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Attorneys for Plaintiff JAMIE MIGUEL MOEN,
on behalf of himself and all others similarly situated

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN DIEGO

JAMIE MIGUEL MOEN, an individual, on
behalf of himself and others similarly
situated,

Plaintiff,

vs.

AUTOMATED ENGINEERING
SERVICES, INC., a California stock
corporation; and DOES 1 through 50,
inclusive,

Defendants.

Case No.: 25CU042196C

CLASS ACTION

Assigned for All Purposes To:
Hon. Marcella O. McLaughlin
Dept.: C-72

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

*[filed concurrently with Plaintiff's Notice of Motion
and Motion; Memorandum of Points and
Authorities; Declarations of Jamie Miguel Moen
and Kimberly Sutherland; and [Proposed] Order]*

Date: September 11, 2026

Time: 9:30 a.m.

Dept.: C-72

Original Complaint Filed: August 12, 2025

First Amended Complaint Filed: October 16, 2025

Trial Date: None Set

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16, 2025 (“Operative Complaint”).

5. Plaintiff contends that Defendant failed to pay all wages due by requiring Class Members to work off the clock, failed to pay overtime wages, failed to provide meal and rest breaks and premium wages for non-compliant meal and rest breaks, failed to reimburse business expenses, failed to keep required payroll records, failed to furnish accurate wage statements, unlawfully collected wages, and failed to timely pay wages including final wages.

Investigation

6. Before filing the lawsuit, my firm conducted a thorough investigation and researched the facts and circumstances underlying the pertinent issues and applicable law. This required thorough discussions and interviews between Class Counsel and Plaintiff, in addition to the above-described research into the various legal issues involved in the case. After filing the lawsuit, Class Counsel conducted a thorough investigation of the facts and claims giving rise to the action, including (1) meeting and conferring with defense counsel and conducting formal and informal discovery; (2) reviewing and analyzing records and data, as well as employment-related policies; (3) reviewing Plaintiff’s personnel files and other documentation; (4) interviewing Plaintiff regarding Defendant’s policies and workplace; (5) researching the applicable law and potential defenses; (6) constructing damage models based on interpretations of California law and the facts and numbers provided by Defendant; and (7) reviewing information provided by Defendant in response to informal discovery and in advance of the mediation. The Parties conducted their own evaluations of the potential recoveries based on the claims alleged in the Action.

7. Defendant, for its part, vigorously contested liability, the amount of claimed damages, and the propriety of class certification. After analyzing the relevant documents and other gathered data, Class Counsel believed that this case was appropriate for resolution via mediation. Given the high level of risk present for both sides, the Parties elected to mediate Plaintiff’s claims and explore the possibility of settlement.

Settlement Efforts

8. On March 12, 2026, the Parties participated in an all-day mediation with mediator Jeffrey P. Fuchsman, a respected and highly experienced mediator in wage and hour class actions.

During mediation, counsel for Plaintiff and Defendant discussed all aspects of the case, including the risks of litigation and the risks to both Parties of proceeding with a class certification motion, as well as the law on unpaid wages, meal periods, rest periods, reimbursements, wage statements, and final pay. Despite a full day of mediation, the Parties were unable to reach a resolution. With the continued assistance of mediator Fuchsman, the Parties continued negotiations and accepted a mediator's proposal. The Parties continued to work together negotiating the long form settlement terms following mediation, as set forth in the Settlement Agreement.

9. Based on their own independent investigations and evaluations, Class Counsel is of the opinion that the Settlement with Defendant for the consideration and terms set forth herein, considering the representative and class claims, and the risk of loss, is fair, reasonable, and adequate. Class Counsel is also of the opinion that the total consideration and payment set forth in this Settlement Agreement is adequate in light of the uncertainties surrounding the risk of further litigation, the possibility of losing class certification, that the PAGA claim could be deemed unmanageable, and the defenses that Defendant has asserted and/or could assert as to the substantive merit of the claims. Based on the settlement negotiations, which were extensive and conducted in good faith and at arm's length between attorneys with substantial experience litigating wage and hour class action cases, the Settlement was the product of a non-collusive settlement process and compromises in the interest of reaching a full and complete settlement. As a result, Class Counsel has determined that the Settlement is in the best interests of the Settlement Class.

Summary of the Settlement

10. Under the terms of the proposed Settlement Agreement, Defendant has agreed to pay \$215,000.00 (“Gross Settlement Amount” or “GSA”) on a non-reversionary basis to settle and release all claims asserted by Plaintiff in the Operative Complaint on behalf of the proposed Settlement Class. (Exhibit 1, Settlement Agreement, ¶ 18.) The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the PAGA Settlement Amount, Attorneys’ Fees and Costs, Class Representative Enhancement Payment, and the Settlement Administration Costs. (*Id.* at ¶¶ 45–53.) The Gross Settlement Amount does not include the employer’s share of payroll taxes, which will be paid by Defendant in addition to the Gross Settlement Amount. (*Id.* at ¶ 45.) The Gross

1 Settlement Amount was calculated with, and is premised on, the understanding that Class Members
2 worked approximately 5,000 Workweeks during the Class Period. (*Id.* at ¶ 63.) If the actual number
3 of Workweeks during the Class Period increases by more than 10% (i.e., to more than 5,500
4 Workweeks), then the Gross Settlement Amount will be increased proportionally by the number of
5 Workweeks worked in excess of 10%. (*Id.*) For example, if the total number of Workweeks increases
6 by 15% over 5,000 Workweeks, the Gross Settlement Amount will increase by 5%. (*Id.*)
7 Alternatively, at its option, Defendant can avoid increasing the Gross Settlement Amount by electing
8 to end the Class Period and PAGA Period on the date by which the number of Workweeks does not
9 exceed 5,500. (*Id.*)

10 11. The Settlement Agreement defines the “Settlement Class” as all persons who worked
11 for Defendant Automated Engineering Services, Inc. as non-exempt, hourly paid employees in the
12 State of California at any time from August 12, 2021, through June 10, 2026. (Exhibit 1, Settlement
13 Agreement, ¶¶ 5, 8.) The Settlement Agreement also defines “PAGA Members” as all persons who
14 worked for Defendant Automated Engineering Services, Inc. as non-exempt, hourly paid employees
15 in the State of California at any time from August 12, 2024, through June 10, 2026. (*Id.* at ¶¶ 28, 30.)
16 The “Net Settlement Fund,” available for distribution to Participating Class Members, is the Gross
17 Settlement Amount, less the following payments in the amounts approved by the Court: the
18 Attorneys’ Fees and Costs, the Class Representative Enhancement Payment, the PAGA Settlement
19 Amount, and Settlement Administration Costs. (*Id.* at ¶ 22.) The remainder is to be paid to
20 Participating Class Members as Individual Class Payments. (*Id.*) These amounts are detailed as
21 follows:

- 22 • Attorneys’ Fees: Up to one-third (1/3) of the Gross Settlement Amount, or **\$71,666.67**, to
23 Class Counsel as attorneys’ fees for the litigation and resolution of this Action. (Exhibit 1,
24 Settlement Agreement, ¶ 46);
- 25 • Attorneys’ Costs: Reimbursement of actual expenses incurred to prosecute the Action, which
26 is currently estimated not to exceed **\$15,000.00** (Exhibit 1, Settlement Agreement, ¶ 46);
- 27 • Class Representative Enhancement Payment: Up to **\$5,000.00** to Plaintiff as an award for his
28 service as the Class Representative (Exhibit 1, Settlement Agreement, ¶ 47);

- Settlement Administration Costs: Up to **\$5,490.00** to the Settlement Administrator for its fees and costs to administer the Settlement (Exhibit 1, Settlement Agreement, ¶ 48); and
- PAGA Settlement Amount: **\$15,000.00** for settlement of claims for civil penalties under PAGA, with 35% allocated to the Individual PAGA Payments (\$5,250.00) to be paid on a pro-rata basis to the PAGA Members and 65% allocated to the LWDA (\$9,750.00) to be paid to the LWDA (Exhibit 1, Settlement Agreement, ¶ 49.)

12. If the Court approves the above allocations from the Gross Settlement Amount, the Net Settlement Fund is estimated to be **\$102,843.33**. Each Class Member's share of the Net Settlement Fund ("Individual Class Payment") will be calculated by (a) dividing the Net Settlement Fund by the aggregate total number of Workweeks, resulting in the "Workweek Value," and (b) multiplying each individual Class Member's total number of Workweeks by the Workweek Value. (Exhibit 1, Settlement Agreement, ¶ 53.) For the approximately 100 Class Members (if no exclusions), the average Individual Class Payment, using a straight average, is **\$1,028.43**. If the Court approves a lesser amount for any of the above requested allocations from the Net Settlement Fund, none of the Gross Settlement Amount would revert to Defendant. (*Id.* at ¶ 45.) Instead, the remainder will be added to the Net Settlement Fund to be distributed to Participating Class Members. (*Id.*)

13. Not later than ten (10) days after the Court grants Preliminary Approval of the Settlement, Defendant will deliver the Class List to the Settlement Administrator, in the form of a Microsoft Excel spreadsheet. (Exhibit 1, Settlement Agreement, ¶ 56.) Not later than ten (10) days after receiving the Class List, the Settlement Administrator will send to all Class Members identified in the Class List, via first-class United States Postal Service ("USPS") mail, the Class Notice substantially in the form attached to the Settlement Agreement as Exhibit A. (Exhibit 1, Settlement Agreement, ¶ 57.) The Class Notice includes a summary of the case and settlement terms and provides Class Members with detailed instructions on how to exclude themselves, object to the settlement, and dispute the number of Workweeks and/or PAGA Pay Periods attributed to each Class Member per Defendant's records. (Exhibit 1, Settlement Agreement, Exhibit A, Class Notice). Class Members will have sixty (60) days from the mailing of the Class Notice (plus an additional fourteen (14) calendar days for Class Members whose Class Notice is re-mailed) to opt out of the Settlement, object

1 to the Settlement, and/or dispute the number of Workweeks and/or PAGA Pay Periods (“Response
2 Deadline”). (Exhibit 1, Settlement Agreement, ¶ 40.)

3 **Certification for Settlement Purposes Only is Appropriate**

4 14. Plaintiff alleges that the proposed Class satisfies the criteria for certification of a
5 settlement class under California law, as embodied in California Code of Civil Procedure § 382.
6 Defendant has agreed to the conditional certification of the class for settlement purposes only.
7 Defendant does not concede that certification is appropriate outside of this Settlement and preserves
8 all rights to oppose certification if, for any reason, the settlement does not become effective. In
9 general, courts may take a proposed settlement into account in evaluating the propriety of class
10 certification. *See Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1807 fn. 19. Indeed, a “lesser
11 standard” of scrutiny applies in certifying classes for settlement purposes. *Id.* Therefore, the Court
12 should take into consideration the fact that the Parties have settled their claims and stipulated to
13 certification for settlement purposes when assessing whether the Settlement is fair and reasonable.

14 15. Numerosity and Ascertainability. The putative Settlement Class is so numerous that
15 joinder of all members is impractical. Class Members are all persons who worked for Defendant
16 Automated Engineering Services, Inc. as non-exempt, hourly paid employees in the State of
17 California at any time from August 12, 2021, through June 10, 2026. (Exhibit 1, Settlement
18 Agreement, ¶¶ 5, 8.) Defendant has identified 100 Class Members based on a review of its payroll
19 and personnel records. Thus, there is numerosity and ascertainability.

20 16. Well-Defined Community of Interest. Plaintiff contends, and Defendant does not
21 dispute for settlement purposes only, that common issues of fact and law predominate as to each of
22 the claims alleged by Plaintiff, and the Settlement Class is united in its proof. This action involves,
23 *inter alia*, a determination about Defendant’s alleged failure to pay wages and overtime due to
24 allegedly common Class Members to work off the clock, failure to pay overtime wages, failure to
25 provide meal and rest breaks and premium wages for non-compliant meal and rest breaks, failure to
26 reimburse business expenses, failure to furnish accurate wage statements, failure to keep required
27 payroll records, unlawful collection of wages, and failure to timely pay wages including final wages.
28 Plaintiff contends Defendant’s practices affected Class Members in the same way and presents

1 questions that are suitable for common adjudication because all Class Members were subject to the
2 same employment policies and practices. The outcome of litigation in this matter depends upon
3 questions that are common to Class Members.

4 17. Typicality. The Class Representative's claims are typical when they arise from the
5 same event, practice, or course of conduct that gives rise to the claims of other putative Class
6 Members, and if their claims rest on the same legal theories. Here, Plaintiff alleges that his claims are
7 typical of Class Members' claims because they arose from the same factual basis and are based on
8 the same legal theories. Plaintiff and Class Members were employed by Defendant during the Class
9 Period and were subject to the allegedly unlawful meal and rest policies and pay practices at issue in
10 this litigation. Thus, the typicality requirement is satisfied.

11 18. Adequacy. Plaintiff's interests are aligned with those of the Class Members, as he has
12 suffered the same injuries as the Class Members and has no conflicts of interest. Plaintiff has not
13 shrunken from this responsibility. Indeed, Plaintiff has devoted a substantial amount of time and
14 energy to litigating this Action and effectuating a settlement. Furthermore, as set forth below, Class
15 Counsel are experienced in wage-and-hour litigation, especially class actions, and have zealously
16 represented the interests of the Settlement Class in litigating this case and have no conflicts of interest.
17 Accordingly, the adequacy requirement is satisfied.

18 19. Predominance and Superiority. Plaintiff contends that individualized issues do not
19 predominate over the issues of law and fact that are common to the Settlement Class as a whole. As
20 explained, *supra*, Plaintiff alleges there are common issues of law and fact given that Plaintiff and all
21 Class Members were subjected to the same policies and pay practices during the relevant time period.
22 Plaintiff and Class Members seek meal and rest premiums, unpaid wages and overtime, and penalties
23 for work performed as non-exempt employees for Defendant. Plaintiff alleges that these issues are
24 suitable for common adjudication because all Class Members were allegedly subject to the same
25 employment policies, and Plaintiff contends the practices applied uniformly to all Class Members.

26 20. Plaintiff contends that class resolution is superior to other available methods for the
27 fair and efficient adjudication of the controversy, as there is little interest or incentive for Class
28 Members to individually control the prosecution of separate actions. Although the alleged injuries

1 resulting from Defendant's policies and practices are allegedly real and significant, the cost of
2 individually litigating each such case against Defendant would easily exceed the value of any relief
3 that could be obtained by any one Class Member individually. If Class Members are forced to litigate
4 their claims individually, this would result in 100 individual actions against Defendant. Here, the
5 alternative methods of resolution are individual suits for relatively small amounts. Hence, an
6 individual suit would prove uneconomical for potential plaintiffs because litigation costs would dwarf
7 a potential recovery.

8 **The Settlement is Fair, Adequate, and Reasonable**

9 21. In deciding whether to approve a proposed class action settlement, the Court must find
10 that a proposed settlement is "fair, adequate, and reasonable" and falls within the "range of approval."
11 *Dunk*, 48 Cal.App.4th at 1801-02. The trial court considers all relevant factors, such as "the strength
12 of plaintiffs' case, the risk, expense, complexity and likely duration of further litigation, the risk of
13 maintaining class action status through trial, the amount offered in settlement, the extent of discovery
14 completed and the stage of the proceedings, the experience and views of counsel, the presence of a
15 governmental participant, and the reaction of the Class Members to the proposed settlement." *Id.* The
16 Settlement satisfies all of these requirements.

17 **A. The Settlement is the Result of Serious, Informed, Non-Collusive Negotiations.**

18 22. The proposed settlement was reached as a result of arm's length negotiations after the
19 completion of pertinent discovery and the exchange of necessary class data. The negotiations have
20 been, at all times, adversarial and non-collusive in nature. *See*, 4 Newberg on Class Actions § 13:45
21 (5th ed.) (due to the preference of settlement over litigation, "a court will presume that a proposed
22 class action settlement is fair when certain factors are present, particularly evidence that the settlement
23 is the product of arms-length negotiation, untainted by collusion."). Although Plaintiff steadfastly
24 maintains that his claims are meritorious, Plaintiff acknowledges that there were substantial risks and
25 uncertainty in proceeding with litigation. As described below, Defendant presented multiple defenses
26 to Plaintiff's claims, both on the merits and with respect to class certification. Thus, while Plaintiff
27 was prepared to litigate these claims through class certification, and ultimately trial, success was far
28 from certain. Assistance from a well-respected mediator ensured that negotiations were non-collusive

1 and well-informed.

2 **B. Extent of Discovery and Stage of Proceedings.**

3 23. As stated above, the Parties engaged in substantial formal and informal discovery
4 before the Settlement was reached to allow them to fully evaluate the class claims and Defendant's
5 defenses. This litigation has reached the stage where the Parties have a clear view of their respective
6 strengths and weaknesses.

7 **C. Strength of Plaintiff's Case and the Risk, Expense, Complexity, and Likely Duration**
8 **of Any Litigation.**

9 24. Plaintiff's claims are based on Defendant's alleged failure to pay wages (including
10 overtime), failure to provide meal and rest periods, failure to pay final wages when required, failure
11 to provide accurate wage statements, failure to reimburse business expenses, and largely derivative
12 claims under the UCL and PAGA.

