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Attorneys for Plaintiff Abram Cannon

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ORANGE**

ABRAM CANNON, individually, and on
behalf of other aggrieved employees pursuant
to the California Private Attorneys General
Act;

Plaintiff,

vs.

IPS, INC., an unknown business entity; IPS
SECURITY, INC., a California corporation;
AMERICAN EMPLOYMENT INSTITUTE,
a California corporation; and DOES 1 through
100, inclusive,

Defendants.

Case No.: 30-2023-01300848-CU-OE-CXC

Honorable Melissa R. McCormick
Dept. CX104

**NOTICE OF ENTRY OF ORDER
GRANTING MOTION FOR APPROVAL
OF PAGA SETTLEMENT AND
ENTERING JUDGMENT**

Complaint Filed: January 9, 2023
Jury Trial Date: None Set

1 **TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:**

2 **PLEASE TAKE NOTICE THAT** on December 2, 2024, the above-entitled Court issued
3 an order granting Plaintiff Abram Cannon's ("Plaintiff") Motion for Approval of PAGA
4 Settlement and entering judgment. A true and correct copy of the Court's December 2, 2024 Order
5 Granting Motion for Approval of PAGA Settlement and Entering Judgment is attached hereto as
6 Exhibit A.

7 Dated: December 4, 2024

PARKER & MINNE, LLP

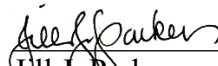
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9 By: 
10 Jill J. Parker
11 Attorneys for Plaintiff
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EXHIBIT A

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ORANGE

ABRAM CANNON, individually, and on
behalf of other aggrieved employees pursuant
to the California Private Attorneys General
Act;

Plaintiff,

vs.

IPS, INC., an unknown business entity; IPS
SECURITY, INC., a California corporation;
AMERICAN EMPLOYMENT INSTITUTE,
a California corporation,

Defendants.

Case No.: 30-2023-01300848-CU-OE-CXC

Honorable Melissa R. McCormick
Dept. CX104

**ORDER GRANTING MOTION FOR
APPROVAL OF PAGA SETTLEMENT
AND ENTERING JUDGMENT**

Complaint Filed: January 9, 2023

1 Plaintiff and Defendants IPS, Inc., IPS Security, Inc., and American Employment
2 Institute (“Defendants”) have executed a PAGA Settlement Agreement, First Amendment to
3 PAGA Settlement Agreement, and Second Amendment to PAGA Settlement Agreement
4 (collectively, the “Settlement” or “Settlement Agreement”). A copy of the PAGA Settlement
5 Agreement is attached hereto as Exhibit 1. A copy of the First Amendment to PAGA Settlement
6 Agreement is attached hereto as Exhibit 2. A copy of the Second Amendment to PAGA
7 Settlement Agreement is attached hereto as Exhibit 3.

8 The Court, having considered the papers, argument of counsel, and all matters presented
9 to the Court, and good cause appearing, it is hereby **ORDERED, ADJUDGED, AND**
10 **DECREED AS FOLLOWS:**

11 1. Plaintiff’s Motion for Approval of PAGA Settlement is granted in its entirety. Final
12 judgment is hereby entered in conformity with the Settlement.

13 2. This Order incorporates by reference the definitions in the Settlement Agreement,
14 and all capitalized terms defined therein shall have the same meaning in this Order as set forth in
15 the Settlement Agreement.

16 3. The Court finds that Plaintiff has satisfied the prerequisites under the California
17 Private Attorneys General Act (Cal. Labor Code § 2698, et seq.) (“PAGA”), including, but not
18 limited to, providing the California Labor and Workforce Development Agency (“LWDA”) and
19 Defendants with notice of the specific provisions of the California Labor Code alleged to have
20 been violated, including, but not limited to, the facts and theories to support the alleged
21 violations, in conformity with California Labor Code § 2699.3(a).

22 4. The Court also finds that the Settlement Agreement has been submitted to the
23 LWDA in conformity with California Labor Code § 2699(l)(2) and that the LWDA has not
24 sought to intervene or appear in the above-captioned action (“Action”).

25 5. The aggrieved employees covered under the Settlement consist of the following
26 individuals:

27 All current and former non-exempt and/or hourly-paid employees who worked for
28 Defendants in the State of California at any time during the PAGA Period (the

1 “Aggrieved Employees”).

2 The PAGA Period is defined as the period from November 4, 2021 through December 7, 2023.

3 6. Pursuant to California Labor Code § 2699(1)(2), the Court has reviewed the sum
4 allocated for payment of penalties under PAGA (the “Net Settlement Amount”), and determines
5 that it is fair, just, reasonable, and adequate. The Court hereby approves the Net Settlement
6 Amount. The Net Settlement Amount shall be the Gross Settlement Amount (\$320,000.00) less
7 the approved Attorneys’ Fees and Costs to Plaintiff’s Counsel and Settlement Administration
8 Costs to ILYM Group, Inc. (the “Settlement Administrator”). Seventy-five percent (75%) of the
9 Net Settlement Amount shall be distributed to the LWDA (“LWDA Payment”) and twenty-five
10 percent (25%) of the Net Settlement Amount shall be distributed to the Aggrieved Employees in
11 accordance with this Order and Judgment and the Settlement Agreement.

12 7. The Court has considered the Settlement, and the monetary allocations provided
13 thereby, and finds that they are fair, just, reasonable, and adequate. The Court hereby orders the
14 Settlement Administrator to administer the Settlement and to make the payments as provided for
15 by, and consistent with, this Order and Judgment and the Settlement Agreement.

16 8. The Court approves the payment of One Hundred Six Thousand Six Hundred Sixty-
17 Six Dollars and Sixty-Seven Cents (\$106,666.67) from the Gross Settlement Amount to
18 Plaintiff’s Counsel, Lawyers *for* Justice, PC and Parker & Minne, LLP (collectively, “Plaintiff’s
19 Counsel”) for attorneys’ fees.

20 9. The Court approves the payment of Eight Thousand Three Hundred Twenty Dollars
21 and Ninety-Eight Cents (\$8,320.98) from the Gross Settlement Amount to Plaintiff’s Counsel for
22 reimbursement of litigation costs and expenses incurred in the Action.

23 10. Any allocation of attorneys’ fees and costs between and among Plaintiff’s Counsel
24 shall be made by the Settlement Administrator pursuant to the separate and independent
25 agreement between Plaintiff’s Counsel.

26 11. The Court approves payment in the amount of Fifteen Thousand Four Hundred
27 Fifty Dollars and Zero Cents (\$15,450.00) to the Settlement Administrator for the Settlement
28 Administration Costs. This amount shall be paid from the Gross Settlement Amount and shall be

1 disbursed in accordance with this Order and Judgment and the Settlement Agreement.

2 12. The Court approves the Notice of Representative Action Settlement (the
3 “Settlement Cover Letter”), attached hereto as Exhibit 4 in both English and Spanish
4 translations, and the Settlement Administrator shall distribute the Settlement Cover Letter to
5 Aggrieved Employees no later than fourteen (14) calendar days after the Settlement
6 Administrator’s receipt of the Aggrieved Employees List from Defendants.

7 13. No later than fourteen (14) calendar days after the date this Order and Judgment is
8 signed, Defendants shall provide the Settlement Administrator with the Aggrieved Employees
9 List, in accordance with this Order and Judgment and the Settlement Agreement.

10 14. Defendants shall fund the Gross Settlement Amount in two (2) installments. Within
11 thirty (30) days of the date this Order and Judgment is signed (the “Initial Funding Date”),
12 Defendants will make an initial deposit (the “First Installment”) of Two Hundred Twenty
13 Thousand Dollars and Zero Cents (\$220,000.00) into an account established by the Settlement
14 Administrator for administration of the Settlement. Within one (1) year of the Initial Funding
15 Date, Defendants will make a second deposit (the “Second Installment”) of One Hundred
16 Thousand Dollars and Zero Cents (\$100,000.00) into the account established by the Settlement
17 Administrator for administration of the Settlement.

18 15. Within fourteen (14) calendar days after the expiration of the sixty (60) day
19 Response Deadline, or, if any Settlement Cover Letters have been remailed, following the
20 expiration of the fifteen (15) day extended Response Deadline, any available funds shall be
21 distributed by the Settlement Administrator in the following order of priority: (1) payment of the
22 Employee PAGA Amount to Aggrieved Employees; (2) payment to the LWDA of the LWDA
23 Payment; and (3) payment of one-half of the Settlement Administration Costs to the Settlement
24 Administrator. Any funds remaining after this distribution shall be distributed in the following
25 order of priority: (1) remaining Settlement Administration Costs to the Settlement Administrator,
26 (2) Costs to Plaintiff’s Counsel, and (3) Attorneys’ Fees to Plaintiff’s Counsel.

27 16. Within fourteen (14) calendar days of the Second Funding Date, the Settlement
28 Administrator shall distribute all of the funds from the Second Installment as follows: (1) any

1 amounts outstanding for payment of the remaining Settlement Administration Costs to the
2 Settlement Administrator; and (2) all amounts outstanding for payment of the remaining Court-
3 approved Attorneys' Fees and Costs to Plaintiff's Counsel.

4 17. All Individual PAGA Payment checks that are issued to Aggrieved Employees shall
5 be valid and negotiable up to one hundred eighty (180) calendar days after the checks are
6 initially mailed to the Aggrieved Employees, and thereafter, shall be cancelled. Any funds
7 associated with such cancelled checks will be submitted to the Controller of the State of
8 California pursuant to the Unclaimed Property Law, California Civil Code § 1500, et seq., to be
9 held in trust for those Aggrieved Employees who did not timely cash their Settlement checks
10 within one hundred eighty (180) calendar days of their issuance.

11 18. Aggrieved Employees may dispute the number of Pay Periods credited to them by
12 submitting a Pay Period Dispute, as set forth in the Agreement, by the Response Deadline.
13 Aggrieved Employees shall not have the right to opt-out of or object to the Settlement.

14 19. After the occurrence of both the Effective Date and the full funding of the Gross
15 Settlement Amount, Plaintiff, Aggrieved Employees, and the State of California will be deemed
16 to have discharged Defendants and the Released Parties as set forth in the Settlement Agreement.

17 20. Notice of the entry of this Judgment shall be provided to Aggrieved Employees
18 through a website maintained by the Settlement Administrator for the administration of this
19 Settlement. The Court orders the Settlement Administrator to post a copy of the operative
20 Complaint, Settlement Cover Letter, Settlement Agreement, Amendment, and this Order and
21 Judgment on its website for at least 180 days.

22 21. A final accounting hearing shall be held on February 5, 2026 at 9:00 a.m. in
23 Department CX104 of the above-entitled court, located at 751 W. Santa Ana Boulevard, Santa
24 Ana, California 92701. Plaintiff's Counsel shall submit a final administrator's report at least
25 nine (9) court days before the final accounting hearing (i.e., by January 23, 2026) addressing the
26 status of the settlement administration, including the actual amounts paid to the Aggrieved
27 Employees and the other amounts distributed under the Settlement, including any uncashed
28 checks.

1 22. Without affecting the finality of this Order and Judgment, the Court shall retain
2 continuing jurisdiction over this action and the parties, and over all matters pertaining to the
3 implementation and enforcement of the terms of the Settlement Agreement pursuant to Civil
4 Procedure section 664.6. Except as provided to the contrary herein, any disputes or
5 controversies arising with or with respect to the interpretation, enforcement, or implementation
6 of the PAGA Settlement Agreement shall be presented to the Court for resolution.

7 **IT IS SO ORDERED, ADJUDGED, AND DECREED.**

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10 Dated: December 2, 2024



Melissa R. McCormick
Judge of the Superior Court

EXHIBIT 1

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Attorneys for Plaintiff Abram Cannon

[List of Counsel Continued on Following Page]

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ORANGE

ABRAM CANNON, individually, and on behalf
of other aggrieved employees pursuant to the
California Private Attorneys General Act;

Plaintiff,

vs.

IPS, INC., an unknown business entity; IPS
SECURITY, INC., a California corporation;
AMERICAN EMPLOYMENT INSTITUTE, a
California corporation; and DOES 1 through
100, inclusive,

Defendants.

Case No.: 30-2023-01300848-CU-OE-CXC

Honorable Melissa R. McCormick
Dept. CX104

PAGA SETTLEMENT AGREEMENT

Complaint Filed: January 9, 2023
Trial Date: None Set

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17 Attorneys for Defendants IPS, Inc., IPS Security, Inc.,
18 and American Employment Institute
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This PAGA Settlement Agreement (“Agreement,” “Settlement,” or “Settlement Agreement”) is made and entered into between Plaintiff Abram Cannon (“Plaintiff”), on his own behalf, on behalf of the State of California, and on behalf of other Aggrieved Employees as defined below, and Defendants IPS, Inc., IPS Security, Inc., and American Employment Institute (“Defendants”).

