limitations period, Plaintiff and the Class Members have been employees of Defendants and entitled to the benefits and protections of California Labor Code §§ 226.7, 512 and 1198, and the Wage Order.

31. In relevant part, California Labor Code § 1198 states:

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

32. In relevant part, In relevant part, California Labor Code § 512 states:

An employer shall not employ an employee for a work period of more than five hours per day without providing the employee with a meal period of not less than 30 minutes, except that if the total work period per day of the employee is no more than six hours, the meal period may be waived by mutual consent of both the employer and employee.

An employer shall not employ an employee for a work period of more than 10 hours per day without providing the employee with a second meal period of not less than 30 minutes, except that if the total hours worked is no more than 12 hours, the second meal period may be waived by mutual consent of the employer and the employee only if the first meal period was not waived.

33. In relevant part, Section 11 of the Wage Order states:

Meal Periods

(A) No employer shall employ any person for a work period of more than five (5) hours without a meal period of not less than 30 minutes, except that when a work period of not more than six (6) hours will complete the day's work the meal period may be waived by mutual consent of the employee and the employee. Unless the employee is relieved of all duty during a 30 minute meal period, the meal period shall be considered an 'on duty' meal period and counted as time



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1 worked. An 'on duty' meal period shall be permitted only when the
2 nature of the work prevents an employee from being relieved of all
3 duty and when by written agreement between the parties an on-the-
4 job paid meal period is agreed to. The written agreement shall state
5 that the employee may, in writing, revoke the agreement at any time.

6 (B) If an employer fails to provide an employee a meal period in
7 accordance with the applicable provisions of this Order, the
8 employer shall pay the employee one (1) hour of pay at the
9 employee's regular rate of compensation for each work day that the
10 meal period is not provided

11 34. In relevant part, California Labor Code § 226.7 states:

12 (b) An employer shall not require an employee to work during a meal
13 or rest period mandated pursuant to an applicable statute, or
14 applicable regulation, standard, or order of the Industrial Welfare
15 Commission, the Occupational Safety and Health Standards Board,
16 or the Division of Occupational Safety and Health.

17 (c) If an employer fails to provide an employee a meal period or rest
18 period in accordance with a state law, including, but not limited to,
19 an applicable statute or applicable regulation, standard, or order of
20 the Industrial Welfare Commission, the Occupational Safety and
21 Health Standards Board, or the Division of Occupational Safety and
22 Health, the employer shall pay the employee one additional hour of
23 pay at the employee's regular rate of compensation for each work
24 day that the meal or rest period is not provided.

25 35. Pursuant to California Labor Code § 512 and the Wage Order, Plaintiff and the
26 Class Members were entitled to uninterrupted meal periods of at least 30 minutes for each day
27 they worked five or more hours. Pursuant to California Labor Code § 512, they were also entitled
28 to a second 30-minute meal period when they worked more than 10 hours in a workday.

36. Defendants intentionally failed to provide Plaintiff and the Class Members with
all required 30-minute duty free meal periods in accordance with the Wage Order. The Defendants
required Williams and all other Class Members to remain at their assigned work areas or stations
at all times. Additionally, the Defendants understaffed their hotel causing Williams and all other
Class Members to regularly work 12-hour shifts. The Defendants required Plaintiff and all other
Class Members to remain at their assigned work areas or stations at all times. Additionally, the
Defendants understaffed their hotel causing Plaintiff and all other Class Members to regularly



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1 work 12-hour shifts. The Defendants required Plaintiff and all other Class Members to work
2 during their rest and meal periods to cover multiple positions. The Defendants compelled Plaintiff
3 and all other Class Members to work and forgo duty-free meal and rest periods to cover positions
4 that the Defendants failed to staff. Consequently, Defendants did not afford Williams and all other
5 Class Members their off-duty, 30-minute meal periods.

6 37. At all relevant times, Defendants failed to provide Plaintiff and the Class Members
7 with all timely rest and meal periods. Defendants denied Plaintiff and the other Class Members
8 their 30-minute off-duty meal period within the first five hours of work. Furthermore, Defendants
9 failed to pay premium wages for days on which they failed to provide Plaintiff and the other Class
10 Members with timely meal periods.

11 38. Plaintiff is informed and believes and thereon alleges that, at all relevant times
12 within the applicable limitations period, Defendants had a policy, practice, or a lack of a policy
13 which resulted in Defendants not providing the and the Class Members with all off-duty meal
14 periods required by California law.

15 39. As a result of Defendants' unlawful conduct, Plaintiff and the Class Members have
16 suffered damages in amounts subject to proof to the extent they were not paid additional wages
17 owed for all meal periods not provided to them.

18 40. By reason of the above, Plaintiff and the Class Members are entitled to premium
19 wages for workdays in which one or more meal periods were not provided to them pursuant to
20 California Labor Code § 226.7.

21 **SECOND CAUSE OF ACTION**

22 **FAILURE TO AUTHORIZE AND PERMIT REST BREAKS**

23 **Lab. Code § 226.7**

24 **(By Plaintiff, on behalf of herself and the Class, against all Defendants)**

25 41. Plaintiff incorporates all paragraphs of this complaint as if fully alleged herein.

26 42. At all relevant times during the applicable limitations period, Plaintiff and the
27 Class Members have been employees of Defendants and entitled to the benefits and protections
28 of California Labor Code §§ 226.7 and 1198, and the Wage Order.

43. In relevant part, California Labor Code § 1198 states:

The maximum hours of work and the standard conditions of labor fixed by
the commission shall be the maximum hours of work and the standard



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conditions of labor for employees. The employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful.

44. In relevant part, Section 12 of the Wage Order states:

Rest Periods

(A) Every employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period. The authorized rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof. However, a rest period need not be authorized for employees whose total daily work time is less than three and one-half (3 1/2) hours. Authorized rest period time shall be counted as hours worked for which there shall be no deduction from wages.

(B) If an employer fails to provide an employee a rest period in accordance with the applicable provisions of this Order, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of compensation for each work day that the rest period is not provided.

45. In relevant part, California Labor Code § 226.7 states:

(b) An employer shall not require an employee to work during a meal or rest period mandated pursuant to an applicable statute, or applicable regulation, standard, or order of the Industrial Welfare Commission, the Occupational Safety and Health Standards Board, or the Division of Occupational Safety and Health.

(c) If an employer fails to provide an employee a meal period or rest period in accordance with a state law, including, but not limited to, an applicable statute or applicable regulation, standard, or order of the Industrial Welfare Commission, the Occupational Safety and Health Standards Board, or the Division of Occupational Safety and Health, the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each work day that the meal or rest period is not provided.

46. Pursuant to the Wage Order, Plaintiff and the Class Members were entitled to be authorized and permitted to take net rest breaks of at least ten minutes for each four-hour period of work, or major fraction thereof.



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1 47. Defendants intentionally failed to authorize and permit Plaintiff and the Class
2 Members to take all 10-minute rest periods free from any work duties in accordance with the
3 Wage Order.

4 48. At all relevant times, Defendants failed to authorize and permit Plaintiff and the
5 Class Members to take all timely rest periods. Furthermore, Defendants failed to pay premium
6 wages to Plaintiff and the Class Members for days on which they failed to authorize and permit
7 Plaintiff and the other Class Members to take timely rest periods.

8 49. At all relevant times, Defendants failed to authorize and permit Plaintiff and the
9 Class Members to take ten-minute, paid, duty-free rest breaks every four hours worked or major
10 fraction thereof. Defendants did not seek an exemption from the rest period protections of the
11 Wage Order from the California Division of Labor Standards Enforcement. Moreover,
12 Defendants failed to pay Plaintiff and the Class Members premium wages on workdays they failed
13 to authorize and permit them to take 10-minute rest periods every four hours worked or major
14 fraction thereof.

15 50. Plaintiff is informed and believes and thereon alleges that, at all relevant times
16 within the applicable limitations period, Defendants had a policy, practice, or a lack of a policy
17 which resulted in Defendants not authorizing and permitting Plaintiff and the Class Members to
18 take all rest breaks required by California law.

19 51. Defendants failed to provide Plaintiff with all required rest breaks in accordance
20 with the Wage Order. Plaintiff is informed and believes and thereon alleges that, at relevant times
21 within the applicable limitations period, Defendants had a policy, practice, or a lack of a policy
22 which resulted in Defendants not providing the Class Members with all rest breaks required by
23 California law.

24 52. The Defendants required Plaintiff and all other Class Members to remain at their
25 assigned work areas or stations at all times. Additionally, the Defendants understaffed their hotel
26 causing Plaintiff and all other Class Members to regularly work 12-hour shifts. The Defendants
27 required Plaintiff and all other Class Members to work during their rest and meal periods to cover
28 multiple positions. The Defendants compelled Plaintiff and all other Class Members to work and
forgo duty-free meal and rest periods to cover positions that the Defendants failed to staff. Due
to their understaffing, the Defendants prohibited Williams and all other Class Members from
taking all 10-minute rest breaks.



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1 53. Defendants failed to pay Plaintiff the additional wages required by California
2 Labor Code § 226.7 for all rest breaks not provided to her. Plaintiff is informed and believes and
3 thereon alleges that, at relevant times within the applicable limitations period, Defendants have
4 maintained a policy, practice, or a lack of a policy which resulted in Defendants not providing the
5 Class Members with additional wages for all rest breaks not provided to them as required by
6 California Labor Code § 226.7.

7 54. As a result of Defendants' unlawful conduct, Plaintiff and the Class Members have
8 suffered damages in amounts subject to proof to the extent they were not paid additional wages
9 owed for all rest breaks not provided to them.

10 55. By reason of the above, Plaintiff and the Class Members are entitled to premium
11 wages for workdays in which one or more rest breaks were not provided to them pursuant to
12 California Labor Code § 226.7.

13 **THIRD CAUSE OF ACTION**

14 **FAILURE TO INDEMNIFY**

15 **Lab. Code § 2802**

16 **(By Plaintiff, on behalf of herself and the Class, against all Defendants)**

17 56. Plaintiff incorporates all paragraphs of this complaint as if fully alleged herein.

18 57. In pertinent part, California Labor Code § 2802(a) states: "An employer shall
19 indemnify his or her employee[s] for all necessary expenditures incurred by the employee in direct
20 consequence of the discharge of his or her duties."

21 58. California Labor Code § 1198 prohibits employers from employing their
22 employees under conditions prohibited by the Wage Order.

23 59. At all relevant times, Defendants required Plaintiff and the Class Members to incur
24 certain business expenses in the course of performing their duties.

25 60. As described above, the Defendants required Williams and all other Class
26 Members to incur certain business expenses in the course of performing their duties. The
27 Defendants required Williams and all other Class Members to supply mobile phones and uniforms
28 to perform their job duties. However, the Defendants did not provide these items and did not
reimburse Williams and the other Class members for these items. The Defendants required
Williams and all other Class Members to use their personal mobile phones to remain in contact
with management. The Defendants also relied on group chats with Williams and all other Class



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Members to conduct company business. The Defendants did not reimburse Williams and all other Class Members for their personal electronic devices nor their telecom expenses. Additionally, the Defendants required Williams and all other Class Members classified as food attendants to wear "scrub" type uniforms that cost over \$70.00 per set. The Defendants forced Williams and all other Class Members to pay for the required uniforms and cleaning of same but did not reimburse them.

61. Plaintiff is informed and believes and thereon alleges that, at all relevant times, Defendants maintained a policy and/or practice, or lack thereof, which resulted in Defendants' failure to indemnify Plaintiff and the Class Members for the reasonable expenses they incurred during the course of performing their duties.

FOURTH CAUSE OF ACTION

FAILURE TO ISSUE ACCURATE AND COMPLETE WAGE STATEMENTS

Lab. Code § 226

(By Plaintiff, on behalf of herself and the Class, against all Defendants)

62. Plaintiff incorporates all paragraphs of this Complaint as if fully alleged herein.

63. Pursuant to California Labor Code § 226(a), Plaintiff and the Class Members were entitled to receive, semi-monthly or at the time of each payment of wages, an accurate itemized statement showing:

A. Gross wages earned;

B. Total hours worked by the employee, except for any employee whose compensation is solely based on a salary and who is exempt from payment of overtime under subdivision (a) of Section 515 or any applicable order of the Industrial Welfare Commission;

C. The number of piece rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis;

D. All deductions, provided that all deductions made on written orders of the Employee may be aggregated and shown as one item;

E. Net wages earned;

F. The inclusive dates of the period for which the employee is paid;

G. The name of the employee and his or her social security number, except that by January 1, 2008, only the last four digits of his or her social security number or an employee identification number other than a social security number may be shown on the itemized statement;



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1 H. The name and address of the legal entity that is the employer; and

2 I. All applicable hourly rates in effect during the pay period and the
3 corresponding number of hours worked at each hourly rate by the employee.

4 64. Pursuant to California Labor Code § 226, an employee is deemed to suffer injury
5 if the employer fails to provide a wage statement. Also, an employee is deemed to suffer injury if
6 the employer fails to provide accurate and complete information as required by California Labor
7 Code § 226(a) and the employee cannot “promptly and easily determine” from the wage statement
8 alone one or more of the following:

9 A. The amount of the gross wages or net wages paid to the employee during
10 the pay period or any of the other information required to be provided on the itemized wage
11 statement pursuant to California Labor Code § 226(a);

12 B. Which deductions the employer made from gross wages to determine the
13 net wages paid to the employee during the pay period;

14 C. The name and address of the employer and, if the employer is a farm labor
15 contractor, as defined in subdivision (b) of Section 1682 of the California Labor Code, the name
16 and address of the legal entity that secured the services of the employer during the pay period;

17 D. The name of the employee and only the last four digits of his or her social
18 security number or an employee identification number other than a social security number; and

19 E. The number of piece-rate units earned and the piece rate.

20 65. “Promptly and easily determine,” as stated in California Labor Code § 226(e),
21 means a reasonable person would be able to readily ascertain the information without reference
22 to other documents or information.

23 66. As alleged herein, at all relevant times during the applicable limitations period,
24 Defendants violated California Labor Code section 226 because they did not properly and
25 accurately itemize each employee’s gross wages earned, net wages earned, the total hours worked,
26 the corresponding number of hours worked at each rate by the employee and other requirements
27 of California Labor Code section 226. Defendants failed to state in the wage statements they
28 issued to Plaintiff and the other Class Members all their hours worked and wages earned,
including, but not limited to, regular and overtime wages for work they performed off-the-clock
after clocking-out (as described above). Defendants knowingly and intentionally did not issue
either as a detachable part of the check, draft, or voucher paying the employee’s wages, or



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1 separately if wages are paid by personal check or cash, statements to Plaintiff and the Class
2 Members that state all meal period premium wages earned and all rest break premium wages
3 earned.

4 67. Defendants' failure to provide Plaintiff and the other Class Members with accurate
5 wage statements was knowing and intentional. Defendants had the ability to provide Plaintiff and
6 the other Class Members with accurate wage statements but intentionally provided wage
7 statements that Defendants knew were not accurate.

8 68. As a result of being provided with inaccurate wage statements by Defendants,
9 Plaintiff and the other Class Members have suffered injury. Their legal rights to receive accurate
10 wage statements were violated and they were misled about the amount of wages they had actually
11 earned and were owed. In addition, the absence of accurate information on their wage statements
12 prevented immediate challenges to Defendants' unlawful pay practices, has required discovery
13 and mathematical computations to determine the amounts of wages owed, has caused difficulty
14 and expense in attempting to reconstruct time and pay records and/or has led to the submission of
15 inaccurate information about wages to state and federal government agencies. Further, Plaintiff
16 and the other Class Members were not able to ascertain from the wage statements whether
17 Defendants complied with their obligations under California Labor Code section 226(a).

18 **FIFTH CAUSE OF ACTION**

19 **WILLFUL FAILURE TO TIMELY PAY FINAL WAGES**

20 **Lab. Code §§ 201, 202, and 203**

21 **(By Plaintiff, on behalf of herself and the Class, against all Defendants)**

22 69. Plaintiff incorporates all paragraphs of this Complaint as if fully alleged herein.

23 70. At all relevant times during the applicable limitations period, Plaintiffs and the
24 Class have been non-exempt employees of Defendants and entitled to the benefits and protections
25 of California Labor Code §§ 201, 202, and 203, and the Wage Order.

26 71. Labor Code § 201 provides that all earned and unpaid wages of an employee who
27 is discharged are due and payable immediately at the time of discharge.

28 72. Labor Code § 202 provides that all earned and unpaid wages of an employee who
quits after providing at least 72-hours notice before quitting are due and payable at the time of
quitting and that all earned and unpaid wages of an employee who quits without providing at least
72-hours notice before quitting are due and payable within 72 hours.



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1 Class Members have suffered injuries in fact and lost money or property. Plaintiff and the Class
2 Members were deprived of missed meal period premium wages, missed rest period premium
3 wages, uniform expenses, phone expenses, and comparable money and property.

4 81. Pursuant to California Business & Professions Code § 17203, Plaintiff and the
5 Class Members are entitled to restitution of all monies rightfully belonging to them that
6 Defendants did not pay them or otherwise retained by means of their unlawful and unfair business
7 practices.

8 82. Plaintiff and the Class Members are entitled to reasonable attorneys' fees in
9 connection with their unfair competition claims pursuant to California Code of Civil Procedure §
10 1021.5, the substantial benefit doctrine and/or the common fund doctrine.

11 **EIGHTH CAUSE OF ACTION**

12 **CIVIL PENALTIES**

13 **Lab.Code §§ 2698, et seq.**

14 **(By Plaintiff, on behalf of himself, the Aggrieved Employees, and the State of California,**
15 **against all Defendants)**

16 83. Plaintiff incorporates all paragraphs of this Complaint as if fully alleged herein.

17 84. The "Aggrieved Employees" are all members of the Class defined above who
18 Defendants employed during the period beginning November 28, 2021, and ending on the date
19 that final judgment is entered in this action.

20 85. Labor Code § 204 states:

21 (a) All wages, other than those mentioned in Section 201, 201.3, 202,
22 204.1, or 204.2, earned by any person in any employment are due
23 and payable twice during each calendar month, on days designated
24 in advance by the employer as the regular paydays. Labor performed
25 between the 1st and 15th days, inclusive, of any calendar month
26 shall be paid for between the 16th and the 26th day of the month
27 during which the labor was performed, and labor performed between
28 the 16th and the last day, inclusive, of any calendar month, shall be
paid for between the 1st and 10th day of the following month. ...

(b) (1) Notwithstanding any other provision of this section, all
wages earned for labor in excess of the normal work period shall be
paid no later than the payday for the next regular payroll period.

(2) An employer is in compliance with the requirements of
subdivision (a) of Section 226 relating to total hours worked by the



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employee, if hours worked in excess of the normal work period during the current pay period are itemized as corrections on the paystub for the next regular pay period. Any corrections set out in a subsequently issued paystub shall state the inclusive dates of the pay period for which the employer is correcting its initial report of hours worked.

(c) However, when employees are covered by a collective bargaining agreement that provides different pay arrangements, those arrangements shall apply to the covered employees.

(d) The requirements of this section shall be deemed satisfied by the payment of wages for weekly, biweekly, or semimonthly payroll if the wages are paid not more than seven calendar days following the close of the payroll period.

86. Defendants paid wages to employees on regular intervals. Defendants, however, failed to pay Plaintiff on such intervals for all wages earned and all hours worked. On information and belief, Plaintiff alleges that Defendants also failed to pay the Aggrieved Employees on such intervals for all wages earned and all hours worked.

87. During the applicable time period, Defendants violated California Labor Code §§ 201, 202, 203, 204, 226, 226.7, 512, 1198, and 2802.

88. California Labor Code §§ 2699(a) and (g) authorize an aggrieved employee, on behalf of themselves and other current or former employees, to bring a civil action to recover civil penalties pursuant to the procedures specified in California Labor Code § 2699.3.

89. Pursuant to California Labor Code §§ 2699(a) and (f), Plaintiff, the State, and the Aggrieved Employees, are entitled to recover civil penalties for each of the Defendants' violations of California Labor Code §§ 201, 202, 203, 204, 226, 226.7, 512, 1198, and 2802 during the applicable limitations period in the following amounts:

1. For violations of California Labor Code § 204, one hundred dollars (\$100.00) for each Aggrieved Employee for each initial violation and two hundred dollars (\$200.00) for each Aggrieved Employee for each subsequent willful or intentional violation (penalty amounts established by California Labor Code § 210).

2. For violations of California Labor Code § 226(a), two hundred fifty dollars (\$250.00) for each Aggrieved Employee for initial violation and one thousand dollars (\$1,000.00) for each Aggrieved Employee for each subsequent violation (penalty amounts established by



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California Labor Code § 226.3).

3. For violations of California Labor Code § 512, fifty dollars (\$50.00) for each Aggrieved Employee for initial violation and one hundred dollars (\$100.00) for each Aggrieved Employee for each subsequent violation, per pay period (penalty amounts established by California Labor Code § 558).

4. For violations of California Labor Code §§ 201, 202, 203, 226.7, 1198, and 2802, one hundred dollars (\$100.00) for each Aggrieved Employee per pay period for each initial violation and two hundred dollars (\$200.00) for each Aggrieved Employee per pay period for each subsequent violation (penalty amounts established by California Labor Code § 2699(f)(2)).

90. Plaintiff has complied with the procedures for bringing suit specified in California Labor Code § 2699.3. By letter dated November 28, 2022, Plaintiff filed written notice online with the Labor and Workforce Development Agency (“LWDA”) and gave written notice by certified mail to Defendants of the specific provisions of the California Labor Code alleged to have been violated, including the facts and theories to support the alleged violations. A true and correct copy of the notice to the LWDA dated November 28, 2022 is attached as Exhibit A. Plaintiff submitted his LWDA notice with a fee in the amount of \$75.00. The LWDA has failed to take action in response within 65 calendar days of the date of Plaintiff’s notice, but Plaintiff anticipates that the LWDA will provide written notice to Plaintiff informing him that it does not intend to investigate these allegations.

91. Pursuant to California Labor Code § 2699(g), Plaintiff and the Aggrieved Employees are entitled to an award of civil penalties, reasonable attorney’s fees, and costs in connection with their claims for civil penalties.

V. PRAYER FOR RELIEF

92. WHEREFORE, Plaintiff, on behalf of herself and the Class Members, prays for relief and judgment against Defendants as follows:

A. An order that the action be certified as a class action with respect to Plaintiff’s claims for violations of California law;

B. An order that Plaintiff be appointed class representative;

C. An order that counsel for Plaintiff be appointed class counsel;

D. Statutory penalties, including waiting time penalties;

E. Civil penalties;



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- 1 F. Restitution;
2 G. Declaratory relief;
3 H. Actual damages;
4 I. Pre-judgment interest;
5 J. Costs of suit;
6 K. Reasonable attorneys' fees; and
7 L. Such other relief as the Court deems just and proper.

8 **VI. DEMAND FOR JURY TRIAL**

9 Plaintiff, on behalf of herself and all other Class Members, hereby demands a jury trial on
10 all issues so triable.

11 Respectfully submitted,

12 THE SPIVAK LAW FIRM

13 Dated: February 10, 2023

14 By:



15 DAVID G. SPIVAK,
16 JENICA P. LEONARD, Attorneys for
17 Plaintiff(s), VICKIE WILLIAMS, and
18 all others similarly situated
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EXHIBIT A



THE SPIVAK LAW FIRM

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SENT BY ELECTRONIC SUBMISSION, CERTIFIED MAIL, AND EMAIL

November 28, 2022

Attn: PAGA Administrator
Labor and Workforce Development Agency
<http://dir.tflaforms.net>
Via Electronic Submission

Re: Vickie Williams / Vallejo Hospitality Group LLC, *et al*
LWDA Number: 918176-22

To Whom It May Concern:

Pursuant to the Labor Code Private Attorneys General Act of 2004, Labor Code sections 2698, *et seq.*, Vickie Williams (hereafter “Williams” or “Complainant”) provides notice that Vallejo Hospitality Group LLC, a California limited liability company, Three65 Hospitality LLC, a California limited liability company, and related entities (collectively “the Vallejo Hospitality Group Employers” or “the Employers”) violated her rights and those of all other individuals the Vallejo Hospitality Group Employers have employed or otherwise contracted with in California as hourly, non-exempt employees, including hotel food attendants and front desk workers, individuals performing work comparable to the aforementioned, and individuals in similar positions (hereafter the “Aggrieved Employees”) under Labor Code sections 201, 202, 203, 204, 226, 226.7, 512, 1198, 2802, and related Labor Code statutes. On behalf of herself and all other Aggrieved Employees, Williams hereby provides this notice to the Labor & Workforce Development Agency and the Vallejo Hospitality Group Employers and their agents and representatives.

At all relevant times, the Vallejo Hospitality Group Employers have employed persons, conducted business, and engaged in illegal payroll practices and policies, throughout California. Williams and all other Aggrieved Employees are “employees” within the meaning of Industrial Welfare Commission Order No. 5-2001 (hereafter “the Wage Order”) section 2, subdivision (F) and “Aggrieved Employees” within the meaning of Labor Code section 2699(c).

Statement of Facts

On approximately May 8, 2022, the Vallejo Hospitality Group Employers began to employ Williams in Vallejo in the position of hourly, non-exempt food attendant and then as a front desk worker. The Vallejo Hospitality Group Employers continuously employed her in that capacity until on or about June 10, 2022, when her employment ended.

At all relevant times, the Vallejo Hospitality Group Employers issued wages to Williams and all other Aggrieved Employees on a biweekly (26 paychecks/year) basis and paid them by the hour. At all relevant times, the Vallejo Hospitality Group Employers classified Williams and all other Aggrieved Employees as non-exempt employees entitled to the protections of the Labor Code and the Wage Order.

The Vallejo Hospitality Group Employers failed to compensate Williams and all other Aggrieved Employees at the correct rates of pay for all hours worked over eight in a day, over 40 in a week, and for the first eight hours of the seventh day of the workweek.

At all relevant times, the Vallejo Hospitality Group Employers failed to provide Williams and all other Aggrieved Employees with all timely 30-minute, off-duty meal periods. The Vallejo Hospitality Group Employers required Williams and all other Aggrieved Employees to remain at their assigned workstations or work areas at all times. Additionally, the Vallejo Hospitality Group Employers understaffed their hotel and required Williams and all other Aggrieved Employees to regularly work 12-hour shifts. The Vallejo Hospitality Group Employers required Williams and all other Aggrieved Employees to work during their rest and meal periods to cover multiple positions. The Vallejo Hospitality Group Employers compelled Williams and all other Aggrieved Employees to work and forgo meal and rest periods to cover positions that the Vallejo Hospitality Group Employers failed to staff. Consequently, the Vallejo Hospitality Group Employers prevented Williams and other Aggrieved Employees from taking their 30-minute meal period. The Vallejo Hospitality Group Employers also failed to pay premium wages for days on which they failed to provide Williams and all other Aggrieved Employees with meal periods as required by law.

At all relevant times, the Vallejo Hospitality Group Employers failed to authorize and permit Williams and all other Aggrieved Employees to take ten-minute, off-duty, paid rest breaks every four hours worked or major portion thereof. The Vallejo Hospitality Group Employers required Williams and all other Aggrieved Employees to remain at

their assigned workstations or work areas at all times. Additionally, the Vallejo Hospitality Group Employers understaffed their hotel and required Williams and all other Aggrieved Employees to regularly work 12-hour shifts. The Vallejo Hospitality Group Employers required Williams and all other Aggrieved Employees to work during their rest and meal periods to cover multiple positions. The Vallejo Hospitality Group Employers compelled Williams and all other Aggrieved Employees to work and forgo meal and rest periods to cover positions that the Vallejo Hospitality Group Employers failed to staff. Consequently, the Vallejo Hospitality Group Employers prevented Williams and other Aggrieved Employees from taking their 10-minute rest break every four hours or major portion thereof. The Vallejo Hospitality Group Employers also failed to pay premium wages for days on which they failed to authorize and permit Williams and all other Aggrieved Employees to take rest breaks as required by law.

At all relevant times, the Vallejo Hospitality Group Employers required Williams and all other Aggrieved Employees to incur certain business expenses in the course of performing their duties. The Vallejo Hospitality Group Employers required Williams and all other Aggrieved Employees to supply mobile phones, telecom, and uniforms to perform their job duties. However, the Vallejo Hospitality Group Employers did not provide these items and did not reimburse Williams and the other Aggrieved Employees for these items. The Vallejo Hospitality Group required Williams and all other Aggrieved Employees to use their personal mobile phones to remain in contact with management. The Vallejo Hospitality Group also relied on group chats with Williams and all other Aggrieved Employees to conduct company business. The Vallejo Hospitality Group Employers did not reimburse Williams and all other Aggrieved Employees for their personal electronic devices nor their telecom expenses. Additionally, the Vallejo Hospitality Group Employers required Williams and all other Aggrieved Employees classified as food attendants to wear “scrub” type uniforms that cost over \$70.00 per set. The Vallejo Hospitality Group Employers forced Williams and all other Aggrieved Employees to pay for the required uniforms and the cleaning of same but did not reimburse them.

At all relevant times, the Vallejo Hospitality Group Employers failed to issue to Williams and all other Aggrieved Employees complete and accurate wage statements that state all hours worked at the correct rates of pay and all wages earned. The Vallejo Hospitality Group Employers knowingly and intentionally failed to state on the wage statements they issued to Williams and all other Aggrieved Employees the unpaid wages

discussed above. The wage statements fail to state all meal period premium wages earned, all rest break premium wages earned, and other required information.

The Vallejo Hospitality Group Employers also failed to timely pay Williams and all other Aggrieved Employees all earned wages as described above during and at the conclusion of employment.

The Vallejo Hospitality Group Employers failed to maintain accurate employee records of Williams and all other Aggrieved Employees.

For the reasons stated herein, Williams alleges the following violations of the Labor Code and the Wage Order on behalf of herself and all other Aggrieved Employees:

- (a) The Vallejo Hospitality Group Employers failed to provide Williams and all other Aggrieved Employees all meal periods in compliance with California law;
- (b) The Vallejo Hospitality Group Employers failed to authorize and permit Williams and all other Aggrieved Employees to take rest breaks in compliance with California law;
- (c) The Vallejo Hospitality Group Employers failed to compensate Williams and all other Aggrieved Employees at one hour's pay for each day in which the Vallejo Hospitality Group Employers failed to provide them with one or more meal periods as required by law;
- (d) The Vallejo Hospitality Group Employers failed to compensate Williams and all other Aggrieved Employees at one hour's pay for each day in which the Vallejo Hospitality Group Employers failed to authorize and permit them to take one or more rest breaks as required by law;
- (e) The Vallejo Hospitality Group Employers failed to indemnify Williams and all other Aggrieved Employees for all necessary business expenditures incurred during the discharge of their duties;

- (f) The Vallejo Hospitality Group Employers knowingly and intentionally failed to provide Williams and all other Aggrieved Employees with accurate wage statements;
- (g) The Vallejo Hospitality Group Employers willfully failed to timely pay Williams and all other Aggrieved Employees all earned and unpaid wages during their employment with the Vallejo Hospitality Group Employers and when their employment ended; and
- (h) The Vallejo Hospitality Group Employers failed to maintain accurate employment records pertaining to Williams and all other Aggrieved Employees.

Accordingly, Williams now seeks civil penalties on behalf of herself and all other Aggrieved Employees based on the Vallejo Hospitality Group Employers' alleged violations of the Labor Code and the Wage Order.

The Wage Order

The Wage Order applies to "all persons employed in the public housekeeping industry whether paid on a time, piece rate, commission, or other basis." Wage Order, § 1. The Wage Order defines "Public Housekeeping Industry" to mean

any industry, business, or establishment which provides meals, housing, or maintenance services whether operated as a primary business or when incidental to other operations in an establishment not covered by an industry order of the Commission, and includes, but is not limited to the following:

- (1) Restaurants, night clubs, taverns, bars, cocktail lounges, lunch counters, cafeterias, boarding houses, clubs, and all similar establishments where food in either solid or liquid form is prepared and served to be consumed on the premises;
- (2) Catering, banquet, box lunch service, and similar establishments which prepare food for consumption on or off the premises;

- (3) Hotels, motels, apartment houses, rooming houses, camps, clubs, trailer parks, office or loft buildings, and similar establishments offering rental of living, business, or commercial quarters;
- (4) Hospitals, sanitariums, rest homes, child nurseries, child care institutions, homes for the aged, and similar establishments offering board or lodging in addition to medical, surgical, nursing, convalescent, aged, or child care;
- (5) Private schools, colleges, or universities, and similar establishments which provide board or lodging in addition to educational facilities;
- (6) Establishments contracting for development, maintenance or cleaning of grounds; maintenance or cleaning of facilities and/or quarters of commercial units and living units; and
- (7) Establishments providing veterinary or other animal care services.

Wage Order, § 2(P). At all relevant times during the applicable limitations period, the Country Inn & Suites Employers, Williams, and all other Aggrieved Employees were covered by the Wage Order because the Vallejo Hospitality Group Employers operated, and Williams, and all other Aggrieved Employees worked for, one or more hotels. Accordingly, Williams and all other Aggrieved Employees are entitled to the protections the Wage Order provides.

Failure to Provide Meal Periods
(Lab. Code §§ 226.7, 512, and 1198)

In relevant part, section 2(K) of the Wage Order states,

“Hours worked” means the time during which an employee is subject to the control of an employer, and includes all the time the employee is suffered or permitted to work, whether or not required to do so.

In relevant part, Labor Code section 1198 states, “The employment of any employee ... under conditions of labor prohibited by the [Wage Order] is unlawful.”

In relevant part, Labor Code section 512 states:

An employer may not employ an employee for a work period of more than five hours per day without providing the employee with a meal period of not less than 30 minutes, except that if the total work period per day of the employee is no more than six hours, the meal period may be waived by mutual consent of both the employer and employee. An employer may not employ an employee for a work period of more than 10 hours per day without providing the employee with a second meal period of not less than 30 minutes, except that if the total hours worked is no more than 12 hours, the second meal period may be waived by mutual consent of the employer and the employee only if the first meal period was not waived.

In relevant part, section 11 of the Wage Order states:

Meal Periods:

- (A) No employer shall employ any person for a work period of more than five (5) hours without a meal period of not less than 30 minutes, except that when a work period of not more than six (6) hours will complete the day's work the meal period may be waived by mutual consent of the employer and the employee. Unless the employee is relieved of all duty during a 30 minute meal period, the meal period shall be considered an "on duty" meal period and counted as time worked. . . .
- (B) If an employer fails to provide an employee a meal period in accordance with the applicable provisions of this Order, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of compensation for each workday that the meal period is not provided.

In addition, Labor Code section 226.7 states:

- (b) An employer shall not require an employee to work during a meal or rest or recovery period mandated pursuant to an applicable statute, or applicable regulation, standard, or order of the Industrial Welfare Commission, the Occupational Safety and Health

Standards Board, or the Division of Occupational Safety and Health.

- (c) If an employer fails to provide an employee a meal or rest or recovery period in accordance with a state law, including, but not limited to, an applicable statute or applicable regulation, standard, or order of the Industrial Welfare Commission, the Occupational Safety and Health Standards Board, or the Division of Occupational Safety and Health, the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest or recovery period is not provided.

At all relevant times, the Vallejo Hospitality Group Employers failed to provide Williams and all other Aggrieved Employees with all timely meal periods. The Vallejo Hospitality Group Employers denied Williams and all other Aggrieved Employees their 30-minute off-duty meal period within the first five hours of work and all subsequent earned meal periods. The Vallejo Hospitality Group Employers required Williams and all other Aggrieved Employees to remain at their assigned workstations or work areas at all times. Additionally, the Vallejo Hospitality Group Employers understaffed their hotel and required Williams and all other Aggrieved Employees to regularly work 12-hour shifts. The Vallejo Hospitality Group Employers required Williams and all other Aggrieved Employees to work during their rest and meal periods to cover multiple positions. The Vallejo Hospitality Group Employers compelled Williams and all other Aggrieved Employees to work and forgo meal and rest periods to cover positions that the Vallejo Hospitality Group Employers failed to staff. Consequently, the Vallejo Hospitality Group Employers prevented Williams and other Aggrieved Employees from taking their 30-minute meal period. Furthermore, the Vallejo Hospitality Group Employers failed to pay premium wages for days on which they failed to provide Williams and all other Aggrieved Employees with timely meal periods. Accordingly, Williams now seeks civil penalties for these Labor Code violations that the Vallejo Hospitality Group Employers have committed against her and all of the other Aggrieved Employees as follows:

1. \$100 for each aggrieved employee for each initial violation of Labor Code section 226.7, and \$200 for each aggrieved employee for each subsequent violation, per pay period (penalties set by Labor Code section 2699(f)(2));

2. \$50 for each aggrieved employee for each initial violation of Labor Code section 512, and \$100 for each aggrieved employee for each subsequent violation, per pay period in addition to an amount sufficient to recover underpaid wages (penalties set by Labor Code section 558); and
3. \$100 for each aggrieved employee for each initial violation of Labor Code section 1198, and \$200 for each aggrieved employee for each subsequent violation, per pay period (penalties set by Labor Code section 2699(f)(2)).

Failure to Authorize and Permit Rest Periods
(Lab. Code §§ 226.7 & 1198)

Section 2(K) of the Wage Order states,

“Hours worked” means the time during which an employee is subject to the control of an employer, and includes all the time the employee is suffered or permitted to work, whether or not required to do so.

In relevant part, Labor Code section 1198 states,

The employment of any employee . . . under conditions of labor prohibited by the [Wage Order] is unlawful.

Section 12 of the Wage Order provides, in relevant part:

Rest Periods:

- (A) Every employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period. The authorized rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof. However, a rest period need not be authorized for employees whose total daily work time is less than three and one-half (3 ½) hours. Authorized rest period time shall be counted as hours worked for which there shall be no deduction from wages.

- (B) If an employer fails to provide an employee a rest period in accordance with the applicable provisions of this order, the employer shall pay the employee one (1) hour of pay at the employee's regular rate of compensation for each workday that the rest period is not provided.

In addition, Labor Code section 226.7 states:

- (b) An employer shall not require an employee to work during a meal or rest or recovery period mandated pursuant to an applicable statute, or applicable regulation, standard, or order of the Industrial Welfare Commission, the Occupational Safety and Health Standards Board, or the Division of Occupational Safety and Health.
- (c) If an employer fails to provide an employee a meal or rest or recovery period in accordance with a state law, including, but not limited to, an applicable statute or applicable regulation, standard, or order of the Industrial Welfare Commission, the Occupational Safety and Health Standards Board, or the Division of Occupational Safety and Health, the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest or recovery period is not provided.

The Vallejo Hospitality Group Employers failed to authorize and permit Williams and all other Aggrieved Employees to take ten-minute, paid, duty-free rest breaks every four hours worked or major fraction thereof. The Vallejo Hospitality Group Employers did not seek an exemption from the rest period protections of the Wage Order from the California Division of Labor Standards Enforcement. The Vallejo Hospitality Group Employers required Williams and all other Aggrieved Employees to remain at their assigned workstations or work areas at all times. Additionally, the Vallejo Hospitality Group Employers understaffed their hotel and required Williams and all other Aggrieved Employees to regularly work 12-hour shifts. The Vallejo Hospitality Group Employers required Williams and all other Aggrieved Employees to work during their rest and meal periods to cover multiple positions. The Vallejo Hospitality Group

Employers compelled Williams and all other Aggrieved Employees to work and forgo meal and rest periods to cover positions that the Vallejo Hospitality Group Employers failed to staff. Consequently, the Vallejo Hospitality Group Employers prevented Williams and other Aggrieved Employees from taking their 10-minute rest breaks every four hours. Moreover, the Vallejo Hospitality Group Employers failed to pay Williams and all other Aggrieved Employees premium wages on workdays the Vallejo Hospitality Group Employers failed to provide Williams and all other Aggrieved Employees with 10-minute rest periods every four hours worked or major fraction thereof. Accordingly, Williams now seeks civil penalties for these Labor Code violations that the Vallejo Hospitality Group Employers have committed against her and all of the other Aggrieved Employees as follows:

1. \$100 for each aggrieved employee for each initial violation of Labor Code section 226.7, and \$200 for each aggrieved employee for each subsequent violation, per pay period (penalties set by Labor Code section 2699(f)(2)); and
2. \$100 for each aggrieved employee for each initial violation of Labor Code section 1198, and \$200 for each aggrieved employee for each subsequent violation, per pay period (penalties set by Labor Code section 2699(f)(2)).

