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Attorneys for Plaintiff SARAI CORADO and all others similarly situated

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF RIVERSIDE

SARAI CORADO, an individual; on behalf of herself and all others similarly situated and the general public,

Plaintiff,

v.

HARKINS ADMINISTRATIVE SERVICES, INC., a corporation; and DOES 1 through 100, inclusive,

Defendants.

Case No. CVRI2302159

[Assigned For All Purposes To the Hon. Harold W. Hopp, Dept. 1]

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

Date: December 3, 2024
Time: 8:30 a.m.
Dept: 1

DECLARATION OF AARON A. BARTZ

I, Aaron A. Bartz, declare:

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

2. I submit this declaration in support of Plaintiff Sarai Corado's (Plaintiff's) Motion for Preliminary Approval of Class and PAGA Settlement. A true and correct copy of the Class Action and PAGA Settlement Agreement (Settlement Agreement) and Class Notice is attached hereto as **Exhibit 1**. The capitalized terms used herein shall have the same meaning as the definitions in the Settlement Agreement.

FACTUAL BACKGROUND AND PROCEDURAL HISTORY

3. This case arises out of alleged wage and hour violations by Defendant Harkins Administrative Services, Inc. ("Defendant") against its current and former California non-exempt employees. Plaintiff Sarai Corado worked as a non-exempt hourly employee for Defendant's Moreno Valley location between 2018 and 2022. Defendant is an Arizona-based company that has employees at four theater locations in California. On May 27, 2023, Plaintiff Sarai Corado ("Plaintiff"), on behalf of herself and all other aggrieved employees of Defendant, served a Private Attorneys General Act (PAGA) letter, alleging various Labor Code violations, including: (1) failure to pay all wages; (2) failure to provide meal periods; (3) failure to authorize and permit rest periods or provide compensation in lieu thereof; (4) failure to timely pay all wages owed; (5) failure to reimburse expenses; (6) failure to properly maintain and submit accurate itemized wage statements; and (7) waiting time penalties. A true and correct copy of Plaintiff's PAGA letter served on May 27, 2023 is attached hereto as **Exhibit 2**.

4. Plaintiff filed her Complaint on April 25, 2023. Thereafter, on August 29, 2023 Plaintiff filed a First Amended Class Action and PAGA Complaint against Defendant in the Riverside Superior Court, alleging (1) unfair competition; (2) failure to pay minimum and

overtime wages; (3) waiting time penalties; (4) failure to pay meal and rest period premiums at the regular rate of pay; (5) failure to provide accurate itemized wage statements; (6) failure to provide meal periods; (7) failure to authorize or permit rest periods; (8) failure to reimburse expenses; and (9) PAGA penalties. A true and correct copy of Plaintiff's operative Complaint is attached hereto as **Exhibit 3**.

SUMMARY OF SETTLEMENT

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

(1) Net Settlement Amount: Approximately $275,000 depending on approval of the other amounts outlined below;

(2) Attorney's fees and costs: $175,000 in Class Counsel Fees Payment and up to $20,000 in Class Counsel Litigation Expenses Payment;

(3) Administrator Expenses Payment not to exceed $15,000;

(4) PAGA payment to the LWDA: $22,500;

(5) PAGA payment to Aggrieved Employees: $7,500;

(6) Class Representative Service Payment totaling $10,000 for Plaintiff.

6. This declaration sets forth the required information required by the Court's Case Management Order (CMO), and the below numbering corresponds to the numbering in the CMO:

Number of Class Members

G(3)(a)(i): Based on data provided by Defendant, Class Counsel estimates that there are approximately 1,277 total Class Members during the Class Period, and approximately 993 Aggrieved Employees during the PAGA Period[1];

Nature of the Claims

G(3)(a)(ii), (iii): The operative Complaint alleges claims for 1) Unfair Business Practices; 2) Failure to Pay All Wages; 3) Waiting Time Penalties; 4) Failure to Pay Meal and Rest Period

[1] These amounts are based on data through the May 15, 2024 mediation date.

Premiums at the Regular Rate of Pay; 5) Failure to Provide Accurate Itemized Wage Statements; 6) Failure to Provide Meal Periods; 7) Failure to Authorize and Permit Rest Periods; 8) Failure to Properly Maintain and Submit Itemized Wage Statements; 6) Failure to Reimburse Expenses; and 9) Violation of Labor Code § 2699 (PAGA). Plaintiff further alleges that she and the Class are entitled to damages, restitution, wages, attorneys' fees, and interest, among other remedies.

Pursuant to *Kullar v. Footlocker Retail Inc*., 168 Cal. App 4th 116, 118 and *Dunk v. Ford Motor Co.*, (1996) 48 Cal.App.4th 1794, the following describes the settlement's reasonableness. Plaintiff recognizes the expense and length of continued proceedings necessary to continue the litigation against Defendant through trial and through any possible appeals. Plaintiff has also taken into account the uncertainty and risk of denial of motion for class certification and the uncertain outcomes resulting from further litigation, and the difficulties and delays inherent in such litigation.

Based on the foregoing, Plaintiff has determined that the settlement is a fair, adequate and reasonable settlement and is in the best interests of the Class Members. The reasonable exposure and the reasonable settlement value for each of the alleged claims are as follows:

CLAIM	**TOTAL EXPOSURE**	**SETTLEMENT VALUE**
Failure to Pay Wages	$380,000	$38,000
Meal	$1,000,000	$100,000
Rest	$1,000,000	$100,000
Paystub	$1,920,000	$192,000
Waiting time	$5,600,000	$560,000
Reimbursement	$140,000	$14,000
PAGA	$4,906,290	$245,314
TOTAL	**$14,906,290**	**$1,249,314**

I. Overtime/Minimum Wage Violations

Labor Code § 510 provides that "[a]ny work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek. . . shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee."

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

Plaintiff contends that Defendant failed to pay all wages due in numerous respects. ***First***, Plaintiff alleges that she and other managerial employees frequently worked off-the-clock running errands and responding to phone calls and text messages for work related issues. Plaintiff alleges that she and other Class Members also underwent temperature checks and other Covid-19 prerequisites before clocking in throughout 2021. Time spent in Covid-19 screening is compensable hours worked under California law. *See Boone v. Amazon.com Services, LLC*, 562 F.Supp.3d 1103, 1114 (E.D. Cal. 2022). ***Second***, Plaintiff alleges that Defendant failed to incorporate bonuses and incentive pay in the "regular rate," resulting in underpaid overtime and sick time hours during the Class Period.

Defendant contends that its regular and overtime payment policies were lawful, and that it paid for all time worked, including any overtime worked by Class Members. Defendant also contends that it properly calculated Class Members' overtime at the regular rate of pay.

Plaintiff and her expert analyzed payroll and time records for the class members and calculated that the total verdict value for this claim is approximately $380,000. Plaintiff and her expert assumed 30 minutes per week of unpaid hours, based on discussions with the Plaintiff and other class members. Plaintiff's expert reviewed payroll records for the class, including pay period counts per year, and a weighted average rate of pay. Based on the defenses alleged, as well as fact that the failure to pay wage claims will rest on testimony from Plaintiff and class members, and documented evidence of such violations is scant, Plaintiff placed a reasonable settlement value of the overtime/minimum wage claim at ten percent of the total verdict value, or

$38,000. This valuation takes into consideration Class Counsel's analysis of the law, and evidence produced by the Defendant.

II. Meal and Rest Period Claims

a. Meal period liability and damages

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

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

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

Plaintiff contends that Defendant's meal period practices are unlawful under California law. ***First***, Plaintiff alleges that manager-level employees were required to wear ear pieces and

carry communications devices with them during their work hours and therefore alleges that none of their meal periods were off-duty. ***Second***, Plaintiff alleges that because of these on-duty meal periods, Defendant was required to pay meal period premiums and an analysis of the managers' pay records show that very few meal period premiums were paid to managers during the class period. ***Third***, Plaintiff and the Class Members aver that they were never provided uninterrupted, duty-free meal periods, because of the time constraints Defendant placed upon Plaintiff and class members' work.

Defendant contends that Plaintiff and Class Members had the ability and in fact did take meal periods, and that if they did not, it was their own choice, and therefore not actionable. Defendant further contends that it has time records showing such meal periods. Defendant also contends that manager-level employees were not required to carry communication devices with them while they were on their meal periods.

Class Counsel and Plaintiff's expert calculated the maximum verdict value of the meal break claim to be approximately $1,000,000. This calculation is based on the assumption that each late, missed or short meal period was the result of Defendant's interference with Plaintiff's and the class members abilities to take duty-free meal periods. Accordingly, Class Counsel and her expert determined a total violation rate for the class members, and average rate of pay based on the payroll data for the class. Based on discussions with Plaintiff and interviews of other Class Members, and the defenses raised, Plaintiff believes she had a ten percent probability of recovering all of these damages. Accordingly, Plaintiff contends the reasonable exposure of the meal break claim is approximately **$100,000**.

b. Rest period liability and damages

Section 12(A) of the IWC Wage Order(s) states: "Every employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period. The authorized rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof. However, a rest period need not be authorized for employees whose total daily work time is less than three

and one-half (3½) hours. Authorized rest period time shall be counted as hours worked for which there shall be no deduction from wages."

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

Plaintiff contends that Defendant did not authorize or permit Plaintiff or the Class Members duty-free rest periods for multiple reasons. ***First***, Plaintiff contends that team leaders and managers were provided with communication devices that were required to be on-call at all times, including during their rest periods. *See Augustus, supra*, 2 Cal.5th at 270-273 (holding that security guards who were on-call with radios during their rest periods were not freed from the employer's control). ***Second***, Plaintiff contends the rest periods were interrupted with work inquiries and other duties, which is "irreconcilable with employees' retention of freedom to use rest periods for their own purposes." *See Augustus,* 2 Cal.5th at 270.

Defendant contends that its rest period policies were lawful and appropriate, and that all class members were afforded ample time to take duty-free rest periods throughout their workday. Defendant further contends that no Class Members were required to carry communication devices while on their rest periods.

Based on discussions with Plaintiff and interviews of other Class Members, Class Counsel

assumed a 50% violation rate for all shifts by class members of 3.5 hours or more. Based on that assumption, Plaintiff's expert calculated total violations across the class, multiplied by an average rate of pay for the class members. As such, Class Counsel and the expert calculated the maximum verdict value of the rest period claims to be approximately $1,000,000. Based on the difficulty of proving rest period violations on a class-wide basis, and the lack of objective evidence proving such violations, Plaintiff believes they had a ten percent chance of recovering all of the rest period damages. As such, Plaintiff believes the reasonable exposure of the rest break claim is approximately **$100,000**.