I. DEFINITIONS

1. “Action” means the civil action filed on January 9, 2023 in the Superior Court for the County of Orange in the State of California, entitled *Abram Cannon, individually, and on behalf of other aggrieved employees pursuant to the California Private Attorneys General Act vs. IPS, INC., an unknown business entity; IPS SECURITY, INC., a California corporation; AMERICAN EMPLOYMENT INSTITUTE, a California corporation; and DOES 1 through 100, inclusive*, Case Number 30-2023-01300848-CU-OE-CXC.

2. “Aggrieved Employees” means all current and former non-exempt and/or hourly-paid employees who worked for Defendants in the State of California at any time during the PAGA Period.

3. “Aggrieved Employees’ Payment” means twenty-five percent (25%) of the Net Settlement Amount.

4. “Attorneys’ Fees and Costs” means attorneys’ fees for Plaintiff’s Counsel’s litigation and resolution of this Action and their expenses and costs incurred in connection with the Action, which shall be paid from the Gross Settlement Amount.

5. “Complaint” means the Complaint for Enforcement Under the Private Attorneys General Act, California Labor Code § 2698 et seq. that was filed in this Action on January 9, 2023.

6. “Court” means the Superior Court for the County of Orange.

7. “Defendants’ Counsel” means Ahmed Kasem of Kasem Law.

8. “Effective Date” means the later date of the following: (1) thirty days after the date that this Agreement is fully executed; or (2) the date the Court signs and enters the Settlement Approval Order.

9. “Eligible Pay Periods” means the ¹total number of pay periods that each Aggrieved

Employee worked for Defendants during the PAGA Period.

10. "Gross Settlement Amount" means the settlement amount of Three Hundred Twenty Thousand Dollars and Zero Cents (\$320,000.00) to be paid by Defendants in full satisfaction of all Released Claims, which includes Individual PAGA Payments to be paid to Aggrieved Employees, LWDA Payment to the LWDA, Attorneys' Fees and Costs to Plaintiff's Counsel, and Settlement Administration Costs.

11. "Individual PAGA Payment" means the portion of the Net Settlement Amount to be allocated and paid to each Aggrieved Employee as provided in this Agreement. Each Individual PAGA Payment shall be calculated by multiplying the Aggrieved Employee's number of total Eligible Pay Periods by the Pay Period Value.

12. "LWDA" means the California Labor and Workforce Development Agency.

13. "LWDA Payment" means seventy-five percent (75%) of the Net Settlement Amount.

14. "Net Settlement Amount" means the sum remaining after the Court-approved deductions from the Gross Settlement Amount for: (1) Attorneys' Fees and Costs to Plaintiff's Counsel and (2) Settlement Administration Costs.

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

16. "PAGA Notice" means the November 4, 2022 written notice submitted by Plaintiff's Counsel on behalf of Plaintiff and the Aggrieved Employees to the LWDA, with a copy sent to Defendants via U.S. Certified Mail, pursuant to California Labor Code section 2699.3, in which he provided notice of the specific provisions of the California Labor Code alleged to have been violated by Defendants, including the facts and theories to support the alleged violations.

17. "PAGA Period" means the period from November 4, 2021 through December 7, 2023.

18. "Parties" means the parties to the Agreement, specifically, Plaintiff and Defendants.

19. "Pay Periods" means the total number of Defendants' pay periods during the PAGA period in which an Aggrieved Employee was employed by, and actively worked for, Defendants in an hourly-paid, non-exempt position in the State of California. Any pay period in which an

Aggrieved Employee worked at least one day for Defendants shall be included in the calculation of the Pay Periods. The Settlement Administrator will calculate the total number of Pay Periods worked by all Aggrieved Employees during the PAGA Period, the Pay Period Value, and the Individual PAGA Payments payable to each Aggrieved Employee. The Settlement Administrator will calculate the number of Pay Periods worked by each Aggrieved Employee based upon the information provided by Defendants in the Aggrieved Employees List, as provided for in Paragraph 42(a). Defendants' payroll data used to calculate the number of Pay Periods in the Aggrieved Employees List will be presumed correct.

20. "Pay Period Value" means the amount of the Aggrieved Employees' Payment divided by the total number of Pay Periods. The Pay Period Value shall be calculated by the Settlement Administrator.

21. "Plaintiff's Counsel" means Edwin Aiwarzian, Arby Aiwarzian, and Joanna Ghosh of Lawyers *for* Justice, PC and Jill J. Parker and S. Emi Minne of Parker & Minne, LLP.

22. "Released Claims" means any and all claims or causes of action for penalties under PAGA and all relief that may be sought thereunder for the applicable statutory period through the date of settlement, whether known or unknown, that Plaintiff or any Aggrieved Employee had, now has, has asserted, or may hereafter assert against Defendants or any Released Parties that are based on, or arise from, the factual allegations in the Complaint or the PAGA Notice, during the PAGA Period, including, but not limited to: (i) failure to pay all overtime wages due (Labor Code sections 510 and 1198); (ii) failure to provide meal periods or compensation in lieu thereof (Labor Code sections 226.7 and 512(a)); (iii) failure to provide rest periods or compensation in lieu thereof (Labor Code section 226.7); (iv) failure to pay all minimum wages due (Labor Code sections 1194, 1197, and 1197.1); (v) failure to timely pay wages at time of termination or resignation (Labor Code sections 201-203); (vi) failure to timely pay wages during employment (Labor Code section 204); (vii) failure to provide complete, accurate wage statements (Labor Code section 226(a)); (viii) failure to keep requisite payroll records (Labor Code section 1174(d); and (ix) failure to reimburse necessary business expenses (Labor Code sections 2800 and 2802).

23. "Released Parties" means Defendants ³IPS, Inc., IPS Security, Inc., and

American Employment Institute, as named by Plaintiff in the Complaint, and their past, present and/or future, direct and/or indirect, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, joint venturers, sub-contractors, vendors, clients, joint employers, co-employers, payroll services, temporary-hiring agencies, divisions, predecessors, successors, assigns and related companies, board members, trustees, shareholders, managing members, auditors, accountants, benefits administrators or third-party administrators, experts, contractors, representatives, reinsurers, and other persons acting on their behalf, both in their individual and representative capacities.

24. "Settlement" or "Settlement Agreement" means the agreement to settle the claims as set forth and embodied in this Agreement.

25. "Settlement Administration Costs" means the reasonable fees and costs payable from the Gross Settlement Amount to the Settlement Administrator for performing the settlement administration functions expressly required by this Agreement to administer the Settlement.

26. "Settlement Administrator" means ILYM Group, Inc. The Parties each represent that they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

27. "Settlement Approval Order" means an order from the Court granting approval of the Settlement.

28. "Settlement Cover Letter" means the cover letter to be mailed by the Settlement Administrator to each Aggrieved Employee along with Individual PAGA Payment checks in substantially the form that is attached hereto as Exhibit A.

II. RECITALS

29. On November 4, 2022, Plaintiff submitted the PAGA Notice to the LWDA and to Defendants. The PAGA Notice alleged that Defendants violated California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and Industrial Welfare Commission Wage Order 4-2001. The PAGA Notice alleged, *inter alia*, that Defendants failed to pay minimum and overtime wages, failed to provide meal

1 and rest periods, failed to timely pay wages during employment, failed to timely pay wages upon
2 termination, failed to keep accurate payroll records, failed to furnish accurate itemized wage
3 statements, and failed to reimburse necessary business expenses.

4 30. Plaintiff filed the Complaint on January 9, 2023 in the Superior Court for the County
5 of Orange. The Complaint alleged one cause of action pursuant to PAGA for: (1) Violation of
6 California Labor Code sections 510 and 1198 (Unpaid Overtime Wages); (2) Violation of California
7 Labor Code sections 226.7 and 512(a) (Failure to Provide Meal Periods); (3) Violation of California
8 Labor Code section 226.7 (Failure to Provide Rest Periods); (4) Violation of California Labor Code
9 sections 1194, 1197, and 1197.1 (Unpaid Minimum Wages); (5) Violation of California Labor Code
10 sections 201, 202, 203; (Failure to Timely Pay Wages Upon Termination); (6) Violation of
11 California Labor Code section 204 (Failure to Timely Pay Wages During Employment); (7)
12 Violation of California Labor Code section 226(a) (Failure to Provide Complete and Accurate Wage
13 Statements); (8) Violation of California Labor Code section 1174(d) (Failure to Keep Complete and
14 Accurate Payroll Records); and (9) Violation of California Labor Code sections 2800 and 2802
15 (Unreimbursed Business Expenses).

16 31. On December 7, 2023, the Parties mediated with Tagore Subramaniam, Esq., and
17 reached the Settlement that is memorialized herein. The Parties' settlement discussions were
18 conducted at arms' length, and the Settlement is the result of an informed and detailed analysis of
19 Defendants' potential liability and exposure in relation to the costs and risks associated with
20 continued litigation. Based on Plaintiff's Counsel's investigation, Plaintiff's Counsel believes that
21 the Settlement for the consideration and on the terms set forth in this Settlement Agreement is fair,
22 reasonable, and adequate and is in the best interest of Plaintiff, the Aggrieved Employees, and the
23 State of California in light of all known facts and circumstances, including the risk of significant
24 delay and uncertainty associated with litigation and various defenses asserted by Defendants.

25 32. There has been no determination on the merits of the Action or Defendants' defenses
26 thereto. However, in order to avoid additional cost and the uncertainty of litigation, the Parties
27 desire to resolve the Released Claims.

III. SETTLEMENT CONSIDERATION

33. In consideration for Plaintiff signing this Settlement Agreement and complying with its terms, Defendants shall pay the maximum non-reversionary gross sum of Three Hundred Twenty Thousand Dollars and Zero Cents (\$320,000.00) to resolve the Action and Released Claims, which shall be distributed as follows:

- a. Attorneys' fees of up to one-third (1/3) of the Gross Settlement Amount, i.e., One Hundred Twelve Thousand Dollars and Zero Cents (\$112,000.00), and reimbursement of litigation costs and expenses not to exceed Thirty Thousand Dollars and Zero Cents (\$30,000.00) to Plaintiff's Counsel, which Defendants will not contest.
- b. Settlement Administration Costs up to the amount of Twenty Thousand and Zero Dollars (\$20,000.00) to the Settlement Administrator.
- c. LWDA Payment consisting of seventy-five percent (75%) of the Net Settlement Amount shall be distributed to the LWDA, and the remaining twenty-five percent (25%) of which is the Aggrieved Employees' Payment shall be distributed to the Aggrieved Employees.

34. The Parties estimated for purposes of settlement discussions that there were approximately 6,125 pay periods during the period from November 4, 2021 to December 7, 2023. If it is determined by the Settlement Administrator that the number of Pay Periods during the PAGA Period actually exceeds 6,125 by more than 5% (i.e., by more than 306.25 Pay Periods), Defendants shall have the option of either: (1) increasing the Gross Settlement Amount on a pro-rata basis equal to the percentage increase in the number of Pay Periods worked by the Aggrieved Employees above 5% (e.g., if the number of Pay Periods increases by 6% to 6,492.5 Pay Periods, the Gross Settlement Amount will increase by 1%), or (2) agreeing that the end date of the PAGA Period shall be the date before the Pay Periods exceed the 5% threshold.

35. Because this is a settlement of PAGA claims for civil penalties only, no portion of the Settlement is allocated to unpaid wages. One hundred percent (100%) of the payments for Attorneys' Fees and Costs and the Net Settlement Amount to be paid to the LWDA and

Aggrieved Employees as described in Paragraph 33 will be treated and reported for tax purposes as non-wage payments and will not be subject to local, state or federal payroll tax withholdings. The Settlement Administrator will be responsible for issuing IRS Forms 1099 as required.

IV.SETTLEMENT DISBURSEMENT AND DISMISSAL OF ACTION

36. It is understood and agreed by the Parties that, shortly after this Agreement is fully executed by the Parties, Plaintiff and Plaintiff's counsel shall take all steps they deem necessary to obtain the Court's entry of a Settlement Approval Order.

37. Defendants shall fund the Gross Settlement Amount in two (2) installments. Within thirty (30) days of the Effective Date (the "Initial Funding Date"), Defendants will make an initial deposit (the "First Installment") of Two Hundred Twenty Thousand Dollars and Zero Cents (\$220,000.00) into an interest-bearing account established by the Settlement Administrator for administration of the Settlement. Within one (1) year of the Initial Funding Date, Defendants will make a second deposit (the "Second Installment") of One Hundred Thousand Dollars and Zero Cents (\$100,000.00) into the account established by the Settlement Administrator for administration of the Settlement. If the date by which payment by Defendants is due falls on a Saturday, Sunday, or legal holiday in the State of California, then the due date shall be extended to the next following day which is not a Saturday, Sunday, or legal holiday in the State of California.