Failure to Reimburse for Expenses
(Lab. Code §§ 1198 and 2802)

In pertinent part, Labor Code § 2802(a) states, “An employer shall indemnify his or her employee[s] for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her duties.”

Additionally, the Wage Order states,

- (A) When uniforms are required by the employer to be worn by the employee as a condition of employment, such uniforms shall be provided and maintained by the employer.
...
- (B) When tools or equipment are required by the employer or are necessary to the performance of a job, such tools and equipment shall be provided

and maintained by the employer, except that an employee whose wages are at least two (2) times the minimum wage provided herein may be required to provide and maintain hand tools and equipment customarily required by the trade or craft.

Wage Order, § 9(B).

Labor Code Section 1198 prohibits an employer from employing any person under conditions that violate the Wage Order.

As described above, the Vallejo Hospitality Group Employers required Williams and all other Aggrieved Employees to incur certain business expenses in the course of performing their duties. The Vallejo Hospitality Group Employers required Williams and all other Aggrieved Employees to supply mobile phones, telecom, and uniforms to perform their job duties. However, the Vallejo Hospitality Group Employers did not provide these items and did not reimburse Williams and the other Aggrieved Employees for these items. The Vallejo Hospitality Group required Williams and all other Aggrieved Employees to communicate with management during their shifts using their personal mobile phones. The Vallejo Hospitality Group also required Williams and all other Aggrieved Employees to conduct company business. The Vallejo Hospitality Group Employers did not reimburse Williams and all other Aggrieved Employees for their personal electronic devices nor their telecom expenses. Additionally, the Vallejo Hospitality Group Employers required Williams and all other Aggrieved Employees classified as food attendants to wear "scrub" type uniforms that cost over \$70.00 per set. The Vallejo Hospitality Group Employers forced Williams and all other Aggrieved Employees to pay for the required uniforms but did not reimburse them. Accordingly, Williams seeks civil penalties for these Labor Code violations that the Vallejo Hospitality Group Employers have committed against her and all of the other Aggrieved Employees as follows:

1. \$100 for each aggrieved employee for each initial violation of Labor Code section 2802, and \$200 for each aggrieved employee for each subsequent violation, per pay period (penalties set by Labor Code section 2699(f)(2)); and

2. \$100 for each aggrieved employee for each initial violation of Labor Code section 1198, and \$200 for each aggrieved employee for each subsequent violation, per pay period (penalties set by Labor Code section 2699(f)(2)).

Failure to Provide Accurate Wage Statements
(Lab. Code § 226)

Labor Code section 226(a) requires an employer to provide an employee, either semi-monthly or at the time of each wage payment, with an accurate and itemized written wage statement that shows:

1. Gross wages earned;
2. Total hours worked by the employee, except for any employee whose compensation is solely based on a salary and who is exempt from payment of overtime under subdivision (a) of Section 515 or any applicable order of the Industrial Welfare Commission;
3. The number of piece rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis;
4. All deductions, provided that all deductions made on written orders of the Employee may be aggregated and shown as one item;
5. Net wages earned;
6. The inclusive dates of the period for which the employee is paid;
7. The name of the employee and his or her social security number, except that by January 1, 2008, only the last four digits of his or her social security number or an employee identification number other than a social security number may be shown on the itemized statement;
8. The name and address of the legal entity that is the employer; and

9. All applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee.

At all relevant times during the applicable limitations period, the Vallejo Hospitality Group Employers violated Labor Code section 226 because they did not properly and accurately itemize each Aggrieved Employee's gross wages earned, net wages earned, the total hours worked, the corresponding number of hours worked at each rate by the Aggrieved Employee and other requirements of Labor Code section 226. The Vallejo Hospitality Group Employers knowingly and intentionally failed to state on the wage statements they issued to Williams and all other Aggrieved Employees the earned, but unpaid wages described above. The wage statements do not state all meal period premium wages earned, all rest break premium wages earned, and other required information.

Accordingly, Williams seeks civil penalties for the Labor Code violations that the Vallejo Hospitality Group Employers have committed against her and all of the other Aggrieved Employees as follows: \$250 for each aggrieved employee for each initial violation of Labor Code section 226(a), and \$1,000 for each aggrieved employee for each subsequent violation (penalties set by Labor Code section 226.3).

Failure to Timely Pay Wages During Employment
(Lab. Code § 204)

Labor Code section 204 states all wages (other than those mentioned in Labor Code sections 201 and 202) earned by any person in any employment are due and payable twice during each calendar month, on days designated in advance by the employer as the regular paydays. Labor performed between the 1st and 15th days, inclusive, of any calendar month shall be paid for between the 16th and the 26th day of the month during which the labor was performed, and labor performed between the 16th and the last day, inclusive, of any calendar month, shall be paid for between the 1st and 10th day of the following month. In addition, all wages for work performed in excess of the normal work period must be paid by no later than the following regular payday.

The Vallejo Hospitality Group Employers failed to compensate Williams and all other Aggrieved Employees for wages earned, including unprovided meal period premium wages, unprovided rest break premium wages, and other compensation, at the intervals

stated above. As a result, the Vallejo Hospitality Group Employers failed to timely pay all earned wages due during employment within the time periods set by Labor Code section 204. Accordingly, Williams now seeks civil penalties for the Labor Code violations that the Vallejo Hospitality Group Employers have committed against her and all of the other Aggrieved Employees as follows: \$100 for each aggrieved employee for each initial violation of Labor Code section 204, and \$200 for each aggrieved employee for each subsequent violation, plus 25% of the amount unlawfully withheld from each aggrieved employee (penalties set by Labor Code section 210).

Failure to Timely Pay Wages Upon Termination of Employment
(Lab. Code §§ 201, 202, and 203)

Under Labor Code § 201, if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately. Under § 202, if an employee not having a written contract for a definite period quits his or her employment, his or her wages shall become due and payable not later than 72-hours thereafter, unless the employee has given 72-hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting. Notwithstanding any other provision of law, an employee who quits without providing a 72-hour notice shall be entitled to receive payment by mail if he or she so requests and designates a mailing address. *Id.* The date of the mailing shall constitute the date of payment for purposes of the requirement to provide payment within 72 hours of the notice of quitting. *Id.*

Under Labor Code § 203, if an employer willfully fails to pay without abatement or reduction, in accordance with §§ 201 and 202, the wages of an employee who is discharged or who quits, the wages of the employee shall continue as a penalty from the due date thereof at the same rate until paid or until an action therefor is commenced; but the wages shall not continue for more than 30 days.

The Vallejo Hospitality Group Employers failed to pay Williams and all other Aggrieved Employees whose employment ended all the earned, but unpaid wages described above by the conclusion of their employment with Williams, including regular wages, overtime wages, unprovided meal period premium wages, unprovided rest break premium wages, and other compensation. Additionally, the Vallejo Hospitality Group Employers failed to issue to Williams and all other Aggrieved Employees whose employment ended their final paychecks for over two weeks following termination. By failing to pay Williams

and all other Aggrieved Employees as set forth above at the end of employment, the Vallejo Hospitality Group Employers are liable for violations of Labor Code §§ 201, 202, and 203. Accordingly, on behalf of herself and all other Aggrieved Employees, Williams seeks civil penalties from the Vallejo Hospitality Group Employers as follows:

1. For violations of Labor Code § 201, \$100 per aggrieved employee for each of the pay periods in which initial violations of § 201 occurred, and \$200 per aggrieved employee per pay period in which subsequent violations of § 201 occurred (penalties set by Labor Code § 2699(f)(2));
2. For violations of Labor Code § 202, \$100 per aggrieved employee for each of the pay periods in which initial violations of § 202 occurred, and \$200 per aggrieved employee per pay period in which subsequent violations of § 202 occurred (penalties set by Labor Code § 2699(f)(2)); and
3. For violations of Labor Code § 203, \$100 per aggrieved employee for each of the pay periods in which initial violations of § 203 occurred, and \$200 for per aggrieved employee per pay period in which subsequent violations of § 203 occurred (penalties set by Labor Code § 2699(f)(2)).

Failure to Maintain Accurate Employment Records
(Lab. Code §§ 1174 & 1198)

Labor Code section 1174, which also pertains to recordkeeping, states:

Every person employing labor in this state shall:

...

(c) Keep a record showing the names and addresses of all employees employed and the ages of all minors

(d) Keep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. These records shall be kept in accordance with

rules established for this purpose by the commission, but in any case shall be kept on file for not less than three years. An employer shall not prohibit an employee from maintaining a personal record of hours worked, or, if paid on a piece-rate basis, piece-rate units earned.

Labor Code section 1174.5 states:

Any person employing labor who willfully fails to maintain the records required by subdivision(c) of Section 1174 or accurate and complete records required by subdivision (d) of Section 1174, or to allow any member of the commission or employees of the division to inspect records pursuant to subdivision (b) of Section 1174, shall be subject to a civil penalty of five hundred dollars (\$500).

Section 7 of Wage Order stat

(A) Every employer shall keep accurate information with respect to each employee including the following:

- (1) Full name, home address, occupation and social security number.
- (2) Birth date, if under 18 years, and designation as a minor.
- (3) Time records showing when the employee begins and ends each work period. Meal periods, split shift intervals and total daily hours worked shall also be recorded. Meal periods during which operations cease and authorized rest periods need not be recorded.
- (4) Total wages paid each payroll period, including value of board, lodging, or other compensation actually furnished to the Employee.

- (5) Total hours worked in the payroll period and applicable rates of pay. This information shall be made readily available to the employee upon reasonable request.
- (6) When a piece rate or incentive plan is in operation, piece rates or an explanation of the incentive plan formula shall be provided to employees. An accurate production record shall be maintained by the employer.

Labor Code section 1198 prohibits employers from employing their employees under conditions prohibited by the Wage Order.

The Vallejo Hospitality Group Employers failed to compensate Williams and all other Aggrieved Employees for all hours worked at the correct rates of pay, including all meal period premium wages earned, all rest break premium wages earned, and related compensation. As a result, the Vallejo Hospitality Group Employers have failed to accurately maintain all records required by section 1174 and the Wage Order, including but not limited to Williams and all other Aggrieved Employees' total hours worked, total wages paid, and applicable hourly rates during each payroll period. Accordingly, Williams seeks civil penalties on behalf of herself and all of the other Aggrieved Employees as follows:

1. \$500 for each aggrieved employee for each violation of Labor Code section 1174 (penalties set by Labor Code section 1174.5); and
2. \$100 for each aggrieved employee for each initial violation of Labor Code section 1198, and \$200 for each Aggrieved Employee for each subsequent violation, per pay period (penalties set by Labor Code section 2699(f)(2)).

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LWDA / The Vallejo Hospitality Group Employers
Re: Vickie Williams
November 28, 2022
Page 19 of 19

Conclusion

As noted above, this letter constitutes the required notice under the Labor Code Private Attorneys General Act of 2004. Please be advised that Vickie Williams will seek both reasonable attorneys' fees and costs under Labor Code section 2699(g)(1) in a civil action should the LWDA decline to pursue this matter. This letter also serves as a formal notice under the catalyst theory and Code of Civil Procedure section 1021.5 to resolve this matter before litigation.

Sincerely,



David Spivak, Esq.
David@spivaklaw.com
cc: Vickie Williams

Walter L. Haines
United Employees Law Group
4276 Katella Ave
Suite 301
Los Alamitos, CA 90720
walter@uelglaw.com

Vallejo Hospitality LLC
c/o Michael Heath Esq.
Law Offices of Michael Heath
3251 Steiner Street
San Francisco, CA 94123

Three65 Hospitality Group LLC
c/o Silicon Valley Tax & Accounting Services
20111 Stevens Creek Blvd, Ste 280
Cupertino, CA 95014

PROOF OF SERVICE

State of California,
County of Los Angeles

1. I am a citizen of the United States and am employed in the County of Los Angeles, State of California. I am over the age of 18 years, and not a party to the within action. My business address is 1801 Century Park East, 25th Fl, Los Angeles, CA 90067.

2. I am familiar with the practice of The Spivak Law Firm, for collection and processing of correspondence for mailing with the United States Postal Service. It is the practice that correspondence is deposited with the United States Postal Service the same day it is submitted for mailing.

On Friday, February 10, 2023, I served the foregoing document described as **FIRST AMENDED COMPLAINT** on interested parties by placing a true and correct copy thereof enclosed in a sealed envelope, with postage fully prepaid, addressed as follows:

Gaurav Bovvy Kalra
Attorney At Law
177 East Colorado Blvd., Suite 200
Pasadena, CA 91105
bobby@outofcontrolboss.com

____ (BY MAIL) I caused such an envelope to be mailed by placing it for collection and mailing, in the course of ordinary business practice, with other correspondence of The Spivak Law Firm, 1801 Century Park East, 25th Fl, Los Angeles, CA 90067.

XXXX (BY EMAIL) I caused the documents to be sent to the persons at the electronic service addresses listed above from my electronic service address nora@spivaklaw.com.

EXECUTED on Friday, February 10, 2023, at Burbank, California.

XXXX (State) I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

____ (Federal) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.



NORA GREER

EXHIBIT 5

1 Gaurav Bobby Kalra (SBN 219483)
Attorney at Law
2 177 East Colorado Boulevard, Suite 200
Pasadena, California 91105
3 Telephone: (213) 435-3469
Facsimile: (213) 559-8386
4 bobby@outofcontrolboss.com

5 Attorney for Defendants
Vallejo Hospitality, LLC, and,
6 Three65 Hospitality LLC

7
8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 FOR THE COUNTY OF SOLANO

10 VICKIE WILLIAMS, on behalf of herself
and all others similarly situated, and the
11 general public, and as an "aggrieved
employee" on behalf of other "aggrieved
12 employees" and the State of California
under the Labor Code Private Attorneys
13 General Act of 2004,

14 *Plaintiff(s),*

15 vs.

16 VALLEJO HOSPITALITY LLC, a
California limited liability company;
17 THREE65 HOSPITALITY LLC, a
California limited liability company; and
18 DOES 1-50, inclusive,

19 *Defendant(s).*
20
21

CASE NO. FCS059352

**DEFENDANTS': (1) VALLEJO
HOSPITALITY LLC's, AND (2) THREE65
HOSPITALITY LLC's, ANSWER TO FIRST-
AMENDED CLASS ACTION COMPLAINT**

22 Defendants: (1) Vallejo Hospitality LLC, and, (2) Three65 Hospitality LLC

23 ("Defendants"), submits their Answer to **Plaintiff's First-Amended Class Action Complaint**
24 **("FACAC")** as follows:
25
26

28 **DEFENDANTS': (1) VALLEJO HOSPITALITY LLC's, AND (2) THREE65
HOSPITALITY LLC's, ANSWER TO FIRST-AMENDED CLASS ACTION
COMPLAINT**

1 Defendants generally and specifically deny each and every allegation of the FACAC
2 pursuant to California Code of Civil Procedure § 431.30 and specifically deny that Plaintiff Vickie
3 Williams and putative class members ("Plaintiffs") is entitled to damages.

4 This Answer to the FACAC is filed without prejudice to Defendants' right to file an
5 amended answer, including additional affirmative defenses and/or cross-complaints, after
6 conducting discovery and further investigation.

7
8
9 **AFFIRMATIVE DEFENSES**

10 Without assuming any burden that they would not otherwise bear, Defendants further assert
11 the separate and distinct affirmative defenses stated below to each and every cause of action
12 alleged in the FACAC, except where such affirmative defense states that it is specifically limited to
13 one or more causes of action:

14
15 **FIRST AFFIRMATIVE DEFENSE**

16 **Failure to State a Claim**

17 The FACAC, and each purported cause of action alleged therein, fails to state facts
18 sufficient to constitute a cause of action against Defendants.

19 **SECOND AFFIRMATIVE DEFENSE**

20 **Statute of Limitations**

21 The FACAC, and each purported cause of action alleged therein, is barred in whole or in
22 part by the applicable statutes of limitations.

23 **THIRD AFFIRMATIVE DEFENSE**

24 **Unclean Hands**

25 Plaintiffs' claims are barred by the doctrine of unclean hands.

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FOURTH AFFIRMATIVE DEFENSE

Estoppel

Plaintiffs' claims are barred by the doctrine of estoppel.

FIFTH AFFIRMATIVE DEFENSE

Waiver

Plaintiffs and/or the putative class members relinquished and waived any right to any of the claims upon which Plaintiffs now seek relief.

SIXTH AFFIRMATIVE DEFENSE

Laches

Plaintiffs' claims are barred by the doctrine of laches.

SEVENTH AFFIRMATIVE DEFENSE

Acquiescence – Consent

Plaintiffs' claims are barred because Plaintiffs, and each member of the putative class, acquiesced or consented to the conduct about which they now complain.

EIGHTH AFFIRMATIVE DEFENSE

Misrepresentation

Plaintiffs' claims are barred, in whole or in part, because in doing the things alleged in the FACAC, Defendants acted in reliance on misrepresentations by Plaintiffs and the putative class members, including but not limited to misrepresentations regarding hours worked.

NINTH AFFIRMATIVE DEFENSE

Lack of Standing

The Complaint, and each purported cause of action alleged therein, is barred because Plaintiffs lack standing to state the claims alleged in the Complaint and/or to assert the legal rights or interests of others.

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1 TENTH AFFIRMATIVE DEFENSE

2 Non-Certifiable Class

3 The Complaint, and each purported cause of action alleged therein, does not state facts
4 sufficient to certify a class. Therefore, this action is not properly brought as a class action.

5 ELEVENTH AFFIRMATIVE DEFENSE

6 Inadequacy of Class Representative

7 Plaintiffs are not proper representatives of the class they purport to represent and,
8 accordingly, this action is not properly brought as a class action.

9 TWELFTH AFFIRMATIVE DEFENSE

10 Putative Members Not Similarly Situated

11 Plaintiffs cannot maintain a representative or class action because the putative plaintiffs are
12 not similarly situated.

13 THIRTEENTH AFFIRMATIVE DEFENSE

14 Failure to Pay Not Willful

15 Assuming arguendo that Defendants failed to pay Plaintiffs or putative class members all
16 wages, Defendants cannot be held liable because the failure to pay was not willful because there is
17 a good faith dispute whether wages were owed.

18 FOURTEENTH AFFIRMATIVE DEFENSE

19 Failure to Exhaust Administrative Remedies

20 The Complaint, and each purported cause of action alleged therein, is barred because
21 Plaintiffs failed to exhaust their administrative remedies before filing suit.

22 FIFTEENTH AFFIRMATIVE DEFENSE

23 Lack of Specificity

24 The Cause of Action for Unfair Competition in violation of California Business and
25 Professions Code section 17200 et seq., is barred because it fails to plead specific facts capable of
26 stating a claim for unfair business practices.

1 SIXTEENTH AFFIRMATIVE DEFENSE

2 Legitimate Business Purpose

3 Defendants cannot be liable for any alleged violation of California Business and
4 Professions Code section 17200 et seq., because any action, conduct, and/or dealings with
5 Plaintiffs or putative class members, if any, were lawful, and were carried out in good faith and for
6 legitimate business and economic considerations. SEVENTEENTH AFFIRMATIVE DEFENSE
7 Safe Harbor Plaintiffs' claim based upon California Business and Professions Code section 17200
8 et seq., is barred because the conduct alleged falls within a safe harbor.

9 EIGHTEENTH AFFIRMATIVE DEFENSE

10 Civil Penalties Unconstitutional

11 The penalties sought in Plaintiffs' Complaint violate the due process, equal protection,
12 and/or excessive fines clauses of the United States and California Constitutions.

13 NINETEENTH AFFIRMATIVE DEFENSE

14 Setoff, Offset, Recoupment

15 Defendants are entitled to setoff, offset, and/or recoupment for amounts paid to Plaintiffs
16 and/or any member of the putative class.

17 TWENTIETH AFFIRMATIVE DEFENSE

18 Fault of Plaintiffs/Third Parties

19 Any injury or damage allegedly suffered by Plaintiffs was caused or contributed to by the
20 negligence, fault, bad faith, breach of contract, or other wrongful or tortious conduct of Plaintiffs
21 and/or persons or entities other than Defendants, and such conduct offsets, eliminates or
22 comparatively reduces the liability, if any, of Defendants.

23 TWENTY-FIRST AFFIRMATIVE DEFENSE

24 Failure to Mitigate

25 The Complaint, and each purported cause of action alleged therein, is barred by Plaintiffs' failure
26 to take reasonable steps to avoid or otherwise mitigate the alleged damages, the existence of which
27 is specifically denied.

1 TWENTY-SECOND AFFIRMATIVE DEFENSE

2 Attorneys' Fees

3 The Complaint, and each and every purported claim for relief alleged therein, fails to state
4 facts sufficient to entitle Plaintiffs to an award of attorneys' fees in any amount. Moreover, as a
5 consequence of Plaintiffs bringing this action, Defendants have been required to retain attorneys to
6 defend themselves, and Defendants are entitled to recover their attorneys' incurred herein.

7 TWENTY-THIRD AFFIRMATIVE DEFENSE

8 Reasonableness and Good Faith

9 Defendants acted reasonably and in good faith at all times material herein, based on all
10 relevant facts and circumstances known to them at the time they so acted. Accordingly, Plaintiffs
11 are barred, in whole or in part, from any recovery in this action.

12 TWENTY-FOURTH AFFIRMATIVE DEFENSE

13 De Minimis

14 Some or all of the disputed time for which Plaintiffs and/or the members of the alleged
15 putative group they purport to represent is not compensable as de minimis.

16 RIGHT TO AMEND AFFIRMATIVE DEFENSES

17 Defendants respectfully reserve the right to amend their Answer to assert additional
18 affirmative defenses in the future and to supplement those asserted herein upon further
19 investigation and discovery.

20 ///

21 ///

22 ///

1 WHEREFORE, Defendants pray for judgment as follows:

- 2 1. That Plaintiffs be granted no relief in this action against Defendants;
3 2. That judgment be rendered in favor of Defendants and against Plaintiffs on each and
4 every cause of action alleged in the Complaint;
5 3. That Defendants recover their costs of suit incurred herein, including attorneys' fees; and
6 4. For such other and further relief as this Court deems just and proper.

7
8 Dated: March 13, 2023

9 By: 
10 Gaurav Bobby Kalra (SBN 219483)
11 Attorney for Defendants
12 Vallejo Hospitality, LLC, and,
13 Three65 Hospitality LLC
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PROOF OF SERVICE
[CCP §1013, 1013a]

The undersigned declares:

I am employed in the County of Los Angeles, State of California. I am over the age of 18 years and not a party to the within action and work at the following address: 177 East Colorado Boulevard, Suite 200, Pasadena, California 91105. On this date I served the foregoing document described as: **DEFENDANTS' ANSWER TO THE FIRST-AMENDED COMPLAINT**

on all parties in said action by causing a true copy thereof to be

- ☒ Transmitted Via Email to the email addresses set forth below before 5:00 p.m. on this date, via e-mail service agreement of all parties
- ☐ Placed in a sealed envelope with postage thereon fully prepaid in the designated area for outgoing mail, ☐ sent certified mail, return receipt requested

addressed to the person(s) on whom it is to be served, whose name(s) and address(es) are listed below:

DAVID G. SPIVAK (SBN 179684)
david@spivaklaw.com
JENICA LEONARD (SBN 245366)
jenica@spivaklaw.com
THE SPIVAK LAW FIRM
8605 Santa Monica Bl
PMB 42554
West Hollywood, CA 90069
Telephone: (213) 725-9094
Facsimile: (213) 634-2485
Attorneys for Plaintiff(s),
VICKIE WILLIAMS, and all others
similarly situated

E-mail Addresses:
WilliamsCountryInnSuitesbyRadissonZ1070
7357@projects.filevine.com
WilliamsCountryInnSuitesbyRadissonZ1070
7357@projects.filevine.com
Nora Greer nora@spivaklaw.com
David Spivak david@spivaklaw.com
Breck Oyama boyama@spivaklaw.com
Jenica Leonard jenica@spivaklaw.com
Laura Solorzano laura@spivaklaw.com

WALTER L. HAINES (SBN 71075)
walter@uelglaw.com
UNITED EMPLOYEES LAW GROUP
4276 Katella Ave
Suite 301
Los Alamitos, CA 90720
Telephone: (562) 256-1047
Facsimile: (562) 256-1006
Additional Attorney for Plaintiff

E-mail Address:
Walter Haines walter@uelglaw.com

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed **March 13, 2023**, at Pasadena, California.



Gaurav Bobby Kalra

EXHIBIT 6

Raosoft Calculator

Population Size

125

Margin of Error (%)

32

Confidence Level

95%

Response Distribution (%)

50

Results (Forward)

Required Sample Size (infinite population): 10

Adjusted Sample Size (finite population): 9

Multi-Confidence Table

Based on your Margin of Error and Response Distribution. [📄 Survey result validation](#)

Confidence Level	Z-score	Sample Size (∞ population)	Sample Size (finite pop)
80%	1.2816	5	4
85%	1.4395	6	5
90%	1.6449	7	7
95%	1.9600	10	9
99%	2.5758	17	15

Determining the right sample size can make or break your research project. Too small, and your findings won't represent your target population. Too large, and you're wasting valuable time and resources. The Raosoft sample size [📄 calculator](#) has become the go-to solution for researchers, students, and data analysts who need accurate sample size calculations quickly and efficiently.

Understanding Key Sample Size

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Ok



Sample Size

Sample size refers to the number of participants or observations you include in your study. This number directly impacts the reliability and validity of your research findings. A well-calculated sample size ensures your results accurately reflect the characteristics of your entire target population.

The challenge lies in finding the sweet spot large enough to be statistically meaningful, yet practical enough to execute within your constraints of time, budget, and resources.

Margin of Error

The margin of error represents the amount of uncertainty you're willing to accept in your results. Expressed as a percentage, it creates a range around your sample statistic within which the true population parameter likely falls.

For instance, if your survey reveals that 60% of respondents prefer a particular product with a margin of error of $\pm 3\%$, you can be confident that between 57% and 63% of the entire population shares this preference. Common margin of error values range from 1% to 10%, with 5% being widely accepted across many research fields.

Confidence Level

Your confidence level indicates how certain you can be that your sample results fall within the specified margin of error. This  **statistical** measure is expressed as a percentage, with 90%, 95%, and 99% being the most frequently used levels.

A 95% confidence level means that if you repeated your study 100 times with different samples from the same population, approximately 95 of those studies would produce results within your margin of error. Higher confidence levels provide greater certainty but require larger sample sizes.



Response Distribution

Response distribution reflects the expected variability in your survey responses. A 50% response distribution assumes maximum variability, where responses are split evenly between options. This conservative approach typically yields the largest recommended sample size, making it the safest choice when you're uncertain about response patterns.

How to Use the Raosoft Calculator: A Step-by-Step Guide

The screenshot shows the Raosoft Sample Size Calculator interface. It has a title 'Sample Size Calculator' and a toggle switch for 'Forward (Required Sample Size)' and 'Reverse (Achieved Margin of Error)'. The 'Forward' option is selected. Below this, there are four input fields: 'Population Size' (50000), 'Margin of Error (%)' (4), 'Confidence Level' (95%), and 'Response Distribution (%)' (50). At the bottom, there are three buttons: 'Calculate', 'Reset', and 'Export PDF'.

Using the Raosoft sample size calculator is straightforward, but understanding each input ensures accurate results.

Step 1: Set Your Margin of Error

Begin by determining your acceptable margin of error. Enter this value as a percentage in the designated field. Remember that lower margins of error require larger sample sizes but provide more precise results.

Step 2: Choose Your Confidence Level

Select your desired confidence level from the dropdown menu. Most academic research uses 95%, while market research often accepts 90%. Critical medical or safety studies may require 99% confidence.

Step 3: Enter Population Size

Input your total population size. If you're studying a very large or unknown

adequate regardless of how responses actually distribute.

Step 5: Calculate and Review Results

Click calculate to receive your recommended sample size. The tool also provides alternative scenarios, showing how different confidence levels or sample sizes would affect your margin of error.

Example Calculation

Let's work through a practical example. Suppose you're conducting market research for a new product launch:

- Margin of Error: 4%
- Confidence Level: 95%
- Population Size: 50,000 potential customers
- Response Distribution: 50%

The calculator recommends a sample size of 601 respondents. This means surveying 601 people would give you 95% confidence that your results are within 4% of the true population values.

Interpreting Your Results

Understanding your  calculator results goes beyond simply noting the recommended sample size. The tool provides valuable insights that can inform your research strategy.  GPA calculation service

Minimum Sample Size

The primary result shows the minimum number of participants needed to meet your specified statistical requirements. This represents the threshold for reliable results, assuming you achieve 100% response rate from your selected sample.

Alternative Scenarios

Pay attention to the alternative scenarios section. This feature demonstrates how adjusting your parameters affects sample size requirements. For example, you might discover that accepting a slightly larger margin of error could significantly reduce your sample size needs, making your study more feasible.

Practical Considerations

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these factors.



Real-World Applications of Sample Size Calculations

Understanding how different industries and research contexts apply sample size calculations helps illustrate the tool's versatility.

Market Research

A company developing a new smartphone wants to understand consumer preferences across different age groups. Using the Raosoft calculator, they determine they need 384 respondents for a 95% confidence level with a 5% margin of error. This sample size ensures their product development decisions are based on statistically reliable consumer insights.

Political Polling

A polling organization preparing for election coverage calculates sample sizes for different demographic segments. For statewide polls, they use 1,068 respondents to achieve 95% confidence with a 3% margin of error. This precision allows them to make accurate predictions while efficiently allocating their surveying resources.

Healthcare Surveys

A hospital system evaluating patient satisfaction across its network of facilities needs reliable feedback data. They calculate a sample size of 322 patients per facility for 95% confidence with a 5% margin of error. This approach ensures each facility's results are statistically meaningful while keeping the survey manageable.

Academic Research

A university researcher studying student learning outcomes in online versus traditional courses needs sufficient sample sizes for both groups. Using the calculator, they determine that 246 students per group will provide 95% confidence with a 6% margin of error, making their comparative analysis statistically robust.

Quality Control

A manufacturing company implements  statistical quality control

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Research Success

Proper sample size calculation forms the foundation of credible research. Undersized studies may miss important effects or relationships, while oversized studies waste resources that could be better allocated elsewhere.

Statistical Power

Adequate sample sizes ensure your study has sufficient statistical power to detect meaningful differences or relationships. Underpowered studies often produce inconclusive results, potentially requiring costly follow-up research.

Resource Optimization

Calculating optimal sample sizes helps balance statistical rigor with practical constraints. You'll avoid the expense of unnecessarily large samples while ensuring your results meet scientific standards.

Credibility and Publication

Research with properly calculated sample sizes is more likely to be accepted by peer reviewers and journal editors. Clear justification of sample size decisions demonstrates methodological rigor and statistical competence.

Frequently Asked Questions

What if my population size is infinite or unknown?

When dealing with very large or unknown populations, use a large number such as 1,000,000 in the population size field. For populations larger than 20,000, the sample size doesn't change significantly, so any large number will provide accurate results.

How does changing the confidence level affect the sample size?

Increasing your confidence level requires a larger sample size because you're demanding greater certainty in your results. Moving from 90% to 95% confidence level will increase the sample size required.

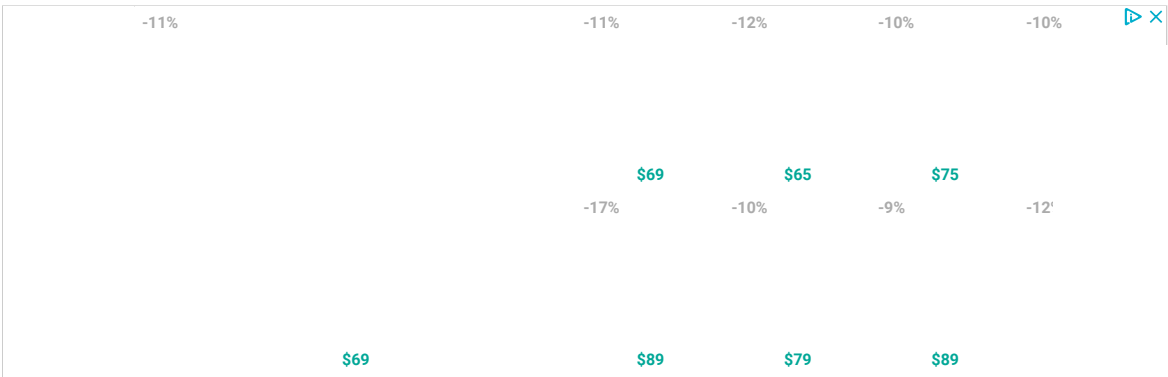
involving numerical data and [statistical analysis](#). Qualitative research typically uses different approaches to determine appropriate sample sizes, focusing on data saturation rather than statistical power.

[Raosoft software subscription](#)

Maximize Your Research Impact

The Raosoft sample size calculator serves as an invaluable tool for researchers across disciplines. By understanding the key concepts, following proper procedures, and interpreting results correctly, you can design studies that produce reliable, actionable insights while making efficient use of your resources.

Remember that sample size calculation is just the beginning of good research design. Consider factors such as sampling methods, survey design, data collection procedures, and analysis plans to ensure your study achieves its objectives.



Ready to determine the perfect sample size for your next research project? **Calculate your sample size today** using our comprehensive understanding of these principles, and take the first step toward conducting research that makes a meaningful impact in your field.





EXHIBIT 7

Confidential Settlement Communication

By continuing to review this documents, recipient agrees not to use this document for purposes other than settlement discussions

Case title: Vickie Williams v. Country Inn & Suites By Radisson, Inc.
Case no.: FCS059352
Court: Solano
Judge: The Honorable Christine A. Carringer, Dept. 12
Page subject: **Data**

Important Dates

Unfair Competition, Bus.&Prof. § 17200 ("UCL") period begins:	Saturday, December 1, 2018
Lab.Code § 203 (waiting time penalties) period begins:	Sunday, December 1, 2019
Lab.Code § 2699 (civil penalties) period begins:	Sunday, November 28, 2021
Lab.Code § 226 (pay stub penalties) period begins:	Tuesday, November 30, 2021
LWDA Notice:	Monday, November 28, 2022
Lawsuit:	Wednesday, November 30, 2022
Sample begin:	Monday, May 3, 2021
Sample end:	Monday, March 17, 2025
Sample calendar days:	1,414
Mediation:	Wednesday, March 12, 2025
Anticipated Settlement Period end date:	Thursday, July 10, 2025
Settlement Period to Sample Period:	170.65%

Classes / Groups sizes

UCL Class Members:	79
UCL Workweeks:	1,669
UCL Wage Statements:	835
UCL Workdays:	7,160
UCL Calendar days:	2,293
UCL Months:	384.12
 Waiting Time Penalties Class Members:	 79
 PAGA Aggrieved Employees:	 79
PAGA Wage Statements:	876
 Wage Statement Class Members:	 79
Wage Statement Class Wage Statements:	876

Averages

Average Hourly Rate:	\$	16.73
Average Overtime Rate:	\$	25.10
Average Doubletime Rate:	\$	33.46
 Average Work Hours Per Day:		7.51
Average Work Hours Per Week:		32.21
Average Workdays Per Week:		4.29
Workdays to Calendar Days (%):		61.29%
Paycycle:	biweekly (26 paychecks/year)	
Paychecks Per Year:		26

Confidential Settlement Communication

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Case title: Vickie Williams v. Country Inn & Suites By Radisson, Inc.
Case no.: FCS059352
Court: Solano
Judge: The Honorable Christine A. Carringer, Dept. 12
Page subject: **Unprovided Meal Periods**
Authority: Lab.Code §§ 226.7, 512, and 1198

Average Hourly Rate:	\$	16.73
Actionable workdays:		7,160
>>Percentage qualifying for meal periods:		95.94%
Violation rate (%)		24.74%
Meal Premiums paid:		358
Meal period premium wages:	\$	23,645.96

Confidential Settlement Communication

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Case title: Vickie Williams v. Country Inn & Suites By Radisson, Inc.
Case no.: FCS059352
Court: Solano
Judge: The Honorable Christine A. Carringer, Dept. 12
Page subject: **Unprovided Rest Periods**
Authority: Lab.Code §§ 226.7 and 1198

Average Hourly Rate:	\$	16.73
Actionable workdays:		7,160
>>Percentage qualifying for rest periods:		99.11%
Violation rate (%)		100.00%
Rest period premium wages:	\$	119,786.97

By continuing to review this documents, recipient agrees not to use this document for purposes other than settlement discussions

Case title: Vickie Williams v. Country Inn & Suites By Radisson, Inc.
Case no.: FCS059352
Court: Solano
Judge: The Honorable Christine A. Carringer, Dept. 12
Page subject: **Unreimbursed expenses**
Authority: Lab.Code § 2802

Telecom

Plaintiff's Telecom provider:		
UCL Months:		384.12
Average Monthly Telecom bill:	\$	150.00
Percentage attributable to work:		75%
Interest rate:		10%
Unreimbursed Telecom costs:	\$	47,534.81
Unreimbursed expenses:	\$	47,534.81

Confidential Settlement Communication

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Case title: Vickie Williams v. Country Inn & Suites By Radisson, Inc.
Case no.: FCS059352
Court: Solano
Judge: The Honorable Christine A. Carringer, Dept. 12
Page subject: **Itemized Wage Statements**
Authority: Lab.Code § 226

Wage Statement Class Members:		79
Wage Statement Class Wage Statements:		876
Initial penalty:	\$	50.00
Subsequent penalty:	\$	100.00
Statutory wage statement penalties:	\$	83,650.00

Confidential Settlement Communication

By continuing to review this documents, recipient agrees not to use this document for purposes other than settlement discussions

Case title: Vickie Williams v. Country Inn & Suites By Radisson, Inc.
Case no.: FCS059352
Court: Solano
Judge: The Honorable Christine A. Carringer, Dept. 12
Page subject: **Waiting Time / Final Wages**
Authority: Lab.Code § 203

Waiting Time Penalties Class Members:		79
Days waiting:		30
Average Hourly Rate:	\$	16.73
Average Overtime Rate:	\$	25.10
Average Doubletime Rate:	\$	33.46
Average Work Hours Per Day:		7.51
Regular Hours Per Day:		7.51
Overtime Hours Per Day:		-
Doubletime Hours Per Day:		-
Waiting time penalties:	\$	297,772.25

Confidential Settlement Communication

By continuing to review this documents, recipient agrees not to use this document for purposes other than settlement discussions

Case title: Vickie Williams v. Country Inn & Suites By Radisson, Inc.
Case no.: FCS059352
Court: Solano
Judge: The Honorable Christine A. Carringer, Dept. 12
Page subject: **PAGA Civil Penalties**
Authority: Lab.Code §§ 2698, *et seq.*

Labor Code violation	Labor Code Civil		Subsequent		Pay periods	Total
	Penalty Statute	Initial penalty	penalty			
Meal periods Lab.Code § 512):	Lab.Code § 558	\$ 50.00	\$ 100.00	876	\$	87,550.00
Rest periods (Lab.Code § 1198):	Lab.Code § 2699	\$ 100.00	\$ 200.00	876	\$	175,100.00
Business expenses (Lab.Code § 2802):	Lab.Code § 2699	\$ 100.00	\$ 200.00	876	\$	175,100.00
Improper pay stubs (Lab.Code § 226):	Lab.Code § 226.3	\$ 250.00	\$ 1,000.00	876	\$	875,250.00
Untimely wages (Lab.Code §§ 201-204):	Lab.Code § 2699	\$ 100.00	\$ 200.00	876	\$	175,100.00
Total:					\$	1,488,100.00

By continuing to review this documents, recipient agrees not to use this document for purposes other than settlement discussions

Case title: Vickie Williams v. Country Inn & Suites By Radisson, Inc.
Case no.: FCS059352
Court: Solano
Judge: The Honorable Christine A. Carringer, Dept. 12
Page subject: **Totals**
Authority: Various

Restitution

Meal period premium wages:	\$	23,645.96
Rest period premium wages:	\$	119,786.97
Unreimbursed expenses:	\$	47,534.81
Restitution subtotal:	\$	190,967.73

Penalties

Statutory wage statement penalties:	\$	83,650.00
Waiting time penalties:	\$	297,772.25
Meal periods (Lab.Code § 512):civil penalties:	\$	87,550.00
Rest periods (Lab.Code § 1198):civil penalties:	\$	175,100.00
Business expenses (Lab.Code § 2802):civil penalties:	\$	175,100.00
Improper pay stubs (Lab.Code § 226):civil penalties:	\$	875,250.00
Untimely wages (Lab.Code §§ 201-204):civil penalties:	\$	175,100.00
Penalties subtotal:	\$	1,869,522.25

Grand total:	\$	2,060,489.98

EXHIBIT 8

1 DAVID G. SPIVAK, State Bar # 179684
2 THE SPIVAK LAW FIRM
3 9454 Wilshire Blvd.
4 Suite 303
5 Beverly Hills, CA 90212
6 Telephone (310) 499-4730
7 Facsimile (310) 499-4739
8 Email david@spivaklaw.com

CONFORMED COPY
OF ORIGINAL FILED
Los Angeles Superior Court
FEB 24 2010

John A. Clarke, Juvenile Officer/Clerk
BY MARY GARCIA, Deputy

6 Attorney for Plaintiffs,
7 ALINA GHRDILYAN, EVGENIA SULTANIAN, and all others similarly situated

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 FOR THE COUNTY OF LOS ANGELES – CENTRAL DISTRICT
10 (UNLIMITED JURISDICTION)

11 ALINA GHRDILYAN; EVGENIA
12 SULTANIAN; and all others similarly situated,

Case No.: BC430633

CLASS ACTION

13 *Plaintiffs,*

14 vs.