III. Waiting Time Penalty

The waiting time penalty claim is purely derivative. Plaintiff and her expert analyzed the data to find that there are approximately 1,074 former employees included in the putative class that would be eligible for the Labor Code §203 penalties. Plaintiff and her expert calculated the reasonable exposure of this claim at approximately $5,600,000. Plaintiff further discounted the waiting time penalty claim based on risk and the fact that waiting time penalties are not awarded if a good faith dispute exists as to whether the wages were owing. Further, the Class would have the burden of proving a "willful" withholding of wages. Plaintiff considered that under Labor Code §203 there is only a penalty if "an employer willfully fails to pay" all wages due to an employee upon separation. Willfulness does not exist if there is a "good faith dispute," in fact or law that wages were due, even if the employer's reasoning ultimately proves incorrect. Amaral v. Cintas Corp. No. 2 (2008) 163 Cal.App.4th 1157, 1204; 8 Cal. Code Regs. § 13520 ("A 'good faith dispute' that any wages are due occurs when an employer presents a defense, based in law or fact which, if successful, would preclude any recover on the part of the employee. The fact that a defense is ultimately unsuccessful will not preclude a finding that a good faith dispute did exist.")

Once Plaintiff determined the maximum reasonable exposure of the claim, Plaintiff placed a settlement value of **$560,000** or approximately ten percent of the reasonable exposure value, based upon the above discounts applied to the reasonable value of the claim.

IV. Paystub

As to the paystub penalty, which is derivative of the other claims identified above, Plaintiff and her expert arrived at a maximum reasonable exposure of this claim of approximately $1,920,000. This figure was arrived at by assuming that each wage statement that was provided to the class members violated Labor Code §226.

Defendant argues that, even assuming there are any violations, which they deny, the fact that derivative violations were minor and that the Defendant had presented evidence of a good faith dispute as to any violation rendered the violations meritless. Hurst v. Buczek Enters., LLC (N.D. Cal. 2012) 870 F.Supp.2d 810, 829 (no section 226 violation where the employer "makes a good faith claim" in its defense); Harris v. Vector Mktg. Corp. (2009) 656 F.Supp.2d 1128, 1146 (N.D. Cal. 2009) (the "employer did not knowingly and intentionally fail to provide itemized wage statements" where there was a "good faith dispute").

Based on the raised defenses, as well as the risk of certification and related risks of proving all violations, Plaintiff has placed a reasonable settlement value of **$192,000** or ten percent of the reasonable exposure of the pay stub claim.

V. PAGA

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

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

PAGA penalties by 30% affirmed on appeal).

Plaintiff and her expert calculated the reasonable PAGA penalties to be valued at $4,906,290 based on this being an initial violation against Defendant. Plaintiff believes the few cases that reported a PAGA trial that the discretionary penalties are discounted by approximately 75%-85%. Based on the uncertainty of recovery, Plaintiff believes the PAGA claim's reasonable value is five percent of the total value, or approximately **$245,314**.

VI. Reimbursement Claim

California Labor Code section 2802(a) provides:

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

Plaintiff contends that Defendant failed to comply with California's reimbursement requirements by failing to adequately reimburse Plaintiff and the class members for using their personal cell phones while working for Defendant and were no reimbursed for such usage. *See Cochran v. Schwan's Home Serv., Inc.*, 228 Cal. App. 4th 1137 (2014).

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

Defendant contends that it paid for all reasonable and necessary expenses incurred by Plaintiff and Class Members, and that the reimbursement claim has little to no value.

Plaintiff contends that this claim is valued at $140,000.00 based upon average cell phone usage and failure by Defendant to reimburse class members for their monthly usage while at work. Given the fact that there are individualized issues in proving reimbursement violations and damages, Plaintiff believes this claim's reasonable value is **$14,000**, or ten percent of the total value.

VII. Total Damage Exposure[2]

Plaintiff believes that the $525,000 settlement achieved in this case is very good for the class members. Based upon a reasonable exposure value of $1,249,314, the Settlement represents approximately 42% of that total value. Given the many defenses raised, the uncertainty of the certifiability of any class, and the risks of going to trial, Class Counsel believe this settlement is a good result for all of the class members.

Estimate of Recovery of Average Class Member

G(3)(a)(iv): Based upon the Net Settlement Amount set forth above, Class Counsel anticipates that each Class Member will receive, on average, approximately $215. The Individual Class Payments will likely range from $4.50 to $927.[3]

Estimate of PAGA Recovery

G(3)(a)(v): Each Aggrieved Employee will receive approximately $7 in penalties under PAGA.

Nature and Extent of Factual Investigation and Informal Discovery Exchanged

G(3)(a)(vi): Plaintiff filed her operative First Amended Class Action and PAGA Complaint on August 29, 2023. Shortly after filing, the parties discussed the possibility of early resolution and informal discovery to evaluate the class and PAGA claims.

[2] The Unfair Competition claim is subsumed into the Kullar analysis above. The Unfair Competition claim is based upon the wage and hour violations, and adds an extra year of damages, and is included within the above analysis.

[3] These figures are based on data through the May 15, 2024 mediation date.

To that end, Defendant produced hundreds of pages of time and payroll records, and an Excel spreadsheets with thousands of lines of pay data for the Class. Plaintiff also hired experienced damages expert James Toney to analyze the payroll and related wage data and create a damages model for the various claims alleged in the case. Based upon the analysis of the time records and payroll data, Mr. Toney and Class Counsel were able to calculate damage estimates on a class-wide basis.

The parties did not attend Mediation in this matter until they had sufficient data and documents to evaluate the claims in the case. On May 15, 2024, the parties attended a full-day Mediation before experienced wage and hour mediator Gig Kyriacou, Esq. After an all-day mediation, the parties reached a settlement, memorialized in a Memorandum of Understanding the next day on May 16, 2024. Thereafter, the parties entered into a Long Form Settlement Agreement entered into on July 30, 2024.

No Other Competing Class Claims

G(3)(a)(vii): Class Counsel is unaware of any class, representative, or other collective action in any other court in this or any other jurisdiction that asserts claims similar to those asserted in this action on behalf of a class or group of individuals some or all of whom would also be members of the class defined in this action. Further, Class Counsel inquired with relevant court filing databases and was unable to locate any other similar filings.

Uncashed Checks

G(3)(c): All uncashed checks shall be voided by the Administrator and the Administrator shall transmit the funds represented by such checks to the California State Controller Unclaimed Property Fund pursuant to governing law to be held there for the benefit of Class Members under California's escheatment laws.

Settlement Administrator

G(3)(d)(i): The parties received quotes from various settlement administrators, and chose the lowest bid. The lowest bid came from experienced administrator, Phoenix Class Action Administration Solutions ("Phoenix"), who will prepare and send notice to the Class, receive and

process objections and opt-outs, and prepare and mail settlement checks to Participating Class Members. The Administrator will conduct skip-tracing for any Class Member whose addresses cannot be found.

Release

G(3)(e): The settlement agreement's release includes Defendant and its directors, officers, employees, and agents. This is standard release language, and adequately protects Defendant.

The release includes only those claims alleged, or that could have been alleged, based on the facts stated in the Operative Complaint and PAGA Notices. The Aggrieved Employees release only civil penalties and other amounts recoverable under PAGA in connection with the PAGA claim, and not wages or damages, unless also released as part of the Class claims.

Class Notice

G(3)(f): In my opinion, the best and most practicable method to notify Class Members is by mail, as all members of the Class were at one time employed by Defendant in California. For current employees of Defendant who are Class Members, Defendant has current addresses. I am also informed and believe that Defendant maintains last known addresses for all of their former employees, so mailing the notices is preferable to some other method. In the event former employees are no longer at the addresses maintained by Defendant, Phoenix will engage in skip tracing to track down their current addresses.

Employer's share of payroll taxes and settlement allocation

G(3)(i), (j): The employer's share of payroll taxes shall be paid outside of the settlement by Defendant. The Parties allocate the Net Settlement Amount as follows: 10% wages and 90% to penalties and interest.

PAGA Penalties

G(9)(b): The PAGA penalties were further explained in the *Kullar* analysis above. I believe there is a small chance that the violations would be determined to be knowing and intentional because, among other reasons, Defendant has facially compliant wage and hour

policies, which is why I ascribe only a 5% chance of recovering those penalties. Based on the small chance of recovery, I believe the allocation of $30,000 to PAGA is fair and reasonable here.

ATTORNEY COMPETENCE IN CLASS ACTIONS

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

a. *Wilkins, et al. v. Equinox Holdings, Inc.*
Los Angeles Superior Court, No.: BC440058

b. *TBC Retail Group Wage and Hour Cases*
Los Angeles Superior Court, No.: JCCP No. 4701

c. *Casserly v. Randstad US,L.P.,et al.*
U.S.D.C., Central District of California, No. SACV 12-1023-DOC(ANx)

d. *Crilly v. Micro Electronics, Inc*.
Orange County Superior Court, No.: 30-2013-00662586-CU-OE-CXC

e. *Concho, et al. v. Pipeline Carriers, Inc. et al.*
Orange County Superior Court, No.:30:2013-00649600-DU-OE-CXC

f. *Holsted et al. v. R.J. Noble Company et. al.*
Orange County Superior Court, No.:30:2010-00379770-CU-OE-CXC

g. *Piggue v. Chief Protective Services, Inc.*
Orange County Superior Court, No.:30-2013-00688107-CU-OE-CXC

h. *Walsh v. Pacific Bell Telephone Company*
Orange County Superior Court, No.:30-2011-00498062-CU-OE-CXC

i. *Woods v. JFK Memorial Hospital*
Riverside County Superior Court, No.: INC 1205209

j. *Ramirez et. al v. Titan Insurance of New Mexico*
Riverside County Superior Court, No.: RIC1211890

k. *DeSantos v. Jaco Oil Company*, et al.
U.S.D.C. Eastern District of California, No. 1:14-CV-00738-JLT

l. *Duran v. Big 5 Corp.*
Los Angeles Superior Court, Case No. BC557154

m. *Sheahan v. Celtic Leasing Corporation, Inc.*
Orange County Superior Court No.: 30-2016-00852151-CU-OE-CXC

n. *Panusis v. Control4 Corporation*
United States District Court, Central District of California
Case No. SACV-16-1179-DOC

o. *O&R Construction, LLC v. Dun & Bradstreet, et al.*
United States District Court, Western District of Washington
Case No. C12-2184 TSZ

p. *Matthews v. Whelan Security of California, Inc.*
Orange County Superior Court, No.: 30-2016-00833250-CU-OE-CXC

q. *Rodriguez v. R.J. Noble Company (Navarro/Kles)*,
Orange County Superior Court, No.: 30-2017-00916018-CU-OE-CXC

r. *Wang v. Fountain Valley Regional Hospital*
Orange County Superior Court, No. 30-2015-00821329-CU-OE-CXC

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

9. I am a member of the California State Bar, the Orange County Bar Association, and Los Angeles County Bar Association. I have an AV rating from Martindale-Hubbell, the highest possible rating for a lawyer. During my 25+ year career, I have handled many successful employment law matters both at the trial and appellate levels. I estimate that I have represented plaintiffs in over 80 different employment cases, the vast majority of which have resulted in

favorable settlements, awards and/or verdicts for my clients. I have successfully prosecuted and obtained significant recoveries in several class action lawsuits and other lawsuits involving complex legal and factual issues. In 2015, I was co-lead counsel in *Walsh v. Pacific Bell*, which settled for $16,800,000. I also served as co-class counsel in the above-referenced *Wilkins* case which settled for $5,500,000 and the above-referenced *Casserly* case which settled for $4,900,000. I also was co-class counsel in the above-described *Holsted v. RJ Noble,* which our firm settled on behalf of 66 class members for $1,900,000. I have also been involved in many other million and multi-million dollar verdicts and settlements over the years. Recently, in October 2023, I was also co-lead counsel in *Skerl v. Sutter Bay Hospitals*, in which final approval was granted for a $12,000,000 settlement for health care workers. I have also been involved in many other seven and eight figure verdicts and settlements over the years.