13 25. Plaintiff alleges that Defendant failed to pay Plaintiff and Class Members at least
14 minimum wages for all hours worked and proper overtime wages for hours worked in excess of eight
15 hours in a day and 40 hours in a week. Plaintiff alleges that Defendant required Plaintiff and Class
16 Members to be prepared to begin work at scheduled shift start times or be reprimanded, thus requiring
17 Plaintiff and Class Members to arrive at the facility well before their start time and before clocking
18 in. Further, Plaintiff alleges that Plaintiff and Class Members were contacted by Defendant's
19 managers regarding work-related matters and scheduling after work hours and when they were off
20 duty, for which they were not paid.

21 26. Defendant contends that it instructed Class Members to record all hours worked, that
22 it paid Class Members for all reported hours worked, that any off-the-work was performed without
23 Defendant's knowledge and was de minimis, and that it paid wages to Class Members at the proper
24 rates. Defendant contends that off-the-clock work allegations will be difficult to certify because
25 Defendant has a lawful policy prohibiting off-the-clock work. Defendant also argues that, given its
26 written policies and practices, any unrecorded hours are likely subject to individualized inquiry and
27 unlikely to be certified. Given the difficulty in certifying this claim, Class Counsel applied a
28 significant discount to damages based on this theory.

1 27. Plaintiff also alleges that Defendant failed to provide proper meal breaks to Plaintiff
2 and Class Members. Plaintiff alleges that Defendant required Plaintiff and Class Members to record
3 meal periods that appeared compliant and automatically deducted meal period time regardless of
4 whether a lawful meal period was actually provided. Plaintiff further alleges that Class Members
5 routinely took late, short, interrupted, and/or missed meal periods due to management demands,
6 which included responding to work related calls and inquiries.

7 28. Defendant contends that Class Members were authorized, permitted, and never denied
8 the opportunity to take their meal periods, and that any deviations from their scheduled meal breaks
9 were at the voluntary election of Class Members. Defendant also contends that it had a lawful meal
10 period policy that applied to Class Members. Defendant further contends that the meal break claim
11 requires individualized inquiries, which would preclude class certification. If Defendant's contentions
12 are proven true and prevail in trial, the likely outcome would be no recovery for the Class Members
13 on the meal break claim.

14 29. Plaintiff also alleges that Defendant did not provide Class Members with paid 10-
15 minute rest breaks for every four hours or a major fraction thereof. Plaintiff contends that Class
16 Members were not permitted to leave Defendant's premises during rest periods and that Defendant
17 failed to authorize and permit Plaintiff and Class Members to take their required duty-free, net ten-
18 minute rest periods. Plaintiff further alleges that if Plaintiff and Class Members ever did take a rest
19 break, it was often interrupted by client demands and calls and instructions from management.

20 30. Defendant maintains that it authorized and permitted Class Members to take duty-free
21 rest breaks of at least ten minutes for every four hours worked or major fraction thereof. Defendant
22 contends that there are no restrictions, in policy or practice, on where employees can go during their
23 rest breaks. Considering that, unlike meal periods, rest breaks need not be recorded, these violations
24 would likely be difficult to prove at trial and potentially depress the damages ultimately awarded.
25 Therefore, Class Counsel applied significant and appropriate discounts to the rest break claim.

26 31. Additionally, Plaintiff alleges that Defendant required Plaintiff and Class Members to
27 use their cellular phones to respond to calls from Defendant's managers for which they were not
28 reimbursed. Defendant maintains that Plaintiff and Class Members were not required to use their

cellular phones and that any unreimbursed business expenses pertaining to personal cell phone usage were not necessary expenditures as required by Labor Code section 2802.

32. As for the wage statement and waiting time penalties claims, Defendant contends that these claims are merely derivative of the underlying claims and that Plaintiff and Class Members would be unable to first establish liability for the underlying claims for the reasons described above. Defendant further contends that even if they could first establish liability for the underlying claims, Plaintiff and Class Members would be unable to establish that Defendant's conduct was willful and knowing as required by the relevant statutes since Defendant acted in good faith to provide accurate wage statements and pay all wages due to Plaintiff and Class Members. Thus, Defendant contends that the wage statement and waiting time penalties claims to have little to no value.

33. Similarly, Defendant contends that the PAGA claim is also derivative of the underlying claims in the Action and ultimately fails because the underlying claims have no merit. Defendant also contends that even if Plaintiff and Class Members could establish Labor Code violations, the Court has the discretion to award less than the maximum civil penalty amount and would award substantially less civil penalties here because Defendant acted in good faith to comply with the relevant wage and hour laws and any violations were minor and technical in nature.

34. Defendant generally denies all claims alleged in the Action and further denies that class and/or representative treatment is appropriate for any purpose other than this Settlement and that it complied with all applicable laws. However, after careful consideration, Defendant has concluded that further litigation would be protracted and expensive and that it is desirable that the Action be fully and finally settled in the manner and upon the terms and conditions herein.

35. As stated above, while Plaintiff and Class Counsel contend the claims asserted in the Action have merit, they also acknowledge the expense, delay, and risks of continued litigation. Although the Parties engaged in significant informal discovery in advance of mediation, the Parties still had significant discovery to complete had the matter not been settled. This would have required the expenditure of substantial time and resources by both Parties that would have very likely spanned several years. Even if Plaintiff was to certify the class, the Parties would incur considerably more attorney fees and costs through a possible decertification motion, trial, and possible appeal. This

1 Settlement avoids those risks and the accompanying expense.

2 **D. The Risk of Maintaining Class Action Status Through Trial.**

3 36. Plaintiff had not yet filed his motion for class certification, and as such, the extent to
4 which Plaintiff's proposed Settlement Class was certifiable is somewhat speculative. Absent a
5 settlement, there was a risk that there would not be a certified class at the time of trial, or if there
6 were, it could consist of a significantly smaller group of employees than the proposed Settlement
7 Class, resulting in less overall recovery.

8 37. Finally, in class actions, decertification is always a possibility, and there is always a
9 risk that a trial of this magnitude can become unmanageable. Cases like *Duran v. U.S. Bank Nat.*
10 *Assn.* (2014) 59 Cal. 4th 1, 34 addresses the complexity of using statistical samples in class actions
11 and demonstrates that decertification is a real risk that Class Counsel must consider. A class trial
12 would have also required expert witnesses, the accrual of extensive litigation costs, and the
13 commitment of extensive further time and financial resources. Finally, given the complexity and
14 unsettled nature of the issues, it is likely that any outcome at trial would have resulted in a lengthy
15 and costly appeal. An appeal would result in further delay for the Class Members who have already
16 waited years for resolution in this matter. Risk and legal uncertainty must be dealt with in any
17 litigation, and this Settlement was the product of a compromise accounting for those risks and
18 uncertainties.

19 **E. The Presence of a Governmental Participant.**

20 38. As of the date of this submission, the LWDA's website is non-functional. Accordingly,
21 Class Counsel will submit the Settlement Agreement and this Motion to the LWDA as soon as the
22 LWDA's website becomes functional again pursuant to Labor Code § 2699(1)(2).

23 **F. The Amount Offered in Settlement is Fair Given the Potential Value of the Claims.**

24 39. Because the Class consists of numerous employees, it was unlikely that the potential
25 monetary claims of individual Class Members would have proved viable without the class-action
26 mechanism. The Settlement Agreement should be approved in light of two California appellate
27 decisions: *Clark v. American Residential Services LLC* (2009) 175 Cal.App.4th 785 and *Kullar v.*
28 *Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116.

1 40. The strength of the Plaintiff's case in light of the settlement amount is deemed by
2 courts to be the "most important." *Clark v. American Residential Services, LLC* (2009) 175
3 Cal.App.4th 785, 799 (citing *Kullar*). Here, Plaintiff alleges that Defendant failed to pay minimum
4 wages and overtime, failed to provide meal and rest breaks, failed to provide accurate wage
5 statements, failed to pay all wages upon termination, and failed to reimburse business expenses, all
6 in violation of California law. Plaintiff seeks related violations of California's Business & Professions
7 Code, penalties pursuant to Labor Code § 2699 *et seq.* Summary calculations for estimated liability
8 for each of these claims follow.

9 Failure to Pay Minimum and Overtime Wages:

10 41. Plaintiff alleges that Defendant failed to pay Plaintiff and Class Members at least
11 minimum wages for all hours worked and proper overtime wages for hours worked in excess of eight
12 hours in a day and 40 hours in a week. Plaintiff alleges that Defendant required Plaintiff and Class
13 Members to be prepared to begin work at scheduled shift start times or be reprimanded, thus requiring
14 Plaintiff and Class Members to arrive at the facility well before their start time and before clocking
15 in. Further, Plaintiff alleges that Plaintiff and Class Members were contacted by Defendant's
16 managers regarding work-related matters and scheduling after work hours and when they were off
17 duty, for which they were not paid.

18 42. Defendant contends that it instructed Class Members to record all hours worked, that
19 it paid Class Members for all reported hours worked, that any off-the-work was performed without
20 Defendant's knowledge and was de minimis, and that it paid wages to Class Members at the proper
21 rates. Defendant contends that off-the-clock work allegations will be difficult to certify because
22 Defendant has a lawful policy prohibiting off-the-clock work. Defendant also argues that, given its
23 written policies and practices, any unrecorded hours are likely subject to individualized inquiry and
24 unlikely to be certified. Given the difficulty in certifying this claim, Class Counsel applied a
25 significant discount to damages based on this theory.

26 43. Plaintiff estimated Defendant's exposure on the unpaid wages claims to be
27 approximately \$325,065.00 (assuming 30 minutes per shift and 5 shifts per Workweek). However,
28 given Defendant's defenses and the potential hurdles facing certification of off-the-clock claims,

1 Class Counsel applied a 75% discount, making for an adjusted realistic exposure of \$81,266.25 for
2 Defendant.

3 Meal Periods and Rest Breaks:

4 44. Plaintiff also alleges that Defendant failed to provide proper meal breaks to Plaintiff
5 and Class Members. Plaintiff alleges that Defendant required Plaintiff and Class Members to record
6 meal periods that appeared compliant and automatically deducted meal period time regardless of
7 whether a lawful meal period was actually provided. Plaintiff further alleges that Class Members
8 routinely took late, short, interrupted, and/or missed meal periods due to management demands,
9 which included responding to work related calls and inquiries.

10 45. For each meal period missed, of less than 30 minutes, or taken late for which the employee
11 was not provided a reasonable opportunity to take a complete and timely meal period, an employer
12 must pay the employee an additional one hour of compensation. Labor Code § 226.7. This additional
13 hour of compensation is referred to as “premium pay.” To comply with these laws, every employer
14 must keep, for each employee, accurate time records showing when the employee begins and ends
15 each work period and takes his or her meal periods. See Wage Order 4-2001(7)(A)(3). Plaintiff alleges
16 that Defendant failed to pay the legally required premium at their regular rate of pay whenever meal
17 periods were missed, interrupted, or late.

18 46. Defendant contends that Class Members were authorized, permitted, and never denied the
19 opportunity to take their meal periods, and that any deviations from their scheduled meal breaks were
20 at the voluntary election of Class Members. Defendant also contends that it had a lawful meal period
21 policy that applied to Class Members. Defendant further contends that the meal break claim requires
22 individualized inquiries, which would preclude class certification. If Defendant’s contentions are
23 proven true and prevail in trial, the likely outcome would be no recovery for the Class Members on
24 the meal break claim.

25 47. Plaintiff estimated Defendant’s maximum exposure on the meal period claim at
26 approximately \$650,130.00 (based on late, missed, or short meal breaks for shifts greater than 5
27 hours). However, given Defendant’s contentions, Class Counsel applied an 85% discount, making for
28 an adjusted realistic exposure of \$97,519.50 for Defendant.

1 48. Rest Breaks: The same argument applied to rest breaks. Plaintiff also alleges that
2 Defendant did not provide Class Members with paid 10-minute rest breaks for every four hours or a
3 major fraction thereof. Plaintiff contends that Class Members were not permitted to leave Defendant's
4 premises during rest periods and that Defendant failed to authorize and permit Plaintiff and Class
5 Members to take their required duty-free, net ten-minute rest periods. Plaintiff further alleges that if
6 Plaintiff and Class Members ever did take a rest break, it was often interrupted by client demands and
7 calls and instructions from management.

8 49. Defendant maintains that it authorized and permitted Class Members to take duty-free rest
9 breaks of at least ten minutes for every four hours worked or major fraction thereof. Defendant
10 contends that there are no restrictions, in policy or practice, on where employees can go during their
11 rest breaks. Considering that, unlike meal periods, rest breaks need not be recorded, these violations
12 would likely be difficult to prove at trial and potentially depress the damages ultimately awarded.
13 Therefore, Class Counsel applied significant and appropriate discounts to the rest break claim.

14 50. Plaintiff estimated Defendant's maximum liability exposure on the rest break period claim
15 at approximately \$650,130.00 using a 100% violation rate. However, given Defendant's contentions
16 and considering a more realistic violation rate for the Class as well as the potential hurdles facing
17 certification of rest break claims, Class Counsel applied a 95% discount making for an adjusted
18 realistic exposure of \$32,506.50 for Defendant. Owing to the arguments above and the fact that the
19 recording of rest periods is not required, this claim was substantially discounted and was not a major
20 driver of exposure in this case.

21 Inaccurate Wage Statement Violations:

22 51. Under Labor Code § 226(a), Plaintiff and the Class are entitled to recover \$50 for initial
23 violations for inaccurate wage statements and \$100 for subsequent violations, up to a maximum of
24 \$4,000 per employee. Plaintiff alleges Defendant issued wage statements to Plaintiff and the Class
25 Members that failed to accurately account for all off-the-clock work and missed meal and rest
26 premiums which Defendant knew or reasonably should have known were owed to Plaintiff and Class
27 Members.

28 ///

52. Defendant challenged Plaintiff's claim for Labor Code § 226(e) penalties, including by arguing they were merely derivative of the other claims that lacked merit, and Plaintiff's failure to prove the underlying claims could result in the dismissal of these derivative claims. Defendant also argued that it did not knowingly and intentionally commit these alleged violations. *See, e.g.*, Labor Code § 226(e) (recovery of penalties requires showing there was "a knowing and intentional failure by an employer").

53. Plaintiff estimated Defendant's maximum total exposure on the section 226 claim at approximately \$89,300.00 (based on 28 employees from August 12, 2024 to March 12, 2026 and 907 pay periods). After considering Defendant's contentions and the potential class certification issues, Class Counsel discounted this amount by 90% to get an adjusted realistic exposure of \$8,930.00.

Failure to Pay Final Wages at Termination or Separation:

54. In allegedly failing to pay Class Members their minimum wages, overtime wages, and premium pay for deficiently provided meal periods and rest breaks, all discussed above, Plaintiff alleges that Defendant willfully failed to pay Class Members all wages due and certain at the time of termination or within seventy-two (72) hours of resignation, as required under Labor Code § 203.

55. Section 203 further provides that if an employer willfully fails to pay an employee all wages due at termination or within 72 hours of resignation, then that employee's wages will continue as a penalty until paid for a period of up to 30 days from the date they were due. Because Class Members stopped working for Defendant but were allegedly not paid their full compensation for the reasons discussed above, Class Members did not receive all wages due upon termination of employment.

56. Defendant challenged this claim under Labor Code § 203 with several arguments, including that this claim is merely derivative of the other claims that lacked merit and that under Labor Code § 203, employers are only obligated to pay waiting-time penalties if they "willfully" fail to pay wages due and owing at the time of termination or resignation. As Title 8, California Code of Regulations, § 13520 states: "A willful failure to pay wages within the meaning of Labor Code Section 203 occurs when an employer intentionally fails to pay wages to an employee when those wages are due. However, a good faith dispute that any wages are due will preclude imposition of waiting time

penalties under Section 203.” Defendant argued that their good faith disputes and lack of willfulness would excuse its violations. Defendant maintained that because they had viable defenses in both law and fact, such penalties were subject to a three-year limitations period under Labor Code § 203(b).

57. Plaintiff estimated Defendant’s maximum total exposure on the section 203 claim at approximately \$243,360.00 (based on 39 terminated employees (commencing on August 12, 2022) during the relevant period x 30 days x average hourly rate per year x hours per work day). Given the foregoing arguments, Class Counsel discounted this amount by 90% to get an adjusted realistic exposure of \$24,336.00.

Failure to Reimburse for Necessary Business Expenditures:

58. Under Labor Code § 2802(a) Defendant must indemnify Plaintiff and Class Members for all necessary expenditures or losses incurred in direct consequence of the discharge of their duties. As discussed above, Plaintiff alleges that Defendant required Plaintiff and Class Members to use their cellular phones to respond to calls from Defendant’s managers for which they were not reimbursed. Defendant maintains that Plaintiff and Class Members were not required to use their cellular phones and that any unreimbursed business expenses pertaining to personal cell phone usage were not necessary expenditures as required by Labor Code section 2802.

59. Plaintiff estimated Defendant’s total exposure on the unreimbursed business expenses claim at approximately \$2,500.00 (\$25 x 100 Class Members). However, given Defendant’s contentions and the potential for the need for individualized inquiries, making class certification of this claim difficult, Class Counsel applied a discount of 85% to get an adjusted realistic exposure of \$375.00.

