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Attorneys for Plaintiff

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF ORANGE – CIVIL COMPLEX CENTER

DANIEL HERNANDEZ, individually, and on behalf of other members of the general public similarly situated and on behalf of other aggrieved employees pursuant to the California Private Attorneys General Act

Plaintiff,

vs.

ISLANDS RESTAURANTS, L.P., a Delaware limited partnership; ISLANDS RESTAURANTS, LLC, a Delaware limited liability company; ISLANDS FINE BURGERS & DRINKS, an unknown business entity; and DOES 1 through 100, inclusive,

Defendants.

Case No.: 30-2023-01320258-CU-OE-CXC

Honorable Melissa McCormick
Department CX104

CLASS ACTION

DECLARATION OF ARMAN MARUKYAN IN SUPPORT OF PLAINTIFF'S MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT

[Plaintiff's Motion for Preliminary Approval of Class Action Settlement; Declaration of Proposed Class Representative (Daniel Hernandez); and [Proposed] Order filed concurrently herewith]

Reservation No.:	74381391
Date:	January 30, 2025
Time:	2:00 PM
Department:	CX104
Complaint Filed:	April 19, 2023
FAC Filed:	August 30, 2024
Trial Date:	None Set

<u>DECLARATION OF ARMAN MARUKYAN</u>

I, Arman Marukyan, hereby declare as follows:

1. I am an attorney licensed to practice law in the State of California. I am a member of Lawyers *for* Justice, PC, attorneys of record for Plaintiff Daniel Hernandez ("Plaintiff"). The facts set forth in this declaration are within my personal knowledge or based on information and belief, and if called as a witness, I could and would competently testify thereto.

EXPERIENCE AND ADEQUACY OF LAWYERS *for* JUSTICE, PC

2. For over a decade, Lawyers *for* Justice, PC has almost exclusively focused on the prosecution of consumer and employment class actions, involving wage-and-hour claims, race discrimination, unfair business practices, or consumer fraud. Currently, the firm is the attorney of record in over a dozen employment-related putative class actions in both state and federal courts in the State of California. The firm is comprised of attorneys who focus on litigating complex wage-and-hour class and Private Attorneys General Act ("PAGA") representative actions. Lawyers *for* Justice, PC has successfully litigated cases involving the executive, administrative, and other overtime exemptions to the State of California and federal overtime compensation requirements. During a relatively short time, in association with other law firms, Lawyers *for* Justice, PC has recovered millions of dollars on behalf of thousands of individuals in California. Below is a summary of the experience and qualifications of the attorneys at Lawyers *for* Justice, PC who most recently and primarily have been responsible for the representation of Plaintiff in connection with the resolution of above-captioned matter. Additional attorney and non-attorney staff have also worked on the above-captioned matter.

3. Edwin Aiwazian is the Managing Member and Shareholder of Lawyers *for* Justice, PC. He received his Bachelor of Arts degree from Pepperdine University in April of 1999 and earned a Juris Doctor degree from Pepperdine University School of Law in May of 2004. He has extensive formal training in dispute resolution and negotiation from the Straus Institute for Dispute Resolution as part of its Masters in Dispute Resolution degree program. In addition, he has previously served as a pro bono mediator for the Los Angeles County Superior Court. In October of 2000, he obtained a Litigation Paralegal Certificate from the UCLA

Extension Program. During the summer of 2000, he studied Legal Writing at Harvard University. From approximately September 2002 to approximately December 2002, he served as a Judicial Extern to the Honorable Kim McLane Wardlaw of the United States Court of Appeals for the Ninth Circuit. From approximately June 2002 to approximately August 2002, he served as a Judicial Extern to the Honorable Earl Johnson, Jr. of the California Court of Appeal for the Second Appellate District. In December of 2004, he obtained a license to practice law from the California State Bar. Through his work at Lawyers *for* Justice, PC, he has almost exclusively focused on the prosecution of consumer and employment class actions, involving wage-and-hour claims, race discrimination, unfair business practices, or consumer fraud. Together with other attorneys at the firm, and in many cases in conjunction with co-counsel, he has successfully litigated cases involving the executive, administrative, and other overtime exemptions to the State of California and federal overtime compensation requirements. Under his supervision, Lawyers *for* Justice, PC has successfully obtained class certification by contested motion practice in approximately fifteen (15) cases in the last decade, and litigated over 1,000 class action or representative action cases.

4. Arby Aiwazian is a Member and Shareholder of Lawyers *for* Justice, PC. He received his Bachelor of Arts degree from University of California, Los Angeles and graduated magna cum laude. He earned a Juris Doctor degree, cum laude, from Southwestern Law School. From approximately May 2007 to approximately July 2007, he served as a Judicial Extern to the Honorable Earl Johnson, Jr. of the California Court of Appeal for the Second Appellate District. From approximately August 2008 to approximately December 2008 he served as a Judicial Extern to the Honorable Kim McLane Wardlaw of the United State Court of Appeals for the Ninth Circuit. He was admitted to practice law in California in 2010. He is admitted to practice before all courts of the State of California and all United States District Courts in the State of California. He has worked on many wage-and-hour class action and representative action cases, taking the lead in taking and defending depositions, arguing motions, and attending mediations. He has played an integral role in preparing matters for class certification, including and not limited to, successful certification of a class in *Upson v. Sur La Table* (Los Angeles County Superior Court Case No. BC424012), *Montazemi v. Regus Management* (Los Angeles County Superior Court Case No.

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BC478769), and *Abdulhaqq v. Urban Outfitters* (Alameda County Superior Court Case No. RG13680477). He has worked on over one hundred (100) class action or representative action cases which have resulted in settlement, including and not limited to those listed in paragraph 7 herein.

5. Joanna Ghosh is a Senior Member of Lawyers *for* Justice, PC. She received a Bachelor of Arts degree from California State University, Los Angeles in 2006, a Master of Science degree from the London School of Economics in 2007, and a Juris Doctor degree from Georgetown University Law Center in 2010. She is admitted to practice in California (since 2010) and in New York (since 2013) and is also admitted to practice in all U.S. District Courts in California, the U.S. Bankruptcy Court for the Central District of California, and the U.S. Supreme Court. She has taken and defended dozens of depositions and successfully handled motion practice in class action cases regarding discovery (including and not limited to, regarding class contact information), class certification (both contested class certification and stipulated class certification), arbitration agreements, coordination, intervention. She has successfully handled briefing and oral argument on appeal and obtained notable decisions regarding the Private Attorneys General Act and employer efforts to compel arbitration of PAGA claims, e.g., *Roberto Betancourt v. Prudential Overall Supply* (Cal., May 24, 2017) 9 Cal.App.5th 439 (Cal. Ct. App., Mar. 7, 2017), cert. denied, cert. denied (U.S., Dec. 11, 2017) and *ZB, N.A. v. Superior Court* (2019) 8 Cal.5th175. She also has extensive experience with class action and/or representative action settlements. Under her, Edwin Aiwazian, and Arby Aiwazian's supervision, the firm has handled the class certification and court approval process for hundreds of class action and/or representative action matters that have successfully resolved. She is a member of the California Employment Lawyers Association.

6. I am a Member of Lawyers *for* Justice, PC. I received my Bachelor of Arts degree from Loyola Marymount University, Los Angeles in 2015 and earned my Juris Doctor degree from Pennsylvania State University, Penn State Law in 2019. I was admitted to practice law in California in 2019. I am admitted to practice before all courts of the State of California and all federal district courts in the State of California. During my employment with Lawyers *for* Justice,

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PC, I have worked on over one hundred (100) wage-and-hour class actions and PAGA representative actions, and my work has included, inter alia: researching and drafting pleadings; administrative notice exhaustion; drafting, negotiating, and finalizing stipulations and settlement agreements; taking and defending depositions; propounding and responding to written discovery; engaging in motion practice (including and not limited to, motions to compel arbitration, motions to compel discovery responses, motions for summary judgment and/or adjudication, and motions to remand); claims evaluation and analysis; making court appearances; and attending mediation. I have also successfully handled briefing and oral argument in the California Courts of Appeal. I am a member of the California Employment Lawyers Association, and California Lawyers Association's Labor and Employment Section and Litigation Section.

BASIC INFORMATION ABOUT THE CASE AND REACHING THE SETTLEMENT

7. Marked and attached hereto as "**EXHIBIT 1-A**" and "**EXHIBIT 1-B**" are the Class Action Settlement Agreement and Amendment No. 1 to the Class Action Settlement Agreement (together, "Settlement," "Agreement," or "Settlement Agreement") entered into by and between Plaintiff Daniel Hernandez ("Plaintiff"), individually and on behalf of all others similarly situated and other aggrieved employees, on the one hand, and Defendants Islands Restaurants, LLC successor in interest of Islands Restaurants, L.P. ("Defendants"), on the other hand (collectively, the "Parties"). The Parties and their counsel have approved the proposed Notice of Class Action Settlement ("Class Notice"), which is attached to the Settlement Agreement as "Attachment A" and respectfully request that the Court approve it as well.

8. Based on information provided by Defendants, as of May 8, 2024, the Class is estimated to consist of approximately 10,637 individuals who worked 332,277 Workweeks, as defined in the Settlement Agreement, during the Class Period and 9,776 PAGA Members who worked 120,195 PAGA Pay Periods, as defined in the Settlement Agreement, during the PAGA Period.

9. The effectiveness of Lawyers *for* Justice, PC ("Class Counsel") in prosecuting this matter has translated into tangible monetary benefits in the following respects: (1) Class Members, PAGA Members, and the State of California recover over a reasonably short period of time as

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opposed to waiting additional years for the same, or possibly worse, result; (2) a guaranteed result that compares favorably with other complex wage and hour class and/or representative action settlements of similar type given the strengths and weaknesses of the cases; and (3) significant savings in attorneys' fees and/or costs that would have only increased significantly had the cases progressed through certification, trial, and/or appeals.

10. On February 13, 2023, Plaintiff provided written notice to the California Labor and Workforce Development Agency ("LWDA") by online submission and to Defendant Islands Restaurants, L.P. by Certified Mail, of the specific provisions of the California Labor Code that Defendant Islands Restaurants, L.P. is alleged to have violated ("Original LWDA Notice"). Thereafter, on May 15, 2023, Plaintiff provided written notice by certified mail to Defendants Islands Restaurant, LLC and Islands Fine Burgers & Drinks and by online submission to the LWDA of the specific provisions of the California Labor Code that were alleged to be violated ("Second LWDA Notice"). Thereafter, on August 2, 2024, Plaintiff submitted an amended notice to the LWDA and Defendants regarding the specific provisions of the California Labor Code that were alleged to be violated by Defendants ("Amended LWDA Notice"). A true and correct copy of the Original LWDA Notice, Second LWDA Notice, and Amended LWDA Notice are attached hereto as "**EXHIBIT 2**." This declaration, along with the fully executed Settlement Agreement that is attached as an exhibit, is being submitted to the LWDA in conformity with California Labor Code section 2699(l)(2), concurrently with the filing of this declaration with the Court. The Court is referred to the attached Proof of Service, which confirms submission of this declaration and its exhibits (which includes, *inter alia*, the Settlement Agreement) to the LWDA.

11. On April 19, 2023, Plaintiff filed a Complaint for Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq. ("PAGA Complaint") in the Orange County Superior Court against Defendant Islands Restaurants, L.P., thereby commencing the above captioned lawsuit (the "PAGA Action").

12. On or about June 2, 2023, Defendant Islands Restaurants, L.P. filed its Motion to Compel Individual Arbitration of PAGA Claim and Dismiss the Representative PAGA Action ("Motion to Compel Arbitration"), and accompanying papers. Plaintiff filed his Opposition to the

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Motion to Compel Arbitration, and accompanying papers, on July 28, 2023. Defendant Islands Restaurants, L.P. filed its Reply in Support of the Motion to Compel Arbitration on or about August 3, 2023. On August 10, 2023, the Court denied the Motion to Compel Arbitration.

13. On August 8, 2023, Plaintiff filed Amendments to Complaint substituting Defendant DOE 1 with Defendant Islands Restaurant, LLC, and Defendant DOE 2 with Defendant Islands Fine Burgers & Drinks in the PAGA Action.

14. On or about August 23, 2023, Defendants filed a Notice of Appeal regarding the Court's denial of the Motion to Compel Arbitration ("Defendants' Appeal"). The California Court of Appeal ultimately dismissed Defendants' Appeal, per the Parties' stipulation, on April 18, 2024.

15. On October 10, 2023, Plaintiff filed a separate Class Action Complaint for Damages ("Class Complaint") in the Orange County Superior Court against Defendants Islands Restaurants, L.P., Islands Restaurants, LLC, and Islands Fine Burgers & Drinks, thereby commencing the class action entitled Hernandez v. Islands Restaurants, L.P., et al., Orange County Superior Court Case No. 30-2023-01354916-CU-OE-CXC (the "Class Action").

16. Plaintiff's core allegation is that Defendants have violated the California Labor Code by engaging in a uniform practice and procedure, with respect to Plaintiff, Class Members, and PAGA Members of, *inter alia*, failing to pay all overtime and minimum wages, failing to provide compliant meal and rest periods and associated premium pay, failing to timely pay wages during employment and upon termination of employment, failing to provide compliant wage statements, failing to maintain requisite payroll records, and failing to reimburse necessary business expenses, and thereby engaged in unfair business practices in violation of California Business and Professions Code section 17200, *et seq.* and conduct that gives rise to penalties pursuant to PAGA. Plaintiff contends that he, and the Class Members, are entitled to, *inter alia*, unpaid wages, penalties (including and not limited to, penalties pursuant to PAGA), and attorneys' fees.

17. On August 11, 2023, Plaintiff propounded multiple sets of formal written discovery requests in the PAGA Action on Defendant Islands Restaurants, L.P., including Requests for Production of Documents (Set One), Special Interrogatories (Sets One and Two), and Form Interrogatories – General (Set One), and notices of depositions of Person Most Knowledgeable

designee(s) at Defendant Islands Restaurants, L.P. along with requests for production of documents.

18. On March 29, 2024, Plaintiff propounded multiple sets of formal written discovery requests in the Class Action on each of Defendants Islands Restaurants, L.P. and Islands Restaurants, LLC, including Requests for Production of Documents (Set One), Special Interrogatories (Sets One and Two), and Form Interrogatories – General (Set One), and notices of depositions of Person Most Knowledgeable designee(s) at Defendants along with requests for production of documents.

19. On March 25, 2024, the Parties participated in a formal, full-day mediation conducted by Jonathan D. Andrews, Esq., which was ultimately unsuccessful. On May 8, 2024, the Parties participated in another formal, full-day mediation conducted by Dave Carothers, Esq. (the "Mediator"). With the aid of the Mediator's evaluation, the Parties ultimately reached the Settlement described herein to resolve this Action in its entirety.

20. On August 30, 2024, Plaintiff filed his First Amended Class Action Complaint for Damages & Enforcement Under the Private Attorneys General Act, California Labor Code § 2698, Et Seq. ("Operative Complaint") in the PAGA Action, thereby consolidating his PAGA Action and Class Action into a single action (the "Action").