FIRST AMENDED COMPLAINT FOR:

1. Failure To Compensate Employees For All Hours Worked;
2. Failure To Provide Rest And Meal Periods;
3. Forfeiture of Vested Vacation Benefits;
4. Failure To Provide Accurate Written Wage Statements;
5. Failure To Timely Pay All Final Wages
6. Unauthorized Deductions;
7. Failure to Indemnify;
8. Unfair Competition; And
9. Civil Penalties

16 RJ FINANCIAL, INC., a California
17 corporation; RAMIL ABALKHAD, an
18 individual; and DOES 1 through 50, inclusive,

19 *Defendants.*

Action filed: 01/28/2010
CMC: 05/10/2010, 8:30 a.m.
FSC: Not set
Trial: Not set
Dept: 36, Hon. Gregory Alarcon

22 On behalf of both himself and all other persons similarly situated, plaintiff ALINA
23 GHRDILYAN and EVGENIA SULTANIAN ("Plaintiffs") bring this action against defendants
24 RJ FINANCIAL, INC., RAMIL ABALKHAD, and the other defendants, (collectively
25

26 THE
27 SPIVAK
LAW FIRM

1 “Defendants”) for violations of the California Labor Code, the applicable Industrial Welfare
2 Commission Order(s) (“Wage Order(s)”), and the California Business and Professions Code,
3 and as grounds therefore alleges:

4 INTRODUCTION

5 1. This action arises out of the allegedly unlawful labor practices of Defendants in
6 California. Through this class and collective action, Plaintiffs seek to represent the below-
7 defined classes and subclasses of persons who Defendants have allegedly committed labor law
8 violations against including, but not limited to, wage underpayments. As a result of the
9 allegedly unlawful labor conduct described herein, Plaintiffs now seek declaratory and
10 injunctive relief, damages, restitution, penalties, and other proper relief on behalf of himself and
11 other similarly situated persons.

12 PARTIES AND CONDUCT

13 A. Plaintiffs and Class Members

14 2. During the applicable time period, Plaintiff ALINA GHRDILYAN, an
15 individual, was employed in a position that she alleges Defendants have classified as non-
16 exempt from the overtime requirements of the California Labor Code and the applicable wage
17 order(s).

18 3. During the applicable time period, Plaintiff EVGENIA SULTANIAN, an
19 individual, was employed in a position that she alleges Defendants have classified as non-
20 exempt from the overtime requirements of the California Labor Code and the applicable wage
21 order(s).

22 4. At relevant times during the applicable limitations periods, Plaintiffs allege that
23 Defendants have failed to compensate them and Defendants’ other California employees for all
24 of the hours that they have worked, failed to compensate them for all of the overtime hours that
25 they have worked at overtime rates, failed to provide them with all required rest and meal
26 periods, failed to pay them additional required wages for rest and meal periods, improperly
27 denied earned wages that Defendants without authorization deducted from paychecks or
required reimbursement for, failed to indemnify for necessary expenditures, failed to timely pay

1 all final wages owed, caused them to forfeit vested vacation pay, and/or intentionally failed to
2 provide them with accurate written wage statements.

3 **B. Defendants**

4 5. Defendant RJ FINANCIAL, INC. is a corporation organized under the laws of
5 California. It was at all relevant times a “person” under Labor Code § 18.

6 6. Defendant RAMIL ABALKHAD (also known as Randy Abalkhad), an
7 individual residing in the County of Los Angeles, State of California, was at all relevant times
8 the chief executive officer of Defendant RJ FINANCIAL, INC. At all relevant times,
9 ABALKHAD acted on behalf of RJ FINANCIAL, INC. and oversaw RJ FINANCIAL, INC.’s
10 accounting and bookkeeping and all administrative functions, including payroll. The company
11 maintained books and records by staff members under his direction. At all relevant times,
12 ABALKHAD was a “person acting on behalf of an employer” (RJ FINANCIAL, INC. and the
13 Doe Defendants) who caused to be violated the provisions of the Labor Code regulating hours
14 and days of work in orders of the Industrial Welfare Commission as described below under
15 Labor Code § 558. Also, he was at all relevant times a “person” under Labor Code § 18.

16 7. Plaintiffs are ignorant of the true names, capacities, relationships, and extents of
17 participation in the conduct alleged herein, of the defendants sued as DOES 1-50, inclusive, but
18 are informed and believe and thereon allege that said defendants are legally responsible for the
19 wrongful conduct alleged herein and therefore sue these defendants by such fictitious names.
20 Plaintiffs will amend the complaint to allege the true names and capacities of the DOE
21 defendants when ascertained.

22 8. Plaintiffs are informed and believe and thereon allege that, at all relevant times
23 herein, all defendants were the agents, employees and/or servants, masters or employers of the
24 remaining defendants, and in doing the things hereinafter alleged, were acting within the course
25 and scope of such agency or employment, and with the approval and ratification of each of the
26 other defendants.

27 9. At all relevant times, in perpetrating the acts and omissions alleged herein,
defendants, and each of them, acted pursuant to and in furtherance of a policy and practice of

1 not paying Plaintiffs and other members of the below-described classes in accordance with
2 applicable California labor laws as alleged herein.

3 10. Plaintiffs are informed and believe and thereon allege that each and every one of
4 the acts and omissions alleged herein were performed by, and/or attributable to, all defendants,
5 each acting as agents and/or employees, and/or under the direction and control of each of the
6 other defendants, and that said acts and failures to act were within the course and scope of said
7 agency, employment and/or direction and control.

8 CLASS ACTION ALLEGATIONS

9 11. Plaintiffs incorporate paragraphs 1 through 10 of this Complaint as if fully
10 alleged herein.

11 12. Plaintiffs bring this action on behalf of themselves and all others similarly
12 situated as a class action pursuant to California Code of Civil Procedure § 382. Plaintiffs seek to
13 represent the following classes and subclasses of current, future, and/or former employees of
14 Defendants defined below:

15 **Wages Class:** All persons employed by Defendants in California who
16 have not been paid for all hours worked during the period beginning four
17 (4) years prior to the filing of this action and ending on the date that final
18 judgment is entered in this action.

19 **Overtime Class:** All persons employed by Defendants in California who
20 have not been paid at the legally required overtime rates for all hours
21 worked in excess of eight (8) hours in one (1) day and/or forty (40) hours
22 in one (1) week during the period beginning four (4) years prior to the
23 filing of this action and ending on the date that final judgment is entered in
24 this action.

25 **Rest Periods Class:** All persons employed by Defendants in California
26 who were not provided with a net rest period of at least ten (10) minutes
27 per each four (4) hour work period, or major portion thereof, during the
28 period beginning four (4) years prior to the filing of this action and ending
29 on the date that final judgment is entered in this action.

30 **Meal Periods Class:** All persons employed by Defendants in California
31 who were not provided with uninterrupted thirty (30) minute meal periods
32 during each work period of five (5) or more hours during the period
33 beginning four (4) years prior to the filing of this action and ending on the

1 date that final judgment is entered in this action.

2 **Vacation Pay Class:** All persons employed by Defendants in California
3 who earned vested paid vacation days without receiving
4 compensation for each vested paid vacation day during the
5 period beginning four (4) years prior to the filing of this action
6 and ending on the date that final judgment is entered in this
7 action.

8 **Unauthorized Deduction Class:** All persons employed by Defendants in
9 California whose wages were deducted by Defendants without statutory
10 authority or written consent during the period beginning four (4) years
11 prior to the filing of this action and ending on the date that final judgment
12 is entered in this action.

13 **Inaccurate Wage Statement Class:** All persons employed by Defendants
14 in California, including but not limited to members of the **Wages Class,**
15 **Overtime Class, Rest Period Class, Meal Period Class, and/or**
16 **Unauthorized Deduction Class** during the period beginning four (4)
17 years prior to the filing of this action and ending on the date that judgment
18 is entered in this action.

19 **Former Employee Class:** All persons employed by Defendants in
20 California, including, but not limited to, members of the **Wages Class,**
21 **Overtime Class, Rest Period Class, Meal Period Class, Unauthorized**
22 **Deduction Class, and/or Inaccurate Wage Statement Class** whose
23 employment with Defendants ended during the period beginning four (4)
24 years prior to the filing of this action and ending on the date that final
25 judgment is entered in this action, who either: a) were discharged and not
26 paid all wages owed on or before the day of termination; or b) resigned
27 without notice and were not paid all wages owed within 72 hours of
resignation; or c) resigned with 72 hours notice and were not paid all
wages owed on or before the day of quitting.

Indemnification Class: All persons employed by Defendants in
California, including, but not limited to, members of the **Wages Class,**
Overtime Class, Rest Period Class, Meal Period Class, Unauthorized
Deduction Class, and/or Inaccurate Wage Statement Class, who
Defendants failed to indemnify for all necessary expenditures incurred by
such employees in direct consequence of the discharge of their duties
during the period beginning four (4) years prior to the filing of this action
and ending on the date that final judgment is entered in this action.

UCL Class: All persons who are members of the **Wages Class, Rest**
Period Class, Meal Period Class, Overtime Class, Inaccurate Wage
Statement Class, Former Employee Class, Unauthorized Deduction

1 **Class**, and/or **Indemnification Class**, who have been employed by
2 Defendants in California at any time during the period beginning four (4)
3 years prior to the filing of this action and ending on the date that final
4 judgment is entered in this action.

5 **All-Inclusive Class:** All members of the **Wages Class**, **Overtime Class**,
6 **Rest Periods Class**, **Meal Periods Class**, **Inaccurate Wage Statement**
7 **Class**, **Unauthorized Deduction Class**, **Former Employee Class**, and/or
8 **Indemnification Class**.

9 13. This action has been brought and may be maintained as a class action pursuant to
10 California Code of Civil Procedure § 382 because there is a well-defined community of interest
11 among the persons who comprise readily ascertainable class.

12 14. Plaintiffs are unaware of any difficulties that are likely to be encountered in the
13 management of this case as a class action.

14 15. The class members are so numerous that the individual joinder of each individual
15 class member is impractical. While Plaintiffs do not currently know the exact number of class
16 members, Plaintiffs are informed and believe and thereon allege that the actual number of class
17 members exceeds the minimum number required for numerosity purposes under California law.

18 16. Common questions of law and fact exist as to all class members and predominate
19 over any questions which affect only individual class members. These questions include, but are
20 not limited to:

21 A. Do Defendants maintain policies or practices that systematically cause
22 the **Wages Class** not to be paid for all hours worked?

23 B. Have members of the **Overtime Class** been paid at the legally required
24 overtime rates for all hours worked in excess of eight (8) hours in one (1) day?

25 C. Do Defendants maintain policies or practices that systematically cause
26 the **Overtime Class** not to be paid at overtime rates for all overtime hours worked?

27 D. Did Defendants fail to provide members of the **Rest Period Class** with
all legally required rest periods in violation of California law?

 E. Did Defendants fail to provide members of the **Meal Period Class** with
all legally required meal periods in violation of California law?

 F. Did Defendants fail to pay members of the **Rest Period Class** the

1 additional wages required for rest periods that were not provided?

2 G. Did Defendants fail to pay members of the **Meal Period Class** the
3 additional wages required for meal periods that were not provided?

4 H. Did Defendants deduct wages from the paychecks of members of the
5 **Unauthorized Deduction Class** without written consent?

6 I. Did Defendants intentionally fail to provide members of the **Inaccurate**
7 **Wage Statement Class** with accurate written wage statements?

8 J. Did Defendants intentionally fail to indemnify members of the
9 **Indemnification Class** for all necessary expenditures incurred by the members of the class in
10 direct consequence of the discharge of their duties?

11 K. Are the vacation days received by members of the **Vacation Pay Class**
12 subject to forfeiture?

13 L. Did Defendants fail to timely pay **Former Employee Class** all final
14 wages owed following termination or discharge?

15 M. Are Defendants liable to members of the **Former Employee Class** for
16 continuation wages under California Labor Code § 203?

17 N. Did Defendants engage in unfair competition within the meaning of
18 California Business & Professions Code §§ 17200, *et seq.*, with respect to members of the **UCL**
19 **Class**?

20 O. Are class members entitled to prejudgment interest?

21 P. Are class members entitled to attorneys' fees?

22 17. Plaintiffs' claims are typical of the other class members' claims. Plaintiffs are
23 informed and believe and thereon allege that Defendants have a policy or practice of failing to
24 comply with the California Labor Code and the California Business and Professions Code as
25 alleged herein.

26 18. Plaintiffs will fairly and adequately represent and protect the interests of the
27 other class members. Plaintiffs have no interests adverse to the interests of the other class
members. In addition, Plaintiffs are represented by counsel experienced in wage and hour class

1 action cases.

2 19. A class action is vastly superior to other available means for fair and efficient
3 adjudication of the class members' claims and would be beneficial to the parties and the Court.
4 Class action treatment will allow a number of similarly situated persons to simultaneously and
5 efficiently prosecute their common claims in a single forum without the unnecessary duplication
6 of effort and expense that numerous individual actions would entail. In addition, the monetary
7 amounts due to many individual class members are likely to be relatively small and would thus
8 make it difficult, if not impossible, for individual class members to both seek and obtain relief.
9 Moreover, a class action will serve an important public interest by permitting class members to
10 effectively pursue the recovery of moneys owed to them. Further, a class action will prevent the
11 potential for inconsistent or contradictory judgments inherent in individual litigation.

12 **FIRST CLAIM FOR RELIEF**

13 **FAILURE TO PAY ALL EARNED HOURLY WAGES IN VIOLATION OF THE**
14 **CALIFORNIA LABOR CODE**

15 **(By Plaintiffs, the Wages Class, and the Overtime Class)**

16 20. Plaintiffs incorporate paragraphs 1 through 19 of the Complaint as if fully
17 alleged herein.

18 21. At all relevant times, Plaintiffs and the other members of the **Wages Class** and
19 the **Overtime Class** have been entitled to the protections of the California Labor Code,
20 including California Labor Code §§ 204, 510, and applicable Wage order(s). These protections
21 include the rights to be timely paid all wages earned at the legally required rates for all hours
22 worked.

23 22. California Labor Code § 510(a) requires employers to compensate employees at
24 one and one-half times their regular rates of pay for:

- 25 A. All hours worked in excess of eight hours in one workday;
26 B. All hours worked in excess of forty hours in one workweek; and,
27 C. The first eight hours worked on a seventh consecutive workday during a
workweek.

23. California Labor Code § 510(a) also requires employers to compensate employees at two times their regular rates of pay for:

A. All hours worked in excess of twelve hours in one day; and,

B. All hours worked in excess of eight hours on a seventh consecutive workday during a workweek.

24. During the applicable limitations period, Plaintiffs have worked more than eight hours in one workday, more than forty hours in one workweek, and eight or more hours on a seventh consecutive workday without being paid for all of those hours at the rates required under California Labor Code § 510(a).

25. Plaintiffs are informed and believe and thereon allege that Defendants have maintained a policy or practice of not compensating him and the other members of the **Wages Class** for all hours worked. Additionally, Plaintiffs are informed and believe and thereon allege that Defendants have maintained a policy or practice of not compensating the other members of the **Wages Class** and the **Overtime Class** at the rates required under California Labor Code § 510(a) for all hours worked in excess of eight hours in one day, all hours worked in excess of forty hours in one week, the first eight hours on a seventh consecutive workday, and all worked hours in excess of eight hours on a seventh consecutive workday.

26. As a result of Defendants' conduct, Plaintiffs, on behalf of themselves and the other members of the **Wages Class** and the **Overtime Class**, seeks declaratory and injunctive relief, damages for unpaid overtime wages, interest thereon, costs of suit, and reasonable attorney's fees pursuant to California Labor Code § 1194(a).

SECOND CLAIM FOR RELIEF

FAILURE TO PROVIDE REST AND MEAL PERIODS

(By Plaintiffs, the Rest Period Class, and the Meal Period Class)

27. Plaintiffs incorporate paragraphs 1 through 26 of the Complaint as if fully alleged herein.

28. At all relevant times, Plaintiffs and other members of the **Rest Period Class** and **Meal Period Class** have been employees of Defendants covered by California Labor Code §§

1 226.7 and 512, and Wage order 11.

2 29. Pursuant to the applicable wage order(s), Defendants are required to provide
3 Plaintiffs and the other members of the **Rest Period Class** with net rest periods of a least ten
4 (10) minutes for each four (4) hour work period, or major portion thereof, during any given
5 workday.

6 30. Pursuant to California Labor Code § 226.7, Defendants are required to pay
7 Plaintiffs and the other members of the **Rest Period Class** one (1) additional hour of wages for
8 each rest period not provided in accordance with the applicable wage order(s).

9 31. During the applicable limitations period, Defendants failed to provide Plaintiffs
10 with net rest periods of at least ten (10) minutes for every four (4) hours work period, or major
11 portion thereof, and failed to pay them the required additional wages for rest periods not
12 provided to her.

13 32. Plaintiffs are informed and believe and thereon allege that Defendants maintain a
14 policy or practice of failing to provide other members of the **Rest Period Class** with net rest
15 periods of at least ten (10) minutes for every four (4) hours worked and of failing to pay them
16 the required additional wages for rest periods not provided to them.

17 33. Pursuant to California Labor Code § 512 and Industrial Welfare Commission
18 Order 7-2001, Defendants are required to provide Plaintiffs and the other members of the **Meal**
19 **Period Class** with an uninterrupted thirty (30) minute meal period for each five (5) hour work
20 period during any given workday.

21 34. Pursuant to California Labor Code § 226.7, Defendants are required to pay
22 Plaintiffs and the other members of the **Meal Period Class** one (1) additional hour of wages for
23 each meal period not provided in accordance with Wage order 11.

24 35. During the applicable limitations period, Defendants failed to provide Plaintiff
25 with an uninterrupted thirty (30) minute meal period for each five (5) hour work period,
26 including a second uninterrupted thirty (30) minute meal period on days he worked more than
27 ten (10) hours, and failed to pay him the required additional wages for rest periods not provided
to her.

1 36. Plaintiffs are informed and believe and thereon allege that Defendants maintain a
2 policy or practice of failing to provide other members of the **Meal Period Class** with
3 uninterrupted thirty (30) minute meal periods for each five (5) hour work period, including
4 second uninterrupted thirty (30) minute meal periods on days they worked more than ten (10)
5 hours, and failed to pay him the required additional wages for meal periods not provided to her.

6 37. Plaintiffs on behalf of themselves and the other members of the **Rest Period**
7 **Class** and the **Meal Period Class**, seeks declaratory and injunctive relief, damages for unpaid
8 wages owed, interest thereon and costs of suit pursuant to California Labor Code § 218.6, and
9 reasonable attorney's fees pursuant to California Code of Civil Procedure § 1021.5.

10 **THIRD CLAIM FOR RELIEF**

11 **FORFEITURE OF VACATION PAY**

12 **(By Plaintiffs and the Vacation Pay Class)**

13 38. Plaintiffs incorporate paragraphs 1 through 37 of the Complaint as if fully
14 alleged herein.

15 39. Under California Labor Code § 227.3 and applicable case law, vested paid
16 vacation benefits and other similar forms of paid time off that earned based on labor performed
17 are considered wages and cannot be subject to forfeiture without providing compensation for
18 forfeited days at the applicable rates required by law.

19 40. Pursuant to written company policies, members of the **California Vacation Pay**
20 **Class** have earned vested paid vacation days, including, but not limited to, "Personal Holidays"
21 and/or "Management Recognition Days," that are explicitly subject to unpaid forfeiture
22 pursuant to written company policies if they are not used within specified time periods.

23 41. During the applicable limitations period, Plaintiff has earned vested paid
24 vacation days, including, but not limited to, "Personal Holidays" and "Management Recognition
25 Days," without being compensated by Defendants for each vested paid vacation day.

26 42. Plaintiff is informed and believes and thereon alleges that Defendants have
27 maintained policies or practices of causing members of the **California Vacation Pay Class** to
forfeit vested paid vacation days, including, but not limited to, "Personal Holidays" and/or

1 “Management Recognition Days,” without compensating them for each vested paid vacation
2 day.

3 43. As a result of the above, Plaintiff seeks declaratory and injunctive relief,
4 damages for unpaid wages owed, interest thereon and costs of suit pursuant to California Labor
5 Code § 218.6, and reasonable attorney’s fees pursuant to California Code of Civil Procedure §
6 1021.5.

7 **FOURTH CLAIM FOR RELIEF**

8 **FAILURE TO PROVIDE ACCURATE, WRITTEN WAGE STATEMENTS**

9 **(By Plaintiffs and the All-Inclusive Class)**

10 44. Plaintiffs incorporate paragraphs 1 through 43 of the Complaint as if fully
11 alleged herein.

12 45. At all relevant times, Plaintiffs and the other members of the **All-Inclusive Class**
13 have been employees of Defendants entitled to the benefits and protections of California Labor
14 Code § 226. Pursuant to California Labor Code § 226(a), Plaintiffs and the other class members
15 were entitled to receive, semimonthly or at the time of each payment of wages, an accurate
16 itemized statement showing: a) gross wages earned; b) net wages earned; c) all applicable
17 hourly rates in effect during the pay period; and d) the corresponding number of hours worked
18 at each hourly rate by the employee.

19 46. Defendants failed to provide Plaintiffs accurate itemized statements in
20 accordance with California Labor Code § 226(a) because Plaintiffs’ wage statements did not,
21 among other things, accurately reflect all of the hours that they actually worked, the descriptions
22 for all of the hours they actually worked, and the corresponding rates of pay for all of the hours
23 they actually worked.

24 47. Plaintiffs are informed and believe and thereon allege that, at all relevant times
25 during the applicable limitations period, Defendants maintained a policy or practice of not
26 providing the other members of the **All-Inclusive Class** wage statements did not, among other
27 things, accurately reflect all of the hours that they actually worked, the descriptions for all of the
hours they actually worked, and the corresponding rates of pay for all of the hours they actually

1 worked.

2 48. Defendants' failure to provide Plaintiffs and the other members of the **All-**
3 **Inclusive Class** with accurate wage statements was knowing and intentional. Defendants had
4 the ability to provide Plaintiffs and the other class members with accurate wage statements but
5 intentionally provided wage statements that Defendants knew were not accurate.

6 49. As a result of being provided with inaccurate wage statements by Defendants,
7 Plaintiffs and the other members of the **All-Inclusive Class** have suffered an injury. Their legal
8 rights to receive accurate wage statements were violated and they were misled about the amount
9 of wages they had actually earned and were owed. In addition, the absence of accurate
10 information on their wage statements prevented immediate challenges to Defendants' unlawful
11 pay practices, has required discovery and mathematical computations to determine the amounts
12 of wages owed, has caused difficulty and expense in attempting to reconstruct time and pay
13 records, and/or has led to the submission of inaccurate information about wages and amounts
14 deducted from wages to state and federal government agencies.

15 50. Pursuant to California Labor Code § 226(e), Plaintiffs and the other members of
16 the **All-Inclusive Class** are entitled to recover the greater of actual damages, or penalties of fifty
17 dollars (\$50) for the initial pay period in which a violation of California Labor Code § 226(a)
18 occurred and one hundred dollars for each violation of California Labor Code § 226(a) in a
19 subsequent pay period, not to exceed an aggregate penalty of four thousand dollars (\$4,000) per
20 class member, and are also entitled to an award of costs and reasonable attorney's fees.

21 **FIFTH CAUSE OF ACTION**

22 **FAILURE TO TIMELY PAY ALL FINAL WAGES**

23 **(Cal. Lab. Code §§ 201-203)**

24 **(By Plaintiffs and the Former Employee Class)**

25 51. Plaintiffs incorporate paragraphs 1 through 50 of the Complaint as if fully
26 alleged herein.

27 52. At all relevant times, Plaintiffs and the members of the **Former Employee Class**
were employees of Defendants covered by California Labor Code § 201 or California Labor

1 Code § 202. Pursuant to California Labor Code § 201 or California Labor Code § 202, Plaintiffs
2 and the members of the **Former Employee Class** were entitled to payment of all wages earned
3 and unpaid prior to the termination of their employment. Members of the **Former Employee**
4 **Class** who are discharged employees were entitled to payment of their earned and unpaid wages
5 no later than the day on which their employment was terminated. Members of the **Former**
6 **Employee Class** who resigned were entitled to payment of their earned and unpaid wages
7 within 72 hours after giving notice of resignation or, if they had given at least 72 hours previous
8 notice, no later than the day their employment terminated.

9 53. Defendants failed to timely pay Plaintiffs all final wages earned and unpaid prior
10 to the termination of his employment with Defendants, including, but not limited to, additional
11 earned wages for rest and meal periods not provided to them, and earned wages in the forms of
12 vested paid vacation time and unlawfully deducted wages, in accordance with California Labor
13 Code § 201. Plaintiffs are informed and believe and thereon allege that, at relevant times during
14 the applicable limitations period, Defendants maintained a policy or practice of not providing
15 members of the **Former Employee Class** with a final paycheck encompassing all wages owed
16 upon termination or discharge of employment, including, but not limited to, additional earned
17 wages for rest and meal periods not provided to them, and/or earned wages in the forms of
18 vested paid vacation time and/or unlawfully deducted wages, in accordance with California
19 Labor Code § 201 or California Labor Code § 202.

20 54. Defendants' failure to pay Plaintiffs and members of the **Former Employee**
21 **Class** all wages earned prior to termination in accordance with California Labor Code § 201 or
22 California Labor Code § 202 was willful. Plaintiffs are informed and believe and thereon allege
23 that Defendants had the ability to pay all wages earned by members of the **Former Employee**
24 **Class** prior to termination in accordance with California Labor Code § 201 or California Labor
25 Code § 202, but intentionally adopted policies or practices incompatible with the requirements
26 of California Labor Code § 201 or California Labor Code § 202.

27 55. Pursuant to California Labor Code § 201 or California Labor Code § 202,
Plaintiffs and the members of the **Former Employee Class** are entitled to all wages earned

1 prior to the termination of their employment that Defendants did not pay them as well as
2 continuations of their wages, from the days they earned and unpaid wages were due upon the
3 termination of their employment until paid, up to a maximum of thirty (30) days, in amounts
4 subject to proof.

5 56. Accordingly, Plaintiffs and the members of the **Former Employee Class** are
6 entitled to recover the full amount of their unpaid wages and interest thereon pursuant to
7 California Labor Code § 218.6, continuation wages under California Labor Code § 203,
8 reasonable attorney's fees, and costs of suit.

9 **SIXTH CLAIM FOR RELIEF**

10 **UNAUTHORIZED DEDUCTIONS**

11 **(By Plaintiffs and the Unauthorized Deductions Class)**

12 57. Plaintiffs incorporate paragraphs 1 through 56 of the Complaint as if fully
13 alleged herein.

14 58. California Labor Code §§ 221 and 224 prohibit an employer from taking
15 deductions from an employee's wages without the employee's express written consent or other
16 legal authority for doing so.

17 59. At relevant times during the applicable limitations period, Defendants deducted
18 wages from Plaintiffs' paychecks without their express written consent or other legal authority
19 for doing so. Plaintiffs are informed and believe and thereon allege that, at relevant times during
20 the applicable limitations period, Defendants deducted wages from the paychecks of members
21 of the **Unauthorized Deduction Class** without their express written consent or other legal
22 authority for doing so.

23 60. By reason of the above, Plaintiffs and the members of the **Unauthorized**
24 **Deductions Class** are entitled to restitution for all unpaid amounts due and owing to within four
25 years (4) of the date of the filing of the Complaint until the date of entry of judgment. Further,
26 Plaintiffs, on behalf of themselves and the members of the **Unauthorized Deductions Class**,
27 seek interest thereon pursuant to California Labor Code § 218.6, costs pursuant to California
Labor Code § 218.6, and reasonable attorney's fees pursuant to California Code of Civil

1 Procedure § 1021.5.

2 **SEVENTH CLAIM FOR RELIEF**

3 **FAILURE TO INDEMNIFY**

4 **(By Plaintiffs and the Indemnification Class)**

5 61. Plaintiffs incorporate paragraphs 1 through 60 of the Complaint as if fully
6 alleged herein.

7 62. In pertinent part, California Labor Code § 2802(a) states, "An employer shall
8 indemnify his or her employee[s] for all necessary expenditures incurred by the employee in
9 direct consequence of the discharge of his or her duties." California Labor Code § 452 of the
10 Labor Code authorizes employers to prescribe the weight, color, quality, texture, style, form,
11 and make of uniforms required to be worn by their employees. However, the Wage Orders
12 impose an obligation on an employer that requires uniforms to be worn by its nonexempt
13 employees as a condition of employment to provide and maintain such uniforms, regardless of
14 the amount of the employees' compensation. The applicable wage order states, "When uniforms
15 are required by the employer to be worn by the employee as a condition of employment, such
16 uniforms shall be provided and maintained by the employer. The term "uniform" includes
17 wearing apparel and accessories of distinctive design or color." If the employer does not choose
18 to maintain employees' uniforms itself where it is required to do so, the Division of Labor
19 Standards Enforcement takes the position that the employer may pay each affected employee a
20 weekly maintenance allowance of an hour's pay at the state minimum wage rate (\$7.50 as of
21 January 1, 2007, and \$8.00 as of January 1, 2008) in lieu of maintaining the uniforms, assuming
22 that an hour is a realistic estimate of the time involved in maintaining the uniforms. The term
23 "uniform" is defined to include wearing apparel and accessories of distinctive design or color.

24 63. At relevant times during the applicable limitations period, Defendants required
25 Plaintiffs and the members of the **Indemnification Class** to purchase and maintain uniforms
26 and apparel unique to Defendants at their expense. Defendants failed to indemnify Plaintiffs and
27 the members of the **Indemnification Class** for such expenditures.

64. By reason of the above, Plaintiffs and the members of the **Indemnification Class**

1 are entitled to restitution for all unpaid amounts due and owing to within four years (4) of the
2 date of the filing of the Complaint until the date of entry of judgment. Further, Plaintiffs, on
3 behalf of themselves and the members of the **Indemnification Class**, seeks interest thereon
4 pursuant to California Labor Code § 218.6, costs pursuant to California Labor Code § 218.6,
5 and reasonable attorney's fees pursuant to California Code of Civil Procedure § 1021.5.

6 **EIGHTH CLAIM FOR RELIEF**

7 **UNFAIR COMPETITION**

8 **(By Plaintiffs and the California All-Inclusive Class)**

9 65. Plaintiffs incorporate paragraphs 1 through 64 of the Complaint as if fully
10 alleged herein.

11 66. The unlawful conduct of Defendants alleged herein amounts to and constitutes
12 unfair competition within the meaning of California Business & Professions Code §§ 17200, *et*
13 *seq.* California Business & Professions Code §§ 17200, *et seq.*, protects against unfair
14 competition and allows a person who has suffered an injury-in-fact and has lost money or
15 property as a result of an unfair, unlawful, or fraudulent business practice to seek restitution on
16 her own behalf and on behalf of other similarly situated persons in a class action proceeding.

17 67. As a result of Defendants' violations of the California Labor Code as during the
18 applicable limitations period as alleged herein, Plaintiffs have suffered an injury-in-fact and
19 have lost money or property in the form of earned wages. Specifically, Plaintiffs have lost
20 money or property as a result of not being paid for hours worked, not being paid at legal
21 overtime rates for all overtime hours worked, not being paid additional required wages for rest
22 and meal periods not provided to them, being provided with inaccurate written wage statements
23 that have had the effect of concealing other wage underpayments, Defendants' improper
24 deductions, and Defendants' failure to reimburse for necessary expenditures, and Defendants'
25 failure to timely pay all wages due or owed upon termination or resignation.

26 68. Plaintiffs are informed and believe that other similarly situated persons have
27 been subject to the same unlawful policies or practices of Defendants, including not being paid
for all wages earned, not being paid at overtime rates for all overtime hours worked, not being

1 paid additional required wages for rest and meal periods not provided to them, being provided
2 with inaccurate written wage statements that have had the effect of concealing other wage
3 underpayments, Defendants' improper deductions, and Defendants' failure to reimburse for
4 necessary expenditures, and/or Defendants' failure to timely pay all wages due or owed upon
5 termination or resignation.

6 69. Due to its unfair and unlawful business practices in violation of the California
7 Labor Code as alleged herein, Defendants have gained a competitive advantage over other
8 comparable companies doing business in the State of California that comply with their legal
9 obligations to compensate employees for all earned wages and to provide them with reasonable
10 means of verifying that they have been paid all earned wages with accurate written wage
11 statements.

12 70. Pursuant to California Business & Professions Code § 17203, Plaintiffs, on
13 behalf of themselves and the other members of the **All-Inclusive Class**, seek declaratory and
14 injunctive relief, and restitution of all monies rightfully belonging to them that Defendants did
15 not pay them or otherwise retained by means of its unlawful and unfair business practices.

16 71. Plaintiffs and the other members of the **All-Inclusive Class** are entitled to
17 recover reasonable attorney's fees in connection with their unfair competition claims pursuant
18 to California Code of Civil Procedure § 1021.5, the substantial benefit doctrine and/or the
19 common fund doctrine.

20 **NINTH CLAIM FOR RELIEF**

21 **CIVIL PENALTIES**

22 **(By Plaintiffs and the All-Inclusive Class)**

23 72. Plaintiffs incorporate paragraphs 1 through 71 of the Complaint as if fully
24 alleged herein.

25 73. During the applicable time period, Defendants violated California Labor Code §§
26 204, 223, 226(a), 226.7, 227.3, 510, 512, and 1194.

27 74. California Labor Code §§ 2699(a) and (g) authorize an aggrieved employee, on
behalf of himself and other current or former employees, to bring a civil action to recover civil

1 penalties pursuant to the procedures specified in California Labor Code § 2699.3.

2 75. Pursuant to California Labor Code §§ 2699(a) and (f), Plaintiffs and the other
3 aggrieved employees of Defendants are entitled to recover civil penalties for Defendants'
4 violations of California Labor Code §§ 200, 201, 202, 203, 204, 224, 226(a), 226.7, 227.3, 510,
5 512, 1194 and 2802 during the applicable limitations period in the following amounts:

6 A. For violations of California Labor Code §§ 200, 201, 202, 203, 224,
7 226.7, 1194, and 2802, one hundred dollars (\$100.00) for each aggrieved employee per pay
8 period for each initial violation and two hundred dollars (\$200.00) for each aggrieved employee
9 per pay period for each subsequent violation (penalty amounts established by California Labor
10 Code § 2699(f)(2));

11 B. For violations of California Labor Code § 204, one hundred dollars
12 (\$100.00) for each aggrieved employee for each initial violation and two hundred dollars
13 (\$200.00) for each aggrieved employee plus twenty-five percent (25%) of the amount
14 unlawfully withheld from each aggrieved employee for each subsequent, willful or intentional
15 violation (penalty amounts established by California Labor Code § 210);

16 C. For violations of California Labor Code § 226(a), two hundred fifty
17 dollars (\$250.00) per employee for initial violation and one thousand dollars (\$1,000.00) per
18 employee for each subsequent violation (penalty amounts established by California Labor Code
19 § 226.3); and,

20 D. For violations of California Labor Code §§ 510 and 512, fifty dollars
21 (\$50.00) for each aggrieved employee for each initial violation for pay period for which the
22 employee was underpaid in addition to an amount sufficient to recover unpaid wages and one
23 hundred dollars (\$100.00) for each underpaid employee for each pay period for which the
24 employee was underpaid in addition to an amount sufficient to recover unpaid wages (penalty
25 amounts established by California Labor Code § 558).

26 76. Plaintiffs have complied with the procedures for bringing suit specified in
27 California Labor Code § 2699.3. By letters dated January 8 and February 19, 2010, Plaintiffs
gave written notice by certified mail to the Labor and Workforce Development Agency

1 (“LWDA”) and Defendants of the specific provisions of the California Labor Code alleged to
2 have been violated, including the facts and theories to support the alleged violations. Plaintiffs
3 anticipate that the LWDA will soon provide Plaintiffs with written notice that it does not intend
4 to investigate the violations of the California Labor Code alleged herein.

5 77. Pursuant to California Labor Code § 2699(g), Plaintiffs and the other members of
6 the **All-Inclusive Class** are entitled to an award of reasonable attorney’s fees and costs in
7 connection with their claims for civil penalties.

8 **PRAYER FOR RELIEF**

9 78. WHEREFORE, Plaintiffs, on behalf of themselves and all others similarly
10 situated, prays for relief and judgment against Defendants as follows:

11 A. An order that the action be certified as a class action with respect to
12 Plaintiffs’ claims for violations of California law;

13 B. An order that Plaintiffs be appointed class representatives;

14 C. An order that counsel for Plaintiffs be appointed class counsel;

15 D. Declaratory relief;

16 E. Injunctive relief;

17 F. Actual damages;

18 G. Liquidated damages;

19 H. Restitution;

20 I. Civil penalties;

21 J. Statutory penalties;

22 K. Pre-judgment interest;

23 L. Costs of suit;

24
25 ///

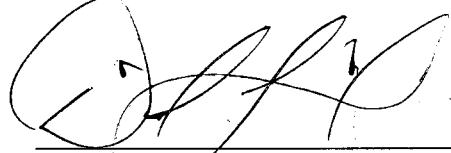
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- M. Reasonable attorney's fees; and
- N. Such other relief as the Court deems just and proper.

Respectfully submitted,

THE SPIVAK LAW FIRM



By:

Date: February 23, 2010

DAVID G. SPIVAK, Attorney for
Plaintiff, ALINA GHRDILYAN,
EVGENIA SULTANIAN, and all others
similarly situated

EXHIBIT 9

1 CASE NUMBER: BC430633
2 CASE NAME: ALINA GHRDILYAN, ET AL., VERSUS
3 RJ FINANCIAL, ET AL.,
4 LOS ANGELES, CALIFORNIA MONDAY, APRIL 23, 2012
5 DEPARTMENT 41 HON. RONALD M. SOHIGIAN, JUDGE
6 APPEARANCES: (SEE TITLE PAGE.)
7 REPORTER: ANGELA Z. PARADELA, CSR NO. 9659
8 TIME: A.M. SESSION
9

10 (THE FOLLOWING PROCEEDINGS WERE HELD IN
11 OPEN COURT:)

12
13 THE COURT: OKAY. THANK YOU VERY MUCH. I'M GOING
14 TO ASK YOU LAWYERS TO WAIT FOR JUST A MOMENT.