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

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

CLASS ENHANCEMENTS AND ATTORNEYS' FEES, COSTS AND EXPENSES

12. Plaintiff has assisted Class Counsel in her investigation by connecting Class Counsel to other individuals who were employed by Defendant, and by corresponding with Class Counsel to answer questions about their employment. Plaintiff also spent many hours conferring

with Class Counsel both prior to and after initiating this litigation, assisted in the preparation for mediation, and has produced payroll and other employment records to assist Class Counsel in pursuing the claims in this case.

13. In addition, Plaintiff is releasing all claims, not just wage and hour claims, as part of her release in this case. As such, Plaintiff's release includes a waiver of unknown claims and her rights under California Civil Code § 1542.

14. Based on the above, the requested service payment of $10,000 for Plaintiff is appropriate and justified. Plaintiff will submit a declaration in further support of her Class Representative Service Payment with the motion for final approval.

15. Plaintiff also intends to request attorneys' fees not to exceed one-third of the settlement, and reimbursement of costs not to exceed $20,000. Plaintiff's attorneys have achieved an excellent result, and believe that the percentage requested is fair and appropriate in this case, and all of the costs requested assisted in the prosecution of this case. Plaintiff will submit a detailed declaration and attorneys' bills and costs with her motion for final approval.

16. Additionally, Plaintiff will request that the Administrator, Phoenix, be paid no more than $15,000 to administer the settlement.

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

I declare under penalty of perjury under the laws of California that the foregoing is true and correct. Executed on November 4, 2024, at Irvine, California.

//Aaron A. Bartz//
Aaron A. Bartz

EXHIBIT 1

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT

This Class Action and PAGA Settlement Agreement ("Agreement") is made by and between plaintiff Sarai Corado ("Plaintiff") and defendant Harkins Administrative Services, Inc. ("Defendant"). The Agreement refers to Plaintiff and Defendant collectively as "Parties," or individually as "Party."

1. DEFINITIONS.

1.1. "Action" means the lawsuit captioned *Sarai Corado v. Harkins Administrative Services, Inc.* Case No. CVRI2302159 pending in Superior Court of the State of California, County of Riverside.

1.2. "Administrator" means Phoenix Class Action Administration Solutions ("Phoenix"), the neutral entity the Parties have agreed to appoint to administer the Settlement. The Parties each represent that they do not have any financial interest in the Administrator or otherwise have a relationship with the Administrator that could create a conflict of interest.

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 of administering the Settlement in accordance with the Administrator's "not to exceed" bid submitted to the Court in connection with Preliminary Approval of the Settlement. The Administration Expenses Payment is estimated to be in an amount not to exceed $15,000.00.

1.4. "Aggrieved Employee" means all current and former non-exempt employees who worked for Defendant in California as a non-exempt employee at any time from March 23, 2022 through August 1, 2024, whether or not the Aggrieved Employee opts out of the Settlement through a valid Request for Exclusion, and represented by the Plaintiff and the State of California Labor and Workforce Development Agency. There are approximately 993 Aggrieved Employees as of the May 15, 2024 mediation date.

1.5. "Class" means all current and former non-exempt employees who worked for Defendant in California as a non-exempt employee at any time during the Class Period.

1.6. "Class Counsel" means Bartz Law Group, APC and United Employees Law Group, PC.

1.7. "Class Counsel Fees Payment" and "Class Counsel Litigation Expenses Payment" mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys' fees and expenses, respectively, incurred to prosecute the Action. The Class Counsel Fees Payment will be in an amount not to exceed one third of the Gross Settlement Amount ($175,000.00), and the Class Counsel Litigation Expenses Payment will not exceed $20,000.00.

1.8. "Class Data" means Class Member identifying information in Defendant's possession that Defendant will in good faith compile and shall be authorized by the Court to transmit in a secure manner to the Administrator, including each Class Member's full name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.

1.9. "Class Member" or "Settlement Class Member" means a member of the Class, as

either a Participating Class Member or Non-Participating Class Member (including a Non- Participating Class Member who qualifies as an Aggrieved Employee). There are approximately 1,277 Class Members as of the May 15, 2024 mediation date.

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

1.11. "Class Notice" means the NOTICE OF CLASS ACTION AND REPRESENTATIVE ACTION, which shall be mutually agreed upon by the Parties, subject to Court approval, and mailed by the Administrator to Class Members in English with a Spanish translation in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.

1.12. "Class Period" means the period from June 5, 2020 through August 1, 2024.

1.13. "Class Representative" means the named Plaintiff in the operative complaint in the Action seeking Court approval to serve as Class Representative.

1.14. "Class Representative Service Payment" means the payment to the Class Representative for initiating the Action and providing services in support of the Action. The Class Representative Service Payment will not exceed $10,000.00 and is in addition to Class Representative's Individual Class Payment and Individual PAGA Payment.

1.15. "Class Workweeks" means Workweeks worked by each Class Member as a non-exempt employee in California during the Class Period and excludes any weeks during which a Class Member was on leave of absence or otherwise absent from work. All Class Members are entitled to payment for at least one Workweek.

1.16. "Court" means the Superior Court of California, County of Riverside.

1.17. "Defendant" means named Defendant Harkins Administrative Services, Inc.

1.18. "Defense Counsel" means Davis Wright Tremaine LLP.

1.19. "Effective Date" means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, and no appeal is taken, then the Effective Date will be sixty-five (65) calendar days after the Court enters Judgment. If an appeal is taken from the Court's overruling of objections to the Settlement, then the Effective Date will be 20 calendar days after the appeal is dismissed or after an appellate decision affirming the Judgment becomes final and non-appealable.

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

1.21. "Final Approval Hearing" means the Court's hearing on the Motion for Final Approval of the Settlement after the filing by Plaintiff of an appropriate motion and following notice to Class Members giving them the opportunity to request exclusion from and object to the Settlement.

1.22. "Final Judgment" means the order and judgment to be entered by the Court upon granting Final Approval of the Settlement.

1.23. "Gross Settlement Amount" means Five Hundred Twenty-Five Thousand Dollars ($525,000.00) which is the maximum total amount Defendant agrees to pay under the Settlement, except as provided in Paragraph 9. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, the Class Representative Service Payment and the Administration Expenses Payment.

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

1.25. "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of Workweeks the Aggrieved Employee worked during the PAGA Period.

1.26. "Judgment" means the judgment entered by the Court based upon the granting of Final Approval.

1.27. "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i), to 75% of the PAGA Penalties.

1.28. "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).

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

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

1.31. "Notice of Objection" means a Class Member's valid and timely submission of a written objection to the Settlement. A Notice of Objection form shall be included in the Notice Packet. At no time shall any of the Parties, Class Counsel, or Defense Counsel seek to solicit or otherwise encourage or discourage Class Members from submitting a Notice of Objection or filing an appeal from the Final Judgment.

1.32. "Notice Packet" means the packet of documents that will be mailed to all Class Members by the Administrator, including the Class Notice, Request for Exclusion form, and Notice of Objection form in Exhibit A.

1.33. "PAGA Workweeks" means Workweeks worked by each Aggrieved Employee as a non-exempt employee for Defendant in California during the PAGA Period and excludes any Workweeks during which the Aggrieved Employee was on leave of absence or otherwise absent from work. All Aggrieved Employees will be entitled to payment for at least one PAGA Workweek.

1.34. "PAGA Period" means the period from March 23, 2022 through August 1, 2024.

1.35. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).

1.36. "PAGA Notices" means Plaintiff's March 23, 2023 and May 27, 2023 letters to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a), asserting claims for civil penalties under, among other things, Labor Code sections 201, 202, 203, 204, 226, 226.3, 226.7, 245, 245.5, 246, 248.5, 510, 512, 558, 1174, 1194, 1198, 2802, and 2699.

1.37. "PAGA Penalties" means the total amount of the Gross Settlement Amount allocated to the settlement of the PAGA claims, or Thirty Thousand Dollars ($30,000.00). 25% of this amount ($7,500) will be allocated to the Aggrieved Employees, and 75% ($22,500.00) to LWDA.

1.38. "Participating Class Member" means Plaintiff and other Class Members who do not submit a valid and timely Request for Exclusion from the Settlement.

1.39. "Plaintiff" means Sarai Corado, the named plaintiff in the Action.

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

1.41. "Preliminary Approval Order" means the order to be issued by the Court approving and authorizing the mailing of the Notice Packet by the Administrator, setting the date for the Final Approval hearing and granting preliminary approval of the Settlement.

1.42. "Released Class Claims" means the claims being released as described in Paragraph 5.3 below.

1.43. "Released PAGA Claims" means the claims being released as described in Paragraph 5.4 below.

1.44. "Released Parties" means: Defendant and its directors, officers, employees, and agents.

1.45. "Request for Exclusion" means a Class Member's submission of a written request to be excluded from the Class Settlement signed by the Class Member and submitted to the Administrator. The Request for Exclusion form shall be included in the Notice Packet. Any Class Member who does not submit a Request for Exclusion by the Response Deadline will be deemed a Participating Class Member and bound by the terms of the Settlement.

1.46. "Response Deadline" means 45 days after the Administrator mails the Notice Packet to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail a Notice of Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned as undeliverable to the Administrator shall have an additional 14 calendar days beyond when the Response Deadline has expired to submit a valid Request for Exclusion or Notice of Objection.

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

1.48. "Workweek" means any week during which a Class Member worked for Defendant for at least one day, during the Class Period.

2. RECITALS.

2.1. On April 26, 2023, Plaintiff commenced this Action by filing a Complaint alleging causes of action against Defendant for Violation of Business and Professions Code section 17200, Failure to Pay Wages including Minimum and Overtime Wages, Failure to Maintain Accurate Payroll Records, Waiting Time Penalties, Failure to Provide and Maintain Accurate Wage Statements, Failure to Provide Meal and Rest Periods, Failure to Reimburse Expenses. Thereafter, Plaintiff filed a First Amended Complaint, adding a violation of the PAGA. The First Amended 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 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 Notices.

2.3. On May 15, 2024, the Parties participated in an all-day mediation presided over by experienced wage and hour mediator Gig Kyriacou, which led to this Agreement to settle the Action.