PAGA Penalties:

60. The Labor Code Private Attorneys General Act, Labor Code § 2698 *et seq.*, allows Plaintiffs to obtain civil penalties on behalf of themselves and other aggrieved employees for Defendant’s violation of any provision of the Labor Code enumerated under Labor Code § 2699.5. Where civil penalties are provided in the statute, those civil penalties are recoverable; where no civil penalties are recoverable, Labor Code § 2699(f) establishes civil penalties of one (\$100) for each aggrieved employee per pay period for the initial violation and two hundred dollars (\$200) for each

1 aggrieved employee per pay period for each subsequent violation. Pursuant to Labor Code § 2699(m),
2 sixty-five percent (65%) of the penalties recovered must be allocated to the Labor and Workforce
3 Development Agency (LWDA), with the remaining thirty-five percent (35%) allocated to the affected
4 employees. The limitations period for all penalties is one year prior to the filing of the complaint.

5 61. The provisions of the Labor Code potentially triggering PAGA penalties in this case
6 include, but are not limited to, Labor Code §§ 201, 202, 203, 204, 210, 212, 218, 218.5, 218.6, 221,
7 226, 226.4, 226.7, 227.3, 510, 511, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197,
8 1197.1, 1198, 1198.5, 1199, 2802, 2698, 2699, *et. seq.*, including 2699.5. PAGA penalties are not
9 mandatory and are instead permissive. Labor Code § 2699(e)(2) states that “a court may award a
10 lesser amount than the maximum civil penalty amount specified by this part if, based on the facts and
11 circumstances of the particular case, to do otherwise would result in an award that is unjust, arbitrary
12 and oppressive, or confiscatory.” *See Thurman v. Bayshore* (2012) 203 Cal. App. 4th 1112
13 (substantially reducing PAGA penalties by 30% under this provision); see also *Carrington v.*
14 *Starbucks Corp.*, 30 Cal. App. 5th 504, 529 (2018) (affirming penalty reduction of 90% for practice
15 that resulted in meal periods occasionally starting minutes after the fifth hour of work); *Sanchez v.*
16 *McDonald’s Corp.* (2017), LASC Case No. No. BC 499888 (98% reduction from \$41 million to
17 \$775,000); *Ghrdilyan v. RJ Financial* (2012), LASC Case No. BC430633 (94% reduction from \$5.4
18 million to \$325,000); *Fleming v. Covidien, Inc.* (2011), USDC Case No. ED CV 10-01487-RGK
19 (OPx) (87% reduction from \$2.8 million to \$375,000).

20 62. PAGA penalties are also derivative of each and every other claim, and Defendant argued
21 the PAGA claims would be subject to the same defenses as the underlying claims, as well as additional
22 equitable defenses, including substantial compliance. Finally, under *Amaral v. Cintas Corp.* (2008)
23 163 Cal.App.4th 1157, Defendant asserted that penalties under PAGA could, at best, be awarded only
24 at the rates obtainable for initial violations under the applicable statutes, because Defendant had never
25 been notified of the alleged violations. *Id.* at 1208-1209.

26 63. Plaintiff estimated Defendant’s total exposure on the PAGA claim at approximately
27 \$90,700.00 (907 PAGA Pay Periods x \$100). However, Class Counsel also estimated any PAGA
28 recovery would be substantially reduced and applied discounts in light of the countervailing

arguments with regard to the other causes of action and the Court's power to award "a lesser amount than the maximum civil liability." Class Counsel applied a discount of 80% to get an adjusted realistic exposure of \$18,140.00. The PAGA allocation agreed upon by the Parties, therefore, was **\$15,000.00**, subject to the Court's final approval. 65% of that amount (\$9,750.00) will be paid to the LWDA out of the Gross Settlement Amount, and the remaining 35% (\$5,250.00) will be distributed to the PAGA Members.

Unfair Business Practices

64. Plaintiff pled this cause of action to augment her other causes of action and aid in their prosecution. Business & Professions Code § 17208 extends the statute of limitations on Plaintiff's wage claims, which qualify as unfair business practices, to four years rather than the three years provided by statute.

Summary

65. The foregoing discussion establishes the adequacy of the Settlement amount in light of the merits of Plaintiff's case and establishes the fairness of the class-action settlement in the instant case, including by analyzing it in light of the *Clark* and *Kullar* decisions. It does so by explaining the legal basis for each of Plaintiff's causes of action, summarizing the evidence that Class Counsel gathered in support of those causes of action, and relating to Defendant's legal and factual arguments that worked to detract from the strength of Plaintiff's case.

66. Class Counsel applied reasonable and justified discounts, considering the facts and legal contexts outlined above. These substantial discounts were necessary in light of Defendant's contentions and denial of liability. In addition, Defendant argued that said employees were dissimilarly situated co-workers, making the certification of all Class Members less than a certainty. This Settlement, like most others, was the product of compromise. As addressed above, Plaintiff estimated that Defendant faced approximately \$263,073.25 in total realistic exposure on Plaintiff's main claims. The Gross Settlement Amount of \$215,000.00, therefore, represents a recovery for the Class Members of approximately 81.7% of the total realistic exposure Plaintiff estimated Defendant could face on these class-wide claims. Class Counsel submits that this is an optimal result for the Settlement Class in light of all of the factors described above.

1 **Attorney Costs are Fair and Reasonable**

2 67. Under the Settlement, Class Counsel requests, without opposition from Defendant, an
3 award of \$71,666.67 for attorneys' fees and up to \$15,000.00 for reasonable expenses incurred to
4 prosecute the Action. This request is fair, reasonable, and adequate to compensate Class Counsel for
5 the substantial work they have put into this case. Moreover, the risk they assumed by taking it in the
6 first place as they will not receive any compensation for their efforts until recovery is obtained for the
7 Settlement Class. The attorneys' fees award is intended to reimburse Class Counsel for all
8 uncompensated work that they have already done and for all the work they will continue to do in
9 carrying out and overseeing the notification to Class Members, communicating with Class Members
10 regarding their claims, and assisting in the administration of the Settlement if it is preliminarily
11 approved. The requested fee is reasonable for the services provided to Class Members and for the
12 benefits they are to receive.

13 **Class Representative Enhancement Payment is Fair and Reasonable**

14 68. Plaintiff is entitled to a reasonable enhancement payment for his efforts and initiative in
15 bringing and helping to prosecute this action. Plaintiff spent significant time better apprising himself
16 of his rights, deciding whether remedial action should be taken and how it should be taken, searching
17 for attorneys, and contacting Class Counsel, who spent many hours with Plaintiff discussing the case
18 and the law.

19 69. Both before and after the filing of this lawsuit, Plaintiff conferred with Class Counsel to
20 discuss every aspect of his case. Plaintiff provided Class Counsel with information about Defendant
21 and about the industry generally, produced and reviewed documents, identified witnesses, consulted
22 with Class Counsel regarding litigation strategy, participated in the mediation process, monitored the
23 progress of the litigation with Class Counsel, and reviewed and signed the Settlement Agreement. In
24 light of the foregoing, Class Counsel believes that the \$5,000.00 Class Representative Enhancement
25 Payment to Plaintiff is fair and reasonable.

26 **Proposed Class Notice Provides Adequate Notice**

27 70. The notification procedure set out in the Settlement Agreement provides the greatest
28 likelihood that each and every Class Member will receive the Class Notice, attached to the Settlement

1 as Exhibit A. Under the Settlement, not later than ten (10) days after the Court grants Preliminary
2 Approval of the Settlement, Defendant will deliver the Class List to the Settlement Administrator, in
3 the form of a Microsoft Excel spreadsheet. (Exhibit 1, Settlement Agreement, ¶ 56.) Not later than
4 ten (10) days after receiving the Class List, the Settlement Administrator will send to all Class
5 Members identified in the Class List, via USPS mail, the Class Notice substantially in the form
6 attached to the Settlement Agreement as Exhibit A. (Exhibit 1, Settlement Agreement, ¶ 57.) The
7 Class Notice includes a summary of the case and settlement terms and provides Class Members with
8 detailed instructions on how to exclude themselves, object to the settlement, and dispute the number
9 of Workweeks and/or PAGA Pay Periods attributed to each Class Member per Defendant's records.
10 (Exhibit 1, Settlement Agreement, Exhibit A, Class Notice). Class Members will have sixty (60) days
11 from the mailing of the Class Notice (plus an additional fourteen (14) calendar days for Class
12 Members whose Class Notice is re-mailed) to opt out of the Settlement, object to the Settlement,
13 and/or dispute the number of Workweeks and/or PAGA Pay Periods ("Response Deadline"). (Exhibit
14 1, Settlement Agreement, ¶ 40.) This is the best and most practicable way to ensure the greatest
15 possible number of Class Members will receive the Class Notice.

16 71. The Class Notice itself fully apprises Class Members of the nature of the lawsuit, the claims
17 involved, the terms of the Settlement, and their options thereunder. (Exhibit 1, Settlement Agreement,
18 Exhibit A, Class Notice). It provides for a specific procedure to seek exclusion from the Settlement
19 Class, dispute payments and Settlement Class data, dispute Workweek and PAGA Pay Period data,
20 and make objections to the Settlement. (Exhibit 1, Settlement Agreement, Exhibit A, Class Notice).
21 In the Class Notice, Class Members will also receive Class Counsel's contact information so they can
22 speak to attorneys conversant with the legal and factual issues involved in this case, as well as the
23 contact information for the Settlement Administrator. The efforts taken to ensure that Class Members
24 receive the Class Notice and are well informed about the settlement are reasonable and provide the
25 best notice practicable under the facts.

Qualifications and Adequacy of Class Counsel

26
27 72. D.Law (formerly known as Davtyan Law Firm) prosecutes wage and hour cases, including
28 class actions and PAGA actions on behalf of employees and others who have had their rights violated.

1 D.Law, either on its own or with co-counsel, is currently serving as plaintiffs' counsel of record in
2 numerous wage and hour and employment class action and PAGA action cases pending in both state
3 and federal court.

4 73. D.Law is well-qualified and has ample experience, knowledge, and resources to act as
5 counsel and represent Plaintiff and the putative Settlement Class and PAGA Members in this action.
6 Our practice is exclusively focused on employment matters and representing plaintiffs in wage and
7 hour actions with the same or similar causes of actions brought forth in the matter pending before this
8 Court.

9 74. D.Law has litigated and successfully resolved many wage and hour class action cases
10 involving failure to pay wages and derivative Labor Code claims and penalties. See e.g. De La Rosa
11 v. The Coca Cola Company et al. (Superior Court of California in Napa, 17CV000787), Harvey v.
12 Bed Bath & Beyond of California Limited Liability Company (Superior Court of California in
13 Alameda, RG17885153), Paredes v. Bottling Group LLC et. al. (Superior Court of California in
14 Kern), Ramirez v. Harris Ranch Beef Company (Superior Court of California in Fresno,
15 16CECG04103), Gates v. Gate Gourmet, Inc. et. al. (Southern District of California, 16-cv-01084-L-
16 AGS), Hargrave v. Antelope Valley Hospital (Superior Court of California in Los Angeles,
17 BC663252), Ramirez v. Milton Roy et. al. (Superior Court of California in Los Angeles, BC 632
18 276), Hawkins v. AvalonBay Communities (Superior Court of California in Santa Clara,
19 17CV316492), Jones Tharpe et al. v. Sprint Corporation et al. (Superior Court of California in Los
20 Angeles, BC644645), Ortega et al. v. Nestle Waters North America, Inc. et al. (Superior Court of
21 California in Los Angeles, BC623610), Schultz v. Jimbo's Natural Family, Inc. (Superior Court of
22 California in San Diego, 37-2017-00022348-CUE-OE-CTL), Ambrose v. Victor Valley Global et al.
23 (Superior Court of California in San Bernardino, CIVDS1709289), Puerta-Gildardo v. Real Time
24 Staffing Services LLC et. al. (Superior Court of California in Los Angeles, BC565445), Vargo v.
25 Pregis Innovative Packaging LLC (Superior Court of California in Tulare, 270836), Conlin v. Aegis
26 Senior Communities LLC (Northern District of California, 17-cv-05534-LHK), Galarza v. Kloeckner
27 Metals Corporation (Central District of California, 2:17-cv-04910-FMO), Estes v. L3 Technologies,
28 Inc. et al. (Southern District of California, 3:17-cv-02356-H-JMA), Rowser v. Trunk Club, Inc.

(Central District of California, 2:17-cv-05064-DSF-RAO), Leach v. The Claremont Colleges, Inc. (Superior Court of California in Los Angeles, BC686451), Vaesau v. PCT Enterprises, Inc. dba Precision Cabinets (Superior Court of California, County of Contra Costa MSC18-02404), Terry v. TF Louderback, Inc. dba Bay Area Beverage Company (Superior Court of the State of California, County of Contra Costa, MSC18-00859), Roach v. Westcare California, Inc. (Superior Court of California in Kern County, BCV-17-102367-SDS), Patton v. Church & Dwight Co., Inc. (Central District of California, EDCV 18-903-MWF (KKx)), Juarez v. ISL Employees, Inc. (Superior Court of California in Madera, MCV074787), Ferraro v. USC Verdugo Hill s Hospital, et al. (Superior Court of California in Los Angeles, 18STCV09463), Ford v. Account Control Technology, Inc., et al. (Superior Court of California in Los Angeles, 19STCV09369), Ornelas v. iStorage, et al. (Superior Court of California in San Francisco, CGC-18-571421), Martinez v. Ronpak, Inc. (Superior Court of California in Riverside, RIC1901307), Barrera et al. v. Exclusive Wireless, Inc. (Superior Court of California in Stanislaus, 9000687), Barajas v. Mancha Development Company LLC (Superior Court of California in Orange County, 30-2018-00974707-CU-OE-CXC), Prado v. IMAX Corporation dba IMAC Worldwide Home (Superior Court of California in San Bernardino, CIVDS1820265), Rodriguez v. ND Industries, Inc. (Superior Court of California in Los Angeles, 19STCV38096), Singletary v. Motel 6 Operating LP, et al. (Southern District of California, 3:20-cv-0270-LAB-AHG), Quizon v. CF Watsonville East, LLC, et al. (Superior Court of California in Santa Cruz, 20CV01868), Stephenson v. Bakersfield Dodge, Inc. (Superior Court of California in Kern, BCV-20-102693), Bacerra v. Hugo Boss Retail, Inc. (Superior Court of California in San Diego, 37-2021-00002933-CU-OE-CTL), Walker v. Ariat International, Inc. (Superior Court of California in Alameda, HG19026439), Orr v. Petvet Care Centers (California) Inc. (Superior Court of California in Santa Clara, 19CV354063), Jimenez v. OEC Distribution Services, Inc. (Superior Court of California in San Bernardino, CIVDS1915743), Viridi v. Absolute Security International (Superior Court of California in San Bernardino, CIVDS 1909589), Raj v. First Transit, Inc (Superior Court of California in Sacramento, 34-2021-00295895-CU-OE-GDS), Marchbanks v. Torrid Administration, Inc. (Superior Court of California in San Diego, 37-2020-00008179-CU-OE-NC), among others.

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

9 76. The collective experience of the D.Law attorneys in litigating employment wage and hour
10 matters has been integral in identifying legal issues, evaluating the strengths and weaknesses of a
11 case, and generally negotiating fair and reasonable class and representative action settlements.
12 Practice in the narrow field of wage and hour litigation requires skill and knowledge concerning the
13 constantly evolving substantive law (state and federal), as well as the procedural law of class and
14 representative action litigation. In this action, the attorneys at D.Law are fully equipped to use the
15 skills and knowledge developed over decades of prosecuting and defending wage and hour class
16 actions to fairly and adequately represent the interests of the Class Members and PAGA Members.
17 Therefore, based on our resources, experience, and knowledge, the attorneys at D.Law are well-
18 qualified to act as Class Counsel and represent the Plaintiff and the putative Class Members and
19 PAGA Members in this action.

20 77. We understand the responsibilities owed as counsel to the class members and the aggrieved
21 employees we represent. The attorneys at D.Law thoroughly investigated the claims asserted in this
22 action and have remained committed to dedicating the resources necessary to represent the Settlement
23 Class and vigorously pursue their claims. Based upon my experience and understanding of the claims
24 and defenses in this action, I believe the settlement is fair, adequate, and reasonable for the Class
25 Members and PAGA Members and all involved, and that the Settlement is well within the range of
26 reasonableness that would permit it to be finally approved. I am not aware of any conflict of interest
27 with Plaintiff or any other Class Member that would interfere with the duties as Class Counsel.

28 ///

78. As of the date of this submission, the LWDA's website is non-functional. Accordingly, Plaintiff will submit the Joint Stipulation of Class Action and PAGA Settlement and Release and Plaintiff's Motion for Preliminary Approval of Class Action and PAGA Settlement and supporting documents to the LWDA as soon as the LWDA's website becomes functional again.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 19th day of August 2026 in Pasadena, California

4/2

Enoch J. Kim

EXHIBIT 1

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN DIEGO - HALL OF JUSTICE

JAMIE MIGUEL MOEN, an individual, on
behalf of himself and others similarly situated,

Plaintiff,

v.

AUTOMATED ENGINEERING SERVICES,
INC., a California stock corporation; and DOES
1 through 50, inclusive,

Defendants.

