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

Defendants.

) Case No. 23STCV12946
)
) [Assigned For All Purposes To: Hon. Alison
) Mackenzie, Dept. 55]
)
) **RESERVATION ID. 182133148224**
)
) **DECLARATION OF AARON A. BARTZ**
) **IN SUPPORT OF MOTION TO**
) **APPROVE PAGA SETTLEMENT**
)
)
)
) Date: January 14, 2025
) Time: 8:30 a.m.
) Dept.: 55

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1 f. Enhancement Fee/Wage Release Fee to Plaintiff: \$5,000.

2 7. The Agreement covers the following “Settlement Members”: All persons
3 employed by Defendant as non-exempt employees in California during the PAGA Period. Based
4 upon Defendant’s records, there are 888 aggrieved employees between March 30, 2022 and
5 September 5, 2024.

6 8. As part of the settlement, the aggrieved employees release only penalties
7 recoverable under PAGA, and do not release any of their underlying wage claims. Along with a
8 check for penalties, the Settlement Administrator will send each Aggrieved Employee a Notice
9 describing the nature of the asserted claims, the released claims, and the fact that the Settlement
10 does not preclude the Aggrieved Employee from pursuing an individual claim for wages against
11 the Defendant.

12 **Background of Case**

13 9. This case arises out of alleged wage and hour violations committed by Defendant
14 against their non-exempt employees in California. Prior to pursuing this case, I spoke at length
15 with Plaintiff regarding the wage violations and potential claims that could be brought against
16 Defendant. I also reviewed payroll and other personnel records of Plaintiff. On March 30, 2023,
17 Plaintiff filed and served her PAGA letter on the Labor and Workforce Development Agency
18 (LWDA) and Defendant. A true and correct copy of Plaintiff’s PAGA letter is attached as
19 **Exhibit 2**. Plaintiff filed a Complaint on June 7, 2023, on behalf of herself and other aggrieved
20 employees for Civil Penalties under PAGA based on Defendant’s wage and hour violations,
21 including failure to pay all wages, meal period and rest break violations, and other wage
22 violations. Attached as **Exhibit 3** is a true and correct copy of Plaintiff’s PAGA Complaint filed
23 in this action.

24 10. After filing this action, Plaintiff propounded initial representative discovery, and
25 Defendant responded substantively to that discovery. During the meet and confer efforts
26 regarding those discovery responses, the parties discussed a possible informal resolution to the
27 case. Defendant informally produced a representative sampling of time and payroll records for
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1 aggrieved employees, Defendant's employment policies in effect during the PAGA period, and
2 related employment information for aggrieved employees. After receiving those records, I
3 thoroughly reviewed them to bolster Plaintiff's claims in the case.

4 11. The parties agreed to attend mediation before Michael D. Young, and thereafter
5 attended Mediation on September 5, 2024. Prior to the Mediation, Plaintiff retained EconOne as
6 a damages expert to develop a damages analysis prior to the Mediation. After a full day
7 Mediation, the parties were able to arrive at a fair settlement. Plaintiff did not settle this case
8 until she had conducted sufficient investigation into the claims, and thoroughly reviewed
9 Defendants' employment policies and pay records. At all times, the negotiations were non-
10 collusive, and involved considerable disputes over payment terms. I believe that this is a good
11 settlement of the PAGA claims, which will not affect any aggrieved employee's right to pursue
12 underlying Labor Code violations against Defendants if he or she chooses to do so.

13 **Plaintiffs' Counsel Is Very Experienced In Representative And Class Actions**

14 12. I am experienced class action and representative action counsel, including
15 specializing in wage and hour and employment claims. Some of the class action litigation on
16 which I have served as Class Counsel include:

- 17 a. *Wilkins, et al. v. Equinox Holdings, Inc.*
18 Los Angeles Superior Court, No.: BC440058
- 19 b. *TBC Retail Group Wage and Hour Cases*
20 Los Angeles Superior Court, No.: JCCP No. 4701
- 21 c. *Casserly v. Randstad US, L.P., et al.*
22 U.S.D.C., Central District of California, No. SACV 12-1023-DOC(ANx)
- 23 d. *Crilly v. Micro Electronics, Inc.*
24 Orange County Superior Court, No.: 30-2013-00662586-CU-OE-CXC
- 25 e. *Concho, et al. v. Pipeline Carriers, Inc. et al.*
26 Orange County Superior Court, No.: 30:2013-00649600-DU-OE-CXC
- 27 f. *Holsted et al. v. R.J. Noble Company et. al.*

- 1 Orange County Superior Court, No.:30:2010-00379770-CU-OE-CXC
- 2 g. *Piggue v. Chief Protective Services, Inc.*
- 3 Orange County Superior Court, No.:30-2013-00688107-CU-OE-CXC
- 4 h. *Walsh v. Pacific Bell Telephone Company*
- 5 Orange County Superior Court, No.:30-2011-00498062-CU-OE-CXC
- 6 i. *Woods v. JFK Memorial Hospital*
- 7 Riverside County Superior Court, No.: INC 1205209
- 8 j. *Ramirez et. al v. Titan Insurance of New Mexico*
- 9 Riverside County Superior Court, No.: RIC1211890
- 10 k. *DeSantos v. Jaco Oil Company, et al.*
- 11 U.S.D.C. Eastern District of California, No. 1:14-CV-00738-JLT
- 12 l. *Duran v. Big 5 Corp.*
- 13 Los Angeles Superior Court, Case No. BC557154
- 14 m. *Sheahan v. Celtic Leasing Corporation, Inc.*
- 15 Orange County Superior Court No.: 30-2016-00852151-CU-OE-CXC
- 16 n. *Panasis v. Control4 Corporation*
- 17 United States District Court, Central District of California
- 18 Case No. SACV-16-1179-DOC
- 19 o. *O&R Construction, LLC v. Dun & Bradstreet, et al.*
- 20 United States District Court, Western District of Washington
- 21 Case No. C12-2184 TSZ
- 22 p. *Matthews v. Whelan Security of California, Inc.*
- 23 Orange County Superior Court, No.: 30-2016-00833250-CU-OE-CXC
- 24 q. *Rodriguez v. R.J. Noble Company (Navarro/Kles)*
- 25 Orange County Superior Court, No.: 30-2017-00916018-CU-OE-CXC
- 26 r. *Wang v. Fountain Valley Regional Hospital and Medical Center*
- 27 Orange County Superior Court, No. 30-2015-00821329-CU-OE-CXC
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1 s. *Skerl v. Sutter Bay Hospitals*

2 San Mateo Superior Court, No. 21-CV-02057

3 13. I graduated from Vanderbilt University in 1992 with a Bachelor of Arts in
4 Economics and English, and graduated from Southwestern Law School in 1998. Since becoming
5 a lawyer in 1998, my practice has focused on complex litigation matters, and for more than a
6 decade, complex employment law and wage and hour matters.

7 14. I am a member of the California State Bar, the Orange County Bar Association,
8 Los Angeles County Bar Association, and the California Employment Lawyers Association. I
9 have an AV rating from Martindale-Hubbell, the highest possible rating for a lawyer. During my
10 25-year career, I have handled many successful employment law matters both at the trial and
11 appellate levels. I estimate that I have represented plaintiffs in hundreds of different
12 employment cases, the vast majority of which have resulted in favorable settlements, awards
13 and/or verdicts for my clients. I have successfully prosecuted and obtained significant recoveries
14 in several class action lawsuits and other lawsuits involving complex legal and factual issues. In
15 2015, I was co-lead counsel in *Walsh v. Pacific Bell*, which settled for \$16,800,000. Recently, in
16 the *Skerl v. Sutter Bay Hospitals* case above, the parties settled for \$12,000,000. I have also been
17 involved in many other million and multi-million dollar verdicts and settlements over the years.

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

23 16. Also assisting Mr. Phillips and I in this case was our paralegal Nestor Mejia. Mr.
24 Mejia has an AA from West Los Angeles College in Business Administration, and has many
25 years of experience working on employment and wage and hour matters, including PAGA and
26 complex class actions, for my firm and others within California.

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1 \$868,500.¹ Because of the difficulty of proving off-the-clock claims with objective evidence,
2 and the fact that Plaintiff was unable to verify such off-the-clock claims on a representative
3 basis, Plaintiff believes she had a 10% chance of success on the unpaid wage theory.
4 Nevertheless, Labor Code section 2699(e)(2) also gives a trial court broad discretion to reduce
5 PAGA penalties: “[A] court may award a lesser amount than the maximum civil penalty amount
6 specified by this part if, based on the facts and circumstances of the particular case, to do
7 otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory.”
8 Case law supports a trial court’s discretion in downgrading penalties based on these factors. *See*
9 *Thurman v. Bayshore Transit Management, Inc.*, 203 Cal.App.4th 1112, 1135-1136 (2012) (no
10 abuse of discretion by reducing penalty by 30 percent). Thus, Plaintiff believes that the real
11 value of the unpaid wage penalties is approximately **\$60,795**. ($\$868,500 \times .1$ [chances of
12 success] $\times .7$ [court discretion] = \$60,795).

13 b. Meal period violations

14 Plaintiff contends that Defendant failed to provide Plaintiff and other aggrieved
15 employees thirty-minute duty-free meal periods for every five hours of work as is required by
16 Labor Code § 512, the applicable wage orders, and in violation of *Brinker Restaurant Corp. v.*
17 *Superior Court*, 53 Cal.4th 1004 (2012). In *Brinker*, the California Supreme Court held that
18 “under ... Labor Code § 512, subdivision (a), an employer must relieve the employee of all duty
19 for the designated period.” *Id.* at 1034.

20 Plaintiff alleges that meal periods were short, late and missed because of the work
21 demands on Plaintiff and other aggrieved employees, whereby Plaintiff alleges that Defendant’s
22 stores were understaffed, such that Plaintiff and other aggrieved employees were unable to take
23 their meal periods timely, and they were uninterrupted with work inquires because of the staffing

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25 ¹ Plaintiff calculates only the first penalty amount, because the subsequent penalty amounts do
26 not apply because there is no evidence that Defendant has been the subject of any prior violations
27 of the Labor Code by the Labor Commissioner. *See Amaral v. Cintas Corp. No. 2*, 163
28 Cal.App.4th 1157, 1208-1209 (2008) (“Until the employer has been notified that it is violating a
Labor Code provision. . . , the employer cannot be presumed to be aware that its continuing
underpayment of employees is a ‘violation’ subject to penalties”).

1 issues. After extensively analyzing the meal period violations, Plaintiff found that for the most
2 part, Defendant was in substantial compliance with California's meal period laws in terms of
3 timing, pursuant to *Donohue v. AMN Services, LLC*, 11 Cal.5th 58 (2021). As such, Plaintiff
4 does not value that part of the meal period claim highly.

5 Defendant contends that it permits all aggrieved employees more than 30-minute meal
6 periods, and whenever meal periods were late, short or missed, Defendant paid meal period
7 premiums. Defendant further argues that individual issues will predominate because of the
8 various scenarios affecting different classes of employees working for Defendant. As such,
9 Defendant claims that PAGA claims must meet a manageability requirement. *See Wesson v.*
10 *Staples The Office Superstore, LLC*, 68 Cal.App.5th 746 (2021) (holding that courts have inherent
11 authority to ensure the manageability of PAGA claims).

