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ANABEL MADRIGAL, individually and
on behalf of other persons similarly situated

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF RIVERSIDE

YVONNE LABRA and ANABEL MADRIGAL, individually, on a representative basis, and on behalf of all others similarly situated, Plaintiff, vs. PENN EMBLEM COMPANY, a Pennsylvania Corporation; and DOES 1 through 20, inclusive, Defendants.	CASE NO.: CVRI2300385 [Assigned for All Purposes to Hon. Harold W. Hopp, Dept 1] **CLASS ACTION** **DECLARATION OF DALIA KHALILI IN SUPPORT OF MOTION FOR FINAL APPROVAL OF CLASS ACTION AND PAGA SETTLEMENT** Date: October 22, 2025 Time: 8:30 a.m. Dept.: 1 Action Filed: June 29, 2023 FAC Filed: April 17, 2023 SAC Filed: March 7, 2025 Trial Date: None

DECLARATION OF DALIA KHALILI

I, DALIA KHALILI, declare as follows:

1. I am an attorney duly licensed to practice law in the State of California. I am a Shareholder and the Chief Operating Officer ("COO") at Matern Law Group, PC ("MLG"), counsel of record for one of the Plaintiffs Anabel Madrigal ("Plaintiff Madrigal") in the above-entitled consolidated action, *Labra, et al. v. Penn Emblem Company,* Riverside Superior Court Case No. CVRI2300385 (the "Action"). This declaration is based on my personal firsthand knowledge, unless another source of information or belief clearly appears from the context, and as to all such matters I believe them to be true. If called as a witness, I could and would readily and competently testify to all matters stated in this declaration.

2. I submit this declaration in support of Plaintiffs' Motion for Final Approval of Class Action and PAGA Settlement.

3. Plaintiff Madrigal worked for Defendant Penn Emblem Company ("Defendant Penn Emblem") as an hourly non-exempt employee from May 24, 2021 to February 7, 2023 in the shipping and receiving department.

Background

4. On April 18, 2023, pursuant to Labor Code § 2699.3, on behalf of Plaintiff Madrigal, my office gave written notice to the California Labor and Workforce Development Agency ("LWDA") and to Defendant of the specific provisions of the Labor Code alleged to have been violated by Defendant, including the facts and theories to support the alleged violations. The LWDA did not provide notice that it intended to investigate the alleged violations within 65 days. A true and correct copy of the August 18, 2023 letter is attached hereto as **Exhibit 1**.

5. On June 29, 2023, Plaintiff Madrigal filed a wage and hour class action on behalf of Plaintiff, alleging the following causes of action: (1) Failure to Provide Required Meal Periods; (2) Failure to Provide Required Rest Periods; (3) Failure to Pay Overtime Wages; (4) Failure to Pay Minimum Wages; (5) Failure to Pay All Wages Due to Discharged and Quitting Employees; (6) Failure to Maintain Required Records; (7) Failure to Furnish Accurate Itemized Wage Statements; (8) Failure to Indemnify Employees for Necessary Expenditures Incurred in

Discharge of Duties; (9) Unfair and Unlawful Business Practices; and (10) Penalties Under the Labor Code Private Attorneys General Act ("PAGA"), Riverside Superior Court Case No. CVRI2303312 (the "*Madrigal* Action").

6. On August 4, 2023, Defendant served a Notice of Related Case identifying the *Labra* Action.

7. On or about January 31, 2024, Plaintiffs' counsel in *Labra* joined forces with MLG and entered into a Joint Prosecution Agreement.

8. On February 1, 2024, the Parties participated in a mediation conducted by Jeffrey Krivis, a well-regarded and experienced mediator. The Parties ultimately reached a settlement to resolve the Actions in their entirety.

9. As part of the Settlement, the Parties agreed to consolidate Plaintiff Madrigal's action into Plaintiff Labra's action by filing an amended Complaint to add Plaintiff Madrigal as a plaintiff and any claims in Plaintiff Madrigal's action that were not already included within Plaintiff Labra's action.

10. On March 7, 2025, the Court approved the Parties stipulation in this regard and the Plaintiffs' operative second amended complaint (the "Consolidated Complaint") was deemed filed as of that date.

11. Plaintiff Madrigal thereafter filed a request for dismissal, without prejudice, of her later filed lawsuit in Riverside Superior Court.

Adequacy Of Representation And Qualifications Of Class Counsel

12. MLG is a 23-attorney law firm that is actively and continuously practicing in employment litigation, representing almost entirely employee plaintiffs in both individual and class actions, in Superior Courts throughout the State, in the Court of Appeal, and in various Federal courts. MLG is one of the larger plaintiffs' employment law firms in California, with employment cases, including class, PAGA, and individual actions, representing over 95% of our caseload.

13. Matthew J. Matern ("Mr. Matern"), the principal of MLG, received a B.A. with honors in 1986 from Tulane University and my J.D. from Southwestern University School of

Law in 1991. He became an active member of the State Bar of California in September 1992, and has been an active member in good standing continuously since then. He has been practicing as a litigation attorney in Los Angeles since 1992, and has been concentrating on employment litigation since approximately 1997.

14. In 1992, Mr. Matern founded the general partnership, which is the predecessor of Rastegar & Matern, Attorneys at Law, A Professional Corporation. In 2012, Mr. Matern founded Law Offices of Matthew J. Matern, which changed its name to Matern Law Group in January 2014 and to Matern Law Group, PC in May 2016. Since 1992, Mr. Matern has been heavily, successfully, and continuously involved in active litigation and trial work, including extensive work in employment litigation and wage and hour class actions.