15 AS YOU CAN PROBABLY TELL, FROM THE QUESTIONS
16 AND THE WAY I'VE BEEN TAKING NOTES, SO FORTH, I HAVE A CASE
17 IN MIND AND I HAVE BEEN WORKING ON IT BOTH WHILE YOU'VE BEEN
18 WITH ME AND DURING THE RECESSES LIKE WEEKENDS AND NIGHTS.
19 JUST A SECOND. I HAVE TWO MORE THINGS I HAVE TO BRING OUT.
20 I WILL DO SOME MORE WORK WITH YOU.

21 (A PAUSE IN THE PROCEEDINGS.)

22 THE COURT: OKAY. YOU PROBABLY ALREADY GOT THE
23 IMPRESSION THAT I AM A JUDGE WHO TRIES TO DOCUMENT AND SHOW
24 THE LEGAL PREMISES FOR PROCEDURAL STEPS WE TAKE, AND I INTEND
25 TO DO THAT. I JUST WANT TO TELL YOU WHAT I'M GOING TO DO
26 HERE AND I GUESS I WILL START THIS WAY.

27 I SAID I AM GOING TO BRING OUT TWO THINGS. I
28 BROUGHT OUT ONLY ONE.

1 (A PAUSE IN THE PROCEEDINGS.)

2 THE COURT: THE -- I'M GOING TO CALL YOUR ATTENTION
3 TO SOME CASES THAT HAVEN'T BEEN CITED. I'M GOING TO DEAL
4 WITH THE MERITS OF YOUR CLIENTS'S CASE. SO HERE WE GO.

5 UNDER CALIFORNIA CONSTITUTION ARTICLE VI,
6 SECTION 6 AND GOVERNMENT CODE 68070(B) AND 68603(A), THE
7 CALIFORNIA JUDICIAL COUNCIL HAS CONSTITUTIONALLY GRANTED AND
8 LEGISLATIVELY AFFIRMED POWER TO ADOPT RULES, REPORT
9 ADMINISTRATION PRACTICE AND PROCEDURE THAT ARE CONSISTENT
10 WITH STATUTES. THE CALIFORNIA RULES OF COURT HAVE THE FORCE
11 OF LAW AND BINDING AS PROCEDURAL STATUTES AS LONG AS THEY ARE
12 CONSISTENT WITH LEGISLATIVE ENACTMENTS AND CONSTITUTIONAL
13 GUARANTEES.

14 I WILL CITE YOU THREE CASES WHERE THAT POINT
15 IS MADE. THEY ARE IN RE JUAN -- THAT'S J-U-A-N -- C.,
16 (1993), 20 CALIFORNIA APPELLATE 4TH, 748, PARTICULARLY AT
17 PAGES 752 TO 753; ALICIA T. VERSUS COUNTY OF LOS ANGELES,
18 (1990), 222 CALIFORNIA APPELLATE 3D 869 AT 884, AND OATS
19 VERSUS OATS. OATS IS SPELLED O-A-T-S, (1983) 14 CALIFORNIA
20 APPELLATE 3D 416 AT 420. THIS IS HOW THE OATS VERSUS OATS
21 COURT EXPRESSED THIS VIEW.

22 RULES OF COURT HAVE THE FORCE OF POSITIVE LAW.
23 THEY ARE AS BINDING ON THIS COURT AS PROCEDURAL STATUTES
24 UNLESS THEY TRANSCEND LEGISLATIVE ENACTMENTS OR
25 CONSTITUTIONAL GUARANTEES.

26 SO THE HIERARCHY THEN WOULD BE CONSTITUTION,
27 STATUTES AND CALIFORNIA RULES OF COURT, AND THEN CASE LAW.

28 I SAY THAT BECAUSE THE CASE OF WHITTINGTON

1 VERSUS MCKINNEY -- WHITTINGTON IS SPELLED

2 W-H-I-T-I-N-G-T-O-N, VERSUS MCKINNEY, CAPITAL M, C, CAPITAL
3 K, I-N-N-E-Y, (1991), 234 CALIFORNIA APPELLATE 3D 123 --
4 CRITICIZED THE CONDUCT OF A NOW FORMER JUDGE, I BELIEVE, AT
5 THE ORANGE COUNTY SUPERIOR COURT, WHO ANNOUNCED A DECISION,
6 GAVE A STATEMENT OF DECISION ORALLY AND SAID IF YOU WANTED A
7 WRITTEN STATEMENT OF DECISION, YOU COULD MAKE REFERENCE TO
8 THE COURT TRANSCRIPT. THAT CASE, WHITTINGTON VERSUS MCKINNEY
9 WAS, AS I SAY, DECIDED IN 1991.

10 IN 2010, EFFECTIVE JANUARY 1, 2010, THE
11 CALIFORNIA RULES OF COURT WERE AMENDED WITH RESPECT TO, AMONG
12 OTHER PROVISIONS OF THE CALIFORNIA RULES OF COURT, RULE
13 3.1590 HAVING TO DO WITH ANNOUNCEMENT OF TENTATIVE DECISION
14 AND STATEMENT DECISION AND JUDGMENT.

15 THE (C) SUBSECTION OF RULE 15 -- RULE 3.1590
16 WAS AMENDED BY THE ELIMINATION OF SOME PROVISIONS AND BY
17 BEING INSERTION OF OTHER PROVISIONS. I'M GOING TO REFER TO
18 THE (C) SUBSECTION.

19 IT READS NOW, (READING:)

20 THE COURT IN ITS TENTATIVE DECISION MAY:
21 STATE THAT IT IS THE COURT'S PROPOSED
22 STATEMENT OF DECISION, SUBJECT TO A PARTY'S
23 OBJECTION UNDER SUBSECTION (G);

24 (2) INDICATE THAT THE COURT WILL PREPARE
25 A STATEMENT OF DECISION;

26 (3) ORDER A PARTY TO PREPARE A STATEMENT
27 OF DECISION; OR

28 (4) DIRECT THAT THE TENTATIVE DECISION

1 WILL BECOME THE STATEMENT OF DECISION UNLESS,
2 WITHIN 10 DAYS AFTER ANNOUNCEMENT OR SERVICE
3 OF THE TENTATIVE DECISION, A PARTY SPECIFIES
4 THOSE PRINCIPAL CONTROVERTED ISSUES AS TO
5 WHICH THE PARTY IS REQUESTING A STATEMENT OF
6 DECISION OR MAKES PROPOSALS NOT INCLUDED IN
7 THE TENTATIVE DECISION.

8 NOW, I WILL NOT USE METHOD TWO. THAT'S THE
9 COURT WILL PREPARE A STATEMENT OF DECISION. I WILL USE
10 EITHER (1), (3), OR (4) EITHER SAYING THAT THIS IS A PROPOSED
11 STATEMENT OF DECISION SUBJECT TO OBJECTIONS UNDER SUBSECTION
12 (G), OR ORDER A PARTY TO PREPARE A STATEMENT OF DECISION, OR
13 DIRECT THAT THE TENTATIVE DECISION WILL BECOME THE STATEMENT
14 OF DECISION UNLESS WITHIN TEN DAYS A PARTY SPECIFIES
15 PRINCIPAL CONTROVERTED ISSUES AS TO WHICH THE PARTY IS
16 REQUESTING A STATEMENT OF DECISION OR MAKES PROPOSALS NOT
17 INCLUDED IN THE TENTATIVE DECISION.

18 I WOULD LIKE TO HEAR FROM BOTH SIDES NOW
19 CONCERNING WHICH OF THREE ALTERNATIVES WHICH I PROPOSED THEY
20 PREFER, AND THEN I WILL MAKE THE DECISION CONCERNING THAT
21 THAT IS PROPER. LET'S START WITH THE DEFENSE. DEFENDANT?

22 MR. SABZEVAR: YOUR HONOR, I PREFER THAT THE COURT
23 ISSUES A STATEMENT OF DECISION ITSELF AND NOT LEAVE IT TO THE
24 PARTIES OR TEN DAYS.

25 THE COURT: I TOLD YOU I'M NOT GOING TO PREPARE A
26 STATEMENT OF DECISION. I'M GOING TO USE EITHER METHOD (1),
27 (3), OR (4). (1) IS THIS IS THE PROPOSED STATEMENT OF
28 DECISION SUBJECT TO OBJECTIONS UNDER (D). (3) IS ORDER A

1 PARTY TO PREPARE A STATEMENT OF DECISION; OR (4), DIRECT THAT
2 THE TENTATIVE DECISION WILL BECOME THE STATEMENT OF DECISION
3 UNLESS WITHIN TEN DAYS AFTER ANNOUNCEMENT OR SERVICE OF THE
4 TENTATIVE DECISION, THE PARTY SPECIFIES THOSE PRINCIPAL
5 CONTROVERTED ISSUES AS TO WHICH THE PARTY IS REQUESTING A
6 STATEMENT OF DECISION OR MAKES PROPOSALS NOT INCLUDED IN THE
7 TENTATIVE DECISION.

8 MR. SABZEVAR: DEFENSE PREFERENCE IS NUMBER ONE.

9 THE COURT: STATE THAT THIS IS THE COURT'S
10 STATEMENT OF DECISION SUBJECT TO A PARTY'S OBJECTION UNDER
11 (G)?

12 MR. SABZEVAR: YES, YOUR HONOR.

13 THE COURT: PLAINTIFF?

14 MR. SPIVAK: WE PREFER TO WRITE THE DECISION, YOUR
15 HONOR, ONCE THE COURT HAS MADE ITS POSITION KNOWN.

16 THE COURT: ALL RIGHT.

17 MR. SPIVAK: BY "WE" I MEAN WE BELIEVE IT SHOULD BE
18 PREVAILING PARTY.

19 THE COURT: UH-HUH. I'M GOING TO USE -- I
20 APPRECIATE -- I'M GOING TO USE METHOD (4). THIS TENTATIVE
21 DECISION WILL BECOME THE STATEMENT OF DECISION UNLESS WITHIN
22 TEN DAYS AFTER ANNOUNCEMENT, AND SO FORTH. THAT'S
23 3.1590(C)(4).

24 SO WHAT I'M GOING TO DO NOW IS ANNOUNCE A
25 TENTATIVE WHICH, AS YOU CAN SEE, IS ALSO A CONDITIONAL
26 STATEMENT OF DECISION.

27 THIS CASE CAME BEFORE ME PRESIDING IN THIS
28 DEPARTMENT 41 ON THE 10TH OF APRIL, 2012, FOR TRIAL WITHOUT

1 JURY. DAVID G. SPIVAK, STATE BAR 179684, APPEARED AS
2 ATTORNEY FOR PLAINTIFFS ALINA GHRDILYAN AND EVGENIA
3 SULTANIAN, AND F. MICHAEL SABZEVAR, STATE BAR 172312 APPEARED
4 AS ATTORNEY FOR DEFENDANT, RAMIL ABALKHAD.

5 THE CASE WAS SUBMITTED FOR DECISION TODAY, THE
6 23RD OF APRIL, 2012.

7 IN THIS CASE, TWO PLAINTIFFS CLAIM THAT
8 DEFENDANT ABALKHAD IS LIABLE TO THEM ON VARIOUS
9 EMPLOYMENT-DERIVED THEORIES INCLUDING AND ESPECIALLY FOR
10 PENALTIES AND THAT THEY CAN ENFORCE VARIOUS REMEDIES AGAINST
11 THEM UNDER THE LABOR CODE PRIVATE ATTORNEY GENERAL ACT, WHICH
12 IS AT LABOR CODE 2698, AND FOLLOWING.

13 IN OPEN COURT ON THE 10TH OF APRIL, 2012, THE
14 ATTORNEYS CONFIRMED THAT THE OPERATIVE PLEADINGS ARE THE
15 PLAINTIFFS'S FIRST AMENDED COMPLAINT, ET CETERA, FILED
16 FEBRUARY 24, 2010, AND THE DEFENDANT'S ANSWER TO THEIR FIRST
17 AMENDED COMPLAINT FILED SEPTEMBER 13, 2010. I WILL MAKE A
18 COUPLE OF QUICK COMMENTS ABOUT THOSE TWO DOCUMENTS NOW.

19 THE FULL NAME OF THE PLAINTIFFS'S OPERATIVE
20 PLEADING IS FIRST AMENDED COMPLAINT FOR -- AND THEN THERE ARE
21 NINE THEORIES LISTED: FAILURE TO COMPENSATE EMPLOYEES FOR
22 ALL HOURS WORKED; NUMBER TWO IS FAILURE TO PROVIDE BOTH REST
23 AND MEAL PERIODS; NUMBER THREE IS FORFEITURE OF VESTED
24 VACATION BENEFITS; NUMBER FOUR IS FAILURE TO PROVIDE ACCURATE
25 WRITTEN WAGE STATEMENTS; NUMBER FIVE IS FAILURE TO TIMELY PAY
26 ALL FINAL WAGES; NUMBER SIX IS UNAUTHORIZED DEDUCTIONS;
27 NUMBER SEVEN IS FAILURE TO INDEMNIFY; NUMBER EIGHT IS UNFAIR
28 COMPETITION; AND NUMBER NINE IS CIVIL PENALTIES.

1 THE DEFENDANT'S ANSWER TO THE FIRST AMENDED
2 COMPLAINT WAS ON A JUDICIAL COUNCIL FORM PLEADING.

3 INSOFAR AS IT'S PERTINENT TO THIS PORTION OF
4 MY ANALYSIS, LABOR CODE 2699 READS, (READING:)

5 SUBSECTION (A), NOTWITHSTANDING ANY OTHER
6 PROVISION OF LAW, ANY PROVISION OF THIS CODE
7 THAT PROVIDES FOR A CIVIL PENALTY TO BE
8 ASSESSED AND COLLECTED BY THE LABOR AND
9 WORKFORCE DEVELOPMENT AGENCY OR ANY OF ITS
10 DEPARTMENTS, DIVISIONS, COMMISSIONS, BOARDS,
11 AGENCIES, OR EMPLOYEES FOR A VIOLATION OF THIS
12 CODE MAY, AS AN ALTERNATIVE, BE RECOVERED
13 THROUGH A CIVIL ACTION BROUGHT BY AN AGGRIEVED
14 EMPLOYEE ON BEHALF OF HIMSELF OR HERSELF AND
15 OTHER CURRENT OR FORMER EMPLOYEES PURSUANT TO
16 THE PROCEDURES SPECIFIED IN SECTION 2699.3.

17 THE PLAINTIFFS HAD ORIGINALLY DENOMINATED THIS
18 CASE AS A CLASS ACTION AND THEY CONTINUED THAT DESIGNATION
19 THROUGH VARIOUS OTHER FILINGS, BUT THEY HAVE NEVER OBTAINED
20 AN ORDER CERTIFYING THE CLASS. THEY CLAIM, THOUGH, THAT THEY
21 ARE ENTITLED TO PROCEED ON BEHALF OF OTHERS PURSUANT TO THE
22 CALIFORNIA LABOR CODE PRIVATE ATTORNEY GENERAL ACT AS TO
23 DEFENDANT ABALKHAD.

24 THE PLAINTIFFS HAD TRIED THIS CASE BEFORE ME
25 SOLELY AS TO CAUSE OF ACTION NINE. THEY CONCEDE THAT THIS
26 CASE IS STAYED IN THIS COURT IN PART BECAUSE OF THE FACT THAT
27 DEFENDANT RJ FINANCIAL, INC., ORIGINALLY THE ONLY NAMED
28 DEFENDANT, BUT BY VIRTUE OF THE FIRST AMENDED PLEADING, A

1 CODEFENDANT, THAT CORPORATION IS A DEBTOR IN CHAPTER 11
2 PROCEEDING, WHICH IS STILL PENDING.

3 PURSUANT TO 11 U.S.C. 362, THIS CASE WOULD BE
4 STAYED AS TO THAT PARTY. BUT MR. ABALKHAD HAS NOT BEEN SHOWN
5 TO BE A DEBTOR IN A BANKRUPTCY PROCEEDING AND DURING CLOSING
6 ARGUMENT OF THE 17TH OF APRIL, 2012, MR. SPIVAK CONFIRMED HIS
7 CLIENTS HAVE CLAIMS PENDING IN THE BANKRUPTCY CASE. THAT
8 WILL MEAN THAT THE CASE CAN PROCEED AND HAS PROCEEDED ON THE
9 BASIS PLEADED AGAINST MR. ABALKHAD AS AN INDIVIDUAL.

10 ALTHOUGH BECAUSE OF 11 U.S.C. 362, IT IS STAYED AS TO THE
11 CORPORATION.

12 THE PERSONS WHO GAVE TESTIMONY AT THE TRIAL
13 WERE JOSEPH HARSANY, H-A-R-S-A-N-Y, AN EMPLOYEE OF PAYROLL
14 CHECK WRITING SERVICE USED BY THE DEFENDANTS; BREK OYAMA --
15 BREK IS SPELLED B-R-E-K; AND OYAMA IS O-Y-A-M-A, MR. SPIVAK'S
16 PARALEGAL; RAMIL ABALKHAD, ONE OF THE DEFENDANTS, THE
17 PRESIDENT AND CHIEF EXECUTIVE OFFICER OF DEFENDANT RJ
18 FINANCIAL AND, INDEED, THAT -- APPARENTLY THAT COMPANY'S ONLY
19 OFFICER AND ONLY DIRECTOR. THE FOURTH WITNESS WAS ALINA
20 GHRDILYAN, ONE OF THE PLAINTIFFS, AND THE FIFTH WAS EVGENIA
21 SULTANIAN, ONE OF THE PLAINTIFFS, THE OTHER PLAINTIFF.

22 I'M GOING TO REFER TO THE LABOR CODE PRIVATE
23 ATTORNEY GENERAL ACT IN THE WAY THE ATTORNEYS HAVE -- IT
24 SEEMS TO ME TO BE SERVICEABLE -- AND I'M GOING TO REFER --
25 I'M GOING TO USE THE ACRONYM PAGA, P-A-G-A.

26 PAGA ACTIONS DO NOT HAVE BEEN MAINTAINED AS
27 CLASS ACTIONS. THEY CAN BE, BUT THEY ARE NOT REQUIRED TO BE.
28 THE AUTHORITY ON THAT IS ARIAS VERSUS SUPERIOR COURT, (2009),

1 46 CALIFORNIA 4TH, 969, 981 TO 982.

2 WE WILL GO INTO RECESS NOW. COME BACK AT
3 1:30, PLEASE.

4 (AT 11:58 A.M., A LUNCH RECESS WAS TAKEN.)

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(THE FOLLOWING PROCEEDINGS WERE HELD AT 1:47 P.M.)

THE COURT: NOW, WE WILL GO BACK TO THE GHRDILYAN
AGAINST RJ CASE.

OKAY. WHEN WE LEFT, I HAD, I THINK, TALKED
ABOUT SOME GENERAL POINTS OF LAW HAVING TO DO WITH PAGA
ACTIONS, AND I WILL JUST OVERLAP SLIGHTLY.

I WAS SAYING THAT PAGA ACTIONS DO NOT HAVE TO
BE HAVE MAINTAINED AS CLASS ACTIONS. THEY CAN BE, BUT ARE
NOT REQUIRED TO BE. AND ONE OF AUTHORITIES ON THAT IS ARIAS,
A-R-I-A-S, VERSUS SUPERIOR COURT, (2009) 46 CALIFORNIA 4TH
969 FROM PAGES 981 TO 982. PAGA IS NOT THE EMPLOYEE'S
EXCLUSIVE REMEDY. THEY MAY SEPARATELY OR CONCURRENTLY SEEK
OTHER REMEDIES. LABOR CODE 2699(G) AND CALIBER BODY WORKS
VERSUS SUPERIOR COURT, (2005) 134 CALIFORNIA APPELLATE 4TH
365 AT 375.

THE KINDS OF PENALTIES THAT PAGA PLAINTIFFS
CAN SEEK TO RECOVER, ASSUMING THAT THE FACTS SUPPORT IT, ARE
THOSE FOR FAILURE TO PAY STATUTORILY PRESCRIBED WAGES --
THAT'S LABOR CODE 210 -- UNLAWFULLY WITHHELD WAGES -- THAT'S
LABOR CODE 225.5 -- OR FOR VIOLATING, FOR EXAMPLE, AN
INDUSTRIAL WELFARE COMMISSION ORDER -- THAT'S LABOR CODE 558.
AN AGGRIEVED EMPLOYEE -- THAT WOULD MEAN ANYONE EMPLOYED BY
THE ALLEGED VIOLATOR AND AGAINST WHOM ONE OR MORE VIOLATIONS
WAS COMMITTED -- AND I PICKED UP THAT DEFINITION FROM LABOR
CODE 2699(C) AND FROM THE COMMENTS IN AMALGAMATED TRANSIT
UNION VERSUS SUPERIOR COURT, (2009) 46 CALIFORNIA 4TH 993 AT
1004 TO 1005 -- AN AGGRIEVED EMPLOYEE CAN SUE TO RECOVER
CIVIL PENALTIES FOR VIOLATIONS OF THE LABOR CODE ON BEHALF OF

1 HIMSELF, OR HERSELF, AND OTHER CURRENT OR FORMER EMPLOYEES
2 AGAINST WHOM ONE OR MORE OF THE ALLEGED VIOLATIONS WAS
3 COMMITTED. THAT'S LABOR CODE 2699(G)(1).

4 THE ATTORNEYS HAVE FROM TIME TO TIME REFERRED
5 TO WHAT THEY HAVE CALLED THE BRINKER CASE.

6 NOW, WHAT THEY ARE REFERRING TO IS THE CASE
7 ENTITLED BRINKER RESTAURANT CORPORATION VERSUS SUPERIOR
8 COURT, REAL PARTY IN INTEREST, HOHNBAUM H-O-H-N-B-A-U-M. THE
9 VERSION OF THAT THAT I HAVE USED IN MY ANALYSIS AND
10 PREPARATION IS THE VERSION THAT WAS PRINTED AT 2012 DAILY
11 JOURNAL, DAILY APPELLATE REPORT, PAGE 4615, AND FOLLOWING.

12 I HAVE BEEN REQUIRED TO EVALUATE THE TESTIMONY
13 OF THE PARTY WITNESSES IN THIS CASE, THAT IS, MS. GHRDILYAN,
14 MS. SULTANIAN, AND MR. ABALKHAD WITH SOME CAUTION AND
15 RESERVATIONS. THOSE THREE PERSONS IN THEIR CAPACITIES AS
16 WITNESSES ARGUED AND WRANGLLED WITH THE QUESTIONERS DURING
17 TRIAL, AND SOME OF THAT WAS PROVOKED BY THE QUESTIONERS; SOME
18 OF IT WAS NOT. THAT BECOMES AN IMPORTANT FACTOR IN
19 EVALUATING RELATIVE CREDIBILITIES UNDER EVIDENCE CODE 780(A).
20 THOSE THREE PARTIES ALL HAVE AN INTEREST, BIAS, AND OTHER
21 MOTIVE FOR SLANTING THEIR TESTIMONY, OBVIOUSLY, AND THAT
22 BECOMES SIGNIFICANT UNDER EVIDENCE CODE 780(F) AND EVIDENCE
23 CODE 780(J).

24 MR. ABALKHAD HAS SUFFERED FELONY CONVICTIONS
25 ON HIS PLEA OF NOLO CONTENDERE AS TO PERJURY AND TAX EVASION
26 AND DID NOT OWN UP TO THAT COMPLETELY IN DISCOVERY. THAT'S
27 EVIDENCE -- THAT BECOMES PERTINENT UNDER EVIDENCE CODE 780(E)
28 AND EVIDENCE CODE 780(H), AND EVIDENCE CODE 780(I) AND IS

1 COMMENTED ON IN THE CASE OF RUSHEEN, R-U-S-H-E-E-N, VERSUS
2 DREWS, D-R-E-W-S, (2002) 99 CALIFORNIA APPELLATE 4TH 279 AT
3 PAGES 283 TO 284.

4 ASPECTS OF THE TESTIMONY OF THESE WITNESSES,
5 THESE THREE PEOPLE AS WITNESSES, WERE EXAGGERATED AND
6 OVERSTATED. THAT BECOMES PERTINENT UNDER EVIDENCE CODE
7 780(B).

8 FURTHERMORE, EVIDENCE CODE SECTION 412
9 PROVIDES THAT IF WEAKER AND LESS SATISFACTORY EVIDENCE IS
10 OFFERED WHEN IT WAS IN -- WHEN IT WAS WITHIN THE POWER OF THE
11 PARTY TO PRODUCE STRONGER AND MORE SATISFACTORY EVIDENCE, THE
12 EVIDENCE ACTUALLY OFFERED SHOULD BE VIEWED WITH DISTRUST.
13 THIS, OF COURSE, IS A PERMISSIBLE INFERENCE AND NOT A
14 MANDATORY ONE, BUT THIS COURT HAS, AS THE LAW INDICATES,
15 TAKEN THIS INTO CONSIDERATION.

16 BUT ALL THAT HAVING BEEN SAID, THE COURT DOES
17 NOT ACCEPT MR. SABZEVAR'S INVITATION TO REJECT THE ENTIRETY
18 OF THE PLAINTIFFS'S TESTIMONY. INSTEAD, THIS COURT HAS HAD
19 TO ACCEPT THE PART OF THE TESTIMONY OF THE WITNESSES WHICH
20 THIS COURT FOUND -- HAS FOUND TO BELIEVE TRUE AND -- AND WILL
21 REJECT THE REST. THIS IS PRECISELY WHAT THE COURT -- PARDON
22 ME -- IS AUTHORIZED TO DO OR ANY FINDER OF FACT WOULD BE
23 AUTHORIZED TO DO. ONE MODEL FOR THAT IS CACI INSTRUCTION
24 107, FOURTH PARAGRAPH.

25 THE DATES INVOLVED IN THIS CASE -- AND THE
26 DATES BECOME SIGNIFICANT -- ARE AS FOLLOWS. MS. SULTANIAN
27 WAS HIRED ON -- IN NOVEMBER, 2007, AND WAS FIRED ON NOVEMBER
28 19, 2009. MS. GHRDILYAN WAS HIRED IN AUGUST, 2008, AND WAS

1 FIRED ON DECEMBER 3, 2009. ONE OF THE QUESTIONS WHICH I HAVE
2 BEEN CALLED UPON TO ANSWER IS WHETHER MR. ABALKHAD AS AN
3 INDIVIDUAL WAS AN EMPLOYER OF PLAINTIFFS AND -- UNDER WAGE
4 ORDER 7. I FIND THAT HE WAS NOT. BUT I FIND THAT THE
5 THEORIES OF LIABILITY UNDER -- I SHOULD BACK OFF. BUT I FIND
6 THAT THE OTHER BASES FOR ASSERTING LIABILITY ON THE PART OF
7 MR. ABALKHAD DO HAVE MERIT, AND LIABILITY DOES ATTACH TO HIM
8 UNDER THOSE THEORIES.

9 THE THEORIES I'M REFERRING TO ARE LABOR CODE
10 558 TO WHICH LABOR CODE 510 AND 512 ARE APPENDED OR INCLUDED
11 SUBSTANTIVE PROVISIONS AND LABOR CODE 1197.1 TO WHICH THE
12 SUBSTANTIVE PROVISIONS OF LABOR CODE 1198 AND THE WAGE ORDER
13 ARE ASSOCIATED THEORIES OF LIABILITY.

14 IN OTHER WORDS, I AM FINDING THAT UNDER 558
15 LABOR CODE AND 1197.1 LABOR CODE FOR THE SUBSTANTIVE REASONS
16 REFERRED TO IN THE OTHER TWO SOURCES AS TO EACH OF THOSE
17 SECTIONS, THAT IS 510 AND 512 LABOR CODE, AND 1193 AND WAGE
18 ORDER, LIABILITY CAN ATTACH TO MR. ABALKHAD AND UNDER THE
19 CIRCUMSTANCES OF THIS CASE, WILL ATTACH.

20 I'M GOING TO MAKE A FINDING ON THAT, AS YOU
21 WILL SEE, IN FAVOR OF -- PARDON ME -- OF THE PLAINTIFFS'S
22 POSITION.

23 NOW, I SAY IN FAVOR OF THE PLAINTIFFS'S
24 POSITION BECAUSE THAT MEANS NOT JUST IN FAVOR OF THE
25 PLAINTIFFS BUT SINCE WE HAVE A PAGA ACTION, I AM REFERRING TO
26 THE PLAINTIFFS'S POSITION.

27 NOW -- PARDON ME. I WILL SAY THIS.

28 AS YOU CAN TELL, I AM AT SOME PAINS TO GO

1 THROUGH THE LEGAL REASONING AND STEPS PREPARATORY TO REACHING
2 A DECISION IN THIS CASE WITH SOME CARE BECAUSE IT MAY VERY
3 WELL BE THAT THIS CASE WILL REACH ITS WAY INTO THE APPELLATE
4 COURTS AND THAT IT IS ALSO POSSIBLE THAT THE APPELLATE COURTS
5 MAY DECIDE THIS CASE IN A PUBLISHED OPINION, AND I WILL SAY
6 THAT THE DETERMINATION I HAVE MADE ABOUT ABALKHAD AS AN
7 EMPLOYER -- I SAID THAT HE'S NOT -- OR ABALKHAD AS A
8 POTENTIALLY LIABLE PARTY UNDER LIABILITY-ENHANCING STATUTES
9 OTHER THAN LABOR CODE 558 AND LABOR CODE 1197.1, THAT IS, THE
10 ABALKHAD-FAVORING DETERMINATIONS I HAVE MADE ON THOSE POINTS,
11 ARE NOT BEYOND REASONABLE ARGUMENT.

12 MY DECISION IS, AS I HAVE EXPRESSED IT, AND I
13 BELIEVE THAT I AM CORRECT -- BUT I -- BUT I DO RECOGNIZE THAT
14 THERE ARE ARGUMENTS THAT CAN BE MADE -- AND THEY HAVE BEEN
15 MADE HERE IN THIS COURTROOM -- ON THOSE POINTS.

16 I HAVE COMPARED THE EMPLOYEE HANDBOOKS,
17 EXHIBIT 3 AND EXHIBIT D. IT APPEARS TO ME THAT EXHIBIT D
18 FROM THE EVIDENCE IN THIS CASE WAS NOT SUPPLIED BY ABALKHAD
19 DURING THE DISCOVERY PHASE OF THIS CASE. THE PARTICULAR
20 PROVISIONS THAT I AM DEALING WITH ARE THOSE HAVING TO DO WITH
21 OVERTIME AND LUNCH AND EXHIBIT 3 IS COMMENTED ON BY THE
22 PLAINTIFFS AS BEING DEFICIENT BECAUSE THEY SAY THAT A LUNCH
23 PERIOD MUST BE PROVIDED AFTER FIVE HOURS OF WORK, NOT SIX
24 HOURS OF WORK, AND THE PLAINTIFFS'S POSITION IS THAT THAT WAS
25 THE ONLY PERTINENT EMPLOYEE HANDBOOK.

26 I THINK THE PLAINTIFFS ARE RIGHT AS TO BOTH
27 THOSE CONTENTIONS. EXHIBIT 3 BEARS THE DATE OF JANUARY,
28 2003. PLAINTIFFS ADMIT THAT THIS IS THE CORRECT DATE. THAT

1 IS, IT SEEMS TO ME, THE OPERATIVE EMPLOYEE HANDBOOK. EXHIBIT
2 D WHICH HAS DIFFERENT PROVISIONS IN IT CONCERNING THE SAME
3 TOPICS WAS, IN MY VIEW, FIRST NOT PRODUCED DURING DISCOVERY;
4 SECOND, A WRITING THAT CAME INTO EXISTENCE IN AUGUST, 2010,
5 SUBSTANTIAL PERIOD OF TIME AFTER THE PLAINTIFFS HAD ALREADY
6 HAD THEIR EMPLOYMENT TERMINATED AND INDEED AUGUST, 2010, IS
7 EVEN AFTER THE PRESENT SUIT WAS FILED. THIS CAN BE SEEN FROM
8 EXHIBIT D PAGE 17, SECOND FULL PARAGRAPH.

9 AS I HAVE SAID, THIS SUIT WAS FILED ON THE
10 28TH OF JANUARY, 2010.

11 ONE OF THE COMPLICATING FACTORS IN THIS
12 CASE -- AND THE LAWYERS HAVE RECOGNIZED IT, AND IT'S OBVIOUS
13 TO ANYONE WITH ANY LEGAL EXPERIENCE -- IS THAT ALTHOUGH THE
14 LAWSUIT ORIGINALLY NAMED RJ FINANCIAL, INC., THAT DEFENDANT
15 IS A DEBTOR IN A CHAPTER 11 BANKRUPTCY. AS I HAVE SAID, THE
16 CASE IS OBVIOUSLY STAYED AS TO THAT PARTY, BUT THE PLAINTIFFS
17 HAVE HAD TO REORGANIZE THEIR CASE TO PRESS IT AGAINST
18 MR. ABALKHAD WHO IS NOT IN BANKRUPTCY AND IT SEEMS TO ME THEY
19 HAVE DONE SO SUCCESSFULLY.

20 THERE IS NO SERIOUS QUESTION BETWEEN THE SIDES
21 CONCERNING THE FOLLOWING PROPOSITIONS OF LAW. AN EMPLOYEE IS
22 ENTITLED TO OVERTIME COMPENSATION FOR WORK IN EXCESS OF EIGHT
23 HOURS IN ONE WORKDAY, FOR WORKING IN EXCESS OF 40 HOURS IN
24 ONE WORKWEEK, AND FOR WORK ON THE SEVENTH DAY IN ONE WORK
25 WEEK. THE OVERTIME COMPENSATION DIFFERS, BUT THOSE ARE
26 OVERTIME ITEMS.

27 IT IS ALSO TRUE -- BY THE WAY, THIS IS
28 PROVIDED FOR UNDER LABOR CODE 510(A). IT'S ALSO TRUE THAT

1 EXECUTIVE, ADMINISTRATIVE, AND PROFESSIONAL EMPLOYEES WHO ARE
2 SPECIFICALLY EXEMPTED BY THE CALIFORNIA INDUSTRIAL WELFARE
3 AND COMMISSION ARE EXEMPT FROM THE HOURS WORKED AND DAYS
4 WORKED PER WEEK LIMITATIONS AS PROVIDED FOR IN LABOR CODE 515
5 BUT -- PARDON ME -- THE PLAINTIFFS IN THIS CASE DO NOT FALL
6 INTO THAT EXEMPTED CATEGORY AND INDEED THE DEFENDANT DOES NOT
7 CLAIM THAT THEY DO.

8 FOR THE REASONS THAT I HAVE MENTIONED EARLIER
9 ABOUT THE RESERVATIONS WITH WHICH THE TESTIMONY OF THE
10 WITNESSES HAVE TO BE INTERPRETED WITH, I DO NOT ATTEMPT TO
11 SUMMARIZE ALL THE TESTIMONY OF ALL THE WITNESSES.

12 IT IS ALSO TRUE THAT SUCCESSFUL EMPLOYEE
13 PLAINTIFFS WHO ARE AWARDED UNPAID OVERTIME ARE ENTITLED TO
14 INTEREST ACCRUING FROM THE DATE ON WHICH THE RIGHT TO RECOVER
15 THEIR OVERTIME VESTS. THIS WOULD BE ON THE MODEL INDICATED
16 IN CIVIL CODE 3287(A) COMPUTED TO THE DATE OF ENTRY OF
17 JUDGMENT. THIS IS LABOR CODE 1194(A), AND IT'S ALSO
18 DISCUSSED IN ESPINOSA VERSUS CLASSIC PIZZA, WHICH IS A CASE
19 THAT APPEARS IN 114 CALIFORNIA APPELLATE 4TH. THE PARTICULAR
20 PASSAGE THAT I'M MAKING REFERENCE TO IS AT PAGE 975.

21 THE TERM "WILLFUL" UNDER THE LABOR CODE --
22 THIS APPEARS IN LABOR CODE 203 -- IT MEANS ONLY THAT AN
23 EMPLOYER INTENTIONALLY FAILED OR REFUSED TO PERFORM AN ACT
24 THAT WAS REQUIRED TO BE DONE. THAT POINT IS MADE IN BARNHILL
25 VERSUS ROBERT SAUNDERS & COMPANY, (1981) 125 CALIFORNIA
26 APPELLATE 3D 1 AT PAGES 7 AND 8.

27 OBVIOUSLY, IN THE CURRENT CASE, UNLIKE THE
28 SITUATION IN BARNHILL, THERE'S NO EVIDENCE OF OFFSET. I'M

1 CITING BARNHILL JUST FOR THE PURPOSE OF THE DEFINITION OF THE
2 WORD "WILLFUL."

3 I WILL MAKE A COUPLE OF OTHER POINTS.

4 I RECOGNIZE THE INTENSITY WITH WHICH THE
5 DEFENSE HAS MAINTAINED THAT THIS IS A CASE DRIVEN BY
6 ATTORNEYS AND ATTORNEY'S FEES ON THE PLAINTIFFS'S SIDE. FOR
7 THE REASONS THAT I HAVE MENTIONED PREVIOUSLY, THAT IS, THAT
8 ONE OF THE PURPOSES OF PAGA IS PRECISELY TO INCENTIVIZE
9 ATTORNEYS TO -- TO FILE AND TO PROSECUTE SUCH CASES -- THAT
10 ARGUMENT EXISTS AND IT DOES HAVE A CERTAIN AMOUNT OF
11 OCCURRENCE, BUT I DO NOT REGARD IT AS BEING A STRONG
12 ARGUMENT. IT IS THE PURPOSE OF THE LAW PRECISELY TO PROVIDE
13 AN INCENTIVE FOR ATTORNEYS WHO MIGHT OTHERWISE BE UNABLE TO
14 HANDLE CASES OF THIS TYPE TO BE ABLE TO HANDLE CASES OF THIS
15 TYPE.

16 I WILL SAY THAT APPLICATIONS FOR ATTORNEYS'S
17 FEES, IF ANYBODY CLAIMS ENTITLEMENT TO ANY, CAN BE MADE BY
18 POST-JUDGMENT MOTION FOR ALLOWANCE OF ATTORNEY'S FEES AS
19 PARTS OF COSTS UNDER CIVIL CODE 1717(A), IF THAT'S WHAT
20 APPLIES, OR UNDER THE CORRESPONDING STATUTE IN THE LABOR
21 CODE. AND THE METHOD OF MAKING A POST-JUDGMENT MOTION FOR
22 ALLOWANCE IS REFERRED TO IN SUCH CASES AS ALLSTATE INSURANCE
23 VERSUS LEW, (1996) 46 CALIFORNIA APPELLATE 4TH 174 -- 1794 AT
24 1797, AND BANKES VERSUS LUCAS -- BANKES IS SPELLED
25 B-A-N-K-E-S, VERSUS LUCAS -- (1992) 9 CALIFORNIA --
26 9 CALIFORNIA APPELLATE 4TH, 365 AT 370.

27 I CITE THOSE TWO CASES NOT FOR THE PROPOSITION
28 THAT THEY APPLY IN LABOR CASES OR THAT THEY ARE DISPOSITIVE

1 ON THE ISSUE OF THE AMOUNT OF LEGAL FEES BUT JUST TO SHOW
2 THAT THAT IS AN APPROPRIATE TIME TO MAKE APPLICATIONS FOR
3 FEES.

4 IN THE PREMISES OF THIS CASE, THOUGH, FOR
5 REASONS THAT I WILL EXPLAIN IN JUST A SECOND, THE APPLICATION
6 FOR ATTORNEY'S FEES, IF THERE IS GOING TO BE ONE ON THE PART
7 OF THE PLAINTIFFS'S ATTORNEY, SHOULD BE, IT SEEMS TO ME, MADE
8 AFTER DISTRIBUTION OF ALL THE FUNDS THAT WILL BE DISTRIBUTED
9 UNDER MY AWARD WHICH I'M GOING TO MAKE UNDER PAGA SO THAT WE
10 DON'T HAVE THE SITUATION WHERE THE ATTORNEY IS PAID,
11 PLAINTIFFS'S ATTORNEY IS PAID FIRST OR SEEKS PAYMENT FIRST
12 WITHOUT ALSO DOING ALL THE, IT SEEMS TO ME, RATHER LABORIOUS
13 WORK THAT'S GOING TO BE REQUIRED UNDER PAGA, AND IT'S 25
14 PERCENT, 75 PERCENT SHARING ARRANGEMENT WITH THE PLAINTIFFS
15 TO GET 25 PERCENT AND WITH THE STATE OF CALIFORNIA TO GET THE
16 75 PERCENT.

