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Attorneys for Plaintiff STEPHEN T. TREMBLEY, on behalf
of himself and others similarly situated

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF ORANGE

STEPHEN T. TREMBLEY, an individual, on
behalf of himself, all others similarly situated,
and the State of California,

Plaintiff,

vs.

LITTLE SISTER OC, LLC, a California limited
liability company; and DOES 1-50,

Defendant.

Case No. 30-2023-01308822-CU-OE-CXC

Assigned To:
Hon. Melissa R. McCormick
Dept.: CX-104

**DECLARATION OF ENOCH J. KIM IN
SUPPORT OF PLAINTIFF'S MOTION
FOR APPROVAL OF PAGA
SETTLEMENT**

Hearing Date: April 24, 2025
Time: 2:00 p.m.
Department: CX-104

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1. I am an attorney licensed and admitted to practice before all courts of the State of California and the United States District Court for the Central, Southern, Eastern, and Northern Districts of California.

3. All of the matters set forth herein are within my personal knowledge, except those matters that are stated to be upon information and belief. As to such matters, I believe them to be true. I submit this Declaration in support of Plaintiff's Motion for Approval of PAGA Settlement under California Labor Code 2698 *et seq.* The Parties' PAGA Settlement Agreement is attached hereto as **Exhibit 1**.

4. On December 13, 2022, Plaintiff Stephen T. Trembley filed a claim online with the California Labor & Workforce Development Agency (the “LWDA”) pursuant to Labor Code § 2699.3(a)(1) and gave notice to the Defendant (“PAGA Notice”). The PAGA Notice is attached hereto as **Exhibit 2**. The PAGA Notice sought civil penalties and alleged claims against Defendant for failure to pay minimum wages, failure to pay wages and overtime, failure to provide meal and rest breaks, unlawfully collecting or receiving wages in violation of Labor Code § 221, failure to issue accurate wage statements, failure to issue semimonthly payments in violation of Labor Code § 204, failure to keep records in accordance with Labor Code § 1174, failure to pay waiting time penalties, failure to provide paid sick days, and failure to reimburse business expenses Labor Code § 2802. The LWDA did not respond to the PAGA Notice and did not notify Plaintiff that it intended to investigate Plaintiff’s allegations.

5. On February 16, 2023, 65 days after Plaintiff's submission of the PAGA Notice, Plaintiff filed this representative lawsuit against Defendant in Orange County Superior Court, Case

No, 30-2023-01308822-CU-OE-CXC, for civil penalties under PAGA (the “Action”). Plaintiff’s complaint alleges nine causes of actions, including (1) Failure to Pay Minimum Wages; (2) Failure to Pay Wages and Overtime Under Labor Code §§ 510 and 1198; (3) Meal Period Liability Under Labor Code §§ 226.7, 512(a), 516, and 1198; (4) Rest-Break Liability Under Labor Code §§ 226.7, 516, and 1198; (5) Violation of Labor Code §§ 226(a) and 1174; (6) Violation of Labor Code § 204; (7) Violation of Labor Code §§ 201, 202, 203; (8) Violation of Labor Code 2810.5; and (9) Failure to Reimburse Expenses under Labor Code § 2802.

6. Before filing the lawsuit, my firm investigated and researched the facts and circumstances underlying the pertinent issues and the law applicable thereto. This required thorough discussions and interviews between our firm and Plaintiff, as well as preliminary research into the various legal issues involved in the case. After conducting our initial investigation, we determined that Plaintiff’s claims were well-suited for representative action adjudication owing to what appeared to be a common course of conduct affecting a similarly situated group of employees.

7. After filing the lawsuit and prior to mediation, Plaintiff conducted comprehensive informal discovery and Defendant provided data and numbers and documents, including an Aggrieved Employee List (by employee number) with hire and termination dates and positions, an employee handbook entitled “2021 Employee Handbook for Little Sister OC LLC dba Little Sister Irvine”, and a sampling of employee’s timekeeping and payroll data. Defendant also provided information relating to the number of Aggrieved Employees, pay periods, and workweeks.

8. The information and data exchanged by Plaintiff and Defendant prior to and during mediation and settlement negotiations were sufficient to reliably assess the merits of the Parties’ respective positions, to compromise the issues on a fair and equitable basis, and to devise a formula for distribution of civil penalties among the Aggrieved Employees that took into consideration the strength of the PAGA claims.

SETTLEMENT NEGOTIATIONS AND TERMS

9. On December 15, 2023, the Parties attended an all-day mediation with Steve Serratore, Esq. During mediation, the Parties exchanged further information and discussed all aspects of the

case, including Plaintiff's claims, Defendant's defenses and the prospects of further litigation. The Parties recognized that the issues presented in the Action are likely only to be resolved with extensive and costly pretrial and trial proceedings and that further litigation would lead to inconvenience, distraction, disruption, delay, and expense disproportionate to the potential benefits of litigation. The Parties took into account the risk and uncertainty of the outcome inherent in any litigation.

10. With the assistance of a highly respected wage and hour mediator, the Parties agreed to the general terms for settling this Action and finalized the long-form PAGA Settlement Agreement. The Parties also entered into a separate individual settlement agreement (the "Separate Individual Agreement") addressing the general release Plaintiff is providing to Defendant and the related consideration.

11. The Parties believe and agree that the PAGA Settlement provides for a fair, adequate, and reasonable resolution of the Action and have arrived at the Settlement after extensive, arm's length negotiations, considering all relevant factors, present and potential. PAGA Counsel believes that the Settlement confers real benefits upon the State and Aggrieved Employees and that an independent review of the Settlement by the Court in the approval process will confirm this conclusion.

12. For purposes of the Settlement, "Aggrieved Employees" are defined as: all current and former non-exempt employees who are or were employed by Defendant in California as servers and bussers and related positions during the PAGA Period (or if any such person is incompetent, deceased, or unavailable due to military service, the person's legal representative or successor in interest evidenced by reasonable verification) (Exhibit 1, ¶ 1.4.) Based on its records, Defendant represents that there are approximately 166 Aggrieved Employees and approximately 3,750 PAGA Pay Periods in the aggregate from December 19, 2021 through February 13, 2024. (Exhibit 1, ¶ 4.1.). In the event that the total PAGA Pay Periods are greater than 10% more than 3,750, either the Gross Settlement Amount will increase proportionately according to the percentage increase in PAGA Pay Periods above 10% (i.e., a 12% increase above 3,750 results in a 2% increase in the Gross Settlement Amount) or Defendant may elect to limit the last day of the PAGA Period to the

1 date on which the PAGA Pay Periods reached 10% more than 3,750. (Exhibit 1, ¶ 4.1.).

2 13. The Settlement Agreement requires Defendant to pay the total sum of One Hundred
3 Thousand Dollars and Zero Cents (\$100,000.00) (the “Gross Settlement Amount”). The Gross
4 Settlement Amount will be allocated as follows, pending Court approval:

- 5 a) Attorneys’ fees in the amount of \$35,000.00 (“PAGA Counsel Fees Payment”)
6 and litigation costs in the amount of \$18,206.96 (“PAGA Counsel Litigation
7 Expenses Payment”);
- 8 b) Administration costs of no more than \$5,000.00 to be paid to the Settlement
9 Administrator, ILYM Group, Inc., for sending notices and for calculating
10 settlement shares and preparing all checks and mailings (“Administration
11 Expenses Payment”); and
- 12 c) The remainder of the Gross Settlement Amount after deducting the above costs
13 is approximately \$41,793.04 and shall be designated as PAGA Penalties to be
14 allocated between the LWDA and the Aggrieved Employees pursuant to Labor
15 Code section 2699(i), with 75% (\$31,344.78) being paid to the LWDA
16 (“LWDA PAGA Payment”) and 25% (\$10,448.26) being paid to the Aggrieved
17 Employees on a pro-rata basis (“Individual PAGA Payment”). The average
18 payment to the Aggrieved Employees will be approximately \$62.94 (\$10,448.26
19 divided by 166 Aggrieved Employees, which is the approximate number of
20 Aggrieved Employees based on the data given at the time of mediation) as their
21 share of the Individual PAGA Payment.

22 14. From PAGA Counsel’s review of the facts, strengths, and weaknesses of the case, the
23 risks and delays posed by further litigation, and PAGA Counsel’s own prior litigation experience,
24 PAGA Counsel believes that the recovery for each Aggrieved Employee is fair and reasonable
25 taking into consideration the amounts received in other PAGA actions, the risks inherent in
26 litigation of this genre, and the reasonable tailoring of each Aggrieved Employee’s claim to the
27 settlement award he or she will receive. Further, and based on the settlement negotiations, which
28 were extensive and conducted in good faith and at arm’s length between attorneys with substantial

1 experience litigating PAGA actions, the Settlement Agreement was the product of a non-collusive
2 settlement process in which the Parties were forced to make significant compromises in the interest
3 of reaching a full and complete settlement of the lawsuit.

4 **THE STRENGTH OF CASE IN LIGHT OF THE SETTLEMENT AMOUNT**

5 15. Plaintiff alleges that Defendant violated various provisions of California law and seeks
6 civil penalties for the foregoing violations pursuant to Labor Code § 2699 *et seq.* Under Labor
7 Code § 2699, specifically, Plaintiff alleged that Defendant:

- 8 • Failed to pay Aggrieved Employees minimum wages and overtime for “off-the-clock”
9 work, including requiring Aggrieved Employees to work through their meal periods
10 and to manually enter their scheduled shift start and end times rather than recording
11 their actual hours worked.
- 12 • Failed to provide Aggrieved Employees with compliant meal periods because their
13 meal periods, when provided, were frequently interrupted by their supervisors and job
14 requirements and were provided after the fifth hour of their shift. Moreover,
15 Defendant’s managers failed to schedule meal periods for Aggrieved Employees and
16 instead required that Aggrieved Employees seek permission from managers in order to
17 take a meal period.
- 18 • Failed to provide Aggrieved Employees with compliant rest periods as they frequently
19 received interrupted, shortened, or no rest periods at all.
- 20 • Failed to reimburse Aggrieved Employees for business expenses, including uniforms
21 that they were required to wear at work and the use of their personal cell phones for
22 work.
- 23 • Failed to provide accurate wage statements, including the failure to include all hours
24 worked by Aggrieved Employees.

25 16. Defendant denied and continues to deny all of the claims made by Plaintiff in this Action
26 and contends that they acted at all relevant times in conformance with the law. Defendant contends
27 that Plaintiff and Aggrieved Employees were paid for all hours worked and that Defendant
28 prohibited Plaintiff and Aggrieved Employees from working beyond their scheduled shifts; that

1 Plaintiff and Aggrieved Employees signed a meal period waiver for shifts between five and six
2 hours and therefore Defendant was not required to provide Aggrieved Employees with meal
3 periods for shifts of less than six hours; that Defendant paid all wages due on a timely basis; that
4 Defendant paid all wages due on a timely basis and using Labor Code compliant instruments; that
5 Defendant's wage statements complied with the law; and that neither Plaintiff nor any Aggrieved
6 Employees incurred reasonable business-related expenses for which they were not reimbursed. As
7 a result, PAGA Counsel had to appropriately discount the amount recoverable from Defendant in
8 a settlement.

9 **PAGA Penalties**

10 17. The Private Attorneys General Act, Labor Code § 2699 *et seq.*, allows Plaintiff to obtain
11 civil penalties on behalf of himself and other aggrieved employees for Defendant's violation of
12 any provision of the Labor Code enumerated under Labor Code § 2699.5. Where civil penalties
13 are provided in the statute, those civil penalties are recoverable; where no civil penalties are
14 recoverable, Labor Code § 2699(f) establishes civil penalties of one hundred dollars (\$100) for
15 each aggrieved employee per pay period for the initial violation and two hundred dollars (\$200)
16 for each aggrieved employee per pay period for each subsequent violation. Pursuant to Labor Code
17 § 2699(i), seventy-five percent (75%) of the penalties recovered must be allocated to the LWDA,
18 with the remaining twenty-five percent (25%) allocated to the affected employees. However, under
19 *Amaral v. Cintas*, 163 Cal. App. 4th 1157, 1207-09 (2008), the Court held that a lower penalty
20 amount of \$100 per violation applies in the absence of a determination that a violation actually
21 occurred.

22 18. Plaintiff estimated that the maximum potential exposure on the PAGA claim is
23 \$375,000.00, calculated by multiplying the total number of PAGA Pay Periods (3,750) by \$100
24 per violation. Plaintiff's calculation of the total potential exposure on the PAGA claim was based
25 on one PAGA penalty per PAGA Pay Period (i.e., Plaintiff did not stack the PAGA penalties in
26 his damages calculation).

27 19. Case law supports the notion that it is inappropriate to "stack" penalties for multiple
28 violations, particularly when those violations all stem from the same alleged "injury" *Aguirre v.*

1 *Genesis Logistics*, 2015 U.S. Dist. LEXIS 78748 (citing *Villacres v. ABM Indus., Inc.*, 189
2 Cal.App.4th 562, 577 (2010)). (“One injury gives rise to only one claim for relief...The violation
3 of one primary right constitutes a single cause of action.”; *Crowley v. Katleman*, 8 Cal. 4th 666,
4 681-82) (1994); *Li v. A Perfect Day Franchise, Inc.*, 2012 WL 2236752, *17 (N.D. Cal.2012)
5 (“There is no authority that “would permit double recovery of essentially the same penalties.”)

6 20. PAGA penalties are not mandatory but permissive. Labor Code § 2699(e)(2) states that
7 “a court may award a lesser amount than the maximum civil penalty amount specified by this part
8 if, based on the facts and circumstances of the particular case, to do otherwise would result in an
9 award that is unjust, arbitrary and oppressive, or confiscatory.” (See *Thurman v. Bayshore* (2012)
10 203 Cal. App. 4th 1112 (substantially reducing PAGA penalties by 30% under this provision)
11 (emphasis added); see also *Carrington v. Starbucks Corp.*, 30 Cal. App. 5th 504, 529 (2018)
12 (affirming penalty reduction of 90% for practice that resulted in meal periods occasionally starting
13 minutes after the fifth hour of work); *Sanchez v. McDonald’s Corp.* (2017), LASC Case No. No.
14 BC 499888 (98% reduction from \$41 million to \$775,000); *Ghrdilyan v. RJ Financial* (2012),
15 LASC Case No. BC430633 (94% reduction from \$5.4 million to \$325,000); *Fleming v. Covidien*,
16 Inc. (2011), USDC Case No. ED CV 10-01487-RGK (OPx) (87% reduction from \$2.8 million to
17 \$375,000).). In departing from the \$100/pay period calculation to arrive at the \$100,000.00 Gross
18 Settlement Amount in this case, Plaintiff considered various reasons why the Court may reduce
19 any eventual recovery at its discretion and considered that PAGA penalties are not mandatory but
20 permissive.

21 21. The Gross Settlement Amount of \$100,000.00 is approximately 26.67% of the
22 maximum potential exposure of \$375,000.00. The Gross Settlement Amount therefore represents
23 a strong value at approximately \$26.67 per PAGA Pay Period. From PAGA Counsel’s review of
24 the facts, strengths and weaknesses of the case, and the risks and delays posed by further litigation,
25 PAGA Counsel believes that the recovery for the State and Aggrieved Employee is fair and
26 reasonable.

27 **REQUEST FOR ATTORNEYS’ FEES AND COSTS**

28 22. PAGA Counsel is requesting a PAGA Counsel Fees Payment in the amount of

1 **\$35,000.00** for attorneys' fees and a PAGA Counsel Litigation Expenses Payment of **\$18,206.96**
2 for litigation costs incurred. D.Law, Inc.'s cost log for this matter is attached hereto as **Exhibit 3**.
3 The Parties, in their Settlement Agreement, agreed to an amount of up to \$10,000.00 for PAGA
4 Counsel Litigation Expenses Payment. However, at the time the Parties settled, PAGA Counsel
5 underestimated the expenses incurred. PAGA Counsel is now seeking and requesting a PAGA
6 Counsel Litigation Expenses Payment of \$18,206.96 in reimbursement for actual litigation costs,
7 which Defendant does not oppose. The lion's share of these costs were incurred in connection with
8 mediation, and the others listed were all reasonably incurred and necessary to the prosecution of
9 this Action.

10 23. This request is fair, reasonable, and adequate to compensate PAGA Counsel for the
11 substantial work they have put into this case and the risk they assumed by taking it in the first
12 place. The attorneys' fees award is intended to reimburse PAGA Counsel for all uncompensated
13 work that they have already done and for all the work they will continue to do in carrying out and
14 overseeing the notification to the Aggrieved Employees, communicating with Aggrieved
15 Employees regarding their claims, and assisting in the administration of the Settlement if it is
16 approved.

