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and all others similarly situated

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

ALIXUS CORTEZ, an individual; KIARA
THIBODEAUX, an individual; ASHLEY
MENDEZ, an individual; on behalf of
themselves and all others similarly situated
and the general public,

Plaintiffs,

vs.

BLACK KNIGHT PATROL, INC., a
California corporation; and DOES 1 through
100, inclusive,

Defendants.

) Case No. 23STCV02135

) [Assigned for All Purposes to:
) The Hon. Stuart M. Rice, Dept. 1]

) **DECLARATION OF AARON A. BARTZ IN**
) **SUPPORT OF MOTION FOR**
) **PRELIMINARY APPROVAL OF CLASS**
) **ACTION SETTLEMENT**

) Date: January 6, 2025

) Time: 10:30 a.m.

) Dept: 1

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1. I am an attorney licensed to practice before all courts of the State of California. I am the owner of Bartz Law Group APC, and am Class Counsel for the Plaintiffs herein. I have personal knowledge of the facts herein. If called as a witness, I could and would competently testify to those facts under oath.

3. This case arises out of wage and hour violations by Defendant Black Knight Patrol, Inc. (“Defendant”) against its non-exempt hourly employees who worked in California between January 31, 2019 and the date of preliminary approval. Plaintiffs Alixus Cortez, Kiara Thibodeaux, and Ashley Mendez (“Plaintiffs”) worked for Defendant as security guards during the class period.

5. Thereafter, on January 31, 2023, Plaintiffs filed a class action Complaint against Defendant in the Los Angeles Superior Court, alleging similar claims. Then, on April 3, 2023, Plaintiffs filed a First Amended Complaint, adding PAGA claims. Next, on June 27, 2024, Plaintiffs filed a Second Amended Complaint, adding Defendant's owner Manuel Jimenez as a named defendant, along with other allegations.¹ A true and correct copy of Plaintiffs' Second Amended Complaint, the operative complaint in this case, is attached hereto as **Exhibit C**.

DECLARATION OF AARON A. BARTZ IN SUPPORT OF MOTION FOR PRELIMINARY APPROVAL OF
CLASS ACTION SETTLEMENT

1
2 **MEDIATION AND SUMMARY OF SETTLEMENT**

3 6. After filing their Complaint, Plaintiffs served an initial set of Requests for
4 Production of Documents and Special Interrogatories. Thereafter, the parties discussed
5 exchanging informal discovery and resolving the case through mediation.

6 7. The parties did not attend Mediation in this matter until Defendant produced
7 adequate informal discovery, including among other things, thousands of pages of payroll and
8 related wage data, the total number of putative class members, the total number of former
9 employees, the total number of workweeks, paystubs for a random sampling of pay records for
10 the putative class members, and other policy documents. This informal discovery process
11 occurred over a period of many months and involved extensive meet and confer efforts between
12 counsel for the parties.

13 8. Class Counsel thoroughly reviewed, investigated, and analyzed this information
14 in collaboration with their expert James Toney. Based upon the analysis of the time records and
15 payroll data, Mr. Toney and Class Counsel were able to calculate damage estimates on a class-
16 wide basis.

17 9. On May 29, 2024, the parties attended a full-day Mediation before experienced
18 wage and hour mediator Laurie Saldaña, and ultimately reached a settlement at the end of the
19 day. Many more months were necessary to negotiate the specific long form Settlement
20 Agreement entered into in September 2024.

21 10. Apart from the merits of the case, Defendant also represented that its financial
22 condition prevented it from paying any substantial sum to settle this case. Despite that, Plaintiffs
23 negotiated a robust \$500,000 settlement, and although it will be paid over time in installment
24 payments, based on a review of Defendant's financials, I believe the class settlement achieved
25 was the best deal possible in this case without sending Defendant into insolvency.

26 _____
27 and responsible, jointly and severally, with all obligations pursuant to the Settlement Agreement,
28 including the payment of the settlement amount.

1 11. In connection with Defendant's financial representations, Defendant disclosed
2 profit and loss statements for the years 2021 through 2023, balance sheets for the years 2021
3 through 2023, and tax returns for 2021 and 2022. With the assistance of a CPA, Class Counsel
4 determined that the installment payments were necessary as part of the settlement.

5 12. Defendant will pay the entirety of the settlement in four installments, with the first
6 payment being made on March 18, 2025, with the remaining 3 payments made every nine
7 months thereafter. In the event that any installment payment is missed, all payments are
8 accelerated and due immediately (after a brief cure period). Defendants also must provide
9 ongoing financial statements upon Plaintiffs' request throughout the period of time when the
10 installment payments are made. Based upon Defendant's financial condition as well as
11 Defendant's representations regarding its finances, there was a very real possibility that
12 Defendant would have closed down and/or filed for bankruptcy if the settlement terms were
13 more onerous or if Plaintiffs obtained a substantial verdict at trial. As such, Class Counsel
14 believes that the settlement reached is fair, adequate and reasonable.

15 13. The settlement fund is all in (except for the employer's share of payroll taxes,
16 which Defendant shall pay in addition to the \$500,000 settlement), there is no claim form
17 requirement, and no residual will revert to Defendant. Class members will be paid as long as they
18 do not opt out of the settlement. If a Class Member opts out, their share of the Net Settlement
19 Amount will be allocated to other members of the Settlement Class. In the event a class member
20 does not negotiate his or her settlement check, the settlement administrator will forward the
21 check to the State of California, State Controller's Office, where it will remain in the name of the
22 class member until claimed.

23 14. The payment to the Class Members will be characterized eighty percent interest
24 and penalties, and twenty percent wages. The class administrator will issue W-2 statements for
25 the wage portion of the settlement, and a form 1099 for all amounts paid as penalties and
26 interest.

1 15. Based upon Class Counsel’s independent analysis and investigation in this matter,
2 the Settlement Class will be compensated based on each member’s respective number of
3 workweeks worked during the Class Period. Defendant estimates that the total number of
4 workweeks was 40,000 through May 2024, and if the total number of workweeks exceeds
5 44,000, Defendant will pay additional amounts as part of the Gross Settlement Amount.²

6 16. Based on the settlement terms, there will be an approximate net settlement fund of
7 **\$267,084**. After all payments are disbursed to the class members, the class will release Released
8 Parties from any and all claims, rights, demands, liabilities, and causes of action, whether
9 statutory, in tort, contract, or otherwise, alleged in the Operative Complaint and/or LWDA
10 Letter, or that could have been alleged based on the facts pleaded in the Operative Complaint
11 and/or LWDA Letter, arising during the Class Period as set forth in the Settlement Agreement at
12 Paragraph 5.3. The named Plaintiffs will, in addition to releasing claims alleged in the lawsuit,
13 give a general release of all claims pursuant to Civil Code section 1542 as set forth in Section 5.1
14 and 5.2.

15 17. The parties further agree to appoint an experienced settlement administrator,
16 Phoenix Class Action Administration Solutions (“Phoenix”), to prepare and send notice to the
17 class, receive and process objections, and prepare and mail settlement checks to Settlement Class
18 Members. The settlement administrator will conduct skip-tracing for any Settlement Class
19 Member whose address cannot be found.

20 18. The all-in settlement fund will also include all of the attorneys’ fees and costs
21 allowed by this Court. The attorneys’ fees shall not exceed one-third of the \$500,000 settlement
22 fund, or \$166,666. Defendant will also pay class counsel’s costs, not to exceed \$15,000.00, as
23 well as settlement administration costs not to exceed \$21,250, out of the common fund.

24
25
26 ² Paragraph 9 of the Settlement Agreement contains an escalator clause.

19. The PAGA allocation of the settlement is \$10,000, of which \$7,500 (75%) will be distributed to the Labor Workforce and Development Agency (LWDA), with the remaining portion - \$2,500 (25%) - going to PAGA Members (all allegedly aggrieved persons who worked for Defendant as non-exempt employees in California, at any time from January 25, 2022 through the date of preliminary approval).

20. The settlement also includes Plaintiffs' class representative enhancements. Based on Plaintiffs' work in connection with this case, including connecting Class Counsel with other witnesses, meeting and conferring with Class Counsel regarding legal strategies, assisting with developing the claims and theories in this case, and being on-call for Mediation, Plaintiffs seek \$22,500 (i.e. \$7,500 for each named Plaintiff).

21. In summary, the settlement fund is allocated as follows:

- (1) Net settlement fund: \$267,084;
- (2) Attorney's fees and costs: \$166,666 in attorneys' fees and up to \$15,000 in costs;
- (3) Settlement administrator expenses not to exceed \$21,500;
- (4) PAGA payment to the LWDA: \$7,500, and \$2,500 for individual PAGA payments.
- (5) Class representative enhancements totaling \$22,500, or \$7,500 for each named Plaintiff.

NUMEROSITY

22. Defendant has identified approximately 785 employees who fit the class definition. As such the Class is ascertainable based on Defendant's employment records and are numerous under any legal standard, therefore satisfying the numerosity requirements in California pursuant to California Code of Civil Procedure §382.

COMMON QUESTIONS OF LAW AND FACT PREDOMINATE

23. Plaintiffs believe that there are common questions of law and fact as to the Class which predominate over questions affecting only individual members including, without

1 limitation, to:

- 2 a. Whether Defendant failed to pay all wages;
- 3 b. Whether Defendant has a facially invalid meal period policy and failed to provide
4 legally compliant off duty and uninterrupted meal periods and payments for
5 violations, pursuant to Labor Code §226.7;
- 6 c. Whether Defendant has a facially invalid rest period policy and failed to provide
7 legally complaint off duty and uninterrupted rest periods and payments for
8 violations, pursuant to Labor Code §226.7;
- 9 d. Whether Defendant failed timely pay all wages due upon separation of
10 employment as required by Labor Code §203;
- 11 e. Whether the members of the Class are entitled to penalties pursuant to Labor
12 Code §§2698, et seq.;
- 13 f. Whether Defendant subjected hourly employees to unlawful, unfair and/or
14 fraudulent business acts/practices in the form of its unlawful policies in violation
15 of Business & Professions Code (“B&PC”) §17200 *et seq.*;
- 16 g. Whether the members of the Class are entitled to compensatory damages, and if
17 so, the means of measuring such damages;
- 18 h. Whether the members of the Class are entitled to restitution; and
- 19 i. Whether Defendant is liable for attorneys’ fees and costs.

20
21 Defendant, while not admitting that there are common questions of law and fact sufficient
22 to justify a litigation class, acknowledge the risk that such common questions might be found,
23 and agree that there are sufficient common questions to support creation of the Settlement class.

24 **THE CLASS REPRESENTATIVES ARE TYPICAL AND ADEQUATE**

25 24. The claims of the Class Representatives are typical of the Class Members. The
26 proposed Class Representatives are adequate because they will adequately and fairly represent
27 the Class and will not place their interests above any Member of the Class. The Class
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Representatives worked as hourly-paid non-exempt employees for Defendant in the state of California during the relevant time period and, therefore, worked under the same policies and procedures and were paid according to the same pay plan for the entire period, as all other Class Members.

NATURE OF CLAIMS

25. The operative Complaint alleges claims for 1) Failure to Pay All Wages; 2) Waiting Time Penalties; 3) Failure to Provide Meal Periods; 4) Failure to Authorize and Permit Proper Rest Periods; 5) Failure to Properly Maintain and Submit Itemized Wage Statements; 6) Failure to Reimburse Expenses; 7) Unfair Business Practices; and 9) Violation of Labor Code § 2699 (PAGA). Plaintiffs further alleges that they and the Class are entitled to damages, restitution, wages, attorneys' fees, and interest, among other remedies. Plaintiffs estimate that the reasonable exposure and the reasonable settlement value for each of the alleged claims are as follows:

CLAIM	TOTAL VERDICT VALUE	SETTLEMENT VALUE
Failure to Pay Wages	\$511,000	\$76,650
Meal	\$1,965,000	\$196,500
Rest	\$2,936,000	\$146,800
Waiting time	\$3,315,000	\$160,750
Paystub	\$1,676,300	\$83,800
Reimbursement	\$408,000	\$20,400
PAGA	\$9,720,000	\$486,000
TOTAL	\$20,531,300	\$1,170,900

1 **a. Overtime/Off-the-Clock Wage Violations**

2 Labor Code § 510 provides that “[a]ny work in excess of eight hours in one workday and
3 any work in excess of 40 hours in any one workweek. . . shall be compensated at the rate of no less
4 than one and one-half times the regular rate of pay for an employee.” Further, “[a]ny work in
5 excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate
6 of pay . . . , [and] any work in excess of eight hours on any seventh day of a workweek shall be
7 compensated at the rate of no less than twice the regular rate of an employee.”

8 Labor Code § 1194 states any employee receiving less than the legal minimum wage is
9 entitled to recover the unpaid balance of the full amount of this minimum wage, including interest
10 thereon, reasonable attorney’s fees, and costs of suit.

11 Plaintiffs contend that Defendant failed to pay all wages due in numerous respects.
12 Plaintiffs assert that Defendant fails to pay for all hours worked, in that Plaintiffs and other security
13 guards perform pre-shift and post-shift security briefings, and review and exchange passdown
14 reports, all off-the-clock. Class counsel also interviewed Plaintiffs and class members regarding
15 the amount of off-the-clock time, and estimate that, on average, class members were not paid for
16 approximately 30 minutes per week of off-the-clock time.

17 Defendant contends that all work was fully compensated, and that any security briefings
18 were done while security guards are clocked in, and that if security guards were not clocked in,
19 that Defendant had no knowledge of such activities. *See Morillion v. Royal Packing Co.*, 22 Cal.4th
20 575, 585 (2000) (off-the-clock work is compensable only when an employer knows or should
21 know that such work is being done).

22 Plaintiffs and their expert analyzed payroll and time records for the class members and
23 calculated that the total estimated verdict value for this claim is approximately \$511,000, based
24 upon an average time worked off-the-clock per week of 30 minutes, and a weighted average of
25 pay based upon the payroll data analyzed. Based on the defenses alleged, as well as the
26 precarious financial condition of Defendant, the Plaintiffs placed a reasonable settlement value
27 of the overtime/off-the-clock wage claim at fifteen percent of the total verdict value, or **\$76,650**.
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1 **b. Meal and Rest Period Claims**

2 i. Meal period liability and damages

3 Plaintiffs contend that Defendant failed to provide Plaintiffs and class members with a
4 duty-free 30-minute meal period for every five hours of work as is required by Labor Code § 512
5 and the applicable IWC Wage Order(s) and in violation of *Brinker Restaurant Corp. v. Superior*
6 *Court*, 53 Cal.4th 1004 (2012). Failure to provide a meal in accordance with the applicable Wage
7 Order(s) results in payment by the employer of one additional hour of pay at the employee's
8 regular rate of pay for each workday that the rest or meal period is not provided. (Labor Code §
9 226.7.)

10 In *Brinker, supra*, the California Supreme Court held that “under ... Labor Code § 512,
11 subdivision (a), an employer must relieve the employee of all duty for the designated period, but
12 need not ensure that the employee does no work” during the meal period. *Id.* at 1034. However,
13 “...an employer may not undermine a formal policy of providing meal breaks by pressuring
14 employees to perform their duties in ways that omit breaks. *Cicairos v. Summit Logistics, Inc.*,
15 133 Cal.App.4th 949, 962–63 (2005); *see also Jaimez v. DAIOHS USA, Inc.*, 181 Cal.App.4th
16 1286, 1304–05 (2010) [proof of common scheduling policy that made taking breaks extremely
17 difficult would show violation]; *Dilts v. Penske Logistics, LLC*, 267 F.R.D. 625, 638
18 (S.D.Cal.2010) [indicating informal anti-meal-break policy "enforced through 'ridicule' or
19 'reprimand'" would be illegal].) Defendant also cannot create “incentives to forego, or otherwise
20 encourage[] the skipping of legally protected breaks.” *Brinker, supra*, 53 Cal.4th at 1040.

21 Moreover, when time records show short, missed, and late meal periods, there is a
22 presumption that an employer violated California's meal period requirements. *See Donohue v.*
23 *AMN Services, LLC*, 11 Cal.5th 58, 78 (2021) (“If time records show noncompliant meal periods,
24 then a rebuttable presumption of liability arises.”)