15. Over the course of his career, Mr. Matern has been appointed class counsel in over 150 putative class and representative action settlements, with many of them settling in the seven figure range, including settlements in the amount of $140 million, $50 million, $26 million, $18 million, $9.75 million, $9.5 million, and $8.5 million. He has represented clients in numerous wage and hour class action lawsuits that settled with per-class-member recoveries in a range similar to the anticipated per-class-member recovery in the instant case.

16. Mr. Matern has also been appointed class counsel in over 35 certified wage and hour class action cases which involved contested certification proceedings.

17. Additionally, Mr. Matern has been counsel in a number of cases which resulted in published appellate victories, including *Argueta v. Worldwide Flight Services, Inc.* (Cal. Ct. App., Nov. 8, 2023, No. B306910) 2023 WL 8430285; *Zuniga v. Alexandria Care Center, LLC* (2021) 67 Cal. App. 5th 871; *Meeks v. AutoZone, Inc.,* (2018) 24 Cal.App.5th 855; *ABM Industries Overtime Cases* (2017) 19 Cal. App. 5th 277; *Julian v. Glenair, Inc*. (2017) 19 Cal. App. 5th 277; *Franco v. Athens Disposal Company, Inc.* (2009) 171 Cal. App. 4th 1277; *Gutierrez v. California Commerce Club* (2010) 187 Cal. App. 4th 969; *Pantoja v. Anton* (2011) 198 Cal. App. 4th 87; *Fuentes v. AutoZone, Inc.* (2011) 200 Cal. App. 4th 1221; *Ventura v. ABM Industries, Inc.* (2012) 212 Cal. App. 4th 258; and *Franco v. Arakelian Enterprises, Inc.* (2012) 211 Cal. App. 4th 314; and other non-published appellate victories.

18. Of the 23 attorneys at MLG, Mr. Matern is the attorney with the most active trial and pretrial calendar. He has personally tried approximately 25 cases, including approximately 20 jury trials.

19. Mr. Matern's work has led him to be recognized as a Southern California Super Lawyer every year since 2009.

20. I am a Shareholder and the Chief Operating Officer at MLG. I graduated from the University of California, Los Angeles in 2002 and received my J.D. degree from the University of California, Hastings College of the Law (now known as University of California, College of the Law) in 2007. I have been an active member of the California State Bar in good standing since 2007, and I have experience with single-plaintiff and class action lawsuits in state and federal courts throughout California. I have significant experience handling and resolving wage and hour class action matters involving claims relating to meal and rest break violations, minimum wage and overtime violations, and other wage theft issues. I have prevailed in both bench and jury trials on employment matters that I have first-chaired. Most noteworthy was a $2,500,000 judgment in a sexual harassment case that I obtained on behalf of two plaintiffs in Juana Barba v. Blue Boys, Inc., Los Angeles County Superior Court Case No. BC352054. I was selected to the Southern California Super Lawyers Rising Stars list from 2015 to 2021, the Southern California Super Lawyers Rising Stars Up-and-Coming 50 Women from 2020 to 2021, and the Southern California Super Lawyers Rising Stars Up-and-Coming 100 for 2021. I was also recognized as a Southern California Super Lawyer for every year since 2023.

21. MLG has been counsel in many cases which resulted in published appellate victories including two of the leading "me-too" witness cases in California, *Pantoja v. Anton* (2011) 198 Cal.App.4th 87 and *Meeks v. Autozone, Inc*. (2018) 24 Cal.App.5th 855. Other published appellate victories include *Ibarra v. Chuy & Sons Labor, Inc*. (2024) 102 Cal.App.5th 874; *Argueta v. Worldwide Flight Servs., Inc*. (2023) 97 Cal.App.5th 822 (reversal of defense verdict in sexual harassment trial); *Davis v. Shiekh Shoes, LLC* (2022) 84 Cal.App.5th 956 (affirming order denying motion to compel arbitration); *Zuniga v. Alexandria Care Center, LLC* (2021) 67 Cal.App.5th 871 (defense verdict in PAGA bench trial reversed); *Julian v. Glenair,*