21. Since the above-captioned action was commenced, Class Counsel has litigated the case and was actively preparing the matter for class certification and trial. The Parties have engaged in extensive settlement negotiations. Prior to and during the settlement discussions, the Parties exchanged extensive class information and engaged in intensive discussions regarding their evaluations of the cases and various aspects of the cases, including but not limited to, the risks and delays of further litigation, the risks to the Parties of proceeding with class certification and/or representative adjudication, the law relating to off-the-clock theory, meal and rest periods, PAGA representative actions, and wage-and-hour law and enforcement, as well as the evidence produced and analyzed, and the possibility of appeals, among other things. During all settlement discussions, the Parties conducted their negotiations at arm's length in an adversarial position. Arriving at a settlement that was acceptable to all Parties was not easy. Defendants and their

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counsel felt strongly about their ability to prevail on the merits and at certification, and Plaintiff and Class Counsel believed that they would be able to obtain class certification and prevail at trial. After conducting investigations, informal discovery, exchange of information, and settlement negotiations, and with the aid of the mediator's evaluation, the Parties have agreed that the matter is well-suited for settlement given the legal issues relating to Plaintiff's principal claims, as well as the costs and risks to both sides that would attend further litigation. The Settlement is a fair, reasonable, and adequate resolution of Plaintiff's and the Settlement Class Members' Released Class Claims, and of the State of California's and PAGA Members' Released PAGA Claims with respect to employment of Plaintiff and PAGA Members.

22. Prior to reaching the Settlement, Class Counsel investigated the veracity, strength, and scope of the claims, and were preparing the actions for class certification and trial. Class Counsel conducted significant investigation and informal discovery regarding the facts of the cases, including and not limited to, the exchange, review, and analysis of a large volume of information, documents, and data obtained from Defendants, Plaintiff, and other sources. The volume of data and documents that Class Counsel reviewed and analyzed included and was not limited to: Plaintiff's employment records, Defendants' Employee Handbook, a detailed sampling of Class Members' time and pay records, company agreements and acknowledgements (including, but not limited to, CA Meal Period and Rest Period Policy Acknowledgment, arbitration agreement which included a class action waiver, and daily written and electronic employee attestations regarding meal and rest breaks and meal break waivers), Defendants' operations and employment practices, procedures, and policies (including, but not limited to, Defendants' policies regarding clocking in and out, overtime, meal and rest breaks, and business expense reimbursements), among other information and documents. Class Counsel had the opportunity to interview Plaintiff and other percipient witnesses to gather information regarding the facts and circumstances surrounding Plaintiff's and putative class members' employment and to identify potential witnesses. Counsel for the Parties met and conferred on numerous occasions, e.g., to discuss issues relating to the pleadings, Defendants' Motion to Compel Arbitration, discovery, and the production of documents and data prior to the mediation. Class Counsel also drafted pleadings,

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engaged in motions practice (i.e., Defendants' Motion to Compel Arbitration), drafted the mediation brief and prepared for and attended court proceedings, mediation, and settlement negotiations, among other tasks.

23. Counsel for the Parties have also invested time researching and investigating the applicable law, which is constantly evolving as it relates to certification, representative PAGA claims, off-the-clock theory, meal and rest periods, wage-and-hour law and enforcement, Plaintiff's claims and damages, and Defendants' defenses thereto, as well as facts discovered. Based on Class Counsel's analysis, the result achieved in this litigation is fair, adequate, and reasonable.

24. The Settlement provides for a Gross Settlement Amount of $2,500,000.00 on a non-reversionary basis. The Net Settlement Amount is the Gross Settlement Amount less the following amounts subject to approval by the Court: Class Representative Service Payment, Class Counsel Attorneys' Fees, Class Counsel Litigation Costs, the PAGA Payment, and the Settlement Administration Costs. Assuming that the amounts allocated under the Settlement toward these payments are awarded by the Court, the Net Settlement Amount that will be available for distribution to the Settlement Class Members is currently estimated to be $571,000.00, with an estimated average Individual Class Payment of $53.68 per Class Member, estimated high Individual Class Payment of $357.44, and estimated low Individual Class Payment of $1.72. Additionally, 75% of the allocation for penalties under PAGA, which is $750,000.00 out of $1,000,000.00, will be distributed to the LWDA and 25% of the allocation for penalties under PAGA, which is $250,000.00 out of $1,000,000.00, will be distributed to PAGA Members on a *pro-rata* basis, with an estimated average Individual PAGA Payment of $25.57 per PAGA Member, estimated high Individual PAGA Payment of $182.14, and estimated low Individual PAGA Payment of $2.08. The Net Settlement Amount and allocation for penalties under PAGA will be fully distributed in accordance with the terms of the Settlement and there is no reversion to Defendants.

25. The Parties have agreed to retain Simpluris, Inc. ("Simpluris" or "Administrator") to handle the notice and settlement administration process. The Parties respectfully request that

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the Court appoint Simpluris to handle these procedures and serve as the Administrator. Defendants will provide the Administrator with a list of Class Members that Defendants will compile from their records, which will include the following information for each Class Member: (1) name; (2) last known mailing address; (3) Social Security Number; (4) Workweeks during the Class Period; and (5) PAGA Pay Periods during the PAGA Period. The Administrator will calculate each Class Member's estimated *pro-rata* share of the Net Settlement Amount ("Individual Class Payment") and each PAGA Member's estimated *pro-rata* share of the twenty-five percent (25%) portion of the allocation for penalties under PAGA ("Individual PAGA Payment"). The Administrator will also receive Requests for Exclusion from the Settlement, objections to the Settlement, and disputes regarding Workweeks and/or PAGA Pay Periods; provide necessary reports and declarations; calculate, subtract, and transmit necessary taxes and withholdings; prepare and submit informational and other tax filings and documents; issue and transmit all payments provided for by the Settlement, including and not limited to, mailing payments to the Class Members and PAGA Members; and perform any other usual and customary duties for administering a class action settlement. On a weekly basis, the Administrator will provide reports to Class Counsel and Defense Counsel with summary information as to the number of valid and timely Requests for Exclusion and complete and timely Objections received. The Administrator will provide Class Counsel with proof of mailing of the Class Notice, without listing individual Class Member names or contact information, which the Administrator will file with the Court at the time Class Counsel files its motion for final approval of the Settlement. Class Counsel represent that they do not, nor does Plaintiff, have any interest or relationship, financial or otherwise, with the Settlement Administrator other than a professional relationship arising out of prior experiences administering settlements.

26. Based on investigation and information discovered, Class Counsel believe that there is sufficient evidence to support the allegations made in the lawsuits, including the allegations that Defendants, with respect to Plaintiff and the putative class members and aggrieved employees, *inter alia*, failed to properly pay overtime and minimum wages for all hours worked, failed to provide compliant meal and rest periods and to pay associated premium pay, failed to timely pay

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wages during employment and upon termination of employment, failed to provide compliant wage statements, failed to maintain requisite payroll records, and failed to reimburse necessary business expenses, and thereby engaged in unfair business practices and conduct giving rise to penalties recoverable under the Private Attorneys General Act of 2004 (California Labor Code sections 2698, et seq.). Plaintiff also asserted that he and other putative class members and aggrieved employees were expected to perform similar job duties and were subject to the same or similar operations and employment policies, practices, and procedures. Additionally, Plaintiff asserted that Defendants' recordkeeping practices with respect to Plaintiff and putative class members and aggrieved employees were substantially the same during the time period at issue. As a result of said alleged uniform practices, Plaintiff claims that he and putative class members and aggrieved employees were uniformly not paid all of the compensation that was owed to them by Defendants. Thus, in Class Counsel's view, it is clear that the outcome of this litigation would be determined by Defendants' uniform operations and employment practices, policies, and procedures that Plaintiff alleges applied across their hourly-paid or non-exempt employees in California during the relevant time period.

27. Class Counsel are aware of the defenses and position of Defendants, but believe that Plaintiff could potentially obtain class certification despite many obstacles. Class Counsel have also taken into account the uncertainty and risk of the outcome of further litigation, and the difficulties and delays inherent in such litigation, including those involved in class certification and/or representative adjudication. Class Counsel further recognizes the burdens of proof necessary to establish liability for the claims asserted in the lawsuits, Defendants' defenses, and the difficulties in establishing entitlement to monetary recovery. Class Counsel have also considered the Parties' settlement discussions.

28. Defendants, on the other hand, denied and continue to deny any liability and wrongdoing of any kind associated with the claims alleged in the lawsuits, and further deny that the lawsuits are appropriate for class treatment or representative adjudication for any purpose other than this Settlement. Defendants believe that they would ultimately succeed in the matter. Defendants also argue that a majority of the putative class members have signed valid and

enforceable arbitration agreements, which include class action waivers. Both sides have also had the opportunity to conduct investigations and gather documents and information relating to Plaintiff's, Class Members' and PAGA Members' employment with Defendants, and Defendants' operations and employment policies, practices, and procedures. Counsel for the Parties also reviewed and analyzed a volume of documents and data, including but not limited to a detailed sampling of Class Members' and PAGA Members' time and pay information, to determine the potential value and strength of the claims. The available information enabled Class Counsel to assess and value the class and PAGA claims and prepare violation, damages, and penalties analyses and models. Accordingly, counsel for the Parties have conducted adequate investigation to be sufficiently informed of the nature and extent of the class and PAGA claims, and to enable both sides to fully evaluate the Settlement for its fairness, adequacy, and reasonableness. The Settlement takes into account the strengths and weaknesses of each side's position and the uncertainty of how the cases might have concluded at certification, trial, and/or appeals.

29. The Settlement Agreement provides for Class Counsel to apply for attorneys' fees in an amount of up to thirty-five percent (35%) of the Gross Settlement Amount (i.e., $875,000.00) and expenses and costs in an amount not to exceed $50,000.00, which will be paid out of the Gross Settlement Amount, subject to approval by the Court. It should be noted that Class Counsel have borne all of the risks and costs of litigation and will not receive any compensation until recovery is obtained. To date, Lawyers *for* Justice, PC has incurred an estimated $8,906.90 in litigation costs and expenses incurred in the case, as reflected in "**EXHIBIT 3**" attached hereto.

30. The Settlement Agreement provides for payment of up to $15,000.00 to Plaintiff as a Class Representative Service Payment, to be paid out of the Gross Settlement Amount subject to approval by the Court. Plaintiff is also estimated to receive $13.99 as his Individual Class Payment and $8.47 as his Individual PAGA Payment. Plaintiff spent considerable time and effort to produce relevant documents and past employment records and to provide the facts and evidence necessary to attempt to prove the allegations. Plaintiff was available whenever Class Counsel needed him and actively tried to obtain information that would facilitate the pursuit of the matter.

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Accordingly, it is appropriate and just for Plaintiff to receive a Class Representative Service Payment, in addition to any individual class or PAGA settlement payments, for services performed in the matter on behalf of the Class, PAGA Members, and the State of California.

31. The Settlement Agreement provides that the Individual Settlement Payment checks issued to Participating Class Members and Individual PAGA Payment checks issued to PAGA Members will be valid and negotiable for one hundred eighty (180) calendar days from the date the checks are issued, and thereafter, shall be cancelled. The funds associated with such cancelled checks will be transmitted by the Administrator to Public Law Center of Orange County, or to another cy pres recipient to the extent the Court orders so, in accordance with California Code of Civil Procedure § 384. Public Law Center of Orange County is a nonprofit law firm providing free legal services to low-income residents and other nonprofits in Orange County. Class Counsel do not have any interests or involvement within the governance or work of Public Law Center of Orange County.

ESTIMATE OF THE VALUE OF THE CLAIM(S)

32. Plaintiff's action alleges that Defendants have violated the California Labor Code by engaging in a uniform practice and procedure, with respect to Plaintiff and the Class Members, of, *inter alia*, failing to pay all overtime and minimum wages, failing to provide compliant meal and rest periods and associated premium pay, failing to timely pay wages during employment and upon termination of employment, failing to provide compliant wage statements, failing to maintain requisite payroll records, and failing to reimburse necessary business expenses, and thereby engaged in unfair business practices in violation of California Business and Professions Code section 17200, *et seq*. and conduct that gives rise to penalties pursuant to PAGA.

33. Based on information provided by Defendants, the total number of putative class members during the period from January 10, 2019 to May 8, 2024 was estimated to be approximately 10,637 individuals who worked a total of 322,277 Workweeks with an average hourly rate of pay of $15.55. Additionally, based on information and data provided by Defendants, approximately 63% of shifts worked by putative class members were below six (6) hours,

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approximately 33% were below five (5) hours, and approximately 8% were below three and a half (3.5) hours.

34. Plaintiff contended that Defendants required putative class members to perform work before clocking-in and after clocking-out of their scheduled shifts and during meal and rest periods. Plaintiff contended that Defendants discouraged the recordation of overtime hours and required putative class members to perform work off-the-clock. Plaintiff contended that Defendants failed to include non-discretionary bonuses and incentives in the calculation of the regular rate when paying overtime wages. Plaintiff also contended that meal and rest periods were regularly missed, late, shorten, and/or interrupted, that putative class members were required to remain on premises during rest breaks, readily available to perform work, answer questions from both supervisors and coworkers, and attend off-the-clock meetings, and that Defendants failed to properly pay premiums for all non-compliant meal and rest periods. Additionally, Plaintiff alleged that Defendants intentionally and willfully failed to pay Plaintiff and putative class members all wages due to them while they were employed by Defendants, within the time period permissible under California law, and that Defendants failed to pay all wages due upon termination, within the time period permissible under California law, thereby triggering waiting-time penalties under California Labor Code section 203. Plaintiff contended that, based on the violations described herein, the wage statements provided by Defendants and the payroll records kept by Defendants were inaccurate. Finally, Plaintiff contended that Defendants failed to reimburse Plaintiff and the other putative class members for necessary business expenses, including, but not limited to, the costs associated with the use of personal phones for work-related purposes, the use of personal vehicles for work-related purposes, the purchasing and maintenance of clothing and footwear in compliance with Defendants' dress code, and the purchasing and maintenance of supplies for work-related purposes.

35. Class Counsel considered defense arguments, e.g., that the employer's practices, policies, and procedures complied with the law, that Defendants paid putative class members over the California minimum wage for all hours worked, that Defendants correctly paid overtime for all overtime hours worked, that no waiting-time penalties were due because waiting-time penalties

only arise from "willful" failure to pay wages due and owing at the time of termination or resignation, that Plaintiff and putative class members completed daily written and electronic attestations regarding meal and rest breaks and meal break waivers, that a majority of the putative class members signed valid and enforceable arbitration agreements with class action waivers, that Plaintiff and putative class members suffered no actual injury from the alleged wage statement violations and that this alleged violation and the alleged recordkeeping violation are entirely derivative of the other causes of action, and that a policy and practice of reimbursing employees for necessary business-related expenses exists. Class Counsel also considered the likelihood of Plaintiff's success in establishing that any of provisions of the California Labor Code, on which the civil penalties under PAGA and the UCL claim are predicated, were violated and that such violations were injurious and/or warranted imposition of civil penalties. Class Counsel also considered that trial courts have wide discretion when assessing penalties under PAGA, and that it could be determined that individual liability issues predominate (e.g. due to purported variation in shifts, locations, job duties, and other circumstances which could raise individualized questions of fact) and could pose challenges to certification, manageability, and the merits of Plaintiff's claims.