17 SO I'M GOING TO TREAT THAT ASPECT OF THIS CASE
18 AS CALLING FOR ATTORNEY FEE MOTIONS, IF ANY ARE TO BE MADE,
19 AT A TIME AFTER THAT STEP OF CONCURSUS OF CLAIMS AND
20 DISTRIBUTION OF FUNDS HAS EITHER BEEN COMPLETELY FINISHED OR
21 HAS BEEN FINISHED WITH THE EXCEPTION OF A FEW SMALL
22 MINISTERIAL ACTS.

23 PARDON ME.

24 WITH RESPECT TO THE -- TO THE REMEDIES, IT
25 SEEMS TO ME THAT THE EVIDENCE STRONGLY SUPPORTS THE
26 PLAINTIFFS'S ARGUMENTS AS TO WHAT I WILL CALL THE 558-510-512
27 THEORY AND THE 1197.1-1198-WORK ORDER THEORY.

28 I THINK THAT THE EVIDENCE ESTABLISHES

1 VIOLATIONS OF THOSE SUBSTANTIVE PROVISIONS AND THAT THE
2 EVIDENCE ESTABLISHES A RIGHT TO RECOVER ON BEHALF OF THE
3 PAGA-AGGRIEVED EMPLOYEES AND ON BEHALF OF THE PLAINTIFFS BUT
4 IN AMOUNTS THAT ARE DIFFERENT FROM THOSE -- THE THEORIES ARE
5 THOSE ADVOCATED BY MR. SPIVAK AND HIS CLIENTS. THE AMOUNTS
6 ARE AMOUNTS THAT I AM GOING TO ALTER, THOUGH, AS WILL BE
7 CLEAR.

8 WITH RESPECT TO THE GHRDILYAN 558-510-512
9 LABOR CODE RECOVERY, I AM GOING TO AWARD \$7,654.60 -- THAT'S
10 EXACTLY AS CALCULATED BY MR. SPIVAK AND THOSE ARE -- THAT'S
11 IN FAVOR OF MS. GHRDILYAN AND AGAINST MR. ABALKHAD.

12 WITH RESPECT TO THE 1197.1 THEORY, WITH 1198
13 AND WORK ORDER BEING THE SUBSTANTIVE BASES, I AGREE WITH
14 MR. SPIVAK THAT MS. GHRDILYAN'S RECOVERY SHOULD BE \$14,218
15 AND THAT COMES OUT TO A TOTAL OF 21,872.60 FOR GHRDILYAN.

16 WITH RESPECT TO SULTANIAN, MY DETERMINATION IS
17 THAT REGARDING THE LABOR CODE 558-510-512 THEORY,
18 MS. SULTANIAN IS ENTITLED TO RECOVERY AGAINST MR. ABALKHAD OF
19 \$5,264.19, AND WITH RESPECT TO HER THEORY UNDER 1197.1 LABOR
20 CODE, MS. SULTANIAN IS ENTITLED TO RECOVER AGAINST
21 MR. ABALKHAD \$13,936.50. TOTAL IS \$19,200.69, AND THAT'S THE
22 AMOUNT THAT SULTANIAN IS ENTITLED TO RECOVER ON HER ACCOUNT
23 AGAINST MR. ABALKHAD.

24 THIS NOW BRINGS US TO THE AWARD IN FAVOR OF
25 THE SO-CALLED AGGRIEVED EMPLOYEES.

26 MY DETERMINATION IS THAT THE AGGRIEVED
27 EMPLOYEES'S CLAIMS ARE VALID AND MERITORIOUS CLAIMS; THAT
28 THEY CAN BE AND HAVE BEEN VALIDLY ASSERTED BY, PROSECUTED BY

1 THE TWO PLAINTIFFS IN OUR CASE.

2 I AM GOING, HOWEVER, NOT TO ACCEPT THE DOLLAR
3 FIGURES IN THE ULTIMATE SENSE THAT MR. SPIVAK AND HIS CLIENTS
4 HAVE ADVOCATED. IN DOING THIS, I AM GOING TO SPECIFICALLY
5 EXERCISE MY POWERS, WHICH IT SEEMS TO ME ARE IN THE NATURE OF
6 JUDICIAL DISCRETION, TO REDUCE THE AMOUNT OF RECOVERY FROM
7 THE AMOUNTS ADVOCATED BY MR. SPIVAK AND HIS CLIENTS.

8 WITH RESPECT TO THE LABOR CODE 558, 510, AND
9 512 THEORIES, AS TO THE AGGRIEVED EMPLOYEES, MY DETERMINATION
10 IS THAT THE AMOUNT WHICH MR. ABALKHAD MUST PAY IS NOT THE
11 \$2,164,278 AMOUNT THAT MR. SPIVAK ARGUED FOR BUT RATHER
12 \$125,000.

13 WITH RESPECT TO THE 1197.1-1198-WAGE-ORDER
14 CLAIM, MY DETERMINATION IS THAT THE AMOUNT THAT MR. ABALKHAD
15 WILL BE REQUIRED TO PAY IS NOT \$3,269,490, WHICH WAS THE
16 AMOUNT ADVOCATED BY MR. SPIVAK ON BEHALF OF HIS CLIENTS BUT
17 RATHER \$200,000.

18 NOW, THAT COMES OUT TO A TOTAL THEN OF
19 \$325,000.

20 NOW, IN DOING THIS, I HAVE EXERCISED MY
21 DISCRETION TAKING INTO CONSIDERATION THE FOLLOWING POINTS. I
22 AGREE WITH MR. SPIVAK'S CHARACTERIZATION OF MR. ABALKHAD AS A
23 PERSON WHO WAS INADEQUATELY OBSERVANT OF CALIFORNIA LAW.
24 MR. SPIVAK REFERS TO HIM AS A "SCOFFLAW." THAT'S A
25 JOURNALISTIC RATHER THAN A -- A LEGAL TERM. BUT I THINK HE
26 DID HAVE THE INTENTION SIMPLY OF TRYING TO RUN THINGS THROUGH
27 AND GET OFF AS CHEAPLY AS HE COULD WHILE HE WAS RUNNING HIS
28 BUSINESSES.

1 BUT I ALSO FIND THAT ONE OF THE PROBLEMS IN
2 THE OPERATION OF HIS BUSINESS WAS THAT HE GOT IN WAY OVER HIS
3 HEAD. HE SIMPLY EXPANDED BEYOND HIS OR HIS CORPORATION'S
4 CAPACITY PROPERLY TO RUN THESE BUSINESSES. HE RAN THEM AS
5 THOUGH HE WERE RUNNING A KIND OF SMALL OPERATIONS OUT OF HIS
6 HIP POCKET, AND I RECOGNIZE THAT THAT IS NOT A PRAISEWORTHY
7 BEHAVIOR, BUT IT SEEMS TO ME THAT IT IS NOT BEHAVIOR OF A
8 HIGHLY BLAMEWORTHY SENSE AND THAT IT IS BEHAVIOR WHICH MERITS
9 A REDUCTION OR SOFTENING OF THE PENALTIES.

10 NOW, I WILL ALSO SAY THE FOLLOWING. IF ON
11 APPEAL, THE APPELLATE COURT DETERMINES THAT I AM MISTAKEN
12 CONCERNING THE POTENTIAL OTHER THEORIES OF LIABILITY ASSERTED
13 BY MR. SPIVAK AND HIS CLIENTS AGAINST MR. ABALKHAD, I WILL
14 TELL YOU WHAT I WOULD HAVE AWARDED ON THOSE THEORIES SO THAT
15 IT MAY BE THAT THE APPELLATE COURT CAN SIMPLY TAKE WHAT I
16 HAVE SAID HERE AND RATHER THAN MAKING A DISPOSITION WHICH
17 REMANDS THE CASE FOR FURTHER CALCULATION OF DAMAGES, THE
18 APPELLATE COURT CAN SIMPLY INSERT THE MONETARY REMEDY THAT I
19 WOULD HAVE INSERTED MYSELF HAD I NOT BEEN PERSUADED THAT
20 MR. ABALKHAD WAS NOT LIABLE EXCEPT UNDER THE THEORIES THAT I
21 HAVE MADE REFERENCE TO.

22 HAD THAT BEEN DONE, I WOULD HAVE AWARDED AN
23 ADDITIONAL \$200,000 AS TO THE AGGRIEVED EMPLOYEES.

24 NOW, I WILL SAY THAT THESE AMOUNTS ARE, I
25 RECOGNIZE, EXTREMELY LENIENT AND PERMISSIVE TO MR. ABALKHAD.
26 IN OTHER WORDS, THIS IS NOT A CASE WHERE THE COURT HAS TRIED
27 TO SOCK IT TO HIM. IT IS, RATHER, A CASE IN WHICH I HAVE
28 TREATED IT AS A SERIES OF OFFENSES BUT ONE AS TO WHICH

1 MR. ABALKHAD SHOULD BE GIVEN AT LEAST SOME LENIENCY IN THE
2 FASHIONING OF A REMEDY. I THINK THAT'S IT. LET ME ASK THE
3 LAWYERS.

4 FIRST OF ALL, PLAINTIFFS'S LAWYER. ARE THERE
5 OTHER MATTERS AS TO WHICH YOUR CLIENTS CONTEND I SHOULD MAKE
6 A STATEMENT OF SOME KIND OR A FINDING OF SOME KIND?

7 MR. SPIVAK: WAS THERE SOME FINDING AS TO THE
8 ADDITIONAL \$200,000 WITH RESPECT TO THE INDIVIDUAL
9 PLAINTIFFS, YOUR HONOR?

10 YOU SPOKE TO THE OTHER CLAIMS WHICH PERHAPS
11 WOULD AFFECT THE APPELLATE COURT SHOULD IT SEND BACK FOR
12 CALCULATION.

13 THE COURT: YEAH.

14 MR. SPIVAK: I KNOW YOU GAVE AN AGGRIEVED EMPLOYEE
15 NUMBER BUT NOT FOR THE TWO PLAINTIFFS.

16 THE COURT: SHOW ME -- JUST A SECOND. COULD YOU,
17 PLEASE, TURN BACK TO -- OH, I GUESS I OUGHT TO SAY THAT. LET
18 ME DO THAT NOW.

19 THE PLAINTIFFS CONTEND THAT THERE WERE THESE
20 WRONGS AS TO BOTH THEMSELVES AND AS TO THE AGGRIEVED
21 EMPLOYEES, AND I WILL JUST REFER TO THEM IN SHORT, COMPRESSED
22 TERMS. AND ESSENTIALLY IT BOILS DOWN TO I THINK NINE
23 THEORIES AND I WILL ENUMERATE THEM NOW: OVERTIME, REST AND
24 MEAL PERIODS, WAGE STATEMENT, IN OTHER WORDS, LABOR CODE 226,
25 UNPAID TRAVEL EXPENSES AND MILEAGE -- THAT'S FOUR --
26 OFF-THE-CLOCK WORK, UNTIMELY PAYMENT OF WAGES, VACATION PAY
27 AT TERMINATION, AND FAILURE FAIRLY TO ADVISE THE EMPLOYEES OF
28 CHANGE IN THE COMMISSION STRUCTURE SO THAT WHAT HAPPENED WAS

1 THAT THEY WERE MADE TO DO WORK WITHOUT KNOWING -- WITHOUT, AS
2 IT TURNED OUT, WHAT THE ULTIMATE PAYMENT FOR IT WAS GOING TO
3 BE.

4 EACH OF THOSE CONTENTIONS -- EACH OF THOSE
5 THEORIES IS A THEORY THAT WOULD BE DECIDED IN FAVOR OF THE
6 PLAINTIFFS AND AGAINST THE -- AND AGAINST THE DEFENDANT
7 ABALKHAD EXCEPT FOR MY DETERMINATION THAT HE INDIVIDUALLY IS
8 NOT LIABLE. BUT IF HE IS LIABLE, THAT IS, IF THE APPELLATE
9 COURT DECIDES THAT I HAVE MADE AN ERROR REGARDING EXCESSIVELY
10 NARROW INTERPRETATION OF THE LABOR CODE PROVISIONS, I WOULD
11 AWARD EACH OF THE PLAINTIFFS AS PENALTIES \$60,000 EACH; 60
12 PLUS 60 IS 120.

13 NOW, I WILL SAY, AGAIN, I RECOGNIZE THAT THIS
14 IS WAY BELOW THE PLAINTIFFS'S TARGET NUMBER, BUT IT IS A
15 NUMBER THAT I THINK IS APPROPRIATE.

16 NOW, I WANT TO SAY SOMETHING ELSE ABOUT THIS,
17 AND THIS IS A COMPLICATION CREATED BY FACTORS THAT I HAD
18 REFERRED TO PREVIOUSLY. THIS IS THE BANKRUPTCY OF THE
19 CORPORATION.

20 WHAT I AM SAYING CONCERNING THESE OTHER
21 PENALTIES AND OTHER AMOUNTS, THAT IS, AMOUNTS I AM NOT
22 ACTUALLY AWARDING ARE FOR THE BENEFIT OF THE APPELLATE COURT
23 IN ASSISTING IT TO FRAME A DISPOSITIONAL ORDER IF THE CASE IS
24 SENT BACK TO THE SUPERIOR COURT UPON A REVERSAL IN PART OR IN
25 WHOLE.

26 I WANT TO PUT THESE PEOPLE IN A POSITION SO
27 THEY WILL HAVE A REMEDY ON BOTH SIDES WITHOUT THE NECESSITY
28 OF THE SUPERIOR COURT HAVING TO REVISIT THIS AND BY THE

1 SUPERIOR COURT TELLING THE APPELLATE COURT WHAT THE SUPERIOR
2 COURT WOULD HAVE DONE HAD THE SUPERIOR COURT'S REASONING NOT
3 FORECLOSED IT.

4 I AM EXTREMELY CONCERNED TO STATE THIS IN THAT
5 WAY SO THAT THE BANKRUPTCY PROCEEDINGS ARE NOT IN SOME WAY
6 SPOILED OR IMPROPERLY AFFECTED BY THE WORK DONE HERE IN THE
7 -- IN THE TRIAL COURT. AND I AM TRYING TO SUPPLY ALL OF THE
8 INFORMATION THAT I CAN WHILE STILL BEING TRUE TO AND
9 OBSERVANT OF THE NECESSITY FOR TRYING TO ACHIEVE AS MUCH
10 FINALITY AS I CAN WHILE STILL ASSISTING IN THE LITIGATION
11 PROCESS AS MUCH AS THIS COURT CAN.

12 NOW, I HAVE PREVIOUSLY DISCUSSED AND I WILL
13 MAKE A PART OF MY STATEMENT OF DECISION HERE THE SET OF DATES
14 THAT PIVOT AROUND THE APPEAL. AS I HAVE SAID PREVIOUSLY, THE
15 CASE THAT I HAVE BEEN TRYING, THIS CASE, WAS FILED ON THE
16 26TH OF JANUARY, 2010. THE DEFENDANT WAS AT THAT TIME ONLY
17 RJ FINANCIAL, AND THE CASE WAS DENOMINATED A CLASS ACTION. A
18 LITTLE LESS THAN MONTH AFTER THAT, ON THE 24TH OF FEBRUARY,
19 2010, THE PLAINTIFFS FILED A FIRST AMENDED COMPLAINT. THEY
20 ADDED MR. ABALKHAD AS A NAMED DEFENDANT. THEY CONTINUED WITH
21 THE DESIGNATION OF THIS CASE AS A CLASS ACTION.

22 ON THE 8TH OF MARCH, 2010, THE PLAINTIFFS
23 FILED A 170.6 AS TO JUDGE WILLIAM FAHEY OF THIS COURT.

24 ON THE 22ND OF MARCH, 2010, THE LAWYER WHO THE
25 TESTIMONY HAS IDENTIFIED AS MR. SANFORD FREY, F-R-E-Y -- THAT
26 NAME ALSO APPEARS ON THE DOCUMENT I'M GOING TO DESCRIBE --
27 FILED A NOTICE OF STAY AS TO THE CORPORATE DEFENDANT,
28 REFERRING TO THE CHAPTER 11 BANKRUPTCY. THAT BANKRUPTCY

1 PETITION APPEARS TO HAVE BEEN FILED ON THE 7TH OF JANUARY,
2 2010, THAT IS, BEFORE THE CASE WAS EVER FILED.

3 THAT ACCOUNTS FOR THE MODIFICATION OF THE NAME
4 OF THE PARTIES TO INCLUDE ABALKHAD AS AN INDIVIDUAL. I THINK
5 IT IS THAT OBVIOUS THAT -- BUT I WANT TO MAKE IT VERY, VERY
6 CLEAR THAT THIS IS NOT ONLY OBVIOUS, BUT IT IS A FACT THAT --
7 THIS CASE IS STAYED AS TO THE RJ FINANCIAL CORPORATION UNDER
8 THE STATUTORY CITATION I HAVE GIVEN, 11 U.S.C. 362.

9 MR. ABALKHAD'S DEFAULT WAS TAKEN IN THIS CASE
10 AND IN AUGUST OF 2010, HE MOVED TO SET ASIDE THE DEFAULT. IN
11 THAT SET OF PAPERS, THERE WAS THE CLAIM MADE THAT PLAINTIFFS
12 ADDED ABALKHAD ON THE 26TH OF MARCH, 2010. AS I HAVE
13 INDICATED, THAT WAS NOT TRUE. IT WAS ON THE 26TH -- 24TH OF
14 FEBRUARY, 2010, BUT THAT WAS NOT A SIGNIFICANT INACCURACY
15 BECAUSE IN THE COURT'S VIEW, ABALKHAD WAS ENTITLED TO HAVE
16 THE DEFAULT SET ASIDE.

17 NOW IS THERE ANYTHING THAT I AM SUPPOSED TO
18 SAY?

19 MR. SPIVAK: I DON'T THINK SO, YOUR HONOR.

20 THE COURT: OKAY. HOW ABOUT YOU, MR. SABZEVAR?

21 MR. SABZEVAR: NO, YOUR HONOR.

22 THE COURT: ALL RIGHT. HERE'S WHAT I'M GOING TO DO
23 THEN.

24 I'M GOING TO SET A HEARING OUT IN THE FUTURE.
25 FIRST OF ALL, THE STATEMENT OF DECISION IS SUFFICIENT IF IT
26 STATES ALL THE FACTS. IT NEED NOT STATE EVIDENTIARY FACTS.
27 I THINK THE STATEMENT OF DECISION I HAVE MADE DOES THAT.

28 SECONDLY, I'M GOING TO ORDER THE PLAINTIFFS

1 THROUGH COUNSEL TO PREPARE, SERVE, OBTAIN APPROVAL AS TO FORM
2 FROM DEFENDANT ABALKHAD. THIS MAY REQUIRE A MEET AND CONFER
3 AND COURT EXPECTS COUNSEL TO BE ATTENTIVE AND COOPERATIVE IN
4 THIS REGARD. SO SUBMIT THAT TO DEFENSE COUNSEL AND LODGE
5 WITH THE COURT A JUDGMENT SUITABLE FOR COURT'S SIGNATURE IN
6 CONFORMITY WITH THE FOREGOING.

7 I AM GOING TO ORDER ALSO THAT THE PARTIES
8 AND/OR COUNSEL PICK UP ALL EXHIBITS LODGED WITH THE CLERK AND
9 ALL EXHIBITS MARKED AND/OR RECEIVED IN EVIDENCE, EACH SIDE TO
10 PICK UP THE ITEM PROFFERED BY THAT SIDE FOR RECEIPT INTO
11 EVIDENCE WITHIN FIVE DAYS FROM THE COURT'S SIGNING OF THE
12 JUDGMENT.

13 NOW, TODAY IS THE 23RD OF APRIL, 2010 -- 2012,
14 I SHOULD SAY. I WANT TO HAVE A HEARING AT WHICH THE JUDGMENT
15 IS PRESENTED TO ME FOR SIGNATURE AND I WANT TO DO THESE
16 THINGS AT THAT HEARING. I WANT TO SETTLE THE FORM AND
17 SUBSTANCE OF THE DECISION -- OF THE JUDGMENT. IF THERE'S ANY
18 OTHER WORK THAT NEEDS TO BE DONE, I WANT TO DO THAT AT THIS
19 HEARING. I WANT TO DETERMINE WHAT, IF ANYTHING, REMAINS TO
20 BE DONE REGARDING FUTURE PROCEEDINGS IN THIS CASE, AND I WANT
21 TO DETERMINE WHAT THE STATUS OF THIS CASE IS AND I WANT TO
22 HAVE THE LAWYERS FOR THE PARTIES PERSONALLY PRESENT.

23 MY IDEA WOULD BE THE JUDGMENT SHOULD BE
24 SUBMITTED BEFORE THE HEARING BUT THAT PLAINTIFFS'S COUNSEL
25 SHOULD BRING WITH HIM A DUPLICATE ORIGINAL OF THE JUDGMENT IN
26 CASE THE PAPERWORK HANDLING PRODUCES A SITUATION WHERE I
27 CAN'T LAY MY HANDS ON THE JUDGMENT THAT I AM SUPPOSED TO SIGN
28 IMMEDIATELY. I LOOK TO THE ATTORNEYS NOW FOR SOME

1 SUGGESTIONS AS TO THE DATE WHEN THAT HEARING SHOULD BE
2 SCHEDULED.

3 MR. SABZEVAR, DO YOU HAVE ANY IDEAS ABOUT WHEN
4 I SHOULD SCHEDULE IT?

5 MR. SABZEVAR: FORTY-FIVE DAYS, YOUR HONOR?

6 THE COURT: FORTY-FIVE DAYS.

7 MR. SPIVAK: THAT'S FINE FOR PLAINTIFFS.

8 THE COURT: SO TODAY IS THE 23RD. LET'S SET IT FOR
9 HEARING ON THE -- LET'S GO OUT MORE THAN 45 DAYS.

10 AS YOU CAN SEE, FROM THE 4TH TO THE 8TH, I
11 WON'T BE ABLE TO WORK WITH YOU -- OF JUNE. I WON'T BE ABLE
12 TO WORK WITH YOU. SO WOULD IT ALL RIGHT WITH YOU LAWYERS IF
13 I PICK THE 21ST OF JUNE, 2012, 8:30, THIS DEPARTMENT?

14 MR. SABZEVAR: THAT'S FINE, YOUR HONOR.

15 THE COURT: ARE YOU GOING TO BE AVAILABLE ON THOSE
16 DATES?

17 MR. SPIVAK: YES, YOUR HONOR.

18 THE COURT: ARE YOU GOING TO BE ABLE TO DO THE
19 THINGS I TALKED ABOUT, SETTLING THE FORM AND SUBSTANCE OF THE
20 JUDGMENT?

21 MR. SPIVAK: YES, YOUR HONOR.

22 MR. SABZEVAR: THAT'S FINE.

23 THE COURT: THANK YOU VERY MUCH. I APPRECIATE YOUR
24 PARTICIPATION AND -- AND YOUR ADVOCACY, AND I WILL SEE YOU
25 WHEN WE NEXT HAVE TO WORK ON THE CASE.

26 NOW, I WILL TELL YOU SOMETHING ELSE. PLEASE
27 STAY ALERT AND PLEASE LOOK IN ADVISES TO ATTORNEYS, OR
28 NOTICES, OR WHATEVER WE ARE GOING TO DO IN THE NEXT THREE OR

1 FOUR WEEKS. HERE'S OUR SITUATION.

2 AS OF 15TH OF MAY, WE WON'T HAVE REPORTERS IN
3 THESE DEPARTMENTS ANYMORE FOR TRIAL MATTERS -- THEY WILL HAVE
4 TO BE SUPPLIED BY THE PARTIES -- AND WE WON'T HAVE THE
5 REPORTERS EXCEPT TWO LAW AND MOTION SESSIONS A WEEK. THE
6 IDEA IS IT WILL BE ONE MORNING AND ONE AFTERNOON. THAT WILL
7 BE ALL THE REPORTERS WE ARE GOING TO HAVE SUPPLIED BY THE
8 COURT.

9 MOREOVER, THEY ARE GOING TO, AS I MENTIONED TO
10 YOU PREVIOUSLY, THEY ARE GOING TO REDUCE THE STAFF.

11 SO I HAD GIVEN YOU DATE, BUT I AM NOT ONE
12 HUNDRED PERCENT CERTAIN ABOUT HOW THAT DATE IS GOING TO WORK.
13 PLEASE KEEP YOUR EYES AND EARS OPEN. IF THERE'S SOME FOUL UP
14 OR SOMETHING, DO WHATEVER YOU NEED TO DO TO MAKE IT RIGHT. I
15 MEAN, WE ARE -- I WISH I COULD SAY SOMETHING THAT SOUNDED
16 MORE EMPHATIC AND MORE DEFINITIVE, BUT I CAN'T. I JUST DON'T
17 KNOW WHAT'S GOING TO HAPPEN.

18 WHAT I WANT TO DO IS TO FINISH UP YOUR CASE
19 AND GET YOU ALONG FOR THE NEXT STEP FOR OBVIOUS REASONS. AND
20 I DON'T WANT THE COLLAPSE OF THE SYSTEM'S ABILITY TO HANDLE
21 MATTERS TIMELY TO REDOUND TO YOUR DISADVANTAGE OR TO
22 ADDITIONAL EXPENSE ON THE PART OF EITHER SIDE THAT MIGHT
23 OTHERWISE BE AVOIDED IF YOU LAWYERS KEPT YOUR EYES PEELED FOR
24 WHAT'S HAPPENING IN THE COURTS AND IF I WERE ABLE TO PREDICT
25 A LITTLE BIT, I JUST CAN'T PREDICT THAT. I DON'T EVEN KNOW.
26 BUT KEEP YOUR EYES OPEN. TRY TO DO WHAT'S RIGHT, AND I WILL
27 TRY TO DO WHAT'S RIGHT. IT'S ABOUT THE BEST I CAN DO FOR
28 YOU.

1 ALL RIGHT. THANK YOU ALL VERY MUCH.

2 MR. SPIVAK: THANK YOU, YOUR HONOR.

3 MR. SABZEVAR: THANK YOU, YOUR HONOR.

4 THE COURT: SEE YOU WHEN WE NEXT HAVE TO WORK ON

5 THE CASE.

6 (PROCEEDINGS CONCLUDED.)

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DEPARTMENT 41 HON. RONALD M. SOHIGIAN, JUDGE

CASE NO. BC430633
CERTIFIED COPY

MONDAY, APRIL 23, 2012

REPORTED BY:
ANGELA ZARATAN PARADELA
OFFICIAL COURT REPORTER
CSR NO. 9659

EXHIBIT 10

2013 WL 766535
Not Officially Published
(Cal. Rules of Court, Rules 8.1105 and 8.1110, 8.1115)

California Rules of Court, rule 8.1115, restricts citation of unpublished opinions in California courts.
Court of Appeal,
Second District, Division 2, California.

Pearline ZALEWA et al., Plaintiffs and Respondents,
v.
TEMPO RESEARCH CORPORATION et al., Defendants and Appellants.

B238142 | Filed March 1, 2013

APPEAL from a judgment of the Superior Court of Los Angeles County. [Charles F. Palmer](#), Judge. Reversed and remanded. (Los Angeles County Super. Ct. No. BC319156)

Attorneys and Law Firms

Dickstein Shapiro, [Arthur Silbergeld](#), [Christine de Bretteville](#) for Defendants and Appellants.

Altshuler Berzon, [Michael Rubin](#), [Eileen B. Goldsmith](#); Law Offices of Joseph D. Tuchmayer, [Joseph D. Tuchmayer](#); Law Offices of Todd Arron, [Todd S. Arron](#) for Plaintiffs and Respondents.

Opinion

[BOREN](#), P.J.

***1** We remanded this employment case to the trial court to determine (1) if attorney fees are authorized by statute following our reversal of the judgment in favor of plaintiffs, and (2) if fees are authorized, are they warranted by the facts of the case. On remand, both sides submitted demands for attorney fees to the trial court. The court awarded fees to plaintiff former employees as the “**prevailing** party” under [Labor Code section 218.5](#).¹

We reverse. Plaintiffs were not the **prevailing** party: they lost the case because their demands for bonuses were unfounded. Given that plaintiffs had no right to bonuses after they were laid off, defendants’ payment of money to some former employees during the litigation was a gift that cannot be viewed—as a matter of law—as a “catalyst” warranting an award of attorney fees to plaintiffs.

FACTS²

Plaintiffs are former employees of defendant Rifocs, a fiber optics company. In 1999, Rifocs merged with codefendant Textron. The merged entity was subsequently acquired by codefendant Tempo Research Corporation. The 1999 merger agreement contained a bonus clause. The bonus was intended to reward key employees for past performance and give them an incentive to remain with the company after the merger. Plaintiff employees were not third party beneficiaries of the merger agreement, which expressly forbids them from suing to enforce its terms.

To qualify for a bonus, plaintiffs had to be employed by the corporation at the end of the calendar year from 2000 through 2003. Plaintiffs received bonuses pursuant to the merger agreement beginning in December 2000. Plaintiff Laws received a bonus of \$10,000 for 2000–2001 and Zalewa received a bonus of \$75,000 for 2000–2002.

In 2001, defendants began employee layoffs because the market for fiber optics cooled. Defendants’ employment roster declined from 125 employees in April 2001 to seven employees in 2003. After being laid off, plaintiffs received no further

bonuses; however, they were entitled to—and received—severance pay. They signed releases agreeing not to sue on any claim arising from their employment with defendants.

In 2004, plaintiffs filed suit alleging Labor Code violations, unfair business practices, breach of contract, conversion, promissory estoppel, bad faith, and private attorney general (PAGA) penalties. In July 2005, defendants offered payments to laid-off employees, though not to the plaintiffs. After defendants made the payments, plaintiffs amended their complaint to allege a class action and assert a new claim for a “residual bonus.” A class was certified in 2007.

A bench trial was conducted in 2008. The court found that plaintiffs are entitled to recover a direct bonus, but no residual bonus. Because the bonus was unpaid wages, plaintiffs were awarded prejudgment interest and attorney fees under § 218.5. The court denied penalties to plaintiffs, finding that it would be unjust because defendants voluntarily tendered almost all of the outstanding direct bonus amounts to class members. The court awarded 11 employees \$0 because they were paid *more* money by defendants than they were owed. The remaining eight former employees were awarded sums ranging from \$455 to \$35,719. The court awarded plaintiffs’ counsel attorney fees of \$881,715. The court rejected plaintiffs’ claim under PAGA for lack of standing, because plaintiffs left defendants’ employ before PAGA took effect in 2004.

*2 Plaintiffs appealed the judgment because they felt entitled to residual bonuses and waiting time penalties, among other things. Defendants cross-appealed, challenging the trial court’s award of a direct bonus, its invalidation of the releases signed by plaintiffs, and the court’s award of attorney fees.

This Court reversed the judgment in favor of plaintiffs.

First, the trial court improperly invalidated the releases signed by plaintiffs after finding that defendants reasonably and in good faith believed that they did not owe plaintiffs a bonus. In a bona fide dispute over wages, defendants can legitimately offer plaintiffs money in return for their release of all claims. There was no evidence that the releases were coerced or improperly obtained. We wrote that plaintiffs “could, and did, accept payments that exceeded their earned severance, in return for releasing all claims, when there was a bona fide dispute over the wages owing. This is proper, even if the payment made by defendants was less than the bonus amounts claimed by the employees.”

Second, the trial court erred by finding that plaintiffs are entitled to a direct bonus. Although plaintiffs benefit from the bonus clause, the merger agreement prohibits them from suing to enforce its terms. Further, plaintiffs did not rely on any written or oral promises from defendants that they would receive a bonus even if they were laid off from their jobs due to depressed economic conditions. Because plaintiffs are not entitled to a bonus after they were laid off, they are not entitled to waiting time penalties, other Labor Code penalties, or prejudgment interest.

Finally, we reversed the trial court’s award of \$881,715 in attorney fees. We remanded the case to the trial court to determine whether an award of attorney fees is authorized by statute and warranted by the facts. Notably, we did *not* specify that either plaintiffs or defendants might be entitled to fees.³

On remand, the parties filed cross-motions for attorney fees. Plaintiffs requested an award of \$307,146 as the **prevailing** party pursuant to § 218.5, reasoning that this litigation was the catalyst for defendants’ July 2005 payments. Plaintiffs did not request attorney fees for litigation occurring after the 2005 payments, because the claims that went to trial were found by this Court to lack merit.

Defendants countered with a request for \$2,210,360 in costs and attorney fees incurred at trial and on appeal. Defendants argued that they are the **prevailing** parties: the appeal showed that they had no obligation to pay anything to plaintiffs. Like plaintiffs, defendants relied upon § 218.5 as authority for their right to recover attorney fees. In opposition to plaintiffs’ request for fees, defendants observed that their 2005 payments were made to nonparties, not to plaintiffs, and plaintiffs are not the **prevailing** parties because they did not recover any relief against defendants at trial. In defendants’ view, the “catalyst” theory is inapposite because no public interest was vindicated by plaintiffs’ lawsuit.

THE TRIAL COURT’S RULING

*3 The trial court denied defendants' motion for attorney fees. Citing § 218.5, the court granted plaintiffs' motion for fees, finding that plaintiffs are the prevailing parties, even if they did not obtain a favorable judgment in the litigation. The court reasoned that plaintiffs' lawsuit was a catalyst, provoking defendants to make the 2005 payments to some former employees. Plaintiffs initially won their lawsuit in the trial court and other employees recovered their bonuses from defendants in administrative proceedings: these factors demonstrated that the lawsuit was not frivolous, groundless or unreasonable. Finally, plaintiffs made demands for their bonus before the action was filed but were rebuffed, demonstrating that the litigation was necessary. Plaintiffs' attorneys were awarded a total of \$346,947.

DISCUSSION

1. Appeal and Review

The appeal arises from a postjudgment order awarding attorney fees and costs. (Code Civ. Proc., § 904.1, subd. (a)(2); *Raff v. Raff* (1964) 61 Cal.2d 514, 519; *Breckler v. Thaler* (1978) 87 Cal.App.3d 189, 193.) An attorney fee award generally is reviewed for an abuse of discretion; however, when the parties dispute whether the trial court was legally authorized to make an award because "the criteria for making an award" were unmet, this calls for statutory construction and presents a question of law. (*Conservatorship of Whitley* (2010) 50 Cal.4th 1206, 1213–1214; *Connerly v. State Personnel Bd.* (2006) 37 Cal.4th 1169, 1175.) Specifically, we are asked whether § 218.5 permits, under a catalyst theory, an award of attorney fees to plaintiffs who did not prevail on any of the claims made in their lawsuit. Review is de novo, because the issue is whether there is a legal basis for awarding attorney fees. (*Earley v. Superior Court* (2000) 79 Cal.App.4th 1420, 1426; *Graciano v. Robinson Ford Sales, Inc.* (2006) 144 Cal.App.4th 140, 149.)

2. Overview of § 218.5

Section 218.5 reads, in relevant part, "In any action brought for the nonpayment of wages ... the court shall award reasonable attorney's fees and costs to the prevailing party if any party to the action requests attorney's fees and costs upon the initiation of the action." The statute is a reciprocal fee recovery provision that works in favor of either employees or employers, whichever is the prevailing party in a lawsuit claiming unpaid wages. (*Earley v. Superior Court, supra*, 79 Cal.App.4th at p. 1427.) In employee class action suits, class representatives assume a fiduciary responsibility on behalf of absent parties and are potentially responsible for defense fees if their case fails. (*Id.* at pp. 1434–1436.) An unpaid bonus is treated as a claim for unpaid wages. (*Hunter v. Ryan* (1930) 109 Cal.App. 736, 738.)

3. The Catalyst Theory

The catalyst theory arises from the private attorney general doctrine codified in Code of Civil Procedure section 1021.5.⁴ It allows courts to award attorney fees to a "successful party" in an action that results in "the enforcement of an important right affecting the public interest" if there is (a) a significant benefit conferred on the general public or a large class of persons, (b) the financial burden of private enforcement makes the award appropriate, and (c) the fees should not be paid out of any recovery. (*Graham v. DaimlerChrysler Corp.* (2004) 34 Cal.4th 553, 565 (*Graham*).)

*4 The doctrine " "rests upon the recognition that privately initiated lawsuits are often essential to the effectuation of the fundamental public policies embodied in constitutional or statutory provisions, and that, without some mechanism authorizing the award of attorney fees, private actions to enforce such important public policies will as a practical matter frequently be infeasible." " (*Graham, supra*, 34 Cal.4th at p. 565.) It does not apply when a lawsuit's "primary effect was the vindication of [plaintiff's] personal right and economic interest." (*Flannery v. California Highway Patrol* (1998) 61 Cal.App.4th 629, 637.)

"Under the catalyst theory, attorney fees may be awarded even when litigation does not result in a judicial resolution if the defendant changes its behavior substantially because of, and in the manner sought by, the litigation.... In order to be eligible for attorney fees[,] a plaintiff must not only be a catalyst to defendant's changed behavior, but the lawsuit must have some merit [] and the plaintiff must have engaged in a reasonable attempt to settle its dispute with the defendant prior to

litigation.” (*Graham, supra*, 34 Cal.4th at pp. 560–561.)

“ ‘A plaintiff will be considered a “successful party” where an important right is vindicated “by activating defendants to modify their behavior.” ’ ” (*Graham, supra*, 34 Cal.4th at p. 567.) Plaintiff need not secure a favorable final judgment to succeed: the case may be won on a preliminary issue; or by convincing a public agency to implement state law; or by reaching a settlement with a corporation in a shareholder derivative suit. (*Id.* at pp. 565–567, citing cases.) In *Graham*, the plaintiffs sued Chrysler for making false statements about the towing capacity of its trucks, inspiring the company to offer to repurchase or replace the trucks. The lawsuit caused Chrysler to change its behavior, “implicated an issue of public safety, and [] benefited thousands of consumers and potentially thousands more by acting as a deterrent to discourage lax responses to known safety hazards.” (*Id.* at pp. 577–578.)

4. Plaintiffs’ Right to Recover Attorney Fees

Plaintiffs originally brought suit in 2004 “on behalf of themselves and the general public.” They requested attorney fees pursuant to § 218.5. While the case was pending, but before plaintiffs amended their complaint to include class allegations, defendants paid money to some of the laid-off employees, but not to plaintiffs. Plaintiffs proceeded to trial, where they won their unpaid bonus money. The victory was short-lived, as defendants had a successful appeal.

To determine the prevailing party under § 218.5, we import the definition used in the Code of Civil Procedure (*On-Line Power, Inc. v. Mazur* (2007) 149 Cal.App.4th 1079, 1085–1087), which defines a prevailing party as “the party with a net monetary recovery, a defendant in whose favor a dismissal is entered, a defendant where neither plaintiff nor defendant obtains any relief, and a defendant as against those plaintiffs who do not recover any relief against that defendant.” (Code Civ. Proc., § 1032, subd. (a)(4).) Plaintiffs did not have a net monetary recovery against defendants. In fact, they recovered nothing. Under the plain language of § 218.5, plaintiffs were not the prevailing party because all of their claims against defendant were denied.

While no court has yet applied the catalyst theory to a case arising from § 218.5, plaintiffs argue that the theory should apply, based on defendants’ July 2005 payments to some former employees. It is unclear whether the permissive fee shifting described in the catalyst theory applies to a statute like § 218.5, which mandates an award of attorney fees to the “prevailing party.” Assuming the catalyst theory applies to Labor Code cases, its application does not assist plaintiffs in their quest for attorney fees.

*5 The opinion in the prior appeal shows that plaintiffs had no right to collect a bonus after they were laid off from their jobs with defendants. By extension, the laid-off, nonparty employees who received payments from defendants in July 2005 also had no right to collect a bonus. Had the employees not accepted the 2005 payments, they would have received nothing in the litigation. In the eyes of the law, defendants’ 2005 payments were a gift, not a contractual or statutory obligation to remit unpaid wages.