25 Plaintiffs uncovered evidence that the vast majority of all security guards were required
26 to sign an “On-Duty Meal Period Agreement” as a condition of their employment. Plaintiffs
27 believe that the case is similar to *Lubin v. Wackenhut Corporation*, 5 Cal. App. 5th 926 (2016). In
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1 *Wackenhut*, plaintiff security guards sued their former employer for failure to provide off-duty
2 meal breaks and rest breaks, among other things. *Id.* at 931. Defendant Wackenhut required all of
3 its employees to sign on-duty meal agreements upon hiring: “Wackenhut’s standard practice was
4 to have all new security officers sign an on-duty meal agreement during orientation. It then
5 allowed its clients to determine whether Wackenhut security officers would be provided an on-
6 duty or off-duty meal period at each site.” *Id.* at 939.

7 The *Wackenhut* court noted that plaintiff’s theory of liability was clearly based on a
8 common contention “that Wackenhut violated California labor laws by failing to provide
9 employees with off-duty meal periods. This violation resulted from Wackenhut’s policy of
10 requiring all employees to sign on-duty meal agreements. . . .” *Id.* at 941; citing *Faulkinbury v.*
11 *Boyd & Associates, Inc.*, 216 Cal. App. 4th 234 (2013).

12 Early in the class period, Defendant did not appear to maintain adequate time records,
13 and therefore there is a prima facie *Donahue* violation. Later in the class period, Defendant’s
14 time records showed clock-in and clock-out times for meal periods, but there continued to be
15 short, missed, and late meal periods, according to an analysis of Defendant’s time records.

16 Defendant contends that Plaintiffs and other class members were paid for the time during
17 their meal periods, so even if there were violations, that Plaintiffs were fully compensated.
18 Moreover, Defendant contends that its time records show clock-in and clock-out times during
19 meal periods after the start of the class period, which militate against a finding of liability.

20 Class Counsel and their expert calculated the maximum verdict value of the meal break
21 claim to be approximately \$1,965,000. This calculation is based on an observed net 71%
22 violation rate, shifts totaling 140,000, and average rate of pay of \$21.96 based on the payroll data
23 for the class. Based on discussions with Plaintiffs, reviewing the various payroll records and
24 policies, the defenses raised, Plaintiffs believe they had a ten percent probability of recovering all
25 of these damages, which includes the risk of not recovering any damages based upon the
26 Defendant’s financial condition. Accordingly, Plaintiffs contend the reasonable exposure of the
27 meal break claim is approximately **\$196,500**.

1 ii. Rest period liability and damages

2 Section 12(A) of the IWC Wage Order(s) states: “Every employer shall authorize and
3 permit all employees to take rest periods, which insofar as practicable shall be in the middle of
4 each work period. The authorized rest period time shall be based on the total hours worked daily
5 at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof. However,
6 a rest period need not be authorized for employees whose total daily work time is less than three
7 and one-half (3½) hours. Authorized rest period time shall be counted as hours worked for which
8 there shall be no deduction from wages.”

9 Section 12(B) of the IWC Wage Order(s) states: “If an employer fails to provide an
10 employee a rest period in accordance with the applicable provisions of this order, the employer
11 shall pay the employee one (1) hour of pay at the employee’s regular rate of compensation for each
12 workday that the rest period is not provided.” Moreover, during rest periods, “employees must
13 not only be relieved of work duties, but also be freed from employer control over how they spend
14 their time.” *Augustus v. ABM Sec. Servs., Inc.*, 2 Cal.5th 257, 270 (2016). Further, when an
15 employer adopts common policies that prevent employees from taking their rest breaks, it presents
16 a common factual issue by which liability may follow. *See Jaimez v. Daijhs USA, Inc.*, 181
17 Cal.App.4th 1286, 1304 (2010). Indeed, “[t]he wage orders and governing statute do not
18 countenance an employer’s exerting coercion against the taking of, creating incentives to forego,
19 or otherwise encouraging the skipping of legally protected breaks.” *Brinker, supra*, 53 Cal.4th at
20 1040.

21 Moreover, any requirement to carry radios, pagers, cell phones, or other communications
22 devices during a rest period constitutes an on-call rest period and violates California law.
23 Plaintiffs believe *Augustus v. ABM Security Services, Inc.*, 2 Cal. 5th 257 (2016) is on point here.
24 In *Augustus*, plaintiffs worked as security guards for defendant ABM Security Services, and
25 were required to keep their pagers and radios on, even during rest periods, so they could respond
26 when needs arose. *Id.* at 260. Plaintiffs sued defendant for failure to provide rest periods
27 pursuant to Labor Code section 226.7 and IWC Wage Order 4-2001. *Id.* at 260. The California
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1 Supreme Court held that “state law prohibits on-duty and on-call rest periods. During required
2 rest periods, employers must relieve their employees of all duties and relinquish any control over
3 how employees spend their break time.” *Id.*

4 The California Supreme Court further held “one cannot square the practice of compelling
5 employees to remain at the ready, tethered by time and policy to particular locations or
6 communications devices, with the requirement to relieve employees of all work duties and
7 employer control during 10-minutes rest periods.” *Id.* at 269. The Court noted that some
8 employers may find it “burdensome to relieve their employee of all duties during rest periods”
9 and suggested two possible options: to “provide employees with another rest period to replace
10 one that was interrupted” or to “pay the premium set forth in Wage Order 4, subdivision 12(B),
11 and section 226.7.” *Id.* at 272.

12 Plaintiffs contend that *Augustus* applies here, in that Plaintiffs and the other security
13 guards were always “on call” for their entire shift because they were required to carry their cell
14 phones, and worked at single-guard posts, and unable to leave their posts or the property where
15 they were assigned. On the other hand, Defendant contends that it had compliant policies, and that
16 class members were not required to maintain contact with cell phones or other communication
17 devices during their rest periods, and that if they did, it was voluntary. Moreover, at single-guard
18 posts, Defendant contends that security guards could take their rest periods, and were instructed to
19 alert customers of their unavailability by displaying a window sign that they would return in 10
20 minutes after their rest periods.

21 Class Counsel and their expert assumed a 100% violation rate for all shifts by class
22 members of 3.5 hours or more. Based on that assumption, Plaintiffs’ expert calculated total
23 violations across the class, multiplied by an average rate of pay for the class members. As such,
24 Class Counsel and their expert calculated the maximum verdict value of the rest period claims to
25 be approximately \$2,936,000. Based on the difficulty of proving rest period violations on a
26 classwide basis, and the fact that unlike in *Augustus*, Defendant had no specific policy requiring
27 class members to be on-call at all times, Plaintiffs believe they had a five percent chance of
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1 recovering all of the rest period damages, which also includes the financial condition risk of not
2 recovering any damages. As such, Plaintiffs believe the reasonable exposure of the rest break
3 claim is approximately **\$146,800**.

4 **c. Waiting Time Penalty**

5 The waiting time penalty claim is purely derivative. Plaintiffs and their expert analyzed
6 the data to find that there are approximately 610 former employees included in the putative class
7 that would be eligible for the Labor Code §203 penalties. Plaintiffs and their expert calculated
8 the total verdict value at approximately \$3,215,000. This amount was calculated by multiplying
9 the average daily rate of pay during the statutory period by 30, which is the maximum number of
10 days allowable as waiting time penalties under section 203, and then multiplying that by the total
11 number of former employees. Plaintiffs further discounted the waiting time penalty claim based
12 on risk and the fact that waiting time penalties are not awarded if a good faith dispute exists as to
13 whether the wages were owing, including a financial condition discount based on whether
14 Defendant could continue as a going concern if Plaintiffs obtained a substantial verdict against
15 Defendant. Further, the class would have the burden of proving a “willful” withholding of
16 wages. Plaintiffs considered that under Labor Code §203 there is only a penalty if "an employer
17 willfully fails to pay" all wages due to an employee upon separation. Willfulness does not exist if
18 there is a "good faith dispute," in fact or law that wages were due, even if the employer's
19 reasoning ultimately proves incorrect. *Amaral v. Cintas Corp. No. 2* (2008) 163 Cal.App.4th
20 1157, 1204; 8 Cal. Code Regs. § 13520 ("A 'good faith dispute' that any wages are due occurs
21 when an employer presents a defense, based in law or fact which, if successful, would preclude
22 any recover on the part of the employee. The fact that a defense is ultimately unsuccessful will
23 not preclude a finding that a good faith dispute did exist.")

24 Plaintiffs placed a settlement value of **\$160,750** or approximately five percent of the
25 verdict value, based upon the various risk factors discussed above.

26 **d. Paystub**

27 As to the paystub penalty, which is derivative of the other claims identified above, the
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1 Plaintiffs and their expert calculated a maximum reasonable exposure of this claim of
2 approximately \$1,676,000. This figure was arrived at by assuming that each wage statement that
3 was provided to the class members violated Labor Code §226, and multiplying the number of
4 pay periods during the statutory period by \$50 for initial violations, and \$100 for subsequent
5 violations.

6 Defendant argues that, even assuming there are any violations, which they deny, any
7 derivative violations were minor and Defendant presented evidence of a good faith dispute as to
8 any violation. *Hurst v. Buczek Enters., LLC* (N.D. Cal. 2012) 870 F.Supp.2d 810, 829 (no
9 section 226 violation where the employer "makes a good faith claim" in its defense); *Harris v.*
10 *Vector Mktg. Corp.* (2009) 656 F.Supp.2d 1128, 1146 (N.D. Cal. 2009) (the "employer did not
11 knowingly and intentionally fail to provide itemized wage statements" where there was a "good
12 faith dispute"). Moreover, in *Naranjo v. Spectrum Security Services, Inc.* (2024) 15 Cal.5th
13 1056, the California Supreme Court recently expanded an employer's ability to claim a good
14 faith defense to paystub penalties.

15 Based on the raised defenses, as well as the risk of certification and related risks of
16 proving all violations, and financial condition discount, Plaintiffs have placed a reasonable
17 settlement value of **\$83,800** or five percent of the total verdict value of the pay stub claim.

18 **e. Reimbursement Claim**

19 California Labor Code section 2802(a) provides:

20 An employer shall indemnify his or her employee for all necessary expenditures
21 or losses incurred by the employee in direct consequence of the discharge of his
22 or her duties, or of his or her obedience to the directions of the employer, even
23 though unlawful, unless the employee, at the time of obeying the directions,
24 believed them to be unlawful.

25 Plaintiffs contend that Defendant failed to comply with California's reimbursement
26 requirements by failing to adequately reimburse Plaintiffs and the class members for using their
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1 personal cell phones while working for Defendant. *See Cochran v. Schwan's Home Serv., Inc.*,
2 228 Cal. App. 4th 1137 (2014).

3 In *Cochran*, the court stated: "The threshold question in this case is this: Does an
4 employer always have to reimburse an employee for the reasonable expense of the mandatory
5 use of a personal cell phone, or is the reimbursement obligation limited to the situation in which
6 the employee incurred an extra expense that he or she would not have otherwise incurred absent
7 the job? The answer is that reimbursement is always required. Otherwise, the employer would
8 receive a windfall because it would be passing its operating expenses on to the employee. Thus,
9 to be in compliance with section 2802, the employer must pay some reasonable percentage of the
10 employee's cell phone bill." *Id.* at 1144.

11 Defendant contends that it paid for all reasonable and necessary expenses incurred by
12 Plaintiffs and class members, and that the reimbursement claim has little to no value, especially
13 because Defendant provided cell phone reimbursement amounts to class members.

14 Plaintiffs contend that this claim is valued at \$408,000 based upon the assumption that
15 each class member incurred approximately \$50 per month of average cell phone usage. This
16 amount was determined based upon class counsel's discussions with Plaintiffs and class
17 members regarding their average cell phone usage on behalf of Defendant, and the average
18 amount of cell phone bills. Defendant disputes that other than accessing phones to clock in or
19 clock out, class members did not use their cell phones during work, and that if they did,
20 Defendant did not require such usage. Given the fact that there are individualized issues in
21 proving reimbursement violations and damages, and based upon the defenses raised, and
22 Defendant's financial condition, Plaintiffs believe this claim's reasonable value is **\$20,400**, or
23 five percent of the total value.

24 **f. PAGA**

25 Plaintiffs contend that PAGA penalties are owed based on the alleged Labor Code
26 violations identified above. Once a PAGA violation is found, a court must award civil penalties.
27 *See Amaral v. Cintas Corp. No. 2* (2008) 163 Cal.App.4th 1157, 1211-1213. Nevertheless, a
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1 court has discretion to reduce the award of civil penalties if it finds that “based on the facts and
2 circumstances of the particular case, to do otherwise would result in an award that is unjust,
3 arbitrary and oppressive, or confiscatory.” Cal. Lab. Code § 2699(e)(2).

4 Significantly, there is a very real possibility that a court would substantially reduce the
5 penalties, even if they are proven. *See, e.g., Fleming v. Covidien, Inc.*, 2011 WL 7563047, *3-4
6 (C.D. Cal. 2011) (reducing penalties from \$2.8 million to \$500,000 based on wage statement
7 violations because to assess full penalties would be unjust and arbitrary); *Thurman v. Bayshore*
8 *Transit Mgmt., Inc.*, 203 Cal.App.4th 1112, 1134 (2012) (reduction of PAGA penalties by 30%
9 affirmed on appeal).

10 Plaintiffs and their expert calculated the reasonable PAGA penalties to be valued at
11 \$9,720,000, which includes the stacking of penalties for numerous violations, as set forth above.
12 Based on the defenses raised, the Court’s discretion to reduce penalties, and Defendant’s
13 financial condition, Plaintiffs believe the PAGA claim’s reasonable value is five percent of the
14 total value, or approximately **\$486,000**.

15 **g. Total Damage Exposure³**

16 Plaintiffs believe that the \$500,000 settlement achieved in this case is very good for the
17 class members. Based upon a reasonable exposure value of \$1,170,900, the settlement
18 represents approximately 43% of that total value. Given the many defenses raised, the
19 uncertainty of the certifiability of any class, the financial condition of the Defendant, and the
20 risks of collecting against this Defendant, Class Counsel believe this settlement is an excellent
21 result for all of the class members.

22 **ATTORNEY COMPETENCE IN CLASS ACTIONS**

23
24
25 ³ The Unfair Competition claim is subsumed into the *Kullar* analysis above. The Unfair
26 Competition claim is based upon the wage and hour violations, and adds an extra year of
27 damages, and is included within the above analysis.
28

1 26. I am experienced class action counsel, including specializing in wage and hour
2 and employment claims. Some of the class action litigation on which I have served as Class
3 Counsel include:

- 4 a. *Wilkins, et al. v. Equinox Holdings, Inc.*
5 Los Angeles Superior Court, No.: BC440058
- 6 b. *TBC Retail Group Wage and Hour Cases*
7 Los Angeles Superior Court, No.: JCCP No. 4701
- 8 c. *Casserly v. Randstad US, L.P., et al.*
9 U.S.D.C., Central District of California, No. SACV 12-1023-DOC(ANx)
- 10 d. *Crilly v. Micro Electronics, Inc.*
11 Orange County Superior Court, No.: 30-2013-00662586-CU-OE-CXC
- 12 e. *Concho, et al. v. Pipeline Carriers, Inc. et al.*
13 Orange County Superior Court, No.: 30:2013-00649600-DU-OE-CXC
- 14 f. *Holsted et al. v. R.J. Noble Company et. al.*
15 Orange County Superior Court, No.: 30:2010-00379770-CU-OE-CXC
- 16 g. *Piggue v. Chief Protective Services, Inc.*
17 Orange County Superior Court, No.: 30-2013-00688107-CU-OE-CXC
- 18 h. *Walsh v. Pacific Bell Telephone Company*
19 Orange County Superior Court, No.: 30-2011-00498062-CU-OE-CXC
- 20 i. *Woods v. JFK Memorial Hospital*
21 Riverside County Superior Court, No.: INC 1205209
- 22 j. *Ramirez et. al v. Titan Insurance of New Mexico*
23 Riverside County Superior Court, No.: RIC1211890
- 24 k. *DeSantos v. Jaco Oil Company, et al.*
25 U.S.D.C. Eastern District of California, No. 1:14-CV-00738-JLT
- 26 l. *Duran v. Big 5 Corp.*
27 Los Angeles Superior Court, Case No. BC557154
- 28

- m. *Sheahan v. Celtic Leasing Corporation, Inc.*
Orange County Superior Court No.: 30-2016-00852151-CU-OE-CXC
- n. *Panasis v. Control4 Corporation*
United States District Court, Central District of California
Case No. SACV-16-1179-DOC
- o. *O&R Construction, LLC v. Dun & Bradstreet, et al.*
United States District Court, Western District of Washington
Case No. C12-2184 TSZ
- p. *Matthews v. Whelan Security of California, Inc.*
Orange County Superior Court, No.: 30-2016-00833250-CU-OE-CXC
- q. *Rodriguez v. R.J. Noble Company (Navarro/Kles),*
Orange County Superior Court, No.: 30-2017-00916018-CU-OE-CXC
- r. *Wang v. Fountain Valley Regional Hospital*
Orange County Superior Court, No. 30-2015-00821329-CU-OE-CXC
- s. *Skerl v. Sutter Bay Hospitals*
San Mateo Superior Court, No. 21-CIV-02057

27. I graduated from Vanderbilt University in 1992 with a Bachelor of Arts in Economics and English, and graduated from Southwestern Law School in 1998. Since becoming a lawyer in 1998, my practice has focused on complex litigation matters, and since 2009, complex employment law and wage and hour matters.