36. Class Counsel considered information obtained through investigations and from Plaintiff, as well as class data and information obtained from Defendants and other sources, and created violation, damages, and penalties valuations and models prior to reaching the Settlement. Based thereon, Plaintiff calculated the potential value of the claims. However, the potential value of each claim assumed an exposure based on the case having been certified and Plaintiff having proven all elements of the claims and entitlement to monetary recovery, despite risks associated with obtaining and maintaining certification, demonstrating manageability, and establishing liability and any underlying California Labor Code violations and damages, and significant additional costs that would have to be incurred in order to certify the case and establish liability and damages. Plaintiff also faced the risk of the Court finding that individualized issues predominate, such that the action is not suitable for class treatment and representative adjudication. While Class Counsel disagreed with defense arguments and factual contentions, Plaintiff

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recognized the circumstances and realities of the case, applicable case law and regulations, the costs and expenses of further litigation and certification, and risks to recovery, and applied appropriate discounts for them. Class Counsel calculated the potential and realistic values of the claim(s) as follows:

a. Failure to Pay Overtime Wages: The potential value of this claim was estimated to be $3,876,011.21 (332,277 workweeks x 0.5 hours of unpaid overtime wages x overtime hourly rate of $23.33, which is based on the average hourly rate of $15.55). At this juncture, a discount of 80% was applied to account for the risks associated with obtaining and maintaining class certification (bringing the value of this claim closer to $775,202.24), a discount of 75% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to $193,800.56), and a discount of 60% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of this claim closer to $77,520.22).

b. Failure to Pay Minimum Wages: The potential value of this claim was estimated to be $5,166,907.35 (332,277 workweeks x 1 hour of unpaid minimum wages x average hourly rate of $15.55). At this juncture, a discount of 75% was applied to account for the risks associated with obtaining and maintaining class certification (bringing the value of this claim closer to $1,291,726.84), a discount of 75% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to $322,931.71), and a discount of 60% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of this claim closer to $129,172.68).

c. Failure to Provide Compliant Meal Periods and Associated Premiums: The potential value of this claim was estimated to be $5,166,907.35 (332,277

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workweeks x 1 meal period premium x average hourly rate of $15.55). At this juncture, a discount of 65% was applied to account for the risks associated with obtaining and maintaining class certification (bringing the value of this claim closer to $1,808,417.57), a discount of 75% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to $452,104.39), and a discount of 80% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of this claim closer to $90,420.88).

d. Failure to Provide Compliant Rest Periods and Associated Premiums: The potential value of this claim was estimated to be $20,667,629.40 (332,277 workweeks x 4 rest period premiums x average hourly rate of $15.55). At this juncture, a discount of 75% was applied to account for the risks associated with obtaining and maintaining class certification (bringing the value of this claim closer to $5,166,907.35), a discount of 75% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to $1,291,726.84), and a discount of 70% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of this claim closer to $387,518.05).

e. Failure to Timely Pay Wages During Employment: The value of this claim is considered as a part of the valuation of the PAGA claim contained *infra*.

f. Failure to Timely Pay Wages After Termination (and Waiting-Time Penalties): Based on information and data provided by Defendants, it was estimated that approximately 8,213 putative class members had been terminated during the three-year statute of limitations (i.e., from January 10, 2020). Assuming that these individuals were not timely paid all wages due to them upon termination, the potential value of waiting-time penalties was estimated to be $ $30,650,916.00 collectively (8,213 individuals x [30 days x hourly rate of $15.55 x 8 hours]), or approximately $3,732 per individual. At this juncture, a discount of 65% was applied to account for the risks associated with obtaining and maintaining class certification (bringing the value of this claim closer to $10,727,820.60), a discount of 65% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to $3,754,737.21), and a discount of 70% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of this claim closer to $1,126,421.16).

g. Failure to Provide Compliant Wage Statements: The potential value of this claim was calculated to be $11,530,700.00 ([9,776 initial violations x $50 statutory penalty] + [110,419 subsequent violations x $100 statutory penalty]). At this juncture, a discount of 65% was applied to account for the risks associated with obtaining and maintaining class certification (bringing the value of this claim closer to $4,035,745.00), a discount of 70% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to $1,210,723.50), and a discount of 75% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of this claim closer to $302,680.88).

h. Failure to Maintain Payroll Records: Arguably, civil penalties would only be recoverable by the Labor Commissioner, therefore, the value of this claim is considered as a part of the valuation of the PAGA claim contained *infra*.

i. Failure to Reimburse Necessary Business Expenses: The potential value of this claim was estimated to be $2,325,939 (332,277 workweeks x $7 unreimbursed business expenses). At this juncture, a discount of 65% was applied to account for the risks associated with obtaining and maintaining

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class certification (bringing the value of this claim closer to $814,078.65), a discount of 85% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to $122,111.80), and a discount of 70% was applied to account for the risks associated with proving the extent of damages and obtaining an award thereof (bringing the value of this claim closer to $36,633.54).

j. PAGA Penalties: The amount of civil penalties at issue, which the Court could determine whether or not to assess and whether or not to reduce based on the facts and circumstances of the case (to avoid an award that is unjust, arbitrary and oppressive, or confiscatory, pursuant to California Labor Code section 2699(e)(2)), were estimated to be approximately $15,152,800.00 (9,776 aggrieved employees estimated to have worked during one-year statutory period x $1,550.00 civil penalties). At this juncture, a discount of 50% was applied to account for the risks associated with demonstrating manageability (bringing the value of this claim closer to $7,576,400.00), a discount of 80% was applied to account for the risks associated with succeeding on the merits and establishing liability (bringing the value of this claim closer to $1,515,280.00), and a discount of 80% was applied to account for the risks associated with the Court's discretion to reduce civil penalties and obtaining an award of civil penalties (bringing the value of this claim closer to $303,056.00).

37. The foregoing discussion confirms that the amount of the Settlement is fair, adequate, and reasonable in light of Plaintiff's allegations and causes of action, the evidence at issue with respect to those allegations and causes of action, and legal and factual arguments and circumstances which pose challenges to certification, manageability, merits, and monetary recovery. The conclusion to be drawn from the foregoing analysis is that neither class certification, manageability, liability, nor the ability to adjudicate and/or recover monetary relief on a class-wide or representative basis is clear-cut, which is why the Parties elected to settle this matter. Class

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Counsel also recognized that additional discounts could be made to the risk-adjusted value to account for the costs and expenses associated with further litigation and the present value of obtaining a settlement now as opposed to monetary recovery, if any, that may be obtained in the future after further litigation. Class Counsel recognized the circumstances and realities of the case, applicable case law and regulations, and risks to recovery and applied appropriate discounts.

38. Class Counsel submits that the Settlement is fair, reasonable, and adequate, and is in the best interest of Plaintiff, the Class, PAGA Members, and the State of California. Class Counsel further submit that the Settlement is within an acceptable range of recovery for this type of litigation given the strengths and weaknesses of the cases, the inherent costs and risks of further litigation, and the costs and risks associated with class certification, representative adjudication, trial, and/or appeals.

CONCURRENT PENDING CASES

39. Class Counsel is aware of the following putative class action lawsuit pending in the Los Angeles Superior Court that asserts claims similar to those asserted in this Action: *Juan Carlos Alejo v. Islands Restaurants, LLC, et al.*, Los Angeles County Superior Court Case No. 23STCV00524 ("*Alejo* Class Action"). The *Alejo* Class Action alleges the following seven (7) causes of action: (1) Failure to Pay Overtime Wages; (2) Failure to Pay Meal Period Premium Wages at the Regular Rate of Compensation; (3) Failure to Pay Rest Period Premium Wages at the Regular Rate of Compensation; (4) Failure to Timely Pay Earned Wages During Employment; (5) Failure to Provide Complete and Accurate Wage Statements; (6) Failure to Timely Pay All Earned Wages and Final Paychecks Due at Time of separation of Employment; and (7) Unfair Business Practices.

40. Class Counsel is aware of the following PAGA representative action lawsuit pending in the Los Angeles Superior Court that asserts claims similar to those asserted in this Action: *Juan Carlos Alejo v. Islands Restaurants, LLC, et al.*, Los Angeles County Superior Court Case No. 23STCV05891 ("*Alejo* PAGA Action"). The *Alejo* PAGA Action alleges one (1) cause of action seeking civil penalties pursuant to PAGA.

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41. Class Counsel is aware of the following PAGA representative action lawsuit pending in the Los Angeles Superior Court that asserts claims similar to those asserted in this Action: *Robert Thompson v. Islands Restaurants, L.P.*, Los Angeles Superior Court Case No. 21CHCV00451 ("*Thompson* PAGA Action"). The *Thompson* PAGA Action alleges one (1) cause of action seeking civil penalties pursuant to PAGA.

42. On or about June 8, 2023, Defendants filed a Notice of Related Case advising the Court of the *Alejo* Class Action, *Alejo* PAGA Action, and *Thompson* PAGA Action.

43. After conducting a reasonable inquiry, other than the *Alejo* Class Action, *Alejo* PAGA Action, and *Thompson* PAGA Action, Class Counsel is not aware of any other class, representative, or collective action pending against Defendants in any other court that assert claims similar to those asserted in this Action.

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

Executed on this 12th day of September 2024, at Glendale, California.

Arman Marukyan

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EXHIBIT 1-A

CLASS ACTION SETTLEMENT AGREEMENT

Subject to court approval, this Class Action Settlement Agreement ("Settlement") is made by and between Daniel Hernandez, individually and on behalf of all others similarly situated (collectively, "Plaintiffs"), and Defendants Islands Restaurants, LLC successor in interest of Islands Restaurants, L.P. (collectively "Defendants"). The Agreement refers to Plaintiffs and Defendants collectively as "Parties" or individually as a "Party."

RECITALS

A. On April 19, 2023, Plaintiff filed his lawsuit entitled *Daniel Hernandez v. Islands Restaurants L.P.*, Orange County Superior Court Case No. 30-2023-01320258-CU-OE-CXC alleging claims for civil penalties pursuant to PAGA based upon nine (9) alleged violations which include: (1) Failure to Pay Overtime; (2) Failure to Provide Meal Periods; (3) Failure to Provide Rest Periods; (4) Failure to Pay Minimum Wages; (5) Failure to Timely Pay Wages Upon Termination; (6) Failure to Timely Pay Wages During Employment; (7) Failure to Provide Complete and Accurate Wage Statements; (8) Failure to Keep Complete and Accurate Payroll Records; and (9) Failure to Reimburse Necessary Business-Related Expenses and Costs (the "PAGA Action"). The PAGA Action remains pending in Court.

B. On October 10, 2023, Plaintiff filed a separate lawsuit entitled *Daniel Hernandez v. Islands Restaurants, L.P., et al.*, Orange County Superior Court Case No. 30-2023-01354916-CU-OE-CXC, alleging on behalf of individuals employed by Defendants as nonexempt employees in California ten (10) causes of action: (1) Unpaid Overtime; (2) Unpaid Meal Period premiums; (3) Unpaid Rest Period Premiums; (4) Unpaid Minimum Wages; (5) Final Wages Not Timely Paid; (6) Wages Not Timely Paid During Employment; (7) Non-Compliant Wage Statements; (8) Failure to Keep Requisite Payroll Records; (8) Failure to Keep Requisite Payroll Records; (9) Unreimbursed Business Expenses; (10) Violation of California Business & Professions Code §§ 17200, et seq., (the "Class Action").

C. Following several mediations with wage and hour class action mediators Jonathan Andrews and Dave Carothers, the Parties agreed to the Settlement memorialized herein.

D. As a term and condition of the Settlement, the Parties agree that the Class Action and PAGA Action will be consolidated into a single action and that Plaintiff will file a First Amended Complaint and Amended PAGA Notice with the LWDA to assert the following existing and new claims: Labor Code sections 201, 202, 203, 204, 210, 221, 223, 226, 226(a), 226.3, 226.7, 233, 246, 351, 510, 512, 512(a), 551, 552, 558, 1174, 1174(d), 1194, 1197, 1197.1, 1198, 2800, 2802, California Code of Regulations, Title 8, Sections 11040 et seq., Code of California Civil Procedure section 1021.5, and California Business & Professions Code sections 17200 et seq. The class claims in the First Amended Complaint shall relate back to January 10, 2019 and the PAGA claims shall relate back to February 10, 2020. As a condition of the Settlement and only for purposes of the Settlement, Defendant agrees to not assert the any defenses it has with respect to the statute of limitations and arbitration, which includes of waiver of class and representative claims. If for any reason the Settlement is not approved, the parties agree that the First Amended Complaint will be withdrawn and the operative complaints will be the originally filed Complaints in the PAGA Action and Class Action referenced above and Defendant will not have waived the aforementioned affirmative defenses or any other affirmative defenses. The parties agree to the filing of the First Amended Complaint by stipulation. Defendant agrees to file an Answer to the First Amended Complaint within five (5) business days of the Court's approval of the parties' stipulation to allow Plaintiffs to file their First Amended Complaint.

E. The Parties agree that this Settlement is contingent upon the Court's approval of the Settlement of the claims on behalf of the Class and the PAGA Actions. If the Court does not approve amending the complaint in the Class Action and PAGA Action to effectuate the First Amended Complaint (hereinafter referred to as the "Operative Complaint"), the Settlement shall become null and void, unless otherwise agreed by the Parties in writing. Further, if the Court does not approve the Settlement or any portion thereof, including settlement of the PAGA Action, or if the Settlement becomes null and void in any way, the Parties agree that the class claims asserted in the Operative Complaint shall be dismissed and the Operative Complaint shall revert to the original complaint.

1. DEFINITIONS.

1.1. "Action" means, collectively, both (1) Plaintiff's Class Action lawsuit alleging wage and hour violations against Defendants captioned *Daniel Hernandez v. Islands Restaurants, L.P., et al., Case No. 30-2023-01354916-CU-OE-CXC* currently pending in the Orange County Superior Court, and (2) separate PAGA Action alleging related claims pursuant to the California Private Attorneys General Act, Labor Code section 2698 *et seq.* ("PAGA") currently pending in Orange Superior Court, Case No. Case No. 30-2023-01320258-CU-OE-CXC.

1.2. "Administrator" means Simpluris, Inc.

1.3. "Class" or "Class Member(s)" means all current and former non-exempt employees employed by Islands Restaurants, LLC, successor in interest of Islands Restaurants, L.P., in California at any time during the Class Period.

1.4. "Class Counsel" means Lawyers *for* Justice PC.

1.5. "Class Counsel Attorneys' Fees" and "Class Counsel Litigation Costs" mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys' fees and expenses, respectively, incurred to prosecute the Action. Class Counsel Attorneys' Fees shall be up to 35% of the Gross Settlement Amount ($825,000) and Class Counsel Litigation Costs shall not exceed fifty thousand dollars ($50,000).

1.6. "Class Data" means Class Member identifying information in Defendants' possession, including the Class Member's name, last-known mailing address, Social Security number, and number of Workweeks and PAGA Pay Periods.

1.7. "Class Member Address Search" means the Administrator's search for Class Member mailing addresses using all reasonably available sources, including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.

1.8. "Class Notice" means the Notice of Class Action Settlement, attached as **Attachment A** to be mailed to Class Members and incorporated by reference into this Agreement.

1.9. "Class Period" means the period from January 10, 2019, to the earlier of preliminary approval or when the total number of Workweeks exceeds 332,277 by 10% (*e.g.*, more than 365,505 Workweeks).

1.10. "Class Representative" refers to Daniel Hernandez.

1.11. "Class Representative Service Payment" means the payment to the Class Representative for initiating and providing services in support of the Action in an amount up to Fifteen Thousand Dollars and Zero Cent ($15,000), subject to Court approval.

1.12. "Court" means the Orange County Superior Court.

1.13. "Defense Counsel" means captioned counsel of record from the law firm of Jackson Lewis P.C.

1.14. If no objections or post judgment challenges to the Settlement are made, or if one or more objections or post judgment challenges are made to the Settlement but no appeals are taken, then the "Effective Date" will be the later of sixty-five (65) days after the entry of final approval and judgment or any post judgment order denying any challenge to the Settlement. If one or more objections or challenges are made to the settlement, and appeals are taken, then the "Effective Date" will be the date of successful resolution of any appeal(s) with respect to final approval and judgment or post-judgment order and expiration of any time to seek reconsideration or further review (i.e., after all appellate and/or other proceedings resulting from the appeal, review, or writ have been finally terminated in such a manner as to permit the final approval and judgment to take effect in substantially the form described herein) Defendants shall have no duty to fund the Gross Settlement Amount until after the Effective Date has occurred.

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

1.16. "Final Approval Hearing" means the Court's hearing on the Motion for Final Approval of the Settlement.

1.17. "Gross Settlement Amount" means Two Million Five Hundred Thousand Dollars and Zero Cents ($**2,500,000.00**), which is the total amount Defendants agree to pay under the Settlement, subject to the terms and conditions of this Settlement.

1.18. "Individual Class Payment" means the Participating Class Member's pro rata share of the Net Settlement Amount, calculated according to the number of Workweeks worked during the Class Period.

1.19. The employer's share of payroll taxes shall not be paid from the Gross Settlement Amount and shall remain the sole responsibility of Defendants.

1.20. "Individual PAGA Payment" means the PAGA Members' pro rata share of the Net PAGA Payment, calculated according to the number of each PAGA Member's PAGA Pay Periods.

1.21. "Judgment" means the judgment entered by the Court based upon the Final Approval.

1.22. "LWDA" means the California Labor Workforce and Development Agency.

1.23. "LWDA PAGA Payment" means the seventy-five percent (75%) share of the PAGA Payment paid to the LWDA under Labor Code section 2699(i).

1.24. "Net PAGA Payment" means the twenty-five percent (25%) share of the PAGA Payment to be distributed amongst PAGA Members on a *pro rata* basis based upon the number of PAGA Pay Periods worked by each PAGA Member during the PAGA Period.

1.25. "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Class Representative Service Payment, Class Counsel Attorneys' Fees, Class Counsel Litigation Costs, the PAGA Payment (including the LWDA PAGA Payment), and the Administration Expenses. The remainder is to be paid to Participating Class Members as Individual Class Payments.

1.26. "Non-Participating Class Member" means any Class Member who submits a valid and timely Request for Exclusion from the Settlement. PAGA Members are not permitted to request exclusion from the settlement and release of the PAGA claim, and any Non-Participating Class Member who is also a PAGA Member will be bound by the release of the PAGA Claim.

1.27. "Operative Complaint" means the First Amended Complaint that shall be filed in the PAGA Action (Orange Superior Court Case No. 30-2023-01320258-CU-OE-CXC) to include the Class claims asserted in the Class Action and the PAGA Notice and Amended PAGA Notice, the time periods set forth in sections 1.9 and 1.33 herein, and claims for, including but not limited to, claims for failure to provide meal periods, failure to provide rest periods, failure to pay overtime wages, failure to pay minimum wage, failure to pay all wages due to discharged and quitting employees, failure to maintain required records, failure to furnish accurate itemized wage statements, failure to indemnify employees for necessary expenditures incurred in discharge of duties, failure to provide and/or pay for accrued sick leave time, failure to pay reporting time pay, failure to produce employee records, failure to provide seating accommodation, and any other claims whatsoever that were or could have been alleged in this case, waiting-time penalties, and Labor Code sections 201, 202, 203, 204, 210, 221, 223, 226, 226.3, 226.7, 233, 246, 351, 510, 512, 551, 552, 558, 1174, 1194, 1197, 1197.1, 1198, 2698, et seq., 2800, 2802, Code of California Civil Procedure section 1021.5; related California Code of Regulations, Title 8, Sections 11040 et seq., California Business & Professions Code sections 17200 et seq., and Labor Code section 2698 et seq.

1.28. "Participating Class Member" means a Class Member who does not submit a valid and timely Request for Exclusion from the Class Settlement.

1.29. "PAGA" means California's Private Attorneys General Act of 2004.

1.30. "PAGA Members" means all current and former non-exempt hourly employees who worked for Defendants in the State of California during the PAGA Period.

1.31. "PAGA Notice" means the notice submitted by Plaintiff with the LWDA on February 13, 2023.

1.32. "Amended PAGA Notice" means the amended notice submitted by Plaintiff with the LWDA on August 2, 2024.

1.33. "PAGA Period" is defined as the period from February 11, 2020 to the earlier of preliminary approval or when total Workweeks exceed 332,277 Workweeks by 10% (e.g., more than 365,505 Workweeks).

1.34. "PAGA Pay Period" were calculated by dividing the number of Workdays, defined below, worked by a PAGA Member during the PAGA Period and dividing that sum by 14.

1.35. "PAGA Pay Period Estimate" means, based on a review of Defendant's records as of May 8, 2024, a total of 120,195 Pay Periods worked by Aggrieved Members during the PAGA Period using the calculation method set forth in section 1.32.

1.36. "PAGA Payment" means the sum of One Million Dollars and Zero Cents ($1,000,000.00), provided in exchange for a release of the PAGA claims addressed in this Settlement, which shall be allocated from the Gross Settlement Amount to pay all applicable penalties under PAGA. Seventy-five percent (75%) ($750,000.00)) of the total PAGA Payment shall be paid to the LWDA, with the remaining twenty-five percent (25%) ($250,000.00)) to be distributed amongst PAGA Members on a pro rata basis based upon the number of PAGA Pay Periods worked. No PAGA Member is permitted to object to or request exclusion from the settlement and release of the PAGA claim, and each PAGA Member shall receive an Individual PAGA Payment.

1.37. "Preliminary Approval" means the Court's Order Granting Preliminary Approval of the Settlement.

1.38. "Released Claims" means the claims being released in connection with this Settlement, as set forth in full below.

1.39. "Released Parties" means: Defendants, including Islands Restaurants, LLC successor in interest of Islands Restaurants, L.P., and each former and present parent companies, subsidiaries, divisions, concepts, related or affiliated companies, shareholders, owners, officers, directors, employees, agents, attorneys, insurers, predecessors, successors and assigns, and any individual or entity which could be liable for the claims asserted in the Operative Complaint and/or what could have been asserted predicated on the factual allegations of the Operative Complaint during the respective Class Period and PAGA Period.

1.40. "Request for Exclusion" means a Class Member's submission of a signed written request to be excluded from the Class Settlement sent via mail or email to the Administrator on or before the response due date.

1.41. "Response Deadline" means forty-five (45) days after the Administrator mails Notice to Class Members and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail their Objection to the Settlement. Class Members to whom the Class Notice is resent after being returned undeliverable to the Administrator shall have an additional fourteen (14) calendar days beyond the Response Deadline expiry.

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

1.43. "Settlement Administration Costs" means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable costs in accordance with the Administrator's bid to be submitted to the Court in connection with preliminary approval of the Settlement. The Administration Expenses shall not exceed Thirty Nine Thousand Dollars ($39,000.00), except for a showing of good cause and as approved by the Court.

1.44. "Workday" means any day upon which Defendant's time keeping system reflects the Class Member or PAGA Member had clocked in and clocked out at least once on that day during the relevant Class Period or PAGA Period.

1.45. "Workweek(s)" were calculated by totaling the number of Workdays by a Class Member and dividing that sum by 7.

1.46. "Workweek Estimate" means, based on a review of Defendant's records as of May 8, 2024, a total of 332,277 Workweeks worked by Class Members during the Class Period using the calculation method set forth in section 1.43.

2. MONETARY TERMS.

2.1. Gross Settlement Amount. Subject to all terms of this Agreement, Defendants shall pay the Gross Settlement Amount in connection with this Settlement. The Gross Settlement Amount does not include any employer payroll taxes owed on the wage portion of the Individual Class Payments, which shall be paid separately. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members and/or PAGA Members to submit any claim as a condition of payment. The Gross Settlement Amount is non-reversionary.

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

2.2.1. To Class Representative: The Class Representative Service Payment to the Class Representative, in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative may be entitled to receive as a Participating Class Member. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. An award of less than the requested amount for the Class Representative Service Payment will not give rise to a basis to abrogate the Settlement Agreement and the Court has authority under this Agreement to reduce (or increase) the Class Representative Service Payment, at its discretion at the final approval stage. The Class Representative assumes full responsibility and liability for employee taxes owed on the Class Representative Service Payment.

2.2.2. To Class Counsel: Class Counsel Attorneys' Fees of not more than one third (35%) or Eight Hundred Seventy-Five Thousand Dollars and Zero Cents ($875,000.00)) and Class Counsel Litigation Costs, of not more than Fifty Thousand Dollars and Zero Cents ($50,000.00), to Class Counsel. Defendants will not oppose requests for these payments, provided the requests do not exceed these amounts. If the Court approves a Class Counsel Attorneys' Fees and/or a Class Counsel Litigation Costs less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiffs' Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Costs. The Administrator will pay the Class Counsel Attorneys' Fees and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Attorneys' Fees Payment and the Class Counsel Litigation Costs Payment and holds Defendants harmless, and indemnifies Defendants, from any dispute or controversy regarding any division or sharing of any of these payments.

2.2.3. To the Administrator: Administration Expenses to the Administrator. To the extent the Administration Expenses are less or the Court approves payment less than the Administration Expenses set forth in this Agreement, the Administrator will retain the remainder in the Net Settlement Amount.

2.2.4. PAGA Payments To the LWDA & PAGA Members: Subject to Court approval, the PAGA Payment will be allocated to cover any and all claims for civil penalties associated with the Released Claims that were, or could have been, brought in the Actions under PAGA, seventy-five percent (75%) of which will be paid to the LWDA (i.e., the LWDA PAGA Payment) and the remaining twenty-five percent (25%) to be distributed as Individual PAGA Payments to PAGA Members on a pro rata basis as penalties in exchange for a full and final release of PAGA claims. The Court has authority under this Settlement to increase (or reduce) the PAGA Payment up to and including at the final approval stage, and the Parties respectfully reserve the right to increase (or reduce) the PAGA Payment up to and including at the final approval stage, which may be done only through written amendment fully executed by both Parties. Notwithstanding the foregoing, the Court does not have the authority to increase the Gross Settlement Amount. If the Court approves a PAGA Payment of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 forms. No PAGA Members may object or request exclusion from the settlement and release of the claim pursuant to PAGA.

2.2.5. To Each Participating Class Member: An Individual Class Payment calculated by: (a) dividing the Net Settlement Amount by the total number of Workweeks credited to all Participating Class Members during the Class Period which is calculated by dividing the number of Workdays worked by each Class member during the Class Period by 7; and (b) multiplying the result by the number of Workweeks credited to each Participating Class Member.

2.2.5.1 Any Class Members who have executed a full release of claims in favor of Defendants for all Released Claims in their entirety shall not receive an Individual Class Payment in this Action and such Individual Class Payments to which they otherwise would have been entitled shall be added to the Net Settlement Amount, to be redistributed to the remainder of the Class.

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

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

3. SETTLEMENT FUNDING AND PAYMENTS.

3.1. Delivery of Class Data to Administrator. Not later than twenty-one (21) calendar days after Defendants receives notice that the Court has entered its order granting Preliminary Approval of the Settlement, Defendants will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendants have a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the foregoing deadline the Parties and their counsel must expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

3.2. Funding of Gross Settlement Amount. Defendants shall fully fund the Gross Settlement Amount and fund the amounts necessary to fully pay its share of payroll taxes by transmitting the funds to the Administrator no later than fourteen (14) calendar days after the Effective Date.

3.3. Payments from the Gross Settlement Amount. Within ten (10) calendar days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, Individual PAGA Payments, the Administration Expenses, the

LWDA's portion of the PAGA Payment, Class Counsel Attorneys' Fees, Class Counsel Litigation Costs, and Class Representative Service Payment.

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

3.3.2. The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without USPS forwarding addresses. Within seven (7) days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.

3.3.3. For any Class Member whose Individual Class Payment and/or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall pay to *cy pres*, in accordance with CCP 384, as agreed by the Parties. The *cy pres* recipient shall be Public Law Center of Orange County.

3.3.4. The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendants to confer any additional benefits or make any additional payments to Class Members beyond those specified in this Settlement.

3.3.5. The Administrator will send checks for Individual PAGA Payments to all PAGA Members, including Non-Participating Class Members who qualify as PAGA Members (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment.

3.4. Payments to the Responsible Tax Authorities. The Administrator will pay the Participating Class Members' portion of normal payroll withholding taxes out of each person's Individual Class Payment. The Administrator shall also pay Defendants' portion of payroll taxes as the current or former employer (including the employer's payment of applicable FICA, FUTA, and SUI contributions, etc.) to the appropriate local, state, and federal taxing authorities. The Administrator will calculate the amount of the Participating Class Members' and Defendants' portion of payroll withholding taxes and forward those amounts to the appropriate taxing authorities.

3.4.1. The Administrator shall inform Defendants of the final funding amount for the settlement, including the Gross Settlement Amount and amount of employer taxes owed in addition to the Gross Settlement Amount, within seven (7) calendar days of the Effective Date.

4. RELEASES OF CLAIMS.

Upon the Effective Date, the following releases of claims will take effect:

4.1. Class Representative's General Release. As consideration for the Class Representative Service Payment, Class Representative and Class Representative's respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Operative Complaint or ascertained during the Action; and (b) any other claims, debts, liabilities, demands, damages, obligations, actions and causes of actions, of any nature whatsoever, whether known or unknown, or suspected or unsuspected, arising out of or in connection with their employment with Defendants, the separation of such employment, or any other act, omission or event occurring between the Parties at any time prior to the date the Class Representative executes this Agreement. This General Release includes, without limitation: (1) all claims for violation of any federal, state or local statute, ordinance or regulation relating to employment benefits, leaves of absence, or discrimination, harassment, retaliation, or whistleblowing in employment, specifically including, without limitation, the California Fair Employment and Housing Act, the California Family Rights Act, Title VII of the Civil Rights Act of 1964, the Family and Medical Leave Act, the Age Discrimination in Employment Act, the Older Workers Benefit Protection Act, the Genetic Information Nondiscrimination Act, the Americans with Disabilities Act, and the Employee Retirement Income Security Act, the Consolidated Omnibus Budget Reconciliation Act, the Securities Act, the Immigration Reform and Control Act the Worker Adjustment and Retraining Notification Act of 1988, the California Worker Adjustment and Retraining Notification Act, the Uniformed Service Employment and Reemployment Rights Act, and any regulation of any administrative agency or governmental authority relating to employment benefits or discrimination or harassment or retaliation in employment; (2) all claims for failure to pay minimum or overtime wages, failure to timely pay wages, failure to provide accurate itemized wage statements, failure to maintain accurate records, failure to reimburse business expenses, failure to provide meal periods or rest breaks, failure to provide paid sick leave, failure to post notice of paydays and time and place of payment, and any claim for violations of the California Labor Code, California's Business and Professions Code § 17200 et seq., and the applicable California Industrial Welfare Commission Wage Order; (3) any non-statutory tort or contractual claim, including all claims for breach of oral, implied or written contract, breach of implied covenant of good faith and fair dealing, negligent or intentional infliction of emotional distress, and conversion; (4) all claims for wrongful termination of employment; (5) all claims for wages, penalties and/or benefits; and (6) all claims for attorneys' fees and costs. Class Representative's General Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time. Class Representative acknowledges that he may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Class Representative's General Release shall be and remain effective in all respects, notwithstanding such different or additional facts or his discovery of them.

4.1.1. Class Representative's Section 1542 Waiver. For purposes of Class Representative's General Release, Class Representative expressly waives and relinquishes the provisions, rights, and benefits, if any, of Section 1542 of the California Civil Code, which reads:

> **A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that if known by him or her would have materially affected his or her settlement with the debtor or Released Party.**

4.2. Release by Participating Class Members: Upon entry of final judgment and funding of the Gross Settlement Amount and the associated employer payroll taxes, the Released Parties shall be entitled to a release from the Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, of all class claims alleged, or reasonably could have been alleged based on the facts alleged, in the Operative Complaint in the *Daniel Hernandez v. Islands Restaurants, L.P., etc.*, Orange County Superior Court, Case No. 30-2023-01320258-CU-OE-CXC, action which occurred during the Class Period including the failure to pay wages, the failure to pay overtime compensation, the failure to provide meal periods, the failure to provide rest periods, the failure to maintain or provide accurate itemized statements, the failure to maintain records, the failure to timely pay wages, the failure to pay wages due to discharged or quitting employees, the failure to reimburse for necessary business expenses, and any other claims whatsoever that were or could have been alleged in the *Daniel Hernandez v. Islands Restaurants, L.P.*, et al. Case No. 30-2023-01354916-CU-OE-CXC complaint, including without limitation all related claims for restitution and other equitable relief under Business and Professions Code § 17200, conversion, liquidated damages, punitive damages, waiting-time penalties, and Labor Code sections 201, 202, 203, 204, 226, 226.7, 510, 512, 1174, 1194, 1197, 1197.1, 1198, 2800, and 2802; Code of California Civil Procedure section 1021.5; related California Code of Regulations, Title 8, Sections 11040 et seq; the applicable IWC Wage orders for the same types of violations aforementioned; and California Business & Professions Code 17200 et seq; and all other related claims and/or penalties under local, state and/or federal law that could have been asserted based on the factual allegations of the First Amended Complaint ("FAC").