When deciding whether to award attorney fees, the court reviews the facts “not only to determine the lawsuit’s catalytic effect but also its merits. Attorney fees should not be awarded for a lawsuit that lacks merit.” (*Graham, supra*, 34 Cal.4th at p. 576.) Plaintiffs cannot be a “successful party” if a reviewing court flatly rejects their case on the merits. (*Marine Forests Society v. California Coastal Com.* (2008) 160 Cal.App.4th 867, 877.) Although plaintiffs’ lawsuit provoked the 2005 payments, the lawsuit itself lacked merit, because plaintiffs demanded bonuses and penalties that they were not entitled to collect.

A lawsuit that provokes a defendant to make a gift is not a ground for awarding attorney fees: no significant benefit is conferred on the public or a large class of persons by such a lawsuit (*Graham, supra*, 34 Cal.4th at p. 578), and defendants engaged in no detrimental behavior that needed to be changed. As discussed in our prior opinion, defendants had the right to behave the way they did, laying off employees they could not afford to keep and denying bonuses to employees who were not on the payroll at year’s end. (Compare *Tipton–Whittingham v. City of Los Angeles* (2004) 34 Cal.4th 604, 607–610 [city instituted remedial practices in its police department after plaintiff sued for race and sex discrimination, justifying application of the “catalyst” theory of fee recovery]; *Harbor v. Deukmejian* (1987) 43 Cal.3d 1078, 1103 [catalyst theory applied when plaintiffs successfully challenged the governor’s constitutional veto authority, which conferred a significant benefit on the general public]; *Hogar Dulce Hogar v. Community Development Com. of City of Escondido* (2007) 157 Cal.App.4th 1358,

1368 [plaintiffs successfully obtained an amendment to a tax sharing agreement and a \$1.35 million reimbursement to a city housing fund, giving rise to catalyst fees].)

In sum, this lawsuit was instigated by a handful of employees who felt entitled to collect a bonus for years after they stopped working. By no stretch of imagination did this lawsuit aim to vindicate an important right affecting the public interest; nor did it confer a significant benefit on the general public or a large class of persons; nor did it cure detrimental behavior by defendants, who did not engage in improper conduct. This was not a lawsuit “ ‘that genuinely provide[d] a public benefit.’ ” (*Vasquez v. State of California* (2008) 45 Cal.4th 243, 255.) The catalyst theory does not apply here.

5. Defendants’ Right to Recover Attorney Fees

Section 218.5 is a reciprocal attorney fees statute that requires an award of fees to the “prevailing party” so long as one of the parties demands those fees upon the initiation of the action. Here, plaintiffs demanded fees pursuant to § 218.5 when they filed suit. Defendants were the prevailing parties on appeal, which resolved the entire lawsuit in their favor. (Code Civ. Proc., § 1032, subd. (a)(4) [prevailing party is the defendant if neither plaintiff nor defendant obtains any relief, and the defendant when the plaintiff recovers no relief against that defendant].) Plaintiffs did not prevail on any claims.

*6 Plaintiffs contend that their claims for fees under § 218.5 were inextricably intertwined with their PAGA claim, making it impossible to award attorney fees to defendants as the prevailing party under § 218.5. As the trial court found, plaintiffs had no standing to bring a PAGA claim because PAGA did not exist when plaintiffs were terminated from their employment with defendants. In any event, § 218.5 lists only one remotely pertinent exception: “This section does not apply to any action for which attorney’s fees are recoverable under Section 1194.”⁵ Plaintiffs did not proceed under section 1194, a one-way fee shifting statute authorizing attorney fees to employees who prevail on their minimum wage or overtime compensation claims.

Section 218.5 contains no equitable exemption allowing the courts to give a pass to employees who invoke its provisions then lose their case, causing the employer to become the prevailing party in the litigation. Defendants are the prevailing party under § 218.5, and are entitled to recover reasonable attorney fees they incurred in this litigation, including the two appeals.⁶

DISPOSITION

The postjudgment order awarding attorney fees and costs to plaintiffs is reversed. The case is remanded to the trial court to determine a reasonable award of attorney fees and costs for defendants. Defendants are entitled to recover their costs on appeal, as the prevailing party.

We concur:

ASHMANN–GERST, J.

FERNS, J.*

Footnotes

¹ Labor Code section 218.5 will be referred to in this opinion as § 218.5.

² The facts are largely derived from our opinion in *Zalewa v. Tempo Research Corporation* (Sept. 27, 2010) B210429 (nonpub. opn., as modified Oct. 27, 2010).

³ Plaintiffs misinformed the trial court that the case was remanded to resolve “whether and in what amount *plaintiffs are entitled to*

reasonable fees for having achieved [a] substantial result for so many of the affected employees.” (Italics added.) The opinion does not give a nod to plaintiffs’ claim for fees.

- 4 The statute reads, in relevant part, “Upon motion, a court may award attorneys’ fees to a successful party against one or more opposing parties in any action which has resulted in the enforcement of an important right affecting the public interest if: (a) a significant benefit, whether pecuniary or nonpecuniary, has been conferred on the general public or a large class of persons, (b) the necessity and financial burden of private enforcement ... are such as to make the award appropriate, and (c) such fees should not in the interest of justice be paid out of the recovery, if any.”
- 5 [Section 218.5](#) contains several express exceptions: it does not apply to an action brought by the Labor Commissioner; it does not apply to a surety issuing a bond pursuant to the Business and Professions Code; and it does not apply to an action to enforce a mechanics lien under the Civil Code. The statute does not mention PAGA.
- 6 The issue of attorney fees following reversal of the judgment first arose in plaintiffs’ petition for rehearing, when it was procedurally inopportune to resolve a new issue, hence the remand. We never intended to confuse the trial court by remanding for further proceedings on the issue of attorney fees.
- * Judge of the Los Angeles Superior Court, assigned by the Chief Justice pursuant to [article VI, section 6 of the California Constitution](#).

EXHIBIT 11

2011 WL 5979937
Not Officially Published
(Cal. Rules of Court, Rules 8.1105 and 8.1110, 8.1115)
Only the Westlaw citation is currently available.

California Rules of Court, rule 8.1115, restricts citation of unpublished opinions in California courts.

Court of Appeal, First District, Division 5, California.

Maria Tun CUN, Plaintiff and Appellant,
v.
CAFE TIRAMISU LLC, Defendant and Respondent.

No. A131241. | (San Francisco County Super. Ct. No. CGC–09–484879). | Nov. 30, 2011.

Attorneys and Law Firms

[Michael Paul Guta](#), Law Offices of John E. Hill, Oakland, CA, for Plaintiff and Appellant.

[Wesley Jerome Fastiff](#), [Michael Gayland Pedhirney](#), Littler Mendelson, San Francisco, CA, for Defendant and Respondent.

Opinion

[NEEDHAM](#), J.

***1** Maria Tun Cun appeals from an order awarding attorney fees to respondent Café Tiramisu LLC, pursuant to [Labor Code section 218.5](#), after the court granted respondent’s motion for summary judgment. Appellant contends: (1) [Labor Code section 218.5](#) did not apply, because the action she brought for unpaid wages was really for unpaid overtime, for which an award of attorney fees is available only to successful plaintiffs under [Labor Code section 1194](#); (2) the court should have apportioned the attorney fees between appellant’s unpaid wages claim and her constructive termination claim, for which no attorney’s fee award is available; and (3) the court improperly awarded amounts for attorney services rendered in defense of claims other than those asserted by appellant. We will affirm the order.

I. FACTS AND PROCEDURAL HISTORY

In February 2009, appellant Maria Tun Cun, along with Vicente Tapia Gonzalez and Evangelina Tun Cun, filed a complaint against respondent Café Tiramisu LLC.¹

Maria asserted three causes of action. In a cause of action for recovery of unpaid wages, she alleged that she was employed by Café Tiramisu between February 9, 2005 until her termination on March 21, 2007, she was “owed wages” and was “owed for accrued paid time off,” and she was entitled to a statutory penalty for unpaid wages under [Labor Code section 203](#) and reasonable attorney fees and costs pursuant to [Labor Code section 218.5](#). In a cause of action for constructive termination in violation of public policy, Maria alleged that Café Tiramisu’s “conduct in refusing to pay plaintiffs wages owed created an intolerable working condition, necessitating plaintiffs to leave employment.” In her cause of action for unfair business practices, she alleged that Café Tiramisu violated [Business and Professions Code section 17200](#) by committing these same acts.

In her prayer for relief, Maria sought, among other things, damages and “reasonable attorney’s fees, pursuant to [Labor Code Section 218.5](#).” Nowhere in the complaint did Maria allege that Café Tiramisu owed her for unpaid overtime.

A first amended complaint, filed in April 2010, retained Maria's allegations and causes of action. Like the original complaint, it did not allege entitlement to unpaid overtime.

Café Tiramisu filed a motion for summary judgment or, in the alternative, summary adjudication. In September 2010, the court granted the motion, finding that Maria could not **prevail** on any of her causes of action as a matter of law because, before the lawsuit, the parties had entered into settlement agreements by which Maria released all of her employment-related claims.

Judgment was entered against Maria on September 21, 2010. The judgment noted that Café Tiramisu, as the **prevailing** party, was eligible to recover its reasonable attorney fees and costs.²

Café Tiramisu filed a motion for attorney fees on November 18, 2010, contending it was the **prevailing** party and entitled to recover its fees and costs under [Labor Code section 218.5](#). Café Tiramisu requested \$36,612.50 in fees, supporting its request with a declaration from one of its attorneys and invoices for the fees incurred.

*2 Maria opposed the motion. She contended that Café Tiramisu was not entitled to recover attorney fees under [Labor Code section 218.5](#), which authorizes recovery by the **prevailing** party, because her action was for overtime wages governed by [Labor Code section 1194](#), which authorizes recovery only by successful plaintiffs. She further contended that Café Tiramisu could not recover for the portion of attorney fees incurred in connection with her claim for wrongful termination. Café Tiramisu's reply brief addressed these arguments.

By written order filed on or about January 5, 2011, the court granted the motion and awarded Café Tiramisu attorney fees in the full amount of \$36,612.50. This appeal followed.

II. DISCUSSION

As mentioned, Maria contends the court erred because: (1) [Labor Code section 218.5](#) was inapplicable because her claim for unpaid wages was really a claim for unpaid overtime; (2) the court failed to apportion the attorney fees spent on the claim for unpaid wages as opposed to her claim for wrongful termination; and (3) Café Tiramisu should not recover for fees incurred in defending against claims by others. We address each contention in turn.

A. Recovery of Attorney Fees Under [Labor Code Section 218.5](#)

Café Tiramisu sought recovery for its attorney fees, and the trial court awarded them, pursuant to [Labor Code section 218.5](#).³ [Section 218.5](#) provides in pertinent part: "In any action brought for the *nonpayment of wages*, fringe benefits, or health and welfare or pension fund contributions, the court *shall* award reasonable attorney's fees and costs to the **prevailing party** if any party to the action requests attorney's fees and costs upon the initiation of the action." (Italics added.)

Each requirement of [section 218.5](#) was met. First, Maria brought an action for the nonpayment of wages. In her original and amended complaints, Maria claimed that she was "owed wages" and, in addition, had accrued and was owed "paid time off pursuant to [Labor Code \[sections\] 226.7 and 227.3](#)." [Section 226.7](#) refers to pay for time worked during mandated meal periods, and [section 227.3](#) refers to vested vacation pay; both are considered "wages." (*Murphy v. Kenneth Cole Productions, Inc.* (2007) 40 Cal.4th 1094, 1114 [time worked during mandatory meal periods]; *Suastez v. Plastic Dress-Up Co.* (1982) 31 Cal.3d 774, 784 [vested vacation pay].)

Second, Café Tiramisu was the **prevailing** party. Its summary judgment was granted, and judgment was entered in its favor, with Maria taking nothing by her amended complaint. ([Code Civ. Proc. § 1032, subd. \(a\)\(4\)](#).)

Third, Maria expressly requested attorney fees and costs pursuant to [section 218.5](#) upon the initiation of her action, in both the original and amended complaints. Accordingly, Café Tiramisu was entitled to recover its reasonable attorney fees under

section 218.5.

Maria's sole argument to the contrary is that her cause of action for unpaid wages was really a claim for unpaid *overtime*, such that section 1194, rather than section 218.5, should govern. Section 1194, subdivision (a) provides for one-way fee shifting to a successful plaintiff only: "Notwithstanding any agreement to work for a lesser wage, any *employee* receiving less than the legal minimum wage or the legal overtime compensation applicable to the employee *is entitled to recover* in a civil action the unpaid balance of the full amount of this minimum wage or overtime compensation, including interest thereon, *reasonable attorney's fees*, and costs of suit." (Italics added.)

*3 Because section 1194 authorizes an award of attorney fees only to a successful plaintiff, and not to the **prevailing** party, Maria contends that the trial court erred and Café Tiramisu was not entitled to an award of attorney fees. Indeed, section 218.5 provides: "This section does not apply to any action for which attorney's fees are recoverable under Section 1194." The question Maria presents, therefore, is whether her claim for unpaid wages was really a claim for overtime compensation.

Maria's effort to recast her complaint as one seeking recovery for unpaid overtime is unpersuasive. Neither her original complaint nor the amended complaint mentions "overtime," "overtime wages," or section 1194. It refers instead to "wages," paid time off (also wages), and section 218.5.

Ignoring this, Maria argues that the claim she eventually tried to *prove* was that she was not paid wages at the overtime rate. In particular, in opposition to respondent's summary judgment motion, she contended that she repeatedly worked overtime hours, presented payroll records evincing overtime hours, and purportedly asserted that it was her exhaustion from overtime hours that led to her constructive termination.⁴

Maria's argument is unconvincing. The fact that she was eventually unable to support her broadly-alleged claim for unpaid wages except with evidence of unpaid overtime does not mean that her "action" was really for overtime compensation. (See §§ 218.5, 1194.) Nor does it convert the action she brought into a different action she had never specifically alleged. To hold otherwise would reward a plaintiff for not having any evidence to support her claims as pled, and penalize a defendant who incurs attorney fees in defending against the claims *as they were pled*. Thus, while Maria may have tried to prove her cause of action for unpaid wages with evidence of unpaid overtime, the court did not err in concluding that the "action" Maria actually "brought" was for nonpayment of wages within the meaning of section 218.5, not for nonpayment of overtime within the meaning of section 1194.

Maria further argues that this court, by its August 2011 decision in appeal number A129899 from the grant of summary judgment, characterized her claim as one for overtime wages. Her argument has no merit. In the first place, our August 2011 opinion in appeal number A129899 was not before the trial court when it granted the attorney fees motion in January 2011, and Maria does not explain how the trial court could have erred in January based on our characterization of her claim in August. Furthermore, any characterization of Maria's cause of action in appeal number A129899 would not be germane to this case, because it did not involve the issue we address now. At issue in appeal number A129899 was whether the settlement release was enforceable; we were not called upon in that case, as we are in this case, to decide whether her cause of action for unpaid wages was really a cause of action for unpaid overtime. Lastly, contrary to Maria's representations, we did *not* characterize Maria's claim as one for overtime wages. Rather, we stated: "On April 2, 2010, a First Amended Complaint (Complaint) was filed; appellant alleged causes of action for recovery of *unpaid wages*, constructive termination and unfair business practices." (Italics added.) While we acknowledged that Maria ended up claiming damages for unpaid overtime in her summary judgment motion, we also noted that her underlying complaint to the Department of Labor contended that she was "entitled to additional unpaid wages, *including* for unpaid overtime," but not exclusively for unpaid overtime. (Italics added.) In short, for all of these reasons, our opinion in appeal number A129899 does not establish that the trial court erred in deciding respondent's motion for attorney fees.

*4 Maria also refers us to *Earley v. Superior Court* (2000) 79 Cal.App.4th 1420 (*Earley*). There, petitioners had brought a class action to recover unpaid overtime compensation. (*Id.* at p. 1423.) They objected to an order requiring petitioners to notify absent class members that they might be liable for attorney fees and costs if their claim was unsuccessful. (*Id.* at pp. 1423–1424.) To decide the appeal, the appellate court had to determine, among other things, if section 1194 alone governed whether attorney fees could be awarded in the defendant's favor, or if section 218.5 also applied, such that the two statutes could be read together to allow the **prevailing** party to recover attorney fees. (*Earley*, at p. 1426.) The court ruled that only

section 1194 applied to the petitioner's cause of action for unpaid overtime, in light of legislative history, the distinct legislative source of the right to overtime compensation, and the fact that the Legislature specifically provided that only plaintiffs should recover attorney fees in overtime cases. (*Earley*, at pp. 1429–1431.) The court concluded: “The only reasonable interpretation which would avoid nullification of section 1194 would be one which bars employers from relying on section 218.5 to recover fees in any action for *minimum* wages or *overtime* compensation. Section 218.5 would still be available for an action brought to recover nonpayment of contractually agreed-upon or bargained-for ‘wages, fringe benefits, or health and welfare or pension fund contributions.’ [Footnote omitted.]” (*Earley*, at p. 1430.)

Maria's reliance on *Earley* is unavailing. There, the plaintiffs expressly *alleged* a claim for unpaid overtime. (*Earley*, *supra*, 79 Cal.App.4th at p. 1424.) Here, Maria did not bring a claim specifically for unpaid overtime, but a broader claim for unpaid wages, which did not refer to overtime but instead to other types of wages. In other words, while *Earley* decided that only section 1194 applies to an action alleged explicitly and solely to recover unpaid overtime, Maria did not *allege* such an action to recover unpaid overtime.⁵

B. Apportionment Among Causes of Action

Maria argues that the trial court erred in failing to apportion the attorney fees between the first cause of action for unpaid wages and her cause of action for wrongful termination. We disagree.

In general, where attorney fees are recoverable for one cause of action but not another, a court need not apportion attorney fees between the causes of action if there is an issue common to the causes of action or the issues are so interrelated that it would be impossible to separate them. (See, e.g., *Reynolds Metals Co. v. Alperson* (1979) 25 Cal.3d 124, 129–130; *Erickson v. R.E.M. Concepts, Inc.* (2005) 126 Cal.App.4th 1073, 1083–1086; *Akins v. Enterprise Rent-A-Car Co.* (2000) 79 Cal.App.4th 1127, 1133.)

Here, Maria expressly based her wrongful termination claim on her allegation that her resignation from Café Tiramisu was due to its “refusal to pay [her] wages owed.” As such, the issue of whether Café Tiramisu owed Maria wages was common to both the unpaid wages claim and the constructive termination claim. Furthermore, Maria's unfair business practice claim was based on the acts underlying her other claims. Thus, from the outset, all of Maria's causes of action required resolution of one common issue: whether Café Tiramisu owed Maria “wages.”

*5 Moreover, the successful defense to *all* of Maria's causes of action was the same: Maria was not entitled to pursue any of the claims, or obtain any recovery by her lawsuit, because of the settlement agreement in which she released all of her employment-related claims. For this reason as well, the court did not err in deciding not to apportion fees among the causes of action.

C. Apportionment as to Other Plaintiffs

Maria further argues that the trial court awarded fees for work Café Tiramisu's attorneys performed in defending against the claims of the other plaintiffs. She asserts the trial court awarded attorney fees for the “deposition of Spinoso and Scopetta which necessarily involved all three plaintiff's cases.” She also states: “respondent's attorneys time records does not distinguish between deposition time for Mr. Scopetta and Spinosso [sic] spent on the claim of Tapia–Gonzalez which was settled and Evangelina Tun Cun [record citation] which respondent sought attorney fees by a separate Motion and which appeal is pending before this court.”

As Café Tiramisu points out, however, Maria did not raise this argument in the trial court. Although she argued that the court should apportion the time spent on the wrongful termination claim, she did not raise any issue concerning time purportedly spent on other cases or with respect to other plaintiffs. The issue is therefore waived. (See *North Coast Business Park v. Nielsen Construction Co.* (1993) 17 Cal.App.4th 22, 28–29.)

Maria fails to establish error.

III. DISPOSITION

The order is affirmed.

We concur: [SIMONS](#), Acting P.J., and [BRUINIERS](#), J.

Footnotes

- ¹ The appeal of Evangelina Tun Cun is pending in appeal number A131240. Because Evangelina Tun Cun and Maria Tun Cun have the same last names, we will refer to them by their first names for purposes of clarity, without disrespect.
- ² Maria appealed from the summary judgment (appeal number A129899), contending that the settlement agreements were void under [Labor Code section 206.5](#). In August 2011, we affirmed the judgment.
- ³ Except where otherwise indicated, all statutory references hereafter are to the Labor Code.
- ⁴ Maria's opposition to the motion for attorney fees quoted an excerpt from her opposition to the summary judgment motion as follows: " 'Maria Tun Cun's pay stubs for several periods immediately before she was constructively terminated show she worked as many as 140 hours in a bimonthly pay period.... It is mathematically impossible to work more than 96 hours in a bimonthly pay period without working overtime hours (i.e. more than 40 hours in any week).' "
- ⁵ It might be argued that Maria's first "cause of action" covered both a claim for unpaid overtime *and* a claim for other unpaid wages, and an attorney fees award cannot include amounts incurred in defense of the unpaid overtime claim. Maria does not make an apportionment argument on this ground, so we need not and do not decide this issue.

EXHIBIT 12

2003 WL 352422
Not Officially Published
(Cal. Rules of Court, Rules 8.1105 and 8.1110, 8.1115)
Only the Westlaw citation is currently available.

California Rules of Court, rule 8.1115, restricts citation of unpublished opinions in California courts.

Court of Appeal, Fourth District, Division 1, California.

Cecilia CSASZI, Plaintiff and Appellant,
v.
SHARP HEALTHCARE, Defendant and Respondent.

No. D038558. | (Super.Ct.No. 740594). | Feb. 18, 2003.

Former employee brought action against former employer, claiming employer was liable for unlawful discrimination and unpaid wages pertaining to on-call time. The Superior Court, San Diego County, No. 740594, [S. Charles Wickersham, J.](#), granted employer's motion for summary adjudication with respect to discrimination claims, and, following a bench trial, entered judgment for employer on wage claim. Employee appealed. The Court of Appeal, [Haller, J.](#), held that: (1) employee's motion to reconsider summary adjudication order based on new or different facts was untimely; (2) employee failed to set forth any new or different facts, and thus motion to reconsider summary adjudication order was properly denied; (3) employee did not qualify for mandatory relief from summary adjudication order allegedly entered as a result of attorney's neglect or mistake; (4) attorney who failed to file an opposition to employer's summary adjudication motion engaged in positive misconduct, justifying relief from summary adjudication order; (5) employer was not required to compensate employee for time spent on-call but not actually answering calls at same rate established for time she spent on-call and actually answering calls; and (6) statute authorizing award of attorney fees only to successful plaintiff in actions seeking to recover unpaid overtime did not prohibit award of attorney fees to employer.

Affirmed in part and reversed in part.

APPEAL from a judgment of the Superior Court of San Diego County, [S. Charles Wickersham](#), Judge. Affirmed in part and reversed in part.

Opinion

[HALLER, J.](#)

***1** Cecilia Csaszi sued her former employer, Sharp Healthcare¹ (Sharp), claiming Sharp was liable for unlawful discrimination and unpaid wages pertaining to on-call time. The court granted summary adjudication on all claims except for the unpaid wages cause of action. After a court trial on this claim, the court found Csaszi did not prove she was owed any wages, and entered final judgment in Sharp's favor on all of Csaszi's causes of action. The court denied Csaszi's motions seeking relief from the summary adjudication ruling. ([Code Civ. Proc.](#), §§ 473, 1008.) Csaszi appeals.

We affirm the portions of the judgment finding in Sharp's favor on Csaszi's claim for unpaid wages and awarding Sharp attorney fees for prevailing on this claim. ([Lab.Code](#), § 218.5.) We reverse the portion of the judgment entered on the summary adjudication of Csaszi's employment discrimination causes of action. The trial court shall vacate its order granting summary adjudication on these causes of action, permit the parties to file opposition and reply briefs, and then consider Sharp's summary adjudication motion on its merits.

FACTUAL AND PROCEDURAL SUMMARY

In March 1996, Sharp hired Csaszi as a utilization review/quality assurance nurse responsible for evaluating patients for discharge at Tri-City Medical Center. Two and one-half years later, Csaszi's supervisors readjusted the workloads of Csaszi and a co-worker. Csaszi was unhappy about the change in her assignment, and complained about what she believed was unfair treatment. In March 1999, Csaszi was given several written notices regarding perceived problems with her performance and the need to improve to avoid being terminated. Two months later, in May 1999, Sharp terminated Csaszi, stating she had failed to properly perform her job assignments and acted in an improper manner toward other health care employees.

In December 1999, Csaszi filed a complaint against Sharp, alleging (1) employment discrimination claims (wrongful termination in violation of public policy, unlawful discrimination and retaliation in violation of the Fair Employment and Housing Act (FEHA), and wrongful demotion in retaliation for complaining about racial discrimination); and (2) a claim for the failure to properly pay "on-call" wages in violation of [Labor Code section 201](#).

Sharp moved for summary adjudication on Csaszi's discrimination claims on the grounds that Csaszi could not establish she was performing her job in a satisfactory manner, Sharp had legitimate, nondiscriminatory reasons for terminating Csaszi, and Csaszi had no evidence that Sharp's stated reasons were a pretext for unlawful discrimination. Csaszi's attorney, Michael W. Loker, did not file an opposition to that motion, even though (as detailed below) Loker told Csaszi that he *had* filed an opposition.

On November 22, 2000, the court granted Sharp's summary adjudication motion, ruling that Sharp met its burden to establish a legitimate reason for Csaszi's termination and Csaszi failed to present any evidence that the proffered reason for the termination was untrue or pretextual.

*2 On the date scheduled for trial on her remaining claim, Csaszi appeared with attorney Loker, and informed the trial court that she wished to terminate Loker. The trial court granted the request and, over Sharp's objections, granted Csaszi's request for a 90-day trial continuance.

On December 14, 2000, Csaszi, represented by new counsel William Evans, filed a [Code of Civil Procedure section 1008](#) motion ([section 1008](#)), requesting the court to reconsider its summary adjudication ruling. The court denied the motion, finding the motion was not timely (it was filed more than 10 days after the summary adjudication order was entered) and Csaszi "fail[ed] to set forth any 'new or different facts, circumstances, or law' that would affect the outcome of" the summary adjudication motion.

On March 9, 2001, a court trial began on Csaszi's remaining claim for unpaid wages relating to her on-call time. After considering all the evidence (which will be detailed below), the court found Csaszi failed to meet her burden to show she was entitled to unpaid wages for her on-call time.

The next month, on April 6, 2001, Csaszi moved for relief from the summary adjudication order under [Code of Civil Procedure section 473](#) ([section 473](#)). In support, Csaszi submitted her declaration, the declaration of her former attorney (Loker), and proposed responsive papers to Sharp's summary adjudication motion. The court denied the [section 473](#) motion, stating Csaszi "made no showing that a judgment, dismissal, order, or other proceeding has been taken against her as a result of her or her attorney's mistake, inadvertence, surprise, or excusable neglect, as is required by the section."

Sharp then moved for its attorney fees as the prevailing party on the FEHA and unpaid wage claims. The court initially granted the motion on both grounds, but after oral argument, concluded that Csaszi's "discrimination case was not totally groundless" and therefore awarded only those fees pertaining to the unpaid wage claim (\$20,269) based on [Labor Code section 218.5](#).

On appeal, Csaszi challenges the denial of her motions to vacate the summary adjudication and the court's rulings pertaining to the unpaid wage claim.

DISCUSSION

I. Motion for Reconsideration

Csaszi first contends the court abused its discretion in denying her motion to reconsider the summary adjudication order under [section 1008](#), which permits a court to revoke a previous order based on new or different facts and an adequate justification for the failure to previously produce those facts. The contention is unavailing.

^[1] First, the motion was untimely. [Section 1008](#) requires that a reconsideration motion be brought “within 10 days after service upon the party of written notice of entry of the order....” (See *Advanced Building Maintenance v. State Comp. Ins. Fund* (1996) 49 Cal.App.4th 1388, 1392, 57 Cal.Rptr.2d 310.) Sharp served written notice of entry of the order on November 22, 2000, and Csaszi filed her reconsideration motion 22 days later, on December 14, 2000.

*3 ^[2] Additionally, the trial court properly denied the motion on the basis that Csaszi “fail[ed] to set forth any ‘new or different facts, circumstances, or law’ that would affect the outcome of” the summary adjudication motion. Csaszi did not proffer any new facts or law relevant to the summary adjudication ruling. Instead, she focused exclusively on explaining the circumstances of her prior attorney’s failure to adequately represent her. These circumstances do not constitute the type of “new or different facts” that permit a reconsideration of the trial court’s order under [section 1008](#).

II. Section 473 Ruling

Csaszi alternatively contends the trial court erred in denying her [section 473](#) motion seeking to vacate the summary adjudication order because of her attorney’s neglect.

A. Relevant Facts

In moving for relief under [section 473](#), Csaszi requested the trial court to vacate the summary adjudication order because the motion was granted without the benefit of her opposition papers and the failure to file an opposition was caused by her attorney’s misconduct. In support, she submitted her own declaration and copies of facsimiles (faxes) received from attorney Loker, which set forth the following facts:

Csaszi retained Loker in September 1999. Loker thereafter filed the complaint and, in April 2000, “began discovery requests.” In May 2000, Loker notified Csaszi he had attended a case management conference, and the trial date was scheduled for October 20, 2000. During the next two months, Csaszi made numerous attempts to contact Loker, but Loker did not return any of Csaszi’s telephone calls or respond to her written correspondence. In August 2000, Csaszi’s husband went to the superior court and discovered that Sharp had obtained a continuance of the trial to December 1, 2000.

On September 7, 2000, Loker called Csaszi and told her Sharp wanted to take her deposition. Csaszi expressed her concern about being unable to contact Loker, but Loker did not explain why he failed to respond to her calls and letters, and said only that he now intended to “move” on Csaszi’s case. Csaszi thereafter met with Loker on two separate days to prepare for her deposition. Sharp deposed Csaszi on three different dates, and each time Loker was present to represent her.

On October 12, Sharp filed its summary adjudication motion, but Loker did not tell Csaszi of this filing. Loker thereafter scheduled depositions of three Sharp employees, but these depositions were postponed for unspecified reasons and later rescheduled to October 30. On October 26, Csaszi met with Loker to review her deposition transcript, and she also gave Loker \$1,000 to pay for the three upcoming Sharp employee depositions. On that date, Loker also informed Csaszi about Sharp’s summary adjudication motion for the first time. Loker told her he would be filing an opposition to the summary judgment motion, but did not tell her the opposition was due on October 26.

*4 On October 30, Csaszi met with Loker to determine why the Sharp employees’ depositions were cancelled that morning. During that meeting Loker did not tell Csaszi that he had filed an ex parte application to continue the hearing on the summary judgment motion.

Ten days later, on November 9, Loker faxed Csaszi a note stating that he was in the library and that he would:

“[F]ile our response in opposition to the summary judgment today and argument is on [November] 17th, for which you will be present. Contrary to my message yesterday, I do not need your signature at this time, but I do need to see you Saturday, and I need you to drop off today the filing fee for the opposition to the Summary Judgment, payable to the Clerk of the Superior Court, in the amount of \$116. Also, the copies of your deposition are payable at this time, because I am using them in our opposition, in the amount of \$615.46, which should be by separate check, made payable to this office.... Therefore, though I need not, and cannot meet today (*because of the fact that I am in the law library today all day working on the opposition*), please drop off two drafts for the filing fee and deposition copy fee, in the amounts noted respectively. Also please leave a time in which we may meet Saturday, if you are not otherwise occupied. *I am optimistic.*” (Italics added.)

Csaszi thereafter wrote the requested checks, but Loker was not in his office when she delivered them. Csaszi telephoned Loker on a daily basis for the next eight days, but was unable to reach him and Loker did not respond to these calls. In the early morning of November 17 (the date scheduled for oral argument on the summary adjudication motion), Csaszi received a fax from Loker stating:

“The court announced yesterday that it will review the briefs submitted and rule telephonically on 22 Dec. (on the summary judgment). *I will fax you our opposition if you haven’t received.* Therefore there are no hearings today. P.S. *There was no charge for filing the opposition, a rule change.* You may ‘void’ that check, which I will destroy. Tx.” (Italics added.)

In fact, Loker never filed an opposition. Further, the applicable rules have never required a party opposing a summary judgment to pay a fee. (See Super. Ct. San Diego County, Fee Schedule & Forms List.)

In response to this fax, Csaszi repeatedly attempted to contact Loker, but was unable to reach him. Csaszi then directly contacted the superior court, and learned from the court that a trial call on her remaining claim was scheduled for December 1, 2000. The morning of December 1, Loker faxed Csaszi a note stating there was no hearing and that he intended to meet with her during the weekend to discuss the overtime pay claim. Csaszi nonetheless attended the trial call, and at the hearing, the court said that Loker was scheduled to call the court at 9:30 a.m. Csaszi confirmed that Loker was still her attorney.

*5 That weekend, Csaszi met with Loker and discussed the unpaid wage claim, but Loker refused to discuss the court’s summary adjudication ruling. The next day, Csaszi appeared at court with a written statement stating that she wanted to obtain new counsel, and the court granted the motion.

In support of her [section 473](#) motion, Csaszi also submitted Loker’s declaration which stated in relevant part: “I did not prepare an opposition to Defendant Sharp’s motion for summary adjudication on the discrimination claims. I did not feel that Csaszi would prevail on the discrimination claims and I felt that to oppose Sharp’s motion might impair her credibility on the remaining issues dealing with the overtime claim and that she would incur additional costs in opposing the discrimination part of the case. However, I was apparently unable to adequately convey my feelings regarding her chances of prevailing on these issues to her. I thought I had convinced her of my recommendations prior to the scheduled opposition to Sharp’s summary adjudication motion. She did inform me that she wanted to proceed with her discrimination claims at the December 4, 2000, hearing. [¶] There was no fault attributable to Plaintiff in any failure to make a timely filing of the opposition to Defendant’s Motion For Summary Adjudication.”

B. Legal Analysis

Under [section 473](#), a party may potentially seek two types of relief for orders entered as a result of an attorney’s neglect or mistake: one that is mandatory and one that is discretionary. (*Metropolitan Service Corp. v. Casa de Palms, Ltd.* (1995) 31 Cal.App.4th 1481, 1486, 37 Cal.Rptr.2d 575 (*Metropolitan Service*)).

First, under the mandatory provision, a court “shall” grant relief whenever an application for relief meets the six-month statutory time period *and* the motion is “accompanied by an attorney’s sworn affidavit attesting to his or her mistake,

inadvertence, surprise, or neglect” (§ 473; see *In re Marriage of Hock & Gordon-Hock* (2000) 80 Cal.App.4th 1438, 1442, 96 Cal.Rptr.2d 546.) “The purpose of this law is to relieve the innocent client of the burden of the attorney’s fault, to impose the burden on the erring attorney, and to avoid precipitating more litigation in the form of malpractice suits.” (*Metropolitan Service, supra*, 31 Cal.App.4th at p. 1487, 37 Cal.Rptr.2d 575.)

^[3] This mandatory relief provision is inapplicable here because Loker, Csaszi’s former attorney, did not “attest[] to [a] mistake, inadvertence, surprise, or neglect....” Instead, in his affidavit, attorney Loker said he did not file an opposition because he made the tactical decision not to oppose the motion. This assertion does not satisfy the statute’s requirement that the attorney admit a “mistake, inadvertence, surprise, or neglect.” (§ 473, see *Metropolitan Service, supra*, 31 Cal.App.4th at p. 1487, 37 Cal.Rptr.2d 575 [mandatory relief provisions apply “if the attorney *admits* neglect”], italics added.)²

^[4] But even if a party cannot satisfy section 473’s mandatory relief requirements, the party may obtain relief under the statute’s discretionary provisions. Specifically, a court “may” grant relief if the moving party shows an order was taken against him or her because of the attorney’s *excusable neglect*. (§ 473; see *Metropolitan Service, supra*, 31 Cal.App.4th at pp. 1486-1487, 37 Cal.Rptr.2d 575.) Generally, conduct falling below the professional standard of care is considered inexcusable and therefore discretionary relief cannot be granted based on such conduct. (See *Carroll v. Abbott Laboratories, Inc.* (1982) 32 Cal.3d 892, 895, 187 Cal.Rptr. 592, 654 P.2d 775 (*Carroll*); *Garcia v. Hejmadi* (1997) 58 Cal.App.4th 674, 682, 68 Cal.Rptr.2d 228.) Csaszi asserts Loker’s conduct in failing to oppose the summary judgment was the result of professional incompetence. Therefore Loker’s conduct was not “excusable” under section 473.

*6 However, an exception to the rule requiring a showing of excusable neglect applies if the party establishes the attorney’s neglect was of an extreme degree amounting to “‘positive misconduct.’” (*Carroll, supra*, 32 Cal.3d at pp. 898-899, 187 Cal.Rptr. 592, 654 P.2d 775; see *Fleming v. Gallegos* (1994) 23 Cal.App.4th 68, 72-73, 28 Cal.Rptr.2d 350.) “‘Positive misconduct is found where there is a total failure on the part of counsel to represent his client.’” (*People v. One Parcel of Land* (1991) 235 Cal.App.3d 579, 584, 286 Cal.Rptr. 739; *Aldrich v. San Fernando Valley Lumber Co.* (1985) 170 Cal.App.3d 725, 738-739, 216 Cal.Rptr. 300.) The attorney’s conduct is said to obliterate the existence of the attorney-client relationship and therefore cannot be imputed to the client. (*Carroll, supra*, 32 Cal.3d at p. 898, 187 Cal.Rptr. 592, 654 P.2d 775 [“‘[a]n attorney’s authority to bind his client does not permit him to impair or destroy the client’s cause of action or defense,’” quoting *Orange Empire Nat. Bank v. Kirk* (1968) 259 Cal.App.2d 347, 353].)

Carroll held an attorney who “grossly mishandled” a document production did not engage in “‘positive misconduct’” because he otherwise acted on behalf of his client in the litigation including attending his client’s deposition, propounding and timely responding to interrogatories, propounding requests for admissions, settling with one of the defendants, and timely filing a section 473 motion. (*Carroll, supra*, 32 Cal.3d at pp. 899-900, 187 Cal.Rptr. 592, 654 P.2d 775.) *Carroll* contrasted these circumstances with the situations in *Daley v. County of Butte* (1964) 227 Cal.App.2d 380, 38 Cal.Rptr. 693 and *Orange Empire Nat. Bank v. Kirk, supra*, 259 Cal.App.2d 347, 66 Cal.Rptr. 240, where the courts found attorney misconduct had effectively deprived a party of representation. (*Carroll, supra*, 32 Cal.3d at pp. 899-900, 187 Cal.Rptr. 592, 654 P.2d 775.) In *Daley*, the plaintiff’s attorney abandoned his client by failing to communicate with the plaintiff, serve necessary parties, and appear at critical hearings. (*Daley v. County of Butte, supra*, 227 Cal.App.2d at pp. 391-392, 38 Cal.Rptr. 693.) In *Orange Empire*, the defendant’s attorney failed to assert a defense, appear at the trial, or file relief from a default judgment within the statutory period. (*Orange Empire Nat. Bank v. Kirk, supra*, 259 Cal.App.2d at p. 354, 66 Cal.Rptr. 240.)

We conclude the circumstances here fall within the *Daley-Orange Empire* line of cases. Although Loker filed the complaint and was initially involved in some limited discovery, Loker completely abandoned Csaszi at a critical time by failing to file an opposition to the summary adjudication motion. Further, by falsely telling Csaszi that he was filing, *and had filed*, an opposition to the summary adjudication motion, Loker did more than abandon his client—he affirmatively precluded Csaszi from protecting herself and seeking other counsel to file an opposition or seeking timely section 1008 relief. Loker additionally continued to affirmatively harm Csaszi’s interests when he asserted in his declaration in support of her section 473 motion that his decision not to file the summary judgment motion was a tactical decision, an assertion that is flatly contradicted by his own words reflected on the faxes sent to his client. This false assertion prevented Csaszi from obtaining mandatory relief under the statute.