Inc. (2017) 17 Cal.App.5th 853; *ABM Industries Overtime Cases* (2017) 19 Cal.App.5th 277; *Tellez v. Rich Voss Trucking, Inc.* (2015) 240 Cal.App.4th 1052 (reversing order denying motion for class certification); *Ventura v. ABM Industries Inc.* (2012) 212 Cal.App.4th 258; *Franco v. Arakelian Enters., Inc*. (2012) 211 Cal.App.4th 314; *Fuentes v. AutoZone, Inc*. (2011) 200 Cal.App.4th 1221; *Gutierrez v. California Commerce Club* (2010) 187 Cal.App.4th 969; and *Franco v. Athens Disposal Co., Inc.* (2009) 171 Cal.App.4th 1277. Unreported appellate victories include, inter alia, *Miranda v. Guess Retail, Inc.* (Cal. Ct. App., June 25, 2024, No. B323439) 2024 WL 3158208; *Fredeen v. California Cemetery and Funeral Services, LLC* (Cal. Ct. App., June 11, 2024, No. B326031) 2024 WL 2930024; *Morales v. Garfield Beach CVS, LLC* (Cal. Ct. App., Jan. 31, 2024, No. B312212) 2024 WL 356877 (affirming approval of class action and PAGA settlement); *Gabourel v. Luxottica of America, Inc.* (9th Cir., Jan. 24, 2024, No. 23-55185) 2024 WL 260963 (affirming order denying motion to compel arbitration); *Brown v. Cedars-Sinai Medical Center* (Cal. Ct. App., Dec. 6, 2023, No. B324446) 2023 WL 8442072 (affirming order denying petition to compel arbitration); *Schwade v. South Pasadena Rehabilitation Center, LLC* (Cal. Ct. App., Dec. 5, 2023, No. B318644) 2023 WL 8414880 (reversing costs award to defendants in Labor Code action); *Mendocino Farms Wage and Hour Cases* (Cal. Ct. App., Dec. 4, 2023, No. C096869) 2023 WL 8376119 (affirming approval of class action settlement); *Haaverson v. Tavistock Freebirds, LLC* (Cal. Ct. App., Aug. 18, 2023, No. A164043) 2023 WL 5318401 (affirming attorney fee award in PAGA case); *Madeira v. Converse, Inc.* (9th Cir., Aug. 16, 2023, No. 22-55161) 2023 WL 5275011 (reversing denial of class certification for regular rate of pay subclass); *Rojas v. Glenair, Inc.* (Cal. Ct. App. Aug. 3, 2020) No. B302402, 2020 WL 4435156 (reversing order sustaining demurrer without leave to amend under relation-back theory); *Navarro v. 4 Earth Farms, Inc.* (Cal. Ct. App. Feb. 8, 2019) No. B284853, 2019 WL 493781 (affirming judgment in sexual harassment jury trial); *Soto v. Superior Court of San Bernardino Cty.* (Cal. Ct. App. Sept. 9, 2019) No. E071920, 2019 WL 4254631 (writ issued); *Pauley v. CF Entertainment* (9th Cir. 2019) 773 F. App'x 357 (reversing order dismissing comedy writers' claims against their employer for violation of the Labor Code and against their union for breach of duty of fair representation); *Pauley v. CF Entertainment* (9th Cir. 2016) 646 F. App'x

498 (same); *Olivares v. Fountain Valley Regional Hospital and Medical Center* (Cal. Ct. App., Jan. 9, 2018) 2018 WL 330134 (affirming order denying motion to compel arbitration); and *Christman v. Apple Am. Grp. II,* LLC (Cal. Ct. App. Oct. 4, 2017) No. B271937, 2017 WL 4402124 (affirming denial of motion to compel arbitration of PAGA claim); *Cacho v. Eurostar, Inc.*, No. S260295 (request for depublication of opinion granted by California Supreme Court); and *Starks v. Vortex Industries, Inc.,* No. S264854 (same).

22. Joshua D. Boxer is a Shareholder and a member of the firm's management team. He graduated with honors from the University of California, Santa Barbara in 1999, and received his J.D. from the University of California, Davis School of Law, where he served as Vice Chair of the Moot Court Board and on the school's Trial Practice Honor Board, earning the Order of Barristers Award. He has been an active member of the California State Bar in good standing since November of 2003. This is his twenty-second year representing plaintiffs in employment litigation. Throughout his career, he have achieved a number of appellate victories, including *Jesus Mendoza v. Century Fast Foods,* No. B267158, 2016 WL 6610287 (Cal. Ct. App. Nov. 9, 2016); *Argueta v. Worldwide Flight Servs., Inc*. (2023) 97 Cal.App.5th 822; and *In re Wal-Mart Wage & Hour Emp. Pracs. Litig.,* 737 F.3d 1262 (9th Cir. 2013); and reached dozens of six and seven-figure settlements. He has argued before the California Court of Appeals, Ninth Circuit Court of Appeals, Sixth Circuit Court of Appeals, and the Massachusetts Court of Appeals. He has also tried employment cases throughout the state, including in Los Angeles County, the City and County San Francisco, Marin County, Madera County, Fresno County, Santa Clara County, and in the Central District of California, as well as a number of employment arbitrations.

23. Mr. Boxer obtained a number of favorable jury verdicts in employment matters, including a jury verdict of over $25 million in Valladares v. Madera Quality Nut, and a total award of over $1.5 million in *Aguilar v. Blaze Pizza* in Los Angeles County following a jury verdict in favor of a plaintiff asserting sexual harassment and wrongful termination claims. He also served as lead trial counsel in *Vandenberg v. Santa Clara County Fire Department*, a gender discrimination and retaliation case which resulted in an award of over $400,000 in favor of the County's first female fire captain. Mr. Boxer has been appointed class counsel in numerous wage-

and-hour cases, as well as Interim Co-Lead Counsel in *MDL 2448: In re Anheuser-Busch Beer Labeling Litigation*. He also has the rare experience of trying a wage-and-hour class action to a jury in federal court, and one wage and hour class action trial in state court. As a result of his work, Mr. Boxer was named a Northern California Rising Star from 2010-2013, and a Southern California Super Lawyer in 2022-2025. He currently serves as a Volunteer Settlement Officer with Los Angeles County Superior Court's Employment Case Mandatory Settlement Conference Program ("Resolve LA"), and he is also a volunteer mediator for the California Civil Rights Department (formerly Department of Fair Employment and Housing). Mr. Boxer is a long-standing member of the California Employment Lawyers Association.

24. Hayley M. Davis is an associate at MLG. Ms. Davis graduated from University of California, Berkeley in 2018 and earned her J.D. from University of California, Davis School of Law in 2024. During law school, Ms. Davis externed for the Honorable Troy L. Nunley in the Eastern District of California and competed as a member of UC Davis's Trial Practice Honors Board. Ms. Davis was admitted to the State Bar of California in December 2024. Ms. Davis's practice involves representing employees in all aspects of employment litigation, including single-plaintiff and class action lawsuits.