28. I am a member of the California State Bar, the Orange County Bar Association, and Los Angeles County Bar Association. I have an AV rating from Martindale-Hubbell, the highest possible rating for a lawyer. During my 26+ year career, I have handled many successful employment law matters both at the trial and appellate levels. I estimate that I have represented plaintiffs in hundreds of employment cases, the vast majority of which have resulted in favorable settlements, awards and/or verdicts for my clients. I have successfully prosecuted and obtained significant recoveries in many class action lawsuits and other lawsuits involving complex legal

1 and factual issues. In 2015, I was co-lead counsel in *Walsh v. Pacific Bell*, which settled for
2 \$16,800,000. Recently, in October 2023, I was also co-lead counsel in *Skerl v. Sutter Bay*
3 *Hospitals*, in which final approval was granted for a \$12,000,000 settlement for health care
4 workers. I have also been involved in many other seven and eight figure verdicts and settlements
5 over the years.

6 29. In addition to myself, Rex J. Phillips, an attorney with over 19 years of
7 experience, also assisted me with the prosecution of this case. Mr. Phillips graduated with
8 Honors from Glendale University College of Law, achieved a B.A. in English from California
9 State Polytechnic University, Pomona, and has many years of experience prosecuting
10 employment actions, including wage and hour class and representative actions.

11 30. Also assisting Mr. Phillips and I in this case were our paralegals Nestor Mejia and
12 Leanne Nguyen-Phuoc. Mr. Mejia has an AA from West Los Angeles College in Business
13 Administration, and has many years of experience working on employment and wage and hour
14 matters, including PAGA and complex class actions, for my firm and others within California.
15 Ms. Nguyen-Phuoc obtained her BA in Criminology, Law and Society and her Paralegal
16 Certification from UCI, and has worked on class actions and other complex cases since her
17 inception with my firm.

18
19 **CLASS ENHANCEMENT AND ATTORNEYS' FEES, COSTS AND EXPENSES**

20 31. Plaintiffs have assisted Class Counsel in their investigation by corresponding with
21 Class Counsel to answer questions about their employment, and have spent many hours
22 conferring with Class Counsel both prior to and after initiating this litigation, assisted Class
23 Counsel with interpreting the informal discovery, assisted in the preparation for mediation, and
24 produced payroll and other employment records to assist Class Counsel in pursuing the claims in
25 this case.

1 32. In addition, Plaintiffs are releasing all claims, not just wage and hour claims, as
2 part of their releases in this case. As such, Plaintiffs' release includes a waiver of unknown
3 claims and their rights under California Civil Code § 1542.

4 33. Based on the above, and the Declarations of the Class Representatives filed
5 concurrently, the requested service payments of \$7,500 for each named plaintiff is appropriate
6 and justified.

7 34. Plaintiffs also intend to request attorneys' fees not to exceed one-third of the
8 settlement, and reimbursement of costs not to exceed \$15,000. Class Counsel have achieved a
9 very good result, and believe that the percentage requested is fair and appropriate in this case,
10 and all of the costs requested assisted in the prosecution of this case. Class Counsel will submit
11 detailed declarations and attorneys' bills and costs with their motion for final approval.

12 35. Additionally, Plaintiffs will request that the Settlement Administrator, Phoenix, be
13 paid no more than \$21,250 to administer the settlement. Attached as **Exhibit D** is a true and
14 correct copy of Phoenix's not to exceed quote to administer this case.

15 **TRANSMITTING THE NOTICE OF SETTLEMENT**

16 36. In my opinion, the best and most practicable method to notify class members is by
17 mail, as all members of the Class were at one time employed by Defendant and worked in
18 California. For current employees of Defendant who are class members, Defendant has current
19 addresses. I am also informed and believe that Defendant maintains last known addresses for all
20 of their former employees, so mailing the notices is preferable to some other method. In the
21 event former employees are no longer at the addresses maintained by Defendant, Phoenix will
22 engage in skip tracing to track down their current addresses. In the unlikely event that any
23 member of the Class does not have a verifiable address or cannot be located after skip tracing,
24 any amounts due to go to that member will go to the State of California, State Controller's
25 Office, so that class members can claim his or her settlement funds at a later time.

37. My office provided notice of the proposed settlement and all documents filed in support of this motion for PAGA settlement approval to the LWDA via uploading the documents to the California DIR/LWDA's website on the same date as the filing of the instant motion.

I declare under penalty of perjury under the laws of California that the foregoing is true and correct. Executed on November 11, 2024, at Irvine, California.

//Aaron A. Bartz//

Aaron A. Bartz

EXHIBIT A

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between plaintiffs Alixus Cortez, Kiara Thibodeaux, and Ashley Mendez (“Plaintiffs”) and Defendants Black Knight Patrol, Inc. and Manuel Jimenez (“Defendants”). The Agreement refers to Plaintiffs and Defendants collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1. “Action” means the Plaintiffs’ lawsuit alleging wage and hour violations against Defendants captioned *Alixus Cortez et al. v. Black Knight Patrol, Inc.*, Case No. 23STCV02135 and pending in Superior Court of the State of California, County of Los Angeles.
- 1.2. “Administrator” means Phoenix Class Action Administration Solutions (“Phoenix”), the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.
- 1.4. “Aggrieved Employee” means all current and former employees who have worked in California for Defendants at any time from January 25, 2022 through the date of Preliminary Approval, whether or not the Aggrieved Employee opts out of the class settlement, and represented by the Plaintiffs and the State of California Labor and Workforce Development Agency.
- 1.5. “Class” means all current and former employees who worked in California for Defendants during the Class Period.
- 1.6. “Class Counsel” means Bartz Law Group, APC.
- 1.7. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.8. “Class Data” means Class Member identifying information in Defendants’ possession including the Class Member’s name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.
- 1.9. “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non- Participating Class Member who qualifies as an Aggrieved Employee).
- 1.10. “Class Member Address Search” means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.
- 1.11. “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English 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 31, 2019 through the date of Preliminary Approval.
- 1.13. "Class Representatives" means the named Plaintiffs in the operative complaint in the Action seeking Court approval to serve as Class Representatives.
- 1.14. "Class Representatives Service Payments" means the payment to the Class Representatives for initiating the Action and providing services in support of the Action.
- 1.15. "Court" means the Superior Court of California, County of Los Angeles.
- 1.16. "Default Notice" means notice provided by Class Counsel to Defense Counsel Jaimee Wellerstein and Jean-Paul LeClercq at their respective email addresses, jwellerstein@bgwlawyers.com and jpleclercq@bgwlawyers.com.
- 1.17. "Defendants" means Defendants Black Knight Patrol, Inc. and Manuel Jimenez.
- 1.18. "Defense Counsel" means Bradley, Gmelich & Wellerstein LLP.
- 1.19. "Effective Date" means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.
- 1.20. "Final Approval" means the Court's order granting final approval of the Settlement.
- 1.21. "Final Approval Hearing" means the Court's hearing on the Motion for Final Approval of the Settlement.
- 1.22. "Final Judgment" means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.
- 1.23. "Gross Settlement Amount" means Five Hundred Thousand Dollars (\$500,000.00) which is the total amount Defendants agree to pay under the Settlement, except as provided in Paragraph 9. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payment and the Administrator's Expenses.
- 1.24. "Individual Class Payment" means the Participating Class Member's pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.
- 1.25. "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of Workweeks worked during the PAGA Period.
- 1.26. "Judgment" means the judgment entered by the Court based upon the Final Approval.
- 1.27. "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).

- 1.28. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.29. “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 Representatives’ Service Payments, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.
- 1.30. “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.
- 1.31. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendants for at least one day during the PAGA Period.
- 1.32. “PAGA Period” means the period from January 25, 2022 to the date of Preliminary Approval.
- 1.33. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.34. “PAGA Notice” means Plaintiffs’ January 25, 2023 letter to Defendants and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a), asserting claims for civil penalties under, among other things, Labor Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 510, 512, 1174, 1194, 1198, 1198.5, 2802, and 2699.
- 1.35. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount (\$10,000.00), allocated 25% to the Aggrieved Employees (\$2,500.00) and 75% to LWDA (\$7,500.00) in settlement of PAGA claims.
- 1.36. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Settlement.
- 1.37. “Plaintiffs” mean Alixus Cortez, Kiara Thibodeaux, and Ashley Mendez, the named plaintiffs in the Action.
- 1.38. “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.
- 1.39. “Preliminary Approval Order” means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.40. “Released Class Claims” means the claims being released as described in Paragraph 5.3 below.
- 1.41. “Released PAGA Claims” means the claims being released as described in Paragraph 5.4 below.
- 1.42. “Released Parties” means: Defendants and each of its former and present directors, officers, shareholders, agents, predecessors, successors, and assigns.
- 1.43. “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.

- 1.44. “Response Deadline” means 45 days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.
- 1.45. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.
- 1.46. “Workweek” means any week during which a Class Member worked for Defendants for at least one day, during the Class Period.

2. RECITALS.

- 2.1. On January 31, 2023, Plaintiffs commenced this Action by filing a Complaint alleging causes of action against Defendant Black Knight Patrol, Inc. for Violation of Business and Professions Code section 17200, Failure to Pay Wages including Minimum and Overtime Wages, Failure to Maintain Accurate Payroll Records, Waiting Time Penalties, Failure to Provide and Maintain Accurate Wage Statements, Failure to Provide Meal and Rest Periods, and Failure to Reimburse Expenses. On April 3, 2023, Plaintiffs filed a First Amended Complaint to add a cause of action for Violation of the PAGA. Thereafter, Plaintiff filed a Second Amended Complaint on June 27, 2024 adding, among other things, defendant Manuel Jimenez as a named defendant. The Second Amended Complaint is the operative complaint in the Action (the “Operative Complaint.”) Defendants deny the allegations in the Operative Complaint, deny any failure to comply with the laws identified in in the Operative Complaint and deny any and all liability for the causes of action alleged.
- 2.2. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiffs gave timely written notice to Defendants and the LWDA by sending the PAGA Notice.
- 2.3. On May 29, 2024, the Parties participated in an all-day mediation presided over by experienced wage and hour mediator Laurie Saldaña, which led to this Agreement to settle the Action.
- 2.4. Prior to mediation, Plaintiffs obtained, through informal discovery, time and payroll records of Defendants, policy documents, and other information and data sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 (“*Dunk/Kullar*”).
- 2.5. The Court has not granted class certification.
- 2.6. Other than *Arredondo et al. v. Black Knight Patrol, Inc.*, Case No. 24STCV06115, which was only recently filed on March 11, 2024, the Parties, Class Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

- 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 9, Defendants

promise to pay Five Hundred Thousand Dollars (\$500,000.00) and no more as the Gross Settlement Amount, and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. Defendants have no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendants.

- 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:
- 3.3. To Plaintiffs: Class Representatives' Service Payments to the Class Representatives of not more than a total of Twenty-Two Thousand Five Hundred Dollars (\$22,500.00), i.e. \$7,500 to each of the Plaintiffs, in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representatives are entitled to receive as Participating Class Members. Defendants will not oppose Plaintiffs' request for Class Representative Service Payments that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiffs will seek Court approval for any Class Representative Service Payments no later than 16 court days prior to the Final Approval Hearing. If the Court approves the Class Representatives' Service Payments in an amount less than requested, the remainder shall be allocated to the Net Settlement Amount. The Administrator will pay the Class Representative Service Payments using IRS Form 1099. Plaintiffs assume full responsibility and liability for employee taxes owed on the Class Representative Service Payment.
- 3.4. To Class Counsel: A Class Counsel Fees Payment of not more than 33 1/3%, which is currently estimated to be One Hundred Sixty-Six Thousand Six Hundred Sixty Six Dollars (\$166,666.00) and a Class Counsel Litigation Expenses Payment of not more than Fifteen Thousand Dollars (\$15,000.00). Defendants 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 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 Plaintiffs' Counsel arising from any claim to any portion of any Class Counsel Fees Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 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 Defendants harmless, and indemnifies Defendants, from any dispute or controversy regarding any division or sharing of any of these Payments.
- 3.5. To the Administrator: An Administrator Expenses Payment not to exceed Twenty-One Thousand Two Hundred Fifty Dollars (\$21,250.00) except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are

less or the Court approves payment less than \$21,250.00, the Administrator will allocate the remainder in the Net Settlement Amount.

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

- 3.6.1. Tax Allocation of Individual Class Payments. 20% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The 80% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest and penalties (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payment.

- 3.6.2. 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 Participating Class Members on a pro rata basis.

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

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

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

4. SETTLEMENT FUNDING AND PAYMENTS.

- 4.1. Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendants estimate there are approximately 785 Class Members who collectively worked a total of 40,000 Workweeks from January 31, 2019 to May 29, 2024, and approximately 675 Aggrieved Employees who worked a total 37,500 of PAGA Pay Periods from January 25, 2022 to May 29, 2024.

- 4.2. Class Data. Not later than 35 days after the Court grants Preliminary Approval of the Settlement, Defendants will simultaneously 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 Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendants have a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendants 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. Defendants shall fully fund the Gross Settlement Amount in four installment payments, and also fund the amounts necessary to fully pay Defendants' share of payroll taxes for each installment payment, as follows:

4.3.1 The first payment of One Hundred Twenty-Five Thousand Dollars (\$125,000) shall be transmitted to the Administrator by the earlier of 14 business days following the Final Judgment, or by March 18, 2025.

4.3.2 The subsequent three (3) payments of One Hundred Twenty-Five Thousand Dollars (\$125,000) each will be transmitted to the Administrator in nine (9) month intervals, with the second payment due no later than nine (9) months after the first payment is made, the third payment due no later than nine (9) months after the second payment is made, and the fourth payment due no later than nine (9) months after the third payment is made. In the event that Defendants default on any of the payments, or pay any of the Gross Settlement Amount payment installments late, then the subsequent payments shall be made nine (9) months after the date when the payments should have been made in the absence of a default or late payment.

4.3.3 Defendants agree that, in the event that any installment payment is not made, and default is not cured within 7 days of any Default Notice provided, that all such remaining payments due shall be accelerated and the entirety of the remainder of the Gross Settlement Amount shall be due and payable immediately. Defendants further agree that (1) Plaintiffs shall be entitled to enforce, collect, and exercise all other remedies at law or equity, including but not limited to enforcement and/or executing the Judgment; (2) Defendants waive any and all rights to a hearing upon entry of judgment, as permitted by, inter alia, *Rooney v. Vermont Investment Corp.*, 10 Cal. 3d 351 (1976); (3) Defendants waive any and all rights they may have to (a) stay the enforcement of any judgment; (b) request or have a new trial, and/or (c) request or have an appeal from the entry of judgment which is entered as a result of the Stipulation; (4) Defendants waive any rights granted under sections 583.310 and 583.410 of the California Code of Civil Procedure; and (5) Defendants waive the filing of military affidavits, or filing and serving a copy of the Memorandum of Costs and Disbursements.

4.3.4 Defendants agree to provide within ten days' request from Plaintiffs and

Class Counsel, throughout the period in which the Gross Settlement Amount settlement payments are to be paid as set forth above, and thereafter if the payments are extended for any reason, current, complete, and if available, audited financial documents, including but not limited to tax returns, income statements, cash flow statements, and balance sheets.

- 4.4. Payments from the Gross Settlement Amount. Within 14 days after Defendants fund each installment of the Gross Settlement Amount, the Administrator will mail checks for the pro rata share of Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representatives' Service Payments. For avoidance of doubt, after each installment payment, the Administrator shall mail twenty-five percent (25%) of each of the following: the Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representatives' Service Payments.
 - 4.4.1. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members 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 Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.
 - 4.4.2. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose 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.
 - 4.4.3. For any Class Member 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 Class Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).

- 4.4.4. The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendants 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.

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

- 5.1. Plaintiffs' Release. Plaintiffs fully release and forever discharge Defendants and the Released Parties from any and all claims, causes of action, damages, wages benefits, expenses, penalties, debts, liabilities, demands, obligations, attorney's fees, costs, and any other form of relief or remedy in law, equity, or whatever kind or nature, whether known or unknown, suspected or unsuspected that arise from or are related to Plaintiffs' employment by Defendants or the Action, including but not limited to: (1) the Action and any claims arising out of or related to the Action; (2) any claims under federal, state or local law for or relating to wages, benefits, compensation, vacation or other paid time off, and claims for liquidated damages, penalties, or costs and fees associated therewith, including under the California Labor Code; (3) wrongful termination, discrimination, harassment, and/or retaliation, including under the California Fair Employment and Housing Act, Title VII of the Civil Rights Act of 1964, the Family Medical Leave Act, the California Family Rights Act, the Americans with Disabilities Act, the Equal Pay Act, the California Labor Code, the California Government Code, (4) any act, omission, or occurrence or claim arising out of or related to the Action or Plaintiffs' employment or termination thereof with Defendants taking place on or before the Effective Date; and (5) any other form of relief or remedy of any kind, nature, or description whatsoever, whether premised on statute, contract, tort, or other theory of liability under state, federal, or local law. Plaintiffs' 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 facts or law different from, or in addition to, the facts or law that Plaintiffs now know or believe to be true but agree, nonetheless, that Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them.
- 5.2. 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.**

5.3. Released Class Claims By Participating Class Members Who Are Not Aggrieved Employees: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint and Plaintiffs' PAGA Notice, including claims under the California Labor Code, California Industrial Welfare Commission Wage Orders, regulations, and/or other provisions of law, including claims for any alleged or actual failures to timely, fully, properly, or completely pay any minimum wages, regular wages, overtime premium wages, meal or rest period premium wages, or other wages owed to the Participating Class Members; any and all alleged or actual failures to comply with meal or rest period requirements; any alleged or actual failures to provide proper, accurate, timely, adequately descriptive, or complete wage statements or pay stubs; any and all alleged or actual failures to fully or properly reimburse or indemnify for any and all employment-related expenses; any and all alleged or actual failures to pay all wages, or compensation owed to a fired, quitting, or otherwise departing employee; any and all alleged or actual unfair business practices; and any and all alleged or actual failures to pay any interest or penalties owed as a result of any and all of the foregoing.

5.3.1. Except as set forth in Paragraph 5.3 of this Agreement, Participating 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.

5.4. Released PAGA Claims by Aggrieved Employees: The State of California and all Aggrieved Employees, including Non-Participating Class Members who are Aggrieved Employees, are deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties from the claims for civil penalties for the violations of the California Private Attorneys General Act of 2004 that were alleged, or could have been alleged, based on the facts alleged in the Operative Complaint and/or the PAGA Notice during the PAGA Period.

6. **MOTION FOR PRELIMINARY APPROVAL.** The Parties agree Plaintiffs will prepare and file a motion for preliminary approval ("Motion for Preliminary Approval") that complies with the Court's current checklist for Preliminary Approvals.

6.1. Defendants' Declaration in Support of Preliminary Approval. Within 15 days of the full execution of this Agreement, Defendants will prepare and deliver to Class Counsel a signed Declaration from Defendants and Defense Counsel disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator. In their Declarations, Defense Counsel and Defendants shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.2. Plaintiffs' Responsibilities. Plaintiffs 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 the Administrator attaching its “not to exceed” bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiffs, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiffs 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 each Class Counsel firm attesting to its competency to represent the Class Members; its 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 (vi) all facts relevant to any actual or potential conflict of interest with Class Members.

- 6.3. Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than 30 days after the full execution of this Agreement; obtaining a prompt 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 to the Administrator.
- 6.4. Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, 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 resolve the disagreement. 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.

7. SETTLEMENT ADMINISTRATION.

- 7.1. Selection of Administrator. The Parties have jointly selected Phoenix to serve as the Administrator and verified that, as a condition of appointment, Phoenix agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties 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.
- 7.2. 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.

- 7.3. 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.
- 7.4. Notice to Class Members.
 - 7.4.1. 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 in the Class Data.
 - 7.4.2. Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service (“USPS”) 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.
 - 7.4.3. Not later than 5 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 Notice is returned by the USPS a second time.
 - 7.4.4. The deadlines for Class Members’ written objections, challenges to Workweeks and/or Pay Periods and Requests for Exclusion will be extended an additional 14 days beyond the 45 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.
 - 7.4.5. If the Administrator, Defendants or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith, in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 14 days after receipt of Class Notice, or the deadline dates in the Class Notice, which ever are later.
- 7.5. Requests for Exclusion (Opt-Outs).
 - 7.5.1. Class Members who wish to exclude themselves (opt-out of) the Class

Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than 45 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

- 7.5.2. The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.
- 7.5.3. Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 5.3 and 5.4 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.
- 7.5.4. Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 5.4 of this Agreement and are eligible for an Individual PAGA Payment.
- 7.6. Challenges to Calculation of Workweeks. Each Class Member shall have 45 days after the Administrator mails the Class Notice (plus an additional 14 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 in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks 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's allocation of Workweeks and/or 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. The Court will have the final authority in the event that challenges from Class Members remain unresolved.

7.7. Objections to Settlement.

7.7.1. Only Participating Class Members may object to the class action components of the 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 Payment.

7.7.2. Participating Class Members may send written objections to the Administrator, by fax, email, or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than 45 days after the Administrator's mailing of the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed). Not later than 5 days after the expiration of the deadline for submitting Objections, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Objections; and (b) copies of all Objections submitted (whether valid or invalid).

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

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

7.8.1. Website, Email Address and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and Class Representative Service Payment, the Final Approval and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.

7.8.2. Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than 5 days after the expiration of the deadline for submitting Requests for Exclusion, the Administrator shall email a list to Class Counsel and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Requests for Exclusion ("Exclusion List"); (b) the names and other identifying information of Class Members who have submitted invalid Requests for Exclusion; (c)

copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).

- 7.8.3. Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments (“Weekly Report”). The Weekly Reports must include the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.
- 7.8.4. Workweek and/or Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or Pay Periods. The Administrator’s decision shall be final and not appealable or otherwise susceptible to challenge, unless the Court determines otherwise.
- 7.8.5. Administrator’s Declaration. Not later than 14 days before the date by which Plaintiffs are required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its 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.
- 7.8.6. Final Report by Settlement Administrator. Within 10 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 15 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. **DEFENDANTS’ RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 5% of the total Class Members, Defendants may elect, but are not obligated, to withdraw from the Settlement. The Parties agree that, if Defendants withdraw, 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, Defendants will remain responsible for paying all Settlement Administration

Expenses incurred to that point. Defendants must notify Class Counsel and the Court of its election to withdraw not later than seven days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

9. **CLASS SIZE ESTIMATES and ESCALATOR CLAUSE.** Defendants estimate that, as of May 29, 2024, the number of workweeks for all Class Members from January 31, 2019 to May 29, 2024 was approximately 40,000 (“Workweek Amount”). Should the final Workweek Amount increase by more than 10% (i.e. more than 4,000 additional work weeks such that the final workweeks being released are greater than 44,000) for the Class Period, the Gross Settlement Amount shall be increased proportionally by the workweeks in excess of 44,000 such that if the workweeks are 12% greater than the certified amount above, the Gross Settlement Amount will increase by 2%.
10. **MOTION FOR FINAL APPROVAL.** Not later than 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), a Proposed Final Approval Order and a proposed Judgment (collectively “Motion for Final Approval”). Plaintiffs shall provide drafts of these documents to Defense Counsel not later than five days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.
 - 10.1. Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five 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 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 Participating 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 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, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. 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 Defendants that any of the allegations in the Operative Complaint have merit or that Defendants have any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that Defendants' 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, Defendants reserve the right to contest certification of any class for any reason, and Defendants reserve all available defenses to the claims in the Action, and Plaintiffs reserve the right to move for class certification on any grounds available and to contest Defendants' defenses. The Settlement, this Agreement and 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 Prior to Preliminary Approval. Plaintiffs, Class Counsel, Defendants and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, 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, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter;

(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.

- 12.3. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiffs, Class Counsel, Defendants and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, any with 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. This paragraph does not restrict Class Counsel’s communications with Class Members in accordance with Class Counsel’s ethical obligations owed to Class Members.
- 12.4. No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel’s ability to communicate with Class Members in accordance with Class Counsel’s ethical obligations owed to Class Members.
- 12.5. 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.
- 12.6. Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiffs and Defendants, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 12.7. Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 12.8. No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 12.9. No Tax Advice. Neither Plaintiffs, Class Counsel, Defendants nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

- 12.10. 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.
- 12.11. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 12.12. 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.
- 12.13. 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.
- 12.14. 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.
- 12.15. Use and Return 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 Defendants 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, Plaintiffs shall destroy, all paper and electronic versions of Class Data received from Defendants unless, prior to the Court's discharge of the Administrator's obligation, Defendants make a written request to Class Counsel for the return, rather than the destructions, of Class Data.
- 12.16. 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.
- 12.17. Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. 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.
- 12.18. 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 Plaintiffs:

Bartz Law Group APC
5151 California Ave., Suite 100
Irvine, CA 92617
Attn: Aaron A. Bartz
aaron@bartzlawgroup.com

To Defendants:

Bradley, Gmelich & Wellerstein LLP
 700 North Brand Blvd., 10th Floor
 Glendale, CA 91203-1202
 Attn: Jaimee Wellerstein/Jean-Paul Le Clercq
 jwellerstein@bgwlawyers.com
 jpleclercq@bgwlawyers.com

- 12.19. 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.
- 12.20. 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.

IT IS SO AGREED:

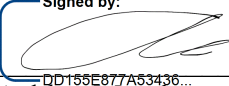
10/17/2024
 Dated: September __, 2024

DocuSigned by:
Alixus Cortez
 0992608C30004F5...
 Plaintiff Alixus Cortez

Dated: September ²² __, 2024

DocuSigned by:
K. Thibodeaux
 81B59D71407D498...
 Plaintiff Kiara Thibodeaux

Dated: September ²³ __, 2024

Signed by:

 0D155E877A53436...
 Plaintiff Ashley Mendez

9/19/2024
 Dated: September __, 2024

Signed by:
Manuy Jimenez
 395F778E34184AD...
 Manuel Jimenez, o/b/o Black Knight Patrol, Inc.

9/19/2024
 Dated: September __, 2024

Signed by:
Manuy Jimenez
 395F778E34184AD...
 Manuel Jimenez, as an individual

APPROVED AS TO FORM

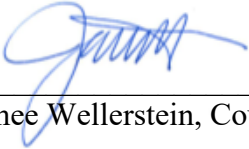
Dated: September ²⁰ , 2024

Signed by:

EC5A3FE789D1423...

Aaron Bartz, Class Counsel

Dated: September 18, 2024



Jaimee Wellerstein, Counsel for Defendants

EXHIBIT A

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

Alixus Cortez et al. v. Black Knight Patrol, Inc.

Case No. 23STCV02135

The Superior Court for the State of California authorized this Notice. Read it carefully!

It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.

You may be eligible to receive money from an employee class action lawsuit (“Action”) against Black Knight Patrol, Inc. and Manuel Jimenez (“Defendants”) for alleged wage and hour violations. The Action was filed by former employees Alixus Cortez, Kiara Thibodeaux, and Ashley Mendez (“Plaintiffs”) and seeks payment of (1) past due wages and other relief for a class of all current and former employees (“Class Members”) who worked for Defendants during the Class Period (January 31, 2019 to [date of preliminary approval]) ; and (2) penalties under the California Private Attorney General Act (“PAGA”) for all current and former employees who worked for Defendants during the PAGA Period (January 25, 2022 to date of preliminary approval) (“Aggrieved Employees”).

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

Based on Defendants’ records, and the Parties’ current assumptions, **your Individual Class Payment is estimated to be \$_ (less withholding) and your Individual PAGA Payment is estimated to be \$_____**. The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to Defendants’ records you are not eligible for an Individual PAGA Payment under the Settlement because you didn’t work during the PAGA Period.)

The above estimates are based on Defendants’ records showing that **you worked __ workweeks** during the Class Period and **you worked _____ workweeks** during the PAGA Period. If you believe that you worked more workweeks during either period, you can submit a challenge by the deadline date. See Section D 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 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 Defendants to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendants.

If you worked for Defendants 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 Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against Defendants.
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class 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 Defendants, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

Defendants 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 Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Defendants 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 _____	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. 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 F of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. Defendants must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by _____	All Class Members who do not opt-out ("Participating 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, but every dollar paid to Class Counsel and Plaintiffs reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiffs if you think they are unreasonable. See Section G of this Notice.

You Can Participate in the _____ Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on _____. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section H of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by _____	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number of Class Period Workweeks and number of PAGA Period Pay Periods you worked according to Defendants' records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by _____. See Section D of this Notice.

A. WHAT IS THE ACTION ABOUT?

Plaintiffs are current and former employees of Defendants. The Action accuses Defendants of violating California labor laws by failing to pay overtime wages, minimum wages, wages due upon termination and reimbursable expenses and failing to provide meal periods, rest breaks and accurate itemized wage statements. Based on the same claims, Plaintiffs have also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) ("PAGA"). Plaintiffs are represented by attorneys in the Action: Bartz Law Group APC ("Class Counsel.") Defendants strongly deny violating any laws or failing to pay any wages and contends it complied with all applicable laws.

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

So far, the Court has made no determination whether Defendants or Plaintiffs are correct on the merits. In the meantime, Plaintiffs and Defendants hired an experienced, neutral mediator in an effort to resolve the Action by negotiating an to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement ("Agreement") and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiffs and Defendants have negotiated a proposed Settlement that is subject to the Court's Final Approval. Both sides agree the proposed Settlement is a compromise of disputed claims. By agreeing to settle, Defendants do not admit any violations or concede the merit of any claims. Plaintiffs and Class Counsel strongly believe the Settlement is a good deal for you because they believe that: (1) Defendants have agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) Settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the proposed Settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

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

1. Defendants will Pay Five Hundred Thousand Dollars (\$500,000.00) as the Gross

Settlement Amount (Gross Settlement) in four equal installments of \$125,000, with the first installment payment coming on the earlier of 14 business days after the Court's Final Approval, or March 18, 2025. The remaining installment payments which each be paid within nine (9) months of each prior payment, in approximately January 2026, October 2026, and July 2027. Defendants have agreed to deposit the Gross Settlement installment payments into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel's attorney's fees and expenses, the Administrator's expenses, and penalties to be paid to the California Labor and Workforce Development Agency ("LWDA"). Assuming the Court grants Final Approval, Defendants will fund the Gross Settlement as further set forth above. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.

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, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - a. Up to One Hundred Sixty-Six Thousand, Six Hundred Sixty-Six Dollars (\$166,666) (one-third of the Gross Settlement) to Class Counsel for attorneys' fees and up to Fifteen Thousand Dollars (\$15,000.00) for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - b. Up to Twenty-Two Thousand Five Hundred Dollars (\$22,500.00) total (\$7,500 to each Plaintiff) to Plaintiffs as Class Representative Awards for filing the Action, working with Class Counsel and representing the Class. The Class Representative Awards will be the only monies Plaintiffs will receive other than Plaintiffs' Individual Class Payment and any Individual PAGA Payment.
 - c. Up to Twenty-One Thousand Two-Hundred Fifth Dollars (\$21,250.00) to the Administrator for services administering the Settlement.
 - d. Up to Ten Thousand Dollars (\$10,000.00) for PAGA Penalties, allocated 75% to the LWDA PAGA Payment (\$7,500) and 25% in Individual PAGA Payments (\$2,500) to the Aggrieved Employees based on their PAGA Period Pay Periods. Participating 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 Class Payments to Participating Class Members based on their Class Period Workweeks.
4. Taxes Owed on Payments to Class Members. Plaintiffs and Defendants are asking the Court to approve an allocation of 20% of each Individual Class Payment to taxable wages ("Wage Portion") and 80% to interest and penalties ("Non-Wage Portion"). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms.

Defendants will separately pay employer payroll taxes it owes 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 Defendants have agreed to these allocations, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any 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 re-distributed, on a pro rata basis, to those class members who have cashed their checks.
6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than **[DATE]**, that you wish to opt-out. In order to opt-out of the Settlement, you should complete the Request for Exclusion Form included with this Notice, by setting forth your name, present address, telephone number, and returning the form to the Administrator by the date set forth above. 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 Defendants.

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 Defendants based on the PAGA Period 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 Defendants have agreed that, in either case, the Settlement will be void: Defendants will not pay any money and Class Members will not release any claims against Defendants.
8. Administrator. The Court has appointed a neutral company, **[INSERT]** (the "Administrator") to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Administrator will also decide Class Member Challenges over 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 I of this Notice.
9. Participating Class Members' Release. After the Judgment is final and Defendants have fully funded all installment payments of the Gross Settlement (and separately paid the employer-side payroll taxes), Participating Class Members will be legally barred

from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendants or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement. The Participating Class Members will be bound by the following release:

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint and Plaintiffs' PAGA Notice, including claims under the California Labor Code, California Industrial Welfare Commission Wage Orders, regulations, and/or other provisions of law, including claims for any alleged or actual failures to timely, fully, properly, or completely pay any minimum wages, regular wages, overtime premium wages, meal or rest period premium wages, or other wages owed to the Participating Class Members; any and all alleged or actual failures to comply with meal or rest period requirements; any alleged or actual failures to provide proper, accurate, timely, adequately descriptive, or complete wage statements or pay stubs; any and all alleged or actual failures to fully or properly reimburse or indemnify for any and all employment-related expenses; any and all alleged or actual failures to pay all wages, or compensation owed to a fired, quitting, or otherwise departing employee; any and all alleged or actual unfair business practices; and any and all alleged or actual failures to pay any interest or penalties owed as a result of any and all of the foregoing.

10. Aggrieved Employees' PAGA Release. After the Court's judgment is final, and Defendants have paid all installments of the Gross Settlement (and separately paid the employer-side payroll taxes), all Aggrieved Employees will be barred from asserting PAGA claims against Defendants, whether or not they exclude themselves from the Settlement. This means that all Aggrieved Employees, including those who are Participating Class Members and those who opt-out of the Class Settlement, cannot sue, continue to sue, or participate in any other PAGA claim against Defendants or related entities based on the PAGA Period facts alleged in the Action and resolved by this Settlement. The Aggrieved Employees' Releases for Participating and Non-Participating Class Members are as follows:

The State of California and all Aggrieved Employees, including Non-Participating Class Members who are Aggrieved Employees, are deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties from the claims for civil penalties for the violations of the California Private Attorneys General Act of 2004 that were alleged, or could have been alleged, based on the facts alleged in the Operative Complaint and/or the PAGA Notice during the PAGA Period.

D. 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 Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class

Member.

2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$2,500 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.
3. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Defendants' records, are stated in the first page of this Notice. You have until **DATE** 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 I** 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 Defendants' calculation of Workweeks and/or Pay Periods based on Defendants' 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 and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and Defendants' Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

E. HOW WILL I GET PAID?

1. Participating Class Members. The Administrator will send, by U.S. mail, a single check to every Participating Class Member (i.e., every Class Member who doesn't opt-out) including those who also qualify as Aggrieved Employees. The single check will combine the Individual Class Payment and the Individual PAGA Payment.
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 check 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 I of this Notice has the Administrator's contact information.

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

Submit the Request for Exclusion Form included herein with your name, present address, and telephone number. Be sure to personally sign the Request for Exclusion Form. You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by **DATE**, or it will be invalid.** Section I of the Notice has the Administrator's contact information.

G. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. If you wish to remain a Class Member, but you object to the proposed settlement (or any of its terms) and wish the Court to consider your objection at the Final Approval Hearing, you may object to

the proposed settlement in writing using the attached Objection Form. You may also appear at the Final Approval Hearing, either in person or through an attorney at your own expense. All written objections, supporting papers, and/or notices of intent to appear at the Final Approval Hearing must clearly identify the case name and number and be mailed to the Settlement Administrator, _____, at _____. Objections must be postmarked no later than _____ [45 days after mailing]. You still may appear at the Final Approval Hearing and raise an objection to the settlement even if you did not submit written objections within this 45-day deadline.

H. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on **[DATE]** at **[TIME]** in Department 1 of the Los Angeles Superior Court, Spring Street Courthouse, located at 312 North Spring Street, Los Angeles, CA 90012. 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 Class Counsel, Plaintiffs, and the Administrator. At the Final Approval Hearing, the Court will hear all objections, as well as arguments for and against the proposed Settlement. You have a right to attend this hearing, but you are not required to do so. You also have the right to hire an attorney to represent you, at your own expense, or to enter an appearance and represent yourself.

I. HOW CAN I GET MORE INFORMATION?

The above is a summary of the basic terms of the settlement. For the precise terms and conditions of the settlement, 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 (<http://www.lacourt.org/casesummary/ui/index.aspx>) and entering the Case Number for the Action, Case No. 23STCV02135. You can also make an appointment to personally review court documents in the Clerk's Office at the Stanley Mosk Courthouse by calling (213) 830-0800.

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

Class Counsel:

Aaron A. Bartz, Esq.
BARTZ LAW GROUP, APC
5151 California Ave., Suite 100
Irvine, California 92617
Telephone: (949) 504-4413

Settlement Administrator:

Name of Company
Email Address:

Mailing Address:

Telephone:

Fax Number:

J. 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 will have no way to recover the money.

K. 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

BARTZ LAW GROUP, APC

5151 California Ave., Suite 100

Irvine, California 92617

(949) 504-4413

aaron@bartzlawgroup.com

January 25, 2023

Notice Via Online Submission

PAGA Administrator
California Labor and Workforce Development Agency

Via Certified Mail (Return Receipt Requested)

Black Knight Patrol Inc.
c/o Manuel Jimenez
Agent for Service of Process
505 S. Pacific Ave., Suite 201
San Pedro, CA 90731

Re: *PAGA Letter – Alixus Cortez; Kiara Thibodeaux; Ashley Mendez v. Black Knight Patrol, Inc.*

Dear PAGA Administrator:

Please be advised that Bartz Law Group, APC represents Alixus Cortez, Kiara Thibodeaux, and Ashley Mendez and all other similarly situated aggrieved employees (“Plaintiffs”) with respect to their employment in California with Black Knight Patrol Inc. (“Employer”).

Employer has committed numerous violations of the California Labor Code, including, but not limited to, sections 201, 202, 203, 204, 226, 226.7, 510, 512, 1174, 1194, 1198, 1198.5, and 2802. The facts and theories to support the alleged violations are set forth herein.

Employer provides security services to clients in California. Plaintiffs Cortez, Thibodeaux, and Mendez have been employed as non-exempt security guards by Employer, and continue to be employed in that capacity. Plaintiffs worked for Employer in California within the last year, and were subject to the same wage and hour violations as Plaintiffs Cortez, Thibodeaux, and Mendez.

A. Failure to Pay All Wages

Employer has regularly failed to pay Plaintiffs Cortez, Thibodeaux and Mendez and all other aggrieved employees all wages that they are owed, based upon Employer’s policy and practice of failing to pay for all hours worked, by requiring Plaintiffs to show up to their shifts early and stay after their shifts for briefings without payment. As such, Employer fails to pay all straight time, minimum wages, and overtime wages for all hours worked.

Labor Code § 204(a) provides in pertinent part that “[a]ll wages, other than those mentioned in [Labor Code] Section 201, 201.3, 202, 204.1, or 204.2, earned by any person in any employment

are due and payable twice during each calendar month, on days designated in advance by the employer as the regular paydays. Labor performed between the 1st and 15th days, inclusive, of any calendar month shall be paid for between the 16th and the 26th day of the month during which the labor was performed, and labor performed between the 16th and the last day, inclusive, of any calendar month, shall be paid for between the 1st and 10th day of the following month.” Pursuant to Labor Code § 204(b)(1), moreover, “all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period.” Here, Employer did not pay Plaintiffs’ all wages owed in a timely manner, based on the allegations above, thereby violating Labor Code § 204.

B. Meal Breaks

Employer has adopted, implemented and enforced uniform meal period policies that are not lawful under California law. Employer is required to provide a first meal period no later than the end of the 5th hour of work, and a second meal period no later than the end of the 10th hour of work. Plaintiffs are required to remain at their posts, vigilant and ready to respond to activities, during their meal periods. Moreover, Plaintiffs’ meal periods often were late, missed, or short, because Plaintiffs were required to attend to their work duties, and Employer did not have sufficient staffing to allow Plaintiffs to take their meal periods duty-free. Plaintiffs frequently have to work through their meal periods, and even when getting their meal period, Plaintiffs are often interrupted and/or otherwise meal periods are taken while Plaintiffs are still attending to work activities, and as such, the meal periods are not duty-free.

Employer has also failed to pay Plaintiffs one hour of pay at their regular rate of pay for each workday that a compliant meal period was not provided. As such, Employer has violated Labor Code §§ 226.7 and 512.

C. Rest Breaks

Employer failed to adopt, implement, or enforce a rest break policy that complied with California law. Employer failed to authorize and permit Plaintiffs to take duty-free rest periods of 10 minutes for every four hours worked or major fraction thereof, by requiring Plaintiffs to regularly work through their rest periods to complete their duties. Employer requires Plaintiffs to be on-call during their rest periods, and requires Plaintiffs to remain on the premises during their rest periods. Moreover, Employer imposed obstacles to taking of rest periods, including restricting Plaintiffs from taking their rest periods because they were attending to work-related activities, disciplining Plaintiffs when they left their posts to take rest periods, and otherwise discouraging the taking of rest periods. As a result of Employer’s lack of a rest break policy that complies with California law, Employer has violated Labor Code section 226.7.

Employer also failed to pay Plaintiffs one hour of pay at their regular rate of pay for each workday that a compliant rest period was not authorized or permitted. As such, Employer has violated Labor Code §§ 226.7 and 512.

D. Failure to Reimburse Expenses

Employer also failed to reimburse Plaintiffs for all of their necessary and reasonable expenses incurred on behalf of the Employer. For example and without limitation, Plaintiffs were required to use their personal cell phones for company business, including responding to work calls and text messages on their personal cell phones, but Employer fails and refuses to reimburse Plaintiffs for the usage of their personal cell phones for work purposes.

E. Wage Statement Violations

In conjunction with the above-referenced violations, Employer willfully failed to provide properly itemized wage statements to Plaintiffs pursuant to Labor Code section 226. Violations include, but are not limited to: failure to provide itemized wage statements; an inaccurate showing of wages due and owing, failing to include gross wages earned as a result of not showing the correct or any meal and rest period premium payments on Plaintiffs' paystubs, failing to show all hourly rates in effect and the corresponding number of hours at each hourly rate, and failing to maintain accurate payroll and itemized wage statements. The failure to provide accurate itemized wage statements violates Labor Code § 226 and 1174.

F. Waiting Time Penalties

Employer willfully failed and refused to timely pay all compensation due and owing to Plaintiffs whose employment was terminated during the relevant time period, by failing to pay overtime, straight time and minimum wages for all hours worked, failing to pay Plaintiffs the regular rate of pay for overtime hours worked, and failing to pay Plaintiffs for an extra hour at the regular rate of pay because Employer failed to provide compliant meal and rest periods. As such, Employer is liable for accrued wages due, and waiting time penalties owed, in accordance with Labor Code §§ 201, 202, and 203.

CONCLUSION

Pursuant to Labor Code Section 2699.3, the undersigned, on behalf of Plaintiffs Alixus Cortez, Kiara Thibodeaux, and Ashley Mendez and other aggrieved employees, are providing written notice of the alleged Labor Code violations. Please advise the undersigned if the agency intends to investigate the alleged violations. If not, Plaintiffs intend to pursue their claims under PAGA in a representative action lawsuit. Please also consider this letter as providing notice on behalf of other similarly aggrieved employees working for Employer, that were subject to the same Labor Code violations described above.

Should you have any questions with respect to the above, please do not hesitate to contact the undersigned.

Very truly yours,

BARTZ LAW GROUP, APC

/s/ Aaron A. Bartz
Aaron A. Bartz

EXHIBIT C

Aaron A. Bartz (SBN 198722)
 BARTZ LAW GROUP, APC
 5151 California Ave., Suite 100
 Irvine, California 92617
 Tel: (949) 504-4413 / Fax: (949) 656-7760
 Email: aaron@bartzlawgroup.com

Attorneys for Plaintiffs ALIXUS CORTEZ, KIARA THIBODEAUX, ASHLEY MENDEZ, and all others similarly situated

**SUPERIOR COURT OF THE STATE OF CALIFORNIA
 FOR THE COUNTY OF LOS ANGELES**

ALIXUS CORTEZ, an individual; KIARA THIBODEAUX, an individual; ASHLEY MENDEZ, an individual; on behalf of themselves and all others similarly situated and the general public,

Plaintiffs,

v.

BLACK KNIGHT PATROL, INC., a California corporation; and DOES 1 to 100, inclusive,

Defendants.

) Case No.: 23STCV02135

) [Assigned for all purposes to the Hon. Stuart M. Rice, Dept. 1]

) CLASS ACTION

) **SECOND AMENDED COMPLAINT FOR:**

-) 1. Violation of B&PC §17200, et seq.
-) 2. Violation of Labor Code §§ 204, 510, 1194 and 1198;
-) 3. Violation of Labor Code §§ 200, et seq.;
-) 4. Failure to Pay Meal and Rest Break Premiums at the Proper Regular Rate of Pay (Labor Code §226.7)
-) 5. Failure to Provide & Maintain Accurate Wage Statements Pursuant to Labor Code §226;
-) 6. Failure to Provide Meal Periods (Lab. Code §226.7);
-) 7. Failure to Provide Rest Breaks (Lab. Code §226.7);
-) 8. Failure to Reimburse Expenses (Lab. Code §2802);
-) 9. Violation of Labor Code §§2698-2699 (PAGA).

) **DEMAND FOR JURY TRIAL**

1 Plaintiffs ALIXUS CORTEZ, KIARA THIBODEAUX, and ASHLEY MENDEZ, on
2 behalf of themselves and all other persons similarly situated, and the general public
3 (hereinafter, “Plaintiffs”), hereby complain against Defendant, BLACK KNIGHT PATROL,
4 INC., a California corporation (“Black Knight”) and Manuel Jimenez (“Jimenez”); and DOES
5 1 to 100, inclusive (hereinafter Black Knight, Jimenez and Does 1-100 are collectively
6 referred to herein as “Defendants”), and on information and belief allege as follows:

7 **GENERAL ALLEGATIONS**

8 **JURISDICTION**

9 1. This is a civil action seeking recovery of unpaid wages, waiting time penalties,
10 pay stub penalties and meal and rest period premiums under California Labor Code §§ 510,
11 1194 et seq., 201 et seq., 226 and 226.7. Plaintiffs bring an action for monetary damages for
12 failure to pay wages as well as for restitution for Defendants’ violations of Business and
13 Professions Code (B&PC) §17200, et seq., including full restitution of all compensation
14 retained by Defendants as a result of their unlawful, fraudulent and unfair business practices.
15 Plaintiffs seek all available relief, including full restitution of all compensation retained by
16 Defendants as a result of their unlawful and unfair business practices. Further, Plaintiffs seek
17 injunctive relief under B&PC §17200, et seq.

18 **VENUE**

19 2. Venue as to each of the Defendants is proper in this judicial district pursuant to
20 California Code of Civil Procedure (CCP) §§ 395(a) and 395.5, as at least some of the acts
21 complained of herein occurred in the County of Los Angeles. Each defendant either owns,
22 maintains offices, transacts business, has an agent or agents within the County of Los
23 Angeles, or otherwise is found within the County of Los Angeles, and each defendant is
24 within the jurisdiction of this Court for purposes of service of process.

25 **PARTIES**

26 3. Plaintiffs Alixus Cortez (“Cortez”), Kiara Thibodeaux (“Thibodeaux”) and
27 Ashley Mendez (“Mendez”) are all individuals over the age of eighteen (18). At all relevant
28

1 times herein, Plaintiffs Cortez, Thibodeaux, and Mendez worked for Defendants within the
2 State of California.

3 4. Plaintiffs are informed and believe and thereon allege that at all times
4 mentioned herein, defendant Black Knight is and was a California corporation. Plaintiffs are
5 further informed and believe that Jimenez, at all times mentioned herein, was an owner,
6 officer and/or director of defendant Black Knight.

7 5. Plaintiffs are informed and believe and thereon allege that at all times
8 mentioned herein, Defendants Black Knight and Jimenez were authorized to do business in
9 the State of California, County of Los Angeles, and offering security guard services. Thus,
10 each named defendant and DOES 1 to 100 are subject to B&PC §17200, et seq. (Unfair
11 Competition Law) and the Labor Code, as hereinafter alleged.

12 6. Plaintiffs do not know the true names or capacities, whether individual,
13 partner, or corporate, of defendants sued herein as DOES 1 to 100, inclusive, and for that
14 reason, those defendants are sued under such fictitious names, and Plaintiffs will seek from
15 this Court leave to amend this Complaint when such true names and capacities are discovered.
16 Plaintiffs are informed and believe and thereon allege that each of the Defendants and each
17 fictitious defendant, whether individual, partners, or corporate, was responsible in some
18 manner for the circumstances alleged herein, and proximately caused Plaintiffs and all others
19 similarly situated hereinafter alleged and the general public to be subjected to the unlawful
20 employment practices, wrongs, injuries and damages complained of herein.

21 7. At all times herein mentioned, each of the Defendants participated in the doing
22 of the acts hereinafter alleged to have been done by the named Defendants; and furthermore,
23 Defendants, and each of them, were the agents, servants, and employees of each and every
24 one of the other Defendants, as well as the agents of all Defendants, and at all times herein
25 mentioned were acting within the course and scope of said agency and employment. Plaintiffs
26 herein allege that Defendants and each of them is the joint employer of Plaintiffs and the
27 classes.
28

8. At all times mentioned herein, Defendants, and each of them, were members of and engaged in a joint venture, partnership, and common enterprise, and acting within the course and scope of and in pursuance of said joint venture, partnership, and common enterprise.

9. At all times herein mentioned, the acts and omissions of various Defendants, and each of them, concurred and contributed to the various acts and omissions of each and every one of the other Defendants in proximately causing the complaints, injuries and damages alleged herein.

10. At all times herein mentioned, Defendants, and each of them, approved of, condoned, and/or otherwise ratified each and every one of the acts or omissions complained of herein. At all times herein mentioned, Defendants, and each of them, aided and abetted the acts and omissions of each and every one of the other Defendants, thereby proximately causing the damages, as herein alleged.

11. The California Superior Court also has jurisdiction in this matter because both the individual and aggregate monetary damages and restitution sought herein exceed the minimal jurisdictional limits of the Superior Court and will be established at trial, according to proof. The California Superior Court also has jurisdiction in this matter because Plaintiffs and the putative classes herein worked within the State of California, and were subject to California's wage and hour laws.

PLAINTIFF CLASSES

12. The class representative Plaintiffs who worked in the position of hourly non-exempt employees or other similar titles while employed by Defendants within the State of California, are as follows:

a. Alixus Cortez

Plaintiff Cortez has worked within California as a security guard for Defendants since April 2022.

b. Kiara Thibodeaux

Plaintiff Thibodeaux has worked within California as a security guard for Defendants

1 since August 2022.

2
3 c. Ashley Mendez

4 Plaintiff Mendez has worked within California as a security guard for Defendants
5 since July 2022.

6 13. At all times mentioned herein, Plaintiffs and the entirety of the hourly Class
7 identified herein are current and former employees of Defendants who were not properly paid
8 all of their wages, including but not limited to, proper premium overtime, and/or double time
9 due to Defendants' failure to properly calculate the regular rate and/or include all hours
10 worked in a week to determine hours over eight (8) in a given day, or forty (40) in a week.

11 **CLASS ACTION ALLEGATIONS**

12 14. Plaintiffs bring this action on behalf of themselves and all others similarly
13 situated as a class action pursuant to CCP §382. The Classes which Plaintiffs seek to
14 represent are composed of and defined as follows:

15 **Class 1:**

16 All non-exempt hourly employees who worked for Defendants in California from
17 2019 through the date of judgment, who were not paid premium overtime and/or double time
18 at the employee's regular rate of pay.

19 **Subclass 1:**

20 All non-exempt hourly employees who worked for Defendants in California who were
21 paid for a missed meal or rest period at an allegedly "reduced" rate of pay from 2019 through
22 the date of judgment (Meal and Rest Reduced Rate Subclass);

23 **Class 2:**

24 All non-exempt hourly employees who worked for Defendants in California from
25 2019 through the date of judgment, who were not paid the minimum wage for all hours
26 worked (Minimum Wage Class);

27 **Class 3:**

1 All non-exempt hourly employees who worked for Defendants in California and who
2 worked at some point from 2020 through the present, who are no longer employed with
3 Defendants and to whom Defendants willfully failed to pay all wages due upon separation
4 from Defendants (Waiting Time Penalty Class);

5 **Class 4:**

6 All non-exempt hourly employees who worked for Defendants in California from
7 2019 to the present who were not provided legally compliant meal periods (Meal Break
8 Class);

9 **Class 5:**

10 All non-exempt hourly employees who worked for Defendants in California from
11 2019 through the present who were not provided legally-compliant rest breaks (Rest Break
12 Class);

13 **Class 6:**

14 All non-exempt hourly employees who worked for Defendants in California from
15 2022 through the present who were provided a paystub (a.k.a. wage statement) which failed to
16 list all hours actually worked and wages owed (Pay Stub Class).

17 **Class 7:**

18 All non-exempt hourly employees who worked for Defendants in California from
19 2019 through the present who were not reimbursed for their necessary and reasonable
20 business expenses (Reimbursement Class).

21 The members of the classes are so numerous that joinder of all members would be
22 unfeasible and not practicable. The membership of the classes are unknown to Plaintiffs at
23 this time; however, it is estimated that the classes number greater than 100 individuals. The
24 identity of such membership is readily ascertainable via inspection of Defendants'
25 employment records.

26 15. There are common questions of law and fact as to Plaintiffs and all others
27 similarly situated which predominate over questions affecting only individual members
28 including, without limitation to:

- i. Whether Defendants paid their employees proper premium overtime and/or double time at the employees' regular rate for hours over eight (8) in a day and/or forty (40) hours in a week, in paying their hourly non-exempt employees;
- ii. Whether Defendants violated the applicable Labor Code provisions including §510, 1194, and 203 by requiring substantial overtime work and not paying for said work according to the overtime laws of the State of California;
- iii. Whether Defendants failed to pay the appropriate premium overtime compensation to the hourly employees;
- iv. Whether Defendants improperly retained, appropriated or deprived Plaintiffs and the class members of the use of monies or sums to which Plaintiffs and the class were legally entitled;
- v. Whether Defendants engaged in unfair business practices;
- vi. Whether Defendants, and each of them, were participants in the alleged unlawful conduct;
- vii. Whether Defendants' conduct was willful or reckless;
- viii. The effect upon and the extent of injuries suffered by Plaintiffs and all others similarly situated and the appropriate amount of compensation;
- ix. The appropriate amount of monetary penalties allowed by Labor Code §201, et. seq.;
- x. Whether Defendants pay and continue to pay for missed meal and rest period premiums at an allegedly "reduced" rate of pay in violation of Section 11 of the applicable Wage Orders;
- xi. Whether Defendants violated Labor Code §226 and relevant IWC Wage Orders by failing to, among other violations, accurately report total hours worked, all applicable hourly rates in effect during each pay

period and the corresponding number of hours worked at each hourly work, by Plaintiffs and the members of the Class;

xii. Whether Defendants knowingly and intentionally failed to maintain records for Plaintiffs and members of the Class as required by Labor Code § 1174 and the applicable IWC Wage Orders;

xiii. Whether Defendants failed to reimburse Plaintiffs and the class members for necessary expenditures incurred in the performance of their work for Defendants;

16. Plaintiffs' claims are typical of the claims of all members of the classes and subclasses mentioned herein. Plaintiffs, as representative parties, will fairly and adequately protect the interest of the classes by vigorously pursuing this suit through their attorneys who are skilled and experienced in handling matters of this type. Plaintiffs have no claim or interest that is antagonistic to any class member.

17. The nature of this action and the nature of laws available to the members of the classes and subclasses identified herein make use of the class action format a particularly efficient and appropriate procedure to afford relief to Plaintiffs for the wrongs alleged herein. Further, this claim involves a large corporate employer, Defendant Black Knight, and Black Knight's owner, officer and director exercising control over the wages, hours and working conditions of Black Knight's employees, and a large number of individual employees (Plaintiffs and all others similarly situated) with many relatively small claims with common issues of law and fact. If each employee were required to file an individual lawsuit, the corporate defendants would necessarily gain an unconscionable advantage since they would be able to exploit and overwhelm the limited resources of each individual plaintiff with their vastly superior financial and legal resources. Requiring each class member to pursue an individual remedy would also discourage the assertion of lawful claims by employees who would be disinclined to pursue an action against their present and/or former employer for an appreciable and justifiable fear of retaliation and permanent damage to their careers at present and/or subsequent employment. Proof of a common business practice or factual pattern, of

1 which the Plaintiffs experienced, is representative of the class mentioned herein and will
2 establish the right of each of the members of the named class to recovery on the causes of
3 action alleged herein.

4 18. The prosecution of separate actions by the individual class members, even if
5 possible, would create a substantial risk of inconsistent or varying verdicts or adjudications
6 with respect to the individual class members against Defendants herein; and which would
7 establish potentially incompatible standards of conduct for Defendants; and/or (b) legal
8 determinations with respect to individual class members which would, as a practical matter,
9 be dispositive of the interest of the other class members not parties to adjudications or which
10 would substantially impair or impede the ability of the class members to protect their interests.
11 Further, the claims of the individual members of the class are not sufficiently large to warrant
12 vigorous individual prosecution considering all of the concomitant costs and expenses
13 attending thereto.

14 19. Plaintiffs and all others similarly situated are entitled to the wages and other
15 monies unlawfully withheld. This action is brought for the benefit of the public.

16 **FIRST CAUSE OF ACTION**

17 **(Violation of B&PC §17200, et seq.)**

18 20. Plaintiffs re-allege and incorporate by reference herein the allegations of all
19 preceding paragraphs as though fully set forth herein.

20 21. Beginning on an exact date unknown to Plaintiffs but believed to have
21 occurred from 2019 on, Defendants have engaged in a pattern and practice of acts of unfair
22 competition in violation of B&PC §17200, including the practices alleged herein.

23 22. Defendants, and each of them, provide security guard services within
24 California, and have engaged in the practice of paying their non-exempt employees, in a
25 fashion that circumvents California's wage and hour laws.

26 **FAILURE TO PAY PROPER WAGES AND OVERTIME COMPENSATION**

27 23. Plaintiffs are informed and believe and thereon allege that as part of
28 Defendants' ongoing unfair business practices, Defendants' hourly employees worked in

1 excess of eight (8) hours per day, and in excess of forty (40) hours per week without receiving
2 the proper regular rate of pay and/or minimum wage rate because Plaintiffs regularly work
3 off-the-clock hours by showing up early and staying late to receive security briefings, without
4 pay. Defendants are therefore in violation of Labor Code §§ 510 and 1194, and the relevant
5 California Industrial Welfare Commission Orders.

6 24. Defendants, and each of them, consistently administered a corporate policy
7 regarding off-the-clock time, which required that employees work overtime without proper
8 premium overtime pay, the regular rate of pay, and/or minimum wage. This corporate policy
9 and pattern of conduct is accomplished with the advanced knowledge and designed intent to
10 avoid paying non-exempt employees for all hours worked. Accordingly, Plaintiffs and the
11 class members are entitled to all unpaid wages due under California law. Further, Plaintiffs
12 and the class are entitled to restitution of these wages obtained by Defendants, and each of
13 them.

14 **VIOLATION OF LABOR CODE § 200, ET SEQ.**

15 25. Plaintiffs are informed and believe and thereon allege that as part of
16 Defendants' ongoing unfair business practices, Defendants failed to provide all employees all
17 wages at the time of their separation in violation of Labor Code § 200, et. seq., including but
18 not limited to, §§201, 202, 203 & 204.

19 26. Labor Code § 200, et seq. provides that an employer is required to pay an
20 employee all wages (including accrued vacation) immediately upon the employee's
21 involuntary separation from employment; immediately upon his or her voluntary separation if
22 the employee gave at least seventy-two (72) hours notice, and within seventy-two (72) hours,
23 if the employee voluntarily separated, but did not give at least seventy-two (72) hours notice.

24 27. Plaintiffs are informed and believe and thereon allege that all employees who
25 have been separated from Defendants did not timely receive a final paycheck detailing the
26 proper amount of pay from Defendants in violation of Labor Code § 200, et. seq.

27 28. Pursuant to Labor Code § 200, et seq. employees that no longer work for
28 Defendants, and who were not timely paid, are entitled to one (1) day of pay in penalties for

1 each day that he or she was paid late, until payment was made, up to a maximum of thirty (30)
2 days.

3 **VIOLATION OF MEAL AND REST PERIOD PROVISIONS**

4 29. Defendants' improper meal and rest period policies are in violation of
5 California law including, but not limited to Labor Code § 226.7, 512, and the applicable IWC
6 Wage Orders. Plaintiffs and the class were entitled to 1 hour of pay for each meal and rest
7 break violation at their regular rate of pay. Defendants failed and continue to fail to pay for
8 meal and rest period violations at the employees' regular rate of pay in violation of Section 11
9 of the applicable Wage Orders.

10 30. Plaintiffs seek restitution and injunctive relief for said violations.

11 31. Plaintiffs are informed and believe and thereon allege that at all times herein
12 mentioned, Defendants have engaged in unlawful, deceptive, and unfair business practices
13 prohibited by California B&PC §17200, thereby depriving their employees and the putative
14 class the minimum working standards and conditions due to them under the California labor
15 laws and Industrial Welfare Commission wage orders as specifically described herein.
16 Plaintiffs seek an injunction preventing Defendants from continuing their unfair business
17 practice of improperly depriving their employees of overtime pay, and payment of their
18 regular rate of pay for meal and rest period premiums. Plaintiffs further seek an order
19 requiring Defendants to identify by full name, telephone number, and last known address
20 employees who worked or still work for Defendants between 2019 through the date of
21 judgment; Plaintiffs further seek an order requiring Defendants to timely pay restitution to all
22 current and former employees, including back wages, premium payments, and interest.

23 **FAILURE TO PROVIDE ITEMIZED WAGE STATEMENTS**

24 32. Plaintiffs are informed and believe and thereon allege that as part of
25 Defendants' ongoing unfair business practices, Defendants, and each of them, fail to provide
26 their employees with proper and understandable itemized wage statements, as required by
27 Labor Code § 226.
28

1 33. Plaintiffs are informed and believe, and thereon allege, that Defendants, and
2 each of them, fail to provide each employee with an itemized statement which states the actual
3 regular rate paid, the total hours worked by the employee, the gross and net wages earned, and
4 all applicable hourly rates in effect during the pay period and the corresponding number of
5 hours worked at each hourly rate by the employee.

6 **FAILURE TO REIMBURSE EXPENSES**

7 34. Defendants have adopted and implemented an illegal reimbursement policy
8 that fails to compensate Plaintiffs for all of their necessary business expenses incurred in
9 discharging their duties for Defendants.

10 35. Defendants' conduct in failing to reimburse Plaintiffs and the class for their
11 necessary business expenses is also unfair within the meaning of Business and Professions
12 Code §17200 because it is against established public policy and has been pursued to attain an
13 unjustified monetary advantage for Defendants by unfairly and unlawfully reducing Plaintiffs'
14 and the other class members' compensation, as Plaintiffs and the class are required to come
15 out of pocket for such expenses. As such, Defendants' business practices, including their
16 illegal reimbursement policy and practice, is unfair, illegal and fraudulent, in that such policy
17 and practice was intended to reduce Plaintiffs' and the class' due and owing compensation.

18 **SECOND CAUSE OF ACTION**

19 **RECOVERY OF UNPAID WAGES & PENALTIES**

20 **(Violation of Labor Code §§ 204, 510, 1194 and 1198)**

21 36. Plaintiffs re-allege and incorporate by reference herein the allegations of all
22 preceding paragraphs as though fully set forth herein.

23 37. Plaintiffs and all others similarly situated identified herein were and are
24 employed and scheduled as a matter of established company policy to work and in fact
25 worked as non-exempt hourly employees in excess of eight (8) hours per day and/or in excess
26 of forty (40) hours per week. Defendants employed and scheduled all employees without
27 providing overtime compensation for such excess hours worked in violation of Labor Code §§
28

1 510 and 1194 and the relevant California Industrial Welfare Commission (IWC) orders.
2 Labor Code § 204 establishes the fundamental right of all employees in the State of California
3 to be paid the proper amount of wages in a timely fashion for their work, including overtime.
4 Defendants always had a written and verbal agreement to pay overtime and double time based
5 on the Plaintiffs' and classes' regular rate of pay.

6 38. Pursuant to Labor Code §§ 218 and 1194(a), Plaintiffs may bring a civil action
7 for overtime wages directly against the employer without first filing a claim with the Division
8 of Labor Standards Enforcement (hereinafter "DLSE") and may recover such wages, together
9 with interest thereon, penalties, attorneys' fees and costs.

10 39. At all times relevant hereto, Defendants have failed to pay to Plaintiffs and all
11 persons similarly situated wages when due as required by Labor Code § 204.

12 40. Pursuant to Labor Code § 1198, it is unlawful to employ persons for longer
13 than the hours set by the IWC or under conditions prohibited by the applicable IWC Wage
14 Orders.

15 41. At all times relevant hereto, Plaintiffs are informed and believe and thereon
16 allege that Defendants have treated Plaintiffs as hourly non-exempt employees. Despite this
17 classification, Defendants have willfully violated the Labor Code with respect to meeting the
18 requirements of paying one (1) regular rate of pay and calculating overtime and double time
19 based on that regular rate, as herein before alleged. Defendants have failed to properly pay
20 premium overtime for hours worked in a week, and as such, Defendants are able to reduce
21 their overhead and operating expenses and gain an unfair advantage over competing
22 companies complying with state law. Furthermore, Defendants have failed to include all
23 items of remuneration when determining the employees' regular rate of pay, as described
24 above.

25 42. Plaintiffs are informed and believe and thereon allege that Defendants
26 consistently administered a corporate policy regarding both staffing levels and duties and
27 responsibilities of the members of the classes which required the entirety of all classes to work
28 overtime without proper premium pay, and to fail all wages for hours worked. This corporate

1 policy and pattern of conduct was/is accomplished with the advance knowledge and design of
2 all Defendants herein. Thus, Plaintiffs and all others similarly situated routinely, regularly
3 and customarily performed overtime work and/or work that they failed to be compensated at
4 the appropriate hourly wage.

5 43. Plaintiffs are informed and believe and thereon allege that the obligations and
6 responsibilities of the class employees are irrelevant because Plaintiffs and all others similarly
7 situated merely allege wrongdoing with Defendants' pay plans, policies and practices.
8 Further, the duties of Plaintiffs and all others similarly situated are not relevant in certifying
9 any of the classes.

10 44. Defendants, and each of them, had a consistent and uniform policy, practice
11 and procedure of willfully failing to pay the earned and unpaid wages of all such non-exempt
12 employees. Defendants have willfully failed to pay the earned and unpaid wages of such
13 individuals, including, but not limited to regular pay, premium pay, and other wages earned
14 and remaining uncompensated according to amendment, or proof.

15 45. The pattern, practice and uniform administration of corporate policy regarding
16 illegal employee compensation as described herein is unlawful and creates an entitlement to
17 recovery by Plaintiffs and all others similarly situated, in a civil action, for the unpaid balance
18 of the full amount of all wages owing, including the proper calculation of the regular rate and
19 the proper overtime premiums calculated at 1.5 or 2 times the legal regular rate which are
20 owing, including interest thereon, willful penalties, reasonable attorneys' fees, and costs of
21 suit according to the mandate of Labor Code § 1194, et. seq.

22 46. Likewise, Defendants have a pattern, practice and uniform administration of
23 corporate policy regarding failure to comply with the required provisions of Labor Code §
24 226.7, in failing to pay Plaintiffs and the class the meal and rest period premium payments at
25 the regular rate.

1 **THIRD CAUSE OF ACTION**

2 **(Violation of Labor Code §§ 200, et. seq.)**

3 47. Plaintiffs re-allege and incorporate by reference herein the allegations of all
4 preceding paragraphs as though fully set forth herein.

5 48. Labor Code §§ 200, et. seq., provides that an employer is required to pay an
6 employee all wages (including accrued vacation) immediately upon an employee's
7 involuntary separation from employment; immediately upon her voluntary separation if the
8 employee gave at least seventy two (72) hours notice, and within seventy two (72) hours, if
9 the employee voluntarily separated, but did not give at least seventy two (72) hours notice.

10 49. Plaintiffs are informed and believe, and thereon allege, that former employees
11 of Defendants employed in the State of California separated from employment with
12 Defendants, and did not timely receive a final pay check with all of their wages due from
13 Defendants in violation of Labor Code §§ 200, et seq.

14 50. Pursuant to Labor Code §§ 200, et. seq., each member of the class that no
15 longer works for Defendants, and who was not timely paid all of his or her wages due is
16 entitled to one (1) day of pay in penalties for each day that he or she was paid late, until
17 payment was made, up to a maximum of thirty (30) days.

18 **FOURTH CAUSE OF ACTION**

19 **FAILURE TO PAY MEAL AND REST PERIOD PREMIUMS AT THE PROPER**
20 **REGULAR RATE OF PAY**

21 **(Violation of Labor Code §§ 226.7 & 512, et seq.)**

22 51. Plaintiffs re-allege and incorporate by reference herein the allegations of all
23 preceding paragraphs as though fully set forth herein.

24 52. Plaintiffs believe and thereon allege that Labor Code §226.7 requires an
25 employer to pay an additional hour of compensation at the employee's regular rate of pay for
26 each meal period and rest period violation. During the class period, Plaintiffs are informed
27 and believe, and based thereon allege that Defendants have failed to pay Plaintiffs and the
28 class members meal period and rest period premium pay at their regular rate of pay.

Defendants' improper meal and rest period practices and policies are in violation of California law including, but not limited to Labor Code § § 226.7, 512, and the IWC Wage Orders.

53. Pursuant to Labor Code §226.7, Plaintiffs are entitled to damages in an amount equal to one (1) hour of the employee's regular rate of pay per each meal and rest period violation, in a sum to be proven at trial.

FIFTH CAUSE OF ACTION

FAILURE TO PROVIDE ACCURATE ITEMIZED WAGE STATEMENTS

(Violation of Labor Code § 226)

54. Plaintiffs re-allege and incorporate by reference herein the allegations of all preceding paragraphs as though fully set forth herein.

55. Labor Code §226(a) provides, in pertinent part:

An employer, semimonthly or at the time of each payment of wages, shall furnish to his or her employee, either as a detachable part of the check, draft, or voucher paying the employee's wages, or separately if wages are paid by personal check or cash, an accurate itemized statement in writing showing (1) gross wages earned, (2) total hours worked by the employee, except as provided in subdivision (j), (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and only the last four digits of his or her social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer and, if the employer is a farm labor contractor, as defined in subdivision (b) of Section 1682, the name and address of the legal entity that secured the services of the employer, and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. . . .

56. During the Class Period, Defendants knowingly and intentionally failed to provide the Class Members, including Plaintiffs Cortez, Thibodeaux, and Mendez, with timely and accurate wage and hour statements showing gross wages earned, total hours worked, all deductions made, net wages earned, the name and address of the legal entity employing that Class Member, and all applicable hourly rates in effect during each pay period and the

1 corresponding number of hours worked at each hourly rate by that Class Member.

2 57. The Class Members, including Plaintiffs, suffered injury as a result of
3 Defendants' knowing and intentional failure to provide the Class Members, with the wage and
4 hour statements required by law.

5 58. Based on Defendants' conduct as alleged herein, Defendants are liable for actual
6 damages, statutory damages and/or statutory penalties pursuant to California Labor Code §
7 226, attorney's fees and costs and other applicable provisions of the Labor Code and
8 applicable Wage Order.

9
10 **SIXTH CAUSE OF ACTION**

11 **FAILURE TO PROVIDE MEAL PERIODS**

12 **(Violation of Labor Code §§ 226.7 and 512)**

13 59. Plaintiffs re-allege and incorporate by reference herein the allegations of all
14 preceding paragraphs as though fully set forth herein.

15 60. California Labor Code § 512 and IWC Wage Orders state that an employer
16 may not employ an employee for a work period of more than five (5) hours per day without
17 providing the employee a meal period of not less than 30 minutes, and an employer may not
18 employ an employee for a work period of more than 10 hours per day without providing the
19 employee with a second meal period of not less than 30 minutes. Unless the employee is
20 relieved of all duty during a 30-minute meal period, the meal period shall be considered an
21 "on duty" meal period and counted as time worked. California Labor Code § 226.7(a) further
22 states that no employer shall require any employee to work during any meal or rest period
23 mandated by an applicable order of the IWC.

24 61. Employers are prohibited from exerting coercion against the taking of, creating
25 incentives to forego, or otherwise encouraging the skipping of legally protected breaks.

26 62. Plaintiffs and members of the Class were not provided with or given the
27 opportunity to take the requisite meal periods before the end of the first 5 hours of work, nor
28 were they provided with or given the opportunity to take a proper second meal period during

1 the days when they worked more than 10 hours in a day. Defendants coerced Plaintiffs and
2 the members of the Class to forego meal periods by disciplining and/or threatening
3 disciplinary action against them if they attempted to take meal periods, created incentives to
4 forego meal breaks, and encouraged the skipping of meal periods by scheduling work to
5 coincide with the meal periods, among other things. In addition, Defendants placed
6 unnecessarily tight timelines on Plaintiffs' work, forcing them to miss their meal periods in
7 order to complete their jobs. As a result, Plaintiffs and members of the Class were required to
8 work and/or were not relieved of all duties during any meal period taken, and thus were
9 considered "on duty;" however, Defendants failed to count as time worked any "on duty"
10 meal period taken by Plaintiffs and the members of the Class.

11 63. Defendants further required Plaintiffs, as a condition of their employment, to
12 sign "on-duty" meal period agreements, even though the nature of Plaintiffs' work does not
13 permit such agreements in California, and such blanket agreements are unenforceable.
14 Moreover, Defendants' "on-duty" agreements are illegal, in any event, because among other
15 things, they allow the employer to revoke the agreements, which does not comply with
16 California law, including but not limited to California's IWC Wage Orders.

17 64. Pursuant to California Labor Code § 226.7(c) and IWC Wage Orders, if an
18 employer fails to provide an employee a meal period in accordance with the applicable
19 provisions of the IWC Wage Orders, the employer shall pay the employee one (1) hour of pay
20 at the employee's regular rate of pay for each workday that the meal period is not provided.
21 As such, Plaintiffs and members of the Class are entitled to an additional one hour's pay for
22 each day in which Plaintiffs and members of the Class were not provided a proper meal break
23 under the above-described authorities.

24 65. Plaintiffs and the members of the Class request that the Court award interest on
25 all unpaid wages at the legal rate specified by California Civil Code § 3289(b), accruing from
26 the date the wages were due and payable pursuant to Labor Code § 218.6.
27
28

1 **SEVENTH CAUSE OF ACTION**

2 **FAILURE TO AUTHORIZE OR PERMIT REST PERIODS**

3 **(Violation of Labor Code § 226.7)**

4 66. Plaintiffs re-allege and incorporate by reference as if fully set forth herein, the
5 allegations of the preceding paragraphs.

6 67. The applicable IWC Wage Orders state that every employer shall authorize and
7 permit all employees to take rest periods. The authorized rest period time shall be based on
8 the total hours worked daily at the rate of ten (10) minutes net rest time per four hours of
9 work, or major fraction thereof. An employer must provide employees with 10 minutes' rest
10 for shifts from three and one-half to six hours in length, 20 minutes for shifts of more than six
11 hours up to 10 hours, 30 minutes for shifts of more than 10 hours up to 14 hours, and so on.

12 68. Plaintiffs and Class Members were not permitted to take rest periods, were
13 required to work during their rest periods, were on-call during their rest periods, and/or were
14 disciplined and/or were advised that they would be disciplined if they took rest periods during
15 work hours, in contravention of California law.

16 69. Pursuant to California Labor Code § 226.7(c) and the applicable IWC Wage
17 Orders, if an employer fails to provide an employee a rest period in accordance with the
18 applicable IWC Wage Orders, the employer shall pay the employee one (1) hour of pay at the
19 employee's regular rate of compensation for each workday that the rest period is not provided.

20 70. As such, Plaintiffs and the Class members are entitled to an additional one
21 hour's pay for each day in which they were not provided a proper rest period under the above-
22 described authorities.

23 71. Plaintiffs and the members of the Class request that the Court award interest on
24 all unpaid wages at the legal rate specified by California Civil Code § 3289(b), accruing from
25 the date the wages were due and payable pursuant to Labor Code § 218.6.

EIGHTH CAUSE OF ACTION
FAILURE TO REIMBURSE EXPENSES
(Violation of (Labor Code § 2802))

72. Plaintiffs re-allege and incorporate by reference as if fully set forth herein, the allegations of the preceding paragraphs.

73. California Labor Code § 2802 provides that “[a]n employer shall indemnify his or her employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties.”

74. Plaintiffs are informed and believe, and based thereon allege, that at all relevant times Plaintiffs and the class members incurred certain expenses for their jobs with Defendants, including but not limited to using their own personal cell phones for their work. Despite this, Defendants failed and refused to indemnify Plaintiffs and the class for all of their expenditures in carrying out their duties for Defendants.

75. As a result of Defendants’ failure to indemnify Plaintiff and the class members, they have suffered losses according to proof, including prejudgment interest, costs, and attorneys’ fees in prosecuting this case.

NINTH CAUSE OF ACTION
PRIVATE ATTORNEYS GENERAL ACT
(Violation of Labor Code §§ 2698 and 2699)

76. Plaintiffs re-allege and incorporate by reference as if fully set forth herein, the allegations of the preceding paragraphs.

77. On or about January 25, 2023, Plaintiffs provided written notice to the Labor and Workforce Development Agency (“LWDA”) and Defendants of the specific provisions of the Labor Code alleged to have been violated, including the facts and theories to support the alleged violations.

78. The LWDA failed to respond to Plaintiffs’ counsel’s correspondence and failed to notify Plaintiffs’ counsel as to whether it would investigate the allegations contained therein, within the time period requirements of the Private Attorneys General Act (PAGA), under Labor Code §2699.3. Plaintiffs have fully complied with the notice requirements set

1 forth in Labor Code §2699.3 in order to commence a civil action against an employer
2 pursuant to Labor Code §2699.

3 79. Defendants' failure to pay Plaintiffs for all hours worked, minimum wages,
4 overtime compensation, failure to provide meal periods, failure to authorize and permit rest
5 periods, failure to pay all wages upon termination or resignation, and failure to provide
6 accurate itemized wage statements, and failure to reimburse expenses, will subject Defendants
7 to civil penalties pursuant to, without limitation, Labor Code §§ 201, 202, 203, 204, 226, 510,
8 512, 551, 552, 1174, 1194, 1198, 2802 and IWC Wage Orders.

9 80. Plaintiffs are aggrieved employees as defined in Labor Code §§2699(a) and
10 (c), and related Labor Code provisions. Plaintiffs bring this cause of action on behalf of
11 themselves, as private attorneys general, and in a representative capacity on behalf of other
12 aggrieved employees, affected by the labor law violations alleged herein.