12 The maximum potential PAGA penalties recoverable for meal period violation are
13 \$780,543 as calculated by Plaintiff's expert, who analyzed the meal period time data, and found
14 2,741 pay periods with violations pursuant to *Donohue*. Based on the various issues raised
15 above regarding proving meal period violations, Plaintiff believes that she has a 10% chance of
16 proving all of those penalties. Thus, Plaintiff believes that the real value of the meal period
17 penalties is **\$54,638**. ($\$780,543 \times .1$ [chances of success] $\times .7$ [court discretion] = \$54,638).

18 c. Rest period claims

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

26 Section 12(B) of the IWC Wage Order(s) states: "If an employer fails to provide an
27 employee a rest period in accordance with the applicable provisions of this order, the employer
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1 shall pay the employee one (1) hour of pay at the employee's regular rate of compensation for
2 each workday that the rest period is not provided."

3 Under *Brinker, supra*, the California Supreme Court found that employers have a "duty
4 to make a good faith effort to authorize and permit rest breaks in the middle of each work period.
5 ..." *Brinker, supra*, 53 Cal.4th at 1031. Plaintiff alleges that rest periods were not authorized or
6 permitted because Plaintiff and other aggrieved employees were unable to take duty-free rest
7 periods based on the staffing issues identified above, and in any event, when they took their meal
8 periods, they were always interrupted.

9 Defendant contends that it complied with California's rest period requirements, and
10 produced a rest period policy that facially complies with California law.

11 Plaintiff calculates total penalties on the rest period claim of \$868,500. Given that PAGA
12 allows penalties of \$50 per pay period, the amount is calculated as follows: 17,370 [total number
13 of pay periods] x \$50 [pay period penalty amount] = \$868,500. Given Defendant's facially
14 valid rest period policy, and potential individual issues relating to proving rest break violations,
15 Plaintiff believes she had a 10% chance of recovering all of the above penalties on the rest period
16 claim, in the absence of other mitigating factors. Given that a court has discretion regarding the
17 amount of penalties to be assessed, Plaintiff therefore believes the real exposure of PAGA
18 penalties on the rest period claim is approximately **\$60,795**. ($\$868,500 \times .1$ [chances of success]
19 $\times .7$ [court discretion] = \$60,795).

20 d. Failure to pay all wages on termination

21 Plaintiff further alleges that pursuant to Labor Code §203, aggrieved employees terminated
22 from Defendant's employment are entitled to a penalty pursuant to Labor Code §256, because
23 Defendant did not pay them all wages due upon separation. Such a claim is derivative, and for the
24 same reasons as stated above, Defendant contends no wages are due, and thus no penalties owed
25 under PAGA. Defendant further argues that its failure to pay wages upon separation was not
26 "willful," in that the law is uncertain as to claims asserted in this case or whether the failure to pay is
27 due to a good faith dispute. See *Barnhill v. Robert Saunders & Co.*, 125 Cal.App.3d 1, 8 (1981)
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(employer's failure to pay is not willful if its failure is due to uncertainty in the law); *Road Sprinkler Fitters Local Union No. 669 v. G & G Fire Sprinklers, Inc.*, 102 Cal.App.4th 765, 782 (2002) (willfulness not met if defendant's failure to pay a result of a "good faith mistaken belief that wages are not owed"). Defendant further argues that Labor Code § 256 only applies to seasonal laborers and therefore is inapposite to the aggrieved employees in this case. *See Culley v. Lincare, Inc.*, 236 F.Supp.3d 1184 (E.D. Cal. 2017).

Plaintiff calculates PAGA penalties on this claim of \$65,800. This was calculated by multiplying 658 [former employees] by \$100 [waiting time penalty]. Based on the heightened willfulness standard, Plaintiff estimates that the real exposure of this claim is 10% of those total penalties. Moreover, Plaintiff applies the same discounts as set forth above in the above analysis as to the court's discretion to reduce penalties. As such, Plaintiff believes the real exposure on this claim to be **\$4,606**. ($\$65,800 \times .1$ [chances of success] $\times .70$ [court discretion] = \$4,606).

e. Improper pay stubs

Plaintiff further alleges that Defendant failed to provide proper pay statements that complied with Labor Code § 226.

Plaintiff alleges similar theories of liability as above with respect to the paystub claim, i.e. that the wage statements are defective because they do not reflect all wages owed, and fail to show premium payments for missed meal and rest periods. *See Naranjo v. Spectrum Security Servs., Inc.*, 13 Cal.5th 93 (2022). Plaintiff further alleges that to obtain PAGA penalties for pay stub violations, a plaintiff need not satisfy the "injury" or "knowing and intentional" requirements of Labor Code section 226(e)(1). *See Raines v. Coastal Pacific Food Distributors, Inc.*, 23 Cal.App.5th 667 (2018).

On the other hand, Defendant argues derivative violations of Labor Code § 226 do not give rise to pay stub violations upon which PAGA penalties arise. *See Maldonado v. Epsilon Plastics, Inc.*, 22 Cal.App.5th 1308 (2018); *see also Culley v. Lincare Inc.*, 236 F.Supp.3d 1184, 1195-1196 (E.D. Cal. 2017). Defendant further argues that any such violations were inadvertent,

1 and therefore not actionable. *See Heritage Residential Care, Inc. v. Division of Labor Standards*
2 *Enforcement*, 192 Cal.App.4th 75 (2011).

3 Plaintiff calculates pay stub penalties to be approximately \$1,737,000. Given that PAGA
4 allows penalties of \$100 per pay period, the amount is calculated as follows: 17,370 [number of
5 total pay periods] x \$100 [pay period penalty amount] = \$1,737,000. Plaintiff believes she had a
6 10% chance of recovering all of the potentially recoverable civil penalties. Moreover, Plaintiff
7 applies the same discounts as set forth above in the analysis as to the court's discretion to reduce
8 penalties. As such, Plaintiff believes the real exposure on this claim to be **\$121,590**.
9 (\$1,737,000 x .1 [chances of success] x .7 [court discretion] = \$121,590).

10 f. Total exposure to PAGA penalties

11 Based upon the alleged Labor Code violations, Plaintiff's believe the total actual PAGA
12 exposure is approximately \$297,818. Based on a settlement value of \$173,700, this amounts to
13 approximately 58% of the total exposure to PAGA penalties. Plaintiff believes this to be a good
14 result, given that Defendant has valid defenses to Plaintiff's claims, and there is a substantial
15 question as to whether a trial court will even award cumulative penalties sought by Plaintiff for
16 alleged multiple Labor Code violations because there is no established precedent for such an
17 award.²

18 **Plaintiff's Enhancement Award and Wage Release Award**

19 18. Because this is a PAGA action, typically the only claims that are released are
20 those for the penalties that would otherwise be recoverable by the LWDA. Plaintiff, however, as
21 the named plaintiff in this action, will also be releasing her wage claims as a part of the
22 settlement. To release her wage claims, and as an enhancement award for acting as the named
23 representative in this case, Plaintiff seeks a recovery of \$5,000. I believe this amount is fair and
24 reasonable given the violations incurred in this case, and to compensate Plaintiff for working

25 _____
26 ² While there are cases allowing for the "stacking" of penalties when it comes to evaluating the
27 "amount in controversy" where a case has been removed to federal court (*see Schiller v. David's*
28 *Bridal, Inc.*, 2010 WL 2793650 (E.D. Cal. July 14, 2010), it appears to be an open question
whether such "stacked" penalties may be awarded when they potentially overlap and "double
count" remedies for similar violations.

1 with counsel to achieve the result for the State of California and the aggrieved employees in this
2 case. Without Plaintiff's assistance and dedication to this case, this settlement would not have
3 been possible.

4 **Attorneys' Fees and Costs**

5 19. To date, my firm Bartz Law Group, APC has spent approximately 76 hours on
6 this action and has incurred approximately \$57,812 in fees. The fees incurred were reasonable
7 and necessary in order to prosecute this case. My billing rate of \$850 per hour, Mr. Phillips' rate
8 of \$650 per hour, and our co-counsel's billing rate of \$725 an hour are in line with other firms
9 billing rates for similar work, and generally, lower based on our collective experience and results
10 achieved in other cases. In connection with this PAGA settlement, Plaintiffs' counsel requests
11 attorneys' fees of \$57,900, or one-third of the gross settlement amount. This amount is less than
12 PAGA counsel's lodestar of over \$66,295, which includes fees incurred in this matter by our co-
13 counsel at United Employees Law Group, and I believe that pursuant to *Laffitte v. Robert Half*
14 *Int'l, Inc.*, 1 Cal.5th 480 (2016), such a recovery is fair and reasonable in this case, given the
15 work expended and the results achieved in this case. Bartz Law Group APC has also incurred
16 \$16,000 in out of pocket costs, all of which were reasonable and necessary in prosecuting this
17 action. Attached as **Exhibit 4** is a true and correct copy of the attorneys' fees to date incurred to
18 prosecute this action. Attached as **Exhibit 5** is a true and correct copy of the litigation expenses
19 incurred in this action.

20 20. Plaintiffs' counsel has also retained Xpand Legal Consulting, LLC to administer
21 the settlement in this case. The Settlement Administrator will provide aggrieved employees a
22 notice, along with a check for their penalties, of the nature of the claims and release at issue in
23 this case. The Settlement Administrator provided a not to exceed bid for \$6,500 to administer
24 the settlement. The Settlement Administrator's bid is attached hereto as **Exhibit 6**.

25 21. I am aware of no actual or potential conflicts of interest between Plaintiffs'
26 counsel or any of the aggrieved employees in this case and/or the settlement administrator.
27 Moreover, I am not aware of any other pending matters or actions that assert similar claims as
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1 the ones asserted herein, that will be extinguished or adversely affected by this PAGA
2 settlement.

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

6
7 I declare under penalty of perjury under the laws of the State of California that the
8 foregoing is true and correct. Executed on October 22, 2024, at Irvine, California.

9 //Aaron A. Bartz//
10 Aaron A. Bartz
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EXHIBIT 1

PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiff Shareeka Norris (“Plaintiff”) and Defendant CG Hospitality Group, Inc. (“Defendant”). The Agreement refers to Plaintiff and Defendant collectively as “Parties,” or individually as “Party.”

1. **DEFINITIONS.**

- 1.1. “Action” means the Plaintiff’s PAGA lawsuit alleging wage and hour violations against Defendant, captioned *Shareeka Norris v. CG Hospitality Group, Inc.*, initiated on June 7, 2023 in the Los Angeles Superior Court as Case No. 23STCV12946.
- 1.2. “Administrator” means Xpand Legal Consulting, LLC (“Xpand Legal”), the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with approval of this Settlement.
- 1.4. “Aggrieved Employee” means a person employed by Defendant in California and classified as a non-exempt employee who worked for Defendant during the PAGA Period.
- 1.5. “Aggrieved Employee Data” means Aggrieved Employee identifying information in Defendant’s possession including the Aggrieved Employee’s name, last-known mailing address, Social Security number, and number of PAGA Pay Periods.
- 1.6. “Aggrieved Employee Representative” means Plaintiff Shareeka Norris.
- 1.7. “Aggrieved Employee Address Search” means the Administrator’s investigation and search for current Aggrieved Employee mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Aggrieved Employees.
- 1.8. “Court” means the Superior Court of California, County of Los Angeles.
- 1.9. “Defense Counsel” means Roxborough, Pomerance, Nye & Adreani LLP.
- 1.10. “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Approving the PAGA Settlement and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) the day the Court enters Judgment.