*7 In light of Loker’s misrepresentations to Csaszi and his submission of a declaration that contradicts his written correspondence to his client, Loker’s activities amounted to positive misconduct justifying relief under section 473. In so

concluding, we are unpersuaded by Sharp's reliance on a list of the various contacts between Loker and Csaszi during the relevant times. If anything, Loker's sporadic contacts with Csaszi made the situation worse by misleading Csaszi into believing he was taking care of her interests. (See *Fleming v. Gallegos*, *supra*, 23 Cal.App.4th at p. 73, 28 Cal.Rptr.2d 350 [trial court erred by failing to find attorney abandonment where plaintiff's "attorneys displayed an unwillingness to either prosecute her lawsuit or to cease representing her"].) Further, these contacts do not show a lack of abandonment, instead they reveal merely that Loker remained Csaszi's attorney of record. *Carroll* does not require that an attorney-client relationship be formally severed before positive misconduct may be proven.

Although a [section 473](#) motion lies within the sound discretion of the trial court, " 'the trial court's discretion is not unlimited and must be exercised in conformity with the spirit of the law and in a manner to subserve and not to impede or defeat the ends of substantial justice.' [Citation.] The law strongly favors trial and disposition on the merits. Therefore any doubts in applying [section 473](#) must be resolved in favor of the party seeking relief. When the moving party promptly seeks relief and there is no prejudice to the opposing party, very slight evidence is required to justify relief. We will more carefully scrutinize an order denying relief than one which permits a trial on the merits." (*Mink v. Superior Court* (1992) 2 Cal.App.4th 1338, 1343, 4 Cal.Rptr.2d 195; see *Stafford v. Mach* (1998) 64 Cal.App.4th 1174, 1180-1181, 75 Cal.Rptr.2d 809.) Applying these principles here, we conclude the trial court abused its discretion in failing to vacate the summary adjudication based on Csaszi's showing that her counsel engaged in "positive misconduct."

¹⁵¹ We note that Sharp does not argue, nor does the law permit, this court to sustain the trial court's denial of the [section 473](#) motion on the alternate ground that Csaszi's proposed opposition to the summary adjudication motion does not raise a triable issue of fact. In considering the propriety of a court's ruling on a [section 473](#) motion, an appellate court is limited to the question whether the court abused its discretion in granting or denying the motion, and may not reach the substantive issue as to whether the position proffered by the party seeking relief has merit. (*Uriarte v. United States Pipe & Foundry Co.* (1996) 51 Cal.App.4th 780, 786-787, 59 Cal.Rptr.2d 332; see 8 Witkin, Cal. Procedure (4th ed. 1997) Attack on Judgment in Trial Court, § 184 at p. 692, 59 Cal.Rptr.2d 332.)³

Finally, we reject Sharp's argument that the trial court properly denied the [section 473](#) motion because the motion constituted an "end-run" around [section 1008](#) governing reconsideration motions. Because Csaszi satisfied the requirements of a [section 473](#) motion, the fact that the motion was not timely under [section 1008](#) does not defeat the grounds for granting the motion under [section 473](#).

III. Unpaid Wage Claim

*8 Csaszi next contends the court erred in failing to find in her favor on the unpaid wage claim, which was tried before the court sitting without a jury.

The evidence at trial showed that Csaszi was assigned to on-call shifts during which she was given a pager and was responsible for answering telephone calls pertaining to patients discharged outside of regular business hours. Sharp paid its on-call employees \$2.50 per hour for time spent on-call but not actually working, i.e., being available for a call. For time spent actually answering a call (known as "call-back time"), Sharp paid its employees one and one-half times the employee's regular hourly rate of pay, regardless whether this time reflected overtime work. Csaszi was paid \$2.50 for each hour that she reported she was on-call, and would have been paid her overtime rate if she had reported any time answering calls.

The essential basis of Csaszi's unpaid wages claim at trial was that Sharp was required to pay her time and one-half for her on-call time (when she was not actually answering calls) instead of \$2.50 because this time was devoted primarily to her employer's interests. In support, Csaszi relied on federal law providing that an employee should be fully compensated for on-call time if the time is spent " 'primarily for the benefit of the employer and his business.' " (*Armour & Co. v. Wantock* (1944) 323 U.S. 126, 132, 65 S.Ct. 165, 89 L.Ed. 118.)

To show that her on-call time was spent primarily for Sharp's benefit, Csaszi testified that when she was on-call she was unable to attend to her personal activities and she was paged "very frequently." She said that during her entire on-call period, she would sit in a room with a telephone, facsimile machine and documents needed to perform her job duties. Csaszi claimed she could not shop, cook, sleep, travel, interact with her family or otherwise engage in any personal activities. Csaszi sought \$40,380, calculated as the total number of on-call hours multiplied by the time and one-half rate subtracted by the amount she

was paid per hour (\$2.50). Csaszi had no record of the time she actually responded to calls, explaining that she never identified this time on her timesheets because she did not understand how to do so.⁴

In contrast to this evidence, Sharp presented the testimony of its human resource director who said that employees were instructed on the manner in which they should report call-back time and that the employees did not need to limit their activities while waiting for a call. Sharp employees corroborated this testimony. These employees testified that while on-call, they wore pagers and attended to various personal activities, including cooking, shopping, attending church services, and entertaining. The pagers given to the employees had a range of at least 250 miles, and therefore the employees were free to travel throughout Southern California. Csaszi's co-workers testified they received varying numbers of calls while on-call, which averaged two to four per week, and that they knew how to claim this call-back time on their timesheets. The employees were required to respond to a pager within a 15- or 20-minute period. The employees were always paid time and one-half for the time they were actually answering a call.

***9** After considering the evidence, the court stated: "The issue to be decided is whether the requirements of being on-call as a discharge planner precluded [Csaszi] from using the time effectively for her own purposes, thus entitling her to back wages. [Citations.] [¶] The Court finds that although [Csaszi] may have subjectively believed that she needed to avoid engaging in personal activities while on-call, the evidence shows that the job duties of being on-call did not require her to do so. The fact that Ms. Csaszi elected not to engage in personal activities while on-call may be laudable, but it does not transform the on-call time to working time compensable under statute. Both the written policies of the employer as well as the actions of the employees indicate that the express and implied agreement was that employees would be paid \$2.50 for time spent on-call but not actually working and one and one-half times their regular hours rate for time spent actually working while on-call. [¶] Based on the above-stated findings and the fact that [Csaszi] did not offer any evidence specifying the dates or hours she actually worked while on-call, the Court finds that [Csaszi] has failed to meet her burden to show that she is entitled to back wages...."

^[6] We find no error. Although there is no California law directly on point, federal law sets forth appropriate standards for determining Csaszi's claim to additional wages for on-call time. Under this law, an employee must be fully compensated for on-call time spent primarily for the employer's benefit, and the question whether the time is spent primarily for the employer depends on numerous factors and a consideration of these factors in the context of the particular circumstances of the case. (See *Armour & Co. v. Wantock*, *supra*, 323 U.S. at p. 133; *Berry v. County of Sonoma* (9th Cir.1994) 30 F.3d 1174, 1183.) Although no single factor is dispositive, the predominant considerations are the agreement of the parties and the degree to which the employee is free to engage in personal activities. (*Owens v. Local No. 169, Assn. of Western Pulp & Paper Workers* (9th Cir.1992) 971 F.2d 347, 350-354.) The court must balance the factors permitting personal pursuits against the factors restricting personal pursuits to determine whether the employee is "so restricted that he is effectively engaged to wait." (*Berry v. County of Sonoma*, *supra*, 30 F.3d at p. 1183.)

Applying these principles, the trial court found Sharp's evidence credible, and concluded that the time Csaszi spent on-call was not time that was required to be spent predominately for the employer's benefit. Substantial evidence supports the court's factual conclusion. The court, as the finder of fact, was entitled to reject Csaszi's contrary evidence.

In nonetheless challenging the court's factual conclusions, Csaszi contends that Sharp's agreement to pay \$2.50 during on-call hours "amounted to an admission that [Sharp] maintained control over the employees" and therefore the trial court was required to find as a matter of law that Sharp was under a mandatory obligation to pay the same pay rate that it applied for call-back work.

***10** This argument is unsupported factually and legally.

First, the fact that Sharp paid employees \$2.50 per hour to be available to respond to phone calls was not an admission that the time spent was primarily for Sharp's benefit. Instead, Sharp's human resources director specifically testified that employees were paid for being on-call as "an incentive for carrying the pager and being available on call." She explained the pay was "additional compensation that was paid to carry the pager, to be available during a specific time should additional work be needed by that individual." She emphasized that during this waiting time, the "time is not controlled [by Sharp]" and that employee "is free to move around, engage in personal activities."

Csaszi's position is also legally unsupported. Csaszi relies solely on *Paniagua v. City of Galveston, Texas* (5th Cir.1993) 995 F.2d 1310 and *Berry v. County of Sonoma, supra*, 30 F.3d at p. 1178. In *Paniagua*, the court specifically rejected the identical argument asserted here-that an employer's agreement to compensate employees for the inconvenience of being on call "automatically render[s] the time spent on standby 'working time'...." (995 F.2d at p. 1317.) In *Berry*, the court noted that an employer's agreement to provide "at least some type of compensation for on-call waiting time may suggest the parties characterize waiting time as work," but the court made clear that this was merely one of many factors in the overall analysis. (*Berry v. County of Sonoma, supra*, 30 F.3d at p. 1181 .)

The trial court here expressly noted the evidence showing that Sharp paid \$2.50 for on-call waiting time, but stated that based on the totality of the circumstances, this payment was merely compensation for the inconvenience of carrying a pager and did not reflect that the time spent by on-call employees was for the employer's benefit. Substantial evidence supported the trial court's conclusion.

Csaszi failed to establish that the trial court erred in reaching its factual conclusions with respect to the unpaid wage claim or that the court erred in applying these factual findings to the applicable legal principles.

IV. Attorney Fees

^[7] The trial court awarded \$20,269 in attorney fees to Sharp under [Labor Code section 218.5](#), which provides in relevant part: "In any action brought for the nonpayment of wages, fringe benefits, or health and welfare or pension fund contributions, the court shall award reasonable attorney's fees and costs to the prevailing party if any party to the action requests attorney's fees and costs upon the initiation of the action."⁵

Csaszi contends the court erred in awarding fees under this section because the applicable statute is [section 1194](#), which contains a "one-way" fee provision, permitting attorney fees only for a prevailing employee and not for a prevailing employer. [Section 1194](#), subdivision (a) states: "[n]otwithstanding any agreement to work for a lesser wage, any employee receiving less than the legal minimum wage or the legal overtime compensation applicable to the employee is entitled to recover in a civil action the unpaid balance ..., including interest thereon, reasonable attorney's fees, and costs of suit."

***11** Both [sections 218.5](#) and [1194](#) potentially apply to an action seeking overtime wages, but establish different attorney fees rules. In *Earley v. Superior Court* (2000) 79 Cal.App.4th 1420, 95 Cal.Rptr.2d 57, the court noted the potential conflict between the code sections, and concluded the Legislature intended that [section 1194](#) alone applies to recovery of attorney fees for overtime compensation claims, even though such claims could be construed as seeking payment of wages under [section 218.5](#). In a well-reasoned decision, the court explained that the only reasonable interpretation of the Legislature's one-way fee shifting rule in [section 1194](#) "would be one which bars employers from relying on [section 218.5](#) to recover fees in any action for *minimum* wages or *overtime* compensation. [Section 218.5](#) would still be available for an action brought to recover nonpayment of contractually agreed-upon or bargained for 'wages....' [¶] Such a harmonization of these two sections is fully justified. An employee's right to wages and overtime compensation clearly have different sources. Straight-time wages ... are a matter of private contract between the employer and employee. Entitlement to overtime compensation, on the other hand, is mandated by statute and is based on an important public policy.... 'California courts have long recognized [that] wage and hour laws "concern not only health and welfare of the workers themselves, but also the public health and general welfare." ... [¶] There can be no doubt that the one-way fee-shifting rule in [section 1194](#) was meant to 'encourage injured parties to seek redress-and thus simultaneously enforce [the minimum wage and overtime laws]-in situations where they otherwise would not find it economical to sue.' [Citation.] To allow employers to invoke [section 218.5](#) in an overtime case would defeat that legislative intent and create a chilling effect on workers who have had their *statutory* rights violated. Such a result would undermine statutorily-established public policy. That policy can only be properly enforced by a recognition that [section 1194](#) alone applies to overtime compensation claims." (*Earley v. Superior Court, supra*, 79 Cal.App.4th at p. 1430, 95 Cal.Rptr.2d 57.)

We agree with the *Earley* court that when an employee seeks overtime wages, the attorney fees rules are exclusively set forth in [section 1194](#). However, that principle is inapplicable here because Csaszi never alleged, or sought to prove at trial, that Sharp failed to pay her for overtime work. Instead, Csaszi brought her claim to enforce Sharp's alleged agreement that it would pay time and one-half for time spent working outside of the hospital's physical environment and that on-call time constituted "working" under established legal principles. The claim at issue concerned solely a matter of private contract

between the employer and employee, i.e., that Sharp had agreed to pay a certain wage for time answering calls, and that because her time spent waiting for those calls primarily benefited Sharp, Sharp was required to compensate her at this same established wage rate. Because Csaszi never claimed or presented evidence that she was working overtime without overtime pay, the case does not come within the ambit of [section 1194](#). Thus, the court properly concluded that attorney fees were mandatory to the prevailing employer under [section 218.5](#).

*12 Csaszi alternatively argues that even if [section 218.5](#) is the correct statute to apply, the code section does not permit a defendant to recover attorney fees because the fees must be requested at “the initiation of the action.” (§ 218.5.) Csaszi, however, ignores the beginning part of this sentence which provides for reasonable attorney fees “if *any* party to the action requests attorney’s fees and costs upon the initiation of the action .” (§ 218.5, italics added.) Read in context, this statutory language does not limit an attorney fees award to a plaintiff, and instead merely requires that the prevailing party show it had sought attorney fees at the beginning of the litigation. Here, Sharp stated in its answer that it was seeking to be “awarded its costs of suit and attorney fees incurred therein....” That statement is sufficient to satisfy [section 218.5](#)’s requirement that attorney fees be requested at the “initiation of the action.”

DISPOSITION

We affirm the portions of the judgment finding in Sharp’s favor on Csaszi’s claim for unpaid wages and awarding attorney fees to Sharp for prevailing on this claim. We reverse the portion of the judgment dismissing Csaszi’s first, second, third and fifth causes of action based on the summary adjudication. The court is ordered to vacate its order granting summary adjudication on these causes of action, permit Csaszi to file an opposition, and consider Sharp’s motion on the merits.

The parties to bear their own costs on appeal.

WE CONCUR: [KREMER](#), P.J., and [BENKE](#), J.

Footnotes

¹ Although it appears that the correct name of Csaszi’s former employer is Sharp Mission Park, the defendant is named in the caption of Csaszi’s complaint as Sharp Healthcare. Our review of the record on appeal does not reveal an amendment to the complaint correcting the defendant’s name.

² Because Csaszi did not submit an attorney fault declaration satisfying the mandatory relief provision requirements, we do not reach the issue raised by the parties in their supplemental briefs whether [section 473](#)’s mandatory provision applies to provide relief for summary adjudication orders, an issue that has been the subject of different conclusions by the appellate courts. (Compare *English v. Ikon Business Solutions, Inc.* (2001) 94 Cal.App.4th 130, 114 Cal.Rptr.2d 93 with *Avila v. Chua* (1997) 57 Cal.App.4th 860, 67 Cal.Rptr.2d 373.)

³ We recognize that this rule may lead to an empty victory for Csaszi if she is unable to come forward with any real evidence that she was discriminated against based on her race. However, the standard of review on a [section 473](#) motion does not permit this court to reach the merits of the underlying claim. Moreover, the policy of providing a party with a hearing on the merits of his or her claim in the trial court outweighs any possible judicial economy objectives that would be served if we were to consider the merits of the discrimination claim based solely on Csaszi’s proposed opposition filings contained in the appellate record.

⁴ Although it appears that Csaszi was not paid the time and one-half for all of her call-back time, at trial she never claimed any unpaid wages for such time, presumably because she never recorded this *call-back* time on her timesheets except for one occasion. Thus, this appeal concerns only the question whether Csaszi was owed any wages for her *on-call* time.

⁵ All further statutory references are to the Labor Code.

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EXHIBIT 13

2009 WL 4718721

Only the Westlaw citation is currently available.
United States District Court,
E.D. California.

Boanerges VILLALOBOS, et al., Plaintiffs,
v.
James GUERTIN, et al., Defendants.

No. CIV. S-07-2778 LKK/GGH. | Dec. 3, 2009.

Attorneys and Law Firms

[Adam Wang](#), Law Office of Adam Wang, San Jose, CA, for Plaintiffs.

Kimberley Ann Worley, [Stephen R. Holden](#), Holden Law Group, Auburn, CA, for Defendant.

Opinion

ORDER

[LAWRENCE K. KARLTON](#), Senior District Judge.

*1 On August 19, 2009, the court granted defendants' motion for judgment on the pleadings, dismissing four of plaintiffs' causes of action for failure to state a claim, and dismissing the fifth and sole remaining cause of action for lack of subject matter jurisdictions. Defendants have submitted a bill of costs and separately moved for attorneys' fees, both of which have been opposed by plaintiffs. The court resolves the matter on the papers and after oral argument. For the reasons stated below, defendants' motion for fees and costs is granted in part.

I. BACKGROUND

Defendants Heidi and James Guertin allegedly operate a business under the name Norcal Plastering. Plaintiffs, four individuals formerly employed by Norcal, filed suit purporting to represent themselves and others similarly situated. The complaint stated five causes of action, for violations of (1) [California Labor Code section 1194](#), (2) the Fair Labor Standards Act, (3) [California Labor Code section 226.7](#), (4) [California Labor Code section 203](#), and (5) [California Business and Professions Code section 17203](#).

On August 19, 2009, the court held that plaintiffs' allegations were insufficient to support the second through fifth claims. The Fair Labor Standards Act claim failed because plaintiffs had not alleged facts sufficient to support the inference that Norcal Plastering or plaintiffs themselves engaged in interstate commerce, a predicate for liability under the act. Order at 8-11. The Third, Fourth, and Fifth claims failed because the allegations therein pertained to entities not party to this suit. *Id.* at 11-12. The court denied plaintiff's request for leave to amend to correct these deficiencies, explaining that plaintiffs had notice of these deficiencies before the scheduling order was entered, but that plaintiffs had taken no action to correct them until discovery in the case had closed. The court dismissed these claims, and declined to retain supplemental jurisdiction over plaintiffs' sole remaining claim. Judgment on the pleadings under [Fed.R.Civ.P. 12\(c\)](#) was entered for defendants on August 19, 2009.

Defendants filed a bill of costs and motion for attorneys fees. Plaintiffs oppose both, arguing that defendants were not

“prevailing parties” because, as plaintiffs understood this court’s August 19, 2009 order, the state law claims had been dismissed without prejudice, and plaintiffs were free to refile the federal claim in federal court. Plaintiffs alternatively argue that even if defendants prevailed, they are not entitled to a fee award under the court’s inherent power or under any statute.

II. DISCUSSION

A. Defendants Are A Prevailing Party

Under all of the fee shifting authorizations at issue in this case, fees and costs are only available to prevailing parties. Under California law, “a defendant in whose favor a dismissal is entered” is a prevailing party. [Cal.Code Civ. P. § 1032\(a\)\(4\)](#). Under federal law, a party has not prevailed unless it “experienced an alteration in the legal relationship” with the other parties. [Avery v. First Resolution Management Corp.](#), 568 F.3d 1018, 1024 (9th Cir.2009). Plaintiffs argue that the court’s order permits plaintiffs to refile each of their claims, and that as a result, no such change has occurred. *Id.*, [Oscar v. Alaska Dep’t of Educ. & Early Dev.](#), 541 F.3d 978, 982 (9th Cir.2008).

*2 Plaintiffs misunderstand the nature of the prior order and its effect under California and federal law. [Fed.R.Civ.P. 41\(b\)](#) provides that “[u]nless the dismissal order states otherwise ... any dismissal not under [Rule 41]—except one for lack of jurisdiction, improper venue, or failure to join a party under Rule 19—operates as an adjudication on the merits.” Thus, although the dismissal order did not specifically state that it was “on the merits” or “with prejudice,” dismissal of the second through fifth claims was precisely such an adjudication. [Stewart v. United States Bancorp](#), 297 F.3d 953, 956 (9th Cir.2002). Plaintiffs’ contention that a dismissal for failure to allege the elements of a cause of action is not a substantive dismissal is without merit. *Id.*

Plaintiffs’ first claim, which was dismissed for lack of subject matter jurisdiction, was not adjudicated on the merits. [Avery](#), 568 F.3d at 1024. The fact that plaintiff may refile this one claim does not defeat defendants’ claim to prevailing party status as to the others.

B. Particular Fee Shifting Provisions

Defendants argue that they are entitled to fees under [28 U.S.C. section 1927](#), under [Cal. Lab.Code section 218.5](#), and under the court’s inherent authority. The court discusses each in turn.

1. [28 U.S.C. § 1927](#)

“Any attorney ... who so multiplies the proceedings in any case unreasonably and vexatiously may be required by the court to satisfy personally the excess costs, expenses, and attorneys’ fees reasonably incurred because of such conduct.” [28 U.S.C. § 1927](#). Here, defendants have not identified any act by which plaintiffs multiplied the proceedings. Filing of the initial complaint cannot itself violate this section. “Because the section authorizes sanctions only for the ‘multipli[cation of] proceedings,’ it applies only to unnecessary filings and tactics once a lawsuit has begun.” [Moore v. Keegan Mgmt. Co. \(In re Keegan Mgmt. Co., Sec. Litig.\)](#), 78 F.3d 431, 435 (9th Cir.1996). Nor did plaintiffs’ counsel’s response to depositions noticed by defendants “multipl[y] the proceedings.”

Rather than identify affirmative acts, defendants argue that plaintiffs’ counsel multiplied proceedings by failing to withdraw and dismiss the case after the close of discovery. The only authority provided for this interpretation of [section 1927](#) is a case from the Southern District of Florida. See [Murray v. Playmaker Servs., LLC](#), 548 F.Supp.2d 1378, 1383 (S.D.Fla.2008). The court respectfully disagrees, and thereby declines to conclude that an attorney multiplies proceedings simply by failing to voluntarily dismiss an existing lawsuit.

2. The Court's Inherent Powers

The court has an inherent authority to order payment of fees as a sanction “when a party has acted in bad faith, vexatiously, wantonly, or for oppressive reasons, delaying or disrupting litigation, or has taken actions in the litigation for an improper purpose.” *Fink v. Gomez*, 239 F.3d 989, 992 (9th Cir.2001) (citing *Chambers v. NASCO, Inc.*, 501 U.S. 32, 45–46 and n. 10, 111 S.Ct. 2123, 115 L.Ed.2d 27 (1991)); see also *Roadway Express, Inc. v. Piper*, 447 U.S. 752, 767, 100 S.Ct. 2455, 65 L.Ed.2d 488 (1980). In this case, defendants argue that plaintiffs have done a poor job of litigating this case, and that this demonstrates that they filed their a purported class action for the allegedly improper purpose of pressuring defendants to settle, rather than for any belief as to the action's merits. This argument is unsupported. Although, as noted in the order granting defendants' motion for judgment on the pleadings, plaintiffs did little in the litigation of this case, this does not demonstrate bad faith or other grounds for sanction under the court's inherent authority.

*3 Defendants also argue that plaintiffs have demonstrated bad faith by filing a complaint in state court that re-alleges the four the state-law claims previously filed in this court. Whether that filing is in bad faith is an issue for the state court.

3. Cal. Lab.Code § 218.5

Lastly, defendants argue that the court should award fees under [California Labor Code section 218.5](#). This statute provides that “in any action brought for the nonpayment of wages, fringe benefits, or health and welfare or pension fund contributions, the court shall award reasonable attorney's fees and costs to the prevailing party.” [Cal. Lab.Code § 218.5](#). The Ninth Circuit has held that this provision may be applied in suits filed in federal court. *Winterrowd v. Am. Gen. Annuity Ins. Co.*, 556 F.3d 815 (9th Cir.2009) (affirming award of fees to a prevailing plaintiff); see also *Diamond v. John Martin Co.*, 753 F.2d 1465, 1467 (9th Cir.1985) (“federal courts in diversity actions apply state law with regard to the allowance (or disallowance) of attorneys' fees.”). The court concludes that this section applies to one of plaintiffs' claims, that an award of fees is mandatory and not limited to cases in which plaintiffs acted wrongfully, and that defendants prevailed for purposes of this statute.

First, [section 218.5](#) does not apply to all wage claims. The statute contains an exemption, specifying that “[t]his section does not apply to any action for which attorney's fees are recoverable under [\[California Labor Code\] Section 1194](#).”¹ [Section 1194](#) governs actions alleging failure to pay minimum wages or overtime. Of the claims brought in this suit, plaintiffs concede that their claim for failure to pay for missed meal periods is a claim “for nonpayment of wages” under [section 218.5](#).² See *Murphy v. Kenneth Cole Production, Inc.*, 40 Cal.4th 1094, 1115, 56 Cal.Rptr.3d 880, 155 P.3d 284 (2007) (characterizing money owed for missed meal periods as wages rather than a penalty). Plaintiffs argue that their claims for waiting time penalties and for restitution of unpaid overtime do not fall within [section 218.5](#), and defendants do not dispute this argument.

Second, plaintiffs request that the court apply federal cases interpreting fee shifting under Title VII of the Civil Rights Act to the California Labor Code. Under Title VII, a court awards fees to a prevailing defendant only when the plaintiff's claim was frivolous, unreasonable, groundless, or brought in bad faith. *Christiansburg Garment Co. v. EEOC*, 434 U.S. 412, 422, 98 S.Ct. 694, 54 L.Ed.2d 648 (1978). *Christiansburg*'s holding was predicated on the fact that Title VII grants courts discretion to award fees. *Christiansburg*, 434 U.S. at 416; see also 42 U.S.C. § 2000e–5(k) (“the court, in its discretion, may allow the prevailing party, ... a reasonable attorney's fee.”).³ The Court's holding directed the lower courts in their exercise of this discretion. [Section 218.5](#), in contrast, provides that the court “shall” award fees. “As used in the Labor Code, ‘shall’ is mandatory.” *Smith v. Rae–Venter Law Group*, 29 Cal.4th 345, 357, 127 Cal.Rptr.2d 516, 58 P.3d 367 (2002), *superceded on other grounds as stated in Eicher v. Advanced Business Integrators, Inc.*, 151 Cal.App.4th 1363, 1384, 61 Cal.Rptr.3d 114 (2007) (citing Cal. Stats.2003, ch. 93, § 1). Under California law, when a statute provides for a mandatory fee award, a court has only discretion to deny the award when it is unclear whether the party prevailed, a circumstance not present here. [Cal.Code. Civ. P. § 1032\(a\)\(4\)](#), *On–Line Power, Inc. v. Mazur*, 149 Cal.App.4th 1079, 1087, 57 Cal.Rptr.3d 698 (2007). It appears that no published California case, nor any federal case, has held that when a claim is of a type encompassed by [section 218.5](#), a party must show anything more than that it prevailed to be entitled to a mandatory award of fees.⁴

*4 Finally, plaintiffs argue that defendants did not prevail on this claim because it was not brought as to them. As noted above, the court dismissed plaintiffs' meal period claim in part because the allegations supporting the claim referred to persons other than defendants. Plaintiffs now argue that in so doing, the court concluded that this claim was not brought as to defendants in this suit, such that defendants were not party to, and therefore did not prevail on, this claim. This argument fails. Although plaintiffs' allegations of particular conduct referred to other persons, plaintiffs' prayer for relief sought from defendants an award of meal time premium payments. Defendants therefore prevailed on this claim.

C. Reasonableness and Scope of The Fees

Although defendants are entitled to an award of fees only in connection with one of plaintiffs' claims, defendants may recover all fees incurred on issues pertinent to this claim regardless of whether those issues were also pertinent to other claims. *Diamond*, 753 F.2d at 1467 (quoting *Reynolds Metals Co. v. Alperson*, 25 Cal.3d 124, 129, 158 Cal.Rptr. 1, 599 P.2d 83 (1979)).

Defendants request \$29,964.00 in fees, for 85.6 hours of work in the case not including the time spent on the motion for a fee award, billed at \$315 per hour.⁵ The court has previously held that \$300 per hour is a reasonable local rate for attorneys with defense counsel's experience, and reduces the hourly rate accordingly.

Defendants have not specified how this time was spent. At least some of this time must have been spent on issues not pertinent to plaintiffs' meal period claim. Notably, a significant fraction of the memorandum submitted in support of defendants' motion for judgment on the pleadings was specific to plaintiffs' Fair Labor Standards Act claim. (Doc. No. 23–1 pages 4–6; Doc. No. 26 pages 4–5). Defendants are not entitled to recover fees expended in connection with this issue. *Diamond*, 753 F.2d at 1467. Defendants' contention that disclosure of the amount of time spent on this issue would breach attorney-client or work-product privileges is meritless. "Where the documentation of hours is inadequate, the district court may reduce the award accordingly." *Hensley v. Eckerhart*, 461 U.S. 424, 433, 103 S.Ct. 1933, 76 L.Ed.2d 40 (1983) (concerning fee awards under 42 U.S.C. § 1988). Here, the court reduces the number of hours by the maximum amount that the court estimates were likely to have been spent on issues not pertinent to the meal period claim (which in this case means on issues solely pertinent to the FLSA claim). The record indicates that defendant's stated 85.6 hours were spent on preparation and filing of an answer, status report, motion for judgment on the pleadings, and on preparation for and attendance of a status conference, at least two depositions, and the hearing on the motion for judgment on the pleadings. See Declaration of Kimberly A. Worley Setting Forth Memorandum of Costs (Doc. No. 32–2). The court concludes that at most 15 hours of this time were spent on the FLSA issue, and reduces the fee award accordingly.

*5 Thus, defendants are entitled to a fees for 70.6 hours of work at \$300 per hour, or \$21,180. Plaintiff has not objected to defendants' statement of costs (other than to argue that defendants are not a prevailing party). Defendants are therefore further entitled to an award of \$1,525.80 in costs.

D. Who Pays The Fees

Cal. Labor Code section 218.5 provides that fees shall be awarded to the prevailing party, but does not specify where the award shall come from. Nothing in the parties' briefing indicates whether fees awarded under section 218.5 should be paid by plaintiffs' counsel or by plaintiffs themselves. Moreover, had plaintiffs' counsel offered argument on this issue, it would have been against his clients' interests. None of the cases citing section 218.5 have addressed this issue, and the court is not aware of any California law regarding fee awards generally.

It may be that as a general rule, fee awards, rather than sanctions, are to be paid by the party rather than counsel. In this particular case, however, where there is no controlling authority, equity demands that the award be paid by plaintiffs' counsel. As explained more fully in the prior order, dismissal resulted from counsel's failure to properly plead, and counsel's subsequent failure to identify his mistakes or to prosecute this litigation. It may be that defendants would have prevailed absent these failings, but the court has no way to evaluate that possibility. Although plaintiff's counsel's conduct is not sanctionable under federal law, when California law compels an award of fees, the exceptional circumstances of this case compel the court to conclude that this award should lie against plaintiff's counsel.

IV. CONCLUSION

For the reasons stated above, defendants' motion for attorney fees, Doc. No. 35 is GRANTED IN PART.

1. Plaintiff's counsel is ordered to pay \$21,180 in fees and \$1,525.80 in costs to defense counsel.
2. Counsel shall file an affidavit accompanying the payment which states that it is paid personally by counsel, out of personal funds, and is not and will not be billed, directly or indirectly, to the client or in any way made the responsibility of the client as attorneys' fees or costs.

IT IS SO ORDERED.

Footnotes

- ¹ The statute contains several other exceptions not pertinent here. In addition, for [section 218.5](#) to apply, at least one party must have requested fees at the initiation of the action. In this case, both the complaint and the answer request fees.
- ² Plaintiffs refer to this claim as their fourth. However, plaintiffs' meal break claim was enumerated as their third claim. Complaint ¶¶ 28–32.
- ³ *Christiansburg* explicitly juxtaposed Title VII's fee shifting provision, which provided discretion to award fees to any prevailing party, against statutes providing a mandatory award of fees to prevailing plaintiffs, e.g. the Fair Labor Standards Act, [29 U.S.C. § 216\(b\)](#), and against statutes providing discretion to award fees but only as to certain parties, e.g., the Privacy Act, [5 U.S.C. § 552a\(g\)\(2\)\(B\)](#). *Christiansburg*, 434 U.S. 415–16, n. 5, n. 6.
- ⁴ Although not citable as precedent by California courts, an unpublished decision of the California Court of Appeal held that [section 218.5](#) provided for mandatory fee awards to plaintiffs and defendants, despite possible policy concerns akin to those identified in *Christiansburg*. *Torres v. Auto Chlor Sys. of N. Cal.*, 2007 Cal.App. Unpub. LEXIS 7706, 2007 WL 2774706 (Cal.App. 6th Dist. Sept. 25, 2007).
- ⁵ Defense counsel declares that this is her standard rate, as an attorney with fifteen years of experience.

EXHIBIT 14

05-30-2013 | 05:13 PM | Author: [Robin Shea](#)

Employees: Better Think Twice Before Suing Your Employer (Four Reasons Why)



Earlier, I busted on "my own side" by giving [four reasons why employers shouldn't be so quick to fire their employees](#). To be fair, this week I'll talk about the other side -- four reasons why employees shouldn't be too quick to sue their employers.

DISCLAIMER: I am a defense lawyer. That means that, in any kind of workplace legal dispute, I am on the employer's side, not the employee's side. Always. Even though many of my best friends are employees and plaintiffs' lawyers. The following is not legal advice.

So, you don't have to believe what I'm about to say. But I make this post in good faith, based on my experience and observations in many years of employment litigation.

Are you still here? Cool! Here we go.

1. Even if you got the shaft at work, it is unlikely that you were treated illegally. The law does not require employers to treat their employees like "family," or to be nice, or even to be particularly fair. In fact, employers can usually be downright jerks as long as they are equally jerky to everybody. They can be arbitrary and play favorites as long as they're not making distinctions based on "protected" categories, like race or sex.

If you read this blog very often, you know that I am a strong advocate of treating employees respectfully, fairly, and with dignity. So is everybody in Human Resources who's worth a darn. But we feel that way because it's the right thing to do, not because it's the law.

The American legal system would collapse in a heap if people could sue every time their feelings were hurt. Our system is designed to prevent only the worst kinds of behavior -- you know, like murder, armed robbery, and driving 70 in a 55. It's supposed to keep us from being at each others' throats. That's it. Anything more is left to our respective senses of common decency. (Scary, I know!)

If you sue your employer, it won't be enough for you to prove that your employer made the wrong decision, or even that your employer was a no-goodnik. If you don't have a valid *legal* claim against your employer, then you will ultimately lose your case. One big reason to think twice before you sue.

2. Litigation is long, drawn-out, stressful, and painful. The only people who really enjoy litigation are lawyers. No one else could possibly be that sick. And, here's a secret: not even lawyers are that crazy about litigation. Judges (who are usually lawyers) are always after the parties to try to settle, which would end the case before the judge has to hear it. Lawyers are usually the same way -- they are rarely averse to settlement, although they'll fight to the death if that's what the client wants. Why do you think most courts nowadays have mandatory mediation? If even lawyers don't necessarily like litigation, just think about how much you will hate it.

"Well," you retort, "if lawsuits are that bad, then my employer will pay any amount to get rid of it, right? So it's still worth it to sue."

Well, no. Or, at least, not necessarily. You see, your employer gets sued a lot. This is what they call a "cost of doing business" in the United States. It is true that your lawsuit will be stressful and disruptive for your company. But it will be a lot more stressful and disruptive for you, who are not used to the court system or dealing with lawyers, and you don't even know whether it's a trap when the employer's lawyer says hello to you and offers to shake hands.

The distraction and stress of a lawsuit may also make it more difficult for you to do well in your new job. And having to continually dwell on an unpleasant experience (as you'll have to do while your lawsuit lasts) is difficult and stressful.

3. You may find out that your co-workers are not on your side. You feel very strongly that your employer did you wrong. You find a lawyer willing to take your case. You sue, and start taking depositions of all of your co-workers, who were your BFFs when you worked there. Well. It turns out that your BFFs weren't such BFFs after all. They say, "I liked Maudie, but I felt that she was out of line, and in my opinion she was treated fairly." And then you have the co-worker who saw you when you were not at your best, and she testifies about all the things you said to her in confidence when you were having a rotten day. Which are embarrassing. And which do not help your case. On the record. In a verbatim transcript, for cryin' out loud.

What happened to these people?

Most plaintiffs' lawyers will tell you that the co-workers are afraid of retaliation by the company if they don't side with the company and diss you. I am sure that happens sometimes, but I don't think it explains the majority of these situations. What I see most of the time are two phenomena:

***Most people consider a lawsuit an "act of war."** They probably *were* on your side when you all worked together and went out for mai tais and kvetched about what was going on at the office. But that was just gossip, harmless venting. Nobody thought you were really going to *sue*! And now, thanks to you, they're being dragged in front of lawyers and court reporters and judges and juries, and they're ticked off. And maybe what they said to you in confidence about the boss is coming out -- while the boss is sitting across the table with a stern-looking lawyer in a pinstripe suit. *AWKWARD!* No wonder they've turned on you.

***Some employees really, sincerely do believe the company was in the right.** Is the boss perfect? Of course not. But he's an overall decent guy who tries to be fair and treat employees right. And maybe you shouldn't have been so stubborn/absent from work/insubordinate/lazy yourself.

Recall No. 2, above. Finding out that your co-workers don't support you is one of the "painful" parts.

4. You may be opening up your own life to scrutiny. This is another "painful" part. In order to get more money, and because you really *were* very upset when you were fired, your lawyer includes a claim for emotional distress in your lawsuit. Next thing you know, the company has asked for your medical and psychiatric records dating back 10 years. And maybe you saw a shrink a few times and have been diagnosed as bipolar. Along with a few physical conditions that are not appropriate to mention in a family blog. Surely you don't have to share that information with the company's lawyers! Do you?

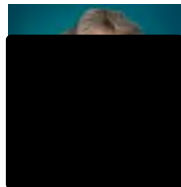
YOU ALMOST CERTAINLY DO. If you claim emotional distress (you don't have to, but you may not get as much money if you don't), most courts say you have put your own emotional condition at issue and the employer is entitled to find out how much of your (just as an example) bipolar disorder was caused by your termination and how much you had all along (in which case the company isn't responsible for it).

Your employer may also be able to dig into your past employment record, including that time you got fired from a previous job after you tested positive for angel dust, your criminal background, your five previous marriages, and your history of filing lawsuits. Perhaps you have nothing to hide. But a lot of people (most?) have a few skeletons that they'd just as soon not have the rest of the world know about.

What you probably *don't* have to worry about

Now, note what I have not mentioned: (1) That your employer will fire you for filing the lawsuit (assuming you did it while still employed); or (2) that your employer will blacklist you, and you'll never work again if you sue. The reason that I did not mention these is that they very rarely happen. Retaliation -- either during employment or afterward -- for filing a lawsuit in good faith against an employer is usually illegal, and almost all employers know that. If it happens and you can prove it, you might have a pretty good case. But don't bet on being able to do that.

Of course, I'm not saying you should never file a lawsuit against an employer, but it should almost always be a last resort. It's better to try resolving your dispute through the company's grievance procedure or open-door policy, or by going to Human Resources. If you're terminated, you may be better off negotiating a nice separation package and shaking the dust from your feet. If all of those fail, and if you've taken a good, critical look at your own performance and behavior, and still feel strongly that you were mistreated, then by all means consult with a lawyer who represents **employees** in workplace disputes. But keep in mind these hidden costs of litigation that you'll face, no matter how strong your case may be.



Visit the [Employment and Labor Law Insider](#) for additional insights from [Robin Shea](#), a partner with the national labor and employment law firm Constangy, Brooks & Smith, LLP.