13 81. Defendants committed numerous violations of the California Labor Code and
14 IWC Wage Orders against the Plaintiffs, and on information and belief, against members of
15 the Class and other current and former employees while they were employed by Defendants,
16 including but not limited to:

17 a. Defendants violated Labor Code §§ 510, 511, 1194 and/or IWC Wage Orders
18 by failing to pay Plaintiffs and the members of the Class, and on information and belief, other
19 current and former employees of Defendants, all minimum, straight time and overtime wages
20 owed in compliance with California law;

21 b. Defendants violated Labor Code §§ 226.7, 510, 1194, 1197 and/or IWC Wage
22 Orders by failing to pay Plaintiffs and the members of the Class by failing to pay for a missed
23 meal or rest period at the regular rate of pay;

24 c. Defendants violated Labor Code §§ 1194, 1197 and/or IWC Wage Orders by
25 failing to pay Plaintiffs and the members of the Class, and on information and belief, other
26 current and former employees of Defendants, all minimum wages owed in compliance with
27 California law;

28 d. Defendants violated Labor Code §§ 1194, 204, 510, 511 and/or IWC Wage
Orders by failing to pay Plaintiffs and the members of the Class, and on information and

1 belief, other current and former employees of Defendants, all wages owed in a timely manner
2 in compliance with California law;

3 e. Defendants violated Labor Code § 226.7, 512, and /or IWC Wage Orders by
4 failing to provide Plaintiffs and the members of the Class, and on information and belief, other
5 current and former employees of Defendants, the opportunity to take the requisite meal
6 periods in compliance with California law;

7 f. Defendants violated Labor Code § 226.7 and/or IWC Wage Orders by
8 failing to authorize and permit Plaintiffs and the members of the Class, and on information
9 and belief, other current and former employees of Defendants, the opportunity to take the
10 requisite rest periods in compliance with California law;

11 g. Defendants violated Labor Code §§ 226, 1174 and/or IWC Wage Orders by
12 failing to properly maintain accurate employment time and records, maintain and/or submit
13 accurate itemized wage statements on behalf of Plaintiffs, members of the Class, and on
14 information and belief, on behalf of other current and former employees of Defendants as
described herein; and

15 h. Defendants violated Labor Code §§ 201, 202 and/or IWC Wage Orders by
16 failing to pay Plaintiffs, the Class, and on information and belief, other current and former
17 employees of Defendants as described herein; and

18 i. Defendants violated Labor Code § 2802 by failing to indemnify Plaintiffs and
19 members of the Class and on information and belief, other current and former employees of
20 Defendants as described herein;

21 82. Pursuant to Labor Code § 2699, Plaintiffs, members of the Class, and all other
22 aggrieved current and former employees seek to recover civil penalties, as otherwise provided
23 by statute and wage order, for which Defendants are liable as a result of their violations of the
24 California Labor Code and applicable wage order(s) in an amount to be proven at trial. These
25 penalties include, but are not limited to, those provided by Labor Code §§ 201, 202, 203, 204,
26 210, 226, 226.3, 226.7, 256, 510, 512, 558, 1174, 1194, 1197, 2699, 2802 and IWC Wage
27 Orders. Plaintiffs and aggrieved current and former employees further seek and award of
28 reasonable attorneys' fees and costs pursuant to Labor Code § 2698 and 2699.

1 **PRAYER FOR RELIEF**

2 WHEREFORE, Plaintiffs pray:

3 1. That the Court determine this action may be maintained as a class action;

4 **As to the First Cause of Action:**

5 2. For an order preliminarily and permanently enjoining Defendants from
6 engaging in the practices challenged herein;

7 3. An order for full restitution of all monies, as necessary and according to proof,
8 to restore any and all monies withheld by the Defendants by means of the unfair practices
9 complained of herein. Plaintiffs seek, on behalf of the putative class, the appointment of a
10 receiver, as necessary. The restitution includes all monies retained as wages, as defined in
11 Labor Code §§ 201, 202, 510 and 1194, and interest, and attorneys' fees as a result of the
12 unfair business practices;

13 4. For an order finding and declaring that Defendants' acts and practices as
14 challenged herein are unlawful, and unfair and/or fraudulent;

15 5. For an accounting, under administration of Plaintiffs and subject to court
16 supervision, to determine the amount to be returned by Defendants and the amounts to be
17 refunded to members who are or were not paid all their wages due to Defendants' unfair
18 business practices;

19 6. For the creation of an administrative process wherein each injured current and
20 former employee receives his or her back wages in the form of overtime pay or alternatively
21 that each current or former eligible employee may submit a claim in order to receive his/her
22 money;

23 7. For an order requiring Defendants to make full restitution and payment
24 pursuant to B&PC §§ 17200, et seq.;

25 8. For all other appropriate declaratory and equitable relief;

26 9. For pre-judgment interest to the extent permitted by law;

1 10. For an order requiring Defendants to identify, by name, address and telephone
2 number of each person who worked in California as an hourly non-exempt employee for
3 Defendants between 2018 through the time of judgment;

4 11. For an order imposing all civil and statutory penalties provided by law.

5 **As to the Second and Fourth Cause of Action:**

6 12. For damages according to proof, as set forth in Labor Code §§ 510, 226.7 and
7 1194, et seq., (and the applicable California Industrial Welfare Commission wage orders)
8 regarding wages due and owing;

9 13. For pre-judgment interest as allowed by Labor Code § 1194 and California
10 Civil Code § 3287(b), for waiting time penalties as authorized by Labor Code § 203, and for
11 reasonable attorneys' fees;

12 14. For an order imposing all civil and statutory penalties provided by law.

13 **As to the Third Cause of Action:**

14 15. For waiting time penalties for all former employees not timely paid their last
15 pay check, including vacation pay;

16 16. For reasonable attorneys' fees and costs;

17 17. For an order imposing all civil and statutory penalties provided by law.

18 **As to the Fifth Cause of Action:**

19 18. For recovery as authorized by Labor Code §226(e);

20 19. For injunctive relief to ensure Defendants' compliance with Labor Code §226
21 and the IWC Wage Orders §7(A) pursuant to Labor Code §226(h);

22 20. For an award of costs and reasonable attorneys' fees pursuant to Labor Code
23 §226(e) and/or §226(h);

24 21. For an order imposing all civil and statutory penalties provided by law.

25 **As to the Sixth Cause of Action:**

26 22. One (1) hour of pay at each of the employees' regular rate of compensation for
27 each workday that a meal period was not provided, impeded, discouraged and/or dissuaded;

28 23. For an order imposing all civil and statutory penalties provided by law.

As to the Seventh Cause of Action:

24. One (1) hour of pay at each of the employees' regular rate of compensation for each workday that a rest period was not authorized or permitted, or impeded, interrupted, discouraged and/or dissuaded;

25. For an order imposing all civil and statutory penalties provided by law.

As to the Eighth Cause of Action:

26. For recovery of all necessary expenditures or losses incurred by Plaintiffs and the class members, according to proof;

27. For pre-judgment interest as allowed by Labor Code §§ 218.6, 1194(a), and Civil Code § 3287;

28. For an award of reasonable attorneys' fees and costs pursuant to Labor Code § 2802(c);

As to the Ninth Cause of Action:

29. That the Court declare, adjudge and decree that Defendants violated California Private Attorneys General Act, Labor Code § 2698 and 2699;

30. For an order imposing all civil and statutory penalties provided by law;

31. For reasonable attorneys' fees and for costs of suit incurred herein pursuant to California Labor Code § 2699(g); and

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

As to All Causes of Action:

33. For reasonable costs incurred;

34. For such other and further relief as this Court may deem just and proper.

Dated: June 27, 2024

BARTZ LAW GROUP, APC

By: /s/ Aaron A. Bartz
AARON A. BARTZ
Attorneys for Plaintiffs Alixus Cortez, Kiara
Thibodeaux, and Ashley Mendez and all others
similarly situated

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Dated: June 27, 2024

Dated: June 27, 2024

BARTZ LAW GROUP, APC

AARON A. BARTZ
Attorneys for Plaintiffs Alixus Cortez, Kiara
Thibodeaux, and Ashley Mendez and all others
similarly situated

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On June 27, 2024, I served true copies of the foregoing documents described as:
SECOND AMENDED COMPLAINT on the interested parties in this action, addressed as follows:

() BY U.S. MAIL: The documents were placed in sealed, addressed envelopes on the above date and placed for collection and mailing at my place of business. I am "readily familiar" with the firm's practice of collecting and processing correspondence for mailing. Under that practice, it would be deposited with the U.S. Postal Service on that same day with postage thereon fully prepaid at Irvine, California in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.

() BY ELECTRONIC TRANSMISSION: I transmitted a PDF version of this document by electronic mail to the party(s) identified on the above service list using the e-mail address(es) indicated.

/s/ Leanne Nguyen-Phuoc/s/
Leanne Nguyen-Phuoc

EXHIBIT D



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

CASE ASSUMPTIONS

Class Members	785
Opt Out Rate	1%
Opt Outs Received	8
Total Class Claimants	777
Subtotal Admin Only	\$21,250.00

Will Not Exceed: \$21,250.00

For 785 Class Members

Pricing Good for Scope of Estimate Only

September 5, 2024

Case: Cortez v. Black Knight Opt-Out Administration x 4 Distributions

Phoenix Contact: Jodey Lawrence

Contact Number: 949.566.1455

Email: Jodey@phoenixclassaction.com

Requesting Attorney: Aaron A. Bartz

Firm: BARTZ LAW GROUP, APC

Contact Number: (949) 504-4413

Email: aaron@bartzlawgroup.com

Assumptions and Estimate are based on information provided by counsel. If class size changes, PHX will need to adjust this Estimate accordingly. Estimate is based on 785 Class Members. Class data Must be sent in Microsoft Excel or uploaded in the same format. Class Data Must be sent in one spreadsheet, with no additional programming needed. A rate of \$150 per hour will be charged for any additional analysis or programming. Pricing good for 90 days.

Case & Database Setup / Toll Free Setup & Call Center / NCOA (USPS)

Administrative Tasks:	Rate	Hours/Units	Line Item Estimate
Programming Manager	\$125.00	3	\$375.00
Programming Database & Setup	\$125.00	3	\$375.00
Toll Free Setup*	\$155.59	1	\$155.59
Call Center & Long Distance	\$2.00	16	\$32.00
NCOA (USPS)	\$200.00	2	\$400.00
Total			\$1,337.59

* Up to 120 days after disbursement

Data Merger & Scrub / Notice Packet, Opt-Out Form & Postage / Spanish Translation / Reporting

Project Action	Rate	Hours/Units	Line Item Estimate
Notice Packet Formatting	\$100.00	2	\$200.00
Data Merge & Duplication Scrub	\$0.25	785	\$196.25
Notice Packet & Opt-Out Form	\$1.50	785	\$1,177.50
Estimated Postage (up to 2 oz.)*	\$0.76	785	\$596.60
Static Website	\$200.00	1	\$200.00
Total			\$2,370.35

* Prices good for 90 days. Subject to change with the USPS Rate or change in Notice pages or Translation, if any.



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

Skip Tracing & Remailing Notice Packets / Tracking & Programming Undeliverables

Project Action:	Rate	Hours/Units	Line Item Estimate
Case Associate	\$55.00	3	\$165.00
Skip Tracing Undeliverables	\$1.50	79	\$117.75
Remail Notice Packets	\$1.50	79	\$117.75
Estimated Postage	\$0.76	79	\$59.66
Programming Undeliverables	\$50.00	1	\$50.00
Total			\$510.16

Database Programming / Processing Opt-Outs, Deficiencies or Disputes

Project Action:	Rate	Hours/Units	Line Item Estimate
Programming Claims Database	\$135.00	2	\$270.00
Non Opt-Out Processing	\$200.00	1	\$200.00
Case Associate	\$55.00	3	\$165.00
Opt-Outs/Deficiency/Dispute Letters	\$10.00	3	\$30.00
Case Manager	\$85.00	3	\$255.00
Total			\$920.00

Calculation & Disbursement Programming/ Create & Manage QSF/ Mail Checks

Project Action:	Rate	Hours/Units	Line Item Estimate
Programming Calculations	\$135.00	4	\$540.00
Disbursement Review	\$135.00	4	\$540.00
Programming Manager	\$95.00	4	\$380.00
QSF Bank Account & EIN	\$100.00	4	\$400.00
Check Run Setup & Printing	\$125.00	4	\$500.00
Mail Class Checks *	\$1.50	785	\$1,177.50
Estimated Postage	\$0.76	785	\$596.60
Check Run Setup & Printing	\$125.00	4	\$500.00
Mail Class Checks *	\$1.50	785	\$1,177.50
Estimated Postage	\$0.76	785	\$596.60
Check Run Setup & Printing	\$125.00	4	\$500.00
Mail Class Checks *	\$1.50	785	\$1,177.50
Estimated Postage	\$0.76	785	\$596.60
Check Run Setup & Printing	\$125.00	4	\$500.00
Mail Class Checks *	\$1.50	785	\$1,177.50
Estimated Postage	\$0.76	785	\$596.60
Total			\$10,956.40

* Checks are printed on 8.5 x 11 in. sheets with W2/1099 Tax Filing



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

Tax Reporting & Reconciliation / Re-Issuance of Checks / Conclusion Reports and Declarations			
Project Action:	Rate	Hours/Units	Line Item Estimate
Case Supervisor	\$100.00	6	\$600.00
Remail Undeliverable Checks (Postage Included)	\$1.50	157	\$235.50
Case Associate	\$50.00	6	\$300.00
Reconcile Uncashed Checks	\$75.00	1	\$75.00
Conclusion Reports	\$125.00	1	\$125.00
Case Manager Conclusion	\$85.00	2	\$170.00
Final Reporting & Declarations	\$125.00	2	\$250.00
IRS & QSF Annual Tax Reporting * (Ca State Tax Reporting Included)	\$850.00	4	\$3,400.00
Total			\$5,155.50
* All applicable California State & Federal taxes, which include SUI, ETT, and SDI, and FUTA filings. Additional taxes are Defendant's responsibility.			
Estimate Total:			\$21,250.00



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

TERMS AND CONDITIONS

Provisions: The case estimate is in good faith and does not cover any applicable taxes and fees. The estimate does not make any provision for any services or class size not delineated in the request for proposal or stipulations. Proposal rates and amounts are subject to change upon further review, with Counsel/Client, of the Settlement Agreement. Only pre-approved changes will be charged when applicable. No modifications may be made to this estimate without the approval of PSA (Phoenix Settlement Administrators). All notifications are mailed in English language only unless otherwise specified. Additional costs will apply if translation into other language(s) is required. Rates to prepare and file taxes are for Federal and California State taxes only. Additional charges will apply if multiple state tax filing(s) is required. **Pricing is good for ninety (90) days.**

Data Conversion and Mailing: The proposal assumes that data provided will be in ready-to-use condition and that all data is provided in a single, comprehensive Excel spreadsheet. PSA cannot be liable for any errors or omissions arising due to additional work required for analyzing and processing the original database. A minimum of two (2) business days is required for processing prior to the anticipated mailing date with an additional two (2) business days for a National Change of Address (NCOA) update. Additional time may be required depending on the class size, necessary translation of the documents, or other factors. PSA will keep counsel apprised of the estimated mailing date.

Claims: PSA's general policy is to not accept claims via facsimile. However, in the event that facsimile filing of claims must be accepted, PSA will not be held responsible for any issues and/or errors arising out of said filing. Furthermore, PSA will require disclaimer language regarding facsimile transmissions. PSA will not be responsible for any acts or omissions caused by the USPS. PSA shall not make payments to any claimants without verified, valid Social Security Numbers. All responses and class member information are held in strict confidentiality. Additional class members are \$10.00 per opt-out.

Payment Terms: All postage charges and 50% of the final administration charges are due at the commencement of the case and will be billed immediately upon receipt of the data and/or notice documents. PSA bills are due upon receipt unless otherwise negotiated and agreed to with PSA by Counsel/Client. In the event the settlement terms provide that PSA is to be paid out of the settlement fund, PSA will request that Counsel/Client endeavor to make alternate payment arrangements for PSA charges that are due at the onset of the case. The entire remaining balance is due and payable at the time the settlement account is funded by Defendant, or no later than the time of disbursement. Amounts not paid within thirty (30) days are subject to a service charge of 1.5% per month or the highest rate permitted by law.

Tax Reporting Requirements

PSA will file the necessary tax returns under the EIN of the QSF, including federal and state returns. Payroll tax returns will be filed if necessary. Under the California Employment Development Department, all taxes are to be reported under the EIN of the QSF with the exception of the following taxes: Unemployment Insurance (UI) and Employment Training Tax (ETT), employer-side taxes, and State Disability Insurance (SDI), an employee-side tax. These are reported under Defendant's EIN. Therefore, to comply with the EDD payroll tax filing requirements we will need the following information:

1. Defendant's California State ID and Federal EIN.
2. Defendant's current State Unemployment Insurance (UI) rate and Employment Training Tax (ETT) rate. This information can be found in the current year DE 2088, Notice of Contribution Rates, issued by the EDD.
3. Termination dates of the class members, or identification of current employee class members, so we can account for the periods that the wages relate to for each class member.
4. An executed Power of Attorney (Form DE 48) from Defendant. This form is needed so that we may report the UI, SDI, and ETT taxes under Defendant's EIN on their behalf. If this form is not provided we will work with the EDD auditors to transfer the tax payments to Defendant's EIN.
5. Defendant is responsible for reporting the SDI portion of the settlement payments on the class member's W-2. PSA will file these forms on Defendant's behalf for an additional fee and will issue an additional W-2 for each class member under Defendant's EIN, as SDI is reported under Defendant's EIN rather than the EIN of the QSF. The Power of Attorney (Form DE 48) will be needed in order for PSA to report SDI payments.