4.3. Release by PAGA Members: Upon entry of final judgment and funding of the Gross Settlement Amount and associated employer payroll taxes, the Released Parties shall be entitled to a release from the State of California with respect to and on behalf of the Aggrieved Employees of all PAGA claims alleged in the Operative Complaint in the *Daniel Hernandez v. Islands Restaurants L.P., et. seq., Case No.* 30-2023-01320258-CU-OE-CXC, matter and Plaintiff's PAGA notice and Amended PAGA notice to the LWDA which occurred during the PAGA Period, which include any claims under PAGA arising out of or related to allegations set forth in the operative complaint, including but not limited to claims for failure to provide meal periods, failure to provide rest periods, failure to pay overtime wages, failure to pay minimum wage, failure to pay all wages due to discharged and quitting employees, failure to maintain required records, failure to furnish accurate itemized wage statements, failure to indemnify employees for necessary expenditures incurred in discharge of duties, failure to provide and/or pay for accrued sick leave time, failure to produce employee records, failure to provide seating accommodation, failure to timely pay wages, failure to pay reporting time pay, and any other claims whatsoever that were or could have been alleged in this case, waiting-time penalties, and

Labor Code sections 201, 202, 203, 204, 210, 221, 223, 226, 226.3, 226.7, 233, 246, 351, 510, 512, 551, 552, 558, 1174, 1194, 1197, 1197.1, 1198, 2698, et seq., 2800, and 2802; Code of California Civil Procedure section 1021.5; related California Code of Regulations, Title 8, Sections 11040 et seq.; and the applicable IWC Wage orders for the same types of violations aforementioned; and all other related claims and/or penalties under the Labor Code that could have been asserted based on the factual allegations of the First Amended Complaint.

5. MOTION FOR PRELIMINARY APPROVAL.

5.1. Preliminary Approval. Plaintiff shall move for an order conditionally certifying the Class for settlement purposes only, granting Preliminary Approval of the Settlement, setting a date for the Final Approval Hearing, and approving the Class Notice. Class Counsel shall provide Defense Counsel a draft of the Motion for Preliminary Approval seven (7) days prior to the deadline to file to allow Defense Counsel an opportunity to review and comment in order to ensure the motion adequately describes the Settlement in order to obtain Preliminary Approval. Defendants shall accept service of the Motion for Preliminary Approval (and any other motions, declarations, proposed orders, exhibits, or other documents filed therewith) via electronic service at the addresses set forth in this Agreement or, if an electronic service agreement is already in place, pursuant to the Parties' electronic service agreement.

5.2. Duty to Cooperate. If the Parties disagree on any aspect of the proposed Settlement or forthcoming Motion for Preliminary Approval, Class Counsel and Defense Counsel will expeditiously work together in good faith on behalf of the Parties 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 in good faith on behalf of the Parties to modify the Agreement and satisfy the Court's concerns. Should the Court decline to conditionally certify the Class or to Preliminarily Approve all material aspects of the Settlement, the Settlement will be null and void, and the Parties will have no further obligations under it.

6. SETTLEMENT ADMINISTRATION.

6.1. Selection of Administrator. The Parties have jointly selected the Administrator to administer this Settlement. The Administrator agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Settlement in exchange for payment of Administration Expenses. The Parties and their counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

6.2. Employer Identification Number. The Administrator shall have and use its own Employer Identification Number to calculate payroll tax withholdings and report to state and federal tax authorities.

6.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund under US Treasury Regulation section 468B-1.

6.4. Notice to Class Members.

6.4.1. No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members and Workweeks in the Class Data.

6.4.2. Using best efforts to perform as soon as possible, and no later than fourteen (14) days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service ("USPS") mail, the Class Notice substantially in the form attached to this Agreement as **Attachment A**. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment payable to the Class Member, and the number of Workweeks used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

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

6.4.4. The deadlines for Class Members' written objections, Challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional fourteen (14) days beyond the time otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

6.4.5. If the Administrator, Defendants, Defense Counsel, or Class Counsel are contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in a good-faith effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than fourteen (14) days after receipt of Class Notice, or the deadline dates in the Class Notice, which ever are later.

6.5. Requests for Exclusion (Opt-Outs).

6.5.1. Class Members who wish to exclude themselves (opt-out of) the Class settlement must send the Administrator, by email or mail, a signed written Request for Exclusion not later than forty-five (45) days after the Administrator mails the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her representative that reasonably communicates the Class Member's election to be excluded from the Settlement and includes the Class Member's name, last four (4) digits of their social security number, address, and email address or telephone number. To be valid, a Request for Exclusion must be timely emailed or postmarked by the Response Deadline. A Class Member may not exclude themselves from the PAGA settlement.

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

6.5.3. Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Settlement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases paragraph of this Settlement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

6.5.4. Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment, nor shall they have the right to object to the class action components of the Settlement.

6.6. Challenges to Calculation of Workweeks. Each Class Member shall have until the Response Deadline (plus an additional fourteen (14) days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks credited to the Class Member in the Class Notice. The Class Member may challenge the credit by communicating with the Administrator via fax, email, or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. Defendants' employment history data will be presumed correct unless the Class Member otherwise proves to the Administrator by providing written documentation to support the correction. The Administrator's determination of each Class Member's allocation of Workweeks shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks to Defense Counsel and Class Counsel and the Administrator's determination of the challenges.

6.7. Objections to Settlement.

6.7.1. Only Participating Class Members may object to the class action components of the Settlement, including contesting the fairness of same. Participating Class Members have no right to object to the PAGA components of the Settlement.

6.7.2. Participating Class Members may send written objections to the Administrator, by fax, email or mail. Alternatively, Participating Class Members may appear in

Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than the Response Deadline (plus an additional fourteen (14) days for Class Members whose Class Notice was re-mailed).

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

6.7.4. PAGA Members have no right to request exclusion or object to the PAGA components of the Settlement.

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

6.8.1. Email Address and Toll-Free Number. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes, and emails.

6.8.2. Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than five (5) days after the Response Deadline, the Administrator shall email a list to Defense Counsel containing (a) the names and other identifying information, including Workweek and/or PAGA Pay Period calculations, of Class Members who have timely submitted valid Requests for Exclusion ("Exclusion List"); (b) the names and other identifying information, including Workweek and/or PAGA Pay Period calculations, of Class Members who have submitted invalid Requests for Exclusion; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid). The Administrator shall contemporaneously provide to Class Counsel a ***redacted*** version of the Exclusion List with names and contact information of Class Members excluded but containing the employee identification number(s) or other applied unique identifier(s) for the individuals on the Exclusion list, along with number of Workweeks and/or PAGA Pay Periods at issue in the Request(s) for Exclusion. Plaintiff will include in the Final Approval Order the employee identification numbers/unique identifiers of the individuals who duly opted out.

6.8.3. Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks received and/or resolved, and checks mailed for Individual Class Payments. The Weekly Reports must provide the Administrator's assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.

6.8.4. Workweek Challenges. The Administrator has the authority to address and make final decisions, consistent with the terms of this Agreement, on all Class Member challenges over the calculation of Workweeks credited to the Class Member. The Administrator's decision shall be final and not appealable or otherwise susceptible to challenge.

6.8.5. Administrator's Declaration. Not later than fourteen (14) days before the date by which Plaintiffs are required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections with their employee identification numbers or other unique identifier(s). The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

6.8.6. Final Report by Settlement Administrator. Within ten (10) calendar days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number (or other unique identifier assigned by the Administrator) only of all payments made under this Settlement. At least fifteen (15) calendar days before any deadline set by the Court, if applicable and if requested by either Party, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Settlement.

7. **CLASS SIZE ESTIMATES.** Based on its records, Defendants have provided a Workweek Estimate of 332,277 workweeks during the Class Period as of January 10, 2019 through May 8, 2024. The Workweek estimate was calculated by totaling the number of days that reflected a clock in and clock out and dividing by 7. In the event the total Workweeks exceeds 332,277 by more than ten percent (10%) prior to the entry of the Order Granting Preliminary Approval, the Class Release period will end when the Total Workweeks exceeds ten percent (10%) (e.g., if the number of workweeks increase by eleven percent (11%).)

8. **DEFENDANT'S RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion identified in the Exclusion List exceeds ten percent (10%) of the total of all Class Members or Workweeks, Defendants may, but are not obligated to, elect to withdraw from the Settlement. If Defendants withdraw, the Settlement shall be void ab initio, have no force or effect whatsoever, and neither Party shall have any further obligation to perform under this Settlement; provided, however, Defendants will remain responsible for paying all Settlement Administration Expenses incurred to that point. To elect to withdraw, Defendants must notify Class Counsel and the Court of its election to withdraw not later than seven (7) calendar days after the Administrator sends the final Exclusion List to Defense Counsel.

9. **MOTION FOR FINAL APPROVAL.** Not later than sixteen (16) court days before the Final Approval Hearing, Class Representative will file in Court a motion for final approval of the Settlement that includes a Proposed Final Approval Order and a proposed Judgment, which shall include a request for approval of the PAGA settlement under Labor Code § 2699 (l) (collectively "Motion for Final Approval"). Class Counsel will provide drafts of these documents to Defense Counsel seven (7) days in advance of filing for Defense Counsel's review. Defendants shall accept service of the Motion for Final Approval (and any other motions, declarations, proposed orders, exhibits, or other documents filed therewith) via electronic service

at the addresses set forth in this Settlement or, if an electronic service agreement is already in place, pursuant to the Parties' electronic service agreement.

9.1. Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court prior to the Final Approval Hearing, or as otherwise by the Court.

9.2. Duty to Cooperate – Final Approval. 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 Settlement as necessary to obtain Final Approval.

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

9.4. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Attorneys' Fees and Class Counsel Litigation Costs set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Settlement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs, or appeals.

9.5. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If a reviewing Court, vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Settlement (including, but not limited to, the scope of release to be granted by Class Members), this Settlement shall be null and void. The Parties shall agree to expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a fifty-fifty (50-50) basis, any additional Administration Expenses reasonably incurred after remittitur.

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

11. ADDITIONAL PROVISIONS.

11.1. No Admission of Liability, Class Certification, or Representative Manageability for Other Purposes. This Settlement represents a compromise and settlement of highly disputed claims. Nothing in this Settlement is intended or should be construed as an admission by the Parties that any of the allegations or the defenses in the Operative Complaint have merit or that there is any liability for any claims asserted. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does grant Preliminary Approval, Final Approval, or enter Judgment, all Parties reserve the right to prosecute and/or contest certification of any class for any reason, reserve all available claims and defenses in the Action, among reservation of all other relevant rights. This Settlement and the Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate this Settlement).

11.2. Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendants, and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate, and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Settlement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; (5) in response to an inquiry or subpoena issued by a state or federal government agency; or (6) to the Court in connection with this Settlement. However, Class and Defense Counsel can provide limited information relating to the terms of the Settlement to other parties who have alleged overlapping claims during the relevant time periods. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendants, and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, any with third-party regarding this Settlement or the matters giving rise to this Settlement except to respond only that "the matter was resolved," or words to that effect.

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

11.4. No Public Comment. Plaintiff and Class Counsel agree they will not issue any press releases, publish any information relating to the Settlement on their website, or have any communications with the media, other than to direct the media to the public records of the Action on file with the Court or to respond with statements that have been previously agreed upon in writing by the Parties. Class Counsel will take reasonable steps to ensure Plaintiff is aware of, and will adhere to, the restriction against any media comment on the Settlement and its terms. Further, Class Counsel will not include, reference, or use this Settlement for any marketing or promotional purposes, or for attempting to influence business relationships of Defendants, either before or after the Motion for Preliminary Approval is filed. However, for the limited purpose of allowing Class Counsel to prove adequacy as class counsel in other actions, Class Counsel may disclose the names of the Parties in this Action, the venue/case number of this Action, the settlement amounts, and a general description of the Action, to a court in a declaration by Class Counsel.

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

11.6. Severability. In the event that any one or more of the provisions contained in this Settlement 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 and the Class, mutually elect in writing to proceed as if such invalid, illegal, or unenforceable provision had never been included in this Agreement.

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

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

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

11.10. No Tax Advice. Neither the Parties, Class Counsel, nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise. Class Members and Class Counsel understand and agree that Class Members shall be responsible for the payment of all of their taxes and penalties assessed on the payments specified herein, and shall hold the Parties, Class Counsel, and Defense Counsel free and harmless from and against any claims resulting from their treatment of such payments as non-taxable, including the treatment of such payments as not subject to withholding or deduction for payroll and employment taxes.

11.11. Modification of Settlement. This Settlement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties, or Class Counsel and Defense Counsel, as their legal representatives. Without further order of the Court, the Parties hereto may agree in writing to reasonable extensions of time to carry out any of the provisions of this Settlement if such extension does not materially impact prior orders of the Court.

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

11.13. Applicable Law. All terms and conditions of this Settlement and its exhibits will be governed by and interpreted according to the laws of the State of California, without regard to conflict of law principles.

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

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

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

11.17. Calendar Days. Unless otherwise noted, all reference to "days" in this Settlement shall be to calendar days. In the event any date or deadline set forth in this Settlement falls on a weekend, state, or federal legal holiday, such date or deadline shall be on the first business day thereafter.

11.18. Notice. All notices or other communications between the Parties required in connection with this Settlement shall be in writing and shall be deemed to have been duly given as of the 3rd business day after mailing by U.S. Mail or the same day if sent by email, addressed as follows:

To Plaintiffs:

Lawyers for Justice, PC.
Attn: Arby Aiwazian
Arman Marukyan
410 West Arden Avenue, Suite 203
Glendale, California 91203
arby@calljustice.com
arman@calljustice.com

To Defendants:

Jackson Lewis P.C.
Attn: Mia Farber
725 South Figueroa Street
Suite 2500
Los Angeles, CA 90017
Mia.Farber@jacksonlewis.com

11.19. Execution in Counterparts. This Settlement may be executed using physical and/or electronic signatures (i.e., DocuSign, SignRequest, Adobe Sign, etc.), which shall be accepted as originals for purposes of this Settlement. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Settlement.

11.20. Use and Return of Class Data. Information provided to Class Counsel pursuant to California Evidence Code section 1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendants in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than ninety (90) days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Class Counsel shall destroy, all paper and electronic versions of Class Data received from Defendants unless, prior to the Court's discharge of the Administrator's obligation, Defendants make a written request to Class Counsel for the return, rather than the destructions, of Class Data.

11.21. Approved as to Form. This Settlement has been approved as to form by counsel of record for the Parties.

Signatures on following page

SIGNATURES

I have read this Agreement and agree to its terms.

Plaintiff Daniel Hernandez

Date: 08/21/2024

Electronically Signed 2024-08-22 01:21:59 UTC - 76.210.1.73
Nintex AssureSign® 2dd36415-b684-4ec2-b5ab-b1cc018ad935
Daniel Hernandez

Defendants Islands Restaurants, LLC successor in interest of Islands Restaurants, L.P.