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Tags: [employee lawsuits](#)

EXHIBIT 15

April 29, 2014

HUFF
POST BUSINESS

What to Expect If You Sue Your Employer

Posted: 01/10/12 02:03 PM ET

In the last half century or so, workers in the U.S. have seen improved working conditions through policies and laws addressing discrimination, harassment, whistleblower protection and safety violations. But when these protective measures are disregarded, enforcing them falls on individual workers who must pursue their claims through arbitration, investigations by external agencies (such as the EEOC) or litigation. Whatever the reason a worker might consider taking such actions, before filing any internal or external complaint or lawsuit -- or even threatening to do so -- there are some things to keep in mind. And the first thing to keep in mind is that there are a lot of myths about what it means to sue an employer.

The first myth is that the employer is afraid of a lawsuit. Employers do not like lawsuits, but they do not fear them. If they did, the worker never would have had a legal claim in the first place. Why? Because if the employer sincerely feared a lawsuit, they would have respected the law in the first place. And not only are managers who violate workplace laws unlikely to be held accountable for their actions, there are many ways they can benefit from a lawsuit, even one their own conduct brought on.

They can benefit by finding a lawful reason to fire the complaining worker, or by providing witnesses against the complainant who are either "similarly situated" (such as members of the same protected group), or who work closely with them and are persuaded to testify against the worker. By courting these people, sympathizing with their conflicting emotions regarding the worker and providing opportunities and benefits previously withheld, the manager conditions the workforce to consider ways in which distancing from the worker, and aligning with the interests of management, are in their own interests.

Once this step is taken, greater acts of distancing -- through gossip, rumors, and shunning - make it easier for former allies and others to turn against the worker. When this happens, the manager who may have instigated the lawsuit in the first place is able to score points with higher management by demonstrating that it is "the difficult employee" -- not the manager, who is the problem, and the manager who has provided a solution -- witnesses to discredit the worker's claims.

The second myth is that once a lawsuit is filed, further adverse action will not be taken against the worker because that would be viewed as retaliation. Your employer can and will retaliate against you in a multitude of ways, many of them legal.

Federal laws protect against retaliation for certain protected acts, such as reporting sexual harassment, discrimination, and some types of "whistle blowing." But federal law also permits employers to fire such employees for legitimate reasons -- such as theft, making threats, or acts of violence.

No matter how law-abiding a worker might be, once involved in litigation against an employer, accusations of wrongdoing are likely to commence, and escalate. For that reason, by encouraging the workforce to view the litigating worker as a threat to their own livelihoods, chronically unhappy and complaining, and mentally unstable, it takes little time before gossip escalates to accusation, and the worker is accused of an escalating series of "inappropriate" behaviors and often, crimes.

Should the worker express any anger or outrage at the mistreatment they receive, that anger will be viewed as a threat. Increasingly, employers are using the slightest pretext of "threats" or accusations of theft to bring in the police and have employees publicly escorted off the premises -- a humiliating tactic that is sure to instill fear in the workforce and further erode the worker's support and reputation, regardless of whether or not there was any basis to the accusation. (And while it remains unlawful to terminate an employee for false pretext, proving pretext is difficult and the damage will have already been done.)

The third myth is that once an employer realizes they could be sued for their actions, they will obey the law. If a worker threatens to sue, or an employer receives a letter from a worker's attorney, they may well clean up their act. But chances are, every level of higher management will be alerted and go on the defense, which to their legal team will mean an offense.

They will immediately notify all coworkers that a lawsuit is pending and not to destroy any emails or other correspondence about, to or from the worker, and not to discuss the case with the worker. And when they get those memos informing them that their (potentially embarrassing) emails will end up in the hands of their bosses, those coworkers are not going to resent their bosses, they are going to resent the worker whose legal action brought it on.

At this stage, the workforce, not management, will fuel the aggression aimed at the worker. Management will encourage the workforce to keep a close eye on the worker, and document any detail, no matter how seemingly benign, that shows the worker is unstable, unproductive, or ineffective. As the workforce takes note of the severe toll on the worker who filed the complaint, they will

not only alter their perceptions of the worker to justify avoiding and testifying against them, but they will also be far less likely to ever voice a similar complaint of their own in the future -- in other words, the more severe the punishment, the less likely management will have to fear future workers coming forward with similar complaints.

The fourth myth is that if a worker does sue, they can win big money, and be vindicated. If a worker does sue, and does win, they will be very, very happy. Why? Because by the time an employment case gets to the point of "winning," the worker will have spent years fighting. They will be emotionally and financially exhausted. They will have gone into great debt to pay legal costs; even if their case was litigated on a contingency fee basis, they will have had to pay a costly retainer, costs of mediations, investigations, depositions and travel expenses. And the worker will have had one heck of a time finding work, because not only will s/he be exhausted by legal battles, they will have had little time or strength to be productive in the process.

They will also be stained by no references, a record of suing an employer -- which no potential employer wants to see -- and a reputation that has been severely damaged through rumors.

And as for that big money verdict? There are caps on what a worker can get and juries are often very conservative -- many a career has been valued at less than a whiplash, because jurors like to think they would never find themselves in such a mess, and that no one should receive big money for not being able to work, when the juror may well work a lifetime for less. And anything over \$150,000 is currently taxed at one-third; a whiplash settlement, however, is currently not taxed.

The fifth myth is that the case will never get to trial and will settle out of court. Most cases do settle out of court, and when they do, they either settle fairly early in the game, or right before trial. In the meantime, the employer's legal team will bank on delays to wear the worker out. Until that time, efforts to resolve the matter will be in vein -- the only early resolution once a suit is filed will likely be at terms favorable to the employer. In the meantime, the worker's work and even home computers will be subpoenaed, along with their medical records. Investigators may have monitored the worker, and contacted past employers -- who will have been told all kinds of unsavory things about their former employee -- even family members, friends and neighbors may be questioned, scrutinized and had their own reputations slandered.

Suing an employer is the last thing a worker should ever do if the aim is a successful career. But sometimes an employer goes so far, breaches so many laws and causes so much damage that a worker cannot possibly recover without a legal remedy. And if that happens, the worker must be prepared. They must safeguard against the assured betrayals from close friends and colleagues, the adversarial scrutiny of their lives and communications, and an avalanche of accusations and smears upon their professional and personal lives.

And for the employer facing potential litigation, it is far easier to resolve a conflict with a worker than it is to close ranks and destroy them. Rare is the lawsuit that an effective manager can't prevent by acting with integrity in the first place, and rare is the lawsuit that an effective employee can't prevent, by knowing when the management is just no good and it's best to walk away.

Follow Janice Harper on Twitter: www.twitter.com/Janice_Harper

6 people are discussing this article with **11 comments**

Comments are closed on this entry.

Highlighted Most Recent Oldest Most Faved My Conversations

Pippen
287 Fans

2

My question to myself lately has been :

Are we teaching our college age young adults - Profits over People ? Money Talks and BS walks ? Your nothing unless you financially rape your environment and destroy your economic enemies ?

Is this what we're teaching them? Because they are snugly fitting in nicely to the Money Rules All mode of capitalism.

Why can't we start a business without any intent to reflect a profit beyond paying employees a living wage building a community and moving the business into the next year with strength. Profits would not be a priority and people would be valued. The prosperity alone would jolt this countries GNP.

What shocks me are the massive amount of business leaders and upper level managers I know personally who go to church and pretend to be a respected member of the faithful community followers of faith after having offshored 20,000 employees so they can garner a bonus and a shot at CEO even though they have a salary of upper

6 figures for years.

At church they hug people, neighbors, other leaders talk about their childrens future.
How they found God.

I almost want to vomit typing this.

11 JAN 2012 5:02 AM

FAVE SHARE MORE

DHC

SUPER USER · 56 Fans

1

Another precise and informative article. Well done.

10 JAN 2012 7:11 PM

FAVE SHARE MORE

kjk326

2 Fans

Excellent article, right on topic. I went through this nightmare & found just how chilling & hostile a formerly friendly environment can become overnight. People who were your close friends hesitate to talk to you and avoid being seen with you. Your every move is put under the microscope and twisted into some type of bad behavior while the person who committed the illegal act is lauded and promoted and you are made to feel like a social outcast at best and I say this even though in the end I prevailed. You are left so emotionally drained, sadly it seems to be the American way; forget ethics, it's the dollar that prevails. Most of all I don't know how HR people sleep at night when they defend someone they know clearly committed an illegal act,

10 JAN 2012 8:34 PM

FAVE SHARE MORE

ARTICLE AUTHOR

Janice Harper

HUFFPOST BLOGGER · 218 Fans

Thank you for sharing your experience. I think it's significant that you say in the end you prevailed -- sadly, that is the sixth myth -- that it will all be worth it. It rarely is. The toll on the worker who pursues an employment claim is enormous, and few attorneys, no matter how skilled, adequately prepare plaintiffs for what's up ahead. I'm so sorry you had to go through it.

Yet we have made great advances in working conditions in the U.S. in part due to lawsuits, and there are cases where workers are left with no recourse but to turn to the courts. In those cases, the more a person knows what to expect and how to be prepared, the better the emotional outcome. Thank you again for sharing your story.

10 JAN 2012 8:55 PM

FAVE SHARE MORE

3 PEOPLE IN THE CONVERSATION

Read Conversation →

noahmarder

512 Fans · Exposing the regressive lies, one by one

There is no justice in this country. What else is new? Risk/reward probably favors stealing from your employer rather than suing them. At least with theft, your career is ruined only if you get caught. You also have a better chance of stealing significant money than of winning anything but an airtight case. I don't see a moral problem either, so long as what is stolen doesn't exceed the damage done by the employer, plus the effort required for the theft, plus the chance of being caught multiplied by the penalty

for being caught. It is the employer, after all, who has taken away any legal remedies through the retaliation mechanisms described in the article.

10 JAN 2012 9:09 PM

FAVE SHARE MORE

Pippen

287 Fans

If you think all of that is bad apply it to Texas where employment is an "at will" state. Another way of putting this would be outright slavery and the slave master can fabricate reality on how they feel that morning and your life is forever changed.

America sets itself apart from 3rd world countries with the argument that we have a

- 1 Superior Justice System
- 2 Freedom of religion
- 3 Separation of Church and State
- 4 Opportunity to pursue your capitalist dreams of career and family
- 5 That taxes pay for your well being (roads, FDA, national safety etc..)
- 6 National security (threat of invasion and subjugation by an enemy rule...)
- 7 Democratically elected officials (fair voting)

I want you to look hard at those 7 American beliefs. See any of them that are actually working as intended ? Or are they working as intended ?

Did we just wake up or is this something that has emerged from the closet when GW Bush took office?

11 JAN 2012 4:52 AM

FAVE SHARE MORE

EXHIBIT 16



Quotation Request:

Nora Greer
Spivak Law
nora@spivaklaw.com

Case Name:

Date:
RFP Number:

Williams/Country Inn & Suites By Radisson

Thursday, September 25, 2025
20150004

Prepared By:

Michael Sutherland
Apex Class Action LLC
mike@apexclassaction.com
321.223.5067

Settlement Specifications	
Estimated Class Size:	125
Certified Language Translation:	Yes
Static Settlement Website:	Yes
Percentage of Undeliverable Mail:	20%

Professional Services	Fee Calculation	Rate(s)	Quantity	Estimated Cost

Data Analytics and Standardization				
Import and Standardize Data*	Per Hour	\$125.00	1	\$125.00
Data Analyst	Per Hour	\$150.00	1	\$150.00
*Data provided must be in a workable format. Apex can standardize provided data at an additional cost of \$150/hr.				
Sub Total:				\$275.00

Mailing of Class Notice				
Form Set Up	Per Hour	\$120.00	1	WAIVED
Print & Mail Class Notice	Per Piece	\$1.00	125	\$125.00
USPS First Class Postage	Per Piece	\$0.78	125	\$97.50
Remail Undeliverable Mail (Skip-Trace)	Per Piece	\$2.00	13	\$25.00
Receive and Process Undeliverable Mail	Per Hour	\$75.00	1	\$37.50
Process Class Member Correspondence via mail, e-mail & fax	Per Piece	\$75.00	1	\$37.50
NCOA Address Update (USPS)	Static Rate	\$25.00	1	\$25.00
Certified Language Translation: Spanish	Static Rate	\$1,000.00	1	\$1,000.00
Sub Total:				\$1,347.50

Project Management				
Project Management	Per Hour	\$150.00	2	\$300.00
Project Coordinator	Per Hour	\$90.00	1	\$90.00
Data Analyst and Reporting	Per Hour	\$140.00	1	\$140.00
Sub Total:				\$530.00



APEX

CLASS ACTION ADMINISTRATION

Professional Services	Fee Calculation	Rate(s)	Quantity	Estimated Cost

Toll-Free Contact Center, Website & Reporting				
Bilingual Toll-Free Contact Center	Static Rate	\$50.00	1	\$50.00
Settlement Website: Static Apex URL	Static Rate	\$500.00	1	\$500.00
Settlement Status Reports	Static Rate	\$750.00	1	Waived
Spanish Translation	Static Rate	\$750.00	1	\$750.00
			Sub Total:	\$1,300.00

Distribution & Settlement Fund Management				
Settlement Calculations (Preliminary and Final)	Per Hour	\$120.00	2	\$240.00
Account Management and Reconciliation	Per Hour	\$140.00	2	\$280.00
Print & Mail Distribution Settlement Check (W-2/1099)	Per Piece	\$1.00	125	\$125.00
USPS First Class Postage	Per Piece	\$0.78	125	\$97.50
Remail Distribution to Updated Address (Skip Trace)	Per Piece	\$1.50	13	\$18.75
Individual Income Tax Preparation & Reporting	Per Hour	\$100.00	4	\$400.00
QSF Income Tax Reporting (per calendar year)	Per Year	\$750.00	1	\$750.00
Unclaimed Funds: State Controller's Unclaimed Property Fund	Static Rate	\$250.00	1	\$250.00
			Sub Total:	\$2,161.25

Post Distribution Reconciliation				
Bank Account Reconciliation	Per Hour	\$125.00	1	\$125.00
Project Management Reconciliation	Per Hour	\$100.00	1	\$100.00
Declarations	Per Hour	\$120.00	1	\$120.00
			Sub Total:	\$345.00

TOTAL ESTIMATED ADMINISTRATION COST:	\$5,958.75
TOTAL CAPPED ADMINISTRATION COST:	\$4,990.00

Thank you for your business!



Terms & Conditions

The following Terms and Conditions govern the provision of all services to be provided by Apex Class Action and its affiliates ("Apex") to the Client. These terms and conditions are binding and shall apply to all services provided by Apex in relation to any related services or products.

1. **Services:** Apex commits to providing the Client with the administrative services detailed in the attached Proposal (the "Services").

2. **Payment Terms:** As compensation for the legal services to be provided, the Client agrees to pay Apex all fees detailed in the Proposal. The fees quoted in the Proposal (and any subsequent proposals for additional services) are estimates based on the information provided to Apex by the Client. Apex makes no representation that the estimated fees in the Proposal or any subsequent proposals for additional services shall equal the actual fees charged by Apex to the Client, which fees (including individual line items) may be greater or less than estimated. If additional services are requested on an hourly basis and are not specifically detailed in the Proposal, Apex will prepare estimates for such services subject to approval by the Client. In the performance of such additional services, Apex will charge standard hourly fees which shall apply.

3. **Incurred Expenses:** In relation to the provision of services outlined in this agreement, the Client agrees to reimburse Apex for all reasonable out-of-pocket expenses incurred. Such expenses may include, but are not limited to, costs associated with postage, media production or publication, banking fees, brokerage fees, messenger and delivery service expenses, travel expenses, filing fees, office supplies, meals, staff overtime expenses, and other related costs and expenses. If not otherwise specified in writing, fees for print notice and certain expenses, such as media publication and postage, must be paid immediately upon invoicing and, in certain cases, at least ten (10) days prior to the date on which such expenses will be incurred.

4. **Invoicing:** Apex shall present invoices for its fees and expenses on a monthly basis, except as provided in Section 3. The Client agrees to pay each invoice within 30 days of receipt. In case of non-payment within 90 days of the billing date, an additional service charge of 1.5% per month may apply. Apex reserves the right to increase its prices, charges, and rates annually, subject to reasonable adjustments. If any price increases exceed 10%, Apex shall give thirty (30) days' notice to the Client. In the event of any unpaid invoices beyond 120 days of the due date, Apex reserves the right to withhold services and reports until payment is received, subject to notice to the Client. It is important to note that Apex's failure to provide services and reports in such instances shall not constitute a default under this agreement.

5. **Case Duration:** The duration of these Terms and Conditions, except for the data storage obligations stated in Section 13, shall be in effect until 30 days following the completion of the Services as described in the Proposal. The parties may extend these Terms and Conditions in writing for a mutually agreed-upon period beyond this initial 30-day period.

6. **Termination of Services:** Either party may terminate the Services by providing thirty (30) days written notice to the other party. Alternatively, termination may occur immediately upon written notice for Cause, as defined below. Cause means (i) Apex's gross negligence or willful misconduct that causes serious and material harm to the Client; (ii) the Client's failure to pay Apex invoices for more than one hundred twenty (120) days from the date of the invoice; or (iii) the accrual of invoices or unpaid services where Apex reasonably believes it will not be paid. Termination of the Services shall not relieve the Client of its obligation to pay Apex for services rendered prior to the termination.

7. **Independent Contractor:** As an independent contractor, Apex will provide services under the terms of this agreement. It is agreed that neither Apex nor any of its employees will be considered an employee of the Client. Consequently, Apex and its employees will not be eligible for any benefits provided by the Client to its employees. The Client will not make any tax deductions from the payments due to Apex for state or federal tax purposes. Apex will be solely responsible for paying all taxes and other payments due on payments received from the Client under this agreement.

8. **Apex warrants** that the Services outlined in the Proposal will be performed in accordance with the standards generally adhered to by professionals providing similar services. It is acknowledged that the Services may entail the likelihood of some human and machine errors, omissions, delays, and losses that may result in damage. However, Apex shall not be held liable for such errors, omissions, delays, or losses unless they are caused by its gross negligence or willful misconduct. In the event of any breach of this warranty by Apex, the Client's sole remedy will be limited to Apex's rerunning, at its expense, any inaccurate output provided that such inaccuracies occurred solely as a result of Apex's gross negligence or willful misconduct under this agreement.

9. **Limitation of Liability:** The Client acknowledges that Apex shall not be held liable for any consequential, special, or incidental damages incurred by the Client in relation to the performance of Services, whether the claim is based on breach of warranty, contract, tort (including negligence), strict liability, or any other grounds. Under no circumstances shall Apex's liability to the Client, for any Losses (including court costs and reasonable attorney's fees), arising out of or in connection with these Terms and Conditions, exceed the total amount charged or chargeable to the Client for the specific service(s) that caused the Losses.

10. **Indemnification:** The Client agrees to indemnify and hold harmless Apex from any losses, suits, actions, judgments, fines, costs, liabilities, or claims arising from any action or proceeding relating to the Services provided by Apex, regardless of whether or not it results in liability (collectively referred to as "Indemnified Claims"). However, this indemnification provision shall not apply to the extent that such Indemnified Claims are caused by Apex's willful misconduct, gross negligence, or breach of these Terms and Conditions. This provision shall survive termination of the Services.

11. **Confidentiality:** Apex will uphold strict confidentiality between Apex and the Client and applies to all non-public records, documents, systems, procedures, processes, software, and other information received by either party in connection with the performance of services under these terms. Both Apex and the Client agree to keep confidential all such non-public information, including any material marked or identified as confidential or proprietary. Any such confidential information shall not be disclosed, provided, disseminated, or otherwise made available to any third party, except as required to fulfill the parties' obligations under these terms. The parties acknowledge that in the event of any request to disclose any confidential information in connection with a legal or administrative proceeding, or otherwise to comply with a legal requirement, prompt notice of such request must be given to the other party to enable that party to seek an appropriate protective order or other remedy or to waive compliance with the relevant provisions of these terms. If the Client seeks a protective order or another remedy, Apex, at the Client's expense, will cooperate with and assist the Client in such efforts. If the Client fails to obtain a protective order or waives compliance with the relevant provisions of these terms, Apex will disclose only that portion of the confidential information that it determines it is required to disclose. This confidentiality provision shall survive termination of the services provided. Both parties acknowledge and agree that any breach of this section may cause irreparable harm to the non-breaching party and that injunctive relief may be necessary to prevent any actual or threatened breach. The terms set forth between the parties supersede all prior negotiations, understandings, and agreements between the parties concerning confidentiality. These terms may only be amended in writing and signed by both parties.

12. **Ownership** of the programs, system data, and materials provided by Apex to the Client during the course of providing services herein shall solely belong to Apex. It is acknowledged that fees and expenses paid by the Client do not confer any rights in such property. It is also understood that the said property is made available to the Client solely for the purpose of using it during and in connection with the services provided by Apex.

13. Upon the completion of the administration and unless retention instructions are ordered by the court, Apex will notify the client that it will destroy and/or return all confidential information and property within 90 days upon the client's written request. Alternatively, the material may be stored for one year at a monthly fee of \$1.50 per storage box for paper documents and \$0.01 per image for electronic copies over a period of three years, which compensates Apex for its electronic and hard-copy storage costs. Apex will not be liable for any damages, liability, or expenses incurred in connection with any delay in delivery of, or damage to disks, magnetic tapes, or any input data provided by the client or its representatives unless Apex has agreed in writing to assume such responsibility.

14. **COMPLETE AGREEMENT.** These Terms and Conditions, along with the attached Proposal, represent the complete agreement and understanding between the parties and override any prior agreements (whether written or oral) between Apex and the Client regarding the subject matter. Any modification to these Terms and Conditions may only be made in writing and must be signed by both Apex and the Client. The headings in this document are included for convenience only and do not alter or restrict any provisions in these Terms and Conditions. They may not be used in the interpretation of these Terms and Conditions.

15. This provision outlines the requirements for providing notice or other communication under this agreement. All such communications must be in writing and can be delivered either by personal delivery or through U.S. Mail with prepaid postage or overnight courier. Once delivered personally or sent through the mail, the notice will be considered given after five (5) days from the deposit date in the U.S. Mail. Alternatively, if sent through an overnight courier, the notice will be considered given one business day after delivery to the such courier. It's important to note that the notice must be provided to a responsible officer or principal of the Client or Apex, depending on the case.

16. **Force Majeure:** In the event of any failure or delay in performance due to circumstances beyond Apex's control, including but not limited to strikes, lockouts, fires, floods, acts of God or public enemy, riots, civil disorders, insurrections, war or war conditions, or interference by civil or military authorities, Apex shall not be held liable for any resulting loss or damage. The time for performance under this agreement shall be extended for a period equal to the duration of the disabling cause and a reasonable time thereafter. This provision shall constitute a force majeure clause and shall be construed accordingly.

17. The applicable state and federal laws shall govern the interpretation and enforcement of these Terms and Conditions. No choice of law or conflict of laws provisions shall affect this governing law provision.

18. **Severability:** This applies to all clauses and covenants contained within these Terms and Conditions. In the event that any clause or covenant is deemed invalid, illegal, or unenforceable, the remaining provisions shall remain valid and enforceable to the fullest extent permissible by law. The validity, legality, and enforceability of the remaining provisions shall in no way be affected or impaired by the invalidity, illegality, or unenforceability of any provision deemed so.

19. **Nonwaiver:** This applies to these Terms and Conditions. This means that any failure by one party to enforce a provision of these terms on one or more occasions shall not be construed as a waiver of that provision. In other words, any failure to enforce a provision does not give up the right to enforce it in the future. All provisions of these Terms and Conditions remain in full force and effect, regardless of any prior failure to enforce them.

EXHIBIT 17

ILYM | GROUP, Inc.

C L A S S A C T I O N A D M I N I S T R A T I O N

Case Name: Williams v. Country Inn & Suites By Radisson, Inc.
Thursday, September 25, 2025

Requesting Attorney:

Nora Greer
The Spivak Law Firm
nora@spivaklaw.com
818.205.9033

ILYM Group Contact:

Lisa Mullins
ILYM Group, Inc.
Lisa@ilymgroup.com
714.878.8836

Estimate For Administrative Solutions: Class & PAGA

KEY ASSUMPTIONS	
Total Number of Class Members	125
Estimated Percentage of Remails	15%
Certified Spanish Translation	Yes
ILYM Group Static Website	Yes
Case Duration (Years)	1

Summary of ILYM Group, Inc.'s Fees & Expenses

Case Startup:	\$325.00
Project Management:	\$2,690.00
Notification & Mailing:	\$480.00
Distribution (Includes EIN, Bank Acct * /QSF Setup):	\$2,560.00
Case Conclusion:	\$895.00

Estimated ILYM Fees & Expenses: \$6,950.00

ILYM | GROUP, Inc.

CLASS ACTION ADMINISTRATION

Case Name: Williams v. Country Inn & Suites By Radisson, Inc.

Thursday, September 25, 2025

Requesting Attorney's Name: Nora Greer

Activity	Rate Type	Unit Cost	Volume	Amount
CASE STARTUP				
Initial Setup - Import and Formatting of Data*	Hourly	\$150.00	1	\$150.00
Programming of Class Database	Hourly	\$175.00	1	\$175.00

**ILYM assumes that data will be in a standard format. Client will be notified immediately if not in standard format to correct data or ILYM can convert to standard format @ \$150.00 per hour.*

Subtotal \$325.00

PROJECT MANAGEMENT				
Project Manager (Case notification and maintenance)	Hourly	\$120.00	3	\$360.00
Staff Hours for Processing Returned Mail	Hourly	\$70.00	1	\$70.00
Staff Hours for Processing Opt-Outs, Disputes & Objection(s)	Hourly	\$70.00	1	\$70.00
Report Processing	Hourly	\$70.00	1	\$70.00
Certified Spanish Translation	Flat Fee	\$1,250.00	1	\$1,250.00
ILYM Group Static Website	Flat Fee	\$750.00	1	\$750.00
NCOA	Flat Rate	\$45.00	1	\$45.00
Toll Free Customer Service Representative	Flat Fee	\$75.00	1	\$75.00
Weekly Reports	Flat Rate	\$750.00	1	Waived

Subtotal \$2,690.00

NOTIFICATION & MAILING				
Fulfillment of Notice, English and Spanish	Per Piece	\$1.50	125	\$187.50
USPS First Class Postage	Per Piece	\$0.85	125	\$106.25
Re-Mails (Forward/Skip trace Undeliverables)	Per Piece	\$2.00	19	\$37.50
Storage, Photocopies, Deliveries	Flat Fee	\$148.75	1	\$148.75

Subtotal \$480.00

ILYM | GROUP, Inc.

CLASS ACTION ADMINISTRATION

Case Name: Williams v. Country Inn & Suites By Radisson, Inc.

Thursday, September 25, 2025

Requesting Attorney's Name: Nora Greer

Activity	Rate Type	Unit Cost	Volume	Amount
DISTRIBUTION (Includes EIN, Bank Acct * /QSF Setup)				
Distribution Setup & Management	Hourly	\$150.00	2	\$300.00
Account Reconciliation & Distribution Reporting	Hourly	\$125.00	2	\$250.00
Check, Stub & Release - Print & Mail (W2/1099)	Per Check	\$1.00	125	\$125.00
USPS First Class Postage	Per Piece	\$0.74	125	\$92.50
Re-Mails (Forward/Skip trace Undeliverables up to 10%)	Per Piece	\$1.50	13	\$18.75
Reminder Postcard for Uncashed Checks	Per Piece	\$0.90	38	\$33.75
Preparation of Taxes	Hourly	\$120.00	2	\$240.00
Annual Filing of Tax Return	Per Year	\$1,500.00	1	\$1,500.00

**Additional Bank fees may apply*

Subtotal \$2,560.00

CASE CONCLUSION				
Data Manager Final Reporting	Hourly	\$100.00	1	\$100.00
Project Manager Final Reporting	Hourly	\$120.00	1	\$120.00
Process Unclaimed Funds	Flat Fee	\$550.00	1	\$550.00
Declaration	Hourly	\$125.00	1	\$125.00

Subtotal \$895.00

Estimated ILYM Fees & Expenses: \$6,950.00

ILYM Group's Terms and Conditions

All services to be provided by ILYM Group, Inc. (hereinafter, "ILYM") to Client shall be subject to the following terms and conditions:

Services: Subject to the terms hereof, ILYM agrees to provide the Client with Administration Services (hereinafter, "services") as specified in the Proposal provided to Client to which these Terms and Conditions are attached. The estimate is in good faith and does not cover any applicable taxes and fees. The estimate does not make provision for any services or class members/size not delineated in the request for proposal or stipulations. Such services do not in any way constitute legal services or advice. ILYM is performing its services as an Independent Contractor and neither it nor its employees shall be deemed to be employees of the Client.

Mailing and Data Conversion: ILYM's database administration assumes the Client will provide complete data that includes all information required to send notifications and complete the administration process. Data must be provided in a complete, consistent, standardized electronic format. ILYM's standard format is Microsoft Excel, however, ILYM may accept other formats at its discretion. Further developments or enhancements to non-standardized data will be billed to Client by ILYM on a time and materials basis, according to ILYM's Standard Rates.

Charges for Services: Charges to the Client for services shall be on a time and materials basis at our prevailing rates, as the same may change from time to time. Any fee estimates set forth in the proposal are estimates only, based on information provided by Client to ILYM. Actual fees charged by ILYM to Client may be greater or less than such estimate, and Client shall be responsible for the payment of all such charges and expenses in accordance with Section 5 hereof. Charges incurred related to resolving post distribution withholdings and related corrective files due to voids and re-issues of payments and related correspondence with state and federal taxing authorities will not be charged to the Client to the extent that funds are received from the taxing authorities offset these charges. ILYM may derive financial benefits from financial institutions in connection with the deposit and investment of settlement funds with such institutions, including without limitation, discounts on eligible banking services and fees, and loans at favorable rates.

Indemnification: Client will indemnify and hold ILYM (and the officers, employees, affiliates and agents harmless against any Losses incurred by ILYM, arising out of, in connection with, or related to (i) any breach of the terms by Client; (ii) the processing and handling of any payment by ILYM in accordance with Client's instructions, including without limitation, the imposition of any stop payment or void payment on any check or the wrongful dishonor of a check by ILYM pursuant to Client's instructions.

Payment of Charges: ILYM reserves the right to request payment of postage charges and 50% of the final administration charges at the start of the case. ILYM bills are due upon receipt unless otherwise negotiated and agreed to with the Client. In the event settlement terms provide that ILYM is to be paid out of the Settlement Fund, ILYM will request that Counsel endeavor to make alternate payment arrangements for ILYM charges that are due at the onset of the case. The entire remaining balance is due and payable at the time the Settlement Account is funded by, or no later than the time of disbursement. Decisions of the court and actions of the parties, including disapproval or withdrawal of a settlement, do not affect the Client's liability to ILYM for payment of services. Services are not provided on a contingency fee basis.

Confidentiality: ILYM maintain reasonable and appropriate security measures and safeguards to protect the security and confidentiality of Client data provided to ILYM by Client in connection herewith. Should ILYM ever be notified of any judicial order or other proceedings in which a third party seeks to obtain access to the confidential data created by or for the Client, ILYM will promptly notify the Client, unless prohibited by applicable law. The Client shall have the option to (1) provide legal representation at the Client's expense to avoid such access or (2) promptly reimburse ILYM for any of its costs, including attorneys' fees, reasonably incurred in avoiding, attempting to avoid or providing such access and not paid by the entity seeking the data. If ILYM is required, pursuant to a court order, to produce documents, disclose data, or otherwise act in contravention of the obligations imposed by this Agreement, or otherwise, with respect to maintaining the confidentiality, proprietary nature and secrecy of the produced documents or disclosed data, ILYM will not be liable for breach of said obligation.

Data Rights: ILYM does not convey nor does the Client obtain any right in the programs, system data, or materials utilized or provided by ILYM in the ordinary course of business in the performance of this Agreement.

Document Retention: Unless directed otherwise in writing by Client, ILYM will destroy undeliverable mail on the effective date of the settlement or the date that the disposition of the case is no longer subject to appeal or review, whichever is later. ILYM will maintain claim forms and other correspondence for one year after final distribution of funds or benefits, or until the date that the disposition of the case is no longer subject to appeal or review, whichever is later.

Limitation of damages: ILYM is not responsible to the Client for any special, consequential or incidental damages incurred by Client. Any liability of ILYM to the Client shall not exceed the total amount billed to the Client for the particular services that give rise to any loss.

Termination: The services to be provided under this Agreement may be terminated, at will by the Client upon at least 30 calendar days' prior written notice to ILYM. The Client's obligation to pay for services or projects in progress at the time of notice of withdrawal shall continue throughout that 30 day period. ILYM may terminate this Agreement (i) with 10 calendar days' prior written notice, if the Client is not current in payment of charges or (ii) in any event, upon at least 3 months' prior written notice to the Client.

Notice: Any notice required or permitted hereunder shall be in writing and shall be delivered personally, or sent by registered mail, postage prepaid, or overnight courier service to the permissible officer or principal of ILYM or the Client, as applicable, and shall be deemed given when so delivered personally, or, if mailed, five days after the date of deposit in United States mail, or, if sent by courier, one business day after delivery to such courier service.

Force Majeure: To the extent performance by ILYM of any of its obligations hereunder is substantially prevented by reason of any act of God or by reason of any other matter beyond ILYM's reasonable control, then such performance shall be excused and this Agreement, at ILYM's option, be deemed suspended during the continuation of such condition and for a reasonable time thereafter.

Waiver of Rights: No failure or delay on the part of a party in exercising any right hereunder will operate as a waiver of, or impair, any such right. No single or partial exercise of any such right will preclude any other or further exercise thereof or the exercise of any other right. No waiver of any such right will be effective unless given in a signed writing.

Jurisdiction: The parties hereto submit to the jurisdiction of the Court of the applicable case for purposes of any suit, action or proceeding to enforce any provision of, or based on any right arising out of, this Agreement. The parties hereto hereby waive any objection to the laying of venue of any such suit, action or proceeding in the Court.

Entire Agreement: These terms and conditions and the proposal embody the entire agreement between the parties with respect to the subject matter hereof, and cancels and supersedes all prior negotiations, representations, and agreements related thereto, either written or oral, except to the extent they are expressly incorporated herein. No changes in, additions to, or waivers of, the terms and conditions set forth herein will be binding upon any party, unless approved in writing by such party's authorized representative.

EXHIBIT 18



September 30, 2025

CASE ASSUMPTIONS

Class Members	125
Opt Out Rate	1%
Opt Outs Received	3
Total Class Claimants	122
Subtotal Admin Only	\$6,838.87

Flat Fee Total \$6,500.00

For 125 Class Members

Pricing Good for Scope of Estimate Only

All Aspects of Escheating to the State of CA Included

Language Translation, Printing & Mailing Included

Case: Williams v. Country Inn & Suites By Radisson, Inc., Opt-Out & PAGA Administration

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

Requesting Attorney: Nora Greer
Firm: The Spivak Law Firm
Contact Number: (818) 582-3073
Email: nora@spivaklaw.com

Assumptions and Estimate are based on information provided by counsel. If class size changes, PHX will need to adjust this Estimate accordingly.
Estimate is based on **125** Class Members. Class data **Must** be sent in Microsoft Excel or uploaded in the same format. Class Data Must be sent in one spreadsheet, with no additional programming needed. A rate of \$150 per hour will be charged for any additional analysis or programming. Pricing good for 90 days.

Case & Database Setup / Toll Free Setup & Call Center / NCOA (USPS)

Administrative Tasks:	Rate	Hours/Units	Line Item Estimate
Programming Manager	\$100.00	2	\$200.00
Programming Database & Setup	\$100.00	2	\$200.00
Toll Free Setup*	\$100.00	1	\$100.00
Call Center & Long Distance	\$2.00	18	\$35.00
NCOA (USPS)	\$25.00	1	\$25.00
Total			\$560.00

* Up to 120 days after disbursement

Data Merger & Scrub / Notice Packet, Opt-Out Form & Postage / Language Translation / Website

Project Action	Rate	Hours/Units	Line Item Estimate
Notice Packet Formatting	\$100.00	2	\$200.00
Language Translation	\$900.00	1	\$900.00
Data Merge & Duplication Scrub	\$0.10	125	\$12.50
Notice Packet & Opt-Out Form	\$1.35	125	\$168.75
Estimated Postage (up to 2 oz.)*	\$0.90	125	\$112.50
Static Website	\$200.00	1	\$200.00
Total			\$1,593.75

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



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

Skip Tracing & Remailing Notice Packets / Tracking & Programming Undeliverables			
Project Action:	Rate	Hours/Units	Line Item Estimate
Case Associate	\$55.00	2	\$110.00
Skip Tracing Undeliverables	\$1.00	19	\$18.75
Remail Notice Packets	\$1.00	16	\$15.75
Estimated Postage	\$0.90	16	\$14.18
Programming Undeliverables	\$50.00	2	\$100.00
Total			\$258.68

Database Programming / Processing Opt-Outs, Deficiencies or Disputes			
Project Action:	Rate	Hours/Units	Line Item Estimate
Programming Database	\$150.00	1	\$150.00
Non Opt-Out Processing	\$200.00	1	\$200.00
Case Associate	\$55.00	4	\$220.00
Deficiency & Dispute Letters	\$10.00	0	\$0.00
Case Manager	\$85.00	2	\$170.00
Total			\$740.00

Calculation & Disbursement Programming/ Create & Manage QSF/ Mail Checks			
Project Action:	Rate	Hours/Units	Line Item Estimate
Programming Calculations	\$135.00	1	\$135.00
Disbursement Review	\$135.00	1	\$135.00
Programming Manager	\$95.00	2	\$190.00
QSF Bank Account & EIN	\$135.00	1	\$135.00
Check Run Setup & Printing	\$135.00	1	\$135.00
Mail Class Checks *	\$0.90	122	\$109.80
Estimated Postage	\$0.70	122	\$85.40
Total			\$925.20

* Checks are printed on 8.5 x 11 in. sheets with W2/1099 Tax Filing & Instructions for downloading tax forms from PHX secure portal



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

Tax Reporting & Reconciliation / Re-Issuance of Checks / Conclusion Reports and Declarations			
Project Action:	Rate	Hours/Units	Line Item Estimate
Case Supervisor	\$75.00	1	\$75.00
Remail Checks (Postage Included)	\$2.00	26	\$51.24
Case Associate	\$55.00	3	\$165.00
Reconcile Uncashed Checks	\$85.00	4	\$340.00
Conclusion Reports	\$115.00	2	\$230.00
Case Manager Conclusion	\$85.00	3	\$255.00
Final Reporting & Declarations	\$115.00	3	\$345.00
IRS & QSF Annual Tax Reporting * (1 State Tax Reporting & Escheating to the State of CA Included)	\$1,300.00	1	\$1,300.00
Total			\$2,761.24

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

Estimate Total: \$6,838.87



TERMS AND CONDITIONS

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

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

Claims: PSA's general policy is to not accept claims via facsimile. However, in the event that facsimile filing of claims must be accepted, PSA will not be held responsible for any issues and/or errors arising out of said filing. Furthermore, PSA will require disclaimer language regarding facsimile transmissions. PSA will not be responsible for any acts or omissions caused by the USPS. PSA shall not make payments to any claimants without verified, valid Social Security Numbers. All responses and class member information are held in strict confidentiality. Additional class members are \$10.00 per opt-out.

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

Tax Reporting Requirements

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

1. Defendant's California State ID and Federal EIN.
2. Defendant's current State Unemployment Insurance (UI) rate and Employment Training Tax (ETT) rate. This information can be found in the current year DE 2088, Notice of Contribution Rates, issued by the EDD.
3. Termination dates of the class members, or identification of current employee class members, so we can account for the periods that the wages relate to for each class member.
4. An executed Power of Attorney (Form DE 48) from Defendant. This form is needed so that we may report the UI, SDI, and ETT taxes under Defendant's EIN on their behalf. If this form is not provided we will work with the EDD auditors to transfer the tax payments to Defendant's EIN.
5. Defendant is responsible for reporting the SDI portion of the settlement payments on the class member's W-2. PSA will file these forms on Defendant's behalf for an additional fee and will issue an additional W-2 for each class member under Defendant's EIN, as SDI is reported under Defendant's EIN rather than the EIN of the QSF. The Power of Attorney (Form DE 48) will be needed in order for PSA to report SDI payments.

EXHIBIT 19