2.4. Prior to mediation, Plaintiff obtained, through informal discovery, time and payroll records of Defendant, policy documents, and other information and data sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").

2.5. The Court has not granted class certification.

2.6. The Parties, Class Counsel, and Defense Counsel represent that they are not aware of any other pending matter or action asserting claims that will be extinguished or affected by the Settlement.

2.7. Benefits of Settlement for Plaintiff and Class Members. Plaintiff and Class Counsel recognize the expense and length of continued proceedings necessary to litigate Plaintiff's disputes in the Action through trial and any possible appeals. Plaintiff also has taken into account the uncertainty and risks of the outcome of further litigation and the difficulties and delays inherent in such litigation. Plaintiff and Class Counsel are also aware of the burdens of proof necessary to establish liability for the claims asserted in the Operative Complaint, both generally and in response to Defendant's defenses thereto, and the difficulties in establishing damages, penalties, restitution and other relief sought. Plaintiff and Class Counsel have also taken into account Defendant's agreement to enter into a settlement that confers substantial benefits upon the Class Members. Based on the foregoing, Plaintiff and Class Counsel have determined this Agreement is fair, adequate, and reasonable and is in the best interest of the Class.

2.8. Defendant's Reasons for Settlement. Defendant has concluded that further defense of the Action would be protracted and expensive. Substantial amounts of

Defendant's time, energy, and resources have been, and unless this Settlement is completed, shall continue to be devoted to the defense of the claims asserted by Plaintiff. Defendant has also taken into account the risks of further litigation in reaching its decision to enter into this Agreement. Even though Defendant contends it is not liable for any of the claims alleged in the Actin, Defendant has agreed to settle in the manner and upon the terms set forth in this Agreement to fully and finally put to rest the claims alleged in this Action. Defendant has asserted and continues to assert that the claims alleged by Plaintiff have no merit and do not give rise to any liability, damages, restitution, penalties, or other payments. This Agreement is a compromise of disputed claims. Nothing in this Agreement or actions taken to carry out this Agreement shall be construed or used as an admission by or Against Defendant as to the merits or lack thereof of the claims asserted in the Action. Defendant contends it has complied with all applicable laws. In the event this Settlement does not obtain Final Approval, Defendant retains all rights it has to defend itself in this matter and to take any actions in defense of itself. Further, if this Settlement does not receive preliminary and/or final approval, Plaintiff and his counsel have agreed not to use any post-mediation handbook or policy updates or revisions against Defendant to show that prior versions were non-compliant.

3. MONETARY TERMS.

3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 9, Defendant promises to pay Five Hundred Twenty-Five Thousand Dollars ($525,000.00) and no more as the Gross Settlement Amount, and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. Defendant has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.3 of this Agreement. Once the Administrator has received the Gross Settlement Amount from Defendant, the Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to 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 Judgment:

3.3. To Plaintiff: Class Representative Service Payment to the Class Representative of not more than Ten Thousand Dollars ($10,000.00) in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member. Defendant will not oppose Plaintiff's request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiff will seek Court approval for any Class Representative Service Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the remainder shall be allocated to the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for taxes owed on the Class Representative Service Payment.

3.4. To Class Counsel: A Class Counsel Fees Payment of not more than 33 1/3% of the Gross Settlement Amount, which is currently estimated to be One Hundred Seventy-Five Thousand Dollars ($175,000.00) and a Class Counsel Litigation Expenses Payment of not more than Twenty Thousand Dollars ($20,000.00). Defendant will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Court's approval of lesser amounts than those set forth in this section shall not provide a basis for either party to revise or rescind this Agreement or to contest the entry of a Preliminary Approval Order or Final Approval Order and Judgment awarding lesser amounts than those set forth in this section. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fees Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.5. To the Administrator: An Administration Expenses Payment not to exceed Fifteen Thousand Dollars (15,000.00), except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses Payment is less or the Court approves payment less than $15,000.00, the Administrator will allocate the remainder in the Net Settlement Amount.

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

3.6.1. Tax Allocation of Individual Class Payments. 10% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The 90% of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest (45%) and penalties (45%) (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any taxes owed on their Individual Class Payments.

3.6.2. Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to

their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis. Their Class Workweeks will not factor into the equation outlined above in Section 3.6.

3.7. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of Thirty Thousand Dollars ($30,000.00) to be paid from the Gross Settlement Amount, with 75% ($22,500.00) allocated to the LWDA PAGA Payment and 25% ($7,500.00) allocated to the Individual PAGA Payments.

3.7.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing $7,500.00 by the total number of PAGA Workweeks worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Workweeks. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

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

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendant estimates there are 1,277 Class Members who collectively worked a total of 61,169 Class Workweeks from June 5, 2020 to May 15, 2024, and 993 Aggrieved Employees who worked a total of 44,369 PAGA Workweeks from March 23, 2022 to May 15, 2024.

4.2. Class Data. Not later than 30 days after the Court grants Preliminary Approval of the Settlement, Defendant will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet, for the purpose of disbursing the Notice Packets. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. The Administrator will also return or certify the destruction of the Class Data upon completion of the settlement administration process. If any Class Data is disclosed to Plaintiff or Class Counsel, it will identify Class Members by anonymous identifier only, without the name, address, or Social Security number of any Class Member.

4.3. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Defendant's share of payroll taxes by transmitting the funds to the Administrator no later than 65 days after the Effective Date, but in no event earlier than May 15, 2025.

4.4. Payments from the Gross Settlement Amount. Within 14 days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment.

4.4.1. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided (the "Void Date"). The Administrator will cancel all checks not cashed by the Void Date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment where applicable and subject to the tax allocations detailed in Section 3. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database maintained by the United States Postal Service and any other available resources deemed suitable by the Administrator to update and correct any known or identifiable address changes. To the extent this process yields a different results than the one Defendant included in the Class Data, the updated address found through the National Change of Address Database shall replace the one provided by Defendant.

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

4.4.3. If a Class Member does not cash their settlement check within 180 days, the un-cashed check, plus any accrued interest that has not been distributed pursuant to the order of the Court, shall be voided by the Administrator and the Administrator shall transmit the funds represented by such checks to the California State Controller Unclaimed Property Fund pursuant to governing law to be held there for the benefit of Class Members under California's escheatment laws, and Class Members shall nevertheless be bound to the Parties' Settlement Agreement and the Court's Final Approval Order and Judgment. The Parties agree this disposition results in no "unpaid residue" under California Code of Civil Procedure Section 384(b), as the Gross Settlement Amount shall be paid to Class Members, whether or not their checks are cashed. In such event, the Participating Class Member and/or Aggrieved Employee shall nevertheless remain bound by the Settlement.

4.4.4. The payment of Individual Class Payments and Individual PAGA Payments shall not obligate Defendant to confer any additional benefits or make any additional payments to Class Members (such as 401(k) contributions or bonuses) beyond those specified in this Agreement. Furthermore, all monies received by Participating Class Members under the Settlement which are attributable to wages shall constitute income solely in the year in which such monies are actually received by Participating Class Members.

5. **RELEASES OF CLAIMS**. Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff, Class Members, and Class 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 or the California Business and Professions 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 that may not be released as a matter of law, including claims under the National Labor Relations Act. 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 agrees, 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. The Parties agree that this general release by Plaintiff does not operate to preclude or impact her pending workers' compensation case.

5.2. 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 of section 1542 of the California Civil Code, which reads:

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

materially affected his or her settlement with the debtor or Released Party.

5.3. Released Class Claims By Participating Class Members Who Are Not Aggrieved Employees: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from any and all claims reasonably related to or arising out of the factual allegations pled in the Operative Complaint in the Action or Plaintiff's PAGA Notices, including all claims have been or could have been pled as wage and hour violations and related penalties and interest under California law, including all claims made and that could have been made in such pleading reasonably related to or arising out of the factual allegations therein during the Class Period (collectively the "Released Class Claims"). The Released Claims include but are not limited to claims for any alleged or actual failures to timely, fully, properly, or completely pay any minimum wages, regular wages, overtime premium wages, meal or rest period premium wages, or other wages owed to the Settlement Class; any and all alleged or actual failures to comply with meal or rest period requirements; any alleged or actual failures to provide proper, accurate, timely, adequately descriptive, or complete wage statements or pay stubs; any and all alleged or actual failures to fully or properly reimburse or indemnify for any and all employment-related expenses; any and all alleged or actual failures to pay all wages, or compensation owed to a fired, quitting, or otherwise departing employee; any and all alleged or actual unfair business practices; any and all alleged or actual failures to pay employees in compliance with Labor Code section 204; any and all alleged or actual violations of Labor Code section 245 *et seq.*; and any and all alleged or actual failures to pay any interest or penalties owed as a result of any and all of the foregoing. The Plaintiff and Settlement Class Members will release Defendant and the Released Parties from all remedies that could be claimed in connection with the Released Claims including but not limited to, statutory, constitutional, contractual damages, unpaid costs, penalties, punitive damages, interest, attorneys' fees, litigation costs, restitution, and equitable relief.

5.4. Released PAGA Claims by Aggrieved Employees: The State of California and all Aggrieved Employees, including Non-Participating Class Members who are Aggrieved Employees, are deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties from the claims for civil penalties, interest, attorneys' fees, litigation costs, and other available relief for violations of PAGA that were alleged or asserted in the Operative Complaint and/or the PAGA Notices, or could have reasonably been alleged or asserted based on, reasonably related to, or arising out of the facts alleged in the Operative Complaint and/or the PAGA Notices, during the PAGA Period. This release shall be binding on all Aggrieved Employees regardless of whether they submit a valid Request for Exclusion.

6. **MOTION FOR PRELIMINARY APPROVAL.** The Parties agree Plaintiff will prepare and file a motion for preliminary approval ("Motion for Preliminary Approval") and supporting documentation that comply with the Court's Class Action Case Management Order #1, issued June 27, 2023.

6.1. Defendant's Declaration in Support of Preliminary Approval. Within 30 days of the

full execution of this Agreement, Defendant will prepare and deliver to Class Counsel required declarations by Defendant and Defense Counsel necessary for obtaining Preliminary Approval pursuant to the Court's Class Action Case Management Order #1.

6.2. Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice of and memorandum in support of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code Section 2699, subd. (f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) draft proposed Class Notice, Notice of Objection, and Request for Exclusion forms; (iv) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiff's Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiff confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members; (v) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); and (vi) all facts relevant to any actual or potential conflict of interest with Class Members.

6.3. Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than 60 days after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval Order to the Administrator.

6.4. Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns. The Parties represent that they have cooperated in the drafting and preparation of this Agreement. Thus, in any construction made of this Agreement, the same shall not be construed against any of the Parties.

7. SETTLEMENT ADMINISTRATION.

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

7.2. Employer Identification Number. The Administrator shall have and use its own Employer Identification Number for purposes of calculating payroll tax withholdings and providing reports state and federal tax authorities.

7.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1, in which the Gross Settlement Amount shall be placed and from which payments required by the Settlement shall be made.