CASE NO.: 25CU042196C
Unlimited Jurisdiction

*Assigned for all purposes to the
Honorable Marcella O. McLaughlin, Dept.
C-72*

**JOINT STIPULATION OF CLASS ACTION
AND PAGA SETTLEMENT AND RELEASE**

JOINT STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT AND RELEASE

This Joint Stipulation of Class Action and PAGA Settlement and Release (“Settlement” or “Settlement Agreement”) is made and entered into by and between Jamie Miguel Moen (“Plaintiff” or “Class Representatives”), individually and on behalf of all others similarly situated, and Automated Engineering Services, Inc. (“Defendant”) (collectively with Plaintiff, the “Parties”).

DEFINITIONS

The following definitions are applicable to this Settlement Agreement. Definitions contained elsewhere in this Settlement Agreement will also be effective:

1. “Action” means *Jamie Miguel Moen v. Automated Engineering Services, Inc.*, No. 25CU042196C (San Diego County Superior Court).

2. “Attorneys’ Fees and Costs” means attorneys’ fees agreed upon by the Parties and approved by the Court for Class Counsel’s litigation and resolution of the Action, and all out-of-pocket costs incurred and to be incurred by Class Counsel in the Action, including but not limited to expert/consultant fees, investigation costs, and costs associated with documenting the Settlement, providing any notices required as part of the Settlement or Court order, securing the Court’s approval of the Settlement, administering the Settlement, and obtaining entry of a Judgment terminating the Action. Class Counsel will request attorneys’ fees not in excess of one-third (1/3) of the Gross Settlement Amount, or Seventy-One Thousand Six Hundred Sixty-Six Dollars and Sixty-Seven Cents (\$71,666.67). The Attorneys’ Fees and Costs will also mean and include the additional reimbursement of any costs and expenses associated with Class Counsel’s litigation and settlement of the Action, up to Fifteen Thousand Dollars and Zero Cents (\$15,000.00), subject to the Court’s approval. Defendant has agreed not to oppose Class Counsel’s request for fees and reimbursement of costs as set forth above.

3. “Class Counsel” means Alvin B. Lindsay, William Tran, Enoch J. Kim, and Arianna N. Razi of D. Law, Inc.

4. “Class List” means a complete list of all Class Members that Defendant will diligently and in good faith compile from its records and provide to the Settlement Administrator within fifteen (15) calendar days after Preliminary Approval of this Settlement. The Class List will be formatted in Microsoft Office Excel and will include each Class Member’s full name; most recent mailing address and telephone

number; Social Security number; dates of employment; and any other relevant information needed to calculate settlement payments.

5. “Class Member(s)” or “Settlement Class” means all persons who worked for Defendant Automated Engineering Services, Inc. as non-exempt, hourly paid employees in the State of California at any time from August 12, 2021 through the earlier of June 10, 2026 or the date of Preliminary Approval.

6. “Class Member Address Search” means the Settlement 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 Settlement Administrator with Class Members.

7. “Class Notice” means the Court Approved Notice of Class Action Settlement and Hearing Date for Final Court Approval, substantially in the form attached as Exhibit A.

8. “Class Period” means the period from August 12, 2021 through the earlier of June 10, 2026 or the date of Preliminary Approval.

9. “Class Representative” means the named Plaintiff in the Operative Complaint in the Action seeking Court approval to serve as a Class Representative, Jamie Miguel Moen.

10. “Class Representative Enhancement Payment” means the amount to be paid to Plaintiff in recognition of his efforts and work in prosecuting the Action on behalf of Class Members, and for his individual release of claims. Subject to the Court granting final approval of this Settlement Agreement and subject to the exhaustion of any and all appeals, Plaintiff will request Court approval of a Class Representative Enhancement Payment of up to Five Thousand Dollars and Zero Cents (\$5,000.00), to Plaintiff.

11. “Court” means the San Diego County Superior Court.

12. “Defendant” means Defendant Automated Engineering Services, Inc.

13. “Defendant’s Counsel” means David Amaya of Fisher & Phillips, LLP.

14. “Effective Date” means the later of: (a) if no timely objections are filed, or are withdrawn prior to Final Approval, then the date of Final Approval; or (b) if a Class Member files an objection to the Settlement, the Effective Date shall be the sixty-first (61) calendar day after the date of Final Approval, provided no appeal is initiated by an objector; or (c) if a timely appeal is initiated by an objector, then the

Effective Date will be the date of final resolution of that appeal (including any requests for rehearing and/or petitions for certiorari), resulting in final judicial approval of the Settlement.

15. “Final Approval” means the date on which the Court enters an order granting final approval of the Settlement Agreement.

16. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.

17. “Final Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.

18. “Gross Settlement Amount” means the Gross Settlement Amount of Two Hundred Fifteen Thousand Dollars and Zero Cents (\$215,000.00), to be paid by Defendant in full satisfaction of all Released Class Claims and Released PAGA Claims, which includes all Attorneys’ Fees and Costs, the Class Representative Enhancement Payment, the PAGA Settlement Amount, and Settlement Administration Costs. This Gross Settlement Amount has been agreed to by Plaintiff and Defendant based on the aggregation of the agreed-upon settlement value. In no event will Defendant be liable for more than the Gross Settlement Amount except as provided in Paragraph 63 below. There will be no reversion of the Gross Settlement Amount to Defendant. Defendant will be separately responsible for any employer payroll taxes required by law, including the employer FICA, FUTA, and SDI contributions, which shall not be paid from the Gross Settlement Amount.

19. “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Fund calculated according to the number of Workweeks worked during the Class Period..

20. “Individual PAGA Payment” means the PAGA Member’s pro rata share of 35% of the PAGA Settlement Amount calculated according to the number of Pay Periods worked during the PAGA Period.

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

22. “Net Settlement Fund” means the portion of the Gross Settlement Amount remaining after deducting the Attorneys’ Fees and Costs, the Class Representative Enhancement Payment, the PAGA Settlement Amount, and Settlement Administration Costs. The remainder is to be paid to Participating

Class Members as Individual Class Payments. There will be no reversion of the Net Settlement Fund to Defendant.

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

24. “Notice of Objection” means a Class Member’s valid and timely written objection to the Settlement Agreement. For the Notice of Objection to be valid, it must include: (a) the objector’s full name, signature, address, and telephone number, (b) a written statement of all grounds for the objection accompanied by any legal support for such objection; (c) copies of any papers, briefs, or other documents upon which the objection is based; and (d) a statement whether the objector intends to appear at the final fairness hearing.

25. “Operative Complaint” means the First Amended Class Action Complaint filed in the Action on October 16, 2025.

26. “PAGA” means the Private Attorneys General Act (California Labor Code §§ 2698, *et seq.*).

27. “PAGA Notice” means Plaintiff’s August 12, 2025, letter to Defendant and the LWDA providing notice pursuant to California Labor Code section 2699.3, subd.(a).

28. “PAGA Members” means all persons who worked for Defendant Automated Engineering Services, Inc. as non-exempt, hourly paid employees in the State of California at any time from August 12, 2024 through the earlier of June 10, 2026 or the date of Preliminary Approval.

29. “PAGA Pay Period” means a pay period worked by a PAGA Member during the PAGA Period, which shall be calculated by taking the total number of days of employment for each PAGA Member during the PAGA Period and dividing that number by fourteen (14) and rounding up to the nearest whole number. All PAGA Members will be credited with at least one PAGA Pay Period during the PAGA Period.

30. “PAGA Period” means the period from August 12, 2024 through the earlier of June 10, 2026 or the date of Preliminary Approval.

31. “PAGA Settlement Amount” means the amount that the Parties have agreed to pay to the Labor and Workforce Development Agency (“LWDA”) and PAGA Members in connection with

Plaintiff's claim under the Labor Code Private Attorneys General Act of 2004 (Cal. Lab. Code §§ 2698, *et seq.*, "PAGA") ("PAGA Settlement"). The Parties have agreed that Fifteen Thousand Dollars (\$15,000.00) of the Gross Settlement Amount will be allocated to the PAGA Settlement. Pursuant to PAGA, sixty-five percent (65%), or Nine Thousand Seven Hundred Fifty Dollars and Zero Cents (\$9,750.00), of the PAGA Settlement Amount will be paid to the California Labor and Workforce Development Agency ("LWDA Payment"), and thirty-five percent (35%), or Five Thousand Two Hundred Fifty Dollars and Zero Cents (\$5,250.00) ("PAGA Fund"), of the PAGA Settlement will be disbursed to PAGA Members, regardless of whether they request to be excluded from the Settlement Class.

32. "Parties" means Plaintiff and Defendant collectively.

33. "Participating Class Members" means all Class Members who do not submit timely and valid Requests for Exclusion.

34. "Plaintiff" means Plaintiff Jamie Miguel Moen.

35. "Preliminary Approval" means the date on which the Court enters an order granting preliminary approval of the Settlement Agreement.

36. "Released Class Claims" means all claims, rights, demands, liabilities, and causes of action that were alleged in the Operative Complaint or reasonably could have been alleged based on the facts and legal theories contained in the Operative Complaint, arising during the Class Period, including claims for violation of: (1) Cal. Lab. Code §§ 204, 1194, 1194.2, 1197, and 1197.1 (unpaid minimum wages); (2) Cal. Lab. Code §§ 510, 1194 and 1198 (failure to pay overtime wages); (3) Cal. Lab. Code §§ 226.7 and 512 (failure to provide meal periods); (4) Cal. Lab. Code § 226.7 (failure to authorize and permit rest periods); (5) Cal. Lab. Code § 226 (failure to provide accurate itemized wage statements); (6) Cal. Lab. Code §§ 1174 and 1174.5 (failure to maintain payroll records); (7) Cal. Lab. Code § 204 (failure to timely pay wages); (8) Cal. Lab. Code §§ 201-203 (failure to timely pay wages at termination); (9) Cal. Lab. Code § 221 (unlawful deduction of wages); (10) Cal. Lab. Code § 2802 (failure to reimburse business expenses); and (11) California Business & Profession Code §§ 17200 *et seq.* (unfair business practices).

37. "Released PAGA Claims" means all claims for civil penalties under California Labor Code §§ 2698, *et seq.*, based on alleged predicate violations of Labor Code §§ 201, 202, 203, 204, 210,

212, 218, 218.5, 218.6, 221, 226, 226.4, 226.7, 227.3, 510, 511, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 2802, 2698, 2699, *et. seq.*, including 2699.5, and the related applicable IWC Wage Orders that were alleged or reasonably could have been alleged based on the facts and legal theories contained in Plaintiff's PAGA Notice, arising during the PAGA Period.

38. "Released Parties" means Defendant, their past or present officers, directors, shareholders, agents, principals, heirs, representatives, accountants, auditors, consultants, insurers and reinsurers, and their respective successors and predecessors in interest, subsidiaries, affiliates, parents and attorneys, if any.

39. "Request for Exclusion" means a timely letter submitted by a Class Member indicating a request to be excluded from the Settlement Class. The Request for Exclusion must: (a) set forth the name, address, telephone number and last four digits of the Social Security Number of the Class Member requesting exclusion; (b) be signed by the Class Member; (c) be returned to the Settlement Administrator; (d) clearly state that the Class Member does not wish to be included in the Settlement; and (e) be faxed or postmarked on or before the Response Deadline.

40. "Response Deadline" means the deadline by which Class Members must postmark or fax to the Settlement Administrator Requests for Exclusion, postmark or fax disputes concerning the calculation of Individual Class Payments and/or Individual PAGA Payments, or postmark or fax Notices of Objection to the Settlement Administrator. The Response Deadline will be sixty (60) calendar days from the initial mailing of the Class Notice by the Settlement Administrator, unless the sixtieth (60th) calendar day falls on a Sunday or State holiday, in which case the Response Deadline will be extended to the next day on which the U.S. Postal Service is open. Class Members to whom Class Notices are resent after having been returned undeliverable to the Settlement Administrator shall have an additional fourteen (14) calendar days beyond the date the Response Deadline has expired.

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

42. "Settlement Administration Costs" means the costs payable from the Gross Settlement Amount to the Settlement Administrator for administering this Settlement, including, but not limited to, printing, distributing, and tracking documents for this Settlement, tax reporting, distributing the Gross

Settlement Amount, and providing necessary reports and declarations, as requested by the Parties. The Settlement Administration Costs will be paid from the Gross Settlement Amount, including, if necessary, any such costs in excess of the amount represented by the Settlement Administrator as being the maximum costs necessary to administer the Settlement. Based on an estimated Settlement Class of approximately 100 class members and 5,000 workweeks, the Settlement Administration Costs are currently estimated to be Five Thousand Four Hundred Ninety Dollars and Zero Cents (\$5,490.00).

43. “Settlement Administrator” means Apex Class Action, LLC or any other third-party class action settlement administrator agreed to by the Parties and approved by the Court for the purposes of administering this Settlement. The Parties each represent that they do not have any financial interest in the Settlement Administrator or otherwise have a relationship with the Settlement Administrator that could create a conflict of interest.

44. “Workweeks” means a workweek worked by a Class Member during the Class Period, which shall be calculated by taking the total number of days of employment for each Class Member during the Class Period and dividing that number by seven (7) and rounding up to the nearest whole number. All Class Members will be credited with at least one Workweek during the Class Period.

TERMS OF AGREEMENT

The Plaintiff, on behalf of himself and the Settlement Class, and Defendant agree as follows:

45. Funding of the Gross Settlement Amount. Defendant will pay the Gross Settlement Amount of Two Hundred Fifteen Thousand Dollars and Zero Cents (\$215,000.00) into the qualified settlement fund established by the Settlement Administrator in 24 monthly installments beginning October 12, 2026. The last installment payment is due on September 12, 2028 (the “Funding Date”). Defendant will pay the employer’s share of payroll taxes separately by September 12, 2028. After both the Effective Date and Funding Date, the Gross Settlement Amount will be used for: (a) Individual Class Payments; (b) Individual PAGA Payments; (c) the LWDA Payment; (d) the Class Representative Enhancement Payment; (e) Attorneys’ Fees and Costs; and (f) Settlement Administration Costs.

46. Attorneys’ Fees and Costs. Defendant agrees not to oppose or impede any application or motion by Class Counsel for Attorneys’ Fees and Costs of not more than Seventy-One Thousand Six Hundred Sixty-Six Dollars and Sixty-Seven Cents (\$71,666.67), plus the reimbursement of all out-of-

1 pocket costs and expenses associated with Class Counsel's litigation and settlement of the Action
2 (including expert/consultant fees, investigations costs, etc.), which is currently estimated not to exceed
3 Fifteen Thousand Dollars and Zero Cents (\$15,000.00), both of which will be paid from the Gross
4 Settlement Amount.

5 47. Class Representative Enhancement Payment. In recognition of his efforts and work in
6 prosecuting the Action on behalf of Class Members, Defendant agrees not to oppose or impede any
7 application or motion for a Class Representative Enhancement Payment of up to Five Thousand Dollars
8 and Zero Cents (\$5,000.00). Plaintiff will be solely and legally responsible to pay any and all applicable
9 taxes on the Class Representative Enhancement Payment. Plaintiff understands and agrees that this
10 Settlement Agreement shall remain in full force and effect even if the full amount of Class Representative
11 Enhancement Payment sought by Plaintiff is not ultimately awarded by the Court.

12 48. Settlement Administration Costs. The Settlement Administrator will be paid for the
13 reasonable costs of administration of the Settlement and distribution of payments from the Gross
14 Settlement Amount, which is currently estimated to be Five Thousand Four Hundred Ninety Dollars and
15 Zero Cents (\$5,490.00). These costs, which will be paid from the Gross Settlement Amount, will include,
16 *inter alia*, distributing Class Notices, calculating and distributing the Gross Settlement Amount, and
17 providing necessary reports and declarations.

18 49. PAGA Settlement Amount. Subject to Court approval, the Parties agree that the amount
19 of Fifteen Thousand Dollars and Zero Cents (\$15,000.00) from the Gross Settlement Amount will be
20 designated for satisfaction of Plaintiff's PAGA claim. Pursuant to PAGA, sixty-five percent (65%), or
21 Nine Thousand Seven Hundred Fifty Dollars and Zero Cents (\$9,750.00), of this sum will be paid to the
22 LWDA and thirty-five percent (35%), or Five Thousand Two Hundred Fifty Dollars and Zero Cents
23 (\$5,250.00), will be paid to PAGA Members in proportion to the number of PAGA Pay Periods worked
24 during the PAGA Period.

25 50. No Right to Exclusion or Objections to the PAGA Settlement. Because this settlement
26 resolves claims and actions brought pursuant to PAGA by Plaintiff acting as a proxy and as Private
27 Attorneys General of, and for, the State of California and the LWDA, the Parties agree that no PAGA
28 Member has the right to exclude himself or herself from the release of the Released PAGA Claims, and

all PAGA Members will receive their shares of the PAGA Fund. The Parties also agree that no PAGA Member has the right to object to the PAGA Settlement Amount.

51. Net Settlement Fund. The entire Net Settlement Fund will be distributed to Participating Class Members in proportion to the number of Workweeks worked during the Class Period. No portion of the Net Settlement Fund will revert to or be retained by Defendant.

52. PAGA Fund. The entire PAGA Fund will be distributed to all PAGA Members. No portion of the PAGA Fund will revert to or be retained by Defendant.