- 1.11. “Gross Settlement Amount” means \$173,700.00 which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 8 below. The Gross Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administrator’s Expenses Payment.
- 1.12. “Individual PAGA Payment” means the Aggrieved Employees’ pro rata share of 25% of the PAGA Penalties calculated according to the number of Pay Periods each Aggrieved Employee worked during the PAGA Period.
- 1.13. “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.14. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).
- 1.15. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).
- 1.16. “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, Aggrieved Employee Representative award payment, and the Administration Expenses Payment. The remainder is to be paid to Aggrieved Employees as Individual PAGA Payments.
- 1.17. “PAGA Counsel” means Bartz Law Group APC and United Employees Law Group PC, the attorneys representing the Plaintiff in the Action.
- 1.18. “PAGA Counsel Fees Payment” and “PAGA Counsel Litigation Expenses Payment” mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.19. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.
- 1.20. “PAGA Period” means the period from March 30, 2022 to the Effective Date.
- 1.21. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).
- 1.22. “PAGA Notice” means Plaintiff’s March 30, 2023 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).
- 1.23. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees and the 75% to LWDA in settlement of PAGA claims.

- 1.24. “Plaintiff” means Shareeka Norris, the named plaintiff in the Action.
- 1.25. “Approval Order” means the proposed Court Order Granting Approval of PAGA Settlement.
- 1.26. “Released PAGA Claims” means the claims being released by the Plaintiff and PAGA Counsel and as described in Paragraph 5 below.
- 1.27. “Released Parties” means: Defendant and each of its former and present directors, officers, shareholders, owners, employees, attorneys, insurers, predecessors, successors, and assigns.
- 1.28. “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.
- 1.29. “Defendant” means CG Hospitality Group, Inc.

2. RECITALS.

- 2.1. On June 7, 2023, Plaintiff commenced this Action by filing a Complaint alleging causes of action against Defendant for Civil Penalties Under the Private Attorneys General Act. The Complaint is the operative complaint in the Action (the “Operative Complaint”). Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in the Operative Complaint and denies any and all liability for the causes of action alleged.
- 2.2. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.
- 2.3. After filing the Operative Complaint, the Parties engaged in settlement discussions in an attempt to resolve the Action, and attended Mediation on September 5, 2024 before Michael D. Young, Esq. Among other things, prior to attending Mediation, Defendant produced time and payroll records for a representative sampling of Aggrieved Employees, as well as employment policy documents in order to allow Plaintiff to fully evaluate the claims in this Action. PAGA Counsel utilized a qualified expert to assist in the review and analysis of possible penalties. PAGA Counsel also considered Defendant’s production of documents concerning Defendant’s policies and procedures, and voluntary implementation of corrective actions on any claimed and disputed violations.
- 2.4. After a full day of Mediation, the Parties were able to reach an agreement in principle.
- 2.5. The Parties, PAGA Counsel and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

3. MONETARY TERMS.

- 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendant promises to pay \$173,700.00 and no more as the Gross Settlement Amount. Defendant has no obligation to pay the Gross Settlement Amount prior to the deadlines stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.
- 3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval:
 - 3.2.1. To PAGA Counsel: A PAGA Counsel Fees Payment of one-third (33.33%), which is \$57,900.00, and PAGA Counsel Litigation Expenses Payment of not more than \$16,000. Defendant will not oppose requests for Court approval of these payments provided that they do not exceed these amounts. If the Court approves a PAGA Counsel Fees Payment and/or a PAGA Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to PAGA Counsel or any other Plaintiff's Counsel arising from any claim to any portion of any PAGA Counsel Fees Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Expenses Payment using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment and holds Released Parties harmless, and indemnifies Released Parties, from any dispute or controversy regarding any division or sharing of any of these Payments.
 - 3.2.2. To the Administrator: An Administrator Expenses Payment not to exceed \$7,500 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$7,500, the Administrator will retain the remainder to the Net Settlement Amount.
 - 3.2.3. To the Aggrieved Employee Representative: An amount awarded to Plaintiff, which will not exceed \$5,000.00. This payment shall be paid from the Gross Settlement Amount and will not be opposed by Defendant. If the Court awards less than the amount requested, any amount not awarded will become part of Net Settlement Amount for distribution to participating Aggrieved Employees.
 - 3.2.3. To the LWDA and Aggrieved Employees: PAGA Penalties, currently estimated to be in the amount of \$87,300 to be paid from the Gross Settlement Amount, with 75% allocated to the LWDA PAGA Payment and 25% allocated to the Individual PAGA Payments.

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

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

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendant estimates there are 888 Aggrieved Employees who worked a total 17,370 of PAGA Pay Periods.

4.2. Aggrieved Employee Data. Within 15 days of the execution of this Agreement, Defendant will simultaneously deliver the Aggrieved Employee Data to the Administrator in the form of a Microsoft Excel spreadsheet. To protect Aggrieved Employee privacy rights, the Administrator must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data only for purposes of this Settlement and for no other purpose, and restrict access to the Aggrieved Employee Data to Administrator employees who need access to the Aggrieved Employee Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify PAGA Counsel if they discover that the Aggrieved Employee Data omitted employee identifying information and to provide corrected or updated Aggrieved Employee Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Aggrieved Employee Data.

4.3. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount by transmitting the funds to the Administrator within 10 days of the Effective Date.

4.4. Payments from the Gross Settlement Amount. Within 10 days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for the Individual PAGA Payments, the LWDA PAGA Payment, the PAGA Counsel Fees Payment, the PAGA Counsel Litigation Expenses Payment, the Aggrieved Employee Representative Award Payment, and the Administration Expenses Payment.

4.4.1. The Administrator will issue checks for the Individual PAGA Payments and send

them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

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

4.4.3. For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall re-distribute those funds represented by such checks to Aggrieved Employees who have cashed their checks, on a pro rata basis.

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

5. RELEASES OF CLAIMS. Effective on the date when Defendant fully funds the entire Gross Settlement Amount, Plaintiff and PAGA Counsel will release claims against all Released Parties as follows:

5.1 Plaintiff's Release. Plaintiff fully releases and forever discharges Defendant and the Released Parties from any and all claims, causes of action, damages, wages benefits, expenses, penalties, debts, liabilities, demands, obligations, attorney's fees, costs, and any other form of relief or remedy in law, equity, or whatever kind or nature, whether known or unknown, suspected or unsuspected that arise from or are related to Plaintiff's employment by Defendant or the Action, including but not limited to: (1) the Action and any claims arising out of or related to the Action; (2) any claims under federal, state or local law for or relating to wages, benefits, compensation, vacation or other paid time off, and claims for liquidated damages, penalties, or costs and fees associated therewith, including under the California Labor Code; (3) wrongful termination, discrimination, harassment, and/or retaliation, including under the California Fair Employment and Housing Act, Title VII of the Civil Rights Act of 1964, the Family Medical Leave Act, the California Family rights Act, the Americans with Disabilities Act, the Equal Pay Act, the California Labor Code, the California Government Code, (4) any act, omission, or occurrence or claim arising out of or

related to the Action or Plaintiff's employment or termination thereof with Defendant taking place on or before the Effective Date; and (5) any other form of relief or remedy of any kind, nature, or description whatsoever, whether premised on statute, contract, tort, or other theory of liability under state, federal, or local law. Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the PAGA Period. Plaintiff acknowledges that Plaintiff 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 agree, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

5.1.1 Plaintiff's Waiver of Rights Under California Civil Code Section 1542. For purposes of Plaintiff's Release, Plaintiff 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.

5.2 Release by Aggrieved Employees:

All Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all claims for civil penalties under PAGA that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and the PAGA Notice, during the PAGA Period.

5.3 Release by PAGA Counsel:

PAGA Counsel release on behalf of their present and former attorneys, employees, agents, successors and assigns the Released Parties from all claims for PAGA Fees incurred in connection with the Operative Complaint and the facts stated in the Operative Complaint and the PAGA Notice during the PAGA Period.

6. MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT. The Parties agree to jointly prepare and file an application or motion for approval of this Settlement.

6.1 Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this Settlement under Labor Code Section 2699, subd. (f)(2)) including (i) a draft proposed Order Granting Approval of PAGA Settlement; (ii) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Aggrieved

Employee Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Aggrieved Employees or the LWDA; and the nature and extent of any financial relationship with Plaintiff, PAGA Counsel or Defense Counsel; (iii) a signed declaration from PAGA Counsel firm attesting to its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); (iv) and all facts relevant to any actual or potential conflict of interest with Aggrieved Employees and/or the Administrator. In their Declarations, PAGA Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

- 6.2 Responsibilities of PAGA Counsel. PAGA Counsel with Defense Counsel's cooperation is responsible for expeditiously finalizing and filing the application or motion for approval of this Settlement no later than 30 days after the full execution of this Agreement and, if necessary, obtaining a prompt hearing date for the motion and appearing in Court to advocate in favor of the motion. PAGA Counsel is responsible for delivering the Court's Approval Order to the Administrator.
- 6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed application or motion for approval of this Settlement and/or the supporting declarations and documents, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant the motion for approval of this Settlement or conditions its approval on any material change to this Agreement, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

- 7.1 Selection of Administrator. The Parties have jointly selected Xpand Legal to serve as the Administrator and verified that, as a condition of appointment, Xpand Legal agrees to be bound by this Agreement and to perform, as a fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.
- 7.2 Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports to state and federal tax authorities.
- 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.

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

8. AGGRIEVED EMPLOYEE SIZE ESTIMATES

8.1. Based on its records, Defendant estimates that, as of the date of this Settlement Agreement, there are 888 Aggrieved Employees who worked 17,370 Pay Periods through September 5, 2024. In the event that the actual PAGA Pay Periods are more than 10% greater than the number of represented PAGA Pay Periods (i.e. if there are more than 19,107 PAGA Pay Periods) as of the Effective Date, the Gross Settlement Amount shall increase in proportion to the increase in PAGA Pay Periods (i.e. if the number of PAGA Pay Periods is 12% greater than 17,370, the Gross Settlement Amount shall increase by 2%).

9. **CONTINUING JURISDICTION OF THE COURT**. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

9.1 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment, the Parties, and their respective counsel waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If another party appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

10. ADDITIONAL PROVISIONS.

10.1 No Admission of Liability or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree that representative treatment is for purposes of this Settlement only. If, for any reason the Court does not approve this Settlement, Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to contest the Defendant's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and

will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

- 10.2 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 of all PAGA Claims alleged in the Action, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 10.3 Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 10.4 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 10.5 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.
- 10.6 No Tax Advice. Neither Plaintiff, PAGA Counsel, Defendant, 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.
- 10.7 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.
- 10.8 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 10.9 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the state of California, without regard to conflict of law principles.