7.4. Notice to Class Members.

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

7.4.2. Using best efforts to perform as soon as possible, and in no event later than fourteen (14) days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service ("USPS") mail, the Notice Packet, with Spanish translation, substantially in the form attached to this Agreement as Exhibit A. The Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Class Workweeks and PAGA Workweeks (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database and use its best judgment to determine the current mailing address for each Class Member. The Parties agree this procedure for notice provides the best practicable notice for Class Members and fully complies with due process

7.4.3. Not later than five (5) business days after the Administrator's receipt of any Notice Packet returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Notice Packet to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Notice Packet to Class Members whose Notice Packet is returned by the USPS a second time. If these procedures are followed, notice to Class Members shall be deemed to have been fully satisfied, and if the intended recipient of the Notice Packet does not receive the Notice Packet, the intended recipient shall nevertheless remain a Class Member and shall be bound by all terms of the Settlement and the Judgment.

7.4.4. The deadlines for Class Members' Notices of Objection, challenges to Class Workweeks and/or PAGA Workweeks, and Requests for Exclusion will be extended an additional 14 days beyond the 45 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

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

7.4.6. The Administrator does not have authority to extend the Response Deadline absent agreement by both Parties.

7.5. Requests for Exclusion (Opt-Outs).

7.5.1. Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than 45 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion must reasonably communicate the Class Member's election to be excluded from the Settlement and include the Class Member's name, address and email address or telephone number. A Request for Exclusion Form is included in the Notice Packet in Exhibit A. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

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

7.5.3. Every Class Member who does not submit a timely and valid Request for Exclusion by the Response Deadline is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 5.3 and 5.4 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

7.5.4. Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class

Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 5.4 of this Agreement and are eligible for an Individual PAGA Payment.

7.5.5. Class Members may rescind their Request for Exclusion by submitting a written rescission statement to the Administrator no later than the filing of the Motion for Final Approval.

7.6. Challenges to Calculation of Workweeks. Each Class Member shall have 45 days after the Administrator mails the Notice Packet (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Workweeks (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. The Administrator will also send the dispute information to Defense Counsel within five (5) calendar days of receiving the dispute, and Defendant will review its records and submit any additional supporting information to the Administrator within seven (7) calendar days of receiving the dispute. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. Otherwise, the Administrator will make a determination regarding Workweeks and the amount of any payments. The Administrator's determination of each Class Member's allocation of Class Workweeks and/or PAGA Workweeks shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Class Workweeks and/or PAGA Workweeks to Defense Counsel and Class Counsel and the Administrator's determination of the challenges. The Court will have the final authority in the event that challenges from Class Members remain unresolved.

7.7. Objections to Settlement.

7.7.1. Only Participating Class Members may object to the class action components of the Settlement and/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Class Representative Service Payment.

7.7.2. Participating Class Members may send written objections to the Administrator, by fax, email, or mail. A Notice of Objection form is included in the Notice Packet in Exhibit A. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present verbal objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than 45 days after the Administrator's mailing of the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed). Not later than 5 days after the expiration of the deadline for submitting Objections, the Administrator shall email a list to Class Counsel

and Defense Counsel containing (a) the names and other identifying information of Class Members who have timely submitted valid Objections; and (b) copies of all Objections submitted (whether valid or invalid).

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

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

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

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

7.8.3. Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, Notices of Objection received, and challenges to Class Workweeks and/or PAGA Workweeks received and/or resolved ("Weekly Report"). The Weekly Reports must include the Administrator's assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and Notices of Objection received.

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

needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

7.8.5. Final Report by Settlement Administrator. Within ten (10) days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least fifteen (15) days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

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

9. **CLASS SIZE ESTIMATES and ESCALATOR CLAUSE.** Defendant estimates that, as of May 15, 2024, the number of workweeks for all Class Members from June 5, 2020 to May 15, 2024 was approximately 61,169 ("Workweek Amount"). Should the final Workweek Amount increase by more than 10% (i.e. more than 6,117 additional Workweeks such that the final Workweeks being released are greater than 67,286) for the Class Period: (i) the Gross Settlement Amount shall be increased proportionally by the Workweeks in excess of 67,286, such that if, for example, the workweeks are 12% greater than the Workweek Amount above, the Gross Settlement Amount will increase by 2%; or (ii) the Class Period end date (August 1, 2024) shall be modified such that the final Workweek Amount is no more than 67,286, at Defendant's election.

10. **MOTION FOR FINAL APPROVAL.** Not later than sixteen (16) court days before the calendared Final Approval Hearing, Plaintiff will file in Court, a motion for Final Approval of the Settlement that includes a notice, memorandum of points and authorities, necessary declarations, a request for approval of the PAGA settlement under Labor Code section 2699, subd. (l), a proposed Final Approval Order, a proposed Judgment (collectively "Motion for Final Approval"), and any other necessary supporting documentation. Plaintiff shall provide drafts of these documents to Defense Counsel not later than five (5) calendar days prior to filing the Final Approval papers. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the motion for Final Approval.

10.1. Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

10.2. Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

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

10.4. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment reflected set forth in this Settlement, the Parties, their respective counsel, and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount. However, either Party may appeal any Court order that materially alters this Agreement's terms.

10.5. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

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

12. ADDITIONAL PROVISIONS.

12.1. No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly

disputed claims. Nothing in this Agreement is intended or should be construed as an admission by 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 class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does grant Preliminary Approval, Final Approval or enter Judgment, Defendant reserves the right to contest certification of any class for any reasons, and Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to move for class certification on any grounds available and to contest 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).

12.2. Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendant and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency.

12.3. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendant and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, with any third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect.

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

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

12.6. Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by 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.

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

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

12.9. No Tax Advice. Neither Plaintiff, Class 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.

12.10. Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.

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

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

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

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

12.15. Use and Return of Class Data. Information provided to Class Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the Class Data provided to Class Counsel by 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 date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy, all paper and electronic versions of Class Data received from Defendant unless, prior to the Court's discharge of the Administrator's obligation, Defendant

makes a written request to Class Counsel for the return, rather than the destructions, of Class Data.

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

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

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

To Plaintiff:

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

To Defendant:

Davis Wright Tremaine LLP
865 South Figueroa Street, Suite 2400
Los Angeles, CA 90017-2566
Attn: Evelyn Wang/Alexa Graumlich
evelynwang@dwt.com
alexagraumlich@dwt.com

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

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

12.21. Binding Nature of Notice. Because the Class Members are so numerous, it is impractical to have each Class Member execute this Agreement. The Notice Packet shall advise all Class Members of the binding nature of the Settlement, and releases in sections 5.3 and 5.4 shall have the same force and effect as if this Agreement were executed by each Participating Class Member and Aggrieved Employee.

Docusign Envelope ID: 1B0BEC7C-1D02-4221-8CB4-F0414C05F3C9

12.22. Mutual Preparation. Both Parties have had a full opportunity to negotiate the terms and conditions of this Agreement. Accordingly, this Agreement shall not be construed more strictly against one Party than another merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arms-length negotiations between the Parties, all Parties have contributed to the preparation of this Agreement.

12.23. Authorization. Class Counsel and Defense Counsel warrant and represent that they are expressly authorized by the Parties whom they represent to negotiate this Agreement and take all appropriate actions required or permitted to be taken to effectuate its terms and to execute any other documents required to effectuate the terms of this Agreement.

12.24. Resolution of Disputes. The Parties agree to refer any disputes regarding the drafting of this Agreement and attached documents to mediator Gig Kyriacou.

IT IS SO AGREED:

Dated: July 23, 2024

Signed by:
9E23D2AF3DFF4F0...
Plaintiff Sarai Corado

Dated: July ___, 2024

Michael L. Bowers, o/b/o Harkins Administrative Services, Inc.

APPROVED AS TO FORM

Dated: July 23, 2024

Signed by:
Aaron Bartz
EC5A3FE789D1423...
Aaron Bartz, Class Counsel

Dated: July ___, 2024

Evelyn Wang, Counsel for Harkins Administrative Services, Inc.

12.22. Mutual Preparation. Both Parties have had a full opportunity to negotiate the terms and conditions of this Agreement. Accordingly, this Agreement shall not be construed more strictly against one Party than another merely by virtue of the fact that it may have been prepared by counsel for one of the Parties, it being recognized that, because of the arms-length negotiations between the Parties, all Parties have contributed to the preparation of this Agreement.

12.23. Authorization. Class Counsel and Defense Counsel warrant and represent that they are expressly authorized by the Parties whom they represent to negotiate this Agreement and take all appropriate actions required or permitted to be taken to effectuate its terms and to execute any other documents required to effectuate the terms of this Agreement.

12.24. Resolution of Disputes. The Parties agree to refer any disputes regarding the drafting of this Agreement and attached documents to mediator Gig Kyriacou.

IT IS SO AGREED:

Dated: July ___, 2024

Plaintiff Sarai Corado

Dated: July 30, 2024

Michael L. Bowers, o/b/o Harkins Administrative Services, Inc.

APPROVED AS TO FORM

Dated: July___, 2024

Aaron Bartz, Class Counsel

Dated: July 30, 2024

Evelyn Wang, Counsel for Harkins Administrative Services, Inc.

EXHIBIT A

NOTICE OF CLASS ACTION AND REPRESENTATIVE ACTION SETTLEMENT

In the Matter of:

Sarai Corado v. Harkins Administrative Services, Inc., Case No. CVRI2302159, Superior Court of California, Riverside County

The Superior Court for the State of California authorized this Notice. Please read it carefully. It's not junk mail, spam, an advertisement, or solicitation by a lawyer. You are not being sued.

PLEASE READ THIS NOTICE CAREFULLY.

You have received this Notice because Harkins Administrative Service's records indicate you may be eligible to take part in the class action and representative action settlement reached in the above-referenced case.

You do not need to take any action to receive a settlement payment.

This Notice is designed to advise you of your rights and options with respect to the settlement and how you can request to be excluded from the settlement, object to the settlement, and/or dispute the number of workweeks you are credited with, if you so choose.

You may be eligible to receive money from an employee class and representative action lawsuit against Harkins Administrative Services, Inc. ("Defendant") by former employee Sarai Corado ("Plaintiff") (Plaintiff and Defendant are collectively referred to as the "Parties") for alleged wage and hour violations, pending in the Superior Court of California, County of Riverside, Case Number CVRI2302159 (the "Action"). The Parties have reached a settlement of the action, which may affect your legal rights. On [ ], 2024, the court granted preliminary approval of the settlement and scheduled a hearing on [DATE] at [TIME] ("Final Approval Hearing") to determine whether or not the Court should grant final approval of the settlement.

You have received this Notice of Class Action and Representative Action Settlement (the "Notice") because records indicate that you are a Class Member, as defined below. This Notice is to advise you of how you can participate in the Settlement or how to be excluded from the Settlement.