17 24. Throughout this case, PAGA Counsel have borne, and continue to bear, the entire risk
18 and cost of litigation associated with this Action on a purely contingency basis. As a result, PAGA
19 Counsel have yet to receive any compensation for the amount of time and money invested in the
20 case to date.

21 25. Contingent-fee cases present the very real risk of working hundreds if not thousands of
22 hours that may never be entirely compensated. Moreover, while the case is being litigated, counsel
23 must pay overhead (salaries, rent, etc.), provide for their own expenses, and in most cases pay the
24 out-of-pocket expenses incurred on the plaintiff's behalf. And the prospect of a court-awarded fee
25 does not greatly reduce the risk posed by these cases. In many cases, the prospect is nothing more
26 than a potential that never materializes. First, you must win the case to get a court-awarded fee;
27 even those cases that seem strongest at the onset can be lost and sometimes are lost. Second, there
28 are always the pitfalls and unforeseen obstacles that arise along the way, such as settlement offers

1 that the client may accept without ensuring that we receive a reasonable fee or changes in the law
2 that substantially affect the merits of the case, or other uncertainties involving the client. Finally,
3 there is the great risk inherent in advancing tens if not hundreds of thousands of dollars in out-of-
4 pocket expenses. If that money were to be invested in some sort of financial investment, one would
5 expect a reasonable rate of return on that investment. Here, however, the best we can hope to
6 recover is our money, and then only if we are substantially successful; if we are not, all or part of
7 this “investment” can be lost.

8 26. PAGA Counsel is well acquainted with the contingent-fee market throughout
9 California, particularly as it pertains to PAGA and class action litigation. PAGA Counsel has
10 negotiated numerous contingency-fee agreements with plaintiffs, both as individuals and as
11 representatives in class-action and PAGA suits. Many of those agreements required that counsel
12 receive a fee under certain scenarios that exceeds thirty-five percent of the recovery. PAGA
13 Counsel’s recent attorneys’ fees awards in similar wage-and-hour class and PAGA actions have
14 been 35% of the recovery.

15 27. PAGA counsel in contingency-fee cases typically receive attorneys’ fees equal to or
16 greater than forty percent of the gross settlement amount. See *Crandall v. U-Haul* (Los Angeles
17 County Super. Ct., Case No. BC178775), the Honorable Steven Czuleger awarded a 40% attorney
18 fee request in an overtime-exemption class action; in *Bushnell v. Cremar, Inc.* (Orange County
19 Super. Ct., Case No. 657778), the Honorable Donald E. Smallwood awarded attorneys’ fees in the
20 amount of 38%; in *Abzug v. Kerkorian* CA000981 (Los Angeles County Super. Ct., November
21 1990), the Honorable R. William Schoettler awarded a 45% fee; in *Haitz v. Meyer, et al.*, Alameda
22 County Super. Court, 8-20-1990 No. 572968-3, the court awarded a 40% fee; in *Elliott v.*
23 *Clothestime* (Orange County Super. Ct., Case No. 01-CC00333) the Honorable Jonathan Cannon
24 awarded a 40% fee in a wage-and-hour class action which had not yet proceeded to the class
25 certification stage; in both *Rippee v. Boston Market Corporation*, Case No.: 05 CV 1359 BTM
26 (JMA) and *Barile v. Boston Market Corporation*, Case No.: 05 CV 1360 BTM (JMA), the
27 Honorable Judge Barry T. Moskowitz awarded a 40% fee to plaintiffs’ counsel in wage-and-hour
28 class actions that had not proceeded to the class-certification stage.

28. Moreover, PAGA Counsel spent substantial time on this matter. Aside from drafting the initial complaint, PAGA Counsel conducted informal discovery, reviewed and analyzed time and pay records, employment handbooks, Plaintiff's personnel file, relevant policies and other documentation, researched the applicable law and potential defenses, constructed damage models based on interpretations of California law, reviewed information provided by Defendant at the mediation, engaged in meet and confer efforts with Defendant, drafted and revised the settlement agreement, and drafted this Motion. PAGA Counsel conservatively estimates that it invested at least 66.13 hours of attorney time in this matter. I have invested at least 12 hours for a total of **\$9,000.00** in attorneys' fees (\$750/hr x 12 hours = **\$9,000.00**). Attorney Alvin B. Lindsay invested approximately **9.9** hours for a total of **\$7,920.00** (\$800/hr x 9.9 hours = \$7,920.00). Attorney Melissa Rodriguez invested approximately 39.23 hours for a total of **\$15,692.00** in attorneys' fees (\$400/hr x 39.23 hours = \$15,692.00). Attorney David Yeremian invested at least 5 hours for a total of \$4,250 (\$850/hr x 5 hours = \$4,250). Therefore, PAGA Counsel has collectively incurred 66.13 hours and **\$36,862.00** in fees. Thus, the fee request of \$35,000.00 is less than the amount warranted by the lodestar analysis.

29. The below table summarizes PAGA Counsel's total hours, billables, and costs:

Attorney/Firm	Total Hours	Total Billables	Costs
Enoch Kim (D.LAW)	12.0	\$9,000.00	\$18,206.96
David Yeremian (DYA)	5	\$4,250.00	
Alvin B. Lindsay (D.LAW)	9.9	\$7,920.00	
Melissa Rodriguez (D.LAW)	39.23	\$15,692.00	
Totals:	66.13	\$36,862.00	\$18,206.96

See Declaration of David Yeremian in Support of Plaintiff's Motion for Approval of PAGA Settlement ("Yeremian Decl., ¶ 17).

30. In light of the foregoing, the PAGA Counsel Fees Payment request in an amount equal to thirty-five percent of the settlement in this case is well within the bounds that have been established by the above-cited authority.

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32. D.Law is well-qualified and has ample experience, knowledge, and resources to act as counsel and represent Plaintiffs and the allegedly Aggrieved Employees in this action. Our practice is exclusively focused on employment matters and representing plaintiffs in wage and hour actions with the same or similar causes of actions brought forth in the matter pending before this Court.

12

DECLARATION OF ENOCH KIM IN SUPPORT OF PLAINTIFF'S MOTION FOR APPROVAL OF PAGA
SETTLEMENT

1 Galarza v. Kloeckner Metals Corporation (Central District of California, 2:17-cv-04910-FMO),
2 Estes v. L3 Technologies, Inc. et al. (Southern District of California, 3:17-cv-02356-H-JMA),
3 Rowser v. Trunk Club, Inc. (Central District of California, 2:17-cv-05064-DSF-RAO), Leach v.
4 The Claremont Colleges, Inc. (Superior Court of California in Los Angeles, BC686451), Vaesau
5 v. PCT Enterprises, Inc. dba Precision Cabinets (Superior Court of California, County of Contra
6 Costa MSC18-02404), Terry v. TF Louderback, Inc. dba Bay Area Beverage Company (Superior
7 Court of the State of California, County of Contra Costa, MSC18-00859), Roach v. Westcare
8 California, Inc. (Superior Court of California in Kern County, BCV-17-102367-SDS), Patton v.
9 Church & Dwight Co., Inc. (Central District of California, EDCV 18-903-MWF (KKx)), Juarez
10 v. ISL Employees, Inc. (Superior Court of California in Madera, MCV074787), Ferraro v. USC
11 Verdugo Hill s Hospital, et al. (Superior Court of California in Los Angeles, 18STCV09463), Ford
12 v. Account Control Technology, Inc., et al. (Superior Court of California in Los Angeles,
13 19STCV09369), Ornelas v. iStorage, et al. (Superior Court of California in San Francisco, CGC-
14 18-571421), Martinez v. Ronpak, Inc. (Superior Court of California in Riverside, RIC1901307),
15 Barrera et al. v. Exclusive Wireless, Inc. (Superior Court of California in Stanislaus, 9000687),
16 Barajas v. Mancha Development Company LLC (Superior Court of California in Orange County,
17 30-2018-00974707-CU-OE-CXC), Prado v. IMAX Corporation dba IMAC Worldwide Home
18 (Superior Court of California in San Bernardino, CIVDS1820265), Rodriguez v. ND Industries,
19 Inc. (Superior Court of California in Los Angeles, 19STCV38096), Singletary v. Motel 6
20 Operating LP, et al. (Southern District of California, 3:20-cv-0270-LAB-AHG), Quizon v. CF
21 Watsonville East, LLC, et al. (Superior Court of California in Santa Cruz, 20CV01868),
22 Stephenson v. Bakersfield Dodge, Inc. (Superior Court of California in Kern, BCV-20-102693),
23 Bacerra v. Hugo Boss Retail, Inc. (Superior Court of California in San Diego, 37-2021-00002933-
24 CU-OE-CTL), Walker v. Ariat International, Inc. (Superior Court of California in Alameda,
25 HG19026439), Orr v. Petvet Care Centers (California) Inc. (Superior Court of California in Santa
26 Clara, 19CV354063), Jimenez v. OEC Distribution Services, Inc. (Superior Court of California in
27 San Bernardino, CIVDS1915743), Viridi v. Absolute Security International (Superior Court of
28 California in San Bernardino, CIVDS 1909589), Raj v. First Transit, Inc (Superior Court of

1 California in Sacramento, 34-2021-00295895-CU-OE-GDS), Marchbanks v. Torrid
2 Administration, Inc. (Superior Court of California in San Diego, 37-2020-00008179-CU-OE-NC),
3 among others.

4 34. I am Senior Counsel at D.Law, where I manage the class action and PAGA settlement
5 department. I was admitted to the California Bar in December 2008. I received my J.D. from
6 Pepperdine University School of Law and B.S. from University of Southern California. Since
7 graduating from law school, I have dedicated virtually my entire career on the practice of
8 employment law. I have practiced employment law from the plaintiff's side, defense side, and
9 from an in-house position. I have significant experience specifically working on wage and hour
10 class actions from the plaintiff's side as well as the defense side, with the majority of my
11 experience coming from the plaintiff's side.

12 35. Attorney Alvin B. Lindsay received his Juris Doctorate from Whittier Law School.
13 Upon graduating from law school, he has exclusively focused his practice on representing
14 employees including in wage-and-hour class actions. During his career, he has represented
15 employees in over 100 wage-and-hour class action lawsuits as lead or co-lead counsel (including
16 in the Central, Southern, Eastern, and Northern Districts of California), and he has obtained six
17 and seven-figure settlements against a range of defendants, including Fortune 500 companies.
18 These cases have involved the gamut of wage-and-hour claims, including claims for failure to pay
19 minimum wages, unpaid wages and overtime, inaccurate pay statements, and failure to pay timely
20 wages - similar to claims at issue in the present matter.

21 36. The collective experience of the D.Law attorneys in litigating employment wage and
22 hour matters has been integral in identifying legal issues, evaluating the strengths and weaknesses
23 of a case, and generally negotiating fair and reasonable class and representative action settlements.
24 This experience is helpful in assessing the reasonableness of settlements such as the one at issue
25 here.

26 37. In sum, PAGA Counsel are experienced in employment class action and PAGA
27 litigation and are adequate to represent the Aggrieved Employees in the instant action.

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Enoch J. Kim

EXHIBIT 1

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

STEPHEN T. TREMBLEY, an individual,
on behalf of himself and others similarly
situated,

Plaintiff,

vs.

LITTLE SISTER OC, LLC, a California
corporation; and DOES 1 through 50,
inclusive,

Defendants.

Case No.: 30-2023-01308822-CU-OE-CXC

REPRESENTATIVE PAGA ACTION

Assigned for All Purposes To:
Hon. Peter Wilson
Dept.: CX101

PAGA SETTLEMENT AGREEMENT

PAGA Only Complaint Filed: February 16, 2022
Trial Date: None Set

This PAGA Settlement Agreement (“Agreement”) is made by and between plaintiff STEPHEN T.TREMBLEY (“Plaintiff”) and defendant LITTLE SISTER OC, LLC (“Defendant”). The Agreement refers to Plaintiff and Defendant collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

1.1. “Action” means the Plaintiff’s PAGA lawsuit alleging wage and hour violations against Defendant captioned *Stephen T. Trembley v. Little Sister OC, LLC*, Orange County Superior Court Case No. 30-2023-01308822-CU-OE-CXC, initiated on February 16, 2022 and pending in Superior Court of the State of California, County of Orange.

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

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

1.4. “Aggrieved Employee” means all current and former non-exempt employees who are or were employed by Defendant in California as servers and bussers and related positions during the PAGA Period (or if any such person is incompetent, deceased, or unavailable due to military service, the person’s legal representative or successor in interest evidenced by reasonable verification).

1.5. “Aggrieved Employee Data” means Aggrieved Employee identifying information in Defendant’s possession including the Aggrieved Employee’s name, last-known mailing address, Social Security number, and number of PAGA Pay Periods.

1.6. “Aggrieved Employee Address Search” means the Administrator’s investigation and search for current Aggrieved Employee mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Aggrieved Employees.

1.7. “Court” means the Superior Court of California, County of Orange.

1.8. "Defense Counsel" means Beth Schroeder and Matthew Pate of Raines Feldman Littrell LLP.

1.9. "Effective Date" means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Approving the PAGA Settlement and (b) the Judgment is final. The Judgment is final as of the later of the following occurrences: (a) the day the Court enters Judgment; and (b) the day the Court enters its Order Granting Approval to this PAGA Settlement.

1.10. "Gross Settlement Amount" means \$100,000.00, which is the total amount Defendant agrees to pay to settle the PAGA Representative Action under the Settlement except as provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administrator's Expenses Payment.

1.11. "Individual PAGA Payments" means the Aggrieved Employees' pro rata shares of 25% of the PAGA Penalties calculated according to the number of Pay Periods the Aggrieved Employee worked during the PAGA Period.

1.12. "Judgment" means the judgment entered by the Court based upon the Approval Order.

1.13. "LWDA" means the California Labor and Workforce Development Agency, as set forth in Labor Code section 2699, subd. (i).

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

1.15. "Net Settlement Amount" is the fund remaining after approved deducted allocations. The Net Settlement Amount is calculated by taking the Gross Settlement Amount and subtracting the following payments in the amounts approved by the Court: PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, the Administration Expenses Payment, and the LWDA PAGA Payment. The resulting Net Settlement Amount is used to pay Individual PAGA Payments to Aggrieved Employees on a *pro rata* basis.

1.16. "PAGA Counsel" means David Yeremian of David Yeremian & Associates, Inc., and Emil Davtyan and Alvin B. Lindsay of D.Law, Inc., the attorneys representing the Plaintiff in the Action.

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

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

1.19. "PAGA Period" means the period from December 19, 2021 through February 13, 2024 or the date of entry of an Order granting approval to the Settlement, whichever is sooner.

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

1.21. "PAGA Notice" means Plaintiff's PAGA Notice letter to Defendant and the LWDA submitted on December 13, 2022 (LWDA-CM-924212-22) providing notice pursuant to Labor Code section 2699.3, subd. (a).

1.22. "PAGA Penalties" means the Gross Settlement Amount minus the approved PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The PAGA Penalties consist of the Individual Settlement Payments to be paid to the Aggrieved Employees from 25% of the total PAGA Penalties, and the LWDA PAGA Payment, which is 75% of the PAGA Penalties and will be paid to the LWDA. If the allocations provided herein are approved, the PAGA Penalties will total \$50,000.00, meaning \$12,500.00 will be paid to the Aggrieved employees as Individual Settlement Payments and \$37,500.00 will be paid to the LWDA.

1.23. "Plaintiff" means Stephen Trembley, the named plaintiff in the Action.

1.24. "Approval Order" means the Court Order Granting Approval of the PAGA Settlement.

1.25. "Released PAGA Claims" means the claims being released by the Plaintiff and PAGA Counsel and as described in Paragraph 5 below.

1.26. "Released Parties" means: Defendant and each of its former and present directors, officers, managing agents, shareholders, owners, members, attorneys, employees, managers, insurers, predecessors, successors, assigns, subsidiaries, parent companies, and affiliated entities and individuals.

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

1.28. "Defendant" means the named defendant, Little Sisters OC, LLC.