53. Individual Class Payment/Individual PAGA Payment Calculations. Individual Class/PAGA Payments will be calculated and apportioned from the Net Settlement Fund and PAGA Fund based on the number of Workweeks and PAGA Pay Periods a Class Member/PAGA Member worked during the Class Period and PAGA Period. Specific calculations of Individual Class/PAGA Payments will be made as follows:

53(a) Payments from the Net Settlement Fund. Defendant will calculate the total number of Workweeks worked by each Class Member during the Class Period and the aggregate total number of Workweeks worked by all Class Members during the Class Period. To determine each Class Member's estimated "Individual Class Payment" from the Net Settlement Fund, the Settlement Administrator will use the following formula: The Net Settlement Fund will be divided by the aggregate total number of Workweeks, resulting in the "Workweek Value." Each Class Member's "Individual Class Payment" will be calculated by multiplying each individual Class Member's total number of Workweeks by the Workweek Value. The Individual Class Payment will be reduced by any required deductions for each Participating Class Member as specifically set forth herein, including employee-side tax withholdings or deductions. The entire Net Settlement Fund will be disbursed to all Class Members who do not submit timely and valid Requests for Exclusion ("Participating Class Members"). If there are any valid and timely Requests for Exclusion, the Settlement Administrator shall proportionately

1 increase the Individual Class Payment for each Participating Class Member
2 according to the number of Workweeks each Participating Class Member
3 worked, so that the amount actually distributed to the Settlement Class equals
4 100% of the Net Settlement Fund.

5 53(b) Payments from the PAGA Fund. Defendant will calculate the total number
6 of PAGA Pay Periods worked by each PAGA Member during the PAGA
7 Period and the aggregate total number of PAGA Pay Periods worked by all
8 PAGA Members during the PAGA Period. To determine each PAGA
9 Member's estimated "Individual PAGA Payment," the Settlement
10 Administrator will use the following formula: The PAGA Fund will be
11 divided by the aggregate total number of PAGA Pay Periods, resulting in the
12 "PAGA Pay Period Value." Each PAGA Member's "Individual PAGA
13 Payment" will be calculated by multiplying each individual PAGA
14 Member's total number of PAGA Pay Periods by the PAGA Pay Period
15 Value. The entire PAGA Fund will be disbursed to all PAGA Members.

16 54. No Credit Toward Benefit Plans. The Individual Class Payments made to Participating
17 Class Members under this Settlement, as well as any other payments made pursuant to this Settlement,
18 will not be utilized to calculate any additional benefits under any benefit plans to which any Class Members
19 may be eligible, including, but not limited to profit-sharing plans, bonus plans, 401(k) plans, stock purchase
20 plans, vacation plans, sick leave plans, PTO plans, and any other benefit plan. Rather, it is the Parties'
21 intention that this Settlement Agreement will not affect any rights, contributions, or amounts to which any
22 Class Members may be entitled under any benefit plans.

23 55. Administration Process. The Parties agree to cooperate in the administration of the
24 settlement and to make all reasonable efforts to control and minimize the costs and expenses incurred in
25 administration of the Settlement.

26 56. Delivery of the Class List. Within ten (10) calendar days of Preliminary Approval,
27 Defendant will provide the Class List to the Settlement Administrator, in the form of a Microsoft Excel
28 spreadsheet. To protect Class Members' privacy rights, the Settlement Administrator must maintain the

1 Class List in confidence, use the Class List only for purposes of this Settlement and for no other purpose,
2 and restrict access to the Class List to Settlement Administrator employees who need access to the Class
3 List to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify
4 Class Counsel if it discovers that the Class List omitted class member identifying information and to
5 provide corrected or updated Class List as soon as reasonably feasible. Without any extension of the
6 deadline by which Defendant must send the Class List to the Settlement Administrator, the Parties and
7 their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues
8 related to missing or omitted Class List.

9 57. Notice by First-Class U.S. Mail. Within ten (10) calendar days after receiving the Class
10 List from Defendant, the Settlement Administrator will mail a Class Notice with Spanish translation
11 substantially in the form attached to this Agreement as Exhibit A to all Class Members via regular First-
12 Class U.S. Mail, using the most current, known mailing addresses identified in the Class List.

13 58. Confirmation of Contact Information in the Class Lists. Prior to mailing, the Settlement
14 Administrator will perform a search based on the National Change of Address Database for information
15 to update and correct for any known or identifiable address changes. Any Class Notices returned to the
16 Settlement Administrator as non-deliverable on or before the Response Deadline will be sent promptly via
17 regular First-Class U.S. Mail to the forwarding address affixed thereto and the Settlement Administrator
18 will indicate the date of such re-mailing on the Class Notice. If no forwarding address is provided, the
19 Settlement Administrator will promptly attempt to determine the correct address using a skip-trace, or
20 other search using the name, address and/or Social Security number of the Class Member involved, and
21 will then perform a single re-mailing. Those Class Members who receive a re-mailed Class Notice,
22 whether by skip-trace or by request, will have either (a) an additional fourteen (14) calendar days or (b)
23 until the Response Deadline, whichever is later, to submit a Request for Exclusion or an objection to the
24 Settlement.

25 59. Class Notices. All Class Members will be mailed a Class Notice. Each Class Notice will
26 provide: (a) information regarding the nature of the Action; (b) a summary of the Settlement's principal
27 terms; (c) the Settlement Class and PAGA Member definitions; (d) the total number of Workweeks and
28 PAGA Pay Periods each respective Class Member and PAGA Member worked for Defendant during the

1 Class Period and PAGA Period; (e) each Class Member's and PAGA Member's estimated Individual
2 Class/PAGA Payment and the formula for calculating Individual Class/PAGA Payments; (f) the dates
3 which comprise the Class Period and PAGA Period; (g) instructions on how to submit Requests for
4 Exclusion or Notices of Objection; (h) the deadlines by which the Class Member must postmark or fax
5 Request for Exclusions, or postmark Notices of Objection to the Settlement; and (i) the claims to be
6 released.

7 60. Disputed Information on Class Notices. Class Members and PAGA Members will have
8 an opportunity to dispute the information provided in their Class Notices. To the extent Class Members
9 and PAGA Members dispute their employment dates or the number of Workweeks and/or PAGA Pay
10 Periods on record, Class Members and PAGA Members may produce evidence to the Settlement
11 Administrator showing that such information is inaccurate. Defendant's records will be presumed correct,
12 but the Settlement Administrator shall contact the Parties regarding the dispute and the Parties will work
13 in good faith to resolve it. All disputes must be submitted by the Response Deadline and will be decided
14 within ten (10) business days after the Response Deadline.

15 61. Defective Submissions. If a Class Member's Request for Exclusion is defective as to the
16 requirements listed herein, that Class Member will be given an opportunity to cure the defect(s). The
17 Settlement Administrator will mail the Class Member a cure letter within three (3) business days of
18 receiving the defective submission to advise the Class Member that his or her submission is defective and
19 that the defect must be cured to render the Request for Exclusion valid. The Class Member will have until
20 (a) the Response Deadline or (b) fourteen (14) calendar days from the date of the cure letter, whichever
21 date is later, to postmark or fax a revised Request for Exclusion. If the revised Request for Exclusion is not
22 postmarked or received by fax within that period, it will be deemed untimely.

23 62. Request for Exclusion Procedures. Any Class Member wishing to opt-out from the
24 Settlement Agreement must sign and fax or postmark a written Request for Exclusion to the Settlement
25 Administrator by the Response Deadline. In the case of Requests for Exclusion that are mailed to the
26 Settlement Administrator, the postmark date will be the exclusive means to determine whether a Request
27 for Exclusion has been timely submitted.

28 63. Escalator. The Gross Settlement Amount was calculated with, and is premised on, the

1 understanding that Class Members worked approximately Five Thousand (5,000) Workweeks during the
2 Class Period. If the actual number of Workweeks during the Class Period increases by more than 10%
3 (i.e., to more than 5,500 Workweeks), then the Gross Settlement Amount will be increased proportionally
4 by the number of Workweeks worked in excess of 10%. For example, if the total number of Workweeks
5 increases by 15% over 5,000 Workweeks, the Gross Settlement Amount will increase by 5%. If this
6 provision is triggered, the Parties agree that the portion of the Gross Settlement Amount allocated to
7 attorneys' fees will increase proportionally such that the total amount of attorneys' fees remains one-third
8 of the Gross Settlement Amount after the upward adjustment required by this provision is implemented.
9 Alternatively, at its option, Defendant can avoid increasing the Gross Settlement Amount by electing to
10 end the Class Period and PAGA Period on the date by which the number of Workweeks does not exceed
11 5,500.

12 64. Settlement Terms Bind All Class Members Who Do Not Opt-Out. Any Class Member
13 who does not affirmatively opt-out of the Settlement Agreement by submitting a timely and valid Request
14 for Exclusion will be bound by all of its terms, including those pertaining to the Released Class Claims, as
15 well as any Judgment that may be entered by the Court if it grants final approval to the Settlement.

16 65. Releases by Participating Class Members. Upon the Effective Date and the Funding Date
17 and after Defendant has separately paid all employer payroll taxes, and except as to such rights or claims
18 as may be created by this Settlement Agreement, Participating Class Members, together and individually,
19 on their behalf and on behalf of their respective heirs, executors, administrators, agents, and attorneys, shall
20 fully and forever release and discharge all of the Released Parties, or any of them, from each of the
21 Released Class Claims arising during the Class Period.

22 66. Releases by PAGA Members. Upon the Effective Date and the Funding Date and after
23 Defendant has separately paid all employer payroll taxes, and except as to such rights or claims as may be
24 created by this Settlement Agreement, PAGA Members and the State of California, together and
25 individually, on their behalf and on behalf of their respective heirs, executors, administrators, agents, and
26 attorneys, shall fully and forever release and discharge all of the Released Parties, or any of them, from
27 each of the Released PAGA Claims during the PAGA Period.

28 67. Defendant's Right to Rescind. Defendant will have, in their sole discretion, the right to

void and withdraw from the Settlement if, at any time prior to the Final Approval Hearing, more than ten percent (10%) of Class Members validly opt out of the settlement. Defendant must exercise this right of rescission in writing to Class Counsel no later than ten (10) days after the Settlement Administrator sends the final list of Requests for Exclusion to Defendant's Counsel; late elections will have no effect. If the option to rescind is exercised, then Defendant will be solely responsible for all Settlement Administration Costs incurred to the date of rescission.

68. Objection Procedures. To object to the Settlement Agreement, a Class Member may either postmark or fax a valid Notice of Objection to the Settlement Administrator on or before the Response Deadline or appear in person at the Final Approval Hearing. Class Members who fail to object either by submitting a valid Notice of Objection or appearing in person at the Final Approval Hearing will be deemed to have waived all objections to the Settlement and will be foreclosed from making any objections, whether by appeal or otherwise, to the Settlement Agreement. At no time will any of the Parties or their counsel seek to solicit or otherwise encourage Class Members to submit written objections to the Settlement Agreement or appeal from the final approval order and judgment. Class Counsel will not represent any Class Members with respect to any such objections to this Settlement. If a Class Member timely submits both a Notice of Objection and a Request for Exclusion, the Request for Exclusion will be given effect and considered valid, the Notice of Objection shall be rejected, and the Class Member shall not participate in or be bound by the Settlement.

69. Certification Reports Regarding Individual Class/PAGA Payment Calculations. The Settlement Administrator will provide Defendant's counsel and Class Counsel a weekly report that certifies the number of Class Members who have submitted valid Requests for Exclusion or objections to the Settlement, and whether any Class Member has submitted a challenge to any information contained in their Class Notice. Additionally, the Settlement Administrator will provide to counsel for both Parties any updated reports regarding the administration of the Settlement Agreement as needed or requested.

70. Distribution Timing of Individual Class/PAGA Payments. Within ten (10) calendar days of the Funding Date, the Settlement Administrator will issue payments to: (a) Participating Class Members and PAGA Members; (b) the Labor and Workforce Development Agency; (c) Plaintiff; and (d) Class Counsel. The Settlement Administrator will also issue a payment to itself for Court-approved services

performed in connection with the Settlement.

71. Uncashed Settlement Checks. Funds represented by Individual Class Payment and Individual PAGA Payment checks returned as undeliverable and Individual Class Payment and Individual PAGA Payment checks remaining uncashed for more than one hundred and eighty (180) calendar days after issuance will be transmitted to the California Controller's Unclaimed Property Fund in the name of the Participating Class Member and/or PAGA Member thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure Section 384, subd. (b).

72. Certification of Completion. Upon completion of administration of the Settlement, the Settlement Administrator will provide a written declaration under oath to certify such completion to the Court and counsel for all Parties.

73. Treatment of Individual Class/PAGA Payments. All Individual Class Payments will be allocated as follows: (a) twenty percent (20%) of each Individual Class Payment will be allocated as wages for which IRS Forms W-2 will be issued ("Wage Portion"); and (b) eighty percent (80%) will be allocated as non-wages for which IRS Forms 1099-MISC will be issued ("Non-Wage Portion"). The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

74. Administration of Taxes by the Settlement Administrator. The Settlement Administrator will be responsible for issuing to Plaintiff, Participating Class Members, PAGA Members, and Class Counsel any W-2, 1099, or other tax forms as may be required by law for all amounts paid pursuant to this Settlement. The Settlement Administrator will also be responsible for forwarding all payroll taxes and penalties to the appropriate government authorities.

75. Tax Liability. Defendant makes no representation as to the tax treatment or legal effect of the payments called for hereunder, and Plaintiff and Participating Class Members are not relying on any statement, representation, or calculation by Defendant or by the Settlement Administrator in this regard.

76. Circular 230 Disclaimer. EACH PARTY TO THIS AGREEMENT (FOR PURPOSES OF THIS SECTION, THE "ACKNOWLEDGING PARTY" AND EACH PARTY TO THIS AGREEMENT OTHER THAN THE ACKNOWLEDGING PARTY, AN "OTHER PARTY") ACKNOWLEDGES AND AGREES THAT (1) NO PROVISION OF THIS AGREEMENT, AND NO WRITTEN COMMUNICATION OR DISCLOSURE BETWEEN OR AMONG THE PARTIES OR

1 THEIR ATTORNEYS AND OTHER ADVISERS, IS OR WAS INTENDED TO BE, NOR WILL
2 ANY SUCH COMMUNICATION OR DISCLOSURE CONSTITUTE OR BE CONSTRUED OR BE
3 RELIED UPON AS, TAX ADVICE WITHIN THE MEANING OF UNITED STATES TREASURY
4 DEPARTMENT CIRCULAR 230 (31 CFR PART 10, AS AMENDED); (2) THE
5 ACKNOWLEDGING PARTY (A) HAS RELIED EXCLUSIVELY UPON HIS, HER, OR ITS OWN,
6 INDEPENDENT LEGAL AND TAX COUNSEL FOR ADVICE (INCLUDING TAX ADVICE) IN
7 CONNECTION WITH THIS AGREEMENT, (B) HAS NOT ENTERED INTO THIS AGREEMENT
8 BASED UPON THE RECOMMENDATION OF ANY OTHER PARTY OR ANY ATTORNEY OR
9 ADVISOR TO ANY OTHER PARTY, AND (C) IS NOT ENTITLED TO RELY UPON ANY
10 COMMUNICATION OR DISCLOSURE BY ANY ATTORNEY OR ADVISER TO ANY OTHER
11 PARTY TO AVOID ANY TAX PENALTY THAT MAY BE IMPOSED ON THE
12 ACKNOWLEDGING PARTY; AND (3) NO ATTORNEY OR ADVISER TO ANY OTHER PARTY
13 HAS IMPOSED ANY LIMITATION THAT PROTECTS THE CONFIDENTIALITY OF ANY
14 SUCH ATTORNEY'S OR ADVISER'S TAX STRATEGIES (REGARDLESS OF WHETHER SUCH
15 LIMITATION IS LEGALLY BINDING) UPON DISCLOSURE BY THE ACKNOWLEDGING
16 PARTY OF THE TAX TREATMENT OR TAX STRUCTURE OF ANY TRANSACTION,
17 INCLUDING ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

18 77. No Prior Assignments. The Parties and their counsel represent, covenant, and warrant that
19 they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or
20 encumber to any person or entity any portion of any liability, claim, demand, action, cause of action or
21 right herein released and discharged.

22 78. Nullification of Settlement Agreement. In the event that: (a) the Court does not finally
23 approve the Settlement as provided herein; or (b) the Settlement does not become final for any other reason,
24 then this Settlement Agreement, and any documents generated to bring it into effect, will be null and void.
25 Any order or judgment entered by the Court in furtherance of this Settlement Agreement will likewise be
26 treated as void from the beginning.

27 79. Preliminary Approval Hearing. Plaintiff will prepare and file a motion for preliminary
28 approval.

1 79(a) Plaintiff's Responsibilities. Plaintiff will prepare all documents necessary for
2 obtaining preliminary approval, including: (i) a draft of the notice, and
3 memorandum in support, of the motion for preliminary approval that includes
4 an analysis of the Settlement under Dunk/Kullar and a request for approval of
5 the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a
6 draft proposed order granting preliminary approval and approval of PAGA
7 Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from
8 Plaintiff confirming willingness and competency to serve and disclosing all
9 facts relevant to any actual or potential conflicts of interest with Class
10 Members, and/or the Settlement Administrator; (v) a signed declaration from
11 Class Counsel firm attesting to its competency to represent the Class
12 Members; its timely transmission to the LWDA of all necessary PAGA
13 documents (initial notice of violations (Labor Code section 2699.3, subd. (a)),
14 operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement
15 (Labor Code section 2699, subd. (l)(2)); and (vi) all facts relevant to any actual
16 or potential conflict of interest with Class Members, and/or the Settlement
17 Administrator. In their declarations, Plaintiff and Class Counsel shall aver that
18 they are not aware of any other pending matter or action asserting claims that
19 will be extinguished or adversely affected by the Settlement.