Date: 8/13/2024

Name: Michael Wong

Title: CFO

Approved as to form.

Dated: August 22, 2024

LAWYERS FOR JUSTICE, PC

Arman Marukyan

Counsel for Plaintiff Daniel Hernandez

Dated: August 22, 2024

JACKSON LEWIS P.C.

Mia Farber

Counsel for Defendants Islands Restaurants, LLC successor in interest of Islands Restaurants, L.P.

Attachment A

Notice of Class Action Settlement

NOTICE OF CLASS ACTION SETTLEMENT

Daniel Hernandez v. Islands Restaurants, L.P., et al.,
Superior Court of the State of California for the County of Orange
Case No. 30-2023-01354916-CU-OE-CXC

This notice is to the following individuals in connection with a pending class action settlement:

"Class" or "Class Member(s)" means all individuals currently or formerly employed by Islands Restaurants, LLC, successor in interest of Islands Restaurants, L.P., (collectively "Defendants") in California as hourly, non-exempt employees during the Class Period from January 10, 2019, through ----, or the date of preliminary approval, whichever is earlier.

Read this notice carefully. Your legal rights could be affected whether you act or not.
This Notice is court approved. This is not a solicitation from an attorney.

The Superior Court of the State of California for the County of Orange (the "Court") has preliminarily approved this class and representative action lawsuit filed by Daniel Hernandez ("Class Representative") against Defendants for alleged wage and hour violations (the "Lawsuit").

The Lawsuit is based on various causes of action: (1) meal period violations, (2) rest period violations, (3) untimely payment of wages, (4) failure to pay wages, (5) failure to pay overtime, (6) wage statement violations, (7) waiting time penalties, (8) unfair competition, and (9) civil penalties under the Private Attorneys General Act, Labor Code section 2698 *et seq.* ("PAGA"). Defendants deny all claims and maintains they have fully complied with the law.

To avoid the burden, expense, and risk of further litigation, the Parties have a agreed to settle the claims alleged as to Class Representative and other employees of Defendants as further discussed below. By agreeing to settle, Defendants are not admitting liability on any of the factual allegations or claims in the case or that the case can or should proceed as a class action. Defendants have agreed to settle the case as part of a compromise with Plaintiff solely because of the risk and expense of continued litigation.

By granting preliminary approval of the settlement, the Court has determined only that there is sufficient evidence to suggest that the proposed settlement might be fair, adequate, and reasonable, though any final determination of those issues will be made at the Final Approval Hearing.

Defendants' records reflect you worked **[[Individual Workweeks]]** eligible Workweeks during the Class Period of January 10, 2019, through -----. Based on this information, your Individual Class Payment is estimated to be **$[[Individual Class Payment]]** (less any applicable state and federal withholdings). The actual amount you may receive will likely be different and will depend on multiple factors, such as how many other individuals decide to opt out.

Defendants' records reflect you worked [[Individual PAGA Pay Periods]] eligible PAGA Pay Periods during the PAGA Period of February 11, 2020, through -----. Based on this information, your Individual PAGA Payment is estimated to be $[[Individual PAGA Payment]].

YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT	
DO NOTHING	You do not have to do anything in response to this notice. If you do nothing, you will remain eligible to automatically receive an Individual Class Payment if the Court grants final approval of the settlement. In such case, you will be bound by the release provisions in the settlement.
OPT OUT	You may opt out of the Settlement by submitting a Request for Exclusion form. If you opt out, you may not object to the Settlement, you will not receive an Individual Class Payment, and you shall not be bound by the release provisions in the settlement. You cannot opt-out of the release of the PAGA claim. If you are a PAGA Member, you will receive Individual PAGA Payment regardless of whether you opt-out.
OBJECT	You may object to the Settlement by submitting a written objection. If the Court grants final approval of the settlement despite your objection, you will remain eligible to automatically receive an Individual Class Payment. In such case, you will be bound by the release provisions in the settlement. You cannot object to the release of the PAGA claim.

The Court's final approval hearing is scheduled to take place on [[Final Approval Hearing Date]] at [[Final Approval Hearing Time]] in Department CX105 of the Orange County Superior Court, located at 751 W. Santa Ana Blvd, Santa Ana, CA 92701. You do not have to attend but you do have the right to appear. ***For more information, please carefully read this notice.***

1. WHAT IS THE ACTION ABOUT?

The Class Representative is a former employee of Defendants. The Class Representative alleges Defendants violated California labor and employment laws as follows: (1) meal period violations, (2) rest period violations, (3) untimely payment of wages, (3) failure to pay wages, (4) failure to pay overtime, (5) wage statement violations, (6) waiting time penalties, (7) unpaid sick leave, (8) unpaid tips, (9) failure to provide days of rest, (10) record keeping violations, (11) unreimbursed business expenses, (12) unfair competition, and (13) civil penalties under the Private Attorneys General Act. Plaintiff is represented by Lawyers for Justice, PC ("Class Counsel.")

Defendants deny violating any laws or failing to pay any wages and contends it complied with all applicable laws.

2. WHAT ARE PROPOSED SETTLEMENT TERMS?

At the Final Approval Hearing, the Class Representative, through Class Counsel, will ask the Court to approve a Gross Settlement Amount of $2,500,000.00, and authorize the following deductions: Class Representative Service Payment ($15,000.00), Class Counsel Attorneys' Fees in the amount of thirty-five percent (35%) of the Gross Settlement ($875,000.00), Class Counsel Litigation Costs (not to exceed $50,000.00), the PAGA Payment ($1,000,000), and the Administration Expenses to be paid to the third-party settlement administrator (not to exceed $39,000.00).

After making the above deductions in amounts approved by the Court, the Administrator will calculate and distribute Individual Class Payments to Participating Class Members based on their Class Period Workweeks. Twenty percent (20%) of each Individual Class Payment shall constitute taxable wages ("Wage Portion") and eighty percent (80%) shall constitute interest and penalties ("Non-Wage Portion.). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. The Administrator will also calculate and distribute Individual PAGA Payments to PAGA Members based on the PAGA Pay Periods. One hundred percent (100%) of the Individual PAGA Payments shall constitute penalties.

Defendants will separately pay employer payroll taxes it owes on the Wage Portion. The Administrator will report the Non-Wage Portions of the Individual Class Payments and Individual PAGA Payments on IRS 1099 Forms.

You will be treated as a Participating Class Member, participating fully in the settlement, unless you submit a signed Request for Exclusion by [[Response Deadline]](the "Response Deadline").

After the Judgment is final, Participating Class Members will be legally barred from asserting any of the claims released under the settlement, as follows:

Release by Participating Class Members: Upon entry of final judgment and funding of the Gross Settlement Amount and the associated employer payroll taxes, the Released Parties shall be entitled to a release from the Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, of all class claims alleged, or reasonably could have been alleged based on the facts alleged, in the Operative Complaint in the *Daniel Hernandez v. Islands Restaurants, L.P.,* Orange County Superior Court, Case No. 30-2023-01320258-CU-OE-CXC, action which occurred during the Class Period including the failure to pay wages, the failure to pay overtime compensation, the failure to provide meal periods, the failure to provide rest periods, the failure to maintain or provide accurate itemized statements, the failure to maintain records, the failure to timely pay wages, the failure to pay wages due to discharged or quitting employees, the failure to reimburse for necessary business expenses, and any other claims whatsoever that were or could have been alleged in the *Daniel Hernandez v. Islands Restaurants, L.P., et al.* Case No. 30-2023-01354916-CU-OE-CXC complaint, including without limitation all related claims for restitution and other equitable relief under Business and Professions Code § 17200, conversion, liquidated damages, punitive damages, waiting-time penalties, and Labor Code sections 201, 202, 203, 204, 226, 226.7, 510, 512, 1174, 1194, 1197, 1197.1, 1198, 2800, 2802, and Code of California Civil Procedure section 1021.5; related California Code of Regulations, Title 8, Sections 11040 et seq; the applicable IWC Wage orders for the same types of violations aforementioned; and California Business & Professions Code 17200 et seq; and all other related claims and/or penalties under local, state and/or federal law that could have been asserted based on the factual allegations of the First Amended Complaint ("FAC").

Release by PAGA Members: Upon entry of final judgment and funding of the Gross Settlement Amount and associated employer payroll taxes, the Released Parties shall be entitled to a release from the State of California with respect to and on behalf of the Aggrieved Employees of all PAGA claims alleged in the Operative Complaint in the *Daniel Hernandez v. Islands Restaurants*

L.P., Case No. 30-2023-01320258-CU-OE-CXC, matter and Plaintiff's PAGA notice and Amended PAGA notice to the LWDA which occurred during the PAGA Period, which include any claims under PAGA arising out of or related to allegations set forth in the operative complaint, including but not limited to claims for failure to provide meal periods, failure to provide rest periods, failure to pay overtime wages, failure to pay minimum wage, failure to pay all wages due to discharged and quitting employees, failure to maintain required records, failure to furnish accurate itemized wage statements, failure to indemnify employees for necessary expenditures incurred in discharge of duties, failure to provide and/or pay for accrued sick leave time, failure to produce employee records, failure to provide seating accommodation, failure to timely pay wages. the failure to pay reporting time pay, and any other claims whatsoever that were or could have been alleged in this case, waiting-time penalties, and Labor Code sections 201, 202, 203, 204, 210, 221, 223, 226, 226.3, 226.7, 233, 246, 351, 510, 512, 551, 552, 558, 1174, 1194, 1197, 1197.1, 1198, 2698, et seq., 2800, 2802, and Code of California Civil Procedure section 1021.5; related California Code of Regulations, Title 8, Sections 11040 et seq.; and the applicable IWC Wage orders for the same types of violations aforementioned; and all other related claims and/or penalties under the Labor Code that could have been asserted based on the factual allegations of the Operative Complaint and PAGA and Amended PAGA Notice.

3. HOW IS MY INDIVIDUAL CLASS SETTLEMENT CALCULATED?

The number of eligible Workweeks[1] you worked during the class period are stated on the first page of this notice. The Administrator will calculate Individual Class Payments by (1) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and then (2) multiplying the result by the number of Workweeks worked by each respective Participating Class Member. In other words, you will receive a proportional recovery based on your eligible Workweeks in relation to other Class Members. Qualifying Class Members who are PAGA Members shall be paid Individual PAGA Payments on a pro rata basis based upon their respective number PAGA Pay Periods during the PAGA Period.

4. HOW CAN I CORRECT THE NUMBER OF WORKWEEKS?

You have until the Response Deadline to correct or challenge the number of Workweeks. You can submit your challenge by signing and sending a letter to the Administrator via mail or email to the Administrator at the following address:

Administrator:
Simpluris, Inc.
3194-C Airport Loop Drive
Costa Mesa, CA 92626
www.simpluris.com

[1] For purposes of this Settlement, Workweeks were calculated by totaling the number of days during the Class Period during which, based on Defendant's records, you recorded at least one clock in and clock out in Defendant's timekeeping system and dividing the total number of such days by seven (7).

1 (800) 779 - 2104

The Administrator will accept Defendants' calculation of Workweeks 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.

5. HOW WILL I GET PAID?

The Administrator will send, by U.S. mail, a single check to every Participating Class Member following the Effective Date of this Settlement. Your check will be sent to the same address as this notice. If you change your address or the address in this notice is not correct, please notify the Administrator as soon as possible.

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

To opt out, you must mail or email the Administrator a signed written request to be excluded from the Class Settlement, before the Response Deadline. The request to be excluded must include your full name, the last four (4) digits of your social security number, mailing address, and email address or telephone number. You cannot opt-out of the settlement and release of the PAGA Claim.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement by submitting a written objection to the Administrator before the Response Deadline. To object, please provide a written statement to the Administrator advising what you object to, why you object, and any facts that support your objection. Please sign the objection and identify the Action and include your name, current address, telephone number, and your approximate dates of employment.

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.

You cannot object to the settlement and release of the PAGA claim.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You may, but are not required to, attend the Final Approval Hearing on [[Final Approval Hearing Date]] at [[Final Approval Hearing Time]] in Dept. CX105 of the Orange Superior Court, located at 751 W. Santa Ana Blvd, Santa Ana, CA 92701. 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 the PAGA Payment, Class Counsel, the Class Representative(s), and the Administrator. The Court will invite comment from objectors, Class Counsel, and Defense Counsel before making a decision.

Please note that Class Counsel is:

Lawyers for Justice, PC.

Attn: Arby Aiwazian
Arman Marukyan
410 West Arden Avenue, Suite 203
Glendale, California 91203
arby@calljustice.com
arman@calljustice.com

Defense Counsel is:

Jackson Lewis P.C.
Attn: Mia Farber
725 South Figueroa Street
Suite 2500
Los Angeles, CA 90017
Mia.Farber @jacksonlewis.com

It is possible the Court will reschedule the Final Approval Hearing. Please review the Court's online docket or contact the Administrator or Class Counsel to verify the date and time of the Final Approval Hearing if you believe it may have been continued or otherwise changed.

9. HOW CAN I GET MORE INFORMATION?

This Notice is only a summary of the Settlement.

The Settlement sets forth everything Defendants and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Settlement, the Judgment, or any other Settlement documents is to go to the Court's website (www.occourts.org/online-services/case-access), access the Civil Case & Document Access, and search for the case using the case number at the top of this notice. You can also telephone or send an email to the Administrator, or to Class Counsel at the address above.

10. WHAT IF I LOSE MY SETTLEMENT CHECK OR FAIL TO CASH IT?

If you lose or misplace your settlement check, the Administrator will replace it if you request a replacement before the void date on the face of the original check. Funds associated with uncashed settlement checks will be distributed to Legal Aid Foundation of Los Angeles after the void date.

PLEASE DO NOT TELEPHONE OR CONTACT THE COURT WITH QUESTIONS OR FOR INFORMATION REGARDING THIS SETTLEMENT

4856-1153-5319, v. 1

EXHIBIT 1-B

AMENDMENT NO. 1 TO THE CLASS ACTION SETTLEMENT AGREEMENT

This Amendment No. 1 ("Amendment") to the Class Action Settlement Agreement executed between August 13 and 22, 2024 ("Settlement") is made and entered into by and between Daniel Hernandez, individually and on behalf of all others similarly situated (collectively, "Plaintiff"), and Defendants Islands Restaurants, LLC successor in interest of Islands Restaurants, L.P. (collectively "Defendants") (together with Plaintiff, the "Parties").

RECITALS

1. WHEREAS the Parties discovered the fully executed Settlement Agreement included typographical errors or omitted certain agreed to provisions;

2. WHEREAS section 11.11 of the Settlement allows for the Settlement to be amended, modified, changed, or waived only by an express written instrument signed by Class Counsel and Defense Counsel as the legal representatives of the Parties; and

3. WHEREAS, except stated below, no other terms or definitions of the Agreement shall be altered or considered modified by this Amendment.

AMENDED TERMS

4. In section 1.5, the dollar amount stated in parenthesis "($825,000)" is replaced by "($875,000)". As a result, section 1.5 is amended to read as follows:

> 1.5. "Class Counsel Attorneys' Fees" and "Class Counsel Litigation Costs" mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys' fees and expenses, respectively, incurred to prosecute the Action. Class Counsel Attorneys' Fees shall be up to 35% of the Gross Settlement Amount ($875,000) and Class Counsel Litigation Costs shall not exceed fifty thousand dollars ($50,000).

5. In section 1.33, "Workweeks exceed 332,277 Workweeks by 10% (e.g., more than 365,505 Workweeks)" is replaced by "PAGA Pay Periods exceeds 120,195 Pay Periods by 10% (e.g., more than 132,215 Pay Periods)". As a result, section 1.33 is amended to read as follows:

> 1.33. "PAGA Period" is defined as the period from February 11, 2020 to the earlier of preliminary approval or when total Pay Periods exceeds 120,195 Pay Periods by 10% (e.g., more than 132,215 Pay Periods).

6. In section 1.34, "PAGA Pay Period" is replaced with "PAGA Pay Periods" and "by dividing" is replaced with "by totaling". As a result, section 1.34 is amended to read as follows:

> 1.34. "PAGA Pay Periods" were calculated by totaling the number of Workdays, defined below, worked by a PAGA Member during the PAGA Period and dividing that sum by 14.

7. In section 1.35, the term "Aggrieved" is replaced by "PAGA" so that the defined term is used; the reference to section "1.32" is replaced with "1.34". As a result, section 1.35 is amended to read as follows:

> 1.35. "PAGA Pay Period Estimate" means, based on a review of Defendant's records as of May 8, 2024, a total of 120,195 Pay Periods worked by PAGA Members during the PAGA Period using the calculation method set forth in section 1.34.

8. In section 2.2.2 "one third" is replaced with "thirty five percent". As a result, the first sentence of section 2.2.2 is amended to read as follows:

> 2.2.2. To Class Counsel: Class Counsel Attorneys' Fees of not more than thirty five percent (35%) or Eight Hundred Seventy-Five Thousand Dollars and Zero Cents ($875,000.00)) and Class Counsel Litigation Costs, of not more than Fifty Thousand Dollars and Zero Cents ($50,000.00), to Class Counsel.

9. In section 4.2 the term "Participating" is inserted before "Class Members," so that the defined term is used, and "etc." is replaced with "et al." As a result, the first sentence of section 4.2 is amended to read as follows:

> 4.2. <u>Release by Participating Class Members</u>: Upon entry of final judgment and funding of the Gross Settlement Amount and the associated employer payroll taxes, the Released Parties shall be entitled to a release from the Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, of all class claims alleged, or reasonably could have been alleged based on the facts alleged, in the Operative Complaint in *the Daniel Hernandez v. Islands Restaurants, L.P., et al,* Orange County Superior Court, Case No. 30-2023-01320258-CU-OE-CXC, action which occurred during the Class Period including the failure to pay wages, the failure to pay overtime compensation, the failure to provide meal periods, the failure to provide rest periods, the failure to maintain or provide accurate itemized statements, the failure to maintain records, the failure to timely pay wages, the failure to pay wages due to discharged or quitting employees, the failure to reimburse for necessary business expenses, the failure to provide suitable seating, the failure to pay reporting time pay, the failure to pay sick wages, and any other claims whatsoever that were or could have been alleged in the *Daniel Hernandez v. Islands Restaurants, L.P., et al.* Case No. 30-2023-01354916-CU-OE-CXC complaint, including without limitation all related claims for restitution and other equitable relief under Business and Professions Code § 17200, conversion, liquidated damages, punitive damages, waiting-time penalties, and Labor Code sections 201, 202, 203, 204, 210, 221, 226, 226.3, 226.7, 233, 246, 351, 510, 512, 515, 551, 552, 558, 1174, 1194, 1197, 1197.1, 1198, 2800, 2802, and Code of California Civil Procedure section 1021.5; related California Code of Regulations, Title 8, Sections 11040 et seq; the applicable IWC Wage orders for the same types of violations aforementioned; and California Business & Professions Code 17200 et seq; and all other related claims and/or penalties under local, state and/or federal law that could have been asserted based on the factual allegations of the First Amended Complaint ("FAC").

10. In section 4.3 "the PAGA Members, including Non-Participating Class Members, and" is inserted before "the State of California" and "Aggrieved Employees" is replaced with

"PAGA Members," so that a defined term is used, in the first sentence. As a result, the first sentence of section 4.3 is amended to read as follows:

> 4.3. Release by PAGA Members: Upon entry of final judgment and funding of the Gross Settlement Amount and associated employer payroll taxes, the Released Parties shall be entitled to a release from the PAGA Members, including Non-Participating Class Members, and the State of California with respect to and on behalf of the PAGA Members of all PAGA claims alleged in the Operative Complaint in the *Daniel Hernandez v. Islands Restaurants L.P., et. seq.,* Case No. 30-2023-01320258-CU-OE-CXC, matter and Plaintiff's PAGA notice and Amended PAGA notice to the LWDA which occurred during the PAGA Period, which include any claims under PAGA arising out of or related to allegations set forth in the operative complaint, including but not limited to claims for failure to provide meal periods, failure to provide rest periods, failure to pay overtime wages, failure to pay minimum wage, failure to pay all wages due to discharged and quitting employees, failure to maintain required records, failure to furnish accurate itemized wage statements, failure to indemnify employees for necessary expenditures incurred in discharge of duties, failure to provide and/or pay for accrued sick leave time, failure to produce employee records, failure to provide seating accommodation, and any other claims whatsoever that were or could have been alleged in this case, waiting-time penalties, and Labor Code sections 201, 202, 203, 204, 210, 221, 223, 226, 226.3, 226.7, 233, 246, 351, 510, 512, 551, 552, 558, 1174, 1194, 1197, 1197.1, 1198, 2698, et seq., 2800, 2802, and Code of California Civil Procedure section 1021.5; related California Code of Regulations, Title 8, Sections 11040 et seq.; and the applicable IWC Wage orders for the same types of violations aforementioned; and all other related claims and/or penalties under the Labor Code that could have been asserted based on the factual allegations of the First Amended Complaint.

11. In the first sentence of section 6.4.2, ", in English and Spanish," is inserted after "mail, the Class Notice". As a result, the first sentence of section 6.4.2 is amended to read as follows:

> 6.4.2. Using best efforts to perform as soon as possible, and no later than fourteen (14) days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service ("USPS") mail, the Class Notice, in English and Spanish, substantially in the form attached to this Agreement as **Attachment A**.

12. After section 6.8.6, two (2) additional sections are inserted clarifying the Administrator's duties relating to calculating each Class Members' individual share of the Net Settlement Amount, and one (1) additional section is inserted clarifying the Administrator's duties relating to calculating each PAGA Member's Individual PAGA Payment. As a result, the Settlement Agreement is amended to add three (3) additional sections as follows:

> 6.8.7. After Preliminary Approval of the Settlement, the Administrator will divide the Net Settlement Amount by the total number of Workweeks credited to all Class Members during the Class Period, which is calculated by dividing the number of Workdays worked by each Class Member during the Class Period by 7, and multiply the result by the number of Workweeks credited to each Class Member to yield his or her estimated Individual Class Payment that he or she may be eligible to receive under the Class Settlement.

6.8.8. After Final Approval of the Settlement, the Administrator will divide the final Net Settlement Amount by the total number of Workweeks credited to all Participating Class Members during the Class Period, which is calculated by dividing the number of Workdays worked by each Participating Class Member during the Class Period by 7, and multiply the result by the number of Workweeks credited to each Participating Class Member to yield his or her Individual Class Payment.

6.8.9. The Administrator will divide the Net PAGA Payment by all PAGA Members' total PAGA Pay Periods during the PAGA Period, which is calculated by dividing the number of Workdays worked by each PAGA Member during the PAGA Period by 14, and multiply the result by the number of PAGA Pay Periods credited to each PAGA Member to yield his or her Individual PAGA Payment that he or she will receive under the PAGA Settlement.

13. No other Amendments. Other than paragraphs 4 through 12 above, no other terms or definitions of the Agreement and incorporated herein by reference, shall be altered, or considered modified by this Amendment.

Dated: September 11, 2024

LAWYERS for JUSTICE, PC

By: ______________________________
Arman Marukyan

Attorneys for Plaintiff

Dated: September 11, 2024

JACKSON LEWIS, P.C.

By: ______________________________
Mia Farber
Buck Haddix

Attorneys for Defendants
Islands Restaurants, LLC successor in interest of
Islands Restaurants, L.P.,

EXHIBIT 2

LAWYERS FOR JUSTICE

February 13, 2023

BY ONLINE SUBMISSION

California Labor & Workforce Development Agency
PAGAfilings@dir.ca.gov

Re: ***ISLANDS RESTAUARANTS, L.P., A DELAWARE LIMITED PARTNERSHIP***

Dear Representative:

We have been retained to represent Daniel Hernandez against Islands Restaurants, L.P., A Delaware Limited Partnership (including any and all affiliates, subsidiaries, parents, directors, officers, agents, and executive employees) (collectively referred to as "Islands") for violations of California wage-and-hour laws. Mr. Hernandez seeks penalties for violations of the California Labor Code, which are recoverable under California Labor Code section 2698, et seq., the Labor Code Private Attorneys General Act of 2004 ("PAGA") and all other remedies available under PAGA.

Mr. Hernandez seeks these remedies on behalf of the State of California and "aggrieved employees," as defined herein. This letter is sent in compliance with the reporting requirements of California Labor Code section 2699.3.

Islands employed Mr. Hernandez as an hourly-paid, non-exempt employee from approximately July 2022 to approximately October 2022, in the State of California.

The "aggrieved employees" that Mr. Hernandez may seek penalties on behalf of are all current and former hourly-paid or non-exempt employees who worked for any of the above-referenced entities within the State of California.

Based on the following facts and theories, Islands has violated and/or continues to violate, among other provisions of the California Labor Code and applicable wage law, California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and IWC Wage Orders including *inter alia*, Wage Orders 4-2001 and 5-2001.

Islands required aggrieved employees to perform work before their scheduled shifts, after their scheduled shifts, during off-the-clock meal breaks, and/or during rest breaks and failed to compensate aggrieved employees for this time. Such work included, but was not limited to, washing dishes, cleaning the floors, and responding to work-related inquiries.

California Labor Code sections 510 and 1198 require employers to pay time-and-a-half or double time overtime wages, and make it unlawful to work employees for hours longer than eight hours in one day and/or over forty hours in one week without paying the premium overtime rates at one-and-one-half times or double the regular rate of pay, including additional remuneration. During the relevant time period, Mr. Hernandez and other aggrieved employees worked in excess of 8 hours in a day and 40 hours in a week. Therefore, Mr. Hernandez and other aggrieved employees were entitled to receive certain wages for overtime compensation, but they were not paid for all overtime hours worked.

California Labor Code sections 226.7 and 512 require employers to pay an employee one additional hour of pay at the employee's regular rate for each meal or rest period that is not provided. During the relevant time period, Islands required Mr. Hernandez and other aggrieved employees to work during meal and rest periods and failed to compensate them properly for non-compliant meal and rest periods including, *inter alia*, short, late, interrupted, and missed meal and rest periods.

California Labor Code sections 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and if an employee quits his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours' notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting. During the relevant time period, Islands failed to pay Mr. Hernandez and other aggrieved employees all wages due to them within any time period specified by California Labor Code sections 201 and 202, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month. California Labor Code section 204 also requires that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period. During the relevant time period, Islands failed to pay Mr. Hernandez and other aggrieved employees all wages due to them within any time period specified by California Labor Code section 204, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code section 226 requires employers to make, keep and provide complete and accurate itemized wage statements to their employees. During the relevant time period, Islands did not provide Mr. Hernandez and other aggrieved employees with complete and accurate itemized wage statements. The wage statements they received from Islands were in violation of California Labor Code section 226(a). The violations include, but are not limited to, the failure to include the total hours worked by Mr. Hernandez and other aggrieved employees, including time spent working off-the-clock and during meal and rest periods as discussed above.

California Labor Code sections 551 and 552 require that every person employed in any occupation of labor is entitled to one day's rest in a seven-day workweek, that no employer of labor shall cause his employees to work more than six days in a workweek, and that an employer shall pay a civil penalty in the amounts of fifty dollars ($50) for each aggrieved employee per pay period for the initial violation and one hundred dollars ($100) for each aggrieved employee per pay period for each subsequent violation. During the relevant time period, Mr. Hernandez and the aggrieved employees were required to regularly and/or consistently work in excess of six (6) days in a workweek. During the relevant time period, Mr. Hernandez and the aggrieved employees were required to work in excess of thirty (30) hours in a week and/or six (6) hours in any one (1) day thereof, during workweeks in which they were required to work in excess of six (6) days. During the relevant time period, Mr. Hernandez and the aggrieved employees were required to work in excess of six (6) days in a workweek without accumulating or being provided the opportunity to take at least one (1) day of rest, and when Mr. Hernandez and the aggrieved employees accumulated days of rest, they were not actually provided the opportunity to take the equivalent of one (1) day's rest in seven (7) during each calendar month.

California Labor Code sections 1174(d) requires an employer to keep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. These records shall be kept with rules established for this purpose by the commission, but in any case shall be kept on file for not less than two years. During the relevant time period, Islands failed to keep accurate and complete payroll records showing the actual hours worked daily and the wages earned by Mr. Hernandez and other aggrieved employees, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code sections 1194, 1197, and 1197.1 provide the minimum wage to be paid to employees, and the payment of a lesser wage than the minimum so fixed is unlawful. During the relevant time period, Islands did not provide Mr. Hernandez and other aggrieved employees with the minimum wages to which they were entitled for work performed "off-the-clock."

California Labor Code section 1198 provides that "The employment of any employee … under conditions of labor prohibited by the [Industrial Wage Orders] is unlawful." The applicable Industrial Wage Orders, including *inter alia*, Wage Orders 4-2001 and 5-2001, require that for each workday an employee is required to report for work and does report, but is not put to work or is furnished less than half said employee's usual or scheduled day's work, the employee shall be paid for half the usual or scheduled day's work, but in no event for less than two (2) hours nor more than four (4) hours, at the employee's regular rate of pay. Further, if an employee is required to report for work a second time in any one workday and is furnished less than two (2) hours of work on the second reporting, said employee shall be paid for two (2) hours at the employee's regular rate of pay. During the relevant time period, Islands failed to pay Mr. Hernandez and other aggrieved employees half the usual or scheduled day's work in an amount no less than two (2) hours nor more than four (4) hours at the employee's regular rate of pay for workdays in which Mr. Hernandez and the other aggrieved employees reported to work and were furnished less than half the usual or scheduled day's work. During the relevant time period, Islands failed to pay Mr. Hernandez and other aggrieved employees for two (2) hours at the employee's regular rate of pay on days in which Mr. Hernandez and the other aggrieved employees were required to report for work a second time in one workday and were furnished less than two (2) hours of work upon the second reporting.

California Labor Code sections 2800 and 2802 require an employer to reimburse its employee for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her job duties or in direct consequence of his or her obedience to the directions of the employer. During the relevant time period, Mr. Hernandez and other aggrieved employees incurred necessary business-related expenses and costs that were not fully reimbursed by Islands. These costs include, but are not limited to, the use of a personal phone for work-related purposes, the use of mileage on a personal vehicle for work-related purposes, the purchasing and maintenance of clothing and footwear in compliance with the dress code, and the purchasing of supplies for work-related purposes.

Therefore, on behalf of all aggrieved employees, Mr. Hernandez seeks all applicable penalties arising out of the above-referenced wage, hour, and payroll practices, or which could be assessed and collected by the Labor and Workforce Development Agency, for violation of the California Labor Code pursuant to PAGA, including civil penalties pursuant to Labor Code section 558.

If you have any questions or require additional information, please do not hesitate to contact us. Thank you for your attention to this matter and the noble cause you advance each and every day.

With kind regards,

CGalajan

Christina Galajan, Esq.

Cc: (By U.S. Certified Mail / Return Receipt Requested)

Islands Restaurants, L.P., A Delaware Limited Partnership
c/o Bruce D. May
Agent for Service of Process
620 Newport Center Dr., Suite 200
Newport Beach, CA 92660

LAWYERS FOR JUSTICE PC

May 15, 2023

BY ONLINE SUBMISSION

California Labor & Workforce Development Agency
PAGAfilings@dir.ca.gov

Re: ***ISLANDS RESTAURANT, LLC; ISLANDS FINE BURGERS & DRINKS***

Dear Representative:

We have been retained to represent Daniel Hernandez against Islands Restaurant, LLC; Islands Fine Burgers & Drinks (including any and all affiliates, subsidiaries, parents, directors, officers, agents, and executive employees) (collectively referred to as "Islands") for violations of California wage-and-hour laws. Mr. Hernandez seeks penalties for violations of the California Labor Code, which are recoverable under California Labor Code section 2698, et seq., the Labor Code Private Attorneys General Act of 2004 ("PAGA") and all other remedies available under PAGA.

Mr. Hernandez seeks these remedies on behalf of the State of California and "aggrieved employees," as defined herein. This letter is sent in compliance with the reporting requirements of California Labor Code section 2699.3.

Islands employed Mr. Hernandez as an hourly-paid, non-exempt employee from approximately July 2022 to approximately October 2022, in the State of California.

The "aggrieved employees" that Mr. Hernandez may seek penalties on behalf of are all current and former hourly-paid or non-exempt employees who worked for any of the above-referenced entities within the State of California, including, but not limited to all current and former hourly-paid or non-exempt employees who worked for any of the above-referenced entities within the State of California who earned shift differentials/non-discretionary bonuses/non-discretionary performance pay which was not used to calculate the correct regular rate of pay used to calculate the overtime rate.

Based on the following facts and theories, Islands has violated and/or continues to violate, among other provisions of the California Labor Code and applicable wage law, California Labor Code sections 201, 202, 203, 204, 226(a), 226.7, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and IWC Wage Orders including *inter alia*, Wage Orders 4-2001 and 5-2001.

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California Labor Code sections 510 and 1198 require employers to pay time-and-a-half or double time overtime wages, and make it unlawful to work employees for hours longer than eight hours in one day and/or over forty hours in one week without paying the premium overtime rates at one-and-one-half times or double the regular rate of pay, including additional remuneration. During the relevant time period, Mr. Hernandez and other aggrieved employees worked in excess of 8 hours in a day and 40 hours in a week. Therefore, Mr. Hernandez and other aggrieved employees were entitled to receive certain wages for overtime compensation, but they were not paid for all overtime hours worked.

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If you have any questions or require additional information, please do not hesitate to contact us. Thank you for your attention to this matter and the noble cause you advance each and every day.

With kind regards,

CGalajan

Christina Galajan, Esq.

Cc: (By U.S. Certified Mail / Return Receipt Requested)

Islands Restaurant, LLC
c/o Paracorp Incorporated
Agent for Service of Process
2804 Gateway Oaks Drive,
Sacramento, CA 95833

Islands Fine Burgers & Drinks
5750 Fleet Street, Suite 120
Carlsbad, CA 92008

August 2, 2024

BY ONLINE SUBMISSION

California Labor & Workforce Development Agency
PAGAfilings@dir.ca.gov

Re: ***ISLANDS RESTAURANTS, L.P.; ISLANDS RESTAURANT, LLC; ISLANDS FINE BURGERS & DRINKS***

Dear Representative:

We have been retained to represent Daniel Hernandez against Islands Restaurants, L.P., Islands Restaurant, LLC, and Islands Fine Burgers & Drinks (including any and all affiliates, subsidiaries, parents, directors, officers, agents, and executive employees) (collectively referred to as "Islands") for violations of California wage-and-hour laws. Mr. Hernandez seeks penalties for violations of the California Labor Code, which are recoverable under California Labor Code section 2698, et seq., the Labor Code Private Attorneys General Act of 2004 ("PAGA") and all other remedies available under PAGA.

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Based on the following facts and theories, Islands has violated and/or continues to violate, among other provisions of the California Labor Code and applicable wage law, California Labor Code sections 201, 202, 203, 204, 210, 221, 223, 226(a), 226.3, 226.7, 233, 246, 351, 510, 512(a), 551, 552, 558, 1174(d), 1194, 1197, 1197.1, 1198, 2800 and 2802, and IWC Wage Orders including *inter alia*, Wage Orders 4-2001 and 5-2001.

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California Labor Code sections 510 and 1198 require employers to pay time-and-a-half or double time overtime wages, and make it unlawful to work employees for hours longer than eight hours in one day and/or over forty hours in one week without paying the premium overtime rates at one-and-one-half times or double the regular rate of pay, including additional remuneration. During the relevant time period, Mr. Hernandez and other aggrieved employees worked in excess of 8 hours in a day and 40 hours in a week. Therefore, Mr. Hernandez and other aggrieved employees were entitled to receive certain wages for overtime compensation, but they were not paid for all overtime hours worked.

California Labor Code sections 226.7 and 512 require employers to pay an employee one additional hour of pay at the employee's regular rate for each meal or rest period that is not provided. During the relevant time period, Islands required Mr. Hernandez and other aggrieved employees to work during meal and rest periods and failed to compensate them properly for non-compliant meal and rest periods including, *inter alia*, short, late, interrupted, and missed meal and rest periods.

California Labor Code section 233 provides that employers cannot deny employees the right to use sick leave or take discriminatory action against employees for using sick leave. During the relevant time period, Islands denied Mr. Hernandez and other aggrieved employees the right to use sick leave, or took discriminatory action against them for using sick leave, in violation of California Labor Code section 233. Furthermore, Islands violated California Labor Code section 246 by failing to provide Mr. Hernandez and other aggrieved employees proper sick leave pay and proper notice of the correct sick leave balance available to them on their wage statements or other written statements.

California Labor Code sections 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and if an employee quits his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours' notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting. During the relevant time period, Islands failed to pay Mr. Hernandez and other aggrieved employees all wages due to them within any time period specified by California Labor Code sections 201 and 202, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code section 204 requires that all wages earned by any person in any employment between the 1st and the 15th days, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 16th and the 26th day of the month during which the labor was performed, and that all wages earned by any person in any employment between the 16th and the last day, inclusive, of any calendar month, other than those wages due upon termination of an employee, are due and payable between the 1st and the 10th day of the following month. California Labor Code section 204 also requires that all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period. During the relevant time period, Islands failed to pay Mr. Hernandez and other aggrieved employees all wages due to them within any time period specified by California Labor Code section 204, including earned and unpaid minimum, overtime, and premium wages as discussed above. Labor Code section 210 provides a penalty of one hundred dollars ($100) for each failure to pay each employee for any initial violation, and two hundred dollars ($200) plus twenty five percent (25%) of the amount unlawfully withheld for each subsequent violation.

California Labor Code section 221 prohibits employers from taking any part of an employee's already paid wages. During the relevant time period, Islands took portions of Mr. Hernandez's and other aggrieved employees' already paid wages for purposes including, but not limited to, recouping overpayment of wages.

California Labor Code section 351 provides that tips are the sole property of the tipped employee. It is unlawful for the employer, or its managers, to take an employee's tips for themselves or deduct the tip amount from the employee's wages. Additionally, tips that were made using a credit card shall be paid to the tipped employee no later than the next regular payday following the date the patron providing the tip authorized the credit card payment. During the relevant time period, Islands failed to properly provide Mr. Hernandez and other aggrieved employees with the tips that they earned.

California Labor Code section 226 requires employers to make, keep and provide complete and accurate itemized wage statements to their employees. During the relevant time period, Islands did not provide Mr. Hernandez and other aggrieved employees with complete and accurate itemized wage statements. The wage statements they received from Islands were in violation of California Labor Code section 226(a). The violations include, but are not limited to, the failure to include the total hours worked by Mr. Hernandez and other aggrieved employees, including time spent working off-the-clock and during meal and rest periods as discussed above. California Labor Code section 226.3 provides that an employer who violates Labor Code section 226(a) shall be subject to a civil penalty of two hundred fifty dollars ($250) per employee for each violation for an initial violation, and one thousand dollars ($1,000) per employee for each violation for a subsequent violation.

California Labor Code sections 551 and 552 require that every person employed in any occupation of labor is entitled to one day's rest in a seven-day workweek, that no employer of labor shall cause his employees to work more than six days in a workweek, and that an employer shall pay a civil penalty in the amounts of fifty dollars ($50) for each aggrieved employee per pay period for the initial violation and one hundred dollars ($100) for each aggrieved employee per pay period for each subsequent violation. During the relevant time period, Mr. Hernandez and the aggrieved employees were required to regularly and/or consistently work in excess of six (6) days in a workweek. During the relevant time period, Mr. Hernandez and the aggrieved employees were required to work in excess of thirty (30) hours in a week and/or six (6) hours in any one (1) day thereof, during workweeks in which they were required to work in excess of six (6) days. During the relevant time period, Mr. Hernandez and the aggrieved employees were required to work in excess of six (6) days in a workweek without accumulating or being provided the opportunity to take at least one (1) day of rest, and when Mr. Hernandez and the aggrieved employees accumulated days of rest, they were not actually provided the opportunity to take the equivalent of one (1) day's rest in seven (7) during each calendar month.

California Labor Code sections 1174(d) requires an employer to keep, at a central location in the state or at the plants or establishments at which employees are employed, payroll records showing the hours worked daily by and the wages paid to, and the number of piece-rate units earned by and any applicable piece rate paid to, employees employed at the respective plants or establishments. These records shall be kept with rules established for this purpose by the commission, but in any case shall be kept on file for not less than two years. During the relevant time period, Islands failed to keep accurate and complete payroll records showing the actual hours worked daily and the wages earned by Mr. Hernandez and other aggrieved employees, including earned and unpaid minimum, overtime, and premium wages as discussed above.

California Labor Code sections 1194, 1197, and 1197.1 provide the minimum wage to be paid to employees, and the payment of a lesser wage than the minimum so fixed is unlawful. During the relevant time period, Islands did not provide Mr. Hernandez and other aggrieved employees with the minimum wages to which they were entitled for work performed "off-the-clock." Furthermore, California Labor Code section 223 provides that it is unlawful for an employer to secretly pay a lower wage than what is required by statute or contract. During the relevant time period, Islands secretly paid Mr. Hernandez and other aggrieved employees wages that were lower than what was required by statute or contract.

California Labor Code section 1198 provides that "The employment of any employee … under conditions of labor prohibited by the [Industrial Wage Orders] is unlawful." The applicable Industrial Wage Orders, including *inter alia*, Wage Orders 4-2001 and 5-2001, require that for each workday an employee is required to report for work and does report, but is not put to work or is furnished less than half said employee's usual or scheduled day's work, the employee shall be paid for half the usual or scheduled day's work, but in no event for less than two (2) hours nor more than four (4) hours, at the employee's regular rate of pay. Further, if an employee is required to report for work a second time in any one workday and is furnished less than two (2) hours of work on the second reporting, said employee shall be paid for two (2) hours at the employee's regular rate of pay. During the relevant time period, Islands failed to pay Mr. Hernandez and other aggrieved employees half the usual or scheduled day's work in an amount no less than two (2) hours nor more than four (4) hours at the employee's regular rate of pay for workdays in which Mr. Hernandez and the other aggrieved employees reported to work and were furnished less than half the usual or scheduled day's work. During the relevant time period, Islands failed to pay Mr. Hernandez and other aggrieved employees for two (2) hours at the employee's regular rate of pay on days in which Mr. Hernandez and the other aggrieved employees were required to report for work a second time in one workday and were furnished less than two (2) hours of work upon the second reporting.

Section 14(A-B) of all applicable IWC Wage Orders provide that employees shall be provided with suitable seats when the nature of the work reasonably permits the use of seats and when they are not actively engaged in the work duties that would not permit them to be seated. During the relevant time period, Islands failed to provide Mr. Hernandez and other aggrieved employees with suitable seating, and when such employees were not engaged in duties which required them to stand, no seating was placed in reasonable proximity to their workstations.

California Labor Code sections 2800 and 2802 require an employer to reimburse its employee for all necessary expenditures incurred by the employee in direct consequence of the discharge of his or her job duties or in direct consequence of his or her obedience to the directions of the employer. During the relevant time period, Mr. Hernandez and other aggrieved employees incurred necessary business-related expenses and costs that were not fully reimbursed by Islands. These costs include, but are not limited to, the use of a personal phone for work-related purposes, the use of mileage on a personal vehicle for work-related purposes, the purchasing and maintenance of clothing and footwear in compliance with the dress code, and the purchasing and maintenance of supplies for work-related purposes.

Therefore, on behalf of all aggrieved employees, Mr. Hernandez seeks all applicable penalties arising out of the above-referenced wage, hour, and payroll practices, or which could be assessed and collected by the Labor and Workforce Development Agency, for violation of the California Labor Code pursuant to PAGA, including civil penalties pursuant to Labor Code section 558.

If you have any questions or require additional information, please do not hesitate to contact us. Thank you for your attention to this matter and the noble cause you advance each and every day.

With kind regards,

Arman Marukyan, Esq.

Cc: (By U.S. Certified Mail / Return Receipt Requested)

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EXHIBIT 3

LAWYERS for JUSTICE PC CASE COST DETAIL
Hernandez vs. Islands Restaurants, L.P.
CASE NO. 30-2023-01320258-CU-OE-CXC

Date	Payee	Expense Description	Amount
12/21/2022	U.S. Postmaster	Postage	$15.70
1/24/2023	U.S. Postmaster	Postage	$8.37
2/13/2023	U.S. Postmaster	Postage	$8.13
2/13/2023	Labor & Workforce Development Agency	PAGA Filing Fee	$75.00
4/20/2023	Legal Document Server, Inc.	Attorney Service	$113.93
4/20/2023	Orange County Superior Court	Complex Filing Fee	$1,000.00
4/20/2023	Orange County Superior Court	Complaint Filing Fee	$435.00
5/2/2023	ProLegal	Attorney Service	$72.63
5/19/2023	Legal Document Server, Inc.	Attorney Service	$14.20
7/31/2023	Legal Document Server, Inc.	Attorney Service	$14.20
8/9/2023	Legal Document Server, Inc.	Attorney Service	$14.20
8/14/2023	General Logistics Systems US, Inc.	Courier Service	$19.31
8/21/2023	Legal Document Server, Inc.	Attorney Service	$14.20
9/13/2023	Legal Document Server, Inc.	Attorney Service	$24.63
9/13/2023	Orange County Superior Court	Jury Fee	$150.00
9/16/2023	ProLegal	Attorney Service	$182.53
10/9/2023	ProLegal	Attorney Service	$143.58
10/19/2023	Orange County Superior Court	Document Download Fee	$30.00
10/19/2023	Orange County Superior Court	Document Download Fee	$7.50
11/2/2023	Legal Document Server, Inc.	Attorney Service	$14.20
1/19/2024	Legal Document Server, Inc.	Attorney Service	$14.20
3/22/2024	Orange County Superior Court	Document Download Fee	$7.50
4/23/2024	ADR Services, Inc.	Mediation Fee	$4,395.00
5/22/2024	Legal Document Server, Inc.	Attorney Service	$14.20
		Total:	**$6,788.21**

LAWYERS for JUSTICE PC CASE COST DETAIL
Hernandez vs. Islands Restaurants, L.P., et al.
CASE NO. 30-2023-01354916-CU-OE-CXC

Date	Payee	Expense Description	Amount
7/27/2023	Los Angeles Superior Court	Document Download Fee	$16.20
10/16/2023	Legal Document Server, Inc.	Attorney Service	$113.93
10/16/2023	Orange County Superior Court	Complex Filing Fee	$1,000.00
10/16/2023	Orange County Superior Court	Complaint Filing Fee	$435.00
11/20/2023	ProLegal	Attorney Service	$501.46
12/11/2023	Legal Document Server, Inc.	Attorney Service	$14.20
12/28/2023	Los Angeles Superior Court	Document Download Fee	$16.20
5/23/2024	Legal Document Server, Inc.	Attorney Service	$14.20
8/8/2024	Orange County Superior Court	Document Download Fee	$7.50
		Total:	**$2,118.69**