38. The Settlement Administrator will distribute funds as follows:

a. Within fourteen (14) calendar days of the Initial Funding Date, any available funds shall be distributed by the Settlement Administrator in the following order of priority: (1) payment of the Employee PAGA Amount to Aggrieved Employees; (2) payment to the LWDA of the LWDA Payment; and (3) payment of one-half of the Settlement Administration Costs to the Settlement Administrator. Any funds remaining after this distribution shall be retained in the account established by the Settlement Administrator to be distributed after the Second Funding Date.

b. Within fourteen (14) calendar days of the Second Funding Date, the Settlement Administrator shall distribute all of the remaining funds as follows: (1) remaining payment of one-half of ⁷ the Settlement Administration Costs to the

Settlement Administrator; and (2) payment of Court-approved Attorneys' Fees and Costs to Plaintiff's Counsel.

39. Upon complete distribution of the Gross Settlement Amount by the Settlement Administrator in accordance with this Settlement Agreement, the Settlement Administrator will promptly notify the Parties of such.

V. COURT APPROVAL OF THE SETTLEMENT AGREEMENT

40. The Parties will cooperate in obtaining an order from the Court approving this Settlement Agreement and dismissal of the Action based thereon, as described herein. The Parties further agree to cooperate in the drafting and/or filing of any further documents and/or filings reasonably necessary to be prepared and/or filed, and to take all steps that may be requested by the Court in order to obtain approval and implementation of this Settlement Agreement, and the payments described in Paragraph 33. A copy of this Settlement Agreement will be submitted to the LWDA at the same time the Settlement Agreement is present to the Court for approval.

41. **Settlement Termination.** The Parties expressly acknowledge that the Court's approval of the Settlement Agreement is a condition precedent to any payments described in this Settlement Agreement. Therefore, the Parties further acknowledge that, should the Court not grant approval of this Settlement Agreement and/or should the Court refuse to grant dismissal of the action and closure of the case based on the Settlement (a) the entirety of this Settlement Agreement shall be null and void; (b) any action taken or to be taken in connection with this Settlement Agreement and the Settlement shall become null and void and of no effect, (c) this Settlement Agreement and the Settlement and any hearings or proceedings thereunder shall not be referred to or used as evidence for or against any party or Aggrieved Party in this or any other action or proceeding, (d) all pre-trial proceedings, including discovery, shall resume thirty (30) calendar days thereafter as if this Settlement had not been proposed for approval of the Court. Notwithstanding this provision, the Parties agree that they shall make a good faith effort to resolve any issues raised by the Court prior to invoking their right to nullify the Settlement Agreement under this provision. The Parties further agree that, if necessary, they shall meet and confer regarding returning to and attending an additional mediation in an effort to reach a Settlement that may be approved by the Court.

1 **VI.DISTRIBUTION OF THE GROSS SETTLEMENT AMOUNT AND NOTICE**
2 **TO AGGRIEVED EMPLOYEES**

3 42. Each Aggrieved Employee will be entitled to a *pro rata* share of the Aggrieved
4 Employees' Payment based upon the number of Eligible Pay Periods that they worked. The Eligible
5 Pay Periods are the number of pay periods that each Aggrieved Employee worked during the PAGA
6 Period, as established by Defendants' payroll records. Each Aggrieved Employee will be credited
7 with at least one (1) Eligible Pay Period.

8 a. To calculate each Aggrieved Employee's Individual PAGA Payment, the
9 Settlement Administrator shall multiply the number of Eligible Pay Periods an Aggrieved
10 Employee is credited by the Pay Period Value to arrive at each Aggrieved Employee's
11 Individual PAGA Payment.

12 b. Aggrieved Employees will not be required to submit any claim form or other
13 documentation to receive their Individual PAGA Payment.

14 c. One hundred percent (100%) of all Individual PAGA Payments are to be
15 considered penalties.

16 d. Aggrieved Employees may not opt out or object to the Settlement.

17 43. The Settlement Administrator shall distribute each Individual PAGA Payment by way
18 of check, along with the Settlement Cover Letter in the following manner:

19 a. No later than fourteen (14) calendar days after the Court's order granting
20 approval of the Settlement, Defendants shall provide the Settlement Administrator with a
21 list in Microsoft Excel of all Aggrieved Employees (the "Aggrieved Employees List"),
22 containing the following information for each Aggrieved Employee: (1) full name; (2) last
23 known home address; (3) last known telephone number; (4) social security number; (5)
24 start and end dates of active employment as a non-exempt employee of Defendants in the
25 State of California; (6) the number of Pay Periods worked during the PAGA Period; and
26 (7) any other information required by the Settlement Administrator in order to effectuate
27 the terms of the Settlement.

28 b. The Settlement ⁹ Administrator shall conduct one (1)

1 National Change of Address (“NCOA”) search for all individuals identified on the
2 Aggrieved Employees List.

3 c. No later than fourteen (14) calendar days after the Settlement Administrator’s
4 receipt of the Gross Settlement Amount, the Settlement Administrator shall mail the
5 Settlement Cover Letter and Individual PAGA Payment checks (together, the “PAGA
6 Settlement Package”) to all Aggrieved Employees by first-class United States mail. The
7 Individual PAGA Payment checks issued to Aggrieved Employees shall remain valid for
8 one hundred eighty (180) calendar days, and, thereafter, shall be cancelled.

9 d. For each PAGA Settlement Package that is returned as undeliverable, the
10 Settlement Administrator shall promptly attempt to locate an alternate updated address for
11 the Aggrieved Employee by performing a skip trace within three (3) business days of
12 receipt of the returned mail; the Settlement Administrator shall then attempt one (1) re-
13 mailing of the PAGA Settlement Package. Further, any PAGA Settlement Package
14 returned with a forwarding address to the Settlement Administrator shall be re-mailed to
15 the forwarding address affixed thereto.

16 e. The Settlement Administrator will submit all funds associated with cancelled
17 Individual PAGA Payment checks to the State of California’s Unclaimed Property Fund.

18 **VII. RELEASE OF CLAIMS BY PLAINTIFF, AGGRIEVED EMPLOYEES,**
19 **AND THE STATE OF CALIFORNIA**

20 44. Upon the Effective Date and the full funding of the Gross Settlement Amount, and
21 except as to the rights and obligations created by this Settlement Agreement, Plaintiff and Aggrieved
22 Employees, individually and on behalf of their heirs, executors, administrators, representatives,
23 attorneys, successors and assigns, and the State of California, on behalf of itself and its
24 administrators, representatives, and assigns, will be deemed to have knowingly and voluntarily
25 released and forever discharged the Released Parties, to the full extent permitted by law, of and from
26 the Action and from any and all claims asserted and unasserted, arising during the period from
27 November 4, 2021 through December 7, 2023, for civil penalties under California Labor Code
28 section 2698, *et seq.* (“PAGA”) as well as any ¹⁰ interest, fees, and costs available under PAGA,

1 based on the factual allegations in the Complaint and in Plaintiff's November 4, 2022 PAGA Notice,
2 including failure to pay minimum wages, failure to pay overtime wages, failure to provide compliant
3 meal periods and associated premiums, failure to provide compliant rest periods and associated
4 premiums, failure to timely pay wages during employment, failure to timely pay wages upon
5 termination, failure to keep maintain requisite payroll records, failure to furnish accurate itemized
6 wage statements, and failure to indemnify or reimburse necessary business expenses, and for
7 violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551,
8 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and Industrial Welfare Commission
9 Wage Order 4-2001. This release specifically excludes Plaintiff's individual claims that do not arise
10 under PAGA, including but not limited to, Plaintiff's individual claims for unpaid minimum wages,
11 unpaid overtime wages, meal period violations, rest period violations, failure to timely pay wages
12 upon termination, failure to reimburse business expenses, wage statement violations, and claims for
13 retaliation and wrongful termination, which are the subject of a separate Settlement Agreement and
14 General Release.

15 45. Plaintiff warrants and represents that Plaintiff has not assigned or transferred or
16 purported to assign or transfer to any person or entity all or any part of or any interest in any claim
17 released under this Settlement Agreement. Plaintiff is solely responsible for the satisfaction of any
18 assignment or lien to any lien holder and will indemnify and hold the Released Parties harmless
19 against any liens, damages, penalties, fines, fees, assessments, taxes or attorneys' fees that may be
20 imposed against or incurred by any of the Released Parties as a result of the Action of any lien holder
21 or any lien claimant or any court in relation to any interest which any third party may have in any
22 claim which Plaintiff is releasing under this Settlement Agreement or any interest in any of the
23 proceeds paid to Plaintiff or Plaintiff's Counsel under this Settlement Agreement.

24 **VIII. GOVERNING LAW**

25 46. This Settlement Agreement shall be governed and conformed in accordance with the
26 laws of the State of California provided, however, that parole evidence shall not be admissible to
27 alter, vary or supplement the term of this Settlement Agreement.

28 47. In the event of a breach of any ¹¹provision of this Settlement Agreement, any Party

1 reserves the right to institute an action specifically to enforce any term or terms of this Settlement
2 Agreement or seek damages for breach. In an action to enforce any term or terms of this Settlement
3 Agreement or to seek damages for breach of this Settlement Agreement, the prevailing Party in that
4 action shall be entitled to recover reasonable attorney's fees and costs from the non-prevailing Party.

5 **IX.MISCELLANEOUS**

6 48. Defendants agree that they will adopt a neutral reporting policy regarding any future
7 employment references related to Plaintiff. In the event that any potential or future employers of
8 Plaintiff request a reference regarding Defendants' employment of Plaintiff, Defendants shall only
9 provide Plaintiff's dates of employment and job titles during employment. Defendants shall not refer
10 to the Action or this Settlement.

11 49. This Settlement Agreement may not be modified, altered, or changed except through
12 a written modification signed by both Parties or their counsel wherein specific reference is made to
13 this Settlement Agreement, subject to approval by the Court.

14 50. This Agreement may be executed in one or more actual or non-original counterparts,
15 either through a physical original, facsimile, electronic, or e-mail signature, all of which will be
16 considered one and the same instrument and all of which will be considered duplicate originals.

17 51. The section headings used in this Settlement Agreement are intended solely for
18 convenience of reference and shall not in any manner amplify, limit, modify or otherwise be used in
19 the interpretation of any of the provisions hereof.

20 52. This Settlement Agreement was the result of negotiations between the Parties and
21 their respective counsel. In the event of vagueness, ambiguity or uncertainty, this Settlement
22 Agreement shall not be construed against the Party preparing it but shall be construed as if both
23 Parties prepared it jointly.

24 53. If Plaintiff or Defendants fail to enforce this Settlement Agreement or to insist on
25 performance of any term, that failure does not mean a waiver of that term or of the Settlement
26 Agreement. The Settlement Agreement remains in full force and effect anyway.

27 54. Upon entry of the Settlement Approval Order and dismissal of the Action, the Court
28 shall retain continuing jurisdiction pursuant to Code of Civil Procedure Section 664.6 for purposes

of addressing: (a) the interpretation and enforcement of the terms of the Settlement, (b) Settlement administration matters, and (c) such post-judgment matters as may be appropriate under court rules or as set forth in this Settlement Agreement.

HAVING ELECTED TO EXECUTE THIS SETTLEMENT AGREEMENT, TO FULFILL THE PROMISES AND TO RECEIVE THE CONSIDERATION SET FORTH ABOVE, PLAINTIFF AND DEENDANT, FREELY AND KNOWINGLY, AND AFTER DUE

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1 **CONSIDERATION, ENTER INTO THIS SETTLEMENT AGREEMENT.**

2 **IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this**
3 **Settlement Agreement as of the date(s) set forth below:**

4 Dated: 01/03/2024

By: 
Abram Cannon (Jan 3, 2024 17:52 PST)

Abram Cannon

Individually, and on Behalf of the State of California
and Aggrieved Employees

IPS, Inc.

9 Dated: 01/09/2024

By: David Sayed

Name: David Sayed

Title: Managing Director

IPS Security, Inc.

13 Dated: 01/09/2024

By: David Sayed

Name: David Sayed

Title: Managing Director

American Employment Institute

17 Dated: 01/09/2024

By: David Sayed

Name: David Sayed

Title: Managing Director

20 **APPROVED AS TO FORM AND CONTENT:**

21 **PARKER & MINNE, LLP**

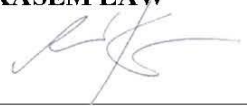
22 Dated: January 3, 2024

By: 
Jill J. Parker

Attorneys for Plaintiff Abram Cannon

25 **KASEM LAW**

26 Dated: January 9, 2024

By: 
Ahmed Kasem

Attorneys for Defendants IPS, Inc., IPS Security, Inc.,
and American Employment Institute

EXHIBIT A

NOTICE OF REPRESENTATIVE ACTION SETTLEMENT

If you are or were an hourly-paid, non-exempt employee of IPS, Inc., IPS Security, Inc., or American Employment Institute at any time between November 4, 2021 through December 7, 2023, you are entitled to receive money from a Settlement brought under the Labor Code Private Attorneys General Act of 2004 (“PAGA”).