20 79(b) Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly
21 responsible for expeditiously finalizing the motion for preliminary approval.
22 Class Counsel will obtain a prompt hearing date for the motion for
23 preliminary approval, file the motion for preliminary approval no later than
24 sixteen (16) court days before the hearing, unless otherwise ordered by the
25 Court, and deliver the Court's preliminary approval order to the Settlement
26 Administrator.

27 79(c) Duty to Cooperate. If the Parties disagree on any aspect of the proposed
28 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.

80. Final Settlement Approval Hearing and Entry of Judgment. Upon expiration of the deadlines to postmark Requests for Exclusion or objections to the Settlement Agreement, and with the Court's permission, a final fairness hearing will be conducted to determine the Final Approval of the Settlement Agreement along with the amounts properly payable for: (a) Attorneys' Fees and Costs; (b) the Class Representative Enhancement Payment; (c) Individual Class Payments and Individual PAGA Payments; (d) the LWDA Payment; and (e) all Settlement Administration Costs. Not later than sixteen (16) court days before the calendared Final Settlement Approval Hearing, unless otherwise scheduled by the Court, Plaintiff 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"). 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.

80(a) 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 (5) court days prior to the Final Settlement Approval Hearing, or as otherwise ordered or accepted by the Court.

80(b) 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 Enhancement Payment, Attorneys' Fees and Costs, and/or Settlement Administration Costs shall not constitute a material modification to the Agreement within the meaning of this paragraph.

81. Judgment and Continued Jurisdiction. Upon final approval of the Settlement by the Court or after the final fairness hearing, the Parties will present the Judgment to the Court for its approval. After entry of the Judgment, the Court will have continuing jurisdiction solely for purposes of addressing: (a) the interpretation and enforcement of the terms of the Settlement, (b) Settlement administration matters, and (c) such post-Judgment matters as may be appropriate under court rules or as set forth in this Settlement Agreement. A copy of the Judgment will be posted to the Settlement Administrator's website.

82. Exhibits Incorporated by Reference. The terms of this Settlement Agreement include the terms set forth in any attached Exhibits, which are incorporated by this reference as though fully set forth herein. Any Exhibits to this Settlement Agreement are an integral part of the Settlement.

83. Entire Agreement. This Settlement Agreement and any attached Exhibits constitute the entirety of the Parties' agreement as to the subject matter and terms of this Settlement Agreement. No other prior or contemporaneous written or oral agreements may be deemed binding on the Parties. The Parties expressly recognize California Civil Code Section 1625 and California Code of Civil Procedure Section 1856(a), which provide that a written agreement is to be construed according to its terms and may not be varied or contradicted by extrinsic evidence, and the Parties agree that no such extrinsic oral or written representations or terms will modify, vary or contradict the terms of this Settlement Agreement.

84. Amendment or Modification. No amendment, change, or modification to this Settlement Agreement will be valid unless in writing and signed, either by the Parties or their counsel, and approved by the Court.

85. Authorization to Enter into Settlement Agreement. Counsel for all Parties warrant and represent they are expressly authorized by the Parties whom they represent to negotiate this Settlement Agreement and to take all appropriate action required or permitted to be taken by such Parties pursuant to

1 this Settlement Agreement to effectuate its terms and to execute any other documents required to effectuate
2 the terms of this Settlement Agreement. The Parties and their counsel will cooperate with each other and
3 use their best efforts to effect the implementation of the Settlement. If the Parties are unable to reach
4 agreement on the form or content of any document needed to implement the Settlement, or on any
5 supplemental provisions that may become necessary to effectuate the terms of this Settlement, the Parties
6 may seek the assistance of the Court to resolve such disagreement.

7 86. Binding on Successors and Assigns. This Settlement Agreement will be binding upon,
8 and inure to the benefit of, the successors or assigns of the Parties hereto, as previously defined.

9 87. California Law Governs. All terms of this Settlement Agreement and Exhibits hereto will
10 be governed by and interpreted according to the laws of the State of California.

11 88. Execution and Counterparts. This Settlement Agreement is subject only to the execution
12 of all Parties. However, the Settlement Agreement may be executed in one or more counterparts. All
13 executed counterparts and each of them, including electronic (e.g., Adobe Sign), facsimile, and scanned
14 copies of the signature page, will be deemed to be one and the same instrument.

15 89. Acknowledgement that the Settlement is Fair and Reasonable. The Parties believe this
16 Settlement Agreement is a fair, adequate and reasonable settlement of the Action and have arrived at this
17 Settlement after arm's-length negotiations and in the context of adversarial litigation, taking into account
18 all relevant factors, present and potential. The Parties further acknowledge that they are each represented
19 by competent counsel and that they have had an opportunity to consult with their counsel regarding the
20 fairness and reasonableness of this Settlement.

21 90. Invalidity of Any Provision. Before declaring any provision of this Settlement Agreement
22 invalid, the Court will first attempt to construe the provision as valid to the fullest extent possible consistent
23 with applicable precedents so as to define all provisions of this Settlement Agreement valid and
24 enforceable.

25 91. Waiver of Certain Appeals. The Parties agree to waive appeals and to stipulate to class
26 certification for purposes of this Settlement only; except, however, that Plaintiff or Class Counsel may
27 appeal any reduction to the Attorneys' Fees and Costs below the amount they request from the Court, and
28 either party may appeal any court order that materially alters the Settlement Agreement's terms.

92. Class Action Certification for Settlement Purposes Only. The Parties agree to stipulate to class action certification for purposes of the Settlement only. If, for any reason, the Settlement is not approved, the stipulation to certification will be void. The Parties further agree that certification for purposes of the Settlement is not an admission that class action certification is proper under the standards applied to contested certification motions and that this Settlement Agreement will not be admissible in this or any other proceeding as evidence that either (a) a class action should be certified or (b) Defendant is liable to Plaintiff or any Class Member, other than according to the Settlement's terms.

93. Non-Admission of Liability. The Parties enter into this Settlement to resolve the dispute that has arisen between them and to avoid the burden, expense and risk of continued litigation. In entering into this Settlement, Defendant did not admit, and specifically deny, that they violated any federal, state, or local law; violated any regulations or guidelines promulgated pursuant to any statute or any other applicable laws, regulations or legal requirements; breached any contract; violated or breached any duty; engaged in any misrepresentation or deception; or engaged in any other unlawful conduct with respect to their employees. Neither this Settlement Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it, will be construed as an admission or concession by Defendant of any such violations or failures to comply with any applicable law. Except as necessary in a proceeding to enforce the terms of this Settlement, this Settlement Agreement and its terms and provisions will not be offered or received as evidence in any action or proceeding to establish any liability or admission on the part of Defendant or to establish the existence of any condition constituting a violation of, or a non-compliance with, federal, state, local or other applicable law.

94. No Public Comment: The Parties and their counsel agree that they will not issue any press releases, initiate any contact with the press, respond to any press inquiry, or have any communication with the press about the fact, amount or terms of the Settlement.

95. Waiver. No waiver of any condition or covenant contained in this Settlement Agreement or failure to exercise a right or remedy by any of the Parties hereto will be considered to imply or constitute a further waiver by such party of the same or any other condition, covenant, right or remedy.

96. Enforcement Actions. In the event that one or more of the Parties institute any legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement or to

1 declare rights and/or obligations under this Settlement, the successful Party or Parties will be entitled to
2 recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert
3 witness fees incurred in connection with any enforcement actions.

4 97. Mutual Preparation. The Parties have had a full opportunity to negotiate the terms and
5 conditions of this Settlement Agreement. Accordingly, this Settlement Agreement will not be construed
6 more strictly against one party than another merely by virtue of the fact that it may have been prepared by
7 counsel for one of the Parties, it being recognized that, because of the arms-length negotiations between
8 the Parties, all Parties have contributed to the preparation of this Settlement Agreement.

9 98. Representation By Counsel. The Parties acknowledge that they have been represented by
10 counsel throughout all negotiations that preceded the execution of this Settlement Agreement, and that this
11 Settlement Agreement has been executed with the consent and advice of counsel. Further, Plaintiff and
12 Class Counsel warrant and represent that there are no liens on the Settlement Agreement.

13 99. All Terms Subject to Final Court Approval. All amounts and procedures described in this
14 Settlement Agreement herein will be subject to final Court approval.

15 100. Cooperation and Execution of Necessary Documents. All Parties will cooperate in good
16 faith and execute all documents to the extent reasonably necessary to effectuate the terms of this Settlement
17 Agreement.

18 101. Binding Agreement. The Parties warrant that they understand and have full authority to
19 enter into this Settlement Agreement, and further intend that this Settlement Agreement will be fully
20 enforceable and binding on all parties, and agree that it will be admissible and subject to disclosure in any
21 proceeding to enforce its terms, notwithstanding any mediation confidentiality provisions that otherwise
22 might apply under federal or state law.

23 102. No Third-Party Beneficiaries. Plaintiff, Participating Class Members, PAGA Members,
24 the State of California, Class Counsel, and Defendant are direct beneficiaries of this Agreement, but there
25 are no third-party beneficiaries.

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

28 104. 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.

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

To Plaintiff:

D.LAW, INC.
Alvin B. Lindsay
a.lindsay@d.law
William Tran
w.tran@d.law
Enoch J. Kim
e.kim@d.law
Arianna N. Razi
a.razi@d.law
250 North Madison Avenue, 2nd Floor
Pasadena, California 91101-1639
Telephone: (818) 962-6465

To Defendant:

FISHER & PHILLIPS LLP
David Amaya
damaya@fisherphillips.com
4747 Executive Drive, Suite 1000
San Diego, California 92121
Telephone: (858) 597-9631

106. 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 California Code of Civil Procedure section 583.330 to extend the date to bring a case to trial under California Code of Civil Procedure section 583.310 for the entire period of this settlement process.

107. Severability. In the event that one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall in no way affect any other provision if Defense Counsel and Class Counsel, on behalf of the Parties, the Class Members, and the PAGA Members, mutually elect in writing to proceed

as if such invalid, illegal, or unenforceable provision had never been included in this Agreement.

108. IN WITNESS WHEREOF, the Parties hereto knowingly and voluntarily executed this Joint Stipulation of Class Action and PAGA Settlement and Release between Plaintiff, on the one hand, and Defendant, on the other hand, as of the date(s) set forth below:

READ CAREFULLY BEFORE SIGNING

PLAINTIFF

Dated: 6/3/2026

Signed by:

 22931F28FAEA45A...
 Jaime Moya

DEFENDANT

**AUTOMATED ENGINEERING SERVICES,
INC.**

Dated: July 25, 2026

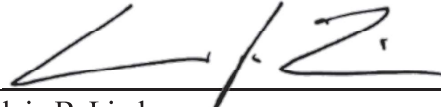

 Leonidas Castaneda (Jul 25, 2026 10:44:33 PDT)

By Its Authorized Representative

APPROVED AS TO FORM

D. LAW, INC.

Dated: June 4, 2026

By: 

Alvin B. Lindsay

William Tran

Enoch J. Kim

Arianna N. Razi

Attorneys for Plaintiff Jamie Miguel Moen

FISHER & PHILLIPS LLP

Dated: July 28, 2026

By: 

David Amaya

Attorneys for Defendant Automated Engineering
Services, Inc.

EXHIBIT A

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

Jamie Miguel Moen v. Automated Engineering Services, Inc.
San Diego County Superior Court of California – Case No. 25CU042196C

*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 Defendant Automated Engineering Services, Inc. (“Defendant” is used herein as a placeholder) for alleged wage and hour violations. The Action was filed by former Automated Engineering Services, Inc. employee Jamie Miguel Moen (“Plaintiff”) and seeks payment of (1) back wages and other relief for a class of all persons who worked for Defendant Automated Engineering Services, Inc. as non-exempt, hourly paid employees in the State of California at any time from August 12, 2021 through the earlier of June 10, 2026 or the date of Preliminary Approval (“Class Members”); and (2) penalties under the California Private Attorney General Act (“PAGA”) for all persons who worked for Defendant Automated Engineering Services, Inc. as non-exempt, hourly paid employees in the State of California at any time from August 12, 2024 through the earlier of June 10, 2026 or the date of Preliminary Approval (“PAGA Members”).

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

Based on Defendant’s records, and the Parties’ current assumptions, **your Individual Class Payment is estimated to be \$ [REDACTED] (less withholding) and your Individual PAGA Payment is estimated to be \$ [REDACTED]**. 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 Defendant’s records you are not eligible for an Individual PAGA Payment under the Settlement because you didn’t work as a non-exempt, hourly employee during the PAGA Period.)

The above estimates are based on Defendant’s records showing that **you worked [REDACTED] workweeks as a non-exempt employee** during the Class Period and **you worked [REDACTED] pay periods as a non-exempt employee** during the PAGA Period. If you believe that you worked more workweeks and/or pay periods during either period, you can submit a dispute by the deadline date. See Section 4 of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or not. 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 Plaintiff and Plaintiff’s attorneys (“Class Counsel”). The Court will also decide whether to enter a judgment

that requires Defendant to make payments under the Settlement and requires Class Members and PAGA Members to give up their rights to assert certain claims against Defendant.

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

1. 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 Defendant that are covered by this Settlement (discussed below).
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is , 2026	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Settlement 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 7 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. Defendant must pay Individual PAGA Payments to all PAGA Members and the PAGA Members must give up their rights to pursue Released PAGA Claims (defined below).
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by , 2026	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 Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section 8 of this Notice.

You Can Participate in the [REDACTED], 2026 Final Approval Hearing	The Court’s Final Approval Hearing is scheduled to take place on [REDACTED]. 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 9 of this Notice.
You Can Dispute the Calculation of Your Workweeks and/or Pay Periods Written Disputes Must be Submitted by [REDACTED], 2026	The amount of your Individual Class Payment and Individual PAGA Payment (if any) depend on how many Workweeks you worked as a non-exempt employee during the Class Period and how many PAGA Pay Periods you worked as a non-exempt employee during the PAGA Period. The number of Class Period Workweeks and number of PAGA Period Pay Periods you worked according to Defendant’s records is stated on the first page of this Notice. If you disagree with this number, you must challenge it by [REDACTED], 2026. See Section 5 of this Notice.

2. WHAT IS THE ACTION ABOUT?

Plaintiff is a former Automated Engineering Services, Inc. employee. The Action accuses Defendant of violating California labor laws by: (1) Failing to Pay Minimum Wages and for All Hours Worked; (2) Failing to Pay Wages and Overtime Under Labor Code Section 510; (3) Failing To Provide All Meal Periods; (4) Failing to Authorize and Permit All Rest Periods; (5) Derivatively Failing To Timely Furnish Accurate Itemized Wage Statements; (6) Failing to Keep Required Payroll Records Under Labor Code Sections 1174 and 1174.5; (7) Failing to Fully Reimburse Work Expenses; (8) Violations of Labor Code Section 203; (9) Violations of Labor Code Section 204; (10) Violations of Labor Code Section 221; and (11) Unfair Business Practices. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code sections 2698, *et seq.*). Plaintiff is represented by the attorneys of D.Law, Inc. in the Action (“Class Counsel”).

Defendant strongly denies violating any laws or failing to pay any wages and contends it complied with all applicable laws.

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

So far, the Court has made no determination whether Defendant or Plaintiff are correct on the merits.

In the meantime, Plaintiff and Defendant hired an experienced, neutral mediator in an effort to resolve the Action by negotiating to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. Plaintiff and Defendant 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, Defendant does not admit any violations or concede the merit of any claims.

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

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

1. Defendant Will Pay \$215,000.00 as the Gross Settlement Amount (Gross Settlement). Defendant has agreed to deposit the Gross Settlement into an account controlled by the Settlement Administrator of the Settlement. The Settlement Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Enhancement Payment, Class Counsel's attorney's fees and expenses, the Settlement Administrator's expenses, and penalties to be paid to the LWDA. Assuming the Court grants Final Approval, Defendant will fund the Gross Settlement in 24 monthly installments beginning October 12, 2026, with the last installment payment due on September 12, 2028.
2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff 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-third of the Gross Settlement to Class Counsel for attorneys' fees (currently estimated at \$71,666.67) and reimbursement for their litigation expenses, which is currently estimated not to exceed \$15,000.00. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - B. Up to \$5,000.00 to Plaintiff as a Class Representative Enhancement Payment for filing the Action, working with Class Counsel, and representing the Class.
 - C. Up to \$5,490.00 to the Settlement Administrator for services administering the Settlement.
 - D. Up to \$15,000.00 for the PAGA Settlement Amount, allocated 65% to the LWDA Payment and 35% in Individual PAGA Payments to the PAGA Members based on their PAGA Pay Periods.
3. Net Settlement Fund Distributed to Participating Class Members. After making the above deductions in amounts approved by the Court, the Settlement Administrator will distribute the rest of the Gross Settlement (the "Net Settlement Fund") by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.
4. Taxes Owed on Payments to Participating Class Members. Plaintiff and Defendant 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. Defendant 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 Settlement Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

Although Plaintiff and Defendant 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/or Individual PAGA Payments will show the date when the check expires (the void date). If you don’t cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller’s Unclaimed Property Fund in your name.