2. RECITALS.

2.1. On February 16, 2023, Plaintiff commenced this Action by filing an individual and Representative PAGA Action Complaint alleging causes of action on behalf of all similarly situated resident servers and bussers and related positions against Defendant for: (1) Failure to Pay Minimum Wages and for all hours worked; (2) Failure to Pay Wages and Overtime Under Labor Code § 510; (3) Meal Period Liability Under Labor Code § 226.7; (4) Rest-Break Liability Under Labor Code § 226.7; (5) Violation of Labor Code § 226(a); Violation of Labor Code § 221; (6) Violation of Labor Code § 204; (7) Violation of Labor Code § 201, § 202, § 203; (8) Violation of Labor Code § 2810.5; and (9) Failure to Reimburse under Labor Code § 2802. The Parties scheduled a mediation with Steven Serratore, Esq. of Serratore Law to take place on December 15, 2023 to explore an early resolution to this matter, and the Parties submitted a joint stipulation agreeing to a stay without prejudice, which the court granted in an Order entered on May 30, 2023. The Parties agreed to and undertook an exchange of documents and information to facilitate mediation. Following mediation on December 15, 2023, the Parties agreed to the general terms of a PAGA-only settlement. Defendant denies the allegations in the Complaint, denies any failure to comply with the laws identified in the Complaint, and denies any and all liability for the causes of action alleged.

2.2. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to Defendant and the LWDA by sending and submitting the PAGA Notice on December 13, 2022 (LWDA-CM-924212-22).

1 2.3. On December 15, 2023, the Parties participated in an all-day mediation presided over
2 by Steven Serratore, Esq., which led to this Agreement to settle the Action. The parties are also
3 entering into a separate individual settlement agreement (the “Separate Individual Settlement
4 Agreement”) addressing the general release Plaintiff is providing to Defendant and the related
5 consideration.

6 2.4. Prior to mediation, Plaintiff obtained, through informal discovery, the production of
7 relevant policy, timekeeping, and related documents along with numbers of aggrieved employees
8 and other data to provide the Parties’ counsel with sufficient information on their claims and
9 defenses to discuss potential penalty exposure and good faith bases for reduction. In other words,
10 negotiations were at arms’ length and facilitated by a respected third-party neutral mediator.

11 2.5. The Parties, PAGA Counsel and Defense Counsel represent that they are not aware of
12 any other pending matter or action asserting claims that will be extinguished or affected by the
13 Settlement.

14 **3. MONETARY TERMS.**

15 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below,
16 Defendant promises to pay \$100,000.00 and no more as the Gross Settlement Amount. Defendant
17 has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 6.1
18 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without
19 asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of
20 the Gross Settlement Amount will revert to Defendant.

21 3.2. Payments from the Gross Settlement Amount. The Administrator will make and
22 deduct the following payments from the Gross Settlement Amount, in the amounts specified by
23 the Court in the Approval Order:

24 3.2.1. To PAGA Counsel: A PAGA Counsel Fees Payment of not more than 35% of the
25 \$100,000 Gross Settlement Amount, which is currently estimated to be \$35,000.00, and a PAGA
26 Counsel Litigation Expenses Payment of not more than \$10,000.00. Defendant will not oppose
27 requests for Court approval of these payments provided that they do not exceed these amounts.
28 Plaintiff and/or PAGA Counsel will file an application or motion for PAGA Counsel Fees

1 Payment and PAGA Litigation Expenses Payment in connection with the filing of the Joint
2 Stipulation for Settlement Approval or Motion for PAGA Settlement Approval. If the Court
3 approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses Payment
4 less than the amounts requested, the Administrator will allocate the remainder to the Net
5 Settlement Amount. Released Parties shall have no liability to PAGA Counsel or any other
6 Plaintiff's Counsel arising from any claim to any portion any PAGA Counsel Fee Payment and/or
7 PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel
8 Fees Payment and PAGA Counsel Expenses Payment using one or more IRS 1099 Forms. PAGA
9 Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees
10 Payment and the PAGA Counsel Litigation Expenses Payment and holds Defendant harmless, and
11 indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any
12 of these Payments.

13 3.2.2. To the Administrator: An Administrator Expenses Payment not to exceed \$5,000.00
14 except for a showing of good cause and as approved by the Court. To the extent the
15 Administration Expenses are less or the Court approves payment less than \$5,000.00, the
16 Administrator will retain the remainder in the Net Settlement Amount.

17 3.2.3. To the LWDA and Aggrieved Employees: The PAGA Penalties consist of the
18 Individual Settlement Payments to be paid to the Aggrieved Employees from 25% of the total
19 PAGA Penalties, and the LWDA PAGA Payment, which is 75% of the PAGA Penalties and will
20 be paid to the LWDA. If the allocations provided herein are approved, the PAGA Penalties will
21 total \$50,000.00, meaning \$12,500.00 will be paid to the Aggrieved employees as Individual
22 Settlement Payments and \$37,500.00 will be paid to the LWDA.

23 3.2.3.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing
24 the amount of the Aggrieved Employees' 25% share of PAGA Penalties by the total number of
25 PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b)
26 multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved
27 Employees assume full responsibility and liability for any taxes owed on their Individual PAGA
28 Payment.

3.2.3.2. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will adjust distributions according to the revised Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS Forms 1099.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendant estimates 166 Aggrieved Employees worked approximately 3,750 pay periods during the PAGA Period to date. If all allocations from the Gross Settlement are approved, with the Aggrieved Employees' 25% share of PAGA Penalties estimated at \$12,500.00, the average payment to the 166 Aggrieved Employees is estimated to be \$75.30. In the event that the total PAGA Period Pay Periods are greater than 10% more than 3,750 (the current updated pay period estimate) either the Gross Settlement Amount will increase proportionately according to the percentage increase in PAGA Period Pay Periods above 10% (*i.e.*, a 12% increase above 3,750 results in a 2% increase in the Gross Settlement Amount) or Defendant may elect to limit the last day of the PAGA Period to the date on which the PAGA Period Pay Periods reached 10% more than 3,750.

4.2. Aggrieved Employee Data. Within 21 days of executing this agreement, Defendant will deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employees' privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify PAGA Counsel if it discovers that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.

1 4.3. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement
2 Amount by transmitting the funds to the Administrator no later than 14 days after the Effective
3 Date.

4 4.4. Payments from the Gross Settlement Amount. Within 14 days after Defendant funds
5 the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA
6 Payments, the LWDA PAGA Payment, the Administration Expenses Payment, and the PAGA
7 Counsel Expenses Payment. Disbursement of the PAGA Counsel Litigation Expenses Payment
8 shall not precede disbursement of Individual PAGA Payments.

9 4.4.1. The Administrator will issue checks for the Individual PAGA Payments and send
10 them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. After 180 days from
11 the date of mailing, the uncashed checks will be voided. The Administrator will cancel all checks
12 not cashed by the void date. Before mailing any checks, the Settlement Administrator must update
13 the recipients' mailing addresses using the National Change of Address Database.

14 4.4.2. The Administrator must conduct an Aggrieved Employee Address Search for all
15 Aggrieved Employees whose checks are returned undelivered without USPS forwarding address.
16 Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS
17 forwarding address provided or to an address ascertained through the Aggrieved Employee
18 Address Search. The Administrator need not take further steps to deliver checks to Aggrieved
19 Employees whose re-mailed checks are returned as undelivered. The Administrator shall promptly
20 send a replacement check to any Aggrieved Employee whose original check was lost or
21 misplaced, as requested by the Aggrieved Employee prior to the void date.

22 4.4.3. For any Aggrieved Employee whose Individual PAGA Payment check is uncashed
23 and canceled after the void date, the Administrator shall transmit the funds to the California
24 Controller's Unclaimed Property Fund in the name of the Aggrieved Employee.

25 4.4.4. The payment of Individual PAGA Payments shall not obligate Defendant to confer
26 any additional benefits or make any additional payments to the Aggrieved Employees (such as
27 401(k) contributions or bonuses) beyond those specified in this Agreement.
28

1 **5. RELEASES OF CLAIMS.**

2 Effective on the date when Defendant fully funds the entire Gross Settlement Amount
3 Plaintiff on behalf of the State and the Aggrieved Employees will release claims against all
4 Released Parties as follows:

5 5.1 Plaintiff's Release. Plaintiff and his respective former and present spouses,
6 representatives, agents, attorneys (including PAGA Counsel), heirs, administrators, successors,
7 and assigns generally, irrevocably release and discharge Released Parties from all claims,
8 damages, penalties, liabilities, fees (including attorney's fees), costs, transactions, or occurrences
9 that occurred at any time up through the date of this Agreement, including, but not limited to: (a)
10 all claims that were, or reasonably could have been, alleged, based on the facts contained in the
11 Complaint and the PAGA Notice ("Plaintiff's Release"). Plaintiff's Release does not extend to any
12 claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment
13 benefits, disability benefits, social security benefits, or workers' compensation benefits. Plaintiff
14 acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or
15 law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff's Release
16 shall be and remain effective in all respects, notwithstanding such different or additional facts or
17 Plaintiff's discovery of them.

18 5.1.1 Plaintiff's Waiver of Rights Under California Civil Code Section 1542.

19 For purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the
20 provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:
21 "A general release does not extend to claims that the creditor or releasing party does not know or
22 suspect to exist in his or her favor at the time of executing the release, and that if known by him or
23 her would have materially affected his or her settlement with the debtor or Released Party."
24 Plaintiff's individual settlement agreement and general release also include a section 1542 waiver.

25 5.2 Release by Aggrieved Employees:

26 All Aggrieved Employees are deemed to release, on behalf of themselves and their
27 respective former and present representatives, agents, attorneys, heirs, administrators, successors,
28 and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or

1 reasonably could have been alleged, based on the PAGA Period facts stated in the original
2 complaint, the Operative Complaint and the PAGA Notice.

3 5.3 Release by PAGA Counsel:

4 PAGA Counsel releases on behalf of their present and former attorneys, employees,
5 agents, successors and assigns the Released Parties from all claims for PAGA Fees incurred in
6 connection with the Complaint and the PAGA Period facts stated in the Complaint and the PAGA
7 Notice.

8 **6. MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT.**

9 The Parties agree to jointly prepare and file an application or motion for approval of this
10 Settlement.

11 6.1 Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all
12 documents necessary for obtaining approval of this Settlement under Labor Code Section 2699,
13 subd. (f)(2)) including (i) a draft proposed Order Granting Approval of PAGA Settlement; (ii) a
14 signed declaration from the Administrator attaching its "not to exceed" bid for administering the
15 Settlement and attesting to its willingness to serve; competency; operative procedures for
16 protecting the security of Aggrieved Employee Data; amounts of insurance coverage for any data
17 breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential
18 conflicts of interest with Aggrieved Employees or the LWDA; and the nature and extent of any
19 financial relationship with Plaintiff, PAGA Counsel or Defense Counsel; (iii) a signed declaration
20 from PAGA Counsel firm attesting to its timely transmission to the LWDA of all necessary
21 PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative
22 Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699,
23 subd. (l)(2)); (iv) a redlined version of the parties' Agreement showing all modifications made to
24 the Model Agreement ready for filing with the Court; and (v) all facts relevant to any actual or
25 potential conflict of interest with Aggrieved Employees and/or the Administrator. In their
26 Declarations, Plaintiff and PAGA Counsel shall aver that they are not aware of any other pending
27 matter or action asserting claims that will be extinguished or adversely affected by the Settlement.
28

1 6.2 Responsibilities of PAGA Counsel. PAGA Counsel and Defense Counsel are jointly
2 responsible for expeditiously finalizing and filing the application or motion for approval of this
3 Settlement no later than 30 days after the full execution of this Agreement and, if necessary,
4 obtaining a prompt hearing date for the motion and appearing in Court to advocate in favor of the
5 motion. PAGA Counsel is responsible for delivering the Court's approval documents to the
6 Administrator.

7 6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed application or
8 motion for approval of this Settlement and/or the supporting declarations and documents, PAGA
9 Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting
10 in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not
11 grant the motion for approval of this Settlement or conditions its approval on any material change
12 to this Agreement, PAGA Counsel and Defense Counsel will expeditiously work together on
13 behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the
14 Agreement and otherwise satisfy the Court's concerns.

15 **7. SETTLEMENT ADMINISTRATION.**

16 7.1 Selection of Administrator. The Parties have jointly selected ILYM Group, Inc. to
17 serve as the Administrator and verified that, as a condition of appointment, it agrees to be bound
18 by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in
19 exchange for payment of Administration Expenses. The Parties and their Counsel represent that
20 they have no interest or relationship, financial or otherwise, with the Administrator other than a
21 professional relationship arising out of prior experiences administering settlements.

22 7.2 Employer Identification Number. The Administrator shall have and use its own
23 Employer Identification Number for purposes of calculating payroll tax withholdings and
24 providing reports to state and federal tax authorities.

25 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that
26 meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation
27 section 468B-1.
28

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

8. AGGRIEVED EMPLOYEE SIZE ESTIMATES

Following mediation, Defendant represented that there were approximately 166 Aggrieved Employees who worked during the PAGA Period in approximately 3,750 total pay periods.

9. CONTINUING JURISDICTION OF THE COURT.

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

9.1 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment, the Parties and PAGA Counsel waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs, or appeals. If another party appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

10. ADDITIONAL PROVISIONS.

10.1 No Admission of Liability or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree that representative treatment is for purposes of this Settlement only. If, for any reason, the Court does not approve this Settlement, Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the

1 right to contest Defendant's defenses. The Settlement, this Agreement, and the Parties' willingness
2 to settle the Action will have no bearing on, and will not be admissible in connection with, any
3 litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

4 10.2 Integrated Agreement. Upon execution by all Parties and PAGA Counsel, this
5 Agreement together with its attached exhibits shall constitute the entire agreement between the
6 Parties relating to the Settlement, superseding any and all oral representations, warranties,
7 covenants, or inducements made to or by any Party. Provided, however, that this Agreement does
8 not supersede or replace the Separate Individual Settlement Agreement.

9 10.3 Attorney Authorization. PAGA Counsel warrants and represents that they are
10 authorized by Plaintiff, respectively, to take all appropriate action required or permitted to be
11 taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other
12 documents reasonably required to effectuate the terms of this Agreement including any
13 amendments to this Agreement. Defendant represents and warrants that it has authorized its
14 counsel to take those steps reasonably necessary, and to execute attendant documents, to effectuate
15 this Agreement. Defendant further represents and warrants that its counsel has reviewed this
16 Agreement as to content and form and provided Defendant with related advice.

17 10.4 Cooperation. The Parties and their counsel will cooperate with each other and use
18 their best efforts, in good faith, to implement the Settlement by, among other things, modifying the
19 Settlement Agreement, submitting supplemental evidence and supplementing points and
20 authorities as requested by the Court. In the event the Parties are unable to agree upon the form or
21 content of any document necessary to implement the Settlement, or on any modification of the
22 Agreement that may become necessary to implement the Settlement, the Parties will seek the
23 assistance of a mediator and/or the Court for resolution.

24 10.5 No Prior Assignments. The Parties separately represent and warrant that they have not
25 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or
26 encumber to any person or entity and portion of any liability, claim, demand, action, cause of
27 action, or right released and discharged by the Party in this Settlement.
28

1 10.6 No Tax Advice. Neither Plaintiff, PAGA Counsel, Defendant nor Defense Counsel
2 are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be
3 relied upon as such within the meaning of United States Treasury Department Circular 230 (31
4 CFR Part 10, as amended) or otherwise.

5 10.7 Modification of Agreement. This Agreement, and all parts of it, may be amended,
6 modified, changed, or waived only by an express written instrument signed by all Parties or their
7 representatives, and approved by the Court.

8 10.8 Agreement Binding on Successors. This Agreement will be binding upon, and inure
9 to the benefit of, the successors of each of the Parties.

10 10.9 Applicable Law. All terms and conditions of this Agreement and its exhibits will be
11 governed by and interpreted according to the internal laws of the state of California, without
12 regard to conflict of law principles.

13 10.10 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation
14 of this Agreement. This Agreement will not be construed against any Party on the basis that the
15 Party was the drafter or participated in the drafting.

16 10.11 Confidentiality. To the extent permitted by law, all agreements made, and orders
17 entered during the Action and in this Agreement relating to the confidentiality of information shall
18 survive the execution of this Agreement.

19 10.12 Use and Return of Aggrieved Employee Data. Information provided to PAGA
20 Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the PAGA Data
21 provided to PAGA Counsel by Defendant or Defense Counsel in connection with the mediation,
22 other settlement negotiations, or in connection with the Settlement, may be used only with respect
23 to this Settlement, and no other purpose, and may not be used in any way that violates any existing
24 contractual agreement, statute, or rule of court. Not later than 90 days after the Administrator
25 discharges its obligation to pay out of all Settlement funds, Plaintiff shall destroy all paper and
26 electronic versions of Aggrieved Employee Data received from Defendant unless, prior to the
27 Administrator's payment of all Settlement Funds, Defendant makes a written request to PAGA
28 Counsel for the return, rather than the destruction, of Aggrieved Employee Data.