- 10.10 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 10.11 Confidentiality. To the extent permitted by law, all agreements made, and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 10.12 Use and Return of Aggrieved Employee Data. Information provided to PAGA Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the PAGA Data provided to PAGA Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the Administrator discharges its obligation to pay out of all Settlement funds, Plaintiff shall destroy all paper and electronic versions of Aggrieved Employee Data received from Defendant unless, prior to the Administrator's payment of all Settlement Funds, Defendant makes a written request to PAGA Counsel for the return, rather than the destruction, of Aggrieved Employee Data.
- 10.13 Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 10.14 Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 10.15 Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:

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

To Defendant:

Roxborough, Pomerance, Nye & Adreani LLP
5900 Canoga Avenue, Suite 450
Woodland Hills, CA 91367
Attn: Gary A. Nye
gan@rpnalaw.com

10.16 Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

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

Dated: 10/03/2024, 2024

DocuSigned by:
SHAREEKA NORRIS
B3989CE4DF51470...
Shareeka Norris, Plaintiff

Defendant:

CG Hospitality Group, Inc.

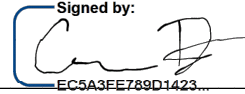
Dated: October 14, 2024

DocuSigned by:
Behzad Cohan
E8DFB2AB5ABA498...
By: Behzad Cohan
Title: President

Approved as to form:

Dated: October 3, 2024

BARTZ LAW GROUP, APC

Signed by:

EC5A3FE789D1423...

Aaron Bartz, Attorneys for Plaintiff
Shareeka Norris

Dated: October 14, 2024

ROXBOROUGH, POMERANCE, NYE
& ADREANI LLP

Signed by:

B0456025BEFA401...

Gary A. Nye
Attorneys for Defendant
CG Hospitality Group, Inc.

EXHIBIT 2

BARTZ LAW GROUP, APC

5151 California Ave., Suite 100

Irvine, California 92617

(949) 504-4413

aaron@bartzlawgroup.com

March 30, 2023

Notice Via Online Submission

PAGA Administrator
California Labor and Workforce Development Agency

Via Certified Mail (Return Receipt Requested)

CG Hospitality Group, Inc.
c/o California Corporate Agents, Inc.
Agent for Service of Process
2108 N St, Suite C
Sacramento, CA 95816

Re: *Shareeka Norris v CG Hospitality Group, Inc.*

Dear PAGA Administrator:

Please be advised that the law firms of Bartz Law Group, APC and United Employees Law Group represent Shareeka Norris, and all other similarly situated aggrieved employees ("Plaintiffs") with respect to their employment with CG Hospitality Group, Inc. ("Employer").

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

Employer owns and operates restaurants in California. Plaintiff Norris was employed as a non-exempt employee by Employer until February 2022. Plaintiffs have worked for Employer in California within the last year, and were subject to the same wage and hour violations as Plaintiff Norris.

A. Failure to Pay All Wages

Employer has regularly failed to pay Plaintiff Norris and all other aggrieved employees all wages that they are owed, including minimum wages and overtime compensation, based upon Employer's policy and practice of not paying for all hours worked. For example, Plaintiffs would be required to perform off the clock work without compensation, including closing down the store, ensuring money earned by Employer's restaurants was put into the safe, and other functions. Plaintiffs also received company texts and phone calls on their personal cell phones after hours, and

were expected to and did respond to such texts and phone calls to address company business. Employer's failure to pay all minimum wages and overtime compensation violates Labor Code §§ 510 and 1194.

Labor Code § 204(a) provides in pertinent part that "[a]ll wages, other than those mentioned in [Labor Code] Section 201, 201.3, 202, 204.1, or 204.2, earned by any person in any employment are due and payable twice during each calendar month, on days designated in advance by the employer as the regular paydays. Labor performed between the 1st and 15th days, inclusive, of any calendar month shall be paid for between the 16th and the 26th day of the month during which the labor was performed, and labor performed between the 16th and the last day, inclusive, of any calendar month, shall be paid for between the 1st and 10th day of the following month."

Pursuant to Labor Code § 204(b)(1), moreover, "all wages earned for labor in excess of the normal work period shall be paid no later than the payday for the next regular payroll period." Here, Employer did not pay Plaintiffs all wages owed in a timely manner, based on the allegations above, thereby violating Labor Code § 204.

B. Meal Breaks

Employer has adopted, implemented and enforced uniform meal period policies that are not lawful under California law. Employer is required to provide a first meal period no later than the end of the 5th hour of work, and a second meal period no later than the end of the 10th hour of work. Plaintiffs are required to continue working through their meal periods, even when Employer coerces Plaintiffs to clock out, without getting paid. Moreover, Plaintiffs' meal periods often were late, missed, or short, because Plaintiffs were required to attend to their work duties, and Employer did not have sufficient staffing to allow Plaintiffs to take their meal periods duty-free. Plaintiffs frequently have to work through their meal periods, and even when getting their meal periods, Plaintiffs are often interrupted and/or otherwise meal periods are taken while Plaintiffs are still attending to work activities, and as such, the meal periods are not duty-free.

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

C. Rest Breaks

Employer failed to adopt, implement, or enforce a rest break policy that complied with California law. Plaintiff Norris and all other aggrieved employees were either not authorized or permitted to take their rest breaks. By the nature of Plaintiff Norris' and other aggrieved employees' job duties, moreover, Plaintiffs were always on call during their shifts, and not allowed to take their rest periods, and could not leave the premises to take their rest periods. Employer also coerced Plaintiffs not to take legally mandated rest periods by criticizing, disciplining and/or reprimanding employees who attempted to take legally mandated rest periods; failing to schedule rest periods; and constantly pressuring Plaintiffs to remain available during their shifts. As such, Employer failed to authorize and permit Plaintiffs to take duty-free rest periods of 10 minutes for every four hours worked or major fraction thereof, failed to provide a second duty-free rest period of 10 minutes for shifts between 6-10 hours, and so on. As a result of Employer's lack of a rest break policy that complies with California law, Employer has violated Labor Code section 226.7.

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

D. Failure to Reimburse Expenses

Employer also failed to reimburse Plaintiffs for all of their necessary and reasonable expenses incurred on behalf of the Employer. For example and without limitation, Plaintiffs were required to use their personal cell phones for business purposes and to purchase specific clothing and shoes for their employment, but Employer failed and refused to reimburse Plaintiffs for such expenses.

E. Wage Statement Violations

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

F. Waiting Time Penalties

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

CONCLUSION

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

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

Very truly yours,

BARTZ LAW GROUP, APC

/s/ Aaron A. Bartz
Aaron A. Bartz

EXHIBIT 3

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

Attorneys for Plaintiff SHAREEKA NORRIS on behalf of herself and other aggrieved employees

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

SHAREEKA NORRIS, an individual;
on behalf of herself and other aggrieved
employees,

Plaintiffs,

vs.

CG HOSPITALITY GROUP, INC., a
California corporation; and DOES 1
through 100, inclusive,

Defendants.

CASE NO. 23STCV12946

**COMPLAINT FOR CIVIL PENALTIES
UNDER THE PRIVATE ATTORNEYS
GENERAL ACT ("PAGA") [California
Labor Code §§2698, et seq.]**

DEMAND FOR JURY TRIAL

Plaintiff SHAREEKA NORRIS ("Norris") on behalf of herself and other aggrieved employees, (hereinafter collectively "Plaintiffs"), and as private attorneys general, hereby assert representative claims against Defendants CG HOSPITALITY GROUP, INC. ("CG Hospitality"), and DOES 1 through 100 (hereinafter collectively "Defendants"), and hereby complain and allege as follows:

I. INTRODUCTION

1. This lawsuit is directed at Defendants' California state law violations of wage and hour laws -- it is a representative action seeking recovery of civil penalties under the Private Attorneys General Act of 2004 ("PAGA"), California Labor Code ("Labor Code") §§2698, et

1 seq. PAGA permits “aggrieved employees” to bring a lawsuit as a representative action on
2 behalf of themselves and other aggrieved current and former employees to recover civil penalties
3 for Defendants’ violations of the Labor Code, including, but not limited to Labor Code §§201,
4 202, 203, 204, 206, 223, 226, 226.7, 351, 510, 512, 1174, 1194, 1198, 1198.5, 2699, 2802, and
5 all applicable Industrial Welfare Commission (“IWC”) Orders.

6 2. This action is brought as a representative action on behalf of all current and
7 former aggrieved employees who were employed by Defendants in California and who work or
8 worked as non-exempt hourly employees during the applicable time period and who were subject
9 to Defendants’ meal period policy, rest period policy, compensation policy, overtime policy,
10 final payment of wages policy, and related wage and hour policies and/or practices.

11 3. As set forth in detail below, Defendants consistently implemented, maintained
12 and enforced unlawful policies and practices regarding Plaintiffs in violation of California’s
13 wage and hour laws, which led to Defendants’ violations of Labor Code §§ 201-204, 226, 226.7,
14 510, 512, 1174, 1194, 1198, 2698, et seq., 2802, and IWC Wage Orders to Defendants’: (1)
15 failure to pay all wages, including minimum wages, straight time wages, and overtime
16 compensation; (2) failure to provide meal periods; (3) failure to authorize and permit rest periods
17 or provide compensation in lieu thereof; (4) failure to timely pay all wages owed; (5) failure to
18 properly maintain and submit accurate itemized wage statements; (6) failure to reimburse
19 expenses; and (7) waiting time penalties. Such policies and practices, as further described
20 herein, violate the Labor Code, and trigger civil penalties under Labor Code §2699. Therefore,
21 Plaintiffs, on behalf of themselves and all aggrieved employees, bring this representative PAGA
22 action pursuant to the provisions of the Labor Code as referenced herein. Plaintiffs seek
23 recovery of civil penalties, reasonable attorney’s fees and costs, and other relief as deemed
24 proper.

25 4. The acts complained of herein occurred, occur and will occur, at least in part,
26 within the statute of limitations under the PAGA statute, or within the statute of limitations of
27 any other Complaint or other filing which has tolled the claims asserted herein, up to and through
28 the time of trial for this matter.

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6. Defendant CG Hospitality is and has been, at all relevant times herein, a corporation organized and existing under the laws of the State of California.

8. Defendants, and each of them, are now and/or at all times mentioned in this Complaint were the agents, servants and/or employees of some or all other Defendants, and vice-versa, and in doing the things alleged in this Complaint, Defendants are now and/or at all times mentioned in this Complaint were acting within the course and scope of that agency, servitude and/or employment.

10. Each reference in this complaint to “Defendant,” “Defendants,” or a specifically named Defendant refers also to all Defendants sued under fictitious names.

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13. The California Superior Court also has jurisdiction in this matter because both the relief sought herein exceeds the minimal jurisdictional limits of the Superior Court and will be established at trial, according to proof.

15. The California Superior Court also has jurisdiction in this matter because during their employment with Defendants, Plaintiffs herein were all California citizens and Defendants have owned and operated offices within California. Further, there is no federal question at issue, as the issues herein are based solely on California statutes and law.

16. Venue in Los Angeles County is proper in this matter as Defendants' liabilities and obligations arose in Los Angeles County, including Defendants' statutory obligations to pay Plaintiffs wages for all hours worked, overtime wages, straight time wages, minimum wages, timely wages upon termination and/or resignation, provide legally compliant meal and rest periods, maintain and submit accurate wage statements, and other obligations as described herein.

17. Defendants own and operate restaurants serving customers in California. This case arises out of Defendants' failure to comply with California's wage and hour laws.