25. Former Associate Attorney Corey Bennett graduated from Northern Arizona University in 2003, where he was a Dean's Merit Scholar. He received a Master's Degree of Public Administration from the University of Southern California in 2006 and earned his J.D. from University of San Francisco School of Law in 2009. He has been an active member of the California State Bar in good standing since November 2009. Mr. Bennett has approximately seven years' experience representing plaintiffs in employment and consumer litigation, including wage-and-hour class actions.

26. MLG has invested time, resources, and expense in this case over the past two years, with payment deferred to the end of the litigation and contingent on the outcome.

27. I am not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

28. I am not aware of any conflicts of interest between MLG and the Class Members.

Further, no one at MLG has any financial interest in or otherwise has a relationship with the administrator, Xpand Legal, which would create a conflict of interest.

Attorneys' Fees and Costs

29. I believe that the requested fee is reasonable based on the lodestar approach or cross-check plus a multiplier. MLG's current lodestar is **$31,822.50** which is based on approximately **68.6** hours litigating the action multiplied by each timekeeper's historic hourly rates plus a 7% interest rate to account for the delay in payment. The following table states the current and historic hourly rates of each attorney and legal assistant who worked on this case:

Attorney	Year Admitted	2025 Rate	2024 Rate	2023 Rate
Matthew J. Matern	1992	$1,200	$1,125	$1,075
Dalia Khalili	2007	$1,025	$975	$925
Joshua D. Boxer	2003	$1,100	$1,050	$995
Hayley M. Davis	2024	$500	N/A	N/A
Corey B. Bennett	2009	$975	$925	$875
Legal Assistants	N/A	$325	$300	$275

30. The hourly rates for MLG attorneys and support staff are commensurate with their qualifications and experience. MLG employs more than twenty attorneys and is one of the largest plaintiff-side employment law firms in California, representing employees in individual, class, collective and representative actions in state and federal courts throughout California.

31. The Settlement provides for a Class Counsel Expenses Payment. MLG incurred litigation expenses in the amount of **$741.03** which include state filing fees of $717.10, service of process fees of $15.00, and research fees of $8.93. All of these costs were reasonable and necessary to prosecute the action to a successful conclusion and are the type that are normally charged to a fee-paying client.

Class Representative Service Payment

32. The Settlement provides for a $10,000.00 Enhancement Payment to Plaintiff Madrigal. This payment is intended to recognize Plaintiff Madrigal's substantial effort and risks

in assisting with the prosecution of the Action on behalf of the Class Members. Over the past approximately two years, Plaintiff Madrigal has performed her duties as class representative by cooperating with her counsel and taking actions to protect the interests of the class. Plaintiff Madrigal provided valuable information and documents regarding missed meal and rest periods and unpaid minimum and overtime wages. Plaintiff Madrigal has kept informed of the developments in the case, informed my office of relevant information, provided the names of potential witnesses, and participated in decisions concerning this case. The information and documentation provided by Plaintiff Madrigal was instrumental in establishing the wage and hour violations alleged in the action, and the recovery provided for in the Agreement may not have been possible to obtain without her participation. Plaintiff Madrigal devoted an estimated 35 hours of her time to this matter over the last two years.

33. Plaintiff Madrigal faced many risks in bringing their case as a class action. Because of Plaintiff Madrigal's efforts, the Class Members will now have the opportunity to participate in a Settlement and recover payment for wage violations they may have never known or been willing to pursue on their own. If each Class Member attempted to pursue his or her legal remedies individually, each person would have been required to expend a significant amount of their own time and monetary resources.

34. This Action might not have been possible without the aid of Plaintiff Madrigal, who put her own time and effort into the litigation and placed herself at risk for the sake of the other Class Members. The requested service payment of $10,000.00 to Plaintiff Madrigal is therefore reasonable to compensate her for her active participation in the Action.

35. I am not aware of any conflicts of interest between Plaintiff Madrigal and the Class Members.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on September 26, 2025 at Redondo Beach, California.

DALIA KHALILI

EXHIBIT 1

MATERN LAW GROUP, PC

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April 18, 2023

Via Online Submission
California Labor & Workforce
Development Agency
Attn. PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612

Via Certified U.S. Mail – Return Receipt Requested
Penn Emblem Company
2577 Interplex Drive, Suite A
Trevose, PA 19053

Via Certified U.S. Mail – Return Receipt Requested
Penn Emblem Company
c/o Agent – Gina Ramirez
946 Cone Flower Lane
Ontario, CA 91762

Via Certified U.S. Mail – Return Receipt Requested
Penn Emblem Company
11199 Inland Avenue
Mira Loma, CA 91752

Re: Notice Pursuant to California Labor Code § 2699.3
Employee: Anabel Madrigal
Employer: Penn Emblem Company

To Whom It May Concern:

This office represents Anabel Madrigal ("Ms. Madrigal"), who was employed by Penn Emblem Company. Pursuant to the California Labor Code Private Attorneys General Act of 2004 ("PAGA"), Labor Code § 2698, *et seq.*, this letter sets forth the specific provisions of the Labor Code and Industrial Welfare Commission ("IWC") Wage Order No. 7-2001, which Ms. Madrigal alleges Penn Emblem Company has violated, including the facts and theories to support the alleged violations. Please be advised that this letter constitutes written notice required by Labor Code § 2699.3, subdivisions (a)(1)(A) and (c)(1)(A) and may lead to immediate action against Penn Emblem Company in a court of law and/or administrative proceedings, as well as the imposition of substantial penalties and other remedies against Penn Emblem Company. Enclosed please find a draft of Ms. Madrigal's proposed complaint, which is incorporated by reference into this notice. Pursuant to Labor Code § 2699.3, subdivisions (a)(1)(B) and (c)(1)(B), our office is submitting a $75.00 filing fee to the Accounting Unit of the Department of Industrial Relations.