If the monies represented by your check is sent to the California State Controller’s Unclaimed Property Fund, you should consult the rules of the Fund for instructions on how to retrieve your money.

6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Settlement Administrator in writing, not later than _____, 2026, that you wish to opt-out. The easiest way to notify the Settlement Administrator is to send a written and signed Request for Exclusion by the _____, 2026, Response Deadline. The Request for Exclusion should be a signed letter from a Class Member or his/her representative setting forth a Class Member’s name, present address, telephone number, last four digits of their Social Security Number, and a simple statement electing to be excluded from the Settlement. Excluded Settlement Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments but will preserve their rights to personally pursue the Released Class Claims against Defendant.

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 the Released PAGA Claims against Defendant.

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 enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiff and Defendant have agreed that, in either case, the Settlement will be void: Defendant will not pay any money and Class Members and PAGA Members will not release any claims against Defendant.

8. Settlement Administrator. The Court has appointed a neutral company, Apex Class Action, LLC (the “Settlement Administrator”) to send this Notice, calculate and make payments, and process Class Members’ Requests for Exclusion. The Settlement Administrator will also decide Class Member and/or PAGA Member disputes over Workweeks and/or Pay Periods, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement.

The Settlement Administrator’s contact information is contained in **Section 10** of this Notice.

9. Participating Class Members’ Release. Upon the Effective Date and the Funding Date and after Defendant has separately paid all employer payroll taxes, Participating Class Members will be bound by the following release:

Participating Class Members, together and individually, on their behalf and on behalf of their respective heirs, executors, administrators, agents, and attorneys, shall fully and forever release and discharge all of the Released Parties, or any of them, from each of the claims, rights, demands, liabilities, and causes of action that were alleged in the Operative Complaint or reasonably could have been alleged based on the facts and legal theories contained in the Operative Complaint, arising during the Class Period, including claims for violation of: (1) Cal. Lab. Code §§ 204, 1194, 1194.2, 1197, and 1197.1 (unpaid minimum wages); (2) Cal. Lab. Code §§ 510, 1194 and 1198 (failure to pay overtime wages); (3) Cal. Lab. Code §§ 226.7 and 512 (failure to provide meal periods); (4) Cal. Lab. Code § 226.7 (failure to authorize and permit rest periods); (5) Cal. Lab. Code § 226 (failure to provide accurate itemized wage statements); (6) Cal. Lab. Code §§ 1174 and 1174.5 (failure to maintain payroll records); (7) Cal. Lab. Code § 204 (failure to timely pay wages); (8) Cal. Lab. Code §§ 201-203 (failure to timely pay wages at termination); (9) Cal. Lab. Code § 221 (unlawful deduction of wages); (10) Cal. Lab. Code § 2802 (failure to reimburse business expenses); and (11) California Business & Profession Code § 17200 *et seq.* (unfair business practices) (“Released Class Claims”).

10. PAGA Members’ PAGA Release. Upon the Effective Date and the Funding Date and after Defendant has separately paid all employer payroll taxes, PAGA Members will be bound by the following release:

PAGA Members and the State of California, together and individually, on their behalf and on behalf of their respective heirs, executors, administrators, agents, and attorneys, shall fully and forever release and discharge all of the Released Parties, or any of them, from each of the claims for civil penalties under California Labor Code §§ 2698, *et seq.*, based on alleged predicate violations of Labor Code §§ 201, 202, 203, 204, 210, 212, 218, 218.5, 218.6, 221, 226, 226.4, 226.7, 227.3, 510, 511, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, 1199, 2802, 2698, 2699, *et seq.*, including 2699.5, and the related applicable IWC Wage Orders that were alleged or reasonably could have been

alleged based on the facts and legal theories contained in Plaintiff's PAGA Notice, arising during the PAGA Period ("Released PAGA Claims").

5. HOW WILL THE SETTLEMENT ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Settlement Administrator will calculate Individual Class Payments by dividing the Net Settlement Fund by the aggregate total number of Workweeks, resulting in the "Workweek Value." Each Class Member's Individual Class Payment will be calculated by multiplying each individual Class Member's total number of Workweeks by the Workweek Value.
2. Individual PAGA Payments. The Settlement Administrator will calculate Individual PAGA Payments by dividing the PAGA Fund (\$5,250.00) by the aggregate total number of PAGA Pay Periods, resulting in the "PAGA Pay Period Value." Each PAGA Member's Individual PAGA Payment will be calculated by multiplying each individual PAGA Member's total number of PAGA Pay Periods by the PAGA Pay Period Value.
3. Workweek/Pay Period Disputes. 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 Defendant's records, are stated in the first page of this Notice. You have until _____, 2026, to dispute the number of Workweeks and/or Pay Periods credited to you. You can submit your dispute by signing and sending a letter to the Settlement Administrator via mail or fax. **Section 10** of this Notice has the Settlement Administrator's contact information.

You need to support your dispute by sending copies of pay stubs or other records. The Settlement Administrator will accept Defendant's calculation of Workweeks and/or Pay Periods based on Defendant's 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 Settlement Administrator will resolve Workweek and/or Pay Period disputes based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and Defendant's Counsel. The Settlement Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

6. HOW WILL I GET PAID?

1. Participating Class Members. The Settlement 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 PAGA Members. The single check will combine the Individual Class Payment and the Individual PAGA Payment.
2. Non-Participating Class Members. The Settlement Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every PAGA Member 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 Settlement Administrator as soon as possible. Section 10 of this Notice has the Settlement Administrator's contact information.

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

Submit a written and signed letter with your name, present address, telephone number, last four digits of your Social Security Number, and a simple statement that you do not want to participate in the Settlement. The Settlement Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Jamie Miguel Moen v. Automated Engineering Services, Inc.* and include your identifying information (full name, address, telephone number, and last four digits of Social Security Number). You must make the request yourself. If someone else makes the request for you, it will not be valid. **Your Request for Exclusion must be postmarked or faxed by _____, 2026, or it will be invalid.** Section 10 of the Notice has the Settlement Administrator's contact information.

8. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and Defendant are asking the Court to approve. At least 16 court days before the _____, Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses, and Enhancement Payment stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiff is requesting as a Class Representative Enhancement Payment. Upon reasonable request, Class Counsel (whose contact information is in Section 10 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Settlement Administrator's Website

_____ or the Court's website
<https://www.sdcourt.ca.gov/sdcourt/generalinformation/accesscourtrecords>.

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses, and Enhancement Payment may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. **Your written objection must be postmarked or faxed by _____, 2026.** Be sure to tell the Settlement Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action *Jamie Miguel Moen v. Automated Engineering Services, Inc.* and include your name, current address, and telephone number, state whether you intend to appear at the Final Approval Hearing, and sign the objection. Section 10 of this Notice has the Settlement Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that

support your objection. See Section 9 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

9. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on _____, at 9:30 a.m. in Department C-72 of the San Diego Superior Court, located at 330 W. Broadway, San Diego, CA 92101. You may also attend the Final Approval Hearing via Microsoft Teams or by phone. To join by Microsoft Teams, use the following link: <https://www.sdcourt.ca.gov/sdcourt/civil2/civilvirtualhearings> and click on [C-72 Video Hearings](#). To join by phone, call (619) 614-4567 (Conference ID: 409 024 251#). 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, Plaintiff, and the Settlement Administrator. The Court will invite comment from objectors, Class Counsel, and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) personally. Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Settlement Administrator's website _____ beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

10. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendant and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment, or any other Settlement documents is to go to the Settlement Administrator's website at _____.

You can also contact Class Counsel or the Settlement Administrator using the contact information listed below, or consult the Superior Court website by going to <https://www.sdcourt.ca.gov/sdcourt/generalinformation/accesscourtrecords> and entering the Case Number for the Action, Case No. 25CU042196C.

Class Counsel:

Alvin B. Lindsay, Esq.

William Tran, Esq.

Enoch J. Kim, Esq.

Arianna N. Razi, Esq.

D.LAW, INC.

250 N Madison Avenue., 2nd Floor

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Telephone: (818) 962-6465

Email: a.lindsay@d.law

w.tran@d.law

e.kim@d.law

a.razi@d.law

Settlement Administrator:

Apex Class Action, LLC

[Mailing Address]

[Telephone]

[Fax Number]

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

11. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Settlement Administrator will replace it as long as you request a replacement before the void date on the face of the original check.

12. WHAT IF I CHANGE MY ADDRESS?

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

EXHIBIT 2

August 12, 2025

VIA ON-LINE SUBMISSION ONLY TO:

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

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

VIA CERTIFIED MAIL TO:

(by certified mail to Automated Engineering Services, Inc. as follows)

Automated Engineering Services, Inc.
3520 Seagate Way, Suite 115
Oceanside, CA 92056
Certified Mail Tracking Number: 9414 8111 0549 5865 9695 99

Leo Castaneda,
Agent for Service of Process for Automated Engineering Services, Inc.
3520 Seagate Way, Suite 115
Oceanside, CA 92056
Certified Mail Tracking Number: 9414 8111 0549 5865 9633 20

**Re: Labor Code § 2698, *et seq.* Penalties - PAGA Notice Letter to LWDA
Jamie Miguel Moen v. Automated Engineering Services, Inc.
Superior Court for the County of San Diego**

Gentlepersons:

This office represents Plaintiff Jamie Miguel Moen (“Plaintiff”) and other similarly aggrieved employees employed as non-exempt, hourly welders, fabricators, engineers, and in related positions at Defendants’ facilities and customer worksites in California during the relevant period (collectively “Aggrieved Employees”) for, *inter alia*, violations of California Labor Code §§ 201, 202, 203, 204, 218, 218.5, 218.6, 221, 226, 226.4, 226.7, 510, 511, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1198, 1199, 2802, 2810.5, 2698, and 2699, *et seq.*; provisions of the Industrial Welfare Commission (IWC) Wage Order(s); and California Business & Professions Code § 17200 *et seq.*

The purpose of this letter is to comply with the Private Attorneys General Act of 2004, pursuant to California Labor Code § 2698 *et seq.* (“the Act”). Plaintiff would like to bring a representative action, pursuant to the Act, on behalf of himself and all other similarly situated Aggrieved Employees, and the State of California, against Automated Engineering Services, Inc.; and Does 1 through 50 inclusive (all defendants being referred to herein collectively as “Defendants”).

Additionally, this correspondence will serve to satisfy the notice requirements under the Act, along with Plaintiff’s Class Action Complaint, which is attached to this Notice letter. The Complaint is



being filed concurrently in San Diego County Superior Court and will be assigned a local case number. The Complaint allegations and claims are incorporated into this Notice Letter.

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

Relevant Facts

Plaintiff worked as a lead orbital welder, fabricator, and field service engineer at Defendants' facilities and worksites in California. Defendants employed other Aggrieved Employees as welders, fabricators, engineers, and in similar and related positions in connection with various biotech industry engineering and manufacturing services they provided to Defendants' customers throughout California. Plaintiff and the Aggrieved Employees worked at Defendants' behest without being paid all wages due and without being provided all required breaks. More specifically, Plaintiff and the Aggrieved Employees were employed by Defendants and shared similar job duties and responsibilities, were subjected to the same policies and practices, and endured similar violations at the hands of Defendants as the other Aggrieved Employees who served in similar and related positions.

Defendants required Plaintiff and the Aggrieved Employees to work off the clock and failed to record accurate time worked by these Employees, failed to pay them at the appropriate rates for all hours worked, failed to pay all wages due and owing at termination or resignation, and provided Plaintiff and the Aggrieved Employees with inaccurate wage statements that prevented them from learning of these unlawful pay practices. Defendants also failed to provide Plaintiff and the Aggrieved Employees with lawful meal and rest periods, as Aggrieved Employees were required to remain under Defendants' control and were not provided with the opportunity to take full uninterrupted, timely, and duty-free rest periods and meal breaks, as required by the Labor Code and the applicable paragraphs of the IWC Wage Orders.

Defendant AUTOMATED ENGINEERING SERVICES, INC. ("AESI") is a California stock corporation which lists its principal address with the California Secretary of State in Oceanside, California located in San Diego County. It lists its type of business as Engineering Services. "AUTOMATED ENGINEERING SERVICES INC" is listed as the employer on the wage statements issued to Plaintiff by Defendants with an address in Oceanside, CA. Upon information and belief, AESI maintains and operates offices and facilities throughout California, including in San Diego County where Plaintiff predominantly worked. On information and belief, Defendants maintain operations and locations throughout San Diego County and California conducting business wherever their customers are located. AESI's website explains that: "Our commitment is to support our clients at every stage of their journey, from research and development to commercial manufacturing. Our comprehensive support enables clients to develop and produce cutting-edge,



life-saving pharmaceuticals and treatments. With our strategically placed elite engineers, we ensure seamless support for diverse projects globally. At AES, we believe in solutions for better biotech, and we are dedicated to being the trusted partner for biopharmaceutical companies, providing innovative solutions that propel operations forward and enhance global health outcomes.”

Plaintiff and the Aggrieved Employees were employed by Defendants, and either were not paid by Defendants for all hours worked or were not paid at the appropriate minimum, regular and overtime rates, including for meal period and rest break premium payments. Plaintiff also contends that Defendants failed to pay him and the Aggrieved Employees all wages due and owing, including by miscalculating wages owed and by requiring off the clock work, failed to provide meal and rest breaks, and failed to furnish accurate wage statements and timely pay all wages owed, all in violation of various provisions of the California Labor Code and applicable paragraphs of the IWC Wage Orders.

During the course of Plaintiff’s and the Aggrieved Employees’ employment with Defendants, they were not paid all wages they were owed, including for all work performed (resulting in “off the clock” work) and for all their overtime hours worked, or were not paid at the correct rates. This has resulted in systematic and ongoing violations of the California Labor Code and relevant IWC Wage Orders. Upon information and belief, Defendants employ other Aggrieved Employees as non-exempt, hourly employees in positions of welders, fabricators, engineers and related positions based out of Defendants’ facilities in California.

Plaintiff was employed by Defendant as a Lead Orbital Welder and Fabricator, with duties that included welding and building skids and piping related to biotech equipment production, maintenance, and service. Plaintiff generally worked about 40 hours per week, five shifts per week. Plaintiff’s scheduled hours were generally from 6:00 a.m. through 2:30 p.m.

Despite their obligation to maintain accurate timekeeping records for hours worked by the Aggrieved Employees, Defendants failed to maintain or maintained improper time record-keeping systems across their California facilities and their work sites. Upon information and belief, the wage statements Defendants issued to Employees and the corresponding timekeeping records they maintained evidence systematic underpayment of regular hours and overtime hours.

Defendants required Plaintiff to maintain his personal cell phone on him at all times in order to promptly respond to work-related communications, such as responding to calls and texts from management regarding scheduling and project updates. When combined with the additional off the clock work addressed below, Plaintiff and the Aggrieved Employees were compelled to perform required job duties without compensation for a significant portion of their daily work shifts.

Defendants followed a similar unlawful practice, upon information and belief, in connection with other Aggrieved Employees in a concerted effort to limit and restrict regular and overtime hours earned by and owing to Plaintiff and the other Aggrieved Employees. Time worked off the clock also caused Plaintiff and other Aggrieved Employees to work beyond eight hours in a shift. As a



result of the above-described off the clock work, Defendants failed to pay Plaintiff and Aggrieved Employees overtime for several minutes to hours before and at the end of work shifts which Defendants did not record in any timekeeping or payroll records.

Plaintiff was therefore not paid for all his hours worked at the required minimum, overtime and double time wage rates due to Defendants' policy and practice of requiring them to work off the clock and without pay. With work shifts generally scheduled for eight hours or more, this unpaid off the clock work resulted in Plaintiff and the Aggrieved Employees working past eight hours on a shift, which required that they be paid at the correct overtime rate of 1.5 times their regular rate. Defendants thus systematically underpaid Plaintiff and the Aggrieved Employees by failing to pay them at the required overtime rates for all hours over eight in a work shift or over forty in a work week, and all hours over twelve in a day at the required double time rate. Upon information and belief, the Aggrieved Employees were bound by similar scheduling and work policies Defendants required them to follow and endured similar violations as Plaintiff.

Defendants have either failed to maintain timekeeping records for Plaintiff that would permit Plaintiff to discover the nature and extent of the off the clock work Defendants required and the actual hours Plaintiff worked. By failing to pay for all hours worked, Defendants have committed knowing and intentional ongoing violations of the record keeping requirements under the Labor Code §§ 226 and 1174.

As a result of the above-described unlawful requirements to work off the clock, the failure to accurately record all hours worked, and the other wage violations they endured at Defendants' hands, Plaintiff and the Aggrieved Employees were not properly paid all wages earned and all wages owed to them by Defendants, including when working more than eight hours in any given day and/or more than forty hours in any given week. As a result of Defendants' unlawful policies and practices, Plaintiff and Aggrieved Employees incurred overtime hours worked for which they were not adequately and completely compensated, in addition to the hours they were required to work off the clock at their regular rates.