19. During Plaintiffs' employment, Defendants have failed to pay Plaintiffs and other aggrieved employees the proper amount of straight time and overtime wages. Defendants have violated various sections of the Labor Code, including §§510 and 1194, by failing to provide

1 Plaintiffs overtime compensation for work over 8 hours in a day and/or 40 hours in a week,
2 because, among other things, Defendants required Plaintiffs to perform off-the-clock work
3 without compensation, including closing down the store, ensuring money earned by Defendants'
4 restaurants was put into a safe, and other functions. All such off-the-clock hours were performed
5 for the benefit of Defendants, without compensation.

6 20. Defendants also fail to provide Plaintiffs with meal and rest periods under
7 California law. Defendants failed to adopt, implement, and enforce a uniform meal period policy
8 that complied with California law. For example, Defendants required Plaintiffs to take meal
9 periods after they worked for more than five hours, and Defendants failed to provide Plaintiffs
10 with their full 30 minute duty-free meal period based on numerous factors, including but not
11 limited to the fact that the amount of work required of Plaintiffs by Defendants necessitated that
12 Plaintiffs take their meal periods late, return early from their meal periods, and/or interrupt their
13 meal periods. Moreover, as a matter of policy and/or practice, Defendants failed to pay Plaintiffs
14 one hour of pay at their regular rate of pay for each workday that a 30-minute duty-free meal
15 period was not provided. Defendants also failed to keep accurate records of meal breaks taken by
16 Plaintiffs in violation of Labor Code §1174 and the applicable IWC Wage Orders.

17 21. Defendants also failed to adopt, implement, and enforce a uniform rest period
18 policy that complied with California law. Defendants failed to authorize and permit Plaintiffs to
19 take duty free rest periods of 10 minutes for every four hours worked or major fraction thereof,
20 by requiring Plaintiffs to regularly work through their rest periods to complete their duties, and
21 failing and refusing to provide a rest period for any hours in excess of 10 per day. As a result of
22 Defendants' lack of any meal or rest break policy that complies with California law, Defendants
23 have violated Labor Code §§512 and 226.7 and the applicable IWC Wage Orders, among other
24 things.

25 22. Defendants also willfully failed to provide properly itemized wage statements to
26 Plaintiffs pursuant to Labor Code §226. Defendants, for example, fail to identify the correct
27 hours and rates of pay for hours worked for Defendants, including but not limited to violations of
28 Labor Code § 226(a)(9) by not setting forth "all applicable hourly rates in effect during the pay

1 period and the corresponding number of hours worked at each hourly rate.” Defendants also
2 violate Labor Code §§ 226(a)(1) and 226(a)(5) by failing to correctly state the total net and gross
3 wages earned by failing to itemize meal and rest period premium payments, among other things.
4 Defendants also violate Labor Code § 226(a)(4) by failing to itemize all deductions on the wage
5 statement. The failure to provide accurate itemized wage statements violates Labor Code §§226,
6 2699, et seq., and IWC Wage Orders.

7 23. Defendants willfully failed and refused to timely pay all compensation due and
8 owing to Plaintiffs whose employment was terminated during the relevant time period, by failing
9 to pay all of Plaintiff’s compensation due upon termination by failing and refusing to pay
10 overtime and straight time wages, failing to pay Plaintiffs for time worked during meal and rest
11 periods, failing to pay Plaintiffs for an extra hour because Defendants failed to provide compliant
12 meal and rest periods and/or to pay for such meal and rest period premiums at the regular rate of
13 pay, and by Defendants’ other unlawful actions as described herein. As such, Defendants are
14 liable for accrued wages due, and waiting time penalties owed, in accordance with Labor Code
15 §§201, 202, and 203.

16 **VI. PRIVATE ATTORNEYS GENERAL ACT CLAIM**

17 24. On or about March 30, 2023, Plaintiffs provided written notice via certified mail
18 to the Labor and Workforce Development Agency (“LWDA”) and Defendants of the specific
19 provisions of the Labor Code alleged to have been violated, including the facts and theories to
20 support the alleged violations.

21 25. The LWDA failed to respond to Plaintiffs’ counsel’s correspondence dated
22 March 30, 2023 and failed to notify Plaintiffs’ counsel as to whether it would investigate the
23 allegations contained therein, within 65 calendar days of the postmark date of Plaintiff’s
24 correspondence as required under Labor Code §2699.3. Plaintiffs have fully complied with the
25 notice requirements set forth in Labor Code §2699.3 in order to commence a civil action against
26 an employer pursuant to Labor Code §2699.

27 26. Defendants’ failure to pay Plaintiffs for all hours worked, minimum wages,
28 overtime compensation, failure to provide meal periods, failure to authorize and permit rest

1 periods, failure to pay all wages upon termination or resignation, and failure to provide accurate
2 itemized wage statements, and failure to reimburse expenses, will subject Defendants to civil
3 penalties pursuant to, without limitation, Labor Code §§ 210, 226.3, 256, 558, 1174.5, 1197.1,
4 1198, 2699, 2802 and the IWC Wage Orders.

5 27. Plaintiffs are aggrieved employees as defined in Labor Code §§2699(a) and (c),
6 and related Labor Code provisions. Plaintiffs bring the causes of action below on behalf of
7 themselves, as private attorneys general, and in a representative capacity on behalf of other
8 aggrieved employees, affected by the labor law violations alleged herein.

9 **A. FAILURE TO PAY ALL WAGES AND OVERTIME COMPENSATION**

10 28. Labor Code §1194 states that any employee receiving less than the legal
11 minimum wage or the legal overtime compensation applicable to the employee is entitled to
12 recover the unpaid balance of the full amount of this minimum wage or overtime compensation,
13 including interest thereon, reasonable attorney's fees, and costs of suit.

14 29. Labor Code §1197 states that the minimum wage for employees fixed by the
15 commission is the minimum wage to be paid to employees, and the payment of a lesser wage
16 than the minimum so fixed is unlawful.

17 30. Labor Code §510(a) and IWC Wage Orders regulating payment of wages in the
18 state of California, provide that eight (8) hours of labor constitutes a day's work and any work in
19 excess of eight (8) hours in one (1) workday and any work in excess of forty (40) hours in any
20 one workweek shall be compensated at the rate of no less than one and one-half times the regular
21 rate of pay for each employee and any work in excess of twelve (12) hours in any one workday
22 shall be compensated at the rate of no less than twice the regular rate of pay for each employee.

23 31. At all relevant times, Defendants required Plaintiffs to perform work without
24 compensation in violation of the IWC Wage Orders and the Labor Code. Specifically, Plaintiffs
25 were not paid for all of their hours worked, in that Defendants failed to pay non-exempt hourly
26 workers such as Plaintiffs for all of their hours worked by, among other things, working off-the-
27 clock hours prior to and after their shifts at Defendants' direction because Defendants failed and
28 refused to pay for any hours exceeding their designated shift hours, all without compensation.

Defendants are therefore in violation of Labor Code §§510 and 1194, and the IWC Wage Orders.

32. Pursuant to Labor Code §218.6 and Civil Code §3287, Plaintiffs seek recovery of pre-judgment interest on all amounts recovered herein. Plaintiffs further request that this Court award reasonable attorneys' fees and costs incurred in this action pursuant to Labor Code §§1194(a) and/or 2699.

33. Pursuant to Labor Code §§2699, 2699.3, and/or 2699.5, Plaintiffs are aggrieved employees, entitled to recover civil penalties pursuant to the Labor Code, including but not limited to Labor Code §§558, 1197.1, and 2699(f). Plaintiffs seek only to recover the civil penalties provided for in §§558(a) and 1197.1 for the violations alleged herein, and do not seek to recover underpaid wages.

B. MEAL PERIODS (Labor Code §§226.7 and 512)

34. Labor Code §512 and applicable IWC Wage Orders state that an employer may not employ an employee for a work period of more than five (5) hours per day without providing the employee a meal period of not less than 30 minutes, and an employer may not employ an employee for a work period of more than 10 hours per day without providing the employee with a second meal period of not less than 30 minutes. The applicable Wage Orders state that unless the employee is relieved of all duty during a 30-minute meal period, the meal period shall be considered an "on duty" meal period and counted as time worked. Labor Code §226.7(a) further states that no employer shall require any employee to work during any meal or rest period mandated by an applicable order of the IWC. Moreover, an employer is prohibited from exerting coercion against the taking of, creating incentives to forego, or otherwise encouraging the skipping of legally protected breaks.

35. Plaintiffs were not provided with nor given the opportunity to take the requisite meal periods before the end of the first 5 hours of work, nor were they provided with or given the opportunity to take a proper second meal period during the days when they worked more than 10 hours in a day. Plaintiffs are entitled to an additional one hour of pay at their regular rate of pay for each day in which they were not provided a proper meal period under the above-described authorities.

1 36. Pursuant to Labor Code §226.7(b) and the IWC Wage Orders, if an employer fails
2 to provide an employee a meal period in accordance with the applicable provisions of IWC
3 Wage Orders, the employer shall pay the employee one (1) hour of pay at the employee's regular
4 rate of compensation for each workday that the meal period is not provided. As such, Plaintiffs
5 are entitled to an additional one hour's pay for each day in which Plaintiffs were not provided a
6 proper meal break under the above-described authorities.

7 37. Labor Code §558 and the IWC Wage Orders state, in pertinent part, that any
8 employer or other person acting on behalf of an employer who violates, or causes to be violated,
9 a section of any provision regulating hours and days of work in any order of the IWC shall be
10 subject to a civil penalty as follows: (1) For any initial violation, fifty dollars (\$50) for each
11 underpaid employee for each pay period for which the employee was underpaid in addition to an
12 amount sufficient to recover underpaid wages; (2) For each subsequent violation, one hundred
13 dollars (\$100) for each underpaid employee for each pay period for which the employee was
14 underpaid in addition to an amount sufficient to recover underpaid wages. Plaintiffs seek only to
15 recover the civil penalty provided for in §558(a) for the violations alleged herein, and do not
16 seek to recover underpaid wages.

17 38. Plaintiffs request that the Court award interest on all unpaid wages at the legal
18 rate specified by Civil Code §3289(b), accruing from the date the wages were due and payable
19 pursuant to Labor Code §218.6.

20 39. Pursuant to Labor Code §§2699, 2699.3, and/or 2699.5, Plaintiffs are aggrieved
21 employees, entitled to recover civil penalties pursuant to the Labor Code, including but not
22 limited to Labor Code §§558 and 2699(f).

23 **C. REST PERIODS (Labor Code §226.7)**

24 40. The IWC Wage Orders provide that every employer shall authorize and permit all
25 employees to take rest periods. The authorized rest period time shall be based on the total hours
26 worked daily at the rate of ten (10) minutes net rest time per four hours of work, or major
27 fraction thereof. An employer must provide employees with 10 minutes rest for shifts from three
28 and one-half to six hours in length, 20 minutes for shifts of more than six hours up to 10 hours,

30 minutes for shifts of more than 10 hours up to 14 hours, and so on. Furthermore, Labor Code §1198 provides, in pertinent part: . . . The employment of any employee for longer hours than those fixed by the order or under conditions of labor prohibited by the order is unlawful.”

41. Plaintiffs were not permitted to take proper rest periods and/or were required to work during any “rest periods” in contravention of California law. Further, Plaintiffs and other aggrieved employees were required to waive the taking of their rest breaks because of the business of Defendants’ operations, and/or were coerced not to take legally mandated rest periods by Defendants’ criticizing, disciplining and/or reprimanding Plaintiffs and other aggrieved employees who attempted to take legally required rest periods; failed to schedule rest periods; and pressured Plaintiffs to remain available during the workday.

42. Defendants further failed to pay Plaintiffs a missed rest period premium payment for each rest period that was not authorized or permitted, and/or failed to pay such rest period premium at Plaintiffs’ regular rate of pay.

43. Pursuant to Labor Code §226.7(b) and IWC Wage Orders, if an employer fails to provide an employee a rest period in accordance with the applicable provisions of the IWC Wage Orders, the employer shall pay the employee one (1) hour of pay at the employee’s regular rate of compensation for each workday that the rest period is not provided.

44. As such, Plaintiffs are entitled to an additional one hour of pay at their regular rate of pay for each day in which they were not provided a proper rest period under the above-described authorities.

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

46. Labor Code §558 and IWC Wage Orders state, in pertinent part, that any employer or other person acting on behalf of an employer who violates, or causes to be violated, a section of any provision regulating hours and days of work in any order of the IWC shall be subject to a civil penalty as follows: (1) For any initial violation, fifty dollars (\$50) for each underpaid employee for each pay period for which the employee was underpaid in addition to an

1 amount sufficient to recover underpaid wages; (2) For each subsequent violation, one hundred
2 dollars (\$100) for each underpaid employee for each pay period for which the employee was
3 underpaid in addition to an amount sufficient to recover underpaid wages. Pursuant to Labor
4 Code §§558, 1198 and 2699, and/or IWC Wage Orders, Plaintiffs are entitled to civil penalties
5 for each pay period in which Defendants underpaid their wages as set forth herein. Plaintiffs
6 seek only to recover the civil penalty provided for in §558(a) for the violations alleged herein,
7 and do not seek to recover underpaid wages.

8 47. Pursuant to Labor Code §§2699, 2699.3, and/or 2699.5, Plaintiffs are aggrieved
9 employees, entitled to recover civil penalties pursuant to the Labor Code, including but not
10 limited to Labor Code §§558, 2699(f), and applicable IWC Wage Orders.

11 **D. FAILURE TO REIMBURSE EXPENSES**

12 48. Labor Code § 2802(a) states, in pertinent part: “An employer shall indemnify his
13 or her employee for all necessary expenditures or losses incurred by the employee in direct
14 consequence of the discharge of his or her duties, or of his or her obedience to the directions of
15 the employer. . . .”

16 49. Defendants required Plaintiffs to maintain and use their own tools to perform their
17 job duties, and failed and refused to reimburse Plaintiffs for using their cell phones for company
18 business, and required Plaintiffs to purchase specific clothing and shoes for their employment,
19 without reimbursement.

20 50. Defendants’ failure to reimburse and/or indemnify Plaintiffs for these necessary
21 expenditures constitute a violation of California law. Pursuant to Labor Code §§2699, 2699.3,
22 and/or 2699.5, Plaintiffs are aggrieved employees, entitled to recover civil penalties pursuant to
23 the Labor Code, including but not limited to Labor Code § 2699(f).

24 **E. FAILURE TO PROPERLY MAINTAIN AND SUBMIT ACCURATE**
25 **ITEMIZED WAGE STATEMENTS (Labor Code §226)**

26 51. Labor Code §§226, 1174, and/or the applicable IWC Wage Orders require
27 employers to maintain and provide employees accurate time and employment records, as well as
28 itemized wage statements showing, among other things, gross wages earned, the total hours

1 worked by the employee, all deductions, net wages earned, all applicable hourly rates in effect
2 during the pay period and the corresponding number of hours worked at each hourly rate by the
3 employee. Furthermore, the applicable Wage Orders and Labor Code §226 requires every
4 employer to keep accurate information with respect to each employee, including: (1) the
5 employee's full name, home address, occupation, social security number, employee's date of
6 birth, and time records showing when the employee begins and ends each work period; (2) an
7 employee's meal periods; (3) total wages paid each payroll period; and (4) total hours worked
8 during the payroll period and applicable rates of pay.

9 52. Defendants failed to properly maintain itemized wage statements in that, among
10 other things, the wage statements provided do not set forth the accurate number of hours worked,
11 correct rates of pay, all overtime compensation, meal periods, premium pay, and other related
12 information required by California law. In addition, in implementing their illegal policies and
13 practices regarding Plaintiffs, Defendants failed to record wages for rest period and meal period
14 premiums and other wages that should have been paid to Plaintiffs as required by California law.
15 Defendants have failed to record all items delineated in Labor Code §226 and the applicable
16 IWC Wage Orders, and required under Labor Code §1174. Plaintiffs are informed and believe
17 that these failures were knowing and intentional by Defendants as Defendants sought to deprive
18 Plaintiffs of their legitimate right to unpaid wages, and otherwise deprive them of their proper
19 compensation. As a result of Defendants' intentional and knowing failure to maintain adequate
20 itemized statements, Plaintiffs could not ascertain the actual amount of compensation they
21 earned and/or were entitled to, and thereby are presumed to have suffered cognizable injury in
22 the form of the accrual of unpaid wages, overtime, and interest pursuant to Labor Code
23 §226(e)(2).

24 53. Pursuant to Labor Code §226(e), an employee who suffers injury as a
25 result of an employer's knowing and intentional failure to comply with subdivision (a), is
26 entitled to recover the greater of all actual damages or fifty dollars (\$50) for the initial pay period
27 in which a violation occurs and one hundred dollars (\$100) per employee for each violation in a
28 subsequent pay period, not exceeding an aggregate penalty of four thousand dollars (\$4,000), and

1 is entitled to an award of costs and reasonable attorney's fees.

2 54. Pursuant to Labor Code §226.3, "[a]ny employer who violates subdivision (a) of
3 Section 226 shall be subject to a civil penalty in the amount of two hundred fifty dollars (\$250)
4 per employee per violation in an initial citation and one thousand dollars (\$1,000) per employee
5 for each violation in a subsequent citation. . ."

6 55. Pursuant to Labor Code §§2699, 2699.3, and/or 2699.5, Plaintiffs are aggrieved
7 employees, entitled to recover civil penalties pursuant to the Labor Code, including but not
8 limited to Labor Code §§226.3, 1174.5 and 2699(f), as well as reasonable attorneys' fees and
9 costs.

10 **F. WAITING TIME PENALTIES (Labor Code §§201-203)**

11 56. Labor Code §201 states that an employer is required to provide an employee who
12 is terminated all unpaid wages immediately upon termination.

13 57. Plaintiffs are informed and believe and thereon allege that Defendants failed to
14 pay Plaintiffs all wages due and owing immediately upon termination, thereby violating Labor
15 Code §201.

16 58. Labor Code §202 states, in pertinent part, that an employer is required to provide
17 an employee who quits his or her employment all wages due and owing not later than 72 hours
18 thereafter.

19 59. Plaintiffs are informed and believe and thereon allege that Defendants failed to
20 pay Plaintiffs all wages due and owing upon voluntary resignation, thereby violating Labor Code
21 §202.

22 60. Labor Code §203 states that if an employer willfully fails to pay an employee
23 wages according to Labor Code §§201 and 202, these wages shall continue as a penalty for up to
24 a maximum of 30 days.

25 61. Defendants willfully withheld paying Plaintiffs wages thereby violating Labor
26 Code §203, as further set forth herein. As such, Defendants are required to pay Plaintiffs a 30-
27 day wage penalty in addition to all unpaid wages as described herein.

28 62. Pursuant to Labor Code §§2699, 2699.3, and/or 2699.5, Plaintiffs are aggrieved

employees, entitled to recover civil penalties pursuant to the Labor Code, including but not limited to Labor Code §§256 and 2699(f).

G. ALL CLAIMS

63. Pursuant to Labor Code §2699, Plaintiffs seek to recover civil penalties, as otherwise provided by statute and wage order, for which Defendants are liable as a result of their violations of the Labor Code and applicable Wage Order(s) in an amount to be proven at trial. These penalties include, but are not limited to, those provided by Labor Code §§210, 225.5, 226.3, 256, 558, 1174.5, 1197.1, and 2699. Plaintiffs further seek an award of reasonable attorneys' fees and costs pursuant to the Labor Code §2699(g)(1) and any other applicable statute.

WHEREFORE, Plaintiffs pray:

- a. For civil penalties pursuant to Labor Code §2699(f), in addition to and entirely independent and apart from other penalties in the Labor Code and for Labor Code violations without a specific civil penalty, in the amount of \$100 for each aggrieved employee per pay period for each violation, and \$200 for each aggrieved employee per pay period for each subsequent violation;
- b. For civil penalties pursuant to Labor Code §558, as follows:
 - i. For any initial violation, fifty dollars (\$50) for each aggrieved underpaid employee for each pay period for which the employee was underpaid;
 - ii. For each subsequent violation, one hundred dollars (\$100) for each aggrieved underpaid employee for each pay period for which the employee was underpaid;
- c. For civil penalties pursuant to Labor Code §1197.1, as follows:
 - i. For any initial violation that is intentionally committed, one hundred dollars (\$100) for each underpaid employee for each pay period for which the employee is underpaid;
 - ii. For each subsequent violation for the same offense, two hundred fifty dollars (\$250) for each aggrieved underpaid employee for each pay period

1 for which the employee was underpaid regardless of whether the initial
2 violation is intentionally committed;

- 3 d. For civil penalties per Labor Code §226.3 in the amount of \$250 for each
4 aggrieved employee per pay period for each violation, and \$1,000 for each
5 aggrieved employee per pay period for each subsequent violation;
- 6 e. For civil penalties per Labor Code §1174.5 in the amount of \$500 for each willful
7 failure to maintain records as required by Labor Code §1174(c);
- 8 f. For civil penalties per Labor Code §256 in the amount of one day of pay, at the
9 same rate, for each day that an aggrieved employee was paid late, at the time of
10 termination, until payment was/is made, up to a maximum of thirty (30) days;
- 11 g. For civil penalties per Labor Code §210 in the amount of \$100 for each failure to
12 pay each employee, and for each subsequent violation, or any willful or
13 intentional violation, \$200 for each failure to pay each employee;
- 14 h. For reasonable attorneys' fees and costs incurred; and
- 15 i. For such relief as this Court may deem just and proper.
- 16

17 Dated: June 6, 2023

BARTZ LAW GROUP APC

18
19 By: /s/ Aaron A. Bartz
AARON A. BARTZ
20 Attorneys for Plaintiffs SHAREEKA NORRIS on
21 behalf of himself and other aggrieved employees
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DEMAND FOR JURY TRIAL

Plaintiffs demand a jury trial on all issues triable to a jury.

Dated: June 6, 2023

BARTZ LAW GROUP APC

By: /s/ Aaron A. Bartz
AARON A. BARTZ
Attorneys for Plaintiffs SHAREEKA NORRIS, on
behalf of himself and other aggrieved employees

EXHIBIT 4

Activities Export

Date	Type	Description	Matter	User	Qty	Rate (\$)	Non-billable (\$)	Billable (\$)
10/21/2024		Review and revise motion for approval papers, and research in support of same; Prepare correspondence to settlement administrator and co-counsel regarding same, and prepare exhibits.  Unbilled	00052-Norris Norris v. CG Hospitality Group, Inc.	Aaron Bartz	3.70h	\$850.00	-	\$3,145.00
10/15/2024		Review and revise motion and supporting papers in support of PAGA approval.  Unbilled	00052-Norris Norris v. CG Hospitality Group, Inc.	Aaron Bartz	2.00h	\$850.00	-	\$1,700.00
10/14/2024		Prepare Motion for approval and supporting declarations, and proposed Order.  Unbilled	00052-Norris Norris v. CG Hospitality Group, Inc.	Aaron Bartz	8.00h	\$850.00	-	\$6,800.00
09/19/2024		Review and revise Settlement Agreement.  Unbilled	00052-Norris Norris v. CG Hospitality Group, Inc.	Aaron Bartz	1.50h	\$850.00	-	\$1,275.00
09/18/2024		Draft PAGA settlement agreement.  Unbilled	00052-Norris Norris v. CG Hospitality Group, Inc.	Rex Phillips	2.60h	\$650.00	-	\$1,690.00
09/17/2024		Draft PAGA settlement agreement.  Unbilled	00052-Norris Norris v. CG Hospitality Group, Inc.	Rex Phillips	2.30h	\$650.00	-	\$1,495.00
09/17/2024		Prepare joint status report and email opposing counsel regarding the same.  Unbilled	00052-Norris Norris v. CG Hospitality Group, Inc.	Rex Phillips	0.80h	\$650.00	-	\$520.00
					76.00h		\$0.00 0.00h	\$57,812.50 76.00h

Activities Export

10/21/2024

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Date ▼	Type	Description	Matter	User	Qty	Rate (\$)	Non-billable (\$)	Billable (\$)
09/17/2024	 	Draft, Finalize, discuss with attorney, file, and serve Joint Status Report re CMC	00052-Norris Norris v. CG Hospitality Group, Inc.	Nestor Mejia	1.00h	\$295.00	-	\$295.00
09/13/2024	 	Review case file and prepare for drafting of PAGA settlement agreement.	00052-Norris Norris v. CG Hospitality Group, Inc.	Rex Phillips	1.20h	\$650.00	-	\$780.00
09/05/2024	 	Continue preparing for and attend mediation.	00052-Norris Norris v. CG Hospitality Group, Inc.	Rex Phillips	8.00h	\$650.00	-	\$5,200.00
09/05/2024	 	Continue preparing for Mediation, and attend Mediation.	00052-Norris Norris v. CG Hospitality Group, Inc.	Aaron Bartz	8.00h	\$850.00	-	\$6,800.00
09/04/2024	 	Review mediation brief and prepare for mediation.	00052-Norris Norris v. CG Hospitality Group, Inc.	Rex Phillips	1.00h	\$650.00	-	\$650.00
09/04/2024	 	Review of Mediation Brief, and prepare for Mediation.	00052-Norris Norris v. CG Hospitality Group, Inc.	Aaron Bartz	2.00h	\$850.00	-	\$1,700.00
08/30/2024	 	Review, revise and final Mediation Brief, and conference call with expert regarding same.	00052-Norris Norris v. CG Hospitality Group, Inc.	Aaron Bartz	2.50h	\$850.00	-	\$2,125.00
08/29/2024	 	Review and revise Mediation Brief, and conference call with client regarding same; Further review of case documents.	00052-Norris Norris v. CG Hospitality Group, Inc.	Aaron Bartz	3.00h	\$850.00	-	\$2,550.00
					76.00h		\$0.00 0.00h	\$57,812.50 76.00h

Activities Export

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Date	Type	Description	Matter	User	Qty	Rate (\$)	Non-billable (\$)	Billable (\$)
● Unbilled								
08/28/2024	🕒	Review expert analysis and review case documents; Prepare Mediation Brief. ● Unbilled	00052-Norris Norris v. CG Hospitality Group, Inc.	Aaron Bartz	5.00h	\$850.00	-	\$4,250.00
08/13/2024	🕒	Review data sample, and call with expert regarding same. ● Unbilled	00052-Norris Norris v. CG Hospitality Group, Inc.	Aaron Bartz	0.50h	\$850.00	-	\$425.00
08/12/2024	🕒	Review and consider data, and review and respond to expert regarding same. ● Unbilled	00052-Norris Norris v. CG Hospitality Group, Inc.	Aaron Bartz	0.50h	\$850.00	-	\$425.00
07/22/2024	🕒	Review case for further handling, and review and respond to emails regarding same. ● Unbilled	00052-Norris Norris v. CG Hospitality Group, Inc.	Aaron Bartz	0.50h	\$850.00	-	\$425.00
07/17/2024	🕒	Review case for further handling, and attend CMC; Review and respond to emails from OPC regarding same. ● Unbilled	00052-Norris Norris v. CG Hospitality Group, Inc.	Aaron Bartz	1.00h	\$850.00	-	\$850.00
07/02/2024	🕒	Review case for further handling, and prepare Joint Status Report. ● Unbilled	00052-Norris Norris v. CG Hospitality Group, Inc.	Aaron Bartz	0.50h	\$850.00	-	\$425.00
06/05/2024	🕒	Client Conference Call re case status and mediation ● Unbilled	00052-Norris Norris v. CG Hospitality Group, Inc.	Nestor Mejia	0.50h	\$295.00	-	\$147.50
					76.00h		\$0.00 0.00h	\$57,812.50 76.00h

Activities Export

10/21/2024

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Date ▼	Type	Description	Matter	User	Qty	Rate (\$)	Non-billable (\$)	Billable (\$)
04/02/2024		Review case for further handling, and research regarding mediators, and respond to email from OPC regarding same.  Unbilled	00052-Norris Norris v. CG Hospitality Group, Inc.	Aaron Bartz	0.40h	\$850.00	-	\$340.00
03/20/2024		Review case for further handling, and review documents in preparation for court hearing; Attend CMC/Status Conference, and review and respond to emails to OPC regarding discovery.  Unbilled	00052-Norris Norris v. CG Hospitality Group, Inc.	Aaron Bartz	1.40h	\$850.00	-	\$1,190.00
03/11/2024		Review case for further handling, and call with OPC regarding same; Prepare Joint Status Report.  Unbilled	00052-Norris Norris v. CG Hospitality Group, Inc.	Aaron Bartz	2.00h	\$850.00	-	\$1,700.00
02/23/2024		Review of revisions to Belaire-West notice, and consider same.  Unbilled	00052-Norris Norris v. CG Hospitality Group, Inc.	Aaron Bartz	0.50h	\$850.00	-	\$425.00
02/15/2024		Review case for further handling, and review and respond to emails from OPC regarding same.  Unbilled	00052-Norris Norris v. CG Hospitality Group, Inc.	Aaron Bartz	0.40h	\$850.00	-	\$340.00
01/16/2024		Review case for further handling, and conference call with OPC regarding meet and confer on discovery.  Unbilled	00052-Norris Norris v. CG Hospitality Group, Inc.	Aaron Bartz	0.50h	\$850.00	-	\$425.00
12/21/2023		Conference call with client	00052-Norris	Aaron Bartz	2.20h	\$850.00	-	\$1,870.00
					76.00h		\$0.00 0.00h	\$57,812.50 76.00h

Activities Export

10/21/2024

4:32 PM

Date	Type	Description	Matter	User	Qty	Rate (\$)	Non-billable (\$)	Billable (\$)
		regarding legal strategies; Review Defendant's discovery responses, and prepare meet and confer correspondence regarding same; Prepare Belaire-West letter. ● Unbilled	Norris v. CG Hospitality Group, Inc.					
12/14/2023	🕒	Review case for further handling, and attend Case Management Conference. ● Unbilled	00052-Norris Norris v. CG Hospitality Group, Inc.	Aaron Bartz	2.00h	\$850.00	-	\$1,700.00
11/21/2023	🕒	Conference call with OPC regarding case, and review of document production. ● Unbilled	00052-Norris Norris v. CG Hospitality Group, Inc.	Aaron Bartz	2.50h	\$850.00	-	\$2,125.00
11/19/2023	🕒	Review case for further handling, and revise CMC statement. ● Unbilled	00052-Norris Norris v. CG Hospitality Group, Inc.	Aaron Bartz	0.50h	\$850.00	-	\$425.00
10/09/2023	🕒	Draft CMS and Jury Fess for attorney review ● Unbilled	00052-Norris Norris v. CG Hospitality Group, Inc.	Nestor Mejia	1.00h	\$295.00	-	\$295.00
09/21/2023	🕒	Finalize and Served Discovery RFP and SROGS set one ● Unbilled	00052-Norris Norris v. CG Hospitality Group, Inc.	Nestor Mejia	1.00h	\$295.00	-	\$295.00
07/14/2023	🕒	Prepare Conformed Documents for service and research address for service ● Unbilled	00052-Norris Norris v. CG Hospitality Group, Inc.	Nestor Mejia	1.00h	\$295.00	-	\$295.00
06/07/2023	🕒	Prepare, summons, civil cover	00052-Norris	Nestor	1.00h	\$295.00	-	\$295.00
					76.00h		\$0.00	\$57,812.50
							0.00h	76.00h

Activities Export

10/21/2024
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Date	Type	Description	Matter	User	Qty	Rate (\$)	Non-billable (\$)	Billable (\$)
		sheet, addendum, and finalize complaint for filing ● Unbilled	Norris v. CG Hospitality Group, Inc.	Mejia				
06/06/2023	🕒	Review of case documents and prepare Complaint. ● Unbilled	00052-Norris Norris v. CG Hospitality Group, Inc.	Aaron Bartz	2.50h	\$850.00	-	\$2,125.00
03/30/2023	🕒	Finalize PAGA letter and serve by way of Certified Mail ● Unbilled	00052-Norris Norris v. CG Hospitality Group, Inc.	Nestor Mejia	1.00h	\$295.00	-	\$295.00
					76.00h		\$0.00 0.00h	\$57,812.50 76.00h

EXHIBIT 5

Activities Export

10/21/2024

4:39 PM

Date ▼	Type	Description	Matter	User	Qty	Rate (\$)	Non-billable (\$)	Billable (\$)
10/21/2024	\$	Motion for approval of PAGA settlement and supporting papers filing fees (anticipated). ● Unbilled	00052-Norris Norris v. CG Hospitality Group, Inc.	Aaron Bartz	1.00	\$275.00	-	\$275.00
10/09/2024	\$	EconOne - Invoice 26701. ● Unbilled	00052-Norris Norris v. CG Hospitality Group, Inc.	Aaron Bartz	1.00	\$446.28	-	\$446.28
09/17/2024	\$	One Legal filing re Joint Status Report Confirmation #31113090 ● Unbilled	00052-Norris Norris v. CG Hospitality Group, Inc.	Nestor Mejia	1.00	\$19.15	-	\$19.15
09/10/2024	\$	EconOne Invoice #26534 - Mediation damages analysis. ● Unbilled	00052-Norris Norris v. CG Hospitality Group, Inc.	Aaron Bartz	1.00	\$4,903.03	-	\$4,903.03
08/12/2024	\$	Mediation Fees re Judicate West (Michael Young). ● Unbilled	00052-Norris Norris v. CG Hospitality Group, Inc.	Aaron Bartz	1.00	\$9,375.00	-	\$9,375.00
07/09/2024	\$	One Legal Filing - Joint Status Report Confirmation #: 30751889 ● Unbilled	00052-Norris Norris v. CG Hospitality Group, Inc.	Leanne Nguyen-Phuoc	1.00	\$19.15	-	\$19.15
03/13/2024	\$	One Legal Filing of Joint Status Report Confirmation #30062906 ● Unbilled	00052-Norris Norris v. CG Hospitality Group, Inc.	Nestor Mejia	1.00	\$19.15	-	\$19.15
11/29/2023	\$	One Legal -Filed document -CMS ● Unbilled	00052-Norris Norris v. CG Hospitality Group, Inc.	Chandler Nelson	1.00	\$17.15	-	\$17.15
08/03/2023	\$	Nationwide service of process	00052-Norris	Aaron Bartz	1.00	\$333.90	-	\$333.90
							\$0.00 0.00h	\$16,000.44 0.00h

Activities Export

10/21/2024
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Date	Type	Description	Matter	User	Qty	Rate (\$)	Non-billable (\$)	Billable (\$)
		fees. ● Unbilled	Norris v. CG Hospitality Group, Inc.					
07/18/2023	\$	One Legal Filing re Personal Service Confirmation #28755919 ● Unbilled	00052-Norris Norris v. CG Hospitality Group, Inc.	Nestor Mejia	1.00	\$17.15	-	\$17.15
06/07/2023	\$	One Legal PAGA non complex filing \$452.15 Confirmation #28544190 ● Unbilled	00052-Norris Norris v. CG Hospitality Group, Inc.	Nestor Mejia	1.00	\$452.15	-	\$452.15
03/30/2023	\$	PAGA letter mailed by way of certified Mail ● Unbilled	00052-Norris Norris v. CG Hospitality Group, Inc.	Nestor Mejia	1.00	\$8.13	-	\$8.13
03/30/2023	\$	PAGA filing fee. ● Unbilled	00052-Norris Norris v. CG Hospitality Group, Inc.	Aaron Bartz	1.00	\$75.00	-	\$75.00
03/30/2023	\$	LASC online document retrieval. ● Unbilled	00052-Norris Norris v. CG Hospitality Group, Inc.	Aaron Bartz	1.00	\$40.20	-	\$40.20
							\$0.00 0.00h	\$16,000.44 0.00h

EXHIBIT 6

XPAND

Case Name:	Norris v. CG Hospitality Group, Inc.
Date:	September 20, 2024
Client Name:	Aaron Bartz
Client Email:	aaron@bartzlawgroup.com
Xpand Contact:	Jonathan Paul
Xpand Contact Email Address:	jonathan@xpandlegal.com
Xpand Contact Phone Number:	310.948.7117

*Cost Estimate for Legal Administration Services
*Pricing Good for 90 Days
*Assumes Scope Within - Additional Services Priced Accordingly

Key Assumptions Used for Pricing	
Class Size	888
Undeliverable Mail (estimated %)	10%
Forwarded Mail (estimated %)	5%
Toll Free Telephone Support	Yes
Website	No
Spanish Translation	No
National Change of Address (NCOA)	Yes
Wage Tax Reporting	Yes
Number of States for Tax Reporting	1
Number of Payment Distributions	1
Tax Reporting Years	2
Remaining Funds After Distribution	Controller

Case Setup				
Service	Type	Cost Per Piece	Volume	Total
Project Manager - Case Setup, Document Review & Timeline	Hourly	\$125.00	2	\$250.00
Data Analyst - Data Analysis, Formatting, Uploading to Database*	Hourly	\$125.00	2	\$250.00
NCOA (Includes CASS & LACS)	Flat Fee	\$250.00	1	\$250.00
Spanish Translation	Flat Fee	\$0.00	0	\$0.00
Toll Free Telephone Support	Flat Fee	\$600.00	1	\$600.00
Static Website	Flat Fee	\$0.00	0	\$0.00
			Total	\$1,350.00

**Xpand assumes mailing data will be provided in Microsoft Excel or other usable format and will not require substantial manipulation. Additional formatting and manipulation will be billed at \$125/hour.*

Project Management				
Service	Type	Cost Per Piece	Volume	Total
Project Manager - Client Inquiries, General Oversight & Management	Hourly	\$125.00	3	\$375.00
Status Reporting (Ongoing & Final)	Hourly	\$150.00	2	\$300.00
Executive Oversight	Hourly	\$200.00	1	Waived
			Total	\$675.00

Distribution				
Service	Type	Cost Per Piece	Volume	Total
Project Manager - Setup & Preparation	Hourly	\$125.00	1	\$125.00
Data Analyst - Payment File Production & Quality Review	Hourly	\$125.00	1	\$125.00
Print & Mail Payments	Per Piece	\$1.00	888	\$888.00
USPS First Class Mail - 1oz	Per Piece	\$0.70	888	\$621.60
Undeliverable Payment Processing	Per Piece	\$2.00	89	\$177.60
Address Trace Undeliverable Payments	Per Piece	\$2.00	89	\$177.60
Remail Payments (Undeliverable & Forwards)	Per Piece	\$3.00	115	\$346.32
Tax ID Setup & Shutdown	Flat Fee	\$150.00	1	\$150.00
Qualified Settlement Fund (QSF) Creation, Reporting & Closure	Hourly	\$150.00	2	\$300.00
QSF Monthly Fees & Account Reconciliation	Per Piece	\$250.00	3	\$750.00
Process Remaining Funds	Flat Fee	\$813.88	1	\$813.88
			Total	\$4,475.00

Total Case Cost - Flat Fee:		\$6,500.00
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Terms & Conditions

All services to be provided by Xpand Legal (hereinafter, "Xpand") to Client shall be subject to the following Terms and Conditions of this Agreement:

- **Services:** Subject to the terms hereof, Xpand agrees to provide the Client with Administration Services (hereinafter, "services") as specified in the Proposal provided to Client to which these Terms and Conditions are referenced and in accordance of the Court's direction. The estimate is in good faith and does not cover any applicable taxes and fees. The estimate does not include any services not referenced in the request for proposal. These services do not constitute legal services or advice. Xpand is performing its services as an Independent Contractor and neither it nor its employees shall be deemed to be employees of the Client.
- **Charges for Services:** Charges to the Client for services shall be on a time and materials basis at our prevailing rates and are subject to change. Any fee estimates set forth in the proposal are estimates only, based on information provided by Client to Xpand. Actual fees charged by Xpand to Client may be greater or less than the estimate, and Client shall be responsible for the payment of all charges and expenses in accordance with Section 3 below. Charges incurred related to corrective files due to voids and re-issues of payments and related correspondence with state and federal taxing authorities will not be charged to the Client to the extent that funds are received from the taxing authorities offset these charges. Xpand may derive financial benefits from financial institutions in connection with the deposit and investment of funds with such institutions, including without limitation, discounts on eligible banking services and fees, and loans at favorable rates.
- **Payment of Charges:** Xpand will process payment of charges once payments are made to class members and counsel in accordance with direction from the court. However, decisions of the court and actions of the parties, including disapproval or withdrawl of a settlement or case status, do not affect the Client's liability to Xpand for payment of services. Services are not provided on a contingency fee basis.
- **Indemnification:** Client will indemnify and hold Xpand (and the officers, employees, affiliates and agents harmless against any Losses incurred by Xpand, arising out of, in connection with, or related to (i) any breach of the terms by Client; (ii) the processing and handling of any aspect of the project by Xpand in accordance with Client's instructions.
- **Confidentiality:** Xpand maintain reasonable and appropriate security measures and safeguards to protect the security and confidentiality of data provided to Xpand by Client or another party to the action. Should Xpand ever be notified of any judicial order or other proceedings in which a third party seeks to obtain access to the confidential data created by or for the Client, Xpand will notify the Client, unless prohibited by applicable law. The Client will have the option to (1) provide legal representation at the Client's expense to avoid such access or (2) promptly reimburse Xpand for any of its costs, including attorneys' fees, reasonably incurred in avoiding, attempting to avoid or providing such access and not paid by the entity seeking the data. If Xpand is required, pursuant to a court order, to produce documents, disclose data, or otherwise act in contravention of the obligations imposed by this Agreement, or otherwise, with respect to maintaining the confidentiality, proprietary nature and secrecy of the produced documents or disclosed data, Xpand will not be liable for breach of said obligation.
- **Data Rights:** Xpand does not convey nor does the Client obtain any right in the programs, system data, or materials utilized or provided by Xpand in the ordinary course of business in the performance of this Agreement.
- **Document Retention:** Unless directed otherwise in writing by Client, Xpand will maintain documents and other correspondence for one year after final distribution of funds or benefits, or until the date that the disposition of the case is no longer subject to appeal or review, whichever is later.
- **Limitation of damages:** Xpand is not responsible to the Client for any special, consequential or incidental damages incurred by Client. Any liability of Xpand to the Client shall not exceed the total amount billed to the Client for the services that give rise to any loss.
- **Termination:** The services to be provided under this Agreement may be terminated, at will by the Client upon at least 30 calendar days' prior written notice to Xpand. The Client's obligation to pay for services or projects in progress at the time of notice of withdrawal shall continue throughout that 30 day period. Xpand may terminate this Agreement at will (i) with 10 calendar days' prior written notice, if the Client is not current in payment of charges or (ii) in any event, upon at least 3 months' prior written notice to the Client. The Client is obligated to pay for all Services at the time of termination under this paragraph; no deferral period shall take place.
- **Notice:** Any notice required or permitted hereunder shall be in writing and shall be delivered personally, or sent by registered mail, postage prepaid, or overnight courier service to the responsible officer or principal of Xpand or the Client, as applicable, and shall be deemed given when so delivered personally, or, if mailed, five days after the date of deposit in United States mail, or, if sent by courier, one business day after delivery to such courier service.
- **Force Majeure:** To the extent performance by Xpand of any of its obligations hereunder is substantially prevented by reason of any act of God or by reason of any other matter beyond Xpand's reasonable control, then such performance shall be excused and this Agreement, at Xpand's option, be deemed suspended during the continuation of such condition and for a reasonable time thereafter.
- **Waiver of Rights:** No failure or delay on the part of either party in exercising any right will operate as a waiver of, or impair, any right. No single or partial exercise of any such right will preclude any other or further exercise thereof or the exercise of any other right. No waiver of any such right will be effective unless given in writing.
- **Jurisdiction:** The parties hereto submit to the jurisdiction of the Court of the applicable case for purposes of any suit, action or proceeding to enforce any provision of, or based on any right arising out of, this Agreement. The parties hereto hereby waive any objection to the laying of venue of any such suit, action or proceeding in the Court.
- **Entire Agreement:** These terms and conditions and the proposal embody the entire agreement between the parties with respect to the subject matter hereof, and cancels and supersedes all prior negotiations, representations, and agreements related thereto, either written or oral, except to the extent they are expressly incorporated herein. No changes in, additions to, or waivers of, the terms and conditions set forth herein will be binding upon any party, unless approved in writing by such party's authorized representative.
- **Counterparts:** This Agreement may be executed in any number of counterparts, each of which when executed and delivered shall consitute a duplicate original, but all counterparts together shall constitute a signle agreement.