A court approved this notice. This is not a solicitation from a lawyer. You are not being sued.

1. Why Am I Getting This Notice?

A settlement (the “Settlement”) has been reached in a representative action lawsuit entitled *Abram Cannon v. IPS, Inc., et al.*, Orange County Superior Court Case No. 30-2023-01300848-CU-OE-CXC (the “Action” or “Lawsuit”). The defendants in the Action are IPS, Inc., IPS Security, Inc., and American Employment Institute (“Defendants”). The Action was brought by Plaintiff Abram Cannon (“Plaintiff”), a former employee of Defendants, on behalf of the State of California and all alleged “Aggrieved Employees,” defined as all current and former hourly-paid, non-exempt employees who were employed by Defendants in the State of California at any time between November 4, 2021 through December 7, 2023 (the “PAGA Period”).

The Court has granted approval of the settlement amount to be paid by Defendants for settlement of the Action for civil penalties under PAGA.

Defendants’ employment records indicate that you meet the definition of an Aggrieved Employee. The Court directed that this Notice be sent to all Aggrieved Employees to inform you about the case and your rights.

This Notice explains the Lawsuit, the Settlement, your legal rights, and what benefits are available.

2. What is This Lawsuit About?

On November 4, 2022 Plaintiff provided written notice to the California Labor and Workforce Development Agency (“LWDA”) and Defendants of the specific provisions of the California Labor Code that he contends were violated (the “PAGA Notice”). On January 9, 2023, Plaintiff filed a Complaint for Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, et seq (the “Complaint”). Plaintiff filed the Action as a Private Attorney General on behalf of the State of California and sought penalties on behalf of himself, the State, and all current and former hourly-paid, non-exempt employees of Defendants within the PAGA Period. Plaintiff alleges that Defendants owed penalties under California’s Private Attorneys General Act of 2004, California Labor Code §§ 2698, et seq. (“PAGA”). In agreeing to this settlement, Defendants do not admit to any wrongdoing or that they are liable in any way for any civil penalties under PAGA.

3. Why is There a Settlement?

The Court did not decide in favor of Plaintiff or Defendants. Instead, both sides agreed to a Settlement. This allows the Parties to avoid the risk and uncertainty of trial and any subsequent appeal, and all affected employees will receive compensation. Plaintiff and Plaintiff’s attorneys believe the Settlement is fair, reasonable and adequate, and in the best interests of all Aggrieved Employees.

4. What Are the Terms of the Settlement?

Defendants will pay Three Hundred Twenty Thousand Dollars and Zero Cents (\$320,000.00) to settle the Action (the “Gross Settlement Amount”). The Gross Settlement Amount includes: (a) all Individual PAGA Payments to be paid to Aggrieved Employees (“Aggrieved Employees’ Payment”); (b) a payment to the LWDA for civil penalties brought under PAGA; (c) Plaintiff’s Counsel’s attorneys’ fees in an amount not to exceed one-third of the Gross Settlement Amount (i.e, \$112,000.00) and reimbursement of litigation costs and expenses in an amount not to exceed Thirty Thousand Dollars and Zero Cents (\$30,000.00); and (d) the reasonable fees and costs of the Settlement Administrator, not to exceed Twenty Thousand Dollars and Zero Cents (\$20,000.00).

After deductions are made from the Gross Settlement Amount for Plaintiff’s Counsel’s attorneys’ fees and costs, and the reasonable fees and costs of the Settlement Administrator, the remaining money (the “Net Settlement Amount”) will be split

between the LWDA and the Aggrieved Employees. The law requires that 75% of the Net Settlement Amount be paid to the LWDA. The remaining 25% of the Net Settlement Amount will be paid out to the Aggrieved Employees. No portion of the Gross Settlement Amount will be returned to Defendants.

5. How Much Am I Receiving?

Each Aggrieved Employee will receive a *pro rata* share of the PAGA Payment based on the number of pay periods the Aggrieved Employee worked for Defendants as an hourly-paid, non-exempt employee during the PAGA Period. Any pay period in which an Aggrieved Employee worked at least one day shall be counted as a pay period.

To calculate each Aggrieved Employee's Individual PAGA Payment, the Aggrieved Employees' Payment was divided by the aggregate total number of Eligible Pay Periods of all Aggrieved Employees, resulting in the "Pay Period Value." Each Aggrieved Employee's Individual PAGA Payment was then calculated by multiplying his or her individual Eligible Pay Periods by the Pay Period Value.

Your Eligible Pay Periods are: _____

Your Individual PAGA Payment is: \$ _____

The Settlement checks will be valid for 180 days after they are issued. After 180 days, the Settlement checks will be void. Any funds represented by Settlement checks remaining uncashed for more than 180 days after issuance shall be transmitted to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Code of Civil Procedure Section 1500, *et seq.* in the names of those Aggrieved Employees who did not cash their Settlement checks until such time as they claim their funds.

6. What Claims are Being Released by the Settlement?

A Judgment has been entered by the Court. Upon funding of the Gross Settlement Amount, all Aggrieved Employees will have released the Released Parties from the Released Claims for the PAGA Period, which is defined as the period of time between November 4, 2021 through December 7, 2023.

The Released Parties include Defendants IPS, Inc., IPS Security, Inc., and American Employment Institute, and their past, present and/or future, direct and/or indirect, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, and joint venturers.

The Released Claims include any and all claims or causes of action for penalties under PAGA, whether known or unknown, that Plaintiff or any Aggrieved Employee had, now has, has asserted, or may hereafter assert against Defendants or any Released Parties that are based on, or arise from, the factual allegations in the Complaint or the PAGA Notice, during the PAGA Period, including PAGA claims for violations of California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and Industrial Welfare Commission Wage Order 4-2001. Aggrieved Employees cannot opt out of or object to the foregoing PAGA Release.

If you have questions, you can call the Settlement Administrator at _____ or you may contact Plaintiff's attorneys:

Edwin Aiwarzian, Esq.
Arby Aiwarzian, Esq.
Joanna Ghosh, Esq.
LAWYERS for JUSTICE, PC
410 West Arden Avenue, Suite 203
Glendale, California 91203
Telephone: (818) 265-1020

Jill J. Parker, Esq.
PARKER & MINNE, LLP
700 S. Flower Street, Suite 1000
Los Angeles, California 90017
Telephone: (310) 882-6833

PLEASE DO NOT TELEPHONE THE COURT ABOUT THIS SETTLEMENT
The Court will not be able to assist you.

EXHIBIT 2

Edwin Aiwazian (SBN 232943)
Arby Aiwazian (SBN 269827)
Joanna Ghosh (SBN 272479)
LAWYERS for JUSTICE, PC
410 West Arden Avenue, Suite 203
Glendale, California 91203
Telephone: (818) 265-1020
Facsimile: (818) 265-1021

Attorneys for Plaintiff Abram Cannon

[List of Counsel Continued on Following Page]

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ORANGE**

ABRAM CANNON, individually, and on behalf
of other aggrieved employees pursuant to the
California Private Attorneys General Act;

Plaintiff,

vs.

IPS, INC., an unknown business entity; IPS
SECURITY, INC., a California corporation;
AMERICAN EMPLOYMENT INSTITUTE, a
California corporation; and DOES 1 through
100, inclusive,

Defendants.

Case No.: 30-2023-01300848-CU-OE-CXC

Honorable Melissa R. McCormick
Dept. CX104

**FIRST AMENDMENT TO PAGA
SETTLEMENT AGREEMENT**

Complaint Filed: January 9, 2023
Trial Date: None Set

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14 Costa Mesa, California 92626
15 Telephone: (714) 371-4030
16 akasem@kasemko.com

17 Attorneys for Defendants IPS, Inc., IPS Security, Inc.,
18 and American Employment Institute
19
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Pursuant to Paragraph 49 of the PAGA Settlement Agreement (the “Original Agreement”), Plaintiff Abram Cannon (“Plaintiff”) and Defendants IPS, Inc., IPS Security, Inc., and American Employment Institute (“Defendants”) (collectively, the “Parties”) hereby agree to amend and supplant the Original Agreement as stated herein. The amendments set forth herein are incorporated by this reference:

A. PARAGRAPH 22 OF THE ORIGINAL AGREEMENT IS HEREBY AMENDED TO STATE AS FOLLOWS:

22. “Released Claims” means any and all claims or causes of action for civil penalties available under PAGA that Plaintiff or any Aggrieved Employee had, now has, has asserted, or may hereafter assert against Defendants or any Released Parties that are based on the facts alleged in the Complaint and the PAGA Notice, arising during the PAGA Period for: (i) failure to pay all overtime wages due (Labor Code sections 510 and 1198); (ii) failure to provide meal periods or compensation in lieu thereof (Labor Code sections 226.7 and 512(a)); (iii) failure to provide rest periods or compensation in lieu thereof (Labor Code section 226.7); (iv) failure to pay all minimum wages due (Labor Code sections 1194, 1197, and 1197.1); (v) failure to timely pay wages at time of termination or resignation (Labor Code sections 201-203); (vi) failure to timely pay wages during employment (Labor Code section 204); (vii) failure to provide complete, accurate wage statements (Labor Code section 226(a); (viii) failure to keep requisite payroll records (Labor Code section 1174(d); and (ix) failure to reimburse necessary business expenses (Labor Code sections 2800 and 2802).

B. PARAGRAPH 23 OF THE ORIGINAL AGREEMENT IS HEREBY AMENDED TO STATE AS FOLLOWS:

23. “Released Parties” means Defendants IPS, Inc., IPS Security, Inc., and American Employment Institute, as named by Plaintiff in the Complaint, and their past, present and/or future, direct and/or indirect, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, joint venturers, joint employers, co-employers, divisions, predecessors, successors, assigns and related companies, board members,

trustees, shareholders, managing members, and other persons acting on their behalf, both in their individual and representative capacities.

C. PARAGRAPH 28 OF THE ORIGINAL AGREEMENT IS HEREBY AMENDED TO STATE AS FOLLOWS:

28. “Settlement Cover Letter” means the cover letter to be mailed by the Settlement Administrator to each Aggrieved Employee in substantially the form that is attached hereto as Exhibit A.

D. PARAGRAPH 33(a) OF THE ORIGINAL AGREEMENT IS HEREBY AMENDED TO STATE AS FOLLOWS:

d. Attorneys’ fees of up to one-third (1/3) of the Gross Settlement Amount, i.e., One Hundred Six Thousand Six Hundred Sixty-Six Dollars and Sixty-Seven Cents (\$106,666.67.00), and reimbursement of litigation costs and expenses not to exceed Thirty Thousand Dollars and Zero Cents (\$30,000.00) to Plaintiff’s Counsel, which Defendants will not contest.

E. PARAGRAPH 37 OF THE ORIGINAL AGREEMENT IS HEREBY AMENDED TO STATE AS FOLLOWS:

37. Defendants shall fund the Gross Settlement Amount in two (2) installments. Within thirty (30) days of the Effective Date (the “Initial Funding Date”), Defendants will make an initial deposit (the “First Installment”) of Two Hundred Twenty Thousand Dollars and Zero Cents (\$220,000.00) into an account established by the Settlement Administrator for administration of the Settlement. Within one (1) year of the Initial Funding Date, Defendants will make a second deposit (the “Second Installment”) of One Hundred Thousand Dollars and Zero Cents (\$100,000.00) into the account established by the Settlement Administrator for administration of the Settlement. If the date by which payment by Defendants is due falls on a Saturday, Sunday, or legal holiday in the State of California, then the due date shall be extended to the next following day which is not a Saturday, Sunday, or legal holiday in the State of California.

1
2 **F. PARAGRAPH 38 OF THE ORIGINAL AGREEMENT IS HEREBY**
3 **AMENDED TO STATE AS FOLLOWS:**

4 38. The Settlement Administrator will distribute funds as follows:

5 c. Within fourteen (14) calendar days after the expiration of the sixty (60) day
6 Response Deadline, or, if any Settlement Cover Letters have been remailed, following the
7 expiration of the fifteen (15) day extended Response Deadline, any available funds shall
8 be distributed by the Settlement Administrator in the following order of priority: (1)
9 payment of the Employee PAGA Amount to Aggrieved Employees; (2) payment to the
10 LWDA of the LWDA Payment; and (3) payment of one-half of the Settlement
11 Administration Costs to the Settlement Administrator. Any funds remaining after this
12 distribution shall be distributed in the following order of priority: (1) remaining Settlement
13 Administration Costs to the Settlement Administrator, (2) Costs to Plaintiff's Counsel, and
14 (3) Attorneys' Fees to Plaintiff's Counsel.

15 d. Within fourteen (14) calendar days of the Second Funding Date, the
16 Settlement Administrator shall distribute all of the funds from the Second Installment as
17 follows: (1) any amounts outstanding for payment of the remaining Settlement
18 Administration Costs to the Settlement Administrator; and (2) all amounts outstanding for
19 payment of the remaining Court-approved Attorneys' Fees and Costs to Plaintiff's
20 Counsel.