The failure to pay for all hours worked and underpayment of wages to Plaintiff and the Aggrieved Employees is and has been a direct consequence of Defendants' unlawful compensation policies and practices, which upon information and belief applied uniformly to the Aggrieved Employees working based out of Defendants' locations and facilities. As a result of the above-described unlawful requirements to work off the clock, the failure to accurately record all hours worked and pay wages at the correct rates, and the other wage violations they endured at Defendants' hands, Plaintiff and the Aggrieved Employees were not properly paid all wages earned and all wages owed to them by Defendants, including when working more than eight hours in any given day and/or more than forty hours in any given week.

Therefore, Defendants had a consistent policy or practice of failing to pay Aggrieved Employees for all hours worked and failing to pay minimum wages for all time worked, as required by California law. Also, Defendants had a consistent policy or practice of failing to pay Aggrieved Employees overtime compensation at premium overtime rates for all hours worked in excess of



eight hours a day and/or forty hours a week, and double-time rates for all hours worked in excess of twelve hours a day, in violation of Labor Code § 510 and the corresponding sections of IWC Wage Orders.

Defendants also failed to provide Plaintiff and the Aggrieved Employees with their required meal periods, and the at least two ten-minute rest breaks required for scheduled shifts of eight hours. Demanding workloads contributed to Defendants' common policy of failing to provide lawful meal periods to Plaintiff and the Aggrieved Employees, as required under the Labor Code and Paragraph 11 of the IWC Wage Order(s). Defendants similarly systematically failed to authorize and permit Plaintiff and the Aggrieved Employees to take all required 10-minute rest breaks, as required under the Labor Code and Paragraph 12 of the IWC Wage Order(s).

More specifically, Plaintiff worked shifts that entitled him to at least one meal period, but Defendants' required Plaintiff and the Aggrieved Employees to prioritize work over taking proper meal periods. In fact, Defendants made no effort to even schedule or otherwise account for time for Plaintiff and the Aggrieved Employees to use for duty-free, net thirty minute meal periods. To the extent Defendants required Plaintiff to work over ten hours on a work shift, Defendants also failed to provide second meal periods and Defendants have produced no evidence of premium payments for meal period violations under Labor Code 226.7.

Defendants thus failed to provide all the legally required unpaid, off-duty meal periods and all the legally required paid, off-duty rest periods to Plaintiff and the other Aggrieved Employees, as required by the applicable Wage Order and Labor Code. Plaintiff and other Aggrieved Employees were required to perform work as ordered by Defendants for more than five hours during a shift without receiving compliant meal periods. Additionally, as addressed above, Defendants followed a practice of requiring off the clock work that would impact when Employees were to receive meal periods leading to further violations.

Upon information and belief, Defendants' systems did not automatically generate a meal period premium under Labor Code § 226.7 for meal periods that commenced after five hours into a work shift or in the event the time punch records reflected a meal period of less than thirty minutes.

As a result, Defendants' failure to provide Plaintiff and the Aggrieved Employees with all legally required off-duty, unpaid meal periods and all the legally required off-duty, paid rest periods is and will be evidenced by Defendants' business records, or lack thereof. Therefore, Plaintiff and the Aggrieved Employees were unable to take off-duty breaks or were otherwise not provided with the opportunity to take required breaks as required under the Labor Code and Wage Orders due to Defendants' policies and practices. On the occasions when Plaintiff and the Aggrieved Employees were provided with a meal period, it was often untimely or interrupted, or was impermissibly shortened, and Employees were not provided with one hour's wages in lieu thereof.



Similar violations resulted from Defendants' failure to authorize and permit Plaintiff and the Aggrieved Employees to take duty-free, net ten minute rest breaks for every four hours of shift work, or major fraction thereof. Plaintiff and the Aggrieved Employees were either not authorized permitted the opportunity to take a rest break, or were required to remain under Defendants' control and respond to instructions from management and job demands if and when they even attempted to take one. Upon information and belief, Defendants also failed to authorize and permit employees to leave the worksite during rest breaks, evidencing Defendants' policy and practice of requiring Plaintiff and the Aggrieved Employees to remain under their control during required off-duty rest break times.

Defendants thus failed to authorize and permit duty-free ten minute rest breaks as required under the Labor Code and IWC Wage Orders. In fact, Defendants made no effort to even schedule or otherwise account for time for Plaintiff and the Aggrieved Employees to use for duty-free, net ten minute rest breaks. This common and unlawful policy uniformly applied to the Employees during the relevant period, meaning Defendants' rest break policy was not to schedule or otherwise authorize and permit them. Plaintiff and the Aggrieved Employees worked eight to twelve hours on an average shift, and were required to receive at least two rest breaks or three rest breaks on shifts over ten hours. Defendants have produced no evidence of any payments for rest break violations under Labor Code § 226.7.

Defendants' uniformly applied policies and practices thus resulted in untimely and shortened or on-duty rest breaks when they were authorized and permitted. Plaintiff and the Aggrieved Employees worked shifts of at least eight hours, which required at least two rest breaks, and often worked shifts over ten hours, which required at least three rest breaks.

During rest periods, employers must relieve employees of all duties and relinquish control over how employees spend their time. Plaintiff and the Aggrieved Employees were and are under Defendants' control when they are working through rest breaks and remaining under Defendants' control. Defendants have also provided either impermissibly shortened or untimely rest breaks to Plaintiff and the Aggrieved Employees. Plaintiff and the Aggrieved Employees were thus not authorized and permitted to take lawful rest periods, were systematically required by Defendants to work through or during breaks, and were not provided with one hour's wages in lieu thereof. They were required to remain on-duty during breaks or portions of their breaks, thus making them either untimely or shortened and on-duty, and they were also prevented from leaving the worksite and otherwise remain under Defendants' control during rest breaks under Defendants' uniformly applied policies and practices.

Defendants have also consistently failed to provide Aggrieved Employees with timely, accurate, and itemized wage statements, in writing, as required by California wage-and-hour laws, including by the above-described requirement of off the clock work, failure to pay all overtime and double time wages owed and failure to pay them at the appropriate premium rates, and failure to pay premium wages for unprovided or otherwise unlawful meal and rest breaks, or by miscalculating any overtime or meal period or rest break premium wages and by the systematic and unlawful deductions Defendants took from Employee wages. Defendants have also made it difficult to



account with precision for the unlawfully withheld wages and meal and rest period compensation owed to Plaintiff and the Aggrieved Employees, during the liability period, including because they did not calculate the regular rate of pay correctly when paying overtime or meal period premiums and because they did not implement and preserve a record-keeping method as required for non-exempt employees by California Labor Code §§ 226, 1174(d), and paragraph 7 of the applicable California Wage Orders. Upon information and belief, time clock punches were not maintained or were not accurately maintained for work shifts and meal periods. Defendants also failed to accurately record and pay for all regular and overtime hours worked and submitted by Plaintiff and the Aggrieved Employees, including by failing to pay all overtime hours at the correctly calculated overtime premium rate.

Defendants also provided Plaintiff and the Aggrieved Employees with wage statements that failed to accurately report all hours worked and applicable hourly rates for all hours worked. For the same reasons as explained above, Plaintiff and the Aggrieved Employees were provided with unlawful wage statements that failed to reflect all hours worked and failed to pay for all overtime hours or failed to pay overtime wages at the correct overtime premium rate, and Defendants miscalculated meal and rest break premiums, and sick time if and when they did pay them. Defendants followed this unlawful policy and practice even though both Plaintiff and Defendants were aware that Plaintiff and the Aggrieved Employees worked more total hours than were reflected on the wage statements, including overtime hours, and were underpaid by regular rate miscalculation. Plaintiff and the Aggrieved Employees were unable to discern from their wage statements alone the actual hours they worked in total during a pay period and the rates they were paid for those hours worked.

Defendants also required Plaintiff and the Aggrieved Employees to work hours off the clock for which they were not compensated. They were required to endure off the clock work addressed above, including during interrupted or otherwise on-duty meal and rest periods. Defendants also failed to pay all overtime premium wages owed for work conducted on a work shift and a workday or failed to pay it at the correct rate, as addressed above. Therefore, Defendants have followed a uniform and consistent policy of failing to timely pay all wages owed to Plaintiff and Aggrieved Employees as required by California wage-and-hour laws, including Labor Code § 204. Defendants have also followed a uniform and consistent policy of failing to pay all wages owed to Plaintiff and the Aggrieved Employees at the time of their termination or within seventy-two hours of their resignation, as required by California wage-and-hour laws, including Labor Code § 201-203.

Defendants have also consistently violated Labor Code § 221 by unlawfully collecting or deducting the Employees' earned wages, including by requiring off the clock work during breaks and before and after work shifts and by miscalculating the regular rate and accordingly underpaying overtime wages and meal and rest break premiums. By not compensating Employees for all hours worked at the correct rates, Defendants unlawfully deducted wages earned by and owed to Plaintiff and the Aggrieved Employees, in violation of Labor Code § 221.

Additionally, Defendants have regularly required Plaintiff and the Aggrieved Employees to incur



necessary business expenses in the course of performing their required job duties without reimbursement. These included personal cellphones, power tools, such as drills and saws, and carts to move the power tools. Aggrieved Employees must be reimbursed for these necessary business expenses under Labor Code § 2802, and Defendants systematically failed to do so.

PAGA Claim Details, Legal Bases for Violations and Penalties:

As addressed above and in further detail in the attached Class Action Complaint, Plaintiff and the Aggrieved Employees complain of the following violations committed by Defendants:

Failure to Pay Minimum Wages

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

Defendants failed to pay Employees the minimum wages they were owed, including by their consistent policy of failing to pay Employees for all hours worked. Employees would work hours and not receive wages, including as alleged above in connection with off the clock work, including all the time required to remain on duty and under Defendants’ control during breaks and due to the work demands placed upon them by Defendants’ management. Defendants also failed to pay Aggrieved Employees at the required prevailing rates. During the relevant time period, Defendants thus regularly failed to pay minimum wages to Aggrieved Employees, including by requiring systematic off the clock work. Defendants’ uniform pattern of unlawful wage and hour practices manifested, without limitation, applicable to the Aggrieved Employees as a whole, as a result of implementing a uniform policy and practice that denied accurate compensation to Plaintiff and the other Aggrieved Employees as to minimum wage pay.

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



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

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

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

Defendants violated the law by failing to pay Aggrieved Employees earned wages and overtime. Specifically, Defendants had a consistent policy of not paying Employees wages for all hours worked, including hours at their required regular, overtime, and double-time rates. Defendants, and each of them, have intentionally and improperly caused Plaintiff and the Aggrieved Employees to work off the clock to avoid paying Aggrieved Employees all earned and owed straight time and overtime wages and other benefits, in violation of the California Labor Code, the California Code of Regulations and the IWC Wage Orders and guidelines set forth by the Division of Labor Standards and Enforcement. Based on information and belief, Defendants did not make available to Employees a reasonable protocol for correcting time records when Employees worked overtime hours or to fix incorrect time entries or those that Defendants unlawfully under-recorded to the Employee's detriment.

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

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

Meal-Period Liability Under Labor Code § 226.7 and Penalties

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



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

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

Rest-Break Liability and Penalties

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

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

Therefore, pursuant to Labor Code § 226.7 and paragraphs 12 and 20 of the applicable IWC Wage Order, Aggrieved Employees are entitled to damages in an amount equal to one hour of wages at their effective hourly rates of pay for each rest break not provided or deficiently provided, as well as the assessment of any statutory penalties against the Defendants, and each of them, in a sum as provided by the Labor Code, including Labor Code § 558 and other applicable statutes and Wage Order provisions.



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

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

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

Defendants failed to provide Aggrieved Employees with accurate itemized wage statements in writing, as required by the Labor Code. Specifically, the wage statements given to Aggrieved Employees failed to accurately account for unpaid wages, overtime, premium pay for deficiently provided meal, rest, and unlawfully received or collected wages, as discussed above, and failed to list accurate rates of pay due to miscalculations of overtime and premium pay.

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

Failure to Keep Records In Accordance With Labor Code § 1174

Labor Code § 1174 requires employers to keep records showing payroll data and the hours worked daily by and the wages paid to employees. By failing to pay Aggrieved Employees proper wages, overtime, premium pay, etc., all discussed herein, Defendants failed to maintain proper employment records in accordance with Section 1174. In light of the foregoing, Plaintiff and Aggrieved Employees seek to recover penalties pursuant to Labor Code §§ 1174.5 and 2699, *et*



seq. Defendants have also failed to comply with paragraph 7 of the applicable California IWC Wage Orders by failing to maintain time records showing when the employee begins and ends each work period, meal periods, wages earned pursuant to Labor Code § 226.7, and total daily hours worked by itemizing in wage statements all deductions from payment of wages and accurately reporting total hours worked by the Aggrieved Employees, and they are entitled to recover penalties pursuant to paragraph 20 of the applicable IWC Wage Orders.

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

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

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

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

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



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

Waiting Time Penalties Pursuant to Labor Code § 203

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

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

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

Labor Code § 221 provides, "It shall be unlawful for any employer to collect or receive from an employee any part of wages theretofore paid by said employer to said employee." As discussed above, Defendants have consistently violated Labor Code § 221 by unlawfully collecting or deducting the Employees' earned wages, including by the above described off the clock work and unlawful rounding and overtime miscalculation. In addition, Defendants unlawfully deducted parking and other traffic tickets from Employees wages. By not compensating Employees for all hours worked, Defendant unlawfully deducted wages earned by and owed to Aggrieved Employees, in violation of Labor Code § 221.

In light of the foregoing, Plaintiff and Aggrieved Employees seek to recover penalties pursuant to Labor Code § 558. Under the PAGA, and following exhaustion of the notice period, Plaintiff is seeking all civil and statutory penalties available and applicable under Labor Code §§ 510, 558, 1194, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

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Failure to Reimburse Necessary Business Expenses Under Labor Code § 2802

Defendants required Plaintiff and the Aggrieved Employees to pay for necessary work-related expenses they incurred. These included a required work helmet which cost approximately \$500 and steel toed boots at a cost of \$200. Defendants thus uniformly failed to reimburse those lawful and necessary work-related expenses or losses incurred in direct discharge of their job duties during employment with Defendants and at the direction of the Defendants pursuant to Labor Code § 2802(a) and the applicable IWC Wage Orders, paragraph 9. Defendants are liable for PAGA penalties resulting from their failure to reimburse necessary business expenses incurred by the Aggrieved Employees.

Accordingly, Plaintiff and Aggrieved Employees are entitled to recover, and hereby seek through this Representative Action, all civil and statutory penalties authorized for violations of California Labor Code §§ 1198 and 2802, and Section 9(B) of the applicable IWC Wage Orders, and Plaintiff seeks all civil and statutory penalties available and applicable under Labor Code §§ 2802 and 2699(f)(2), and also attorneys' fees and costs pursuant to Labor Code § 2699(g)(1).

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

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

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

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

Plaintiff and the Aggrieved Employees seek penalties under Labor Code §§ 2698 and 2699 for Defendants' violation of Labor Code provisions included under Labor Code § 2699.5, including the penalty provisions, without limitation, based, *inter alia*, on the following California Labor Code sections: 201, 202, 203, 204, 218, 218.5, 218.6, 221, 226, 226.4, 226.7, 510, 511, 512, 558, 558.1, 1174, 1174.5, 1182.12, 1185, 1194, 1194.2, 1197, 1198, 1199, 2802, and 2698 et seq., including as follows:

(a) Wage Claims: For failure to provide Plaintiff and the Aggrieved Employees all earned regular pay and minimum wages for regular hours worked and for failure to pay overtime premium wages for overtime hours worked under Labor Code §§ 510, 1194(a), 1197, and 1198, and paragraphs 2(K), 3(A), 4(A), 4(B) and 20 of the applicable IWC Wage Order(s) seeking all civil and statutory penalties available and applicable under Labor Code §§ 510, 558, 1194.2,



1197.1, 1198, 1199, 2699(f)(2), and 2699.5, and also for attorneys' fees and costs pursuant to Labor Code § 2699(g)(1);

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

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

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

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

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

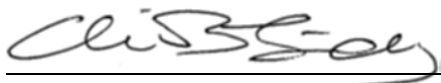


We have been constrained to initially move forward with the filing of this Complaint, alleging the causes of action discussed herein, without the PAGA claim. Thus, any action by the LWDA would not resolve the entirety of the case, and the interest of judicial economy will be served by allowing the case to proceed as a cohesive whole.

This letter and the attached Complaint therefore provide the requisite notice under the Act to the LWDA and Defendants by setting forth the specific provisions of the Labor Code and related provisions Plaintiff alleges have been violated, including the facts and relevant theories alleged against Automated Engineering Services, LLC and any other named Defendants and joint employers. To prevent the violations described in the Complaint and herein from occurring, and to remedy past violations, Plaintiff respectfully requests that the LWDA conduct an investigation into Defendants' employment practices in accordance with the Act.

Wherefore we request that you advise us, by certified mail within sixty days of the postmark on this letter, whether you intend to proceed with these claims or whether Plaintiff and the Aggrieved Employees should include them in an amended Labor Code § 2698 *et seq.* claim under the Act in an amended Complaint.

Regards,
D.LAW, INC.



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Cc: Automated Engineering Services, Inc. by Certified Mail