This letter also serves as notice of Ms. Madrigal's demand for preservation and non-spoliation of evidence, requesting that all relevant documents and data be saved and that all electronic files and hard-copy documents that are related to Ms. Madrigal's employment and potential claims must be preserved, even without a court order.

Spoliation of evidence may result in legal claims for damages and monetary and evidentiary sanctions, including "adverse inference" jury instructions. Furthermore, intentional spoliation of evidence may carry criminal consequences pursuant to California Penal Code § 135. A detailed preservation and non-spoliation of evidence letter will follow under separate cover.

We are investigating a potential class and representative action on behalf of Penn Emblem Company's current and former non-exempt employees in the State of California regarding, among other things, the following violations: failure to provide meal and rest periods to employees in violation of Labor Code §§ 226.7, 512 and 558.1 and Wage Order No. 7-2001, §§ 11-12; failure to pay one additional hour of compensation at the employee's regular rate of compensation for each workday that a meal or rest period is not provided in violation of Labor Code § 226.7 and 558.1 and Wage Order No. 7-2001, §§ 11(B) and 12(B); failure to pay employees minimum wages for all hours worked in violation of Labor Code §§ 558.1, 1194, 1197 and 1197.1 and Wage Order No. 7-2001, § 4; failure to pay employees overtime wages in violation of Labor Code §§ 510, 558.1 and 1194 and Wage Order No. 7-2001, § 3; failure to timely pay employees all wages earned in violation of Labor Code § 204; willful failure to pay all wages due to discharged and quitting employees in violation of Labor Code §§ 201-203 and 558.1; failure to furnish accurate itemized wage statements to employees in violation of Labor Code § 226 and 558.1; failure to maintain required records pursuant to Labor Code §§ 226, 558.1, 1174 and 1174.5 and Wage Order No. 7-2001, § 7; unlawful deductions and withholdings from employees' wages in violation of Labor Code §§ 221, 223 and 224; and failure to indemnify for reasonable business expenses in violation of Labor Code § 2802.

The allegations made by Ms. Madrigal on behalf of herself and all other similarly-aggrieved current and former non-exempt employees of Penn Emblem Company in the State of California during the four years preceding the date of this notice are based on the following facts and theories: meal periods were less than thirty minutes, late (first meal periods starting after the fifth hour of work and/or second meal periods starting after the tenth hour), not given at all (including second meal periods after ten hours of work), or interrupted; rest periods were less than ten minutes, not provided, interrupted, and/or late; employees were not provided one hour of pay for each workday a meal period was not provided; employees were not provided one hour of pay for each workday a rest break was not authorized and permitted; and employees were not paid proper minimum and overtime wages for all hours worked as required by California law.[1] Given the overtime, meal period and rest period violations and Penn Emblem Company's failure to compensate their employees fully, as set forth above, employees' wage statements were inaccurate and failed to comply with California law. In short, Penn Emblem Company's unlawful employment practices and policies have deprived their employees of earned wages and other compensation.

<u>Failure to Provide Meal Periods</u>

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[1] "[T]he statement that defendant has not provided its employees with proper rest periods states both the facts and the theory." *Gutierrez v. California Commerce Club, Inc.* (2010) 187 Cal.App.4th 969, 979 n.5.

Pursuant to Labor Code §§ 226.7 and 512 and Wage Order No. 7-2001, § 11, an employer is required to provide meal periods to its employees. An employer must provide a meal period to any employee who works a shift of more than five (5) hours and a second meal period to any employee who works a shift of more than ten (10) hours. Furthermore, an employer must pay one extra hour of compensation for each workday a meal period is not provided.

If an employee is not relieved of all duty during a meal period, the meal period shall be considered an "on duty" meal period and counted as time worked. A paid "on duty" meal period is permitted only when 1) the nature of the work prevents an employee from being relieved of all duty and 2) the parties have agreed in writing to on duty meal periods.

Ms. Madrigal and other similarly aggrieved employees are non-exempt employees and are entitled to the protections of California Labor Code §§ 226.7 and 512 and Wage Order No. 7-2001, § 11. Penn Emblem Company failed to provide its employees timely and uninterrupted thirty-minute meal breaks. In fact, Ms. Madrigal's and other similarly aggrieved employees' meal periods were short (less than thirty minutes), late (first meal periods after the fifth hour of work and second meal periods after the tenth hour), interrupted and/or missed. Penn Emblem Company consistently failed to provide Ms. Madrigal and other similarly aggrieved employees meal breaks because Ms. Madrigal and other similarly aggrieved employees were given too much work to perform to take meal breaks. Ms. Madrigal and other similarly aggrieved employees were instructed to clock out for their meal break but were then required to continue working off-the-clock. Ms. Madrigal and other similarly aggrieved employees were routinely unable to take a full, uninterrupted meal break.

Penn Emblem Company further violated Labor Coder § 226.7 and Wage Order No. 7-2001 by failing to compensate Ms. Madrigal and other similarly aggrieved employees who were not provided with meal periods in accordance with California law one additional hour of pay at each employee's regular rate of compensation for each workday a meal period was not provided.

Labor Code § 558.1 imposes liability for violating or causing to violate, any provision regulating minimum wages or hours and days of work in any order for the Industrial Welfare Commission, or Labor Code §§ 203, 226, 226.7, 1193.6, 1194, or 2802.

Failure to Authorize and Permit Rest Periods

Pursuant to Labor Code § 226.7 and Wage Order No. 7-2001, § 12, an employer is required to provide rest periods to its employees. An employer must provide a ten (10) minute rest period for every four (4) hours worked or major action thereof which insofar as practicable shall be in the middle of each work period. Furthermore, an employer must pay one extra hour of compensation for each workday a rest period is not authorized and permitted.

Ms. Madrigal and other similarly aggrieved employees were and are non-exempt employees and are entitled to the protections of Labor Code § 226.7 and Wage Order No. 7-2001. Penn Emblem Company failed to authorize and permit their employees to take required rest periods. Specifically, Penn Emblem Company maintained a policy or practice of not authorizing and permitting Ms. Madrigal and other similarly aggrieved employees to take one 10-minute rest break for shifts 3.5-6.0 hours, a second rest break for shifts greater than 6 hours and less than or equal to 10 hours, and a third rest break for shifts in excess of 10 hours. Penn Emblem Company consistently failed to authorize and permit Ms. Madrigal and other similarly-aggrieved individuals to take rest breaks because Ms. Madrigal and other similarly-aggrieved individuals were given too much work to perform to take rest breaks. Ms. Madrigal and other similarly aggrieved employees were not provided with any rest breaks at all despite working 6-hour shifts.

Penn Emblem Company further violated Labor Code § 226.7 and Wage Order No. 7-2001, § 12 by failing to pay Ms. Madrigal and other similarly aggrieved employees one additional hour of pay at each employee's regular rate of compensation for each workday a rest period was not authorized and permitted.

Labor Code § 558.1 imposes liability for violating or causing to violate, any provision regulating minimum wages or hours and days of work in any order for the Industrial Welfare Commission, or Labor Code §§ 203, 226, 226.7, 1193.6, 1194, or 2802.

Failure to Pay Minimum Wages

Pursuant to Labor Code §§ 558.1, 1194 and 1197 and Wage Order No. 7-2001, § 4, payment to an employee of less than the applicable minimum wage for all hours worked in a payroll period is unlawful.

Ms. Madrigal and other similarly aggrieved employees are current and former non-exempt employees and are entitled to the protections of Labor Code §§ 1194 and 1197 and Wage Order No. 7-2001, § 4. Penn Emblem Company failed to pay Ms. Madrigal and other similarly aggrieved employees minimum wages for all hours worked by, among other things: requiring, suffering or permitting Ms. Madrigal and other similarly-aggrieved individuals to work off-the-clock; requiring, suffering or permitting Ms. Madrigal and other similarly-aggrieved employees to work through their meal breaks but not compensating them for this time; illegally and inaccurately recording time worked by Ms. Madrigal and other similarly-aggrieved employees; failing to properly maintain Ms. Madrigal's and other similarly-aggrieved employees' records; failing to provide accurate itemized wage statements to Ms. Madrigal and other similarly-aggrieved employees for each pay period; and other methods to be discovered.

Labor Code § 558.1 imposes liability for violating or causing to violate, any provision regulating minimum wages or hours and days of work in any order for the Industrial Welfare Commission, or Labor Code §§ 203, 226, 226.7, 1193.6, 1194, or 2802.

Penn Emblem Company's conduct violates Labor Code §§ 558.1, 1194 and1197 and Wage Order No. 7-2001, § 4.

Failure to Pay Overtime Wages

Pursuant to California Labor Code §§ 510 and 1194 and Wage Order No. 7-2001, § 3, an employer must compensate its employees for all overtime, which is calculated at one and one-half (1 ½) times the regular rate of pay for hours worked in excess of eight (8) hours per day and/or forty (40) hours per week, and for the first eight (8) hours on the seventh consecutive work day, with double time for all hours worked in excess of eight (8) hours on the seventh day of any workweek, or after twelve (12) hours in any workday.

Ms. Madrigal and other similarly-aggrieved employees are current and former non-exempt employees and are entitled to the protections of Labor Code §§ 510, 558.1 and 1194 and Wage Order No. 7-2001. Penn Emblem Company failed to compensate Ms. Madrigal and other similarly-aggrieved employees for all overtime hours worked as required under the foregoing provisions of the Labor Code and IWC Wage Order by, among other things: failing to pay overtime at one and one-half (1 ½) times or double the regular rate of pay as provided by Labor Code §§ 510, 558.1 and 1194 and Wage Order No. 7-2001, § 3; requiring, suffering or permitting Ms. Madrigal and other similarly-aggrieved employees to work off-the-clock; requiring, suffering or permitting Ms. Madrigal and other similarly-aggrieved employees to work through meal periods but not compensating them for this time; illegally and inaccurately recording time worked by Ms. Madrigal and other similarly-aggrieved employees; failing to properly maintain Ms. Madrigal's and other similarly-aggrieved employees' records through falsifying hours worked; failing to provide accurate itemized statements to Ms. Madrigal and other similarly-aggrieved employees for each pay period; and other methods to be discovered.

In violation of California law, Penn Emblem Company has refused to perform their obligations to compensate Ms. Madrigal and other similarly-aggrieved employees for all wages earned and all hours worked. Penn Emblem Company's conduct violates Labor Code §§ 510, 558.1 and 1194 and Wage Order No. 7-2001, § 3.

Labor Code § 558.1 imposes liability for violating or causing to violate, any provision regulating minimum wages or hours and days of work in any order for the Industrial Welfare Commission, or Labor Code §§ 203, 226, 226.7, 1193.6, 1194, or 2802.

Failure to Timely Pay All Wages Earned

Pursuant to Labor Code § 204, an employer must pay its employees at least twice a month for all wages earned during the preceding pay period. Labor Code § 204 provides that 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. An employer using an alternate payday schedule must pay wages within seven calendar days of the end of the payroll period in which the wages were earned.

Penn Emblem Company failed to pay Ms. Madrigal and other similarly-aggrieved employees on their regularly scheduled payday for all work performed during the preceding pay period. Specifically, Penn Emblem Company required Ms. Madrigal and other similarly-aggrieved employees to work off-the-clock without compensation and required Ms. Madrigal and other similarly-aggrieved employees to work through required meal breaks without compensation. Ms. Madrigal and other similarly aggrieved employees were routinely instructed to clock out by no later than 6 hours after their shift began, or they would be written up. However, Ms. Madrigal and other similarly aggrieved employees were expected to complete additional work after clocking out, such as taking out the trash. Additionally, Penn Emblem Company failed to pay Ms. Madrigal and other similarly-aggrieved employees premium wages owed for each workday a meal periods was not provided and each workday a rest period was not authorized and permitted.

Penn Emblem Company also failed to pay Ms. Madrigal and other similarly-aggrieved employees for the overtime wages they earned in violation of Labor Code § 204. Labor Code § 204 requires an employer to pay overtime wages no later than the payday for the next regular payroll period following the payroll period in which the overtime wages were earned. Penn Emblem Company knew it was required to pay overtime wages, yet on many occasions failed to pay Ms. Madrigal and other similarly-aggrieved employees overtime wages on any payday.

Failure to Pay All Wages Due Upon Separation

Pursuant to Labor Code § 201, 202 and 203, an employer is required to pay all earned and unpaid wages to an employee upon separation. Labor Code § 201 mandates that if an employer discharges an employee, the employee's wages accrued and unpaid at the time of discharge are due and payable immediately. Pursuant to Labor Code § 202, an employer is required to pay all accrued wages due to an employee no later than 72 hours after the employee quits his or her employment, unless the employee provided 72 hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

Labor Code § 203 provides that if an employer willfully fails to pay, in accordance with Labor Code §§ 201 and 202, any wages of an employee who is discharged or who quits, the employer is liable for waiting time penalties in the form of continued compensation to the employee at the same rate for up to thirty (30) days.

Penn Emblem Company willfully failed to pay accrued wages and other compensation to Ms. Madrigal and other similarly-aggrieved employees in accordance with Labor Code §§ 201 and 202. Because Penn Emblem Company required Ms. Madrigal and other similarly-aggrieved employees to work off-the-clock without compensation and through required meal breaks without compensation and failed to pay Ms. Madrigal and other similarly-aggrieved employees the premium wages for all meal periods which were not provided and all rest periods which were not authorized or permitted, as described above, Penn Emblem Company failed and continue to fail to pay the full earned and unpaid wages due to Ms. Madrigal and other similarly-aggrieved employees upon separation.

Labor Code § 558.1 imposes liability for violating or causing to violate, any provision regulating minimum wages or hours and days of work in any order for the Industrial Welfare Commission, or Labor Code §§ 203, 226, 226.7, 1193.6, 1194, or 2802.

Failure to Furnish Accurate Itemized Wage Statements

Labor Code § 226 requires every employer to furnish each of its employees an accurate itemized wage statement in writing showing (1) gross wages earned, (2) total hours worked by the employee, (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, (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 (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.

Penn Emblem Company failed to provide Ms. Madrigal and other similarly-aggrieved employees with timely and accurate itemized wage statements in writing showing each employee's gross wages earned, total hours worked, the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, all deductions made, net wages earned, the inclusive dates of the period for which the employee is paid, the name and address of the legal entity or entities employing Ms. Madrigal and other similarly-aggrieved employees, and all applicable hourly rates in effect during each pay period and the corresponding number of hours worked at each hourly rate, in violation of Labor Code § 226 and Wage Order No. 7-2001, § 7.

Specifically, Penn Emblem Company had knowledge it was not providing its employees with proper meal and rest breaks; nevertheless, Penn Emblem Company knowingly failed to include in the wage statements the extra hour of compensation owed for each workday a meal break was not provided and each workday a rest break was not authorized and permitted. As a result, Ms. Madrigal and other similarly-aggrieved employees lost wages. In addition, Penn Emblem Company had knowledge it was requiring employees to work off-the-clock and was not properly compensating its employees for all hours worked, yet Penn Emblem Company knowingly failed to include this time worked in the wage statements. As a result, Ms. Madrigal and other similarly-aggrieved employees lost wages. Penn Emblem Company also did not properly calculate the regular rate of pay of Ms. Madrigal and other similarly-aggrieved employees. As a result, Ms. Madrigal's and other similarly-aggrieved employees' wage statements did not include all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate.

Labor Code § 558.1 imposes liability for violating or causing to violate, any provision regulating minimum wages or hours and days of work in any order for the Industrial Welfare Commission, or Labor Code §§ 203, 226, 226.7, 1193.6, 1194, or 2802.

Failure to Maintain Required Records

Penn Emblem Company failed to maintain records as required under Labor Code §§ 226 and 1174 and Wage Order No. 7-2001, § 7, including but not limited to the following records: total daily hours worked by each employee; applicable rates of pay; all deductions; meal periods; time records showing when each employee begins and ends each work period; and accurate itemized statements.

Specifically, Penn Emblem Company had knowledge it was not providing its employees with proper meal and rest breaks; nevertheless, Penn Emblem Company knowingly failed to include in the wage statements the extra hour of compensation owed for each workday a meal break was not provided and each workday a rest break was not authorized and permitted. In addition, Penn Emblem Company had knowledge it was requiring employees to work off-the-clock and was not properly compensating its employees for all hours worked, yet Penn Emblem Company knowingly failed to include this time worked in the regular rate of pay of aggrieved employees.

Labor Code § 558.1 imposes liability for violating or causing to violate, any provision regulating minimum wages or hours and days of work in any order for the Industrial Welfare Commission, or Labor Code §§ 203, 226, 226.7, 1193.6, 1194, or 2802.

Failure to Indemnify Employees for Necessary Expenditures Incurred in Discharge of Duties

Labor Code § 2802(a) requires an employer to indemnify an employee for all necessary expenditures or losses incurred by the employee in direct consequence of the discharge of his or her duties, or of his or her obedience to the directions of the employer. Penn Emblem Company failed to indemnify Ms. Madrigal and other similarly-aggrieved employees for all business expenses and/or losses incurred in direct consequence of the discharge of their duties while working under the direction of Penn Emblem Company, including but not limited to expenses for cell phones, work-related apparel, and other employment-related expenses, in violation of Labor Code § 2802. Ms. Madrigal and other similarly aggrieved employees were required to use their personal cell phones in order to communicate with the customer service department, but were not reimbursed.

Additionally, Labor Code § 558.1 imposes liability for violating or causing to violate, any provision regulating minimum wages or hours and days of work in any order for the Industrial Welfare Commission, or Labor Code §§ 203, 226, 226.7, 1193.6, 1194, or 2802.

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This notice is hereby given to Penn Emblem Company and any and all related and/or alter ego companies, corporations, partnerships, and/or business entities, as well as against any and all officers, owners, directors, managers, managing agents, or entities who are or may be liable under

California law for any of the violations alleged herein as to any locations or employees who worked at any time in the State of California.

This notice is made on behalf of all persons who are, were, or will be non-exempt employees of Penn Emblem Company, or any related or alter-ego company, corporation, partnership, and/or business entity at any time on or after a date four years prior to the date of this letter in the State of California.

This notice shall be construed as extending without limitation to any past, present, future, or continuing violation of the Labor Code, the applicable IWC Wage Order, or any applicable regulation which might be discovered as a result of a reasonable and diligent investigation made pursuant to this notice.

This notice shall further represent Ms. Madrigal's reasonable attempt to settle her dispute with Penn Emblem Company prior to litigation. Pursuant to *Graham v. DaimlerChrysler Corp.*, 34 Cal. 4th 553 (2004), this notice serves to apprise Penn Emblem Company of Ms. Madrigal's aforementioned grievances and the proposed remedies as detailed below, while affording Penn Emblem Company reasonable opportunity to meet Ms. Madrigal's demands.

Demand is hereby made that Penn Emblem Company shall agree, in writing received at this office no later than 30 calendar days from the postmark date of this notice, as follows:

1. Penn Emblem Company shall pay Ms. Madrigal and all other similarly-aggrieved persons employed by Penn Emblem Company at any time during the past 48 months back pay and compensation for the above-referenced violations.

2. Penn Emblem Company shall comply with all California labor laws and ensure that its non-exempt employees are paid proper overtime compensation and given required meal and rest periods.

3. Penn Emblem Company shall conduct a survey or interview all current and former non-exempt employees in California during the past 48 months to obtain information from them regarding the number of meal breaks which were not provided, the number of rest breaks which were not authorized and permitted, and the number of employees who were required to pay for cell phones, uniforms, travel-related expenses or other expenditures in the discharge of their duties, with the investigation to be completed within 60 days.

4. Penn Emblem Company shall pay each employee one hour of pay for each workday he or she was not authorized and permitted one or more rest periods, as required by Labor Code § 226.7. Penn Emblem Company also shall pay each employee one hour of pay for each workday he or she was not provided one or more and meal periods, as required by Labor Code § 226.7.

5. Penn Emblem Company shall reimburse those employees who were forced to pay for any business expenses incurred for Penn Emblem Company's benefit, including but not limited to cell phone, uniform, and travel-related expenses.

6. Penn Emblem Company shall pay waiting time penalties, equal to thirty days of pay, to each former employee who was not paid all wages due as described herein.

7. Penn Emblem Company shall pay accrued interest to all employees at the rate of ten percent per annum for said unpaid wages.

8. Penn Emblem Company shall pay all penalties arising from the violations of the Labor Code and IWC Wage Order sections referenced above and pursuant to PAGA, Labor Code § 2698 *et seq*., including but not limited to penalties under Labor Code §§ 206.5, 210, 225.5, 226.3, 558, 1174.5, 1182.12, 1197.1, 1198, 1199 and 2699 and Wage Order No. 7-2001, § 20.

If the Labor and Workforce Development Agency intends to investigate the allegations set forth herein, please notify this office of that decision by certified mail addressed to Matern Law Group, PC, 1230 Rosecrans Avenue, Suite 200, Manhattan Beach, California 90266. Additionally, please advise us if the Agency or Penn Emblem Company require additional information regarding Ms. Madrigal's complaints.

Thank you for your prompt attention to this matter.

Very truly yours,

MATERN LAW GROUP, PC

Corey B. Bennett, Esq.