1 10.13 Headings. The descriptive heading of any section or paragraph of this Agreement is
2 inserted for convenience of reference only and does not constitute a part of this Agreement.

3 10.14 Calendar Days. Unless otherwise noted, all reference to “days” in this Agreement
4 shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a
5 weekend or federal legal holiday, such date or deadline shall be on the first business day
6 thereafter.

7 10.15 Notice. All notices, demands, or other communications between the Parties in
8 connection with this Agreement will be in writing and deemed to have been duly given as of the
9 third business day after mailing by United States mail, or the day sent by email or messenger,
10 addressed as follows:

11 To Plaintiff:

12 D.LAW, INC.
13 Emil Davtyan (SBN 299363)
14 Emil@d.law

15 Alvin B. Lindsay (SBN 220236)
16 a.lindsay@d.law
17 880 E Broadway
18 Glendale, CA 91205
19 Telephone: (818) 962-6465
20 Fax: (818) 962-6469

21 DAVID YEREMIAN & ASSOCIATES, INC.
22 David Yeremian (SBN 226337)
23 david@yeremianlaw.com
24 880 E Broadway
25 Glendale, CA 91205
26 Telephone: (818) 962-6465
27 Fax: (818) 962-6469

28 To Defendant:

29 RAINES FELDMAN LITTRELL LLP
30 Beth Schroeder (SBN 119504)
31 bschroeder@raineslaw.com
32 Matthew Pate (SBN 317136)
33 mpate@raineslaw.com
34 1900 Avenue of the Stars, 19th Floor
35 Los Angeles, California 90067
36 Telephone: (310) 440-4100
37 Facsimile: (310) 691-1367

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

10.17 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to CCP section 583.330 to extend the date to bring a case to trial under CCP section 583.310 for the period from which this Agreement is fully executed through the date upon which one Party, including through its counsel, delivers written notice to the other Party, including to its counsel, that it will no longer proceed with the settlement process.

IT IS SO AGREED.

DocuSigned by:

Stephen Trembley

DB32799A54E2433...

Plaintiff Stephen Trembley

On behalf of Defendant Little Sisters OC, LLC

By: _____

D.LAW, INC.
DAVID YEREMIAN & ASSOCIATES, INC.

By

David Yeremian
Alvin B. Lindsay
Attorneys for Plaintiff

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IT IS SO AGREED.

DocuSigned by:
Stephen Trembley
DB32799A54E2433...

Plaintiff Stephen Trembley

Jed w. Sanford
Jed w. Sanford (May 7, 2024 09:28 PDT)

On behalf of Defendant Little Sisters OC, LLC

By: Manager

D.LAW, INC.
DAVID YEREMIAN & ASSOCIATES, INC.

By [Signature]

David Yeremian
Alvin B. Lindsay
Attorneys for Plaintiff

Pending Def Sig - PAGA Only Settlement Agreement (Trembley v. Little Sister) (10181304.1)

Final Audit Report

2024-05-07

Created:	2024-05-06
By:	Dora Melendez (dmelendez@raineslaw.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAA684wUYD8Cu6HIVTiFW8Xv0g6PVEHrbnP

"Pending Def Sig - PAGA Only Settlement Agreement (Trembley v. Little Sister)(10181304.1)" History



Document created by Dora Melendez (dmelendez@raineslaw.com)

2024-05-06 - 8:49:31 PM GMT



Document emailed to jedwsanford@gmail.com for signature

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Email viewed by jedwsanford@gmail.com

2024-05-07 - 4:26:43 PM GMT



Signer jedwsanford@gmail.com entered name at signing as Jed w. Sanford

2024-05-07 - 4:28:23 PM GMT



Document e-signed by Jed w. Sanford (jedwsanford@gmail.com)

Signature Date: 2024-05-07 - 4:28:25 PM GMT - Time Source: server



Agreement completed.

2024-05-07 - 4:28:25 PM GMT



Adobe Acrobat Sign

EXHIBIT 2

**DAVID YEREMIAN
& ASSOCIATES INC**

2540 Foothill Blvd., Suite 201
La Crescenta, CA 91214
818 230 8380
818 230 0308 FAX

DAVID@YEREMIANLAW.COM; ALVIN@YEREMIANLAW.COM

December 13, 2022

VIA ON-LINE SUBMISSION ONLY TO:

<https://dir.tfaforms.net/128>

Private Attorneys General Act
Attn. PAGA Administrator
455 Golden Gate Avenue, 9th Floor
San Francisco, CA 94102

VIA CERTIFIED MAIL TO:

(by certified mail to LITTLE SISTER OC, LLC as follows)

LITTLE SISTER OC, LLC
555 Pier Avenue Suite D
Hermosa Beach, CA 90254
Certified Mail Tracking Number:

Kavita Gora
Agent for Service of Process for Little Sister OC, LLC
21300 Victory Blvd, Suite 690
Woodland Hills, CA 91367
Certified Mail Tracking Number:

**Re: Labor Code § 2698, *et seq.* Penalties
PAGA Notice Letter to LWDA
Stephen Trembley v. Little Sister OC, LLC, et al.
Superior Court for the County of Orange**

Gentlepersons:

This office represents Stephen Trembley (“Plaintiff”) and other similarly aggrieved individuals employed as non-exempt, hourly bussers and servers and in related positions at Defendants’ California restaurant locations during the relevant period (collectively “Aggrieved Employees”) for, *inter alia*, violations of California Labor Code §§ 201, 202, 203, 204, 218, 218.5, 218.6, 221, 222.5, 226, 226.7, 510, 511, 512, 558, 1174, 1185, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2802, 2810.5, 6401, 6403, and 2698 *et seq.*, provisions of the Industrial Welfare Commission (IWC) Wage Order(s); and California Business & Professions Code § 17200 *et seq.*

The purpose of this letter is to comply with the Private Attorneys General Act of 2004, pursuant to California Labor Code § 2698 *et. seq.* (“the Act”). Plaintiff would like to bring a representative action, pursuant to the Act, on behalf of himself and all other similarly situated Aggrieved Employees, and the State of California, against Defendants LITTLE SISTER OC, LLC and Does 1 through 10 inclusive (all defendants being referred to herein collectively as “Defendants”).

Additionally, this correspondence will serve to satisfy the notice requirements under the Act, along with Plaintiff’s PAGA Action Complaint, which is attached to this Notice letter. Upon exhaustion of the notice period, the PAGA Complaint will be filed in Orange County Superior Court, and will be assigned a local case number. The Complaint allegations and claims are incorporated into this Notice Letter.

We also set forth herein the facts and theories and the California Labor Code violations which Defendants engaged in with respect to Plaintiff and all of their Aggrieved Employees in California. The attached PAGA Action Complaint provides the details of Plaintiff’s representative claims under the Act, and the applicable California law governing them. It, along with this Notice Letter, addresses in detail numerous violations that subject Defendants to civil and statutory penalties under the Act.

Relevant Facts and Summary of Claims

Plaintiff and the similarly Aggrieved Employees worked for Defendants as non-exempt, hourly employees in positions such bussers and food runners and servers and in related non-exempt, hourly positions relating to restaurant operations (“Aggrieved Employees”). As addressed in further detail below and in the attached Complaint, Defendants required Plaintiff and the Aggrieved Employees to work off the clock and failed to record accurate time worked by these Employees, made changes to actual timekeeping records to reflect conformance with the labor laws despite committing wage and meal and rest violations, failed to pay them at the appropriate rates for all hours worked, and provided Plaintiff and the Aggrieved Employees with inaccurate wage statements that prevented them from learning of these unlawful pay practices. Defendants also failed to provide Plaintiff and the Aggrieved Employees with lawful meal and rest periods, as Employees were required to remain under Defendant’s control and were not provided with the opportunity to take full uninterrupted and timely and duty-free rest periods and meal breaks, as required by the Labor Code and the applicable paragraphs of the IWC Wage Orders.

Plaintiff and the other similarly Aggrieved Employees therefore worked at Defendants’ behest without being paid all wages due and without being provided all required breaks. More specifically, Plaintiff and the other Aggrieved Employees were employed by Defendants and shared similar job duties and responsibilities, were subjected to the same policies and practices, and endured similar violations at the hands of Defendants as the other Aggrieved Employees who served in similar and related positions.

Defendant LITTLE SISTER OC, LLC is a California limited liability company which operates restaurant locations, including in Downtown Los Angeles, Redondo Beach, and El Segundo in Los Angeles County and at the Irvine Spectrum in Orange County. It

describes its' menu as "East-Meets-West dishes that inspire and evoke a feeling of being welcomed into" a home in Southeast Asia. The Notice provided to Plaintiff under Labor Code 2810.5 states that "Little Sister OC LLC" is the employer and its address is in Irvine, California in Orange County. However, Defendant "Little Sister OC, LLC's" listing with the California Secretary of State discloses a headquarters address and a California address in Hermosa Beach, California in Los Angeles County. The wage statements and W-2 provided by Defendants to Plaintiff list "Little Sister OC LLC" as the employer and listed an address in Irvine California.

Defendants also maintain a centralized Payroll department to process payroll for all non-exempt, hourly paid employees working for Defendants in California, including Plaintiff and other Aggrieved Employees. Defendants follow the same wage payment policies and practices and issue the same or similarly formatted wage statements in the same manner for all non-exempt, hourly paid employees working in California, including Plaintiff and other Aggrieved Employees, irrespective of their location, position, or manner in which each employee's employment ended. In other words, Defendants utilized the same methods and formulas when calculating wages due to Plaintiff and other Aggrieved Employees in California, and in unlawfully rounding hours worked away from Aggrieved Employees, requiring them to work off the clock, and miscalculating and underpaying the overtime wages owed to them.

The Aggrieved Employees, including Plaintiff, are non-exempt employees pursuant to the applicable Wage Order of the Industrial Welfare Commission ("IWC"). Defendants hire Employees who work in non-exempt positions at the direction of Defendants in the State of California. Plaintiff and the Aggrieved Employees were either not paid by Defendants for all hours worked or were not paid at the appropriate minimum, regular and overtime rates. Among other violations, Defendants also failed to pay Plaintiff and the Aggrieved Employees all wages due and owing, including by requiring off the clock work, made unlawful deductions from their pay, failed to pay overtime wages, failed to provide meal and rest breaks, failed to reimburse necessary business expenses, and failed to furnish accurate wage statements, all in violation of various provisions of the California Labor Code and applicable paragraphs of the IWC Wage Orders.

During the course of Plaintiff and the Aggrieved Employees' employment with Defendants they were not paid all wages they were owed at the appropriate rates of pay, including for all work performed (resulting in "off the clock" work) and for all overtime hours worked, and were forced to work off-the-clock and endure unlawful time shaving, rounding, miscalculation, or failure to record. Also, due to demanding job requirements and the policy and practice of Defendants' managers, Defendants adjusted time clock entries to input clock in and out times for shifts to conform to work shift schedules and to appear as if they were provided with compliant meal periods. Plaintiff, and upon information and belief the other similarly Aggrieved Employees, generally worked at least five to six shifts per week at Defendants' behest in locations in California. Plaintiff was generally scheduled to work shifts of six hours in scheduled duration, but worked more hours on some occasions when customer demand and employee availability required, many of which he and the Aggrieved Employees were not paid or were not paid at the correct rates.

More specifically, Defendants operated their restaurant locations using a two shift schedule, and Plaintiff therefore was scheduled to work a shift either from approximately 10:00 or 10:30 a.m. until 4:00 or 5:00 p.m. or later when assigned to the first shift or from approximately 4:00 or 5:00 p.m. through closing as late as 10:30 or 11:00 p.m. for the night shift, and Saturday nights would sometimes extend past 11:00 p.m. Plaintiff, and upon information and belief the other Aggrieved Employees, were paid an hourly rate for their hours worked that was close to the minimum wage. Servers and bartenders also received tips from customers either by cash payments or credit card, and after shifts accounted for them after receiving required manager approval and they would then be paid either by Venmo or similar application or were supposed to be paid them with the check for the pay period earned. Upon information and belief, managers also kept some tips for themselves and committed and furthered violations of any tip pooling arrangement as a result.

Additionally, Defendants' compensation policy and practice required servers and bartenders to pay additional wages to bussers and food runners and other support staff at a rate set by Defendants, usually 2% to 4% of total sales. More specifically, managers would receive summaries and paperwork documenting the total sales for each server and bartender working a given shift in connection with closing, and these individual totals were added together for all other Aggrieved Employees to share in as an additional form of compensation for their hours worked. These payments were often not made to Aggrieved Employees, and if and when they were, it was for much less than should have been paid based on the total sales and was also not timely paid. Defendants failed to record or to correctly record and maintain listings of the total sales per shift on which Aggrieved Employees were to be paid, and Aggrieved Employees were given no way to check to determine the total sales for each shift upon which this additional compensation beyond the straight hourly rate should have been based. Additionally, as the amount of these additional payments were non-discretionary and tied directly to the total sales performance for a specific shift, this additional remuneration was a form of bonus rather than another tip pooling arrangement. Therefore, in the event that Plaintiff and the other Aggrieved Employees worked shifts over eight hours in a day or forty hours in a week, or in the event Defendants ever paid a premium for a missed meal period or rest break, Defendants failed to include all forms of remuneration in the regular rate used to calculate and pay any such overtime or meal and rest premium payments.

Plaintiff and the Aggrieved Employees were required by Defendants to input their shift start and end times, and any meal period start and end times if applicable, directly into the POS system operated by Defendants. Despite utilizing a timekeeping system that could record times to the real time minute based on the hours actually worked by Plaintiff and the other Aggrieved Employees, Defendants failed to record all hours worked or failed to accurately record them. By scheduling Plaintiff and other aggrieved employees for shifts that were supposed to be for between five and six hours, Defendants also hoped to avoid the requirement to provide a first meal period during each shift. However, the press of management and customer demands often required Plaintiff and the other aggrieved employees to work for greater than six hours on a shift, which gave rise to Defendants' obligation to provide Aggrieved Employees with meal periods they cannot voluntarily waive, and to provide them before the fifth hour worked in the shift.

Upon information and belief, Defendants wanted to avoid having to pay any meal period premiums in such instances, and required Aggrieved Employees to agree to permitting Defendants' managers to alter their actual timekeeping records for their shifts so that they could clock out and leave following their work shifts. More specifically, Aggrieved Employees including Plaintiff were not permitted to clock out without manager approval if their shift ended up being over six hours worked and they had not been provided the opportunity to take a meal period. In such instances, Defendants' managers would annotate that the Employee forgot to clock out and would then alter the shift start and end times that had been or would have been inputted to reflect different start and end times. Defendants' managers would then input a start and end time for a meal period that was compliant, including an automatic deduction for thirty minutes at a point in time before five hours into the work shifts. In practice, the Employee was paid for the same cumulative time in actual hours worked for a given shift, but their start and end times were manipulated along with the addition of a fictional meal period start and end time to reflect a timely and otherwise compliant meal period. Defendants also added additional time for a meal period into the system, but did not pay Aggrieved Employees for this time despite the fact they never were actually provided the opportunity to take a meal period. Thus, Defendants systematically required Plaintiff and other Aggrieved Employees to work shifts of the duration required to provide them with meal periods but would not actually provide meal periods but would instead alter timekeeping records to reflect meal period compliance.

16. In addition to the above described failure to pay wages by failing to pay for all hours worked or failing to pay additional compensation incurred for hours worked or automatically deducting time from hours worked for breaks that were never provided, Defendants also required Plaintiff and the other Aggrieved Employees to perform off the clock work before and after their work shifts. This took the form of delays in clocking in or in performing tasks required for their work shifts to begin and the requirement to stay after they were clocked out for their work shifts to perform job related duties necessary for closing out for the day and leaving Defendants' restaurant locations. In addition to these failure to pay wages for all hours worked, Defendants' scheduling practices and the requirements and customer demands for a given shift resulted in Aggrieved Employees incurring overtime hours for hours worked over eight in a given shift or forty in a given work week. In these instances, upon information and belief, Defendants unlawfully failed to pay all overtime wages when and if they did pay them by failing to incorporate all forms of remuneration in the regular rate used to calculate and pay overtime. For example, Defendants failed to include all additional remuneration Aggrieved Employees received for their daily sales volume and performance into the regular rate used to calculate and pay overtime wages and any meal period or rest break premium payments.