Below are some important definitions to keep in mind as you are reviewing this Notice:

- **"Class"** means all current and former hourly-paid employees who worked for Defendant in California during the Class Period.
- **"Class Member"** means a member of the Class.
- **"Class Period"** means the period from June 5, 2020 to August 1, 2024.
- **"Participating Class Member"** means a Class Member who does not opt-out of the Class Settlement.
- **"Class Settlement"** means the settlement and resolution of all Released Class Claims (detailed in Section C.9 below).

- **"Aggrieved Employees"** means all current and former hourly-paid employees who worked in California for Defendant during the PAGA Period.
- **"PAGA Period"** means the period from March 23, 2022 through August 1, 2024.
- **"PAGA Settlement"** means the settlement and resolution of all Released PAGA Claims (detailed in Section C.10 below).
- **"PAGA"** means the Private Attorneys General Act of 2004.

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

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

The above estimates are based on Defendant's records showing that **you worked ____ workweeks** as a Class Member during the Class Period and **you worked _____ workweeks** as an Aggrieved Employee during the PAGA Period. If you believe that you worked more workweeks during either period, you can submit a challenge by the deadline date. See Section D of this Notice.

The Court has already preliminarily approved the proposed Settlement and approved this Notice. The Court has not yet decided whether to grant final approval. Your legal rights are affected whether you act or do not act. Read this Notice carefully. You will be deemed to have carefully read and understood it. At the Final Approval Hearing, the Court will decide whether to finally approve the Settlement and how much of the Settlement will be paid to Plaintiff and Plaintiff's attorneys ("Class Counsel"). The Court will also decide whether to enter a judgment that requires Defendant to make payments under the Settlement and requires Class Members and Aggrieved Employees to give up their rights to assert certain claims against Defendant.

If you worked for Defendant during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

(1) **Do Nothing**. <u>You don't have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment</u>. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against Defendant.

(2) **Opt-Out of the Class Settlement**. You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against Defendant, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

Defendant will not fire, punish, retaliate, or otherwise discriminate against you for any actions you take with respect to the proposed Settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if you worked as an hourly-paid employee for Defendant in California during the PAGA Period). In exchange, you will give up your right to assert the wage claims against Defendant that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement **The Opt-out Deadline is [_____]**	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section **F** of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement if you are an Aggrieved Employee. Defendant must pay Individual PAGA Payments to all Aggrieved Employees, and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement **Written Objections Must be Submitted by** _____	All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section **G** of this Notice.
You Can Participate in the _____ Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on [_____]. You don't have to attend, but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section **H** of this Notice.

You Can Challenge the Calculation of Your Workweeks/Pay Periods **Written Challenges Must be Submitted by** _____	The amount of your Individual Class Payment and PAGA Payment (if applicable) depends on how many workweeks you worked at least one day during the Class Period and how many workweeks you worked at least one day during the PAGA Period, respectively. The number Class Workweeks and number of PAGA Workweeks you worked according to Defendant's records is stated above in bold in this Notice. If you disagree with either of these numbers, you must challenge it by [_____]. See Section **D** of this Notice.

A. WHAT IS THE ACTION ABOUT?

Plaintiff is a former employee of Defendant. Plaintiff alleges Defendant violated California labor laws by failing to pay overtime wages, minimum wages, wages due upon termination and reimbursable expenses and failing to provide meal periods, rest breaks and accurate itemized wage statements. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) ("PAGA"). Plaintiff is represented by attorneys in the Action: Bartz Law Group APC and United Employees Law Group PC ("Class Counsel.") Defendant denies all the allegations in the Action or that it violated any law. Defendant contends that its conduct is and has been lawful at all times and that Plaintiff's claims have no merit. Considering the risks, uncertainties, inconvenience, and expense associated with the Action, the Parties have concluded that it is in the best interest of the Parties and Class members to settle the action for the terms summarized in this Notice.

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

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

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

1. Defendant Will Pay Five Hundred Twenty-Five Thousand Dollars ($525,000.00) as the Gross Settlement Amount ("Gross Settlement"). Defendant has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual

Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel's attorney's fees and expenses, the Administrator's expenses, and penalties to be paid to the California Labor and Workforce Development Agency ("LWDA"). Assuming the Court grants Final Approval, Defendant will fund the Gross Settlement not more than 65 days after the Judgment entered by the Court becomes final but not before May 15, 2025. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.

2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:

   a. Up to One Hundred Seventy-Five Thousand Dollars ($175,000.00) (one-third of the Gross Settlement) to Class Counsel for attorneys' fees and up to Twenty Thousand Dollars ($20,000.00) for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.

   b. Up to Ten Thousand Dollars ($10,000.00) to Plaintiff as a Class Representative Award for filing the Action, working with Class Counsel and representing the Class. The Class Representative Award will be the only monies Plaintiff will receive other than Plaintiff's Individual Class Payment and any Individual PAGA Payment.

   c. Up to Fifteen Thousand Dollars ($15,000.00) to the Administrator for services administering the Settlement.

   d. Up to Thirty Thousand Dollars ($30,000.00) for PAGA Penalties, allocated 75% to the LWDA PAGA Payment ($22,500) and 25% in Individual PAGA Payments ($7,500) to be distributed to the Aggrieved Employees based on their PAGA Period Pay Periods. Participating Class Members have the right to object to any of these deductions. The Court will consider all objections.

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the "Net Settlement") by making Individual Class Payments to Participating Class Members based on their Class Workweeks.

4. Taxes Owed on Payments to Class Members. Plaintiff and Defendant are asking the Court to approve an allocation of 10% of each Individual Class Payment to taxable wages ("Wage Portion") and 90% to interest and penalties ("Non-Wage Portion"). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendant will separately pay employer payroll taxes it owes on the Wage Portion. Defendant's share of the taxes on the Wage Portion will not come out of the Gross Settlement. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

   Although Plaintiff and Defendant have agreed to these allocations, neither side is giving you any advice on whether your Payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and

interest on back taxes) on any Payments received from the proposed Settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed Settlement.

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be automatically cancelled, and the monies will go to the California State Controller Unclaimed Property Fund pursuant to governing law to be held there for the benefit of Class Members under California's escheatment laws. Therefore, Participating Class Members will be bound by the Settlement even if they do not cash their settlement check by the void date.

6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than **[DATE],** that you wish to opt-out. In order to opt-out of the Settlement, you should complete the Request for Exclusion Form included with this Notice, by setting forth your name, present address, telephone number, and returning the form to the Administrator by the date set forth above. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against Defendant.

   You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against Defendant based on the PAGA Period facts alleged in the Action.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiff and Defendant have agreed that, in either case, the Settlement will be void: Defendant will not pay any money and Class Members will not release any claims against Defendant.

8. Administrator. The Court has appointed a neutral company, **[INSERT]** (the "Administrator") to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section **I** of this Notice.

9. Participating Class Members' Release. After the Judgment is final and Defendant has fully funded the Gross Settlement (and separately paid the employer-side payroll taxes), Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of any other lawsuit against Defendant or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement. The Participating Class Members will be

bound by the following release:

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from any and all claims reasonably related to or arising out of the factual allegations pled in the Operative Complaint in the Action or Plaintiff's PAGA Notices, including all claims have been or could have been pled as wage and hour violations and related penalties and interest under California law, including all claims made and that could have been made in such pleading reasonably related to or arising out of the factual allegations therein during the Class Period (collectively the "Released Class Claims"). The Released Claims include but are not limited to claims for any alleged or actual failures to timely, fully, properly, or completely pay any minimum wages, regular wages, overtime premium wages, meal or rest period premium wages, or other wages owed to the Settlement Class; any and all alleged or actual failures to comply with meal or rest period requirements; any alleged or actual failures to provide proper, accurate, timely, adequately descriptive, or complete wage statements or pay stubs; any and all alleged or actual failures to fully or properly reimburse or indemnify for any and all employment-related expenses; any and all alleged or actual failures to pay all wages, or compensation owed to a fired, quitting, or otherwise departing employee; any and all alleged or actual unfair business practices; any and all alleged or actual failures to pay employees in compliance with Labor Code section 204; any and all alleged or actual violations of Labor Code section 245 *et seq.*; and any and all alleged or actual failures to pay any interest or penalties owed as a result of any and all of the foregoing. The Plaintiff and Settlement Class Members will release Defendant and the Released Parties from all remedies that could be claimed in connection with the Released Claims including but not limited to, statutory, constitutional, contractual damages, unpaid costs, penalties, punitive damages, interest, attorneys' fees, litigation costs, restitution, and equitable relief.

"Released Parties" means Defendant and its directors, officers, employees, and agents.

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

The State of California and all Aggrieved Employees, including Non-Participating Class Members who are Aggrieved Employees, are deemed to have fully, finally, and forever released, settled, compromised, relinquished, and discharged the Released Parties from the claims for civil penalties, interest, attorneys' fees, litigation costs, and other available relief for violations of PAGA that were alleged or asserted in the Operative Complaint and/or the PAGA Notices, or could have reasonably been

alleged or asserted based on, reasonably related to, or arising out of the facts alleged in the Operative Complaint and/or the PAGA Notices, during the PAGA Period. This release shall be binding on all Aggrieved Employees regardless of whether they submit a valid Request for Exclusion.

D. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Class Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Class Workweeks worked by each individual Participating Class Member.

2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing $7,500 by the total number of PAGA Workweeks worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Workweeks worked by each individual Aggrieved Employee.

3. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Workweeks you worked during the PAGA Period, as recorded in Defendant's records, are stated above in this Notice. You have until **[DATE]** to challenge the number of Workweeks credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. **Section I** of this Notice has the Administrator's contact information.

   You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Defendant's calculation of Workweeks and/or Pay Periods based on Defendant's records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek challenges based on your submission and on input from Class Counsel (who will advocate on behalf of Participating Class Members) and Defendant's Counsel. The Administrator's decision is final. You can't appeal or otherwise challenge its final decision.

E. HOW WILL I GET PAID?

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

2. Non-Participating Class Members. The Administrator will send, by U.S. mail, a single Individual PAGA Payment check to every Aggrieved Employee who opts out of the Class Settlement (i.e., every Non-Participating Class Member).

   Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section I of this Notice has the Administrator's contact information.

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

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

G. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. If you wish to remain a Class Member, but you object to the proposed settlement (or any of its terms) and wish the Court to consider your objection at the Final Approval Hearing, you may object to the proposed settlement in writing using the attached Objection Form. You may also appear at the Final Approval Hearing, either in person or through an attorney at your own expense. All written objections, supporting papers, and/or notices of intent to appear at the Final Approval Hearing must clearly identify the case name and number and be mailed to the Settlement Administrator, _____, at _____]. Objections must be postmarked no later than _____[45 days after mailing]. You still may appear at the Final Approval Hearing and raise an objection to the settlement even if you did not submit written objections within this 45-day deadline.

H. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on **[DATE]** at **[TIME]** in Department 1 of the Riverside Superior Court, located at 4050 Main Street, Riverside, California 92501. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff, and the Administrator. At the Final Approval Hearing, the Court will hear all objections, as well as arguments for and against the proposed Settlement. You have a right to attend this hearing, but you are not required to do so. You also have the right to hire an attorney to represent you, at your own expense, or to enter an appearance and represent yourself.