21
22 **G. PARAGRAPH 42 OF THE ORIGINAL AGREEMENT IS HEREBY**
23 **AMENDED TO STATE AS FOLLOWS:**

24 42. Each Aggrieved Employee will be entitled to a *pro rata* share of the Aggrieved
25 Employees' Payment based upon the number of Eligible Pay Periods that they worked. The Eligible
26 Pay Periods are the number of pay periods that each Aggrieved Employee worked during the PAGA
27 Period, as established by Defendants' payroll records. Each Aggrieved Employee will be credited
28 with at least one (1) Eligible Pay Period. If an Aggrieved Employee disputes the number of Eligible

1 Pay Periods credited to him or her, which will be set forth in the Settlement Cover Letter, then the
2 Aggrieved Employee must submit a written dispute (“Pay Periods Dispute”) to the Settlement
3 Administrator that: (1) contains the case name and number of the Action; (2) contains the Aggrieved
4 Employee’s full name, address, telephone number, signature, and last four digits of his or her Social
5 Security number; (3) contains a statement setting forth the number of Pay Periods during the PAGA
6 Period that he or she contends is correct and attaches any relevant documentation in support thereof;
7 and (4) is submitted to the Settlement Administrator by mail, postmarked no later than the Response
8 Deadline. The Response Deadline shall be sixty (60) calendar days after the Settlement Cover Letter
9 is initially mailed to the Aggrieved Employees. With respect to any Settlement Cover Letter that is
10 remailed, the Response Deadline shall be extended an additional fifteen (15) days from the original
11 Response Deadline. If an Aggrieved Employee does not dispute his or her number of Pay Periods,
12 the number of Pay Periods set forth in the Settlement Cover Letter will govern the Individual PAGA
13 Payment to the Aggrieved Employee. Upon timely receipt of a Pay Periods Dispute, the Settlement
14 Administrator, in consultation with Plaintiff’s Counsel and Defendants’ Counsel, will review the
15 pertinent records showing the dates the Aggrieved Employee worked for Defendants in California
16 and the number of Pay Periods worked, which records Defendants agree to make available to the
17 Settlement Administrator and Plaintiff’s Counsel. After consulting with Plaintiff’s Counsel and
18 Defendants’ counsel, the Settlement Administrator shall calculate the number of Pay Periods to be
19 used in computing the Aggrieved Employee’s pro rata share of the Net Settlement Amount. In the
20 event that there is a disparity between the number of Pay Periods an Aggrieved Employee claims he
21 or she worked during the PAGA Period and the number of Pay Periods indicated by Defendants’
22 records, Defendants’ records will control unless inconsistent with records provided by the Aggrieved
23 Employee (or bona fide copies thereof), in which case the records provided by the Aggrieved
24 Employee will control. The Settlement Administrator’s decision as to the number of Pay Periods to
25 be credited to an Aggrieved Employee shall be final and non-appealable. The Settlement
26 Administrator shall send written notice of the decision on any such dispute to the Aggrieved
27 Employee, Plaintiff’s Counsel, and Defendants’ Counsel within ten (10) calendar days of receipt of
28 the Pay Periods Dispute.

1
2 **H. PARAGRAPH 43 OF THE ORIGINAL AGREEMENT IS HEREBY**
3 **AMENDED TO STATE AS FOLLOWS:**

4 43. The Settlement Administrator shall distribute the Settlement Cover Letter in the
5 following manner:

6 f. No later than fourteen (14) calendar days after the Court's order granting
7 approval of the Settlement, Defendants shall provide the Settlement Administrator with a
8 list in Microsoft Excel of all Aggrieved Employees (the "Aggrieved Employees List"),
9 containing the following information for each Aggrieved Employee: (1) full name; (2) last
10 known home address; (3) last known telephone number; (4) social security number; (5)
11 start and end dates of active employment as a non-exempt employee of Defendants in the
12 State of California; (6) the number of Pay Periods worked during the PAGA Period; and
13 (7) any other information required by the Settlement Administrator in order to effectuate
14 the terms of the Settlement.

15 g. The Settlement Administrator shall conduct one (1) National Change of
16 Address ("NCOA") search for all individuals identified on the Aggrieved Employees List.

17 h. No later than fourteen (14) calendar days after the Settlement Administrator's
18 receipt of the Aggrieved Employees List, the Settlement Administrator shall mail the
19 Settlement Cover Letter to all Aggrieved Employees by first-class United States mail.

20 i. For each Settlement Cover Letter that is returned as undeliverable, the
21 Settlement Administrator shall promptly attempt to locate an alternate updated address for
22 the Aggrieved Employee by performing a skip trace within three (3) business days of
23 receipt of the returned mail; the Settlement Administrator shall then attempt one (1) re-
24 mailing of the Settlement Cover Letter. Further, any Settlement Cover Letter returned
25 with a forwarding address to the Settlement Administrator shall be re-mailed to the
26 forwarding address affixed thereto. In addition to mailing the Settlement Cover Letter to
27 Aggrieved Employees, the Settlement Administrator shall maintain and monitor a toll-free
28 telephone number to receive calls from Aggrieved Employees, and shall also maintain and

1 use an internet website to post information of interest to Aggrieved Employees, including
2 the Complaint, Settlement Agreement, and Settlement Approval Order.

3 j. The Settlement Administrator will mail Individual PAGA Payment checks to
4 the Aggrieved Employees pursuant to the timeline set forth in Paragraph 38(a). The
5 Individual PAGA Payment checks issued to Aggrieved Employees shall remain valid for
6 one hundred eighty (180) calendar days, and, thereafter, shall be cancelled. The
7 Settlement Administrator will submit all funds associated with cancelled Individual PAGA
8 Payment checks to the Controller of the State of California pursuant to the Unclaimed
9 Property Law, California Civil Code § 1500, *et seq.*, to be held in trust for those PAGA
10 Members who did not timely cash their Settlement checks within one hundred eighty (180)
11 calendar days of their issuance.

12
13 **I. PARAGRAPH 44 OF THE ORIGINAL AGREEMENT IS HEREBY**
14 **AMENDED TO STATE AS FOLLOWS:**

15 44. After the occurrence of both the Effective Date and the full funding of the Gross
16 Settlement Amount, and except as to the rights and obligations created by this Settlement
17 Agreement, Plaintiff and Aggrieved Employees, individually and on behalf of their heirs, executors,
18 administrators, representatives, attorneys, successors and assigns, and the State of California, on
19 behalf of itself and its administrators, representatives, and assigns, will be deemed to have
20 knowingly and voluntarily released and forever discharged the Released Parties, to the full extent
21 permitted by law, of the Released Claims. This release specifically excludes Plaintiff's individual
22 claims that do not arise under PAGA, including but not limited to, Plaintiff's individual claims for
23 unpaid minimum wages, unpaid overtime wages, meal period violations, rest period violations,
24 failure to timely pay wages upon termination, failure to reimburse business expenses, wage
25 statement violations, and claims for retaliation and wrongful termination, which are the subject of a
26 separate Settlement Agreement and General Release. The full funding of the Gross Settlement
27 Account shall be deemed to have occurred after Defendants have funded both the First Installment
28 and Second Installment.

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**J. PARAGRAPH 47 OF THE ORIGINAL AGREEMENT IS HEREBY AMENDED
TO STATE AS FOLLOWS:**

47. In the event of a breach of any provision of this Settlement Agreement, any of the Parties, which as defined in Paragraph 18, is limited to Plaintiff Abram Cannon and Defendants IPS, Inc., IPS Security, Inc., and American Employment Institute, reserve the right to institute an action specifically to enforce any term or terms of this Settlement Agreement or seek damages for breach. In an action between any of the Parties to enforce any term or terms of this Settlement Agreement or to seek damages for breach of this Settlement Agreement, the prevailing party in that action shall be entitled to recover reasonable attorney's fees and costs from the non-prevailing party. Other than Plaintiff, this provision does not apply to any of the Aggrieved Employees.

K. EXHIBIT A TO THE ORIGINAL AGREEMENT

Exhibit A to the Original Agreement is hereby replaced with the revised Settlement Cover letter attached hereto as Exhibit A.

**IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this
First Amendment to PAGA Settlement Agreement as of the date(s) set forth below:**

Dated: 10/28/2024

By: 
Abram J. Cannon (Oct 28, 2024 18:42 PDT)
Abram Cannon
Individually, and on Behalf of the State of California
and Aggrieved Employees

IPS, Inc.

Dated: 10/31/2024

By: *David Syed*
Name: David Syed
Title: CEO

IPS Security, Inc.

Dated: 10/31/2024

By: *David Syed*
Name: David Syed
Title: CEO

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American Employment Institute

Dated: 10/31/2024

By: David Syed

Name: David Syed

Title: CEO

APPROVED AS TO FORM AND CONTENT:

PARKER & MINNE, LLP

Dated: October 29, 2024

By: Jill J. Parker

Jill J. Parker

Attorneys for Plaintiff Abram Cannon

KASEM LAW

Dated: October 30, 2024

By: Ahmed Kasem

Ahmed Kasem

Attorneys for Defendants IPS, Inc., IPS Security, Inc.,
and American Employment Institute

EXHIBIT A

NOTICE OF REPRESENTATIVE ACTION SETTLEMENT

If you are or were an hourly-paid, non-exempt employee of IPS, Inc., IPS Security, Inc., or American Employment Institute at any time between November 4, 2021 through December 7, 2023, you are entitled to receive money from a Settlement brought under the Labor Code Private Attorneys General Act of 2004 (“PAGA”).

A court approved this notice. This is not a solicitation from a lawyer. You are not being sued.

1. Why Am I Getting This Notice?

A settlement (the “Settlement”) has been reached in a representative action lawsuit entitled *Abram Cannon v. IPS, Inc., et al.*, Orange County Superior Court Case No. 30-2023-01300848-CU-OE-CXC (the “Action” or “Lawsuit”). The defendants in the Action are IPS, Inc., IPS Security, Inc., and American Employment Institute (“Defendants”). The Action was brought by Plaintiff Abram Cannon (“Plaintiff”), a former employee of Defendants, on behalf of the State of California and all alleged “Aggrieved Employees,” defined as all current and former hourly-paid, non-exempt employees who were employed by Defendants in the State of California at any time between November 4, 2021 through December 7, 2023 (the “PAGA Period”).

On [insert date Court signs and enters Settlement Approval Order] (the “Effective Date”), the Court granted approval of the settlement amount to be paid by Defendants for settlement of the Action for civil penalties under PAGA.

Defendants’ employment records indicate that you meet the definition of an Aggrieved Employee. The Court directed that this Notice be sent to all Aggrieved Employees to inform you about the case and your rights.

This Notice explains the Lawsuit, the Settlement, your legal rights, and what benefits are available.

2. What is This Lawsuit About?

On November 4, 2022 Plaintiff provided written notice to the California Labor and Workforce Development Agency (“LWDA”) and Defendants of the specific provisions of the California Labor Code that he contends were violated, including California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, as well as Industrial Welfare Commission Wage Order 4-2001 (the “PAGA Notice”). On January 9, 2023, Plaintiff filed a Complaint for Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, et seq (the “Complaint”). Plaintiff filed the Action as a Private Attorney General on behalf of the State of California and sought penalties on behalf of himself, the State, and all current and former hourly-paid, non-exempt employees of Defendants within the PAGA Period. Plaintiff alleges that Defendants owed penalties under California’s Private Attorneys General Act of 2004, California Labor Code §§ 2698, et seq. (“PAGA”) for failure to pay minimum and overtime wages, failure to provide meal and rest periods, failure to timely pay wages during employment, failure to timely pay wages upon termination, failure to keep accurate payroll records, failure to furnish accurate itemized wage statements, and failure to reimburse necessary business expenses. In agreeing to this settlement, Defendants do not admit to any wrongdoing or that they are liable in any way for any civil penalties under PAGA.

3. Why is There a Settlement?

The Court did not decide in favor of Plaintiff or Defendants. Instead, both sides agreed to a Settlement. This allows the Parties to avoid the risk and uncertainty of trial and any subsequent appeal, and all affected employees will receive compensation. Plaintiff and Plaintiff’s attorneys believe the Settlement is fair, reasonable and adequate, and in the best interests of all Aggrieved Employees.

4. What Are the Terms of the Settlement?

Defendants will pay Three Hundred Twenty Thousand Dollars and Zero Cents (\$320,000.00) to settle the Action (the “Gross Settlement Amount”) in two installments. The Gross Settlement Amount includes: (a) all Individual PAGA Payments to be paid to Aggrieved Employees (“Aggrieved Employees’ Payment”); (b) a payment to the LWDA for civil penalties brought under PAGA; (c) Plaintiff’s Counsel’s attorneys’ fees equal to one-third of the Gross Settlement Amount (i.e., \$106,666.67) and reimbursement of litigation costs and expenses in the amount of \$8,399.75; and (d) the reasonable fees and costs of the

Settlement Administrator in the amount of \$15,450.00.