17. Due to Defendants' uniform practices of understaffing, assigning heavy workloads and customer demand, and failure to adhere to alleged break schedules, Plaintiff and other Aggrieved Employees were forced to forego meal periods, had their meal periods interrupted or provided late, and/or were otherwise not relieved of all duties during meal periods. To prevent employees from accruing meal period penalties, upon information and belief, Defendants' management also adjusted any employee time records showing meal period beginning and ending times to reflect compliant meal

periods, as addressed above, despite the fact meal periods were not provided or were provided untimely or for less than 30 minutes. Defendants therefore systematically failed to pay Aggrieved Employees for actual hours worked during unpaid meal periods because these hours were incorrectly recorded or were not recorded at all, or by Defendants' incorrect presumption that alleged meal period waivers authorized these suspect time and record keeping practices.

In addition to the above described failure to pay wages by failing to pay for all hours worked or failing to pay additional compensation incurred for hours worked or automatically deducting time from hours worked for breaks that were never provided, Defendants also required Plaintiff and the other Aggrieved Employees to perform off the clock work before and after their work shifts. This took the form of delays in clocking in or in performing tasks required for their work shifts to begin and the requirement to stay after they were clocked out for their work shifts to perform job related duties necessary for closing out for the day and leaving Defendants' restaurant locations. In addition to these failure to pay wages for all hours worked, Defendants' scheduling practices and the requirements and customer demands for a given shift resulted in Aggrieved Employees incurring overtime hours for hours worked over eight in a given shift or forty in a given work week. In these instances, upon information and belief, Defendants unlawfully failed to pay all overtime wages when and if they did pay them by failing to incorporate all forms of remuneration in the regular rate used to calculate and pay overtime. For example, Defendants failed to include all additional remuneration Aggrieved Employees received for their daily sales volume and performance into the regular rate used to calculate and pay overtime wages and any meal period or rest break premium payments.

Due to Defendants' uniform practices of understaffing, assigning heavy workloads and customer demand, and failure to adhere to alleged break schedules, Plaintiff and other Aggrieved Employees were forced to forego meal periods, had their meal periods interrupted or provided late, and/or were otherwise not relieved of all duties during meal periods. To prevent employees from accruing meal period penalties, upon information and belief, Defendants' management also adjusted any employee time records showing meal period beginning and ending times to reflect compliant meal periods, as addressed above, despite the fact meal periods were not provided or were provided untimely or for less than 30 minutes. Defendants therefore systematically failed to pay Aggrieved Employees for actual hours worked during unpaid meal periods because these hours were incorrectly recorded or were not recorded at all, or by Defendants' incorrect presumption that alleged meal period waivers authorized these suspect time and record keeping practices.

In view of the above described unlawful rounding and off the clock work, Defendants willfully failed to pay all overtime wages owed to Plaintiff and other Aggrieved Employees. During the relevant time period, Aggrieved Employees were not paid overtime premiums (1.5 times their regular rate of pay) for all of the hours they worked in excess of eight hours in a day, in excess of twelve hours in a day, and/or in excess of forty hours in a week, as all hours worked were not recorded. An employee's regular rate of pay includes all remuneration for employment paid to, or on behalf of, the employee, including nondiscretionary bonuses and incentive pay. Defendants failed to pay

Aggrieved Employees the correct overtime rates for the recorded overtime hours they generated. For example, in addition to their hourly wage, Defendants paid Aggrieved Employees a hourly bonus for working weekends. However, in violation of the California Labor Code, Defendants failed to incorporate all remunerations, including such incentive pay and nondiscretionary bonuses, into the calculation of the regular rate of pay for purposes of calculating the overtime wage rates. During times when Aggrieved Employees worked overtime and received these other forms of pay, Defendants neglected to include all forms of remuneration in the regular rate, which in turn led to a systematic failure to pay all overtime wages by paying a lower overtime rate than required under the Labor Code.

As a result of the above described unlawful requirements to work off the clock, the failure to accurately record all hours worked and pay wages at the correct rates, and the other wage violations they endured at Defendants' hands, Plaintiff and the Aggrieved Employees were not properly paid all wages earned and all wages owed to them by Defendants, including when working more than eight hours in any given day and/or more than forty hours in any given week, and including double-time wages for all hours over twelve worked on any given work shift, in violation of Labor Code § 510 and paragraph 3(A) of the applicable IWC Wage Orders. As a result of Defendants' unlawful policies and practices, Plaintiff and Aggrieved Employees incurred overtime hours worked for which they were not adequately and completely compensated, in addition to the hours they were required to work off the clock. Therefore, Defendants had a consistent policy or practice of failing to pay Employees for all hours worked, and failing to pay minimum wages for all time worked, as required by California law. Also, Defendants had a consistent policy or practice of failing to pay Employees overtime compensation at premium overtime rates for all hours worked.

In view of the above described unlawful rounding and time shaving and time adjusting and off the clock work, and failure to pay additional compensation directly tied to the sales volume for a work shift, Defendants willfully failed to pay all wages owed to Aggrieved Employees and failed to pay overtime wages owed to Plaintiff and other Aggrieved Employees. During the relevant time period, Aggrieved Employees were not paid overtime premiums (1.5 times their regular rate of pay) for all of the hours they worked in excess of eight hours in a day, in excess of twelve hours in a day, and/or in excess of forty hours in a week, as all hours worked were not recorded. An employee's regular rate of pay includes all remuneration for employment paid to, or on behalf of, the employee, including nondiscretionary bonuses and incentive pay. Defendants failed to pay Aggrieved Employees the correct overtime rates for the recorded or unrecorded overtime hours they generated by failing to incorporate all remunerations, including incentive pay and nondiscretionary bonuses, into the calculation of the regular rate of pay for purposes of calculating the overtime wage rates, which in turn led to a systematic failure to pay all overtime wages by paying a lower overtime rate than required under the Labor Code.

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Employees were not properly paid all wages earned and all wages owed to them by Defendants, including when working more than eight hours in any given day and/or more than forty hours in any given week, and including double-time wages for all hours over twelve worked on any given work shift, in violation of Labor Code § 510 and paragraph 3(A) of the applicable IWC Wage Orders.

Defendants have either failed to maintain timekeeping records for Plaintiff that would permit Plaintiff to discover the nature and extent of the off the clock work Defendants required and the actual hours Plaintiff worked or the breaks he received or have otherwise declined to produce them to Plaintiff in response to a timely and lawful records request. By failing to pay for all hours worked, and by under-recording regular hours to the detriment of the Aggrieved Employees as addressed above, Defendants have committed knowing and intentional ongoing violations of the record keeping requirements under the Labor Code, including section 1174, by either failing to maintain records or retaining inaccurate ones.

Defendants also failed to provide all the legally required unpaid, off-duty meal periods and all the legally required paid, off-duty rest periods to Plaintiff and the other Aggrieved Employees, as required by paragraphs 11 and 12 of the applicable IWC Wage Order and the Labor Code. Defendants failed to provide lawful, timely and duty free meal periods before the fifth hour of each work shift without regard to whether employees were actually lawfully provided them. On shifts worked over ten hours, Defendants upon information and belief failed to provide Aggrieved Employees with a second, duty-free meal period. Defendants also implemented a break policy which systematically failed to authorize and permit Aggrieved Employees to take a duty-free, net ten minute rest break for every four hours worked, or major fraction thereof, and unlawfully failed to provide first and second rest breaks during qualifying work shifts. In fact, Defendants made no efforts to schedule ten minute rest breaks and if and when an Aggrieved Employee wanted to take them, they were required to receive coverage from other Employees and permission from Defendants' managers that was generally not forthcoming.

California Labor Code sections 226.7, 512(a), 516, and 1198 and the applicable IWC Wage Order require employers to provide meal periods and to pay an employee one additional hour of pay at the employee's regular rate for each work day that a meal or rest period is not provided. Pursuant to Labor Code sections 226.7 and 512(a) and the applicable IWC Wage Order, an employer may not require, cause or permit an employee to work for a period of more than five hours per day without providing the employee with an uninterrupted meal period of not less than thirty minutes, except that if the total work period per day of the employee is not more than six hours, the meal period may be waived by mutual consent of both the employer and the employee. Under California law, first meal periods must start after no more than five hours. *Brinker Rest. Corp. v. Superior Court*, 53 Cal. 4th 1004, 1041-1042 (Cal. 2012).

Labor Code sections 226.7 and 512(a) and the applicable IWC Wage Order also require employers to provide a second meal period of not less than thirty minutes if an employee works over ten hours per day or to pay an employee one additional hour of pay at the employee's regular rate, except that if the total hours worked is no more than twelve

hours, the second meal period may be waived by mutual consent of the employer and the employee only if the first meal period was not waived. In the event Aggrieved Employees worked more than ten hours on a work shift, Defendants failed to provide them with a second meal period. To the extent Defendants rely upon any alleged second meal period waivers, such alleged waivers are, upon information and belief, either unenforceable or were revoked or otherwise not entered into with all the Aggrieved Employees, and they are inapplicable to any shifts over twelve hours. Aggrieved Employees were also compelled to work through any breaks they were provided or take them late or for less than their required duration. Defendants also discouraged Aggrieved Employees from leaving their premises during meal periods and required them to respond to customer and manager demands thus requiring Employees to remain under Defendants' control during any meal periods that were taken. ‘

As a result, Defendants' failure to provide the Plaintiff and the Aggrieved Employees with all legally required off-duty, unpaid meal periods and all the legally required off-duty, paid rest periods is and will be evidenced by Defendants' business records, or lack thereof. Defendants have either failed to maintain required records of when meal periods were actually provided or failed to produce them in response to Plaintiff's timely and lawful requests. Defendants' management also inputted or adjusted timekeeping entries, or required employees to do so, to reflect scheduling conformance rather than actual times worked, as addressed above in further detail. Defendants also failed to pay Employees "premium pay," i.e. one hour of wages at each Employee's effective hourly rate of pay, for each meal period or rest break that Defendants failed to provide or deficiently provided.

Therefore, Plaintiff and the Aggrieved Employees were unable to take off-duty breaks or were otherwise not provided with the opportunity to take required breaks due to Defendants' policies and practices. On the occasions when Plaintiff and the Aggrieved Employees were provided with a meal period, it was often untimely or interrupted, or was impermissibly shortened. Furthermore, Defendants engaged in a company-wide practice and/or policy of not paying all meal period premiums owed when compliant meal periods are not provided. Because of this practice and policy, Plaintiff and other Aggrieved Employees have not received premium pay for missed, late, interrupted, and otherwise unprovided meal periods. Alternatively, to the extent that Defendants did pay Aggrieved Employees for missed, late, and interrupted meal periods, Defendants did not pay them at the correct rate of pay for premiums because Defendants systematically failed to include all forms of compensation, such as incentive pay, nondiscretionary bonuses, or other forms of remuneration, in the regular rate of pay.

Similar violations resulted from Defendants' failure to authorize and permit Plaintiff and the Aggrieved Employees to take duty-free, net ten minute rest breaks for every four hours of shift work, or major fraction thereof. As addressed above, Plaintiff and the other similarly situated Aggrieved Employees were either not permitted the opportunity to take a rest break, had rest periods unlawfully shortened or provided them untimely or not duty-free, or were otherwise required to remain under Defendants' control during breaks. In fact, Defendants made no effort to schedule and otherwise authorize and permit Aggrieved Employees to take ten minute rest breaks during their work shifts, and instead

required them to confer with each other for coverage and with a manager for permission if they wanted to attempt to take a rest break. In the event a break was ever taken, Defendants required Aggrieved Employees to remain under their control by being prepared to respond to customer demand or manager instructions and to coordinate with co-workers for coverage. Defendants also effectively maintained an on-premises rest period policy, as production demands and management pressure required Aggrieved Employees to remain on the work premises during any attempted rest breaks.

To comply with its obligation to authorize and permit rest periods under California Labor Code section 226.7 and the applicable IWC Wage Order, an employer must “relinquish any control over how employees spend their break time, and relieve their employees of all duties—including the obligation that an employee remain on call. A rest period, in short, must be a period of rest.” *Augustus, et al. v. ABM Security Services, Inc.*, 2 Cal. 5th 257, 269-270 (2016). Plaintiff and the Aggrieved Employees were and are under Defendants’ control when they are working through rest breaks, and an employer cannot impose any restraints on employees not inherent in the rest period requirement itself. During the relevant time period, Defendants therefore regularly failed to authorize and permit Aggrieved Employees to take a ten minute rest period per each four hour period worked or major fraction thereof.

As a result of Defendants’ practices and policies, Aggrieved Employees worked shifts in excess of 3.5 hours, in excess of 6 hours, and/or in excess of 10 hours without receiving all uninterrupted 10-minute rest periods to which they were entitled. For example, Plaintiff estimates he only took one or two rest breaks during his employment due to understaffing or management and co-worker pressure to accomplish all of the work-related duties and requirements Defendants expected him to complete during his work shifts. Plaintiff and the Defendants’ Aggrieved Employees were therefore not authorized and permitted to take lawful rest periods, were systematically required by Defendants to work through or during breaks, and were not provided with one hour’s wages in lieu thereof.

Defendants have also consistently violated Labor Code § 221 by unlawfully collecting or deducting the Employees’ earned wages, including by the above described off the clock work and on-duty work while on unpaid meal breaks, and by Defendants’ practice of editing timekeeping records to reflect compliant meal periods when none were provided. As also addressed above, Defendants failed to pay all additional compensation Aggrieved Employees were required to receive based on their daily sales volume and other performance measures, and failed to maintain accurate records of additional compensation such as tips owed or to timely pay them after they were earned. By not compensating Employees for all hours worked and by failing to pay all wages due and owing, Defendant unlawfully deducted wages earned by and owed to Plaintiff and the Aggrieved Employees, in violation of Labor Code § 221.

Defendants have also consistently failed to provide Employees with timely, accurate, and itemized wage statements, in writing, as required by California wage-and-hour laws, including by the above-described unlawful rounding and off the clock work requirements and failure to pay wages for hours worked and additional compensation earned and

premium wages for unprovided or otherwise unlawful meal and rest breaks. Defendants have also made it difficult to account with precision for the unlawfully withheld meal and rest period compensation owed to Plaintiff and the Aggrieved Employees, during the liability period, because they did not implement and preserve a record-keeping method as required for non-exempt employees by California Labor Code §§ 226, 1174(d), and paragraph 7 of the applicable California Wage Orders. Upon information and belief, time clock punches were not maintained, or were not accurately maintained, for work shifts and meal periods, which were often automatically presumed by Defendants to have been lawfully provided when they were not. Defendants also failed to accurately record and pay for all regular and overtime hours worked and submitted by Plaintiff and the Aggrieved Employees, as Defendants' uniformly applied policies and practices resulted in timekeeping records and corresponding payroll records reflecting that Employees worked less hours than they actually worked.

Defendants have thus also failed to comply with Labor Code § 226(a) by inaccurately reporting total hours worked and total wages earned by Plaintiff and the Aggrieved Employees, along with the appropriate applicable rates, among others requirements. Defendants have also failed to comply with paragraph 7 of the applicable California IWC Wage Orders by failing to maintain time records showing when the employee begins and ends each work period, meal periods, wages earned pursuant to Labor Code § 226.7, and total daily hours worked by itemizing in wage statements all deductions from payment of wages and accurately reporting total hours worked by the Aggrieved Employees.

During the relevant time period, Defendants have knowingly and intentionally provided Aggrieved Employees with uniform, incomplete, and inaccurate wage statements. For example, Defendants issued uniform wage statements to Plaintiff and other Aggrieved Employees that fail to correctly list: gross wages earned; total hours worked; net wages earned; the address of the legal entity that is the employer; and all applicable hourly rates in effect during the pay period, including overtime rates of pay, and the corresponding number of hours worked at each hourly rate. Specifically, Defendants violated Labor Code §§ 226(a)(1), 226(a)(2), 226(a)(5), 226(a)(8), and 226(a)(9). Because Defendants did not record the time Aggrieved Employees spent working off-the-clock and during deducted time from their meal periods that were missed and/or interrupted (and therefore time for which they should have been paid), Defendants did not list the correct amount of gross wages and net wages earned by Aggrieved Employees, as required under Labor Code §§ 226(a)(1) and 226(a)(5).

For the same reason, Defendants failed to accurately list the total number of the hours worked by Aggrieved Employees, in violation of § 226(a)(2), and failed to list the applicable hourly rates of pay in effect during the pay period and the corresponding accurate number of hours worked at each hourly rate, in violation of § 226(a)(9). Furthermore, because Defendants did not calculate Aggrieved Employees' regular rate of pay correctly for purposes of paying overtime wages and any meal or rest premium payments, Defendants did not list the correct amount of gross wages earned by Aggrieved Employees in compliance with § 226(a)(1) and did not list the correct amount of net wages earned by other Aggrieved Employees in violation of § 226(a)(5). Defendants also failed to correctly list all applicable hourly rates in effect during the pay period, namely,

correct overtime rates of pay and correct rates of pay for premiums, in violation of § 226(a)(9).

Because Defendants failed to provide the correct net and gross wages earned, applicable rates of pay, and number of total hours worked on wage statements, the Aggrieved Employees have been prevented from verifying, solely from information on the wage statements themselves, that they were paid correctly and in full. Instead, the Aggrieved Employees have had to look to sources outside of the wage statements themselves and reconstruct time records to determine whether in fact they were paid correctly and the extent of underpayment, and were also required to attempt to reconstruct edits made by managers to adjust their shift start and end times. thereby causing them injury. Upon information and belief, Defendants also failed to timely provide wage statements to Plaintiff and the Aggrieved Employees by waiting too long to do so after the close of the pay period. For these reasons, Defendants also violated Labor Code § 204 by failing to timely pay wages at least twice monthly.

In view of the foregoing, Defendants also willfully failed to pay Plaintiff and other Aggrieved Employees who are no longer employed by Defendants all their earned wages, including, but not limited to, overtime wages, minimum wages, and/or meal and rest period premiums, either at the time of discharge, or within seventy-two hours of their leaving Defendants' employ in violation of California Labor Code §§ 201, 202, and 203.

Labor Code § 1174 requires employers to keep records showing payroll data and the hours worked daily by and the wages paid to employees. By failing to pay Aggrieved Employees proper wages, overtime, premium pay, etc., as addressed above, Defendants failed to maintain proper employment records in accordance with Section 1174. In light of the forgoing, Plaintiff and Aggrieved Employees seeks to recover penalties pursuant to Labor Code §§ 1174.5 and 2699, et seq. Defendants have also failed to comply with paragraph 7 of the applicable California IWC Wage Orders by failing to maintain time records showing when the employee begins and ends each work period, meal periods, wages earned pursuant to Labor Code § 226.7, and total daily hours worked by itemizing in wage statements all deductions from payment of wages and accurately reporting total hours worked by the Aggrieved Employees, and Plaintiff is entitled to recover penalties pursuant to paragraph 20 of the applicable IWC Wage Orders.

Defendants also failed to reimburse all necessary business expenses the Aggrieved Employees incurred in discharging their job duties at Defendants' behest. For example, Defendants failed to reimburse them for the costs of their work-related cellular phone expenses, including for communication with Defendants' managers regarding shift scheduling and for using all of the applications Defendants required them to use for work purposes. Upon information and belief, other Aggrieved Employees were also required to answer and respond to calls from supervisors using their personal cellular phones and were required to use applications to receive all their pay and to accomplish other job related requirements. Defendants also required Plaintiff to take pictures of inventory to determine stocking levels and other necessary work related information. Defendants did not reimburse these necessary business expenses resulting in systematic and ongoing violation of Labor Code § 2802.

PAGA Claim Details, Legal Bases for Violations and Penalties:

In light of the foregoing, Plaintiff and the Aggrieved Employees bring this action pursuant to the PAGA for underlying violations of the Labor Code, *inter alia*, Labor Code §§ 201, 202, 203, 204, 218, 218.5, 218.6, 221, 222.5, 226, 226.7, 510, 511, 512, 558, 1174, 1185, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2802, 2810.5, 6401, 6403 and 2698 et seq., and California Code of Regulations, Title 8, section 11000 et seq. Further, in addition to the penalties available under the PAGA, Plaintiff is also seeking penalties against Defendants under Labor Code § 558. Specifically, pursuant to PAGA, and in particular California Labor Code sections 2699(a), 2699.3(a) and 2699.3(c), 2699.5, and 558, and 6423 et seq., Plaintiff, acting in the public interest as private attorneys general, seeks assessment and collection of civil penalties for himself, all other Aggrieved Employees, and the State of California against Defendants for violations of the California Labor Code, including sections 201, 202, 203, 204, 206.5, 222.5, 226(a), 226.7, 510, 512(a), 516, 558, 558.1, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2802, 2810.5, 2698, and 2699 et seq.

Therefore, Plaintiff and the Aggrieved Employees seeks all applicable penalties related to these violations of the California Labor Code pursuant to PAGA. As addressed above and in further detail in the attached Class Action Complaint, Plaintiff and the Aggrieved Employees complain of the following violations committed by Defendants:

Failure to Pay Minimum Wages

Defendants violated the law by failing to pay Aggrieved Employees minimum wages for all hours worked. California Labor Code § 1197, entitled “Pay of Less Than Minimum Wage” states, “[t]he minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a less wage than the minimum so fixed is unlawful.” The applicable minimum wages fixed by the commission for work during the relevant period is found in the Wage Orders.

In California, employees must be paid at least the then applicable state minimum wage for all hours worked, including under Labor Code § 1197, IWC Wage Order MW-2014, and paragraphs 2(K), 2(S), and 4(A)-4(C) of the applicable IWC Wage Orders. Paragraph 2(H) of the applicable IWC Wage Orders defines “Hours Worked” as “the time during which an employee is subject to the control of an employer, and includes all the time the employee is suffered or permitted to work, whether or not required to do so.” Additionally, pursuant to Labor Code § 204, other applicable laws and regulations, and public policy, an employer must timely pay its employees for all hours worked. Defendants failed to do so.

California Labor Code § 1197, entitled “Pay of Less Than Minimum Wage” states: “The minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a less wage than the minimum so fixed is unlawful.” The minimum wage provisions of California Labor Code are enforceable by private civil action pursuant to Labor Code § 1194(a) which states: “Notwithstanding any agreement to work for a lesser wage, any employee receiving less than the legal minimum wage or the legal overtime compensation applicable to the employee is entitled to recover in a

civil action the unpaid balance of the full amount of this minimum wage or overtime compensation, including interest thereon, reasonable attorney's fees and costs of suit."

As described in California Labor Code §§ 1185 and 1194.2, any action for wages incorporates the applicable Wage Order of the California Industrial Welfare Commission. Also, California Labor Code §§ 1194, 1197, 1197.1 and those Industrial Welfare Commission Wage Orders entitle non-exempt employees to an amount equal to or greater than the minimum wage for all hours worked. All hours must be paid at the statutory or agreed rate, or at the minimum rate in the absence of a contractually agreed upon one. The underpayment of wages to Aggrieved Employees is and has been a direct consequence of Defendants' unlawful compensation policies and practices, which applied uniformly to the Aggrieved Employees working at locations and work sites throughout California.

Defendants thus failed to pay Employees minimum wages they were owed, including by their consistent policy of failing to pay Employees for all hours worked. Employees would work hours and not receive wages, including as alleged above in connection with off the clock work, including all the time required to remain on duty and under Defendants' control and due to the work and production demands placed upon them by Defendants' management and during breaks. Defendants, and each of them, have also intentionally and improperly rounded, changed, adjusted and/or modified Employee hours, or required Employees to do so, and imposed difficult to attain job and shift scheduling requirements on Plaintiff and the Aggrieved Employees, which resulted in off the clock work and underpayment of all wages owed to Employees over a period of time, while benefiting Defendants. During the relevant time period, Defendants thus regularly failed to pay minimum wages to Plaintiff and the Aggrieved Employees, including by requiring systematic off the clock work and by unlawful rounding. Defendants' uniform pattern of unlawful wage and hour practices manifested, without limitation, applicable to the Aggrieved Employees as a whole, as a result of implementing a uniform policy and practice that denied accurate compensation to Plaintiff and the other Aggrieved Employees as to minimum wage pay.

In light of the forgoing, the Aggrieved Employees seek to recover wages and penalties. Aggrieved Employees are entitled to recover the unpaid minimum wages (including double minimum wages), liquidated damages in an amount equal to the minimum wages unlawfully unpaid, interest thereon and reasonable attorney's fees and costs of suit pursuant to California Labor Code § 1194(a). Plaintiff and the other Aggrieved Employees further request recovery of all unpaid wages, according to proof, interest, statutory costs, as well as the assessment of any statutory and civil penalties against Defendants, in a sum as provided by the California Labor Code and/or other applicable statutes, including pursuant to Labor Code § 558, and Wage Order provisions. To the extent minimum wage compensation is determined to be owed to the Aggrieved Employees who have terminated their employment, Defendants' conduct also violates Labor Code §§ 201 and/or 202, and therefore these individuals are also be entitled to waiting time penalties under California Labor Code § 203, which penalties are sought herein on behalf of these Aggrieved Employees. Defendants' failure to timely pay all wages owed also violated Labor Code § 204 and resulted in violations of Labor Code §

226 because they resulted in the issuance of inaccurate wage statements. Defendants' conduct as alleged herein was willful, intentional and not in good faith. Further, Plaintiff and other Aggrieved Employees are entitled to seek and recover statutory costs.

Under the PAGA, and following exhaustion of the notice period, Plaintiff will seek all civil and statutory penalties available and applicable under Labor Code §§ 510, 558, 1194.2, 1197.1, 1199, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Pay Wages and Overtime in Violation of Labor Code § 510

Defendants violated the law by failing to pay Aggrieved Employees earned wages and overtime and double time. Specifically, Defendants had a consistent policy of not paying Employees wages for all hours worked, including hours at their required regular, overtime, and double-time rates, or of miscalculating them by not including all forms of remuneration in the regular rate of compensation. Defendants, and each of them, have intentionally and improperly rounded, changed, adjusted and/or modified certain employees' hours, including Plaintiff's, or required Aggrieved Employees to do so, or otherwise caused them to work off the clock to avoid paying Aggrieved Employees all earned and owed straight time and overtime wages and other benefits.

Additionally, Defendants have unlawfully rounded several minutes of hours worked away from the Aggrieved Employees during each work shift, and miscalculated and underpaid the overtime hours Defendants did pay. Defendants followed a uniform policy and practice of failing to pay wages at the overtime rate to the Aggrieved Employees during any work shift when they worked over eight hours.

Defendants have violated Labor Code § 1194 and Labor Code § 510 (and paragraphs 2(K), 2(S), 3(A) and 4(A)-4(B) of the relevant orders of the Industrial Welfare Commission) by failing to pay Employees: (a) time and one-half their regular hourly rates for hours worked in excess of eight hours in a workday or in excess of forty hours in any workweek or for the first eight hours worked on the seventh day of work in any one workweek; or (b) twice their regular rate of pay for hours worked in excess of twelve hours in any one day or for hours worked in excess of eight hours on any seventh day of work in a workweek. Defendants had a consistent policy of not paying Employees wages for all hours worked, including by requiring off the clock work as addressed above and by under-reporting actual hours worked. With work shifts generally requiring eight hours or more of work on a given day, this unpaid off the clock work resulted in Aggrieved Employees working past eight hours on a shift or more than forty hours in a week, which required that they be paid at the correct overtime rate of 1.5 times their regular rate.

When considered in combination with the other wage violations addressed above, Aggrieved Employees were not properly compensated, nor were they paid overtime and double time rates for hours worked in excess of eight hours or twelve hours in a given day, and/or forty hours in a given week. Defendants did not make available to Employees a reasonable protocol for correcting time records when Employees worked overtime hours or to fix incorrect time entries or those that Defendants unlawfully under-recorded to the Employee's detriment. Defendants have also violated these provisions by requiring

Plaintiff and other similarly situated Aggrieved Employees to work through meal periods when they were required to be clocked out or to otherwise work off the clock to complete their daily job duties. As further detailed above, in the event Defendants paid overtime to the Aggrieved Employees, they failed to include all forms of remuneration in the regular rate used to calculate and pay overtime.

In light of the forgoing, Aggrieved Employees seek to recover wages and penalties pursuant to the California Labor Code, including Labor Code §§ 204, 510, 558, 1174, 1194, 1198, 1199, and the relevant paragraphs of the IWC Wage Orders, including paragraphs 2(K), 2(S), 3(A), 4, and 20. Defendants are liable to Employees for the full amount of all their unpaid wages and overtime compensation, with interest, plus their reasonable attorneys' fees and costs, as well as the assessment of any statutory penalties against Defendants, and each of them, and any additional sums as provided by the Labor Code and/or other statutes and Wage Order provisions.

Under the PAGA, and following exhaustion of the notice period, Plaintiff will seek all civil and statutory penalties available and applicable under Labor Code §§ 510, 558, 1194.2, 1197.1, 1199, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Meal-Period Liability Under Labor Code §§ 226.7, 512 and Penalties

Defendants have regularly required Aggrieved Employees to work shifts in excess of five hours without providing them with uninterrupted meal periods of not less than thirty minutes as required under Labor Code §§ 226.7, 512, and paragraph 11 of the applicable Wage Orders. Specifically, Aggrieved Employees were forced to incur shortened meal periods, were provided with breaks late and well after the fifth hour of work, could not be relieved to take breaks, or were required to remain on-duty at all times and were unable to take off-duty breaks or were otherwise not provided with the opportunity to take required breaks, as detailed above.

On the occasions when Aggrieved Employees were provided with a meal period, it was often untimely or interrupted by having to respond to work demands or remain under Defendant's control, in violation of the Labor Code and applicable Wage Orders. On shifts over ten hours, second meal periods were not provided. Defendants also failed to pay Aggrieved Employees "premium pay," i.e. one hour of wages at each Aggrieved Employee's effective regular rate of pay, for each meal period that Defendants failed to provide or deficiently provided, including by miscalculating any premium payments they did make. Therefore, pursuant to Labor Code § 226.7 and paragraphs 11 and 20 of the applicable IWC Wage Order, Aggrieved Employees are entitled to damages in an amount equal to one hour of wages at their correctly calculated regular rate of compensation for each meal period not provided or deficiently provided, as well as the assessment of any statutory penalties against the Defendants, and each of them, in a sum as provided by the Labor Code, including Labor Code § 558 and other applicable statutes and Wage Order provisions. Defendants also miscalculated the rate at which they paid any meal period or rest period premiums when Defendant did attempt to pay them, resulting in further violations of section 226.7.

Under the PAGA, and following exhaustion of the notice period, Plaintiff will seek all civil and statutory penalties and wages as available and applicable under Labor Code §§ 226.7, 512, 558, including sections 558(a)(1)-(3), 1199, 2699(f)(2) and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Rest-Break Liability under Labor Code § 226.7 and Penalties

Defendants have consistently failed to provide Aggrieved Employees with paid rest breaks of not less than ten minutes for every work period of four or more consecutive hours, as required under Labor Code § 226.7. Specifically, Defendants failed to authorize and permit rest breaks for the Aggrieved Employees, and when Defendants did permit rest breaks, they were untimely or for shortened durations, and Defendants' policies and procedures required Aggrieved Employees to remain under Defendants' control during breaks to respond job requirements.

Defendants also failed to pay Aggrieved Employees premium pay for each day on which requisite rest breaks were not provided or were deficiently provided, or miscalculated any premiums paid. Therefore, pursuant to Labor Code § 226.7 and paragraphs 12 and 20 of the applicable IWC Wage Order, Aggrieved Employees are entitled to damages in an amount equal to one hour of wages at their correctly calculated regular rate of compensation for each meal period not provided or deficiently provided, as well as the assessment of any statutory penalties against the Defendants, and each of them, in a sum as provided by the Labor Code, including Labor Code § 558 and other applicable statutes and Wage Order provisions.

Under the PAGA, and following exhaustion of the notice period, Plaintiff will seek all civil and statutory penalties and wages as available and applicable under Labor Code §§ 226.7, 512, 558, including sections 558(a)(1)-(3), 1199, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Unlawfully Collecting or Receiving Wages in Violation of Labor Code § 221

Labor Code § 221 provides, "It shall be unlawful for any employer to collect or receive from an employee any part of wages theretofore paid by said employer to said employee." As discussed above, Defendants unlawfully received and/or collected wages from the Aggrieved Employees by implementing a policy understating the hours worked and by requiring off the clock work and miscalculation of the regular rate for overtime and meal and rest premium payments, as alleged above. Aggrieved Employees had their wages unlawfully deducted when Defendants recorded fewer hours worked in the timekeeping records than were in fact worked. By not compensating Employees for all hours worked and failure to pay for hours spent under Defendants' control, or by miscalculating the pay rate, Defendants unlawfully deducted wages earned by and owed to Aggrieved Employees, in violation of Labor Code § 221.

In light of the forgoing, Plaintiff and Aggrieved Employees seek to recover penalties pursuant to Labor Code § 558. Under the PAGA, and following exhaustion of the notice period, Plaintiff will seek all civil and statutory penalties available and applicable under

Labor Code §§ 510, 558, 1194, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Issue Accurate Wage Statements in Violation of Labor Code § 226

California Labor Code § 226(a) requires an employer to furnish each employee with an accurate, itemized wage statements in writing. These statements must be appended to the detachable part of the check, draft, voucher, or whatever else serves to pay the employee's wages; or, if wages are paid by cash or personal check, these statements may be given to the employee separately from the payment of wages; in either case the employer must give the employee these statements twice a month or each time wages are paid. As a direct and proximate cause of Defendants' violation of Labor Code § 226(a), Aggrieved Employees suffered injuries, including among other things confusion over whether they received all wages owed them, the difficulty and expense involved in reconstructing pay records, and forcing them to make mathematical computations to analyze whether the wages paid in fact compensated them correctly for all hours worked.

Defendants failed to provide accurate itemized wage statements in writing, as required by the Labor Code and paragraph 7 of the applicable IWC Wage Orders. Any wage statements given to Employees by Defendants necessarily failed to accurately account for wages, overtime, and premium pay, including by failing to pay for all hours worked, failure to pay for all overtime hours worked or at the correct rate of pay and for providing deficient meal periods and rest breaks, all of which Defendants knew or reasonably should have known were owed to the Employees, as alleged above.

In light of these violations, and pursuant to Labor Code §§ 226(a) and 226(e) and paragraphs 4(b), 7, and 20 of the applicable IWC Wage Orders, Aggrieved Employees are entitled to recover the greater of all actual damages or fifty dollars (\$50) for the initial pay period in which a violation occurs and one hundred dollars (\$100) for each violation in a subsequent pay period, not exceeding an aggregate penalty of four thousand dollars (\$4,000). They are also entitled to an award of costs and reasonable attorneys' fees.

Under the PAGA, and following exhaustion of the notice period, Plaintiff will assert PAGA claims for failure to provide Aggrieved Employees with accurate, itemized wage statements and failure to maintain employment records for Plaintiff and Aggrieved Employees under Labor Code §§ 226, 1174, and 1198.5, and Sections 7(A), 7(B), and 7(C) of the applicable IWC Wage Order(s) seeking all civil and statutory penalties and wages available and applicable under Labor Code §§ 226(e), 226.3, 558, 1174.5, 1199, and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Order, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1). More specifically, by providing inaccurate wage statements and failing to maintain records as required under Labor Code § 226(a), Defendants committed ongoing violations giving rise to civil penalties under Labor Code § 226.3, which in addition to other penalties provided by law, subjects Defendants to "a penalty in the amount of two hundred fifty dollars (\$250) per employee per violation in an initial citation and one thousand dollars (\$1,000) per employee for each violation in a subsequent citation, ..."

Failure to Issue Semimonthly Payments in Violation of Labor Code § 204

In failing to pay Aggrieved Employees wages, overtime, premium pay, etc., Defendants failed to timely pay Aggrieved Employees wages on a semimonthly basis as required under Labor Code § 204. Defendants failed to maintain records showing accurate hours worked daily and the wages paid to Aggrieved Employees, as well as the meal and rest periods taken by Aggrieved Employees, as required by Labor Code § 1174 and the applicable IWC wage orders.

Defendants also systematically rounded away hours worked and required Aggrieved Employees to work hours off the clock for which they were not compensated, including during interrupted or otherwise on-duty meal and rest periods. Defendants also failed to pay all overtime premium wages owed for work conducted on a work shift and a workday, or miscalculated these premiums by not including all forms of remuneration in the regular rate, as addressed above. Therefore, when Aggrieved Employees received wage statements and pay checks, they did not compensate all hours worked on a timely basis, resulting in Defendants' systematic failure to pay all wages owed to Aggrieved Employees twice monthly in accordance with the requirements of Labor Code § 204.

Given the above described off the clock work and deductions from hours worked perpetrated by Defendants' management, Plaintiff was not paid at the correct overtime rate for all hours he worked after eight hours into a shift or over forty in a work week and that he was not paid all double time owed either. Defendants' uniformly applied payroll policies and practices thus resulted in further systematic and ongoing violations of the requirements of Labor Code § 204.

In light of the forgoing, Plaintiff and Aggrieved Employees seek to recover wages and penalties, interest, fees and costs pursuant to Labor Code §§ 201.3, 210, 218.5, 558, and 1194. In failing to pay Aggrieved Employees minimum wages and overtime, by unlawful rounding and off the clock work, by not providing proper meal and rest periods, failing to provide accurate itemized wage statements, and failing to pay Employees wages upon termination or timely upon resignation, all discussed above, Defendants failed to timely pay Aggrieved Employees wages on a semimonthly basis as required under Labor Code § 204. Defendants also failed to maintain records showing accurate hours worked daily and the wages paid to Aggrieved Employees, as required by Labor Code § 1174 and paragraph 7 of the applicable IWC Wage Orders, entitling Aggrieved Employees to recover penalties pursuant to paragraph 20 of the applicable IWC Wage Orders.

Under the PAGA, and following exhaustion of the notice period, Plaintiff will assert PAGA claims for failure to timely pay all wages owed, including at least semi-monthly and upon separation or termination, under Labor Code §§ 203, 204, 2926, 2927, and 2699.5 seeking all civil penalties available and applicable under Labor Code §§ 204, 210, 558, 1197, 1198, 1199 and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Orders, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Keep Records In Accordance With Labor Code § 1174

Labor Code § 1174 requires employers to keep records showing payroll data and the hours worked daily by and the wages paid to employees. By failing to pay Aggrieved

Employees proper wages, overtime, double time, premium pay, etc., all discussed herein, Defendants failed to maintain proper employment records in accordance with Section 1174. In light of the forgoing, Plaintiff and Aggrieved Employees seek to recover penalties pursuant to Labor Code §§ 1174.5 and 2699, *et seq.* Defendants have also failed to comply with paragraph 7 of the applicable California IWC Wage Orders by failing to maintain time records showing when the employee begins and ends each work period, meal periods, wages earned pursuant to Labor Code § 226.7, and total daily hours worked by itemizing in wage statements all deductions from payment of wages and accurately reporting total hours worked by the Aggrieved Employees, and they are entitled to recover penalties pursuant to paragraph 20 of the applicable IWC Wage Orders.

Under the PAGA, and following exhaustion of the notice period, Plaintiff will assert PAGA claims for failure to provide Plaintiff and the Aggrieved Employees with accurate, itemized wage statements and failure to maintain employment records for Plaintiff and Aggrieved Employees under Labor Code §§ 226, 1174, 1198, and 1198.5, and Sections 7(A), 7(B), and 7(C) of the applicable IWC Wage Order(s) seeking all civil and statutory penalties and wages available and applicable under Labor Code §§ 558, 1174.5, 1199, and 2699(f)(2), 2699.5, and paragraph 20 of the applicable IWC Wage Order, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Waiting Time Penalties Pursuant to Labor Code § 203

Some Aggrieved Employees no longer work for Defendants; they either resigned or were terminated from Defendants' employ. Based on the forgoing, Defendants have had a consistent policy of failing to pay all wages earned by and owed to Aggrieved Employees at the time of their termination of within seventy-two hours of their resignation, as required by California under Labor Code § 203. In light of the forgoing, Plaintiff and Aggrieved Employees seek to recover wages and penalties pursuant to Labor Code § 558 and further specifically seek penalties and wages under Labor Code § 203, which provides that an employee's wages shall continue until paid for up to thirty (30) days from the date they were due.

Under the PAGA, and following exhaustion of the notice period, Plaintiff will assert PAGA claims for failure to timely pay all wages owed, including at least semi-monthly and upon separation or termination, under Labor Code §§ 201, 201, 203, 204, 1197.5, 2926, and 2927 seeking all civil penalties available and applicable under Labor Code §§ 201, 202, 203, 210, 558, 1197, 1198, 1199, 2699(f)(2), 2699.5, and paragraph 20 of the applicable IWC Wage Orders, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Failure to Reimburse Necessary Business Expenses Under Labor Code § 2802

Defendants also failed to reimburse all necessary business expenses the Aggrieved Employees incurred in discharging their job duties at Defendants' behest. For example, Defendants failed to reimburse them for the costs of their work-related cellular phone expenses, including for communication with Defendants' managers regarding shift scheduling and for using all of the applications Defendants required them to use for work purposes. Upon information and belief, other Aggrieved Employees were also required to answer and respond to calls from supervisors using their personal cellular phones and

were required to use applications to receive all their pay and to accomplish other job related requirements. Defendants also required Plaintiff to take pictures of inventory to determine stocking levels and other necessary work related information. Defendants did not reimburse these necessary business expenses resulting in systematic and ongoing violation of Labor Code § 2802.

Defendants are liable for PAGA penalties resulting from their failure to reimburse necessary business expenses incurred by the Aggrieved Employees and to provide them with necessary safety gear and protective equipment. Accordingly, Plaintiff is entitled to recover, and hereby seeks through this Representative Action, all civil and statutory penalties authorized for violations of California Labor Code §§ 1198 and 2802 and 6401 and 6403 and Section 9(B) of the applicable IWC Wage Orders, and Plaintiff seeks all civil and statutory penalties available and applicable under Labor Code §§ 2802 and 2699(f)(2) and Labor Code § 6243 et seq. and also attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

Unfair Competition Under Business and Professions Code § 17200, et seq.

Defendants' conduct has been and continues to be unfair, unlawful, and harmful to Aggrieved Employees and the general public in violation of Business & Professions Code § 17200 et seq.

Plaintiff's PAGA Claim under Labor Code § 2698 et seq. and Recovery Bases:

After complying with the notice procedures of Labor Code § 2699.3 and the running of the notice period after the filing of the attached Class Action Complaint, Plaintiff will file an amended Complaint asserting, as a representative action on behalf of the California Attorney General and the other similarly Aggrieved Employees, a PAGA claim for violations of the above addressed underlying claims and seeking penalties as specified by the applicable corresponding provisions.

As such, Plaintiff will file in Superior Court a representative PAGA Complaint for penalties under Labor Code §§ 2698 and 2699 for Defendants' violation of Labor Code provisions included under Labor Code § 2699.5, including under California Labor Code §§ 201, 202, 203, 204, 206.5, 222.5, 226(a), 226.7, 510, 512(a), 516, 558, 558.1, 1174, 1174.5, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1199, 2802, 2810.5, 6401, 6403 and 2698 et seq. Plaintiff will seek further statutory and civil penalties as applicable for Defendants' violations, including under sections 201, 202, 203, 204, 206.5, 222.5, 226(a), 226.7, 248.5, 510, 512(a), 516, 1174(d), 1182.12, 1194, 1197, 1197.1, 1198, 2802 and 2698 et seq. and 6423 et seq., including as follows:

(a) **Wage Claims:** For failure to provide Plaintiff and the Aggrieved Employees all earned regular pay and minimum wages for regular hours worked and for failure to pay overtime premium wages for overtime hours worked under Labor Code §§ 510, 1194(a), 1197, and 1198, and paragraphs 2(K), 3(A), 4(A), 4(B) and 20 of the applicable IWC Wage Order(s) seeking all civil and statutory penalties available and applicable under Labor Code §§ 510, 558, 1194.2, 1197.1, 1198, 1199, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(b) Meal and Rest Period Claims: For failure to provide Plaintiff and the Aggrieved Employees off-duty, timely, and unpaid meal periods and failure to authorize and permit them to take off-duty, timely, and paid rest periods, or pay one hour of regular pay in lieu thereof, under Labor Code §§ 512, 1198, and 226.7, and Sections 11, 12(A), and 12(B) of the applicable IWC Wage Order(s) seeking all civil and statutory penalties available and applicable, including under paragraph 20 of the applicable IWC Wage Orders, and wages under Labor Code §§ 226.7, 512, 558, including sections 558(a)(1)-(3), 1199 and 2699(f)(2), and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(c) Inaccurate Wage Statements and Failure to Maintain Records: For failure to provide Plaintiff and the Aggrieved Employees with wage statements or with accurate, itemized wage statements and failure to maintain employment records for Plaintiff and Aggrieved Employees under Labor Code §§ 226, 1174, and 1198.5, and Sections 7(A), 7(B), and 7(C) of the applicable IWC Wage Order(s) seeking all civil and statutory penalties and wages available and applicable under Labor Code §§ 226(e), 226.3, 558, 1174.5, 1199, and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Order, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1). More specifically, by providing inaccurate wage statements and failing to maintain records as required under Labor Code § 226(a), Defendants committed ongoing violations giving rise to civil penalties under Labor Code § 226.3, which in addition to other penalties provided by law, subjects Defendants to "a penalty in the amount of two hundred fifty dollars (\$250) per employee per violation in an initial citation and one thousand dollars (\$1,000) per employee for each violation in a subsequent citation, ...";

(d) Failure to Timely Pay Wages: For failure to timely pay all wages owed, including at least semi-monthly and upon separation or termination, under Labor Code §§ 201, 201, 203, 204, 1197.5, 2926, and 2927 seeking all civil penalties available and applicable under Labor Code §§ 201, 202, 203, 210, 558, 1197, 1198, 1199 and 2699(f)(2), and paragraph 20 of the applicable IWC Wage Orders, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(e) Unlawful Deductions and Failure to Reimburse Necessary Business Expenses: For Defendants' unlawful deductions from wages and for Defendants' failure to reimburse the necessary work related expenses incurred and failure to provide necessary protective equipment and safety clothing under Labor Code §§ 221, 1197, 1197.1, 1198, 2802, and Sections 2(K), 4, 9, and 20 of the applicable IWC Wage Order(s), seeking civil penalties available and applicable under Labor Code §§ 221, 1197, 1197.1, 1198, 1199, 2802, 2699.5, and 2699(f)(2) and paragraph 9 and 20 of the IWC Wage Orders, and penalties pursuant to Labor Code § 6423 et seq. and also attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

(f) Failure Provide Information Upon Hiring Pursuant to Labor Code § 2810.5: For failure to provide information as required under Labor Code § 2810.5, and Labor Code § 2699.5, and seeking penalties available and applicable under Labor Code §§ 2810.5, 1198, and 2699(f)(2), and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

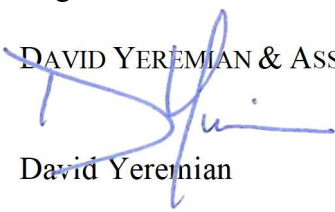
(g) All Alleged Violations of the IWC Wage Orders: For any above addressed violation of the applicable provisions of the IWC Wage Orders constituting violations of Labor Code § 1198 and Labor Code § 2699.5, and seeking penalties available and applicable under Labor Code § 2699(f)(2) and paragraph 20 of the applicable IWC Wage Orders, and for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

We have been constrained from moving forward with the filing of the attached PAGA Complaint, alleging the causes of action discussed herein, given that Plaintiff must wait for the exhaustion period to run. This letter and the attached Complaint therefore provide the requisite notice under the Act to the LWDA and Defendants by setting forth the specific provisions of the Labor Code and related provisions Plaintiff alleges have been violated, including the facts and relevant theories alleged against Little Sister OC, LLC and any other named Defendants and joint employers. To prevent the violations described in the Complaint and herein from occurring, and to remedy past violations, Plaintiff respectfully requests that the LWDA conduct an investigation into Defendants' employment practices in accordance with the Act.

Wherefore we request that you advise us, by certified mail within sixty days of the postmark on this letter, whether you intend to proceed with these claims or whether Plaintiff and the Aggrieved Employees should assert a Labor Code § 2698 *et seq.* claim under the Act by filing the attached PAGA Action Complaint in California Superior Court.

Regards,

DAVID YEREMIAN & ASSOCIATES, INC.



David Yeremian

Cc: Little Sister OC, LLC

EXHIBIT 3

Trembley v. Little Sister OC, LLC

Litigation Costs

Service Date		Details		Provider		Amount
12/13/22		LWDA Letter		LWDA		\$ 75.00
2/24/23		Summons and Complaint		Rapid Legal		\$ 1,499.97
3/7/23		Process of Service - Summons and Complaint		Rapid Legal		\$ 119.03
4/10/23		Proof of Service of Summons		Rapid Legal		\$ 14.75
6/12/23		Mediation		Serratore Law Mediation Services		\$ 12,500.00
9/18/23		Notice of Association		Rapid Legal		\$ 15.71
1/18/24		Expert Fee		Berger Consulting Group		\$ 3,800.00
1/22/24		Joint Case Management Conference Statement (1.26.24)		Rapid Legal		\$ 13.65
3/12/24		Joint Case Management Conference Report (3.14.24)		Rapid Legal		\$ 13.65
5/13/24		Joint Case Management Conference Statement (5.16.24)		Rapid Legal		\$ 13.65
8/29/24		Joint Stip to Continue Case Management Conference (1.9.25) & [Proposed] Order, Proof of Service		Rapid Legal		\$ 34.25
10/2/24		Notice of Change of Address		Rapid Legal		\$ 13.65
1/5/25		Joint Stipulation to Continue Case Management Conference (1.9.25) & [Proposed] Order, Proof of Service		Rapid Legal		\$ 13.65
3/7/25		Motion for PAGA Approval		Rapid Legal		\$ 80.00

Total	\$ 18,206.96
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EXHIBIT 4

Case Name: Trembley v. Little Sister OC, LLC
Tuesday, February 25, 2025

Requesting Attorney:

Melissa Rodriguez
D.Law
m.rodriguez@d.law
818.875.2008

ILYM Group Contact:

Lisa Mullins
ILYM Group, Inc.
Lisa@ilymgroup.com
714.878.8836

Estimate For Administrative Solutions: PAGA

KEY ASSUMPTIONS	
Total Number of Aggreived Employees	166
Estimated Percentage of Remails	15%
Certified Spanish Translation	Yes
ILYM Group Static Website	No
NCOA	Yes
Case Duration (Years)	1

Summary of ILYM Group, Inc.'s Fees & Expenses

Case Startup:	\$1,373.30
Distribution (Includes EIN, Bank Acct * /QSF Setup):	\$3,056.70
Case Conclusion:	\$570.00

Estimated ILYM Fees & Expenses: \$5,000.00

ILYM | GROUP, Inc.

CLASS ACTION ADMINISTRATION

Case Name: Trembley v. Little Sister OC, LLC

Tuesday, February 25, 2025

Requesting Attorney's Name: Melissa Rodriguez

Activity	Rate Type	Unit Cost	Volume	Amount
CASE STARTUP				
Initial Setup - <i>Import and Formatting of Data*</i>	Hourly	\$150.00	1	\$150.00
Project Manager (Case notification and maintenance)	Hourly	\$120.00	3	\$360.00
Certified Spanish Translation	Flat Fee	\$750.00	1	\$750.00
NCOA	Flat Rate	\$50.00	1	\$50.00
Toll-Free Customer Service Representative	Flat Rate	\$63.30	1	\$63.30

**ILYM assumes that data will be in a standard format. Client will be notified immediately if not in standard format to correct data or ILYM can convert to standard format @ \$150.00 per hour.*

Subtotal \$1,373.30

DISTRIBUTION (Includes EIN, Bank Acct /QSF Setup)*				
Distribution Setup & Management	Hourly	\$150.00	2	\$300.00
Account Reconciliation & Distribution Reporting	Hourly	\$125.00	2	\$250.00
Notice, Check, Stub & Release - (including 1099)	Per Check	\$1.50	166	\$249.00
USPS First Class 1oz Postage	Per Piece	\$0.65	166	\$107.90
Remails (Forward/Skip Trace Undeliverables)	Per Piece	\$2.00	25	\$49.80
Preparation of Taxes	Hourly	\$150.00	4	\$600.00
Annual Filing of Tax Return	Per Year	\$1,500.00	1	\$1,500.00

**Additional Bank fees may apply*

Subtotal \$3,056.70

CASE CONCLUSION				
Data Manager Final Reporting	Hourly	\$100.00	1	\$100.00
Process Unclaimed Funds	Flat Fee	\$350.00	1	\$350.00
Declaration	Hourly	\$120.00	1	\$120.00

Subtotal \$570.00

Estimated ILYM Fees & Expenses: \$5,000.00

Terms and Conditions

All services to be provided by ILYM Group, Inc. (hereinafter, "ILYM") to Client shall be subject to the following terms and conditions:

Services: Subject to the terms hereof, ILYM agrees to provide the Client with Administration Services (hereinafter, "services") as specified in the Proposal provided to Client to which these Terms and Conditions are attached. The estimate is in good faith and does not cover any applicable taxes and fees. The estimate does not make provision for any services or class members/size not delineated in the request for proposal or stipulations. Such services do not in any way constitute legal services or advice. ILYM is performing its services as an Independent Contractor and neither it nor its employees shall be deemed to be employees of the Client.

Mailing and Data Conversion: ILYM's database administration assumes the Client will provide complete data that includes all information required to send notifications and complete the administration process. Data must be provided in a complete, consistent, standardized electronic format. ILYM's standard format is Microsoft Excel, however, ILYM may accept other formats at its discretion. Further developments or enhancements to non-standardized data will be billed to Client by ILYM on a time and materials basis, according to ILYM's Standard Rates.

Charges for Services: Charges to the Client for services shall be on a time and materials basis at our prevailing rates, as the same may change from time to time. Any fee estimates set forth in the proposal are estimates only, based on information provided by Client to ILYM. Actual fees charged by ILYM to Client may be greater or less than such estimate, and Client shall be responsible for the payment of all such charges and expenses in accordance with Section 5 hereof. Charges incurred related to resolving post distribution withholdings and related corrective files due to voids and re-issues of payments and related correspondence with state and federal taxing authorities will not be charged to the Client to the extent that funds are received from the taxing authorities offset these charges. ILYM may derive financial benefits from financial institutions in connection with the deposit and investment of settlement funds with such institutions, including without limitation, discounts on eligible banking services and fees, and loans at favorable rates.

Indemnification: Client will indemnify and hold ILYM (and the officers, employees, affiliates and agents harmless against any Losses incurred by ILYM, arising out of, in connection with, or related to (i) any breach of the terms by Client; (ii) the processing and handling of any payment by ILYM in accordance with Client's instructions, including without limitation, the imposition of any stop payment or void payment on any check or the wrongful dishonor of a check by ILYM pursuant to Client's instructions.

Payment of Charges: ILYM reserves the right to request payment of postage charges and 50% of the final administration charges at the start of the case. ILYM bills are due upon receipt unless otherwise negotiated and agreed to with the Client. In the event settlement terms provide that ILYM is to be paid out of the Settlement Fund, ILYM will request that Counsel endeavor to make alternate payment arrangements for ILYM charges that are due at the onset of the case. The entire remaining balance is due and payable at the time the Settlement Account is funded by, or no later than the time of disbursement. Decisions of the court and actions of the parties, including disapproval or withdrawal of a settlement, do not affect the Client's liability to ILYM for payment of services. Services are not provided on a contingency fee basis.

Confidentiality: ILYM maintain reasonable and appropriate security measures and safeguards to protect the security and confidentiality of Client data provided to ILYM by Client in connection herewith. Should ILYM ever be notified of any judicial order or other proceedings in which a third party seeks to obtain access to the confidential data created by or for the Client, ILYM will promptly notify the Client, unless prohibited by applicable law. The Client shall have the option to (1) provide legal representation at the Client's expense to avoid such access or (2) promptly reimburse ILYM for any of its costs, including attorneys' fees, reasonably incurred in avoiding, attempting to avoid or providing such access and not paid by the entity seeking the data. If ILYM is required, pursuant to a court order, to produce documents, disclose data, or otherwise act in contravention of the obligations imposed by this Agreement, or otherwise, with respect to maintaining the confidentiality, proprietary nature and secrecy of the produced documents or disclosed data, ILYM will not be liable for breach of said obligation.

Data Rights: ILYM does not convey nor does the Client obtain any right in the programs, system data, or materials utilized or provided by ILYM in the ordinary course of business in the performance of this Agreement.

Document Retention: Unless directed otherwise in writing by Client, ILYM will destroy undeliverable mail on the effective date of the settlement or the date that the disposition of the case is no longer subject to appeal or review, whichever is later. ILYM will maintain claim forms and other correspondence for one year after final distribution of funds or benefits, or until the date that the disposition of the case is no longer subject to appeal or review, whichever is later.

Limitation of damages: ILYM is not responsible to the Client for any special, consequential or incidental damages incurred by Client. Any liability of ILYM to the Client shall not exceed the total amount billed to the Client for the particular services that give rise to any loss.

Termination: The services to be provided under this Agreement may be terminated, at will by the Client upon at least 30 calendar days' prior written notice to ILYM. The Client's obligation to pay for services or projects in progress at the time of notice of withdrawal shall continue throughout that 30 day period. ILYM may terminate this Agreement (i) with 10 calendar days' prior written notice, if the Client is not current in payment of charges or (ii) in any event, upon at least 3 months' prior written notice to the Client.

Notice: Any notice required or permitted hereunder shall be in writing and shall be delivered personally, or sent by registered mail, postage prepaid, or overnight courier service to the responsible officer or principal of ILYM or the Client, as applicable, and shall be deemed given when so delivered personally, or, if mailed, five days after the date of deposit in United States mail, or, if sent by courier, one business day after delivery to such courier service.

Force Majeure: To the extent performance by ILYM of any of its obligations hereunder is substantially prevented by reason of any act of God or by reason of any other matter beyond ILYM's reasonable control, then such performance shall be excused and this Agreement, at ILYM's option, be deemed suspended during the continuation of such condition and for a reasonable time thereafter.

Waiver of Rights: No failure or delay on the part of a party in exercising any right hereunder will operate as a waiver of, or impair, any such right. No single or partial exercise of any such right will preclude any other or further exercise thereof or the exercise of any other right. No waiver of any such right will be effective unless given in a signed writing.

Jurisdiction: The parties hereto submit to the jurisdiction of the Court of the applicable case for purposes of any suit, action or proceeding to enforce any provision of, or based on any right arising out of, this Agreement. The parties hereto hereby waive any objection to the laying of venue of any such suit, action or proceeding in the Court.

Entire Agreement: These terms and conditions and the proposal embody the entire agreement between the parties with respect to the subject matter hereof, and cancels and supersedes all prior negotiations, representations, and agreements related thereto, either written or oral, except to the extent they are expressly incorporated herein. No changes in, additions to, or waivers of, the terms and conditions set forth herein will be binding upon any party, unless approved in writing by such party's authorized representative.

EXHIBIT 5

NOTICE OF PAGA SETTLEMENT AND RELEASE OF CLAIMS

Stephen T. Trembley v. Little Sister OC, LLC

Superior Court of the State of California for the County of Orange, Case No. 30-2023-01308822-CU-OE-CXC

<<DATE>>

<<FIRST_NAME>> <<LAST_NAME>>

<<ADDRESS 1>>

<<ADDRESS 2>>

Re: Payment from *Stephen T. Trembley v. Little Sister OC, LLC*

Dear <<FIRST_NAME>> <<LAST_NAME>>:

Enclosed you will find a check made payable to you. This is your payment from the settlement of the lawsuit (“Settlement”) entitled *Stephen T. Trembley v. Little Sister OC, LLC*, Orange County Superior Court (“Court”), Case No. 30-2023-01308822-CU-OE-CXC. The Court has approved the settlement and this payment to you.

WHAT IS THE CASE ABOUT?

This case was brought by Plaintiff Stephen T. Trembley (“Plaintiff”), and filed against Little Sister OC, LLC (“Defendant”) (Plaintiff and Defendant collectively referred to herein as “the Parties”), pursuant to the California Private Attorneys General Act of 2004, Cal. Lab. Code § 2698 *et seq.* (“PAGA”), which permits aggrieved employees to sue their employers for Labor Code violations and seek civil penalties on behalf of the state. Plaintiff filed the lawsuit on behalf of himself, the State of California, and all persons who are employed or were previously employed by Little Sister OC, LLC, in California and are or were classified as nonexempt employees at any time during the “PAGA Period,” which covers the time period of December 19, 2021 through February 13, 2024. The group of employees referenced above are called the “Aggrieved Employees,” and you have been identified as an Aggrieved Employee.

In this case, Plaintiff alleged that Defendant owed civil penalties under PAGA for certain California Labor Code (the “Labor Code”) violations, including (1) Failure to Pay Minimum Wages; (2) Failure to Pay Wages and Overtime Under Labor Code §§ 510 and 1198; (3) Meal Period Liability Under Labor Code §§ 226.7, 512(a), 516, and 1198; (4) Rest-Break Liability Under Labor Code §§ 226.7, 516, and 1198; (5) Violation of Labor Code §§ 226(a) and 1174; (6) Violation of Labor Code § 204; (7) Violation of Labor Code §§ 201, 202, 203; (8) Violation of Labor Code 2810.5; and (9) Failure to Reimburse Expenses under Labor Code § 2802. Plaintiff alleged Defendant failed to pay at least minimum wages and overtime wages to Aggrieved Employees for all hours worked, including off-the-clock work, failed to timely pay all wages due to Aggrieved Employees during their employment and timely upon separation from employment, failed to provide Aggrieved Employees with legally compliant meal and rest periods, failed to reimburse business expenses incurred by Aggrieved Employees, and failed to issue accurately

itemized wage statements to Aggrieved Employees. Defendant denies the allegations in the lawsuit, any failure to comply with the laws identified in the lawsuit, and any and all liability for the causes of action alleged.

WHAT ARE THE IMPORTANT TERMS OF THE SETTLEMENT?

The Parties agreed to resolve the case, and as part of the Settlement, Defendant agreed to pay One Hundred Thousand Dollars and Zero Cents (\$100,000.00), which is called the Gross Settlement Amount. From the Gross Settlement Amount, and as approved by the Court, Plaintiff's counsel ("PAGA Counsel") will receive a PAGA Counsel Fees Payment of \$35,000.00 for attorneys' fees and a PAGA Counsel Litigation Expenses Payment of \$18,206.96 for litigation costs incurred in prosecuting the lawsuit. In addition, and as approved by the Court, the Settlement Administrator will receive an Administration Expenses Payment of \$5,000.00 for its services in administering the settlement. The balance of the monies, called the Net Settlement Amount, in the amount of \$41,793.04, represents the PAGA Penalties.

Under PAGA, the law requires that PAGA Penalties get divided between the California Labor and Workforce Development Agency (the "LWDA") and the Aggrieved Employees, with 75% of the settlement going to the LWDA and 25% being divided amongst the Aggrieved Employees. As a result, and as approved by the Court, \$31,344.78 will be paid to the LWDA for its share of PAGA Penalties, and \$10,448.26 will be paid to the Aggrieved Employees as Individual PAGA Payments. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$10,448.26) by the total number of pay periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's number of pay periods worked during the PAGA Period.

As an Aggrieved Employee, you will assume full responsibility and liability for any taxes owed on your Individual PAGA Payment. The Administrator will report all Individual PAGA Payments on IRS 1099 Forms.

The settlement of this action does not constitute an admission by Defendant of any of the matters alleged in the case or an admission of liability. Defendant strongly denies violating any laws or failing to pay any wages. Defendant contends it complied with all applicable laws.

YOUR SETTLEMENT CHECK AND THE RELEASE OF CLAIMS

The enclosed check, in the amount of \$, represents your Individual PAGA Payment, which is based on the number of pay periods you worked during the PAGA Period. As an Aggrieved Employee, you are legally barred from asserting any of the claims released under the Settlement. This means that you, along with all Aggrieved Employees, cannot sue, continue to sue, or participate in any other PAGA claim against Defendant or the Released Parties based on the facts alleged in the case to have occurred during the PAGA Period and resolved by this Settlement. The release by Aggrieved Employees is as follows:

Release by Aggrieved Employees:

All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the original complaint, the Operative Complaint and the PAGA Notice.

“Released Parties” means Defendant and each of its former and present directors, officers, managing agents, shareholders, owners, members, attorneys, employees, managers, insurers, predecessors, successors, assigns, subsidiaries, parent companies, and affiliated entities and individuals.

“Operative Complaint” means the representative PAGA complaint filed by Plaintiff on February 16, 2023 in this lawsuit.

“PAGA Notice” means Plaintiff’s PAGA Notice letter to Defendant and the LWDA submitted on December 13, 2022 (LWDA-CM-924212-22) providing notice pursuant to Labor Code section 2699.3, subd. (a).

This release applies to you, regardless of whether you cash your check, and regardless of whether this letter can be delivered to you. Aggrieved Employees have no right to object to this settlement, and they cannot opt out of this settlement. You will be bound by this release whether you cash your check or not.

QUESTIONS?

If you have any questions, you can contact the Settlement Administrator (whose contact information is at the top of this letter) or Plaintiff’s counsel, whose contact information is as follows:

Counsel for Plaintiff:
Emil Davtyan, Esq.
David Yeremian, Esq.
Alvin B. Lindsay, Esq.
Enoch Kim, Esq.
Melissa Rodriguez, Esq
D.Law, Inc.
450 N. Brand Blvd., Suite 840
Glendale, California 91203

Very Truly Yours,
ILYM Group, Inc.

[INSERT CONTACT INFORMATION]

PLEASE DO NOT CONTACT THE COURT ABOUT THIS NOTICE

EXHIBIT 6