I. HOW CAN I GET MORE INFORMATION?

The above is a summary of the basic terms of the Settlement. For the precise terms and conditions of the settlement, you may review the detailed Class Action And Paga Settlement Agreement ("Settlement Agreement"), which is attached as Exhibit 1 to the Declaration of Aaron Bartz in support of the Plaintiff's Motion for Preliminary Approval filed on _____, and is on file with the clerk of the Riverside Superior Court, 4050 Main Street, Riverside, California 92501, and may also be reviewed online at https://www.riverside.courts.ca.gov/.

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

Class Counsel:

Aaron A. Bartz, Esq.

BARTZ LAW GROUP, APC

5151 California Ave., Suite 100

Irvine, California 92617

Telephone: (949) 504-4413

Walter Haines, Esq.
UNITED EMPLOYEES LAW GROUP, PC
8605 Santa Monica Blvd., #63354
West Hollywood, CA 90069
Telephone: (562) 256-1047

Settlement Administrator:
Name of Company
Email Address:
Mailing Address:
Telephone:
Fax Number:

J. SHOULD I GET MY OWN LAWYER?

The Court has decided that the attorneys for Plaintiff and the Class are qualified to represent the Class. Other than the attorneys' fees and costs outlined above, which will be paid out of the Gross Settlement, you will not be charged for their services.

You do not need to get your own lawyer. If you want your own lawyer to speak for you or appear in Court, you have the right to hire one, but you will have to pay for that lawyer yourself.

K. WHAT IF I LOSE MY SETTLEMENT CHECK?

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

L. WHAT IF I CHANGE MY ADDRESS?

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

EXCLUSION FORM

In the Matter of
***Sarai Corado v. Harkins Administrative Services, Inc.*, Case No. CVRI2302159, Superior Court of California, Riverside County**

This is NOT a Claim Form. It EXCLUDES you from this Class Action Settlement.
DO NOT use this Form if you wish to participate in this Class Action Settlement.
If you exclude yourself, you will not receive a payment from the Class Action Settlement.

Name of Class Member:

_____

Address:

_____

_____

Telephone Number: _____

Last Four Digits of Social Security Number: _____

It is my decision not to participate in the class action settlement in *Sarai Corado v. Harkins Administrative Services, Inc.* I understand that by opting-out of this class action settlement, I will not be eligible to receive any Individual Class Payment from the class action settlement. However, I will still receive an Individual PAGA Payment, if applicable, regardless of whether I exclude myself from the class action.

I confirm that I am and/or was employed as an hourly employee of Harkins Administrative Services, Inc. within the State of California from June 5, 2020 to August 1, 2024. I confirm that I received and reviewed the Notice of Class and PAGA Settlement in this action. I have decided to be excluded and not participate in the proposed settlement.

_____
Date Signed Signature of Class Member

This form must be postmarked to the Settlement Administrator, [ ] at the below address NO LATER THAN [Response Deadline], at the address below, or else you will lose your right to opt out.

Sarai Corado v. Harkins Administrative Services
[SETTLEMENT ADMINISTRATOR NAME]
[ADDRESS]

NOTICE OF OBJECTION FORM

In the Matter of
***Sarai Corado v. Harkins Administrative Services, Inc.*, Case No. CVRI2302159, Superior Court of California, Riverside County**

Fill out this Notice of Objection Form *only if* you wish to object to the Settlement. If you have no objection to the Settlement, you do not have to do anything to receive Settlement benefits. Please note, *you cannot submit this Notice of Objection Form if you have or plan to submit a Request for Exclusion*. Objecting to the Settlement is simply telling the Court that you do not like something about the Settlement. You can object only if you wish to stay in the Class. Excluding yourself is telling the court that you do not want to be a part of the Class. If you exclude yourself, you have no basis to object because the Settlement no longer affects you.

If you wish to object to the Settlement, fill out this Notice of Objection Form in its entirety, sign it, and return it to the Settlement Administrator at the address listed below by First Class U.S. Mail, postmarked no later than [Response Deadline], or by returning it to the Settlement Administrator by fax or email no later than [Response Deadline]. Class Members who wish to object to the Settlement may also appear at the Final Approval hearing to have their objection heard by the Court. Please attach copies of any papers, briefs, or other documents upon which your objection is based.

Sarai Corado v. Harkins Administrative Services, Inc.
[Settlement Administrator Name]
[Settlement Administrator Address & Contact Info]

Please print legibly

Name (print): _____

Last Four Digits of Social Security# and/or Full Employee ID#: _____

Mailing Address:

_____

City: _____ State: _____ Zip code: _____ Telephone#: _____

The Reasons for your Objection:

_____

_____

_____

Date: _____ Signature: _____

EXHIBIT 2

BARTZ LAW GROUP, APC

5151 California Ave., Suite 100
Irvine, California 92617
(949) 504-4413
aaron@bartzlawgroup.com

May 27, 2023

Notice Via Online Submission

PAGA Administrator
California Labor and Workforce Development Agency

Via Certified Mail (Return Receipt Requested)

Harkins Administrative Services, Inc.
c/o CT Corporation System
Agent for Service of Process
330 N. Brand Blvd.
Glendale, CA 91203

Re: Amended PAGA Letter – Case No. LWDA-CM-944091-23
Sarai Corado v Harkins Administrative Services, Inc.

Dear PAGA Administrator:

Please be advised that the law firms of Bartz Law Group, APC and United Employees Law Group represent Sarai Corado, and all other similarly situated aggrieved employees ("Plaintiffs") with respect to their employment with Harkins Administrative Services, Inc. ("Employer"). This letter amends Plaintiffs' prior PAGA letter filed and served on March 23, 2023.

The Employer has committed numerous violations of the California Labor Code, including, but not limited to, sections 201, 202, 203, 204, 226, 226.7, 245, 245.5, 246, 248.5, 510, 512, 1174, 1194, 1198, and 2802. The facts and theories to support the alleged violations are set forth herein.

Employer owns and operates movie theaters in California. Plaintiff Corado was employed as a non-exempt employee by Employer from 2018 until November 2022. Plaintiffs have worked for Employer in California within the last year, and were subject to the same wage and hour violations as Plaintiff Corado.

A. Failure to Pay All Wages

Employer has regularly failed to pay Plaintiff Corado 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 work by running company errands and other off the clock work without

compensation. 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, including but not limited to carrying walkie talkies and other communication devices with them during 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 Corado and all other aggrieved employees were either not authorized or permitted to take their rest breaks. By the nature of Plaintiff's Corado's 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; requiring Plaintiffs to carry walkie talkies and other communication devices with them during their 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 Corado 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, 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 correctly show sick time pay, 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.

G. Failure To Pay Sick Time At The Regular Rate of Pay

Employer has failed and refused to pay sick time pay to Plaintiffs at their regular rate of pay, as required under the Healthy Workplaces, Healthy Families Act of 2014, Labor Code §§ 245 et seq. That is, Employer compensates Plaintiffs at their base rate for sick time, and fails and refuses to compensate Plaintiffs for other compensation, including but not limited to bonuses, commissions and other incentive pay earned by Plaintiffs.

CONCLUSION

Pursuant to Labor Code Section 2699.3, the undersigned, on behalf of Plaintiff Corado 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

Electronically FILED by Superior Court of California, County of Riverside on 08/29/2023 11:08 AM
Case Number CVRI2302159 0000068589489 - Jason B. Galkin, Executive Officer/Clerk of the Court By Dallas Vitito, Clerk

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Attorneys for Plaintiff SARAI CORADO and all others similarly situated

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF RIVERSIDE

SARAI CORADO, an individual; on behalf of herself and all others similarly situated and the general public,

Plaintiffs,

v.

HARKINS ADMINISTRATIVE SERVICES, INC., a corporation; and DOES 1 to 100, inclusive,

Defendants.

Case No.: CVRI2302159

[*Assigned for all purposes to the Hon. Harold W. Hopp, Dept. 1*]

CLASS AND PAGA ACTION

FIRST AMENDED COMPLAINT FOR:

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

DEMAND FOR JURY TRIAL

Plaintiff SARAI CORADO, on behalf of herself and all other persons similarly situated, and the general public (hereinafter, "Plaintiffs"), hereby complains against Defendant, HARKINS ADMINISTRATIVE SERVICES, INC., a corporation ("Harkins"); and DOES 1 to 100, inclusive (hereinafter Harkins and Does 1-100 are collectively referred to herein as "Defendants"), and on information and belief allege as follows:

GENERAL ALLEGATIONS

JURISDICTION

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

VENUE

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

PARTIES

3. Sarai Corado ("Corado") is an individual over the age of eighteen (18). At all relevant times herein, Plaintiff Corado worked for Defendants within the State of California.

4. Plaintiffs are informed and believe and thereon allege that at all times mentioned herein, defendant Harkins is and was a corporation.

5. Plaintiffs are informed and believe and thereon allege that at all times mentioned herein, Defendant Harkins was authorized to do business in the State of California, County of Riverside, and owning and operating movie theaters. Thus, each named defendant and DOES 1 to 100 are subject to B&PC §17200, et seq. (Unfair Competition Law) and the Labor Code, as hereinafter alleged.

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

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

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

9. At all times herein mentioned, the acts and omissions of various Defendants, and each of them, concurred and contributed to the various acts and omissions of each and

every one of the other Defendants in proximately causing the complaints, injuries and damages alleged herein.

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

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

PLAINTIFF CLASSES

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

a. Sarai Corado

Plaintiff Corado worked within California as a non-exempt hourly employee for Defendants from 2018 until November 2022.

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

CLASS ACTION ALLEGATIONS

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

Class 1:

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

Subclass 1:

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

Class 2:

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

Class 3:

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

Class 4:

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

Class 5:

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

Class 6:

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

Class 7:

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

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

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

i. Whether Defendants paid their employees proper premium overtime and/or double time at the employees' regular rate for hours over eight (8) in a day and/or forty (40) hours in a week, in paying their hourly non-exempt employees;

ii. Whether Defendants violated the applicable Labor Code provisions including §510, 1194, and 203 by requiring substantial overtime work and not paying for said work according to the overtime laws of the State of California;

iii. Whether Defendants failed to pay the appropriate premium overtime compensation to the hourly employees;

iv. Whether Defendants improperly retained, appropriated or deprived Plaintiffs and the class members of the use of monies or sums to which Plaintiffs and the class were legally entitled;

v. Whether Defendants engaged in unfair business practices;

vi. Whether Defendants, and each of them, were participants in the alleged unlawful conduct;

vii. Whether Defendants' conduct was willful or reckless;

viii. The effect upon and the extent of injuries suffered by Plaintiffs and all others similarly situated and the appropriate amount of compensation;

ix. The appropriate amount of monetary penalties allowed by Labor Code §201, et. seq.;

x. Whether Defendants pay and continue to pay for missed meal and rest period premiums at an allegedly "reduced" rate of pay in violation of Section 11 of the applicable Wage Orders;

xi. Whether Defendants violated Labor Code §226 and relevant IWC Wage Orders by failing to, among other violations, accurately report total hours worked, all applicable hourly rates in effect during each pay period and the corresponding number of hours worked at each hourly work, by Plaintiffs and the members of the Class;

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

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

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

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

18. The prosecution of separate actions by the individual class members, even if possible, would create a substantial risk of inconsistent or varying verdicts or adjudications with respect to the individual class members against Defendants herein; and which would establish potentially incompatible standards of conduct for Defendants; and/or (b) legal determinations with respect to individual class members which would, as a practical matter, be dispositive of the interest of the other class members not parties to adjudications or which would substantially impair or impede the ability of the class members to protect their interests.

Further, the claims of the individual members of the class are not sufficiently large to warrant vigorous individual prosecution considering all of the concomitant costs and expenses attending thereto.

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

FIRST CAUSE OF ACTION

(Violation of B&PC §17200, et seq.)

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

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

22. Defendants, and each of them, own and operate movie theaters in California, and have engaged in the practice of paying their non-exempt employees, in a fashion that circumvents California's wage and hour laws.

FAILURE TO PAY PROPER WAGES AND OVERTIME COMPENSATION

23. Plaintiffs are informed and believe and thereon allege that as part of Defendants' ongoing unfair business practices, Defendants' hourly employees worked in excess of eight (8) hours per day, and in excess of forty (40) hours per week without receiving the proper regular rate of pay and/or minimum wage rate because Plaintiffs regularly work off-the-clock hours before and after their shifts without compensation. Defendants are therefore in violation of Labor Code §§ 510 and 1194, and the relevant California Industrial Welfare Commission Orders.

24. Defendants, and each of them, consistently administered a corporate policy regarding off-the-clock, which required that employees work overtime without proper premium overtime pay, the regular rate of pay, and/or minimum wage. This corporate policy and pattern of conduct is accomplished with the advanced knowledge and designed intent to avoid paying non-exempt employees for all hours worked. Accordingly, Plaintiffs and the

class members are entitled to all unpaid wages due under California law. Further, Plaintiffs and the class are entitled to restitution of these wages obtained by Defendants, and each of them.

VIOLATION OF LABOR CODE § 200, ET SEQ.

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

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

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

28. Pursuant to Labor Code § 200, et seq. employees that no longer work for Defendants, and who were not timely paid, are entitled to one (1) day of pay in penalties for each day that he or she was paid late, until payment was made, up to a maximum of thirty (30) days.

VIOLATION OF MEAL AND REST PERIOD PROVISIONS

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

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

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

FAILURE TO PROVIDE ITEMIZED WAGE STATEMENTS

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

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

FAILURE TO REIMBURSE EXPENSES

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

35. Defendants' conduct in failing to reimburse Plaintiffs and the class for their necessary business expenses is also unfair within the meaning of Business and Professions

Code §17200 because it is against established public policy and has been pursued to attain an unjustified monetary advantage for Defendants by unfairly and unlawfully reducing Plaintiffs' and the other class members' compensation, as Plaintiffs and the class are required to come out of pocket for such expenses. As such, Defendants' business practices, including their illegal reimbursement policy and practice, is unfair, illegal and fraudulent, in that such policy and practice was intended to reduce Plaintiffs' and the class' due and owing compensation.

SECOND CAUSE OF ACTION

RECOVERY OF UNPAID WAGES & PENALTIES

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

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

37. Plaintiffs and all others similarly situated identified herein were and are employed and scheduled as a matter of established company policy to work and in fact worked as non-exempt hourly employees in excess of eight (8) hours per day and/or in excess of forty (40) hours per week. Defendants employed and scheduled all employees without providing overtime compensation for such excess hours worked in violation of Labor Code §§ 510 and 1194 and the relevant California Industrial Welfare Commission (IWC) orders. Labor Code § 204 establishes the fundamental right of all employees in the State of California to be paid the proper amount of wages in a timely fashion for their work, including overtime. Defendants always had a written and verbal agreement to pay overtime and double time based on the Plaintiffs' and classes' regular rate of pay.

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

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

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

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

42. Plaintiffs are informed and believe and thereon allege that Defendants consistently administered a corporate policy regarding both staffing levels and duties and responsibilities of the members of the classes which required the entirety of all classes to work overtime without proper premium pay, and to fail all wages for hours worked. This corporate policy and pattern of conduct was/is accomplished with the advance knowledge and design of all Defendants herein. Thus, Plaintiffs and all others similarly situated routinely, regularly and customarily performed overtime work and/or work that they failed to be compensated at the appropriate hourly wage.

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

44. Defendants, and each of them, had a consistent and uniform policy, practice and procedure of willfully failing to pay the earned and unpaid wages of all such non-exempt

employees. Defendants have willfully failed to pay the earned and unpaid wages of such individuals, including, but not limited to regular pay, premium pay, and other wages earned and remaining uncompensated according to amendment, or proof.

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

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

THIRD CAUSE OF ACTION

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

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

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

49. Plaintiff Corado and other former employees of Defendants employed in the State of California separated from employment with Defendants, and did not timely receive a final pay check with all of their wages due from Defendants in violation of Labor Code §§

200, et seq. Plaintiffs are informed and believe and thereon allege that Defendants also violated the mandates of Labor Code §§ 200, et seq., as to other employees whose employment ended during the period of time covered by this action.

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

FOURTH CAUSE OF ACTION

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

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

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

52. Plaintiffs believe and thereon allege that Labor Code §226.7 requires an employer to pay an additional hour of compensation at the employee's regular rate of pay for each meal period and rest period violation. During the class period, Plaintiffs are informed and believe, and based thereon allege that Defendants have failed to pay Plaintiffs and the class members meal period and rest period premium pay at their regular rate of pay. Defendants' improper meal and rest period practices and policies are in violation of California law including, but not limited to Labor Code § § 226.7, 512, and the IWC Wage Orders.

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

FIFTH CAUSE OF ACTION

FAILURE TO PROVIDE ACCURATE ITEMIZED WAGE STATEMENTS

(Violation of Labor Code § 226)

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

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

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

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

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

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

SIXTH CAUSE OF ACTION

FAILURE TO PROVIDE MEAL PERIODS

(Violation of Labor Code §§ 226.7 and 512)

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

60. California Labor Code § 512 and 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. 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. California 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.

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

62. Plaintiffs and members of the Class were not provided with or 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. Defendants coerced Plaintiffs and the members of the Class to forego meal periods by disciplining and/or threatening disciplinary action against them if they attempted to take meal periods, created incentives to forego meal breaks, and encouraged the skipping of meal periods by scheduling work to coincide with the meal periods, among other things. In addition, Defendants required Plaintiffs and class members to carry walkie talkies and other communication devices, such that their meal periods were interrupted and not duty-free. As a result, Plaintiffs and members of the Class were required to work and/or were not relieved of all duties during any meal

period taken, and thus were considered "on duty;" however, Defendants failed to count as time worked any "on duty" meal period taken by Plaintiffs and the members of the Class.

63. Pursuant to California Labor Code § 226.7(c) and IWC Wage Orders, if an employer fails to provide an employee a meal 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 pay for each workday that the meal period is not provided. As such, Plaintiffs and members of the Class are entitled to an additional one hour's pay for each day in which Plaintiffs and members of the Class were not provided a proper meal break under the above-described authorities.

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

SEVENTH CAUSE OF ACTION

FAILURE TO AUTHORIZE OR PERMIT REST PERIODS

(Violation of Labor Code § 226.7)

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

66. The applicable IWC Wage Orders state that every employer shall authorize and permit all employees to take rest periods. The authorized rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four hours of work, or major fraction thereof. An employer must provide employees with 10 minutes' rest for shifts from three 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.

67. Plaintiffs and Class Members were not permitted to take rest periods, were required to work during their rest periods, and/or were disciplined and/or were advised that they would be disciplined if they took rest periods during work hours, in contravention of California law. Moreover, among other things, Defendants required Plaintiffs to carry walkie talkies and other communication devices with them during their rest periods; failed to

schedule rest periods; and constantly pressured Plaintiffs to remain available during their shifts.

68. Pursuant to California Labor Code § 226.7(c) and the applicable IWC Wage Orders, if an employer fails to provide an employee a rest period in accordance with the applicable 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.

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

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

EIGHTH CAUSE OF ACTION

FAILURE TO REIMBURSE EXPENSES

(Violation of (Labor Code § 2802)

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

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

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

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

NINTH CAUSE OF ACTION

PRIVATE ATTORNEYS GENERAL ACT

(Violation of Labor Code §§ 2698 and 2699)

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

76. On or about March 23, 2023, and thereafter on May 27, 2023, Plaintiffs provided written notice to the Labor and Workforce Development Agency ("LWDA") and Defendants of the specific provisions of the Labor Code alleged to have been violated, including the facts and theories to support the alleged violations.

77. The LWDA failed to respond to Plaintiffs' counsel's correspondence and failed to notify Plaintiffs' counsel as to whether it would investigate the allegations contained therein, within the time period requirements of the Private Attorneys General Act (PAGA), under Labor Code §2699.3. Plaintiffs have fully complied with the notice requirements set forth in Labor Code §2699.3 in order to commence a civil action against an employer pursuant to Labor Code §2699.

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

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

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

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

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

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

d. Defendants violated Labor Code §§ 1194, 204, 510, 511 and/or IWC Wage Orders by failing to pay Plaintiffs and the members of the Class, and on information and belief, other current and former employees of Defendants, all wages owed in a timely manner in compliance with California law;

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

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

g. Defendants violated Labor Code §§ 226, 1174 and/or IWC Wage Orders by failing to properly maintain accurate employment time and records, maintain and/or submit accurate itemized wage statements on behalf of Plaintiffs, members of the Class, and on

information and belief, on behalf of other current and former employees of Defendants as described herein; and

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

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

81. Pursuant to Labor Code § 2699, Plaintiffs, members of the Class, and all other aggrieved current and former employees 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 California 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 §§ 201, 202, 203, 204, 210, 226, 226.3, 226.7, 256, 510, 512, 558, 1174, 1194, 1197, 2699, 2802 and IWC Wage Orders. Plaintiffs and aggrieved current and former employees further seek and award of reasonable attorneys' fees and costs pursuant to Labor Code § 2698 and 2699.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs pray:

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

As to the First Cause of Action:

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

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

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

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

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

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

8. For all other appropriate declaratory and equitable relief;

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

10. For an order requiring Defendants to identify, by name, address and telephone number of each person who worked in California as an hourly non-exempt employee for Defendants between 2019 through the time of judgment;

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

As to the Second and Fourth Cause of Action:

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

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

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

As to the Third Cause of Action:

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

16. For reasonable attorneys' fees and costs;

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

As to the Fifth Cause of Action:

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

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

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

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

As to the Sixth Cause of Action:

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

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

As to the Seventh Cause of Action:

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

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

As to the Eighth Cause of Action:

