

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND RELEASE

This Class Action and PAGA Settlement Agreement and Release (“Agreement”) is made by and between Plaintiffs Patrick Lambert and Deorlandro Brown (“Plaintiffs”) and Defendant PHILLIPS FEED SERVICE, INC., a Pennsylvania corporation, dba PHILLIPS PET FOOD & SUPPLIES (erroneously sued as PHILLIPS FEED SERVICE INC., a California Corporation and PHILLIPS FEED SERVICE COMPANY, INCORPORATED) (“Defendant”). The Agreement refers to Plaintiffs and Defendant collectively as “Parties,” or individually as “Party.”

This Agreement shall be binding on Plaintiffs, the Settlement Class Members, the PAGA employees, and on Defendant, and is subject to the definitions, recitals, and terms set forth herein and the approval of the Court.

1. **DEFINITIONS.**

1.1. “Action” means Plaintiffs’ lawsuit alleging wage and hour violations against Defendant captioned *Patrick Lambert v. Phillips Feed Service, Inc., et al.*, initiated on January 25, 2022, amended on March 16, 2022, and pending in the Superior Court of the State of California, County of Sacramento, Case No. 34-2022-00314487.

1.2. “Administrator” or “Settlement Administrator” means Xpand Legal Consulting, the neutral entity the Parties have agreed to appoint to administer the Settlement.

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

1.4. “Class” means all individuals who have been, or currently are, employed by Defendant in California as non-exempt employees during the Class Period. For Class Members who worked or are working as commercial truck drivers, those day(s) or week(s) working as commercial truck drivers will be excluded from the Workweek calculation. If Class Members only worked as commercial truck drivers during the Class Period, then those individuals are excluded from the Class entirely.

1.5. “Class Counsel” means Ashley Davenport PC from Davenport Law PC, Patricio T.D.

Barrera from Barrera & Associates and Raul Perez from Capstone Law APC.

1.6. “Class Counsel Fees Payment” means the amount allocated to Class Counsel for reimbursement of reasonable attorneys’ fees incurred in connection with the Action, including their pre-filing investigations, their filing of the Action, all related litigation activities, all Settlement work, all post-Settlement compliance procedures, if approved by the Court, which shall be paid from the Gross Settlement Amount as set forth in Section 3.2.2 of this Agreement and shall not exceed one third (33.33%) of the Gross Settlement Amount, or \$266,640.00 (33.33% of \$800,000.00).

1.7. “Class Counsel Litigation Expenses Payment” means the amount of actual litigation expenses incurred by Class Counsel in connection with the Action, not to exceed \$10,000.00.

1.8. “Class Data” means Class Member identifying information in Defendant’s possession, including the Class Member’s name, all last-known mailing address(es) in Defendant’s file, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods. This Class Data shall not be shared with Class Counsel, but, instead, be treated as confidential by the Administrator.

1.9. “Class Member” means a member of the Class, either as a Settlement Class Member or Non-Participating Class Member, and all PAGA Employees (including a Non-Participating Class Member who qualifies as an PAGA Employee).

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

1.11. “Class Notice” means the Court Approved Notice of Class Action Settlement and Hearing Date for Final Court Approval, to be mailed to Class Members in English, in the form, without material variation, attached as **Exhibit A** and incorporated by reference into this Agreement.

- 1.12. “Class Period” means the period from January 25, 2018, through the date of the filing of the Motion for Preliminary Approval of this Settlement.
- 1.13. “Class Representatives” means Patrick Lambert, the named Plaintiff in the First Amended Complaint and Deorlandro Brown to be named as a Plaintiff in the Second Amended Complaint in the Action seeking Court approval to serve as a class representative.
- 1.14. “Class Representative Service Payments” means the payment approved by the Court to the Class Representatives for initiating the Action, providing services in support of the Action, and for signing a general release pursuant to this Agreement. The Class Representative Service Payments shall be paid from the Gross Settlement Amount and shall not exceed Ten Thousand Dollars (\$10,000.00) in the cumulative amount, with \$5,000 paid to the beneficiary of Patrick Lambert, and \$5,000 to Deorlandro Brown.
- 1.15. “Court” means the Superior Court of California, County of Sacramento.
- 1.16. “Day” means calendar day, unless expressly stated otherwise. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 1.17. “Defense Counsel” means Dan M. Forman, Esq., and Linda Wang, Esq., of CDF Labor Law LLP.
- 1.18. “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Settlement Class Member objects to the Settlement, or if an objection is filed but is withdrawn prior to the Court’s Final Approval Hearing, the day the Court enters Judgment; (b) if one or more Settlement Class Members objects to the Settlement, the later of the following events: (i) the day after the deadline for filing a notice of appeal from the Judgment, and no appeal is filed; (ii) if a timely appeal from the Judgment is filed, and is finally disposed of by ruling, dismissal,

denial, or otherwise, the day after the last date for filing a request for further review of the Court of Appeal's decision passes and no further review is requested; or (iii) if an appeal is filed and there is a final disposition by ruling, dismissal, denial, or otherwise by the Court of Appeal, and further review of the Court of Appeal's decision is requested, the day after the request for review is denied with prejudice and/or no further review of the order can be requested; or if review is accepted, the day the Supreme Court of the State of California affirms the Agreement.

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

1.20. "Final Approval Hearing" means the Court's hearing on the Motion for Final Approval of the Settlement to determine whether to approve finally and implement the terms of this Agreement and enter the Judgment.

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

1.22. "Gross Settlement Amount" means \$800,000.00 which is the total amount Defendant agrees to pay under this Agreement, except as provided in Paragraph 4.1 below and except that the employer's share of payroll taxes will be paid by Defendant separate and apart from the Gross Settlement Amount. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Litigation Expenses, Class Representative Service Payments, and the Administrator's Expenses Payment. This Gross Settlement Amount is an all-in amount without any reversion to Defendant, and excludes any employer payroll taxes, if any, due on the portion of the Individual Class Payments allocated to wages which shall not be paid from the Gross Settlement Amount and shall be the separate additional obligation of Defendant.

1.23. "Individual Class Payment" means each Settlement Class Member's pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked by each Settlement Class Member during the Class Period in proportion to the aggregate number of Workweeks worked by all Settlement Class Members in the

Class Period.

1.24. “Individual PAGA Payment” means each PAGA Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked by each individual PAGA Employee during the PAGA Period in proportion to the aggregate number of PAGA Pay Periods worked by all PAGA Employees in the PAGA Period.

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

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

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

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

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

1.30. “Notice Mailing Deadline” means the date by which the Administrator shall mail the Class Notice to Class Members, which shall be no later than 14 calendar days after the Administrator receives the Class Data from Defendant.

1.31. “Operative Complaint” means the First Amended Complaint filed in the Action on or about March 16, 2022. The Parties have stipulated that Plaintiffs will file, subject to the Court’s approval, a Second Amended Complaint in the Class Action to reflect the addition of Deorlandro Brown as an additional Plaintiff in this action, solely for purposes of this Settlement. A copy of the Second Amended Complaint is attached hereto as Exhibit “B.” The Second Amended Complaint shall be deemed filed as of

the Preliminary Approval Date. Defendant stipulates to jurisdiction in state court and agrees not to remove to federal court. The Parties' assent to this Settlement is expressly conditioned on the Court approving the filing of the Second Amended Complaint for settlement purposes only. Upon the Court's acceptance of the Second Amended Complaint, it shall be deemed the Operative Complaint. Defendant shall not be required to file any response to the Second Amended Complaint and Defendant's current operative answer shall be deemed the Answer to the Second Amended Complaint. If the Court denies Final Approval of the Settlement despite best efforts of the Parties, the Second Amended Complaint becomes null and void with no force or effect, and the Action will resume as if this Agreement had not been reached.

1.32. "PAGA Employee" means an individual who has been, or currently is, employed by Defendant in California as a non-exempt employee during the PAGA Period. For those non-exempt employees who worked or are working as commercial truck drivers, those day(s) or week(s) working as commercial truck drivers will be excluded from the PAGA Pay Period calculation. If non-exempt employees only worked as commercial truck drivers during the PAGA Period, then those individuals are not PAGA Employees.

1.33. "PAGA Pay Period" means any Pay Period during which a PAGA Employee worked for Defendant for at least one day during the PAGA Period.

1.34. "PAGA Period" means the period from March 16, 2021, through the date of filing of the Motion for Preliminary Approval of this Settlement.

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

1.36. "PAGA Notice" means Plaintiff Lambert's letter to the LWDA, with a copy to Defendant, on January 7, 2022, providing notice pursuant to Labor Code section 2699.3, subd.(a), and Plaintiff Brown's impending letter to the LWDA, with a copy to Defendant.

1.37. "PAGA Penalties" means the total amount of PAGA civil penalties of \$50,000 to be

1 paid from the Gross Settlement Amount, allocated 25% to the PAGA Employees
2 (\$12,500) as Individual PAGA Payments and the remaining 75% to LWDA (\$37,500)
3 in settlement of PAGA claims asserted in the Action.

4 1.38. "Plaintiffs" means Patrick Lambert and Deorlandro Brown, the named plaintiffs in
5 the Action/Operative Complaint.

6 1.39. "Preliminary Approval" means the Court's Order Granting Preliminary Approval of
7 the Settlement.

8 1.40. "Preliminary Approval Order" means the Court order granting preliminary approval
9 of the Settlement.

10 1.41. "Released Class Claims" means the claims being released as described in Paragraph
11 6.2 below.

12 1.42. "Released PAGA Claims" means the claims being released as described in Paragraph
13 6.3 below.

14 1.43. "Released Parties" means: Defendant and each of its former and present directors,
15 officers, shareholders, owners, partners, members, employees, attorneys, insurers,
16 agents, predecessors, successors, assigns, parents, subsidiaries, or affiliates.

17 1.44. "Request for Exclusion" means a Class Member's submission of a written request to
18 be excluded from the Class Settlement signed by the Class Member. A Class Member
19 may not submit a Request for Exclusion as to the Released PAGA Claims.

20 1.45. "Response Deadline" means 60 days after the Notice Mailing Deadline, or 7 days
21 after re-mailing of the Class Notice, whichever is later, and shall be the last date on
22 which Class Members may: (a) submit Requests for Exclusion from the Settlement,
23 or (b) submit his or her Objection to the Settlement. Class Members to whom Notice
24 Packets are resent after having been returned undeliverable to the Administrator shall
25 have an additional 7 calendar days beyond the Response Deadline has expired.

26 1.46. "Settlement" means the disposition of the Action effected by this Agreement and the
27 Judgment.

28 1.47. "Settlement Class" refers to Class Members who do not submit a timely and valid

Request for Exclusion pursuant to this Agreement.

1.48. “Settlement Class Member” refers to a member of the Settlement Class.

1.49. “Workweek” means any week during which a Class Member worked for Defendant for at least one day, during the Class Period. A Workweek does not include time spent by Class Members working as a commercial truck driver.

2. RECITALS.

2.1. On January 25, 2022, Plaintiff Patrick Lambert, a former employee of Defendant, filed a class action Complaint against Defendant in Sacramento County Superior Court. On March 16, 2022, Plaintiff filed his First Amended Complaint (the “Operative Complaint”) alleging the following eight (8) causes of action: (1) Failure to Timely Pay for All Hours Worked, (2) Failure to Provide Meal Periods, (3) Failure to Provide Rest Periods, (4) Failure to Reimburse for Reasonable Business Expense Incurred, (5) Non-Compliant Wage Statements, (6) Wages Not Timely Paid Upon Termination, (7) Civil Penalties for Violations of California Labor Code, Pursuant to PAGA, §§ 2698 *et seq.*, and (8) Violation of California Business & Professions Code §§ 17200, *et seq.*

2.2. Prior to filing the Operative Complaint, on January 7, 2022, Plaintiff provided the LWDA with notice of his claim for recovery of civil penalties under the PAGA. After the 65-day waiting period under Labor Code section 2699.3, LWDA did not notify Plaintiff and his counsel that the agency would investigate the claim set forth in Plaintiff’s PAGA Notice.

2.3. On or about August 29, 2023, Defendant filed its Answer to the First Amended Complaint, generally denying the allegations therein and asserting several affirmative defenses. Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in in the Operative Complaint, and denies any and all liability for the causes of action alleged therein.

2.4. Prior to mediation and negotiating the Settlement, Plaintiffs and Class Counsel obtained, through informal and formal discovery, sufficient documents, company

1 policies, handbook, timecards and payroll records for Plaintiff and other Class
2 Members and PAGA Employees. Plaintiff's investigation was sufficient to satisfy the
3 criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48
4 Cal.App.4th 1794, 1801 and *Kullar v. FootLocker Retail, Inc.* (2008) 168 Cal.App.4th
5 116, 129-130 ("*Dunk/Kullar*").

6 2.5. On August 8, 2023, the parties participated in a full-day mediation before
7 experienced employment mediator Hon. Benny Osorio (Ret.). While the matter did
8 not settle at mediation, the Parties continued to engage in subsequent negotiations
9 through their respective counsel, and were able to agree to the material terms of this
10 Agreement.

11 2.6. At all times, Defendant denied and continues to deny any wrongdoing and deny that
12 they committed, or attempted to commit, any of the wrongful acts or violations of law
13 or duty that are alleged in the Operative Complaint, and instead contends that it has
14 acted in accordance with the law. Defendant also denies that Plaintiff or the
15 Settlement Class are entitled to any form of damages, penalties, or any relief
16 whatsoever based on the conduct alleged in the Operative Complaint and PAGA
17 Notice. In addition, Defendant maintains that it has meritorious defenses to the claims
18 alleged in the Operative Complaint and was prepared to vigorously oppose class
19 certification and defend the Action. Nevertheless, taking into account the uncertainty
20 and risks inherent in litigation, Defendant has concluded that defending the claims
21 asserted in the Operative Complaint would be burdensome and expensive, and that it
22 is desirable and beneficial to fully and finally settle and terminate the Action in the
23 manner and upon the terms and conditions set forth in this Agreement.

24 2.7. Plaintiffs believe that the claims asserted in the Operative Complaint and PAGA
25 Notice have merit. Nonetheless, Plaintiffs and Class Counsel recognize and
26 acknowledge the expense and length of continued prosecution of the claims against
27 Defendant through trial and any subsequent appeals. Plaintiffs and Class Counsel
28 have also taken into account the uncertain outcome and risks of litigation, especially

1 in complex actions, as well as the difficulties and delays inherent in such litigation.
2 Based on their evaluation, Class Counsel have concluded that the terms and conditions
3 of this Agreement are fair, reasonable, and adequate to the Settlement Class, and that
4 it is in the best interests of the Settlement Class to settle the claims alleged in the
5 Operative Complaint and PAGA Notice pursuant to the terms and provisions of this
6 Agreement.

7 2.8. This Agreement is made and entered into by and between Plaintiffs, individually and
8 on behalf of all other individuals alleged to be similarly situated, and Defendant, and
9 is subject to the terms and conditions hereof, and to the Court's approval. The Parties
10 expressly acknowledge that this Agreement is entered into solely for the purpose of
11 compromising significantly disputed claims and that nothing herein is an admission
12 of liability or wrongdoing by Defendant. The Agreement's provisions, and all related
13 drafts, communications and discussions, cannot be construed as or deemed to be
14 evidence of an admission or concession of any point of fact or law by any person or
15 entity and cannot be offered or received into evidence or requested in discovery in
16 this Action or any other action or proceeding as evidence of an admission or
17 concession. In the event that the Court does not issue Final Approval and Final
18 Judgment, or in the event that the associated judgment does not become the Final
19 Judgment for any reason, this Agreement shall be deemed null and void, it shall be of
20 no force or effect whatsoever, it shall not be referred to or used for any purpose
21 whatsoever, and the negotiations, terms, and entry of it shall remain subject to the
22 provisions of California Evidence Code sections 1119 and 1152.

23 **3. MONETARY TERMS.**

24 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 10 below,
25 Defendant promises to pay \$800,000.00 as the Gross Settlement Amount. This
26 amount is all-inclusive of all payments contemplated in this resolution, excluding
27 employer-side payroll taxes applicable to the Wage Portion of the Individual Class
28 Payments to be paid to Settlement Class Members, which shall be separately paid by

Defendant to the Administrator. Defendant has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the Effective Date of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Settlement Class Members or PAGA Employees to submit any claim as a condition of payment. Except as provided in Paragraph 9 below, in the event any party withdraws from this Settlement Agreement, Defendant has no obligation to pay any portion of the Gross Settlement Amount.

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

3.2.1. To Plaintiffs: Class Representative Service Payments to the Class Representatives of not more than \$10,000.00 cumulative (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representatives are entitled to receive as Settlement Class Members and PAGA Employees). Defendant will not oppose Plaintiffs' request for Class Representative Service Payments that do not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment, Plaintiff will seek Court approval for any Class Representative Service Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiffs assume full responsibility and liability for taxes owed on the Class Representative Service Payment.

3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than 33.33% of the Gross Settlement Amount, which is currently estimated to be \$266,640.00, and a Class Counsel Litigation Expenses Payment of not more than \$10,000.00. Defendant will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiffs and/or Class Counsel will file a motion for Class Counsel Fees

Payment and Class Counsel Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment using one or more IRS1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed \$7,250 except for a showing of good cause and as approved by the Court. To the extent the actual Administration Expenses Payment is less, or the Court approves payment less than \$7,250, the Administrator will retain the remainder in the Net Settlement Amount.

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

3.2.4.1. Tax Allocation of Individual Class Payments. Ten percent (10%) of each Settlement Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to the Employment and Payroll Taxes and will be reported on an IRS W-2 Form. Ninety percent (90%) of each Settlement Class Member's Individual Class Payment will be allocated to settlement of claims for non-

wages, expense reimbursement, interest, and penalties (the “Non-Wage Portions”). The Non-Wage Portions are not subject to Employment and Payroll Taxes and will be reported on IRS 1099 Forms. Settlement Class Members assume full responsibility and liability for employee taxes owed on their Individual Class Payment.

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

3.2.5. To the LWDA and PAGA Employees: PAGA Penalties in the amount of \$50,000 to be paid from the Gross Settlement Amount, with 75% (\$37,500) allocated to the LWDA PAGA Payment and 25% (\$12,500) allocated to the Individual PAGA Payments.

3.2.5.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the PAGA Employees’ 25% share of PAGA Penalties in the currently estimated amount of \$12,500 by the total number of PAGA Pay Periods worked by all PAGA Employees during the PAGA Period and (b) multiplying the result by each PAGA Employee’s PAGA Pay Periods worked during the PAGA Period. PAGA Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

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

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Class Workweeks and PAGA Employee Pay Periods. Based on a review of its records to date, Defendant estimates that there are approximately 412 Class Members who collectively worked a total of approximately 18,780 Workweeks, and approximately 296 PAGA Employees who worked an estimated total of 5,181 PAGA Pay Periods (“Estimate”). Should the actual number of Class Workweeks exceed 120% of the Estimate (22,536 total Class Workweeks), Defendant shall either (1) increase the Global Settlement Amount on a proportional basis over 120%, or (2) back the Released Class Claims and Released PAGA Claims date to where the work weeks are 120%. For example, if the number of Class Workweeks exceeds 22,536 Workweeks by 1%, Defendant shall increase the Gross Settlement Amount by 21% or back the Released Class Claims and Released PAGA Claims date to where the Class Workweeks are 22,536).

4.2. Class Data. Not later than 20 (20) days after the Court grants Preliminary Approval of the Settlement, Defendant will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members’ privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to the Administrator’s employees who need access to the Class Data to effect and perform the Administrator’s duties under this Agreement. The Administrator will not share or disclose the Class Data to Plaintiffs or Class Counsel. Defendant has a continuing duty to immediately notify Class Counsel if they discover that the Class Data omitted any Class Member’s identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

4.3. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross

Settlement Amount by transmitting the funds to the Administrator within twenty (20) calendar days after the Effective Date.

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

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

4.5.2 The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without a forwarding address provided by the United States Postal Service ("USPS"). Within three (3) business days of receiving a returned check, the Administrator must re-mail the returned check to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-

mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date, within five (5) business days of the Administrator's receipt of such request.

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

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

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

6.1 Plaintiffs' Release. Plaintiffs and their former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences that occurred during the Class Period, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint and (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the Operative Complaint and Plaintiff's PAGA Notice. ("Plaintiff's Release.") Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on

occurrences outside the Class Period. Plaintiffs acknowledge that Plaintiffs may discover claims or facts or law different from, or in addition to, those which Plaintiffs now know or believe to be true or exist but Plaintiffs expressly agree, nonetheless, to fully, finally and forever settle and release any and all claims against the Released Parties, known or unknown, suspected or unsuspected, which exist or may exist on behalf of or against the other at the time of execution of this Agreement, including, but not limited to, any and all claims relating to or arising from Plaintiffs' employment with Defendant. The Parties further acknowledge, understand and agree that this representation and commitment is essential to the Agreement and that this Agreement would not have been entered into were it not for this representation and commitment.

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

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

6.2 Release by Settlement Class Members: All Settlement Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint or PAGA Notice; and ascertained in the course of the Action, including any and all claims involving any alleged failure to compensate for all hours worked; alleged failure to pay penalties for missed meal and rest breaks; alleged failure to pay minimum wages; alleged failure to pay overtime wages; alleged failure to furnish

accurate, itemized wage statements; alleged failure to pay compensation upon termination of employment; alleged failure to reimburse business expenses; alleged violation of Labor Code section 2698, et seq. ("PAGA"); alleged violation of California's unfair business practices and unfair competition laws; alleged violation of inspection of personnel and payroll records; alleged violation of the California Industrial Welfare Commission's ("IWC") Wage Orders; alleged violation of the California Labor Code sections 200, 201, 202, 203, 204, 210, 218.5, 222.5, 225.5, 223, 226, 226.3, 226.7, 227.3, 226.8, 432, 500, 510, 512, 516, 558, 558.1, 1171, 1173, 1174, 1182.12, 1194, 1194.2, 1198, 1198.5, 1197, 1197.1 and/or 1198.5; (ii) any and all claims that could have been asserted based on the facts alleged in the Operative Complaint or PAGA Notice; (iii) any and all claims which were asserted leading up to and during mediation; (iv) and any damages, premiums, penalties, liquidated damages, interest, punitive damages, costs, attorneys' fees, injunctive relief, declaratory relief, or accounting based on the Operative Complaint or PAGA Notice and which occurred during the Class Period. Except as set forth in Section 6.3 of this Agreement, Settlement Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

6.3 Release by Non-Participating Class Members Who Are PAGA Employees: All Non-Participating Class Members, as well as Settlement Class Members, who are PAGA 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 (i) all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint and the PAGA Notice, including but not limited to any alleged failure to compensate for all hours worked; alleged failure to pay penalties for missed meal and rest breaks; alleged failure to pay minimum wages; alleged failure to pay overtime and double time wages; alleged failure to reimburse business expenses; alleged failure to furnish

accurate, itemized wage statements; alleged failure to pay compensation upon termination of employment; alleged violation of California's unfair business practices and unfair competition laws; alleged failure to maintain accurate and complete employee, payroll, and time records; alleged violation of the California Industrial Welfare Commission's ("IWC") Wage Orders; alleged violation of the California Labor Code sections 200, 201, 202, 203, 204, 204b, 204(d), 210, 218.5, 222.5, 225.5, 221-223, 226, 226(a), 226(e), 226.3, 226.6, 226.7, 227.3, 245-248.5, 256, 432.5, 432.7, 500, 510, 512, 512(a), 516, 558, 558.1, 1024.5, 1171, 1173, 1174, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 2442, 2698, 2699, 2802, and 2810.5; (ii) any and all PAGA claims that could have been asserted based on the facts alleged in the Operative Complaint and PAGA Notice; (iii) any and all PAGA claims which were asserted leading up to and during mediation; (iv) and any damages, civil penalties, interest, punitive damages, costs, attorneys' fees, based on the Operative Complaint and PAGA Notice, and which occurred during the PAGA Period.

7. MOTION FOR PRELIMINARY APPROVAL. Plaintiff will prepare and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the California Code of Civil Procedure, California Rules of Court, Sacramento County Superior Court's Local Rules, and any other applicable rules.

7.1 Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from Plaintiff Brown confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members; (v) a signed declaration from Class Counsel firm attesting to its competency to represent the Class Members; (vi) Class Counsel's timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code

section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)), and (vii) all facts relevant to any actual or potential conflict of interest with Class Members, the Administrator, and/or the *cy pres* recipient. Plaintiff shall provide drafts of all documents necessary for obtaining Preliminary Approval to Defense Counsel not later than seven (7) calendar days prior to filing the Motion for Preliminary Approval. Class Counsel and Defense Counsel will expeditiously meet and confer via email or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Preliminary Approval.

7.2 Responsibilities of Counsel. Class Counsel is responsible for obtaining a prompt hearing date for the Motion for Preliminary Approval; expeditiously finalizing and filing the Motion for Preliminary Approval no later than 16 court days prior to the hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval Order to the Administrator.

7.3 Duty to Cooperate. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

8. SETTLEMENT ADMINISTRATION.

8.1 Selection of Administrator. Plaintiffs selected Xpand Legal Consulting to serve as the Administrator and verified that, as a condition of appointment, Xpand Legal Consulting agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for the Administration Expenses Payment. Plaintiffs and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

8.2 Employer Identification Number. The Administrator shall have and use its own Employer

Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.

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

8.4 Notice to Class Members.

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

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

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

1 Notice is returned by the USPS a second time. The Administrator's mailing
2 and/or re-mailing of the Class Notice and/or payments to Settlement Class
3 Members and PAGA Employees will be presumed to constitute adequate
4 notice of this Settlement and delivery of payment.

5 8.4.4 The deadlines for Class Members' written Objections, challenges to
6 Workweeks and/or Pay Periods, and Requests for Exclusion will be extended
7 an additional seven (7) calendar days beyond the sixty (60) calendar days
8 otherwise provided in the Class Notice for all Class Members whose notice
9 is re-mailed. The Administrator will inform the Class Member of the
10 extended deadline with the re-mailed Class Notice by including a letter
11 explaining the extended deadline.

12 8.4.5 If the Administrator, the Parties, Defense Counsel or Class Counsel is
13 contacted by or otherwise discovers any persons who believe they should
14 have been included in the Class Data and should have received Class Notice,
15 the Parties will expeditiously meet and confer in person or by telephone, and
16 in good faith in an effort to agree on whether to include them as Class
17 Members. If the Parties agree, such persons will be Class Members entitled
18 to the same rights as other Class Members, and the Administrator will send,
19 via email or overnight delivery, a Class Notice requiring them to exercise
20 options under this Agreement not later than 14 days after receipt of Class
21 Notice, or the deadline dates in the Class Notice, whichever are later.

22 8.5 Requests for Exclusion (Opt-Outs).

23 8.5.1 Class Members who wish to exclude themselves (opt-out) from the Class
24 Settlement must send the Administrator, by email, or mail, a signed written
25 Request for Exclusion not later than the Response Deadline, i.e., sixty (60)
26 calendar days after the Administrator mails the Class Notice, or seven (7)
27 calendar days after any re-mailing of the Class Notice, whichever is later. A
28 Request for Exclusion is a letter from a Class Member or his/her

1 representative that reasonably communicates the Class Member's election to
2 be excluded from the Settlement and includes the Class Member's name,
3 address, and email address or telephone number, as well as the Class
4 Member's signature. To be valid, a Request for Exclusion must be timely
5 emailed or postmarked by the Response Deadline.

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

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

23 8.5.4 Every Class Member who submits a valid and timely Request for Exclusion
24 is a Non-Participating Class Member and shall not receive an Individual Class
25 Payment or have the right to object to the class action components of the
26 Settlement. Because future PAGA claims are subject to claim preclusion
27 upon entry of the Judgment, Non-Participating Class Members who are
28 PAGA Employees are deemed to release the claims identified in Paragraph

6.3 of this Agreement and are eligible for an Individual PAGA Payment. If a Class Member submits both a Request for Exclusion and an objection, only the Request for Exclusion will be accepted and the objection will be void.

8.5.5 The Class Representatives shall not opt-out of the Settlement and shall not submit a Request for Exclusion. The Class Representatives agree, by signing this Agreement, that they are accepting the terms of this Agreement.

8.6 Challenges to Calculation of Workweeks. Each Class Member and PAGA Employee shall have until the Response Deadline (plus an additional 7 days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member and PAGA Employee in the Class Notice. The Class Member and/or PAGA Employee may challenge the allocation by communicating with the Administrator via email or mail. The Administrator must encourage the challenging Class Member and/or PAGA Employee to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the number(s) of Workweeks and/or PAGA Pay Periods contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member and PAGA Employee's allocation of Workweeks and/or PAGA Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or Pay Periods to Defense Counsel and Class Counsel and the Administrator's determination of the challenges, within three (3) business days of making the determination.

8.7 Objections to Settlement.

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

1 8.7.2 Settlement Class Members may send written Objections to the Administrator,
2 by email, or mail. In the alternative, Settlement Class Members may appear
3 in Court (or hire an attorney to appear in Court) to present verbal objections
4 at the Final Approval Hearing. A Settlement Class Member who elects to
5 send a written Objection to the Administrator must do so not later than the
6 Response Deadline (plus an additional 7 days for Class Members whose Class
7 Notice were re-mailed). The Administrator shall immediately provide any
8 such objections to Class Counsel and Defense Counsel, who in turn will
9 submit any such objections to the Court with the motion for Final Approval.
10 Settlement Class Members who fail to make objections in the manner
11 specified above shall be deemed to have waived any objections and shall be
12 foreclosed from making any objections (whether by appeal or otherwise) to
13 the Settlement.

14 8.7.3 Non-Participating Class Members have no right to object to any of the Class
15 Settlement and/or this Agreement.

16 8.8 Administrator Duties. The Administrator has a duty to perform or observe all tasks to be
17 performed or observed by the Administrator contained in this Agreement or otherwise.

18 8.8.1 Email Address and Toll-Free Number. The Administrator will maintain and
19 monitor an email address and a toll-free telephone number to receive Class
20 Member or PAGA Employee calls and emails, in English.

21 8.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will
22 promptly review, on a rolling basis, Requests for Exclusion to ascertain their
23 validity. Not later than five (5) calendar days after the expiration of the
24 Response Deadline, the Administrator shall email a list to Class Counsel and
25 Defense Counsel containing (a) the names and other identifying information
26 of Class Members who have timely submitted valid Requests for Exclusion
27 ("Exclusion List"); (b) the names and other identifying information of Class
28 Members who have submitted invalid Requests for Exclusion; (c) copies of

1 all Requests for Exclusion from Settlement submitted (whether valid or
2 invalid).

3 8.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written
4 reports to Class Counsel and Defense Counsel that, among other things, tally
5 the number of: Class Notices mailed or re-mailed, Class Notices returned
6 undelivered, Requests for Exclusion (whether valid or invalid) received,
7 objections received, challenges to Workweeks and/or Pay Periods received
8 and/or resolved, and checks mailed for Individual Class Payments and
9 Individual PAGA Payments (“Weekly Report”). The Weekly Reports must
10 include provide the Administrator’s assessment of the validity of Requests
11 for Exclusion and attach copies of all Requests for Exclusion and objections
12 received.

13 8.8.4 Workweek and/or Pay Period Challenges. The Administrator has the
14 authority to address and make final decisions consistent with the terms of this
15 Agreement on all Class Member or PAGA Employee challenges over the
16 calculation of Workweeks and/or Pay Periods. The Administrator’s decision
17 shall be final and not appealable or otherwise susceptible to challenge.

18 8.8.5 Administrator’s Declaration. Not later than fourteen (14) calendar days
19 before the date by which Plaintiff is required to file the Motion for Final
20 Approval of the Settlement, the Administrator will provide to Class Counsel
21 and Defense Counsel, a signed declaration suitable for filing in Court attesting
22 to its due diligence and compliance with all of its obligations under this
23 Agreement, including, but not limited to, its mailing of Class Notice, the Class
24 Notices returned as undelivered, the re-mailing of Class Notices, attempts to
25 locate Class Members, the total number of Requests for Exclusion from
26 Settlement it received (both valid or invalid), the number of written objections
27 and attach the Exclusion List. The Administrator will supplement its
28 declaration as needed or requested by the Parties and/or the Court. Class

Counsel is responsible for filing the Administrator's declaration(s) in Court.

8.8.6 Final Report by Settlement Administrator. Within ten (10) calendar days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least fourteen (14) calendar days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

8.8.7 Post Disbursement Requests of Administrator. Should any Party request a declaration from the Administrator to verify the mailing of Class Notice, checks and whether a check has been transacted by any Class Member or PAGA Member, the Administrator shall provide such declaration with as much truthful information as it can provided within five business days of such request.

9. DEFENDANT'S RIGHT TO WITHDRAW. If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 5% of the total of all Class Members, Defendant may, but is not obligated to, elect to withdraw from the Settlement. The Parties agree that, if Defendant withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendant will remain responsible for paying all Administration Expenses included as of the date Defendant makes this election to withdraw. Defendant must notify Class Counsel and the Court of its election to withdraw not later than ten (10) days after the Administrator sends the final Exclusion List to Defense Counsel. Invalid Requests for Exclusion will have no effect on this threshold for an election.

10. MOTION FOR FINAL APPROVAL. Unless otherwise ordered by the Court, not later

than sixteen (16) court days before the calendared Final Approval Hearing, Plaintiffs will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l), the Administrator's Declaration, a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiff shall provide drafts of these documents to Defense Counsel not later than ten (10) calendar days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer via email or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

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

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

10.3 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.

10.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and

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

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

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

12. **ADDITIONAL PROVISIONS.**

12.1 No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint or PAGA Notice 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 class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does grant Preliminary Approval, Final Approval or enter Judgment, Defendant reserves the right to contest certification of any class for any reasons, and Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds available and to contest Defendant's defenses. The Settlement, this Agreement, and the Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

12.2 Confidentiality. Plaintiff, Class Counsel, Defendant, and Defense Counsel separately agree that, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, Administrator, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) to fulfill Class Counsel's professional duties and ethical obligations to Class Members; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendant, and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, with any third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect, with the exception of the Administrator. The Parties and the Parties' counsel agree to limit public comment on this Agreement and PAGA/Class Settlement, the Lawsuit, the LWDA Letter

and Plaintiff's claims to stating that the matter has been resolved to the satisfaction of all parties. Neither the parties nor their counsel will initiate public comment, including but not limited to press inquiries or website, blog or social media postings. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.

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

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

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

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

12.7 No Prior Assignments. The Plaintiffs separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or

encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.

12.8 No Tax Advice. Plaintiffs, Class Counsel, Defendant or Defense Counsel shall not provide any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

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

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

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

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

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

12.14 Use of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy, all paper and electronic versions of Class

Data received from Defendant.

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

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

To Plaintiff:

DAVENPORT LAW PC
Ashley A. Davenport, State Bar No. 244573
2298 E. Maple Avenue
El Segundo, CA 90245
Telephone: (310) 504-3989

BARRERA & ASSOCIATES
Patricio T.D. Barrera, State Bar No. 149696
2298 E. Maple Avenue
El Segundo, CA 90245
Telephone: (310) 802-1500

CAPSTONE LAW
Raul Perez
1875 Century Park East, Suite 1000
Los Angeles, CA 90067
Telephone: (310) 556-4811

To Defendant:

CDF LABOR LAW LLP
Dan M. Forman, State Bar No. 155811
dforman@cdflaborlaw.com
Linda Wang, State Bar No. 317984
lwang@cdflaborlaw.com
707 Wilshire Boulevard, Suite 5150
Los Angeles, CA 90017
Telephone: (213) 612-6300

12.17 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be

deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

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

12.19 Fair Settlement. The Parties, Class Counsel, and Defense Counsel believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement of the Action and have arrived at this Agreement through arms-length negotiations, taking into account all relevant factors, both current and potential.

List of Exhibits: The following exhibit is attached to this Settlement Agreement:

Exhibit A – Court Approved Notice of Class Action Settlement and Hearing Date for Final Court Approval

Exhibit B – Second Amended Complaint

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SIGNATURES - READ CAREFULLY BEFORE SIGNING

PLAINTIFF: Deorlandro Brown

Dated: 7/8/2025 _____

Signed by:

8CAFEAE82FA8445... vn

DEFENDANT: PHILLIPS FEED SERVICE, INC., a
Pennsylvania corporation, dba PHILLIPS PET FOOD
& SUPPLIES

Dated: _____

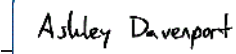
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APPROVED AS TO FORM:

PLAINTIFF'S COUNSEL:

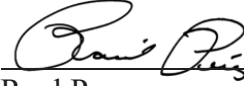
DAVENPORT LAW PC

Dated: 7/8/2025 _____

DocuSigned by:

EFB396350E064B9... Ashley A. Davenport

CAPSTONE LAW APC

Dated: 7/8/2025 _____


Raul Perez

DEFENDANT'S COUNSEL:

CDF LABOR LAW LLP

Dated: _____

Dan M. Forman

SIGNATURES - READ CAREFULLY BEFORE SIGNING

PLAINTIFF: Deorlandro Brown

Dated: _____

Plaintiff Deorlandro Brown

DEFENDANT: PHILLIPS FEED SERVICE, INC., a
Pennsylvania corporation, dba PHILLIPS PET FOOD
& SUPPLIES

Dated: July 21, 2025

David Landis
DAVID LANDIS
Please Print Name of Authorized Signatory

APPROVED AS TO FORM:

PLAINTIFF'S COUNSEL:

DAVENPORT LAW PC

Dated: _____

Ashley A. Davenport

CAPSTONE LAW APC

Dated: _____

Raul Perez

DEFENDANT'S COUNSEL:

CDF LABOR LAW LLP

Dated: 07/21/2025

Dan M. Forman
Dan M. Forman

Exhibit A

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

Patrick Lambert v. Phillips Feed Service, Inc., et al., Case No. 34-2022-00314487

*The Superior Court for the State of California authorized this Notice. Read it carefully!
This is not an advertisement or solicitation by a lawyer. You are not being sued.*

You may be eligible to receive money from a class action lawsuit (the “Action”) against Phillips Feed Service, Inc. dba Phillips Pet Food and Supplies (referred to herein as “Phillips”). The Action was filed by Patrick Lambert, an employee of Phillips Feed Services, Inc, with former employee Deorlandro Brown being named as a Plaintiff in an amended complaint. The action seeks payment of (1) wages and penalties for a class of nonexempt, hourly-paid employees (“Class Members”) who worked for Phillips at any time between January 25, 2018, and _____, 2025 (“Class Period”); and (2) penalties under the California Private Attorney General Act (“PAGA”) for all nonexempt, hourly-paid employees (“Aggrieved Employees”) who worked for Phillips at any time between March 16, 2021, and _____, 2025 (“PAGA Period”). For Class Members and Aggrieved Employees who worked or are working as commercial truck drivers, those day(s) or week(s) working as commercial truck drivers are excluded from the calculations. If Class Members and Aggrieved Employees only worked as commercial truck drivers during the Class Period and PAGA Period, then those individuals are excluded entirely.

Based on Phillips’ records, **your Individual Class Payment is estimated to be [\$ amount] (less withholdings) [and your Individual PAGA Payment is estimated to be [\$ amount].** The actual amount you may receive may be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to Phillips’ records you are not eligible for an Individual PAGA Payment under the Settlement because you did not work for Phillips during the PAGA Period.)

The above estimates are based on Phillips’ records showing that **you worked [number] workweeks** during the Class Period and **you worked [number] pay periods** during the PAGA Period. If you believe that you worked more workweeks and/or pay periods during either period, you can submit a written challenge with any supporting evidence by the deadline date. See Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or do not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiffs and Plaintiffs’ attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment that requires Phillips to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Phillips.

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

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

- ~~_____~~ (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will,

however, preserve your right to personally pursue Class Period wage claims against Phillips. However, if you are an Aggrieved Employee, you will still remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

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

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Settlement Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert wage claims against Phillips that are covered by this Settlement ("Released Claims").
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is _____, 2025	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. Phillips must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue PAGA penalties for the relevant PAGA Period (defined below).
Settlement Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by _____, 2025	All Class Members who do not opt-out ("Settlement Class Members") can object to any aspect of the proposed Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiffs who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiffs. You can object to the amounts requested by Class Counsel or Plaintiffs if you think they are unreasonable. See Section 7 of this Notice.
You Can Participate in the _____, 2025 Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on _____, 2025, at _____ a.m./p.m. in Department 22 of the Sacramento County Superior Court located at 312 N. Spring Street, Los Angeles, California. You are not required to attend but you have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Settlement Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.

You Can Challenge Your Workweeks/Pay Periods Written Challenges Must be Submitted by _____, 2025 _____	The amount of your Individual Class Payment and PAGA Payment (if any) depends on: (1) the number of workweeks in which you worked at least one day during the Class Period; and (2) the number of Pay Periods in which you worked at least one day during the PAGA Period, respectively. The number of Class Period Workweeks and number of PAGA Period Pay Periods you worked according to Phillips’ records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by _____, 2025. See Section 4 of this Notice.
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1. WHAT IS THE ACTION ABOUT?

Plaintiffs Lambert and Brown were employees of Phillips Feed Service, Inc. The Action alleges that Phillips Feed Service, Inc. did not comply with California labor laws by failing to provide meal periods, failing to provide rest breaks, failing to pay wages for all hours worked, failing to reimburse business-related expenses, non-compliant wage statements, and failing to timely pay all wages due at separation of employment. Based on the same claims, Plaintiffs have also asserted a claim for unfair business practices and for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) (“PAGA”). Plaintiffs are represented by attorneys in the Action: Ashley Davenport of Davenport Law, PC, Patricio T.D. Barrera of Barrera & Associates, and Raul Perez of Capstone Law APC (“Class Counsel”).

Phillips denies Plaintiff’s claims and denies any wrongdoing..

The Court has not and will not make a determination as to whether or not Plaintiffs’ claims have merit as the Parties have agreed to settle the claims.

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

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

The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

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

1. Phillips Will Pay \$800,000 as the Gross Settlement Amount (Gross Settlement). Phillips has agreed to deposit the Gross Settlement into an account controlled by the Administrator. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, the Administration Expenses Payment, and PAGA penalties to be paid to the California Labor and Workforce Development Agency (“LWDA”). Phillips shall also pay Phillips’ share of payroll taxes by transmitting the funds to the

Administrator. The Judgment will be final on the date the Court enters Judgment, or a later date if Settlement Class Members object to the proposed Settlement or the Judgment is appealed.

2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiffs and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement Amount:
 - A. Up to \$266,640 (33.33% of the Gross Settlement) to Class Counsel for attorneys' fees and up to \$10,000 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without any payment.
 - B. Up to \$5,000 each to Plaintiffs Lambert and Brown as Class Representative Service Payments for filing the Action, working with Class Counsel and representing the Class. The Class Representative Service Payments will be the only monies Plaintiffs will receive other than Plaintiffs' Individual Class Payment and any Individual PAGA Payment.
 - C. Up to \$7,250 to the Administrator for services administering the Settlement.
 - D. Up to \$50,000 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Pay Periods.

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

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the "Net Settlement") by making Individual Settlement Payments to Settlement Class Members on a pro rata basis based on the number of workweeks worked by each Settlement Class Member.
4. Taxes Owed on Payments to Class Members. Plaintiffs and Phillips are asking the Court to approve an allocation of 10% of each Individual Class Payment to taxable wages ("Wage Portion") and 90% to penalties and interest ("Non-Wage Portion"). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Phillips will separately pay employer payroll taxes owed on the Wage Portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

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

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller's Unclaimed Property Fund in your name. If the monies represented by your check are sent to the Controller's Unclaimed Property, you should consult the rules of the Fund for instructions on how to retrieve your money.

6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Settlement Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than _____, 2025, that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the Response Deadline. The Request for Exclusion should be a letter from you or your representative setting forth your name, present address, and email address or telephone number, and a simple statement electing to be excluded from the Settlement that is timely postmarked by the Response Deadline. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against Phillips.

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

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and Phillips have agreed that, in either case, the Settlement will be void: Phillips will not pay any money to the Class and Class Members will not release any claims against Phillips, and all parties will be restored to their positions prior to reaching this settlement.
8. Administrator. The Court has appointed a neutral company, Xpand Legal Consulting (the “Administrator”), to send this Notice, receive payment of the Gross Settlement Amount from Phillips, calculate and make payments, and process Class Members’ Requests for Exclusion. The Administrator will also decide Class Member challenges over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator’s contact information is contained in Section 9 of this Notice.
9. Settlement Class Members’ Release. After the Judgment is final and Phillips has fully funded the Gross Settlement (and separately paid the employer-side payroll taxes), Settlement Class Members will be legally barred from asserting any of the claims released under the Settlement.

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

All Settlement Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from (i) all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint or PAGA Notice; and ascertained in the course of the Action, including any and all claims involving any alleged failure to compensate for all hours worked; alleged failure to pay penalties for missed meal and rest breaks; alleged failure to pay minimum wages; alleged failure to pay overtime wages; alleged failure to furnish accurate, itemized wage statements; alleged failure to pay compensation upon termination of employment; alleged failure to reimburse business expenses; alleged violation of Labor Code section 2698, et seq. (“PAGA”); alleged violation of California’s unfair business practices and unfair competition laws; alleged violation of inspection of personnel and payroll records; alleged violation of the California Industrial Welfare Commission’s (“IWC”) Wage Orders; alleged violation of the California Labor Code sections 200, 201, 202, 203, 204, 210, 218.5, 222.5, 225.5,

223, 226, 226.3, 226.7, 227.3, 226.8, 432, 500, 510, 512, 516, 558, 558.1, 1171, 1173, 1174, 1182.12, 1194, 1194.2, 1198, 1198.5, 1197, 1197.1 and/or 1198.5; (ii) any and all claims that could have been asserted based on the facts alleged in the Operative Complaint or PAGA Notice; (iii) any and all claims which were asserted leading up to and during mediation; (iv) and any damages, premiums, penalties, liquidated damages, interest, punitive damages, costs, attorneys' fees, injunctive relief, declaratory relief, or accounting based on the Operative Complaint or PAGA Notice and which occurred during the Class Period. Except as set forth in Section 6.3 of this Agreement, Settlement Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

10. Aggrieved Employees' PAGA Release. After the Judgment is final, Aggrieved Employees will be barred from asserting PAGA claims against Phillips, whether or not they exclude themselves from the Settlement:

All Non-Participating Class Members, as well as Settlement Class Members, who are PAGA 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 (i) all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint and the PAGA Notice, including but not limited to any alleged failure to compensate for all hours worked; alleged failure to pay penalties for missed meal and rest breaks; alleged failure to pay minimum wages; alleged failure to pay overtime and double time wages; alleged failure to reimburse business expenses; alleged failure to furnish accurate, itemized wage statements; alleged failure to pay compensation upon termination of employment; alleged violation of California's unfair business practices and unfair competition laws; alleged failure to maintain accurate and complete employee, payroll, and time records; alleged violation of the California Industrial Welfare Commission's ("IWC") Wage Orders; alleged violation of the California Labor Code sections 200, 201, 202, 203, 204, 204b, 204(d), 210, 218.5, 222.5, 225.5, 221-223, 226, 226(a), 226(e), 226.3, 226.6, 226.7, 227.3, 245-248.5, 256, 432.5, 432.7, 500, 510, 512, 512(a), 516, 558, 558.1, 1024.5, 1171, 1173, 1174, 1182.12, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 2442, 2698, 2699, 2802, and 2810.5; (ii) any and all PAGA claims that could have been asserted based on the facts alleged in the Operative Complaint and PAGA Notice; (iii) any and all PAGA claims which were asserted leading up to and during mediation; (iv) and any damages, civil penalties, interest, punitive damages, costs, attorneys' fees, based on the Operative Complaint and PAGA Notice, and which occurred during the PAGA Period.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Settlement Class Members during the Class Period, and (b) multiplying the result by the number of Workweeks worked by each individual Settlement Class Member during the Class Period.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing the PAGA Aggrieved Employee allocation by the total number of PAGA Pay Periods

worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by the number of PAGA Pay Periods worked by each individual Aggrieved Employee during the PAGA Period.

Workweek/Pay Period Challenges. The number of Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Phillips' records, are stated in the first page of this Notice. You have until _____, 2025, to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

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

5. HOW WILL I GET PAID?

1. Settlement Class Members. The Administrator will send, by U.S. mail, the payment(s) set forth above to every Settlement Class Member (i.e., every Class Member who doesn't opt-out) including those who also qualify as Aggrieved Employees.
2. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member).

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

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

Submit a written and signed letter with your name, present address, telephone number or email address, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as "*Patrick Lambert v. Phillips Feed Service, Inc., et al.*, Case No. 34-2022-00314487," and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The request to be excluded must be sent to the Administrator and must be postmarked by _____, 2025, or it will be invalid.** Section 9 of this Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Settlement Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiffs and Phillips are asking the Court to approve. At least 16 court days before the _____ Final Approval Hearing, Class Counsel and/or Plaintiffs will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Payment stating (i) the

amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiffs are requesting as Class Representative Service Payments. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Court's website (<https://www.lacourt.org/casesummary>).

A Settlement Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Payment may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiffs are too high or too low. **Written objections must be postmarked.** Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action, "*Patrick Lambert v. Phillips Feed Service, Inc., et al.*, Case No. 34-2022-00314487" and include your name, current address, telephone number, and approximate dates of employment for Phillips and sign the objection. Section 9 of this Notice has the Administrator's contact information.

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

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on _____, 2025, at _____ a.m./p.m. in Department 22 of the Sacramento County Superior Court, located at 720 9th Street, Sacramento, CA 95814. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Plaintiffs, Class Counsel, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via Zoom via the following:

To join by Zoom link: <https://saccourt-ca-gov.zoomgov.com/my/sscdept22>
To join by phone: (833) 568-8864 / ID: 16108301121

It is possible the Court will reschedule the Final Approval Hearing. You should check the Court's website (<https://www.lacourt.org>) beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Phillips and Plaintiffs have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to the Administrator's website (_____). You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (<https://www.saccourt.ca.gov/indexes/new-portal-info.aspx>) and entering the Case Number for the Action, Case No. 34-2022-00314487. You can also make an appointment to personally review court documents in the Clerk's Office at the Gordon D. Schaber Sacramento County Courthouse by calling (916) 874-5522.

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

Class Counsel:

Attn: Ashley Davenport
Davenport Law PC
2298 E. Maple
El Segundo, CA 90245
Email: ashley@lawdavenport.com

Attn: Patricio Barrera
Barrera & Associates
2298 E. Maple
El Segundo, CA 90245
Email: barrera@baattorneys.com

Attn: Raul Perez
Capstone Law APC
1875 Century Park East, Suite 1000
Los Angeles, California 90067
888.479.6976 / info@Phillips-Lawsuit.com

Settlement Administrator:

Xpand Legal Consulting

[REDACTED]

[REDACTED]

Telephone: (888) XXX-XXXX

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void you should consult the Unclaimed Property Fund for instructions on how to retrieve the funds.

11. WHAT IF I CHANGE MY ADDRESS?

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

Exhibit B

DAVENPORT LAW PC
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ashley@lawdavenport.com
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Telephone: (310) 556-4811
Facsimile: (310) 943-0396

Attorneys for Plaintiff

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

PATRICK LAMBERT and
DEORLANDRO BROWN, individually and
behalf of all other similarly situated
employees,

Plaintiff,

v.

PHILLIPS FEED SERVICE INC., a
California Corporation, PHILLIPS FEED
SERVICE COMPANY, INCORPORATED,
and DOES 1 through 10, inclusive,

Defendants.

Case No. 34-2022-00314487

CLASS ACTION

**SECOND AMENDED CLASS ACTION
COMPLAINT AND ENFORCEMENT
ACTION UNDER THE PRIVATE
ATTORNEYS GENERAL ACT,
CALIFORNIA LABOR CODE §§2698 ET
SEQ.**

- (1) Failure to Timely Pay for All Hours Worked;
- (2) Failure to Provide Meal Periods;
- (3) Failure to Provide Rest Periods;
- (4) Failure to Reimburse for Reasonable Business Expenses Incurred;
- (5) Non-Compliant Wage Statements;
- (6) Wages Not Timely Paid Upon

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- Termination;
- (7) Civil Penalties for Violations of California Labor Code, Pursuant to PAGA, §§2698 *et seq.* and
- (8) Violations of California Business & Professions Code §§ 17200, *et seq.*

Jury Trial Demanded

Plaintiffs Patrick Lambert and Deolandro Brown, individually and on behalf of all other members of the public similarly situated and as aggrieved employees and on behalf of all other aggrieved employees, based upon personal knowledge as to all acts or events that Plaintiffs have undertaken or witnessed, and upon information and belief as to all others similarly situated, allege as follows:

INTRODUCTION

1. This is a class action under California Civil Procedure Code §382 and California Labor Code §2698 *et seq.* (“PAGA”) to recover civil penalties, wages and all other available relief on behalf of Plaintiffs, the State of California, and other individuals who currently or formerly worked for Defendants in California as non-exempt, hourly-paid employees and suffered one or more of the Labor Code violations set forth below.

2. Defendants Phillips Feed Service, Inc. and Philips Feed Service Company, Incorporated (“Defendants” or “Phillips”) are a pet food supply company. This case seeks to put an end to Defendants’ unlawful wage and hour practices and to obtain redress in the form of unpaid wages to Plaintiffs and Plaintiff class for hours worked, injunctive relief, and other remedies. Plaintiffs are informed and believe that defendants have misled, and illegally profited from, the public, Plaintiffs and the Plaintiff Class. Workers employed by defendants are being exploited by illegal working conditions. This action has been brought in the public interest of exposing the unlawful, unfair and fraudulent business practices by defendants Plaintiff Lambert was employed as an Outbound Material Handler/Utility Associate and Plaintiff Brown worked as a Team Lead Night Shift (both non-exempt hourly positions) at a Phillips location in West Sacramento, California.

3. As set forth more fully below, Defendants have violated various sections of the California Labor Code and applicable Industrial Welfare Commission Wage Orders including, but not limited to, payment of wages for all hours worked, meal breaks, rest breaks, overtime and wage statement violations.

JURISDICTION AND PARTIES

4. The remedies sought by Plaintiffs exceed the minimal jurisdiction limits of the

1 Superior Court and will be established according to proof at trial. Based upon information,
2 investigation and analysis as of the filing date of this complaint, Plaintiffs allege that the amount
3 in controversy for named Plaintiffs, including claims for wages, civil and statutory penalties,
4 injunctive relief, and a pro rata share of attorneys' fees, is less than seventy-five thousand dollars
5 (\$75,000) and that the aggregate amount in controversy for the proposed class action, including
6 monetary damages, restitution, penalties, injunctive relief, and attorneys' fees, is less than five
7 million dollars (\$5,000,000), exclusive of interest and costs. Plaintiffs reserve the right to seek
8 a larger amount based upon new and different information resulting from investigation and
9 discovery.

10 5. This Court has jurisdiction over this action pursuant to the California
11 Constitution, Article VI, section 10. The statutes under which this action is brought do not
12 specify any other basis for jurisdiction.

13 6. This Court has jurisdiction over Defendants because, upon information and
14 belief, the named Defendants are either a citizen of California, have sufficient minimum
15 contacts in California, or otherwise intentionally avail themselves of the California market so
16 as to render the exercise of jurisdiction over them by the California courts consistent with
17 traditional notions of fair play and substantial justice.

18 7. Venue is proper in this Court because Defendants employ persons, including
19 Plaintiff and other class members, in this county and thus a substantial portion of the
20 transactions and occurrences related to this action occurred in this county.

21 8. Plaintiff Patrick Lambert is a resident of California in Sacramento County, State
22 of California. Defendants employed Plaintiff Lambert as an hourly paid, non-exempt Outbound
23 Material Handler/Utility Associate at Defendants' West Sacramento, California location from
24 February 2019 through February 2021. Plaintiff typically worked nine to twelve hours per day,
25 four to five days per week. Mr. Lambert's job duties included, without limitation, operating the
26 forklift, pulling pallets, organizing pallets, fixing pallets, and loading trailers.

27 9. Plaintiff Deorlandro Brown was at all relevant times a resident of California in
28 Sacramento County, State of California. Defendants employed Plaintiff Brown as an hourly

1 paid, nonexempt Team Lead Night Shift at Defendants' West Sacramento, California location
2 from June 2017 through November 2021. Plaintiff typically worked nine to twelve hours per
3 day, for our five days per week.

4 10. Plaintiffs are informed and believe and thereon allege that at all material times
5 mentioned herein Defendants Phillips Feed Service, Inc. and Phillips Feed Service Company,
6 Incorporated are, and were organized and existing under the laws of the State of California. At
7 all times material mentioned herein Phillips Feed Service, Inc. and Phillips Feed Service
8 Company, Incorporated regularly did, and continue to do, business throughout California with
9 principal places of business located in the County of Sacramento, State of California.

10 11. Plaintiffs are unaware of the true names or capacities of the Defendants sued
11 herein under the fictitious names DOES 1 through 10 but will seek leave of this Court to amend
12 the complaint and serve such fictitiously named Defendants once their names and capacities
13 become known.

14 12. At all relevant times, Defendants, and each of them, ratified each and every act
15 or omission complained of herein. At all relevant times, Defendants, and each of them, aided
16 and abetted the acts and omissions of each and all the other Defendants in proximately causing
17 the damages herein alleged.

18 13. Plaintiffs are informed and believe, and thereon allege, that each of said
19 Defendant is in some manner intentionally, negligently, or otherwise responsible for the acts,
20 omissions, occurrences, and transactions alleged herein.

21 14. Under California law, Defendants are jointly and severally liable as employers
22 for the violations alleged herein because they have each exercised sufficient control over the
23 wages, hours, working conditions, and employment status of Plaintiffs and class members. Each
24 Defendant had the power to hire and fire Plaintiffs and class members, supervised and controlled
25 their work schedule and/or conditions of employment, determined their rate of pay, and
26 maintained their employment records. Defendants suffered or permitted Plaintiffs and class
27 members to work and/or "engaged" Plaintiffs and class members so as to create a common-law
28 employment relationship. As joint employers of Plaintiffs and class members, Defendants are

1 jointly and severally liable for the civil penalties and all other relief available to Plaintiffs and
2 class members under the law.

3 15. Plaintiffs are informed and believe, and thereon allege, that at all relevant times,
4 Defendants, and each of them, have acted as joint employers with respect to Plaintiffs and class
5 members because Defendants have:

- 6 (a) Jointly exercised meaningful control over the work performed by Plaintiffs and
7 class members;
- 8 (b) Jointly exercised meaningful control over Plaintiffs and class members' wages,
9 hours, and working conditions, including the quantity, quality standards, speed,
10 scheduling, and operative details of the tasks performed by Plaintiffs and class
11 members;
- 12 (c) Jointly required that Plaintiffs and class members perform work that is an integral
13 part of Defendants' businesses; and
- 14 (d) Jointly exercised control over Plaintiffs and class members as a matter of
15 economic reality in that Plaintiffs and class members were dependent on
16 Defendants, who shared the power to set the wages of Plaintiffs and class
17 members and determined their working conditions, and who jointly reaped the
18 benefits from the underpayment of their wages and noncompliance with other
19 statutory provisions governing their employment.

20 16. Plaintiffs are informed and believe, and thereon allege, that at all relevant times
21 there has existed a unity of interest and ownership between Defendants such that any
22 individuality and separateness between the entities has ceased. Defendants are therefore alter
23 egos of each other. Adherence to the fiction of the separate existence of Defendants would
24 permit an abuse of the corporate privilege, and would promote injustice by protecting
25 Defendants from liability for the wrongful acts committed by them under the name of Phillips.

26 **CLASS ACTION ALLEGATIONS**

27 17. Plaintiffs bring this action on their own behalf, as well as on behalf of each and
28 all other persons similarly situated, and thus seeks class certification under California Code of

Civil Procedure §382.

18. All claims alleged herein arise under California law for which Plaintiffs seek relief authorized by California law.

19. Plaintiffs' proposed class consists of and is defined as follows:

All persons who are or were employed by Defendants in a non-exempt, hourly-paid position within four years prior to the filing of the original complaint until the date of certification. For Class Members who worked or are working as commercial truck drivers, those day(s) or week(s) working as commercial truck drivers will be excluded ("Class"). Employees who worked only as commercial truck drivers will be excluded from the Class entirely.

20. Plaintiffs' proposed subclass consists of and is defined as follows:

All persons who are or were employed by Defendants in a non-exempt, hourly-paid position within one year prior to the filing of the original complaint until the date of certification ("One-Year Subclass").

21. Plaintiffs reserve the right to redefine the class and subclass and to add additional subclasses as appropriate based on discovery and specific theories of liability.

22. Members of the Class and One-Year Subclass will be referred to herein as "class members."

23. There are common questions of law and fact as to class members that predominate over questions affecting only individual members, including, but not limited to:

- (a) Whether Defendants deprived Plaintiffs and class members of statutorily mandated meal periods or required Plaintiffs and class members to work during meal periods without compensation;
- (b) Whether Defendants deprived Plaintiffs and class members of statutorily mandated rest periods or required Plaintiffs and class members to work during rest periods without compensation;
- (c) Whether Defendants required Plaintiffs and class members to work off-the-clock without payment;
- (d) Whether Defendants required Plaintiffs and class members to work over eight (8) hours per day, over twelve (12) hours per day, and/or over forty

(40) hours per week and failed to pay legally required overtime compensation to Plaintiffs and class members;

(e) Whether Defendants failed to pay at least minimum wages for all hours worked by Plaintiffs and class members;

(f) Whether Defendants complied with wage reporting as required by California Labor Code §226(a);

(g) Whether Defendants failed to timely pay overtime wages, minimum wages, vacation pay, and meal and rest period premiums at the regular rate to Plaintiffs and class members during their employment;

(h) Whether Defendants failed to pay earned overtime wages, minimum wages, and meal and rest period premiums at the regular rate of pay owed to formerly employed class members upon their discharge;

(i) Whether Defendants engaged in unfair business practices in violation of California Business & Professions Code §§17200, *et seq.*; and

(j) The appropriate amount of damages, restitution, or monetary penalties resulting from Defendants' violations of California law.

24. There is a well-defined community of interest in the litigation and the class members are readily ascertainable:

(a) Numerosity: The class members are so numerous that joinder of all members would be unfeasible and impractical. The membership of the entire class is unknown to Plaintiff at this time; however, the class is estimated to be greater than one hundred (100) individuals and the identity of such membership is readily ascertainable by inspection of Defendants' employment records.

(b) Typicality: Plaintiffs are qualified to, and will, fairly and adequately protect the interests of each class member with whom he has a well-defined community of interest, and Plaintiffs' claims (or defenses, if any) are typical of all class members as demonstrated herein.

1 (c) Adequacy: Plaintiffs are qualified to, and will, fairly and adequately
2 protect the interests of each class member with whom he has a well-
3 defined community of interest and typicality of claims, as demonstrated
4 herein. Plaintiffs acknowledge that he has an obligation to make known
5 to the Court any relationship, conflicts or differences with any class
6 member. Plaintiffs' attorneys, the proposed class counsel, are versed in
7 the rules governing class action discovery, certification, and settlement.
8 Plaintiffs have incurred, and throughout the duration of this action, will
9 continue to incur costs and attorneys' fees that have been, are, and will
10 be necessarily expended for the prosecution of this action for the
11 substantial benefit of each class member.

12 (d) Superiority: The nature of this action makes the use of class action
13 adjudication superior to other methods. A class action will achieve
14 economies of time, effort and expense as compared with separate
15 lawsuits, and will avoid inconsistent outcomes because the same issues
16 can be adjudicated in the same manner and at the same time for the entire
17 class.

18 (e) Public Policy Considerations: Employers in the State of California
19 violate employment and labor laws every day. Current employees are
20 often afraid to assert their rights out of fear of direct or indirect retaliation.
21 Former employees are fearful of bringing actions because they believe
22 their former employers might damage their future endeavors through
23 negative references and/or other means. Class actions provide the class
24 members who are not named in the complaint with a type of anonymity
25 that allows for the vindication of their rights while simultaneously
26 protecting their privacy.

27 **GENERAL ALLEGATIONS**

28 25. Defendants are a premier pet food and pet supply distributor, servicing pet

1 specialty markets throughout California. Plaintiffs are informed and believe and based thereon
2 allege that Defendants maintain a single, centralized Human Resource department at its
3 company headquarters in West Sacramento, California. At all times relevant, Defendants issued
4 and maintained uniform, standardized scheduling and timekeeping practices and procedures for
5 all non-exempt hourly paid employees in California including Plaintiffs and other class
6 members, regardless of their location or position.

7 26. Plaintiffs were employed by Defendants on an hourly basis, with Plaintiff
8 Lambert as an Outbound Material Handler/Utility Associate and Plaintiff Brown as a Team
9 Lead Night Shift in Defendants' West Sacramento, California location. Plaintiffs and other
10 employees were compensated on an hourly basis by Defendants and received a paycheck every
11 two weeks, which purported to compensate Plaintiffs, and all similarly situated employees for
12 all hours worked. However, these hourly compensated employees did not keep their own time
13 and are not compensated for all hours worked. Defendants did not keep proper records of the
14 actual hours worked by the hourly employees.

15 27. Plaintiffs are informed and believe, and thereon allege, that class members were
16 not paid for all hours worked, because all hours worked were not recorded.

17 28. Plaintiffs are informed and believe, and thereon allege, that Defendants knew or
18 should have known that Plaintiffs and class members were entitled to receive certain wages for
19 overtime compensation but were not receiving those wages, including proper payment at
20 Plaintiffs and class members' regular rate of pay.

21 29. Plaintiffs are informed and believe, and thereon allege, that Defendants knew or
22 should have known that Plaintiffs and class members were entitled to receive at least minimum
23 wages for compensation, but, in violation of the California Labor Code, they were not receiving
24 at least minimum wages for work done off-the-clock.

25 30. Plaintiffs are informed and believe, and thereon allege, that Defendants knew or
26 should have known that Plaintiffs and class members were entitled to receive all meal periods
27 or payment of one (1) additional hour of pay at Plaintiffs and class members' regular rates of
28 pay when they did not receive a timely uninterrupted meal period but did not receive all meal

1 periods or payment of one (1) additional hour of pay at Plaintiffs and class members' regular
2 rates of pay when they were not provided a timely uninterrupted meal period.

3 31. Plaintiffs are informed and believe, and thereon allege, that Defendants knew or
4 should have known that Plaintiffs and class members were entitled to receive all rest periods or
5 payment of one (1) additional hour of pay at Plaintiffs and class members' regular rates of pay
6 when a rest period was missed but did not receive all rest periods or payment of one (1)
7 additional hour of pay at Plaintiffs and class members' regular rate of pay when a rest period
8 was not provided.

9 32. Plaintiffs are informed and believe, and thereon allege, that Defendants knew or
10 should have known that Plaintiffs and class members were entitled to receive complete and
11 accurate wage statements in accordance with California law that contained the requisite
12 information on each wage statement. In violation of the California Labor Code, Plaintiffs and
13 class members were not provided complete and accurate wage statements. The paystubs
14 provided to Plaintiffs do not set forth the applicable hourly rates of pay, or the employees'
15 available sick pay hours. The itemized statements further fail to provide compensation for
16 missed meal and/or rest periods. As such, Plaintiffs are informed and believe and on that basis
17 allege that Defendants also failed to maintain accurate itemized statements of wages and
18 deductions as required by California Labor Code § 226.

19 33. Plaintiffs are informed and believe, and thereon allege, that Defendants knew or
20 should have known that Plaintiffs and class members were entitled to timely payment of wages
21 during their employment. In violation of the California Labor Code, Plaintiffs and class
22 members did not receive payment of all wages, including, but not limited to, overtime wages,
23 minimum wages, and meal and rest period premium wages, within permissible time periods.

24 34. Plaintiffs are informed and believe, and thereon allege, that Defendants knew or
25 should have known that Plaintiffs and class members were entitled to receive all wages upon
26 termination. In violation of the California Labor Code, formerly employed Plaintiffs and class
27 members did not receive payment of all wages, including, without limitation, vacation pay,
28 minimum wages, overtime wages, and meal and rest period premium wages.

35. Plaintiffs seek payment of wages owed to Plaintiffs and class members, plus all California Labor Code benefits based on the sums withheld from Plaintiffs and the failure to comply with the California Labor Code, plus penalties, attorneys' fees and costs as provided by statute.

36. Plaintiffs also seek restitution and disgorgement of all sums wrongfully obtained by Defendants in violation of the UCL to prevent defendants from benefitting from its violations of law and/or unfair acts. Such sums paid under the UCL are equitable in nature and are not to be considered damages. Plaintiffs are also entitled to costs, attorneys' fees, interest, and penalties as provided for by the California Labor Code and Business & Professions Code.

PAGA REPRESENTATIVE ALLEGATIONS

37. At all times herein set forth, PAGA provides that any provision of law under the Labor Code and applicable IWC Wage Order that provides for a civil penalty to be assessed and collected by the LWDA for violations of the California Labor Code and applicable IWC Wage Order may, as an alternative, be recovered by aggrieved employees in a civil action brought on behalf of themselves and other current or former employees pursuant to procedures outlined in California Labor Code §2699.3.

38. PAGA defines an “aggrieved employee” in Labor Code §2699(c) as “any person who was employed by the alleged violator and against whom one or more of the alleged violations was committed.”

39. Plaintiffs and other current and former employees of Defendants are “aggrieved employees” as defined by Labor Code §2699(C) in that they are all Defendants’ current or former employees and one or more of the alleged violations were committed against them.

40. Pursuant to California Labor Code §§2699.3 and 2699.5, an aggrieved employee, including Plaintiffs, may pursue a civil action arising under PAGA after the following requirements have been met:

a. The aggrieved employee or representative shall give written notice by online filing with the LWDA and by certified mail to the employer of the specific provisions of the California Labor Code alleged to have been violated,

1 including the facts and theories to support the alleged violation.

- 2 b. An aggrieved employee's notice filed with the LWDA pursuant to §2699.3(a)
3 and any employer response to that notice shall be accompanied by a filing fee
4 of seventy-five dollars (\$75).
- 5 c. The LWDA shall notify the employer and the aggrieved employee or
6 representative by certified mail that it does not intend to investigate the
7 alleged violation ("LWDA's Notice") within sixty (60) calendar days of the
8 postmark date of the aggrieved employee's notice. Upon receipt of the
9 LWDA Notice, or if not LWDA Notice is provided within sixty-five (65)
10 calendar days of the postmark date of the aggrieved employee's notice, the
11 aggrieved employee may commence a civil action pursuant to California
12 Labor Code §2699 to recover civil penalties.

13 41. Pursuant to California Labor Code §2699.3(c), aggrieved employees, through
14 Plaintiff, may pursue a civil action arising under PAGA for violations of any provision other
15 than those listed in Section 2699.5 after the following requirements have been met:

- 16 a. The aggrieved employee or representative shall give written notice by online
17 filing with the LWDA and by certified mail to the employer of the specific
18 provisions of the California Labor Code alleged to have been violated (other
19 than those listed in Section 2699.5), including the facts and theories to
20 support the alleged violation.
- 21 b. An aggrieved employee's notice filed with the LWDA pursuant to §2699.3(a)
22 and any employer response to that notice shall be accompanied by a filing fee
23 of seventy-five dollars (\$75).
- 24 c. The employer may cure the alleged violation within thirty-three (33) calendar
25 days of the postmark date of the notice sent by the aggrieved employee or
26 representative. The employer shall give written notice within that period of
27 time by certified mail to the aggrieved employee or representative and by
28 online filing with the LWDA if the alleged violation is cured, including a

description of actions taken, and no civil action pursuant to Section 2699 may commence. If the alleged violation is not cured within the 33-day period, the aggrieved employee may commence a civil action pursuant to 2699.

42. On January 7, 2022, Plaintiff Lambert provided written notice by online filing to the LWDA and by Certified Mail to Defendants of the specific provisions of the California Labor Code alleged to have been violated, including facts and theories to support the alleged violations, in accordance with California Labor Code section 2699.3. Plaintiff Lambert's written notice was accompanied by the applicable filing fee of seventy-five dollars (\$75). The LWDA PAGA administrator acknowledged receipt of Plaintiff Lambert's written notice and assigned Plaintiff Lambert PAGA Case Number LWDA-CM-861676-22. A true and correct copy of Plaintiff Lambert's written notice to the LWDA and Defendants is attached hereto as "Exhibit 1."

43. As of the filing date of this complaint, over 65 days have passed since Plaintiff sent the notice described above to the LWDA, and the LWDA has not responded that it intends to investigate Plaintiff's claims and Defendants have not cured the violations.

44. On July 3, 2025, Plaintiff Brown provided written notice by online filing to the LWDA and by Certified Mail to Defendant of the specific provisions of the California Labor Code alleged to have been violated, including facts and theories to support the alleged violations, in accordance with California Labor Code §2699.3. Plaintiff Brown's written notice was accompanied by the applicable filing fee of seventy-five dollars (\$75). The LWDA PAGA administrator acknowledged receipt of Plaintiff Brown's written notice and assigned Plaintiff Brown PAGA Case Number LWDA-CM-1109654-25.

45. Thus, Plaintiffs have satisfied the administrative prerequisites under California Labor Code §§2699.3(a) and 2699.3(c) to recover civil penalties against Defendants for violations of California Labor Code §§201, 202, 203, 204, 222.5, 226(a), 226.7, 510, 512(a), 516, 1174(d), 1182.12, 1194, 1197, 1197.1, 1198 and 2802.

46. Labor Code §558(a) provides "[a]ny employer or other person acting on behalf of an employer who violates, or causes to be violated, a section of this chapter or any provision

1 regulating hours and days of work in any order of the Industrial Welfare Commission shall be
2 subject to a civil penalty as follows: (1) For any initial violation, fifty dollars (\$50) for each
3 underpaid employee for each pay period for which the employee was underpaid (2) For
4 each subsequent violation, one hundred dollars (\$100) for each underpaid employee for each
5 pay period for which the employee was underpaid” Labor Code §558(c) provides “[t]he
6 civil penalties provided for in this section are in addition to any other civil or criminal penalty
7 provided by law.”

8 47. Defendants, at all times relevant to this complaint, were employers or persons
9 acting on behalf of an employer(s) who violated Plaintiffs and other aggrieved employees’ rights
10 by violating various sections of the California Labor Code as set forth herein.

11 48. As set forth herein, Defendants have violated numerous provisions of both the
12 California Labor Code section relating hours and days of work as well as the applicable IWC
13 Wage Order.

14 49. Pursuant to PAGA, and in particular, California Labor Code §§2699(a),
15 2699.3(a), 2699.3(c), and 2699.5, and section 558, Plaintiffs, acting in the public interest as
16 private attorneys general, seek assessment and collection of civil penalties for themselves, all
17 other aggrieved employees, and the State of California against Defendants for violations of
18 California Labor Code §§201, 202, 203, 204, 222.5, 226(a), 226.7, 510, 512(a), 516, 1174(d),
19 1182.12, 1194, 1197, 1197.1, 1198 and 2802.

20 **FIRST CAUSE OF ACTION**

21 **Failure to Timely Pay Wages for All Hours Worked** 22 **(Against All Defendants)**

23 50. Plaintiffs incorporate by reference and re-allege as if fully stated herein each and
24 every allegation set forth above.

25 51. California Labor Code §1198 makes it illegal to employ an employee under
26 conditions of labor that are prohibited by the applicable wage order. California Labor Code
27 section 1198 requires that “. . . the standard conditions of labor fixed by the commission shall
28 be the . . . standard conditions of labor for employees. The employment of any employee . . .

1 under conditions of labor prohibited by the order is unlawful.”

2 52. The Industrial Welfare Commission (“IWC”) promulgates administrative
3 regulations known as “wage orders” to regulate wages, work hours, and working conditions in
4 various industries. The Wage Order defines “hours worked” at Section 2(H) as “the time during
5 which an employee is subject to the control of an employer, and includes all the time the
6 employee is suffered or permitted to work, whether or not required to do so.”

7 53. California Labor Code §1198 and the applicable Industrial Welfare Commission
8 (“IWC”) Wage Order provide that it is unlawful to employ persons without compensating them
9 at a rate of pay either time-and-one-half or two-times that person’s regular rate of pay,
10 depending on the number of hours worked by the person on a daily or weekly basis.

11 54. Specifically, the applicable IWC Wage Order provides that Defendants are and
12 was required to pay Plaintiff and class members employed by Defendants and working more
13 than eight (8) hours in a day or more than forty (40) hours in a workweek at the rate of time-
14 and-one-half of their regular rate of pay for all hours worked in excess of eight (8) hours in a
15 day or more than forty (40) hours in a workweek.

16 55. The applicable IWC Wage Order further provides that Defendants are and were
17 required to pay Plaintiff and class members employed by Defendants and working more than
18 twelve (12) hours in a day overtime compensation at a rate of two (2) times their regular rate of
19 pay.

20 56. California Labor Code §510 codifies the right to overtime compensation at one-
21 and-one-half times the regular hourly rate for hours worked in excess of eight (8) hours in a day
22 or forty (40) hours in a week or for the first eight (8) hours worked on the seventh day of work
23 and to overtime compensation at twice the regular hourly rate for hours worked in excess of
24 twelve (12) hours in a day or in excess of eight (8) hours in a day on the seventh day of work.

25 57. At all relevant times, California Labor Code §§1194, 1197 and 1197.1 provide
26 that the minimum wage for employees fixed by the IWC is the minimum wage to be paid to
27 employees, and the payment of a lesser wage than the minimum so fixed is unlawful.

28 58. At all times relevant herein, Defendants failed to compensate Plaintiffs and the

1 class for all hours worked by not compensating them for work performed. Defendants’
2 established policies did not provide a system for the accurate documentation of hours worked,
3 resulting in the payment of wages for the reduced, rounded, scheduled hours of pay, rather than
4 the actual hours worked by each employee.

5 59. During the relevant time period, Plaintiffs and class members worked in excess
6 of eight (8) hours in a day, in excess of twelve (12) hours in a day, and/or in excess of forty (40)
7 hours in a week. Defendants failed to pay Plaintiffs and class members at the appropriate
8 overtime rates.

9 60. To the extent that any off-the-clock hours described above did not qualify for
10 overtime payment, Plaintiffs and class members were not paid even minimum wages for the
11 time. Also, Plaintiffs and class members were not paid even minimum wages on a cumulative
12 basis for all of the hours they worked as a result of this off-the-clock work. Accordingly,
13 Defendants regularly failed to pay at least minimum wages to Plaintiffs and class members for
14 all of the hours they worked in violation of California Labor Code §§1194, 1197 and 1197.1.

15 61. Defendants’ failure to pay Plaintiffs and class members the minimum wage as
16 required violates California Labor Code §§1194, 1197 and 1197.1. Pursuant to those sections,
17 Plaintiffs and class members are entitled to recover the unpaid balance of their minimum wage
18 compensation, as well as interest, costs, and attorney’s fees.

19 62. Defendants’ failure to pay Plaintiffs and class members the unpaid balance of
20 overtime compensation, as required by California law, violates the provisions of California
21 Labor Code §§510 and 1198, and is therefore unlawful.

22 **SECOND CAUSE OF ACTION**
23 **Failure to Provide Meal Periods**
24 **(Against All Defendants)**

25 63. Plaintiffs incorporate by reference and re-allege as if fully stated herein each and
26 every allegation set forth above.

27 64. At all relevant times herein set forth, the applicable IWC Wage Order(s) and
28 California Labor Code §§226.7 and 512(a) were applicable to Plaintiffs and the other class

1 members' employment by Defendants and each of them.

2 65. At all relevant times herein set forth, California Labor Code §226.7 provides that
3 no employer shall require an employee to work during any meal period mandated by an
4 applicable order of the California IWC.

5 66. At all relevant times herein set forth, California Labor Code §512(a) provides
6 that an employer may not require, cause, or permit an employee to work for a period of more
7 than five (5) hours per day without providing the employee with a meal period of not less than
8 thirty (30) minutes, except that if the total work period per day of the employee is not more than
9 six (6) hours, the meal period may be waived by mutual consent of both the employer and the
10 employee.

11 67. During the relevant time period, Plaintiffs and class members scheduled to work
12 for a period of time no longer than six (6) hours, and who did not waive their legally mandated
13 meal periods by mutual consent, were required to work for periods longer than five (5) hours
14 without a meal period of not less than thirty (30) minutes.

15 68. Pursuant to the applicable IWC Wage Order(s) and California Labor Code
16 §226.7(b), Plaintiffs and class members are entitled to recover from Defendants one (1)
17 additional hour of pay at the employee's regular rate for each workday that the meal period was
18 not provided.

19 69. During the relevant time period, Defendants failed to provide and/or willfully
20 required Plaintiffs and class members to work during meal periods, but failed to compensate
21 Plaintiff and class members for work performed during meal periods. Plaintiffs and class
22 members were not relieved of all duties or free to leave the premises when working through
23 meal periods.

24 70. Defendants also did not pay a meal period premium of one hour's pay at the
25 employee's regular rate when a compliant meal period was not provided. Thus, Defendants
26 failed to pay Plaintiffs and class members all the meal period premiums due in violation of the
27 applicable Industrial Welfare Commission (IWC) Wage Order(s), and California Labor Code
28 §§226.7 and 512(a).

71. Pursuant to the applicable IWC Wage Order(s) and California Labor Code §226.7(b), Plaintiffs and class members are entitled to recover from Defendants one (1) additional hour of pay at each employee's regular rate of pay for each workday that the meal period was not provided.

THIRD CAUSE OF ACTION
Failure to Provide Rest Periods
(Against All Defendants)

72. Plaintiffs incorporate by reference and re-allege as if fully stated herein each and every allegation set forth above.

73. At all relevant times herein set forth, the applicable IWC Wage Order and California Labor Code §226.7 were applicable to Plaintiffs and class members' employment by Defendants.

74. At all relevant times, California Labor Code §226.7 provides that no employer shall require an employee to work during any rest period mandated by an applicable order of the California IWC.

75. At all relevant times, the applicable IWC Wage Order provides that “[e]very employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period” and that the “rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof” unless the total daily work time is less than three and one-half (3½) hours.

76. Pursuant to the applicable IWC Wage Order and California Labor Code §226.7(b), Plaintiffs and class members are entitled to recover from Defendants one (1) additional hour of pay at the employee's regular rate for each work day that the rest period was not provided.

77. During the relevant time period, Defendants required Plaintiffs and class members to work four (4) or more hours or major fraction thereof without authorizing or permitting a ten (10) minute rest period. Specifically, Defendants failed to authorize or permit rest breaks for

1 shifts between 3.5 and 4 hours, second rest breaks for shifts between 6 and 8 hours, and third rest
2 breaks for shifts between 10 and 12 hours. Plaintiffs and class members did not receive duty-free
3 rest breaks.

4 78. Defendants also failed to pay Plaintiffs and class members the full rest period
5 premium at their regular rate of pay due when rest periods were missed, not provided, or not
6 duty free, in violation of California Labor Code §226.7 and the applicable IWC Wage Order.

7 79. Pursuant to the applicable IWC Wage Order and California Labor Code
8 §226.7(b), Plaintiffs and class members are entitled to recover from Defendants one (1)
9 additional hour of pay at the employee's regular rate for each work day that the rest period was
10 not provided.

11 **FOURTH CAUSE OF ACTION**
12 **Failure to Reimburse for Reasonable Business Expenses**
13 **(Against all Defendants)**

14 80. Plaintiffs incorporate by reference and re-allege as if fully stated herein each and
15 every allegation set forth above.

16 81. Pursuant to California Labor Code §2802, Defendants are required to reimburse
17 Plaintiffs and the Class for expenses incurred by them in the performance of their job duties
18 (which includes, but is not limited to, travel to company mandated testing/examinations,
19 uniform requirements, personal cell phone).

20 82. Defendants did not reimburse Plaintiffs or class members for business expenses
21 incurred as a condition of and in the discharge of their employment duties, such as those costs
22 associated with the required uniforms, mileage/travel and personal cell phone use. For all times
23 relevant herein, Defendants had a policy of requiring Plaintiffs and class members to wear
24 specific items of clothing, including steel toed boots. Plaintiffs and class members were not
25 fully reimbursed for this necessary expense and therefore incurred costs for their uniforms, and
26 were not reimbursed for these full costs by Defendants. Defendants also had a company-wide
27 policy of requiring class members to travel to medical facilities on their own time and using
28 their own personal vehicles or alternate transportation to obtain mandatory drug testing and/or
physical examinations, with Defendants selecting the provider/facility where the testing and/or

1 examination would take place. Defendants also determined the scope of the testing and/or
2 examinations and required class members to use their own vehicles or obtain alternate
3 transportation without reimbursement.

4 83. As a proximate result of the aforementioned violations, Plaintiffs and class
5 members have been damaged in an amount according to proof at the time of trial.

6 84. Defendants' pattern, practice and consistent administration of corporate policy
7 regarding the failure to reimburse business expenses are unlawful. Pursuant to Labor Code
8 §2802, Plaintiffs and class members are entitled to recover from Defendants the full amount of
9 the expenses they incurred in the course of their job duties, plus interest, reasonable attorneys'
10 fees and costs of suit.

11 **FIFTH CAUSE OF ACTION**
12 **Non-Compliant Wage Statements**
13 **(Plaintiff Lambert Against All Defendants)**

14 85. Plaintiffs incorporate by reference and re-allege as if fully stated herein each and
15 every allegation set forth above.

16 86. At all material times set forth herein, California Labor Code §226(a) provides
17 that every employer shall furnish each of his or her employees an accurate itemized wage
18 statement in writing, including, but not limited to, all applicable hourly rates, gross wages
19 earned, and total hours worked.

20 87. Every other week, Defendants paid earned wages to its employees. Defendants
21 furnished Plaintiffs and class members with an itemized statement in writing ("Earning
22 Statement") every other week. These Earning Statements purportedly contained data for
23 separate periods, but did not identify the inclusive dates of the period for which the employee
24 is paid. Defendants failed to provide Plaintiffs and class members with an accurate itemized
25 wage statement on each wage payment.

26 88. Defendants have intentionally and willfully failed to provide employees with
27 complete and accurate wage statements. During the applicable statutory period, Defendants
28 failed to furnish Plaintiffs and class members with itemized wage statements correctly

1 identifying all applicable hourly rates, gross wages earned and total hours worked, among
2 others. For example, Plaintiffs' wage statements did not show all the hours worked during on-
3 duty meal periods, as alleged herein.

4 89. Also, Defendants issued wage statements to Plaintiffs and class members that
5 failed to include the meal period and rest break premiums owed them pursuant to California
6 Labor Code §226.7. Additionally, §226(a) requires an employer to keep a full copy of all wage
7 statements provided to class members for at least three years. Defendants failed to maintain such
8 records and have not provided Plaintiffs and other employees with properly itemized and accurate
9 wage statements.

10 90. As a result of Defendants' violation of California Labor Code §226(a), Plaintiffs
11 and class members have suffered injury and damage to their statutorily protected rights.
12 Specifically, Plaintiffs and class members have been injured by Defendants' intentional
13 violation of California Labor Code §226(a) because Defendants failed to provide complete and
14 accurate information on their wage statements, and Plaintiffs and class members could not
15 promptly and easily determine from the wage statements alone the accuracy of the gross or net
16 wages paid, the inclusive dates of the pay period, and/or all hourly rates at which they were
17 paid. In addition, because Defendants failed to provide the accurate number of total hours
18 worked on wage statements, Plaintiffs have been prevented by Defendants from determining if
19 all hours worked were paid and the extent of the underpayment.

20 91. Plaintiffs and class members are entitled to recover from Defendants the greater
21 of their actual damages caused by Defendants' failure to comply with California Labor Code
22 §226(a), or an aggregate penalty not exceeding four thousand dollars (\$4,000) per employee.

23 **SIXTH CAUSE OF ACTION**
24 **Wages Not Timely Paid Upon Termination**
25 **(Plaintiff Lambert Against all Defendants)**

26 92. Plaintiffs incorporate by reference and re-alleges as if fully stated herein each
27 and every allegation set forth above.

28 93. At all times herein set forth, California Labor Code §§201 and 202 provided that

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

7 94. During the relevant time period, Defendants willfully failed to pay Plaintiff and
8 those class members who are no longer employed by Defendants the earned wages set forth
9 above, including, but not limited to, overtime wages, minimum wages, and meal and rest period
10 premium wages, either at the time of discharge or within seventy-two (72) hours of their leaving
11 Defendants' employ.

12 95. Defendants' failure to pay Plaintiff and those class members who are no longer
13 employed by Defendants their earned wages at the time of discharge or within seventy-two (72)
14 hours of their leaving Defendants' employ is a violation of California Labor Code §§201 and
15 202.

16 96. California Labor Code §203 provides that if an employer willfully fails to pay
17 wages owed, in accordance with §§201 and 202, then the wages of the employee shall continue
18 as a penalty from the due date and at the same rate until paid or until an action is commenced,
19 but the wages shall not continue for more than thirty (30) days.

20 97. Plaintiff and former employee class members are entitled to recover from
21 Defendants the statutory penalty wages for each day they were not paid, at their regular hourly
22 rate of pay, up to a thirty (30) day maximum pursuant to California Labor Code §203.

23 **SEVENTH CAUSE OF ACTION**
24 **Civil Penalties Pursuant to California Labor Code §§2698, *et seq.***
25 **(Against All Defendants)**

26 98. Plaintiffs incorporate by reference and re-allege as if fully stated herein each
27 and every allegation set forth above.

28 99. California Labor Code §§ 2698, *et seq.* ("PAGA") permits Plaintiffs to recover

1 civil penalties for the violation(s) of the Labor Code sections enumerated in Labor Code section
2 2699.5. Section 2699.5 enumerates Labor Code sections 201, 202, 203, 204, 222.5, 226(a),
3 226.7, 510, 512(a), 1174(d), 1194, 1197, 1197.1, 1198, and 2802. Labor Code section 2699.3(c)
4 permits aggrieved employees, including Plaintiffs, to recover civil penalties for violations of
5 those Labor Code sections not found in section 2699.5, including sections 516 and 1182.12.

6 100. Defendants' conduct, as alleged herein, violates numerous sections of the
7 California Labor Code, including, but not limited to, the following:

- 8 a. Violation of California Labor Code §§510 and 1198, and the applicable
9 IWC Wage Order for Defendants' failure to compensate Plaintiffs and other
10 aggrieved employees with all required overtime pay and failure to properly
11 calculate the overtime rates paid to other aggrieved employees, as set forth
12 below;
- 13 b. Violation of California Labor Code §§1182.12, 1194, 1197, 1197.1 and 1198,
14 and the applicable IWC Wage Order for Defendants' failure to compensate
15 Plaintiffs and other aggrieved employees with at least minimum wages for all
16 hours worked, as alleged herein;
- 17 c. Violation of California Labor Code §§226.7, 512(a), 516, and 1198, and the
18 applicable IWC Wage Order for Defendants' failure to provide Plaintiffs
19 and other aggrieved employees with meal periods, as set forth herein;
- 20 d. Violation of California Labor Code §§226.7, 516, and 1198 and the
21 applicable IWC Wage Order for Defendants' failure to authorize and permit
22 Plaintiffs and other aggrieved employees to take rest periods, as alleged
23 herein;
- 24 e. Violation of California Labor Code §226(a) and 1198, and the applicable
25 IWC Wage Order for failure to provide accurate and complete wage
26 statements to Plaintiffs and other aggrieved employees, as alleged herein;
- 27 f. Violation of California Labor Code §§1174(d) and 1198, and the applicable
28 IWC Wage Order for failure to maintain payroll records, as alleged herein;

- 1 g. Violation of California Labor Code §§201, 202 and 203 for failure to pay
2 Plaintiffs and other aggrieved employees all earned wages upon termination,
3 as alleged herein;
- 4 h. Violation of California Labor Code §204 for failure to pay all earned wages
5 during employment to Plaintiffs and aggrieved employees, as alleged herein;
- 6 i. Violation of California Labor Code §222.5 for failure to pay for costs of
7 mandator physical exams and/or drug testing for Plaintiffs and aggrieved
8 employees, as set forth below;
- 9 j. Violation of California Labor Code §2802 for failure to reimburse Plaintiffs
10 and aggrieved employees for all business expenses necessarily incurred, as
11 alleged herein.

12 101. At all relevant times herein set forth, the applicable IWC Wage Order provides
13 that Defendants are and were required to pay other aggrieved employees working more than
14 eight (8) hours in a day or more than forty (40) hours in a workweek, at the rate of time and
15 one-half (1 ½) for all hours worked in excess of eight (8) hours in a day or more than forty (40)
16 hours in a workweek. The applicable IWC Wage Order further provides that Defendants are and
17 were required to pay other aggrieved employees working more than twelve (12) hours in a day,
18 overtime compensation at a rate of two (2) times their regular rate of pay. An employee's regular
19 rate of pay includes all remuneration for employment paid to, or on behalf of, the employee,
20 including nondiscretionary bonuses and incentive pay.

21 102. On information and belief, Defendants did not pay other aggrieved employees
22 the correct overtime rates for the recorded overtime hours that they generated. In addition to an
23 hourly wage, Defendants paid other aggrieved employees incentive pay, nondiscretionary
24 bonuses, and/or other forms of remuneration. However, in violation of the California Labor
25 Code, Defendants failed to incorporate all remunerations, including incentive pay and/or
26 nondiscretionary bonuses, into the calculation of the regular rate of pay for purposes of
27 calculating the overtime wage rates.

28 103. Therefore, during times when other aggrieved employees worked overtime and

1 received these other forms of pay, Defendants failed to pay all overtime wages by paying a
2 lower overtime rate than required. Other aggrieved employees are therefore entitled to recover
3 civil penalties pursuant to Labor Code sections 558 and/or 2699(a), (f), and (g).

4 104. At all relevant times herein, California Labor Code section 222.5 requires
5 employers to pay for the costs an employee incurs for obtaining any required medical or physical
6 examination.

7 105. During the relevant time period, Phillips implemented, on a company-wide basis,
8 an employer-imposed requirement that other aggrieved employees undergo mandatory drug
9 testing and/or physical examination. Phillips had a company-wide policy requiring that other
10 aggrieved employees travel to a specified medical facility on their own time and use their own
11 means of transportation to undergo drug testing and/or physical examinations. At all times,
12 Phillips was in control of scheduling the date and time for the testing and/or examinations,
13 selecting the provider/facility where the testing and/or examinations were to take place, and
14 determining the scope of the testing and/or examinations.

15 106. However, Phillips did not compensate other aggrieved employees for the time
16 they spent traveling to and from the medical facilities, for the time they spent undergoing the
17 drug testing and/or physical examinations, or reimburse them for the travel expenses they
18 incurred getting to and from the medical facilities. Phillips' policy and/or practice of not paying
19 for all costs other aggrieved employees incurred obtaining mandatory drug testing and/or
20 physical examinations is in violation of California Labor Code section 222.5. Other aggrieved
21 employees are therefore entitled to recover civil penalties pursuant to Labor Code sections
22 2699(a), (f), and (g).

23 **EIGHTH CAUSE OF ACTION**

24 **Violations of California Business & Professions Code §§ 17200, *et seq.*** 25 **(Against All Defendants)**

26 107. Plaintiffs incorporate by reference and re-allege as if fully stated herein each and
27 every allegation set forth above.

28 108. Defendants' conduct, as alleged herein, has been, and continues to be, unfair,

1 unlawful, and harmful to Plaintiffs, class members, and to the general public. Plaintiffs seek to
2 enforce important rights affecting the public interest within the meaning of Code of Civil
3 Procedure §1021.5.

4 109. Defendants' activities, as alleged herein, are violations of California law, and
5 constitute unlawful business acts and practices in violation of California Business & Professions
6 Code §17200, *et seq.*

7 110. A violation of California Business & Professions Code §§17200, *et seq.* may be
8 predicated on the violation of any state or federal law. In the instant case, Defendants' policies
9 and practices have violated state law in at least the following respects:

- 10 (a) Requiring non-exempt employees, including Plaintiffs and class
11 members, to work overtime without paying them proper compensation in
12 violation of California Labor Code §§510 and 1198 and the applicable
13 IWC order;
- 14 (b) Failing to pay at least minimum wages to Plaintiffs and class members in
15 violation of California Labor Code §§1194, 1197 and 1197.1 and the
16 applicable IWC order;
- 17 (c) Failing to provide meal and rest periods and/or to pay premium wages or
18 pay the correct premium wages for missed meal and rest periods to
19 Plaintiff and class members in violation of California Labor Code
20 §§226.7 and 512 and the applicable IWC order, resulting in Defendants
21 having engaged in business in California to offer its products and services
22 at a lower rate for the purpose of injuring competitors and or destroying
23 competition;
- 24 (d) Failing to provide Plaintiffs and class members with accurate wage
25 statements in violation of California Labor Code §226(a) and the
26 applicable IWC order; and
- 27 (e) Failing timely to pay all earned wages to Plaintiffs and former employee
28 class members in violation of California Labor Code §203 and the

applicable IWC order.

111. Pursuant to California Business & Professions Code §17200 *et seq.*, Plaintiffs and class members are entitled to restitution of the wages withheld and retained by Defendants during a period that commences four (4) years prior to the filing of this complaint, a permanent injunction requiring Defendants to pay all outstanding wages due to Plaintiffs and class members, an award of attorneys' fees pursuant to California Code of Civil Procedure §1021.5 and other applicable laws, and an award of costs.

REQUEST FOR JURY TRIAL

Plaintiffs request a trial by jury.

PRAYER FOR RELIEF

Plaintiffs Patrick Lambert and Deorlandro Brown, individually and on behalf of all others similarly situated, prays for relief and judgment against Defendants, jointly and severally, as follows:

1. For damages, unpaid wages, penalties, injunctive relief, and attorneys' fees in excess of twenty-five thousand dollars (\$25,000).

Class Action

2. For an Order requiring and certifying this action to be a class action, naming Plaintiff set forth herein as Class Representative, and naming the attorneys of record for Plaintiffs in the action as Class Counsel; and allowing this action to proceed and be maintained as a class action;

3. For an Order requiring Defendants to identify by name, address, telephone number, and social security number each person who is a member of the Class; and

4. For all appropriate declaratory and equitable relief.

As to the First Cause of Action

5. That the Court declare, adjudge, and decree that Defendants violated California Labor Code §§510 and 1198 and applicable IWC Wage Orders by willfully failing to pay all overtime wages due to Plaintiffs and class members;

6. That the Court declare, adjudge and decree that Defendants violated California

1 Labor Code §§1194, 1197 and 1197.1 by willfully failing to pay minimum wages to Plaintiffs
2 and class members;

3 7. For general unpaid wages at overtime wage rates and such general and special
4 damages as may be appropriate;

5 8. For pre-judgment interest on any unpaid overtime compensation commencing
6 from the date such amounts were due;

7 9. For reasonable attorneys' fees and for costs of suit incurred herein pursuant to
8 California Labor Code section 1194(a); and

9 10. For such other and further relief as the Court may deem equitable and
10 appropriate.

11 **As to the Second Cause of Action**

12 11. That the Court declare, adjudge, and decree that Defendants violated California
13 Labor Code §§226.7 and 512(a) and applicable IWC Wage Order(s) by willfully failing to
14 provide all meal periods to Plaintiffs and class members;

15 12. That the Court make an award to the Plaintiffs and class members of one (1) hour
16 of pay at each employee's regular rate of compensation for each workday that a meal period
17 was not provided;

18 13. For all actual, consequential, and incidental losses and damages, according to
19 proof;

20 14. For premiums pursuant to California Labor Code section 226.7(b);

21 15. For pre-judgment interest on any unpaid meal period premiums from the date
22 such amounts were due; and

23 16. For such other and further relief as the Court may deem equitable and
24 appropriate.

25 **As to the Third Cause of Action**

26 17. That the Court declare, adjudge and decree that Defendants violated California
27 Labor Code §226.7 and applicable IWC Wage Orders by willfully failing to provide all rest
28 periods to Plaintiffs and class members;

1 18. That the Court make an award to the Plaintiffs and class members of one (1) hour
2 of pay at each employee's regular rate of compensation for each workday that a rest period was
3 not provided;

4 19. For all actual, consequential, and incidental losses and damages, according to
5 proof;

6 20. For premiums pursuant to California Labor Code section 226.7(b);

7 21. For pre-judgment interest on any unpaid rest period premiums from the date such
8 amounts were due; and

9 22. For such other and further relief as the Court may deem equitable and
10 appropriate.

11 **As to the Fourth Cause of Action**

12 23. That the Court declare, adjudge, and decree that Defendants violated California
13 Labor Code §2802 by failing to reimburse Plaintiffs and class members for reasonable business
14 expenses incurred but not paid;

15 24. For all actual, consequential, and incidental losses and damages, according to
16 proof;

17 25. For pre-judgment interest on any reasonable business expenses commencing
18 from the date such amounts were paid;

19 26. For reasonable attorneys' fees and for costs of suit incurred herein; and

20 27. For such other and further relief as the Court may deem equitable and
21 appropriate.

22 **As to the Fifth Cause of Action**

23 28. That the Court declare, adjudge and decree that Defendants violated the
24 recordkeeping provisions of California Labor Code §226(a) and applicable IWC Wage Orders
25 as to Plaintiff and One-Year Subclass members, and willfully failed to provide accurate itemized
26 wage statements thereto;

27 29. For all actual, consequential and incidental losses and damages, according to
28 proof;

1 30. For injunctive relief and statutory penalties pursuant to California Labor Code
2 §§226(h) and 226(e); and

3 31. For such other and further relief as the Court may deem equitable and
4 appropriate.

5 **As to the Sixth Cause of Action**

6 32. That the Court declare, adjudge and decree that Defendants violated California
7 Labor Code §§201, 202 and 203 by willfully failing to pay overtime wages, minimum wages,
8 and meal and rest period premiums owed at the time of termination of Plaintiff and other class
9 members' employment;

10 33. For all actual, consequential and incidental losses and damages, according to
11 proof;

12 34. For waiting time penalties according to proof pursuant to California Labor Code
13 §203 for all employees who have left Defendants' employ;

14 35. For pre-judgment interest on any unpaid wages from the date such amounts were
15 due; and

16 36. For such other and further relief as the Court may deem equitable and
17 appropriate.

18 **As to the Seventh Cause of Action**

19 37. That the Court declare, adjudge and decree that Defendants violated the
20 following California Labor Code provisions as to Plaintiffs and/or other aggrieved employees:
21 510 and 1198 (by failing to pay all overtime compensation); 1182.12, 1194, 1197, 1197.1 and
22 1198 (by failing to pay at least minimum wages for all hours worked); 226.7, 512(a), 516, and
23 1198 (by failing to provide all meal periods); 226.7, 516, and 1198 (by failing to authorize and
24 permit all rest periods); 226(a), 1174(d), and 1198 (by failing to provide accurate wage
25 statements and maintain accurate payroll records); 201, 202 and 203 (by failing to timely pay
26 all earned wages upon termination); 204 (by failing to pay all earned wages during
27 employment); 222.5 (by failing to pay the costs of mandatory physical examinations and/or drug
28 testing); and 2802 (by failing to reimburse business expenses);

38. For civil penalties pursuant to California Labor Code §§210, 225.5, 226.3, 256, 558, 1174.5, 1197.1, and/or 2699(a), (f) and (g), for violations of California Labor Code §§201, 202, 203, 204, 222.5, 226(a), 226.7, 510, 512(a), 516, 1174(d), 1182.12, 1194, 1197, 1197.1, 1198 and 2802;

39. For attorneys' fees and costs pursuant to California Labor Code §2699(g)(1), and any and all other relevant statutes, for Defendants' violations of California Labor Code §§201, 202, 203, 204, 222.5, 226(a), 226.7, 510, 512(a), 516, 1174(d), 1182.12, 1194, 1197, 1197.1, 1198 and 2802;

40. For pre-judgment and post-judgment interest as provided by law; and

41. For such other and further relief as the Court may deem equitable and appropriate.

As to the Eighth Cause of Action

42. That the Court declare, adjudge and decree that Defendants violated California Business and Professions Code §17200, *et seq.* by failing to pay overtime compensation due, failing to pay at least minimum wages for all hours worked, failing to provide meal and rest periods or premium wages at the regular rate of pay in lieu thereof, failing to provide accurate wage statements, and failing timely to pay all earned wages during employment and upon termination;

43. For restitution of unpaid wages to Plaintiffs and all class members and prejudgment interest from the day such amounts were due and payable;

44. For the appointment of a receiver to receive, manage and distribute any and all funds disgorged from Defendants and determined to have been wrongfully acquired by Defendants as a result of violations of California Business & Professions Code §17200 *et seq.*;

45. For reasonable attorneys' fees and costs of suit incurred herein pursuant to California Code of Civil Procedure §1021.5; and

46. For such other and further relief as the Court may deem equitable and appropriate.

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By: /s/ Ashley A. Davenport
Ashley A. Davenport
Counsel for Plaintiffs and the Proposed Class