The Net Settlement Amount is the sum remaining after the Court-approved deductions from the Gross Settlement Amount for: (1) Attorneys' Fees and Costs to Plaintiff's Counsel and (2) Settlement Administration Costs. The Net Settlement Amount is \$189,483.58. The law requires that 75% of the Net Settlement Amount (i.e., \$142,112.69) be paid to the LWDA. The remaining 25% of the Net Settlement Amount (i.e., \$47,370.89) will be paid out to the Aggrieved Employees.

Within thirty (30) days of the Effective Date ("the "Initial Funding Date"), Defendants will make an initial deposit (the "First Installment") of Two Hundred Twenty Thousand Dollars and Zero Cents (\$220,000.00) into an account established by the Settlement Administrator for administration of the Settlement. Within one (1) year of the Initial Funding Date, Defendants will make a second deposit (the "Second Installment") of One Hundred Thousand Dollars and Zero Cents (\$100,000.00) into the account established by the Settlement Administrator for administration of the Settlement.

Payments to the LWDA and to the Aggrieved Employees shall all be made from the First Installment, and shall precede payments to the Settlement Administrator for Settlement Administration Costs and shall also precede payments to Plaintiff's Counsel for Attorneys' Fees and Costs. All Aggrieved Employees will be paid from the First Installment. The Second Installment shall be used to pay outstanding Settlement Administration Costs and Attorneys' Fees and Costs. No portion of the Gross Settlement Amount will be returned to Defendants.

5. How Much Am I Receiving?

Each Aggrieved Employee will receive a *pro rata* share of the PAGA Payment based on the number of pay periods the Aggrieved Employee worked for Defendants as an hourly-paid, non-exempt employee during the PAGA Period. Any pay period in which an Aggrieved Employee worked at least one day shall be counted as a pay period.

To calculate each Aggrieved Employee's estimated Individual PAGA Payment, the Aggrieved Employees' Payment was divided by the aggregate total number of Eligible Pay Periods of all Aggrieved Employees, resulting in the "Pay Period Value." Each Aggrieved Employee's estimated Individual PAGA Payment was then calculated by multiplying his or her individual Eligible Pay Periods by the Pay Period Value.

Your Eligible Pay Periods are: _____

Your Estimated Individual PAGA Payment is: \$ _____

Your Individual PAGA Payment reflected in this Notice is only an estimate. Your actual Individual PAGA Payment may be higher or lower.

If you wish to dispute the Pay Periods credited to you in this Notice, you must submit a written dispute ("Pay Periods Dispute") to the Settlement Administrator. The Pay Periods Dispute must contain: (1) the case name and number of the Action (*Abram Cannon v. IPS, Inc., et al.*, Orange County Superior Court Case No. 30-2023-01300848-CU-OE-CXC); (2) your full name, address, telephone number, signature, and last four digits of your Social Security number; and (3) a statement setting forth the number of Pay Periods during the PAGA Period that you contend is correct and any relevant documentation in support thereof. The Pay Periods Dispute must be submitted to the Settlement Administrator by mail, postmarked no later than **[Response Deadline]**. Upon timely receipt of a Pay Periods Dispute, the Settlement Administrator, in consultation with Plaintiff's Counsel and Defendants' Counsel, will review the pertinent records showing the dates the Aggrieved Employee worked for Defendants in California and the number of Pay Periods worked. After consulting with Plaintiff's Counsel and Defendants' counsel, the Settlement Administrator shall calculate the number of Pay Periods to be used in computing the Aggrieved Employee's pro rata share of the Net Settlement Amount. In the event that there is a disparity between the number of Pay Periods an Aggrieved Employee claims he or she worked during the PAGA Period and the number of Pay Periods indicated by Defendants' records, Defendants' records will control unless inconsistent with records provided by the Aggrieved Employee (or bona fide copies thereof), in which case the records provided by the Aggrieved Employee will control.

Payments will be distributed only after the deadline for employees to submit Pay Period Disputes has expired. **If the address to which this Notice was mailed is not correct, or if you move after you receive this Notice, you must provide your correct mailing address to the Settlement Administrator as soon as possible to ensure receipt of your Individual PAGA Payment that you are entitled to under the Settlement.**

The Individual PAGA Payments are characterized as penalties rather than wages for tax purposes. Aggrieved Employees

assume full responsibility and liability for any taxes owed on their Individual PAGA Payments. The Settlement Administrator will be responsible for issuing IRS Forms 1099 to Aggrieved Employees. The Settlement checks will be valid for 180 days after they are issued. After 180 days, the Settlement checks will be void. Any funds represented by Settlement checks remaining uncashed for more than 180 days after issuance shall be transmitted to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Code of Civil Procedure Section 1500, *et seq.* in the names of those Aggrieved Employees who did not cash their Settlement checks until such time as they claim their funds.

6. What Claims are Being Released by the Settlement?

A Judgment has been entered by the Court. After the occurrence of both the Effective Date and the full funding of the Gross Settlement Amount, all Aggrieved Employees will have released the Released Parties from the Released Claims for the PAGA Period, which is defined as the period of time between November 4, 2021 through December 7, 2023.

The Released Parties means Defendants IPS, Inc., IPS Security, Inc., and American Employment Institute, as named by Plaintiff in the Complaint, and their past, present and/or future, direct and/or indirect, officers, directors, members, managers, employees, agents, representatives, attorneys, insurers, partners, investors, shareholders, administrators, parent companies, subsidiaries, affiliates, divisions, predecessors, successors, assigns, joint venturers, joint employers, co-employers, divisions, board members, trustees, managing members, and other persons acting on their behalf, both in their individual and representative capacities.

The Released Claims means any and all claims or causes of action for civil penalties available under PAGA that Plaintiff or any Aggrieved Employee had, now has, has asserted, or may hereafter assert against Defendants or any Released Parties that are based on the facts alleged in the Complaint and the PAGA Notice, arising during the PAGA Period for: (i) failure to pay all overtime wages due (Labor Code sections 510 and 1198); (ii) failure to provide meal periods or compensation in lieu thereof (Labor Code sections 226.7 and 512(a)); (iii) failure to provide rest periods or compensation in lieu thereof (Labor Code section 226.7); (iv) failure to pay all minimum wages due (Labor Code sections 1194, 1197, and 1197.1); (v) failure to timely pay wages at time of termination or resignation (Labor Code sections 201-203); (vi) failure to timely pay wages during employment (Labor Code section 204); (vii) failure to provide complete, accurate wage statements (Labor Code section 226(a)); (viii) failure to keep requisite payroll records (Labor Code section 1174(d); and (ix) failure to reimburse necessary business expenses (Labor Code sections 2800 and 2802).

Aggrieved Employees cannot opt out of the Settlement or object to the Settlement. Even if you do not cash your check, you will still be bound by the Settlement and will be deemed to have released the Released Claims.

A copy of the Complaint, Settlement, and Settlement Approval Order are available on the Settlement Administrator's website at the following address: [REDACTED]. You may also view these documents and other court records in the Action for a fee by visiting the Court, at 751 West Santa Ana Boulevard, Santa Ana, California 92701 or 700 Civic Center Drive West, Santa Ana, California 92701, during business hours, or by visiting the court's website at: <https://www.occourts.org/online-services/case-access>, clicking "Access Now" next to "Civil Case & Document Access", clicking "Accept Terms" on the following page, and then typing in the Case Number "30-2023-01300848" in the search field.

If you have questions, you can call the Settlement Administrator at [REDACTED] or you may contact Plaintiff's attorneys:

Edwin Aiwasian, Esq.
Arby Aiwasian, Esq.
Joanna Ghosh, Esq.
LAWYERS for JUSTICE, PC
410 West Arden Avenue, Suite 203
Glendale, California 91203
Telephone: (818) 265-1020

Jill J. Parker, Esq.
PARKER & MINNE, LLP
700 S. Flower Street, Suite 1000
Los Angeles, California 90017
Telephone: (310) 882-6833

PLEASE DO NOT TELEPHONE THE COURT ABOUT THIS SETTLEMENT
The Court will not be able to assist you.

EXHIBIT 3

Edwin Aiwazian (SBN 232943)
Arby Aiwazian (SBN 269827)
Joanna Ghosh (SBN 272479)
LAWYERS for JUSTICE, PC
410 West Arden Avenue, Suite 203
Glendale, California 91203
Telephone: (818) 265-1020
Facsimile: (818) 265-1021

Attorneys for Plaintiff Abram Cannon

[List of Counsel Continued on Following Page]

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF ORANGE**

ABRAM CANNON, individually, and on behalf
of other aggrieved employees pursuant to the
California Private Attorneys General Act;

Plaintiff,

vs.

IPS, INC., an unknown business entity; IPS
SECURITY, INC., a California corporation;
AMERICAN EMPLOYMENT INSTITUTE, a
California corporation; and DOES 1 through
100, inclusive,

Defendants.

Case No.: 30-2023-01300848-CU-OE-CXC

Honorable Melissa R. McCormick
Dept. CX104

**SECOND AMENDMENT TO PAGA
SETTLEMENT AGREEMENT**

Complaint Filed: January 9, 2023
Trial Date: None Set

1 Jill J. Parker (State Bar No. 274230)
jill@parkermminne.com
2 S. Emi Minne (State Bar No. 253179)
emi@parkermminne.com
3 **PARKER & MINNE, LLP**
4 700 S. Flower Street, Suite 1000
Los Angeles, California 90017
5 Telephone: (310) 882-6833
6 Facsimile: (310) 889-0822

7 Attorneys for Plaintiff Abram Cannon
Ahmed Kasem (CA Bar No. 217956)
8 **KASEM LAW**
555 Anton Boulevard, Suite 150
9 Costa Mesa, California 92626
Telephone: (714) 371-4030
10 akasem@kasemko.com

11 Attorneys for Defendants IPS, Inc., IPS Security, Inc.,
12 and American Employment Institute
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1 Pursuant to Paragraph 49 of the PAGA Settlement Agreement (the "Original Agreement"),
2 Plaintiff Abram Cannon ("Plaintiff") and Defendants IPS, Inc., IPS Security, Inc., and American
3 Employment Institute ("Defendants") (collectively, the "Parties") hereby agree to amend and supplant
4 the Original Agreement and the First Amendment to PAGA Settlement Agreement ("First
5 Amendment") as stated herein. The amendments set forth herein are incorporated by this reference:

6 **A. PARAGRAPH 23 OF THE FIRST AMENDMENT IS HEREBY AMENDED TO**
7 **STATE AS FOLLOWS:**

8 23. "Released Parties" means Defendants IPS, Inc., IPS Security, Inc., and American
9 Employment Institute, as named by Plaintiff in the Complaint, and each of their past and present
10 officers, directors, members, managers, and employees.

11 **B. EXHIBIT A TO THE FIRST AMENDMENT**

12 Exhibit A to the First Amendment is hereby replaced with the revised Settlement Cover
13 letter attached hereto as Exhibit A.

14 **IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this**
15 **Second Amendment to PAGA Settlement Agreement as of the date(s) set forth below:**

16 Dated: 11/22/2024 By: 
17 Abram J. cannon (Nov 22, 2024 08:16 PST)
18 Abram Cannon
19 Individually, and on Behalf of the State of California
20 and Aggrieved Employees
21 IPS, Inc.

21 Dated: _____ By: _____
22 Name:
23 Title:
24 IPS Security, Inc.

25 Dated: _____ By: _____
26 Name:
27 Title:

Pursuant to Paragraph 49 of the PAGA Settlement Agreement (the "Original Agreement"), Plaintiff Abram Cannon ("Plaintiff") and Defendants IPS, Inc., IPS Security, Inc., and American Employment Institute ("Defendants") (collectively, the "Parties") hereby agree to amend and supplant the Original Agreement and the First Amendment to PAGA Settlement Agreement ("First Amendment") as stated herein. The amendments set forth herein are incorporated by this reference:

A. PARAGRAPH 23 OF THE FIRST AMENDMENT IS HEREBY AMENDED TO STATE AS FOLLOWS:

23. "Released Parties" means Defendants IPS, Inc., IPS Security, Inc., and American Employment Institute, as named by Plaintiff in the Complaint, and each of their past and present officers, directors, members, managers, and employees.

B. EXHIBIT A TO THE FIRST AMENDMENT

Exhibit A to the First Amendment is hereby replaced with the revised Settlement Cover letter attached hereto as Exhibit A.

IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Second Amendment to PAGA Settlement Agreement as of the date(s) set forth below:

Dated: _____

By: _____

Abram Cannon
Individually, and on Behalf of the State of California
and Aggrieved Employees

IPS, Inc.

Dated: 11/25/2024

By: David Sayed

Name: David Sayd
Title: Managing Director
IPS Security, Inc.

Dated: 11/25/2024

By: David Sayed

Name: David Sayed
Title: Managing Director

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American Employment Institute

Dated: 11/25/2024

By: David Sayed
Name: David Sayed
Title: Managing Director

APPROVED AS TO FORM AND CONTENT:

PARKER & MINNE, LLP

Dated: November 25, 2024

By: Jeff Parker
Jill J. Parker
Attorneys for Plaintiff Abram Cannon

KASEM LAW

Dated: 11/22/2024

By: Ahmed Kasem
Ahmed Kasem
Attorneys for Defendants IPS, Inc., IPS Security, Inc.,
and American Employment Institute

EXHIBIT 4

NOTICE OF REPRESENTATIVE ACTION SETTLEMENT

If you are or were an hourly-paid, non-exempt employee of IPS, Inc., IPS Security, Inc., or American Employment Institute at any time between November 4, 2021 through December 7, 2023, you are entitled to receive money from a Settlement brought under the Labor Code Private Attorneys General Act of 2004 (“PAGA”).

A court approved this notice. This is not a solicitation from a lawyer. You are not being sued.

1. Why Am I Getting This Notice?

A settlement (the “Settlement”) has been reached in a representative action lawsuit entitled *Abram Cannon v. IPS, Inc., et al.*, Orange County Superior Court Case No. 30-2023-01300848-CU-OE-CXC (the “Action” or “Lawsuit”). The defendants in the Action are IPS, Inc., IPS Security, Inc., and American Employment Institute (“Defendants”). The Action was brought by Plaintiff Abram Cannon (“Plaintiff”), a former employee of Defendants, on behalf of the State of California and all alleged “Aggrieved Employees,” defined as all current and former hourly-paid, non-exempt employees who were employed by Defendants in the State of California at any time between November 4, 2021 through December 7, 2023 (the “PAGA Period”).

On [insert date Court signs and enters Settlement Approval Order] (the “Effective Date”), the Court granted approval of the settlement amount to be paid by Defendants for settlement of the Action for civil penalties under PAGA.

Defendants’ employment records indicate that you meet the definition of an Aggrieved Employee. The Court directed that this Notice be sent to all Aggrieved Employees to inform you about the case and your rights.

This Notice explains the Lawsuit, the Settlement, your legal rights, and what benefits are available.

2. What is This Lawsuit About?

On November 4, 2022 Plaintiff provided written notice to the California Labor and Workforce Development Agency (“LWDA”) and Defendants of the specific provisions of the California Labor Code that he contends were violated, including California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, as well as Industrial Welfare Commission Wage Order 4-2001 (the “PAGA Notice”). On January 9, 2023, Plaintiff filed a Complaint for Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, et seq (the “Complaint”). Plaintiff filed the Action as a Private Attorney General on behalf of the State of California and sought penalties on behalf of himself, the State, and all current and former hourly-paid, non-exempt employees of Defendants within the PAGA Period. Plaintiff alleges that Defendants owed penalties under California’s Private Attorneys General Act of 2004, California Labor Code §§ 2698, et seq. (“PAGA”) for failure to pay minimum and overtime wages, failure to provide meal and rest periods, failure to timely pay wages during employment, failure to timely pay wages upon termination, failure to keep accurate payroll records, failure to furnish accurate itemized wage statements, and failure to reimburse necessary business expenses. In agreeing to this settlement, Defendants do not admit to any wrongdoing or that they are liable in any way for any civil penalties under PAGA.

3. Why is There a Settlement?

The Court did not decide in favor of Plaintiff or Defendants. Instead, both sides agreed to a Settlement. This allows the Parties to avoid the risk and uncertainty of trial and any subsequent appeal, and all affected employees will receive compensation. Plaintiff and Plaintiff’s attorneys believe the Settlement is fair, reasonable and adequate, and in the best interests of all Aggrieved Employees.

4. What Are the Terms of the Settlement?

Defendants will pay Three Hundred Twenty Thousand Dollars and Zero Cents (\$320,000.00) to settle the Action (the “Gross Settlement Amount”) in two installments. The Gross Settlement Amount includes: (a) all Individual PAGA Payments to be paid to Aggrieved Employees (“Aggrieved Employees’ Payment”); (b) a payment to the LWDA for civil penalties brought under PAGA; (c) Plaintiff’s Counsel’s attorneys’ fees equal to one-third of the Gross Settlement Amount (i.e, \$106,666.67) and reimbursement of litigation costs and expenses in the amount of \$8,320.98; and (d) the reasonable fees and costs of the

Settlement Administrator in the amount of \$15,450.00.

The Net Settlement Amount is the sum remaining after the Court-approved deductions from the Gross Settlement Amount for: (1) Attorneys' Fees and Costs to Plaintiff's Counsel and (2) Settlement Administration Costs. The Net Settlement Amount is \$189,562.35. The law requires that 75% of the Net Settlement Amount (i.e., \$142,171.76) be paid to the LWDA. The remaining 25% of the Net Settlement Amount (i.e., \$47,390.59) will be paid out to the Aggrieved Employees.

Within thirty (30) days of the Effective Date ("the "Initial Funding Date"), Defendants will make an initial deposit (the "First Installment") of Two Hundred Twenty Thousand Dollars and Zero Cents (\$220,000.00) into an account established by the Settlement Administrator for administration of the Settlement. Within one (1) year of the Initial Funding Date, Defendants will make a second deposit (the "Second Installment") of One Hundred Thousand Dollars and Zero Cents (\$100,000.00) into the account established by the Settlement Administrator for administration of the Settlement.

Payments to the LWDA and to the Aggrieved Employees shall all be made from the First Installment, and shall precede payments to the Settlement Administrator for Settlement Administration Costs and shall also precede payments to Plaintiff's Counsel for Attorneys' Fees and Costs. All Aggrieved Employees will be paid from the First Installment. The Second Installment shall be used to pay outstanding Settlement Administration Costs and Attorneys' Fees and Costs. No portion of the Gross Settlement Amount will be returned to Defendants.

5. How Much Am I Receiving?

Each Aggrieved Employee will receive a *pro rata* share of the PAGA Payment based on the number of pay periods the Aggrieved Employee worked for Defendants as an hourly-paid, non-exempt employee during the PAGA Period. Any pay period in which an Aggrieved Employee worked at least one day shall be counted as a pay period.

To calculate each Aggrieved Employee's estimated Individual PAGA Payment, the Aggrieved Employees' Payment was divided by the aggregate total number of Eligible Pay Periods of all Aggrieved Employees, resulting in the "Pay Period Value." Each Aggrieved Employee's estimated Individual PAGA Payment was then calculated by multiplying his or her individual Eligible Pay Periods by the Pay Period Value.

Your Eligible Pay Periods are: _____

Your Estimated Individual PAGA Payment is: \$ _____

Your Individual PAGA Payment reflected in this Notice is only an estimate. Your actual Individual PAGA Payment may be higher or lower.

If you wish to dispute the Pay Periods credited to you in this Notice, you must submit a written dispute ("Pay Periods Dispute") to the Settlement Administrator. The Pay Periods Dispute must contain: (1) the case name and number of the Action (*Abram Cannon v. IPS, Inc., et al.*, Orange County Superior Court Case No. 30-2023-01300848-CU-OE-CXC); (2) your full name, address, telephone number, signature, and last four digits of your Social Security number; and (3) a statement setting forth the number of Pay Periods during the PAGA Period that you contend is correct and any relevant documentation in support thereof. The Pay Periods Dispute must be submitted to the Settlement Administrator by mail, postmarked no later than **Response Deadline**. Upon timely receipt of a Pay Periods Dispute, the Settlement Administrator, in consultation with Plaintiff's Counsel and Defendants' Counsel, will review the pertinent records showing the dates the Aggrieved Employee worked for Defendants in California and the number of Pay Periods worked. After consulting with Plaintiff's Counsel and Defendants' counsel, the Settlement Administrator shall calculate the number of Pay Periods to be used in computing the Aggrieved Employee's pro rata share of the Net Settlement Amount. In the event that there is a disparity between the number of Pay Periods an Aggrieved Employee claims he or she worked during the PAGA Period and the number of Pay Periods indicated by Defendants' records, Defendants' records will control unless inconsistent with records provided by the Aggrieved Employee (or bona fide copies thereof), in which case the records provided by the Aggrieved Employee will control.

Payments will be distributed only after the deadline for employees to submit Pay Period Disputes has expired. **If the address to which this Notice was mailed is not correct, or if you move after you receive this Notice, you must provide your correct mailing address to the Settlement Administrator as soon as possible to ensure receipt of your Individual PAGA Payment that you are entitled to under the Settlement.**

The Individual PAGA Payments are characterized as penalties rather than wages for tax purposes. Aggrieved Employees

assume full responsibility and liability for any taxes owed on their Individual PAGA Payments. The Settlement Administrator will be responsible for issuing IRS Forms 1099 to Aggrieved Employees. The Settlement checks will be valid for 180 days after they are issued. After 180 days, the Settlement checks will be void. Any funds represented by Settlement checks remaining uncashed for more than 180 days after issuance shall be transmitted to the Controller of the State of California to be held pursuant to the Unclaimed Property Law, California Code of Civil Procedure Section 1500, *et seq.* in the names of those Aggrieved Employees who did not cash their Settlement checks until such time as they claim their funds.

6. What Claims are Being Released by the Settlement?

A Judgment has been entered by the Court. After the occurrence of both the Effective Date and the full funding of the Gross Settlement Amount, all Aggrieved Employees will have released the Released Parties from the Released Claims for the PAGA Period, which is defined as the period of time between November 4, 2021 through December 7, 2023.

The Released Parties means Defendants IPS, Inc., IPS Security, Inc., and American Employment Institute, as named by Plaintiff in the Complaint, and each of their past and present officers, directors, members, managers, and employees.

The Released Claims means any and all claims or causes of action for civil penalties available under PAGA that Plaintiff or any Aggrieved Employee had, now has, has asserted, or may hereafter assert against Defendants or any Released Parties that are based on the facts alleged in the Complaint and the PAGA Notice, arising during the PAGA Period for: (i) failure to pay all overtime wages due (Labor Code sections 510 and 1198); (ii) failure to provide meal periods or compensation in lieu thereof (Labor Code sections 226.7 and 512(a)); (iii) failure to provide rest periods or compensation in lieu thereof (Labor Code section 226.7); (iv) failure to pay all minimum wages due (Labor Code sections 1194, 1197, and 1197.1); (v) failure to timely pay wages at time of termination or resignation (Labor Code sections 201-203); (vi) failure to timely pay wages during employment (Labor Code section 204); (vii) failure to provide complete, accurate wage statements (Labor Code section 226(a)); (viii) failure to keep requisite payroll records (Labor Code section 1174(d)); and (ix) failure to reimburse necessary business expenses (Labor Code sections 2800 and 2802).

Aggrieved Employees cannot opt out of the Settlement or object to the Settlement. Even if you do not cash your check, you will still be bound by the Settlement and will be deemed to have released the Released Claims.

A copy of the Complaint, Settlement, and Settlement Approval Order are available on the Settlement Administrator's website at the following address: [REDACTED]. You may also view these documents and other court records in the Action for a fee by visiting the Court, at 751 West Santa Ana Boulevard, Santa Ana, California 92701 or 700 Civic Center Drive West, Santa Ana, California 92701, during business hours, or by visiting the court's website at: <https://www.occourts.org/online-services/case-access>, clicking "Access Now" next to "Civil Case & Document Access", clicking "Accept Terms" on the following page, and then typing in the Case Number "30-2023-01300848" in the search field.

If you have questions, you can call the Settlement Administrator at [REDACTED] or you may contact Plaintiff's attorneys:

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The Court will not be able to assist you.

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Translation of **Amended Notice** from **English** to **Spanish**

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Mike Bortscheller
Authorized Representative
Order Date: October 23, 2024

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Abram Cannon v. IPS, Inc., et al.
Tribunal Superior del Condado de Orange, caso núm. 30-2023-01300848-CU-OE-CXC

AVISO DE ACUERDO DE CONCILIACIÓN PARA DEMANDA REPRESENTATIVA

Si usted es o fue un empleado no exento pagado por hora de IPS, Inc., IPS Security, Inc. o American Employment Institute en cualquier momento entre el 4 de noviembre de 2021 y el 7 de diciembre de 2023, tiene derecho a recibir dinero de un Acuerdo de conciliación celebrado bajo la *Private Attorneys General Act* [Ley de representación privada como procurador general] de 2004 ("PAGA") del Código Laboral.

Este aviso fue aprobado por el tribunal. No es una promoción de servicios legales. No es una demanda en su contra.

1. ¿Por qué recibí este aviso?

Se ha llegado a un acuerdo de conciliación (el "Acuerdo") para una demanda representativa titulada *Abram Cannon v. IPS, Inc., et al.*, Tribunal Superior del Condado de Orange, caso núm. 30-2023-01300848-CU-OE-CXC (la "Causa" o la "Demanda"). Los demandados de esta Causa son IPS, Inc., IPS Security, Inc. y American Employment Institute ("Demandados"). La Demanda fue presentada por Abram Cannon ("Demandante"), un exempleado de los Demandados, en nombre del Estado de California y todos los presuntos "Empleados agraviados", definidos como todos los empleados actuales y exempleados no exentos pagados por hora que fueron empleados de los Demandados en el estado de California en cualquier momento entre el 4 de noviembre de 2021 y el 7 de diciembre de 2023 (el "Período PAGA").

El día [insert date Court signs and enters Settlement Approval Order] (la "Fecha de aplicabilidad"), el Tribunal otorgó la aprobación del monto de conciliación que será pagado por los Demandados para conciliar la Demanda por sanciones civiles bajo PAGA.

Los registros laborales de los Demandados indican que usted cumple con la definición de un Empleado agraviado. El Tribunal ordenó que se enviara este Aviso a todos los Empleados agraviados para informarles sobre el caso y sus derechos.

Este Aviso explica la Demanda, el Acuerdo, sus derechos legales y qué prestaciones hay disponibles.

2. ¿Sobre qué trata esta demanda?

El 4 de noviembre de 2022, el Demandante notificó por escrito a la Agencia de Trabajo y Desarrollo Laboral de California ("LWDA") y a los Demandados las disposiciones específicas del Código Laboral de California que sostiene fueron infringidas, incluyendo los artículos 2201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800 y 2802, así como la Orden Salarial 4-2001 de la Comisión de Bienestar Industrial el "Aviso PAGA"). El 9 de enero de 2023, el Demandante presentó una Querella de ejecución en virtud de la *Private Attorneys General Act*, artículos 2698 y siguientes del Código Laboral de California (la "Querella"). El Demandante presentó la Demanda como Procurador general privado en nombre del Estado de California y solicitó sanciones en su propio nombre, en nombre del Estado y en nombre de todos los empleados actuales y exempleados pagados por hora y no exentos de los Demandados dentro del Período PAGA. El Demandante alega que los Demandados adeudan sanciones en virtud de la *Private Attorneys General Act* de California de 2004, artículos 2698 y siguientes del Código Laboral de California ("PAGA") por no pagar salarios mínimos y horas extraordinarias, no proporcionar períodos de comida y descanso, no pagar puntualmente los salarios durante el empleo, no pagar puntualmente los salarios tras el despido, no mantener registros de nóminas precisos, no proporcionar declaraciones salariales detalladas precisas y no reembolsar los gastos comerciales necesarios. Al aceptar este acuerdo, los Demandados no admiten haber cometido ninguna infracción ni ser responsables en modo alguno de ninguna sanción civil en virtud de PAGA.

3. ¿Por qué se llegó a un acuerdo?

El Tribunal no decidió ni en favor del Demandante ni de los Demandados. Por el contrario, ambas partes pactaron un Acuerdo. Esto permite a las Partes evitar el riesgo y la incertidumbre de un juicio y cualquier apelación posterior y todos los empleados afectados recibirán una compensación. El Demandante y los abogados del Demandante creen que el Acuerdo es justo, razonable y adecuado y que beneficia a todos los Empleados agraviados.

4. ¿Cuáles son los términos del Acuerdo?

Los Demandados pagarán Trescientos Veinte Mil Dólares y Cero Centavos (\$320,000.00) para conciliar la Demanda (el "Monto bruto de conciliación") en dos partes. El Monto bruto de conciliación incluye: (a) todos los Pagos individuales bajo PAGA que se pagarán a los Empleados agraviados ("Pago a los Empleados agraviados"); (b) un pago a la LWDA por las sanciones civiles impuestas bajo PAGA; (c) los honorarios de los abogados del Demandante equivalentes a un tercio del

Monto bruto de conciliación (es decir, \$106,666.67) y el reembolso de los costos y gastos del litigio por un monto de \$8,320.98; y (d) los honorarios y costos razonables del Administrador del acuerdo por un monto de \$15,450.00.

El Monto neto de conciliación es la suma restante después de las deducciones aprobadas por el Tribunal del Monto bruto de conciliación para: (1) Honorarios y gastos de los abogados del Demandante y (2) Gastos de administración del acuerdo. El Monto neto de conciliación asciende a \$189,562.35. La ley exige que el 75% del Monto neto de conciliación (es decir, \$142,171.76) se pague a la LWDA. El 25% restante del Monto neto de conciliación (es decir, \$47,390.59) se pagará a los Empleados agraviados.

En el plazo de treinta (30) días a partir de la Fecha de aplicabilidad (la "Fecha de financiación inicial"), los Demandados realizarán un depósito inicial (el "Primer pago") de Doscientos Veinte Mil Dólares con Cero Centavos (\$220,000.00) en una cuenta establecida por el Administrador del acuerdo para la administración del Acuerdo. En el plazo de un (1) año a partir de la Fecha de financiación inicial, los Demandados realizarán un segundo depósito (el "Segundo pago") de Cien Mil Dólares y Cero Centavos (\$100,000.00) en la cuenta establecida por el Administrador del acuerdo para la administración del Acuerdo.

Todos los pagos a la LWDA y a los Empleados agraviados se efectuarán con cargo al Primer pago y precederán a los pagos al Administrador del acuerdo por los Gastos de administración del acuerdo y también precederán a los pagos a los Abogados del demandante por los Honorarios y gastos de los abogados. A todos los Empleados agraviados se les pagará con cargo al Primer pago. El Segundo pago se utilizará para pagar los Gastos de administración del acuerdo y los Honorarios y gastos de los abogados pendientes. No se devolverá a los Demandados ninguna parte del Monto bruto de conciliación.

5. ¿Cuánto voy a recibir?

Cada Empleado agraviado recibirá una parte prorrateada del Pago bajo PAGA basada en el número de períodos de pago que el Empleado agraviado trabajó para los Demandados como empleado no exento y pagado por hora durante el Período PAGA. Cualquier período de pago en el que un Empleado agraviado trabajó al menos un día se contará como un período de pago.

Para calcular el Pago individual estimado bajo PAGA de cada Empleado agraviado, el Pago de los Empleados agraviados se dividió por el número total agregado de Períodos de pago elegibles de todos los Empleados agraviados, resultando en el "Valor del período de pago". El Pago individual estimado bajo PAGA de cada Empleado agraviado se calculó multiplicando sus Períodos de pago elegibles individuales por el Valor del período de pago.

Sus Períodos de pago elegibles son:

Su Pago individual estimado bajo PAGA es de: \$

El Pago individual bajo PAGA que se refleja en este Aviso es únicamente una estimación. Su Pago individual bajo PAGA real puede ser mayor o menor.

Si desea disputar los Períodos de pago que se le acreditan en este Aviso, debe presentar una disputa por escrito ("Disputa de períodos de pago") al Administrador del acuerdo. La Disputa de períodos de pago debe contener: (1) el nombre del caso y el número de la Demanda (*Abram Cannon v. IPS, Inc., et al.*, Tribunal Superior del Condado de Orange, caso núm. 30-2023-01300848-CU-OE-CXC); (2) su nombre completo, dirección, teléfono, firma y los últimos cuatro dígitos de su número de Seguro Social; y (3) una declaración que establezca el número de Períodos de pago durante el Período PAGA que usted sostiene que es correcto y cualquier documentación pertinente que lo respalde. La Disputa de períodos de pago debe presentarse al Administrador del acuerdo por correo, con matasellos no posterior a [Response Deadline]. Al recibir oportunamente una Disputa de períodos de pago, el Administrador del acuerdo, en consulta con los Abogados del Demandante y los Abogados de los Demandados, revisará los registros pertinentes que muestren las fechas en que el Empleado agraviado trabajó para los Demandados en California y el número de Períodos de pago trabajados. Después de consultar con los Abogados del Demandante y los Abogados de los Demandados, el Administrador del acuerdo calculará el número de Períodos de pago que se utilizarán para calcular la parte prorrateada del Empleado agraviado del Monto neto de conciliación. En caso de que exista una disparidad entre el número de Períodos de pago que un Empleado agraviado afirma haber trabajado durante el Período PAGA y el número de Períodos de pago indicado por los registros de los Demandados, los registros de los Demandados prevalecerán a menos que sean inconsistentes con los registros proporcionados por el Empleado agraviado (o copias de buena fe de los mismos), en cuyo caso prevalecerán los registros proporcionados por el Empleado agraviado.

Los pagos se distribuirán solo después de que haya vencido el plazo para que los empleados presenten las Disputas del período de pago. Si la dirección a la que se envió este Aviso no es correcta o si se muda después de recibir este Aviso, debe proporcionar su dirección postal correcta al Administrador del acuerdo lo antes posible para garantizar la recepción del Pago individual bajo PAGA al que tiene derecho en virtud del Acuerdo.

Los Pagos individuales bajo PAGA se caracterizan como sanciones y no como salarios a efectos fiscales. Los Empleados agraviados asumen plena responsabilidad y obligación por cualquier impuesto adeudado sobre sus Pagos individuales bajo PAGA. El Administrador del acuerdo será responsable de emitir los Formularios 1099 del IRS a los Empleados agraviados. Los cheques de conciliación tendrán una validez de 180 días a partir de su emisión. Transcurridos 180 días, los cheques de conciliación serán nulos. Los fondos representados por los cheques de conciliación que permanezcan sin cobrar durante más de 180 días después de su emisión se transmitirán al Contralor del Estado de California para que los retenga de conformidad con la Ley de Propiedad No Reclamada, artículos 1500 y siguientes del Código de Procedimiento Civil de California, a nombre de los Empleados agraviados que no cobraron sus cheques de conciliación hasta el momento en que reclamen sus fondos.

6. ¿Qué reclamaciones se exonerarán con el Acuerdo?

El Tribunal ha dictado una Sentencia. Después de la ocurrencia tanto de la Fecha de aplicabilidad como del financiamiento total del Monto bruto de conciliación, todos los Empleados agraviados habrán exonerado a las Partes Exoneradas de las Reclamaciones exoneradas para el Período PAGA, que se define como el período entre el 4 de noviembre de 2021 y el 7 de diciembre de 2023.

Las Partes exoneradas significan los Demandados IPS, Inc., IPS Security, Inc. y American Employment Institute, tal como los nombra el Demandante en la Querella, y sus funcionarios, directores, miembros, gerentes y empleados pasados y presentes.

Las Reclamaciones exoneradas significan todas y cada una de las reclamaciones o causas de acción por sanciones civiles disponibles en virtud de PAGA que el Demandante o cualquier Empleado agraviado tenía, tiene ahora, ha hecho valer o pueda hacer valer en lo sucesivo contra los Demandados o cualquier Parte exonerada que se basen en los hechos alegados en la Querella y el Aviso PAGA, que surjan durante el Período PAGA por: (i) no pagar todos los salarios por horas extraordinarias adeudados (artículos 510 y 1198 del Código Laboral); (ii) no proporcionar períodos de comida o compensación en lugar de los mismos (artículos 226.7 y 512(a) del Código Laboral); (iii) no proporcionar períodos de descanso o compensación en lugar de los mismos (artículo 226.7 del Código Laboral); (iv) no pagar todos los salarios mínimos adeudados (artículos 1194, 1197 y 1197.1 del Código Laboral); (v) no pagar puntualmente los salarios en el momento de despido o renuncia (artículos 201-203 del Código Laboral); (vi) no pagar puntualmente los salarios durante el empleo (artículo 204 del Código Laboral); (vii) no proporcionar declaraciones salariales precisas y detalladas (artículo 226(a) del Código Laboral); (viii) no mantener los registros de nóminas requeridos (artículo 1174(d) del Código Laboral); y (ix) no reembolsar los gastos comerciales necesarios (artículos 2800 y 2802 del Código Laboral).

Los Empleados agraviados no pueden excluirse del Acuerdo ni objetarlo. Aunque no cobre su cheque, seguirá estando sujeto al Acuerdo y se considerará que ha renunciado a las Reclamaciones exoneradas.

Puede consultarse una copia de la Querella, el Acuerdo y la Orden de aprobación del acuerdo en el sitio web del Administrador del acuerdo, en la siguiente dirección: [REDACTED]. También puede consultar estos documentos y otros expedientes judiciales de la Demanda, previo pago de una cuota, visitando el Tribunal, en 751 West Santa Ana Boulevard, Santa Ana, California 92701 o 700 Civic Center Drive West, Santa Ana, California 92701, en horario laboral o visitando el sitio web del tribunal en: <https://www.occourts.org/online-services/case-access>, haciendo clic en "Access Now" (Acceder ahora) junto a "Civil Case & Document Access" (Acceso a casos y documentos civiles), luego en "Accept Terms" (Aceptar términos) en la página siguiente y, a continuación, escribiendo el número de caso "30-2023-01300848" en el campo de búsqueda.

Si tiene preguntas, puede llamar al Administrador del acuerdo al [REDACTED] o contactar a los abogados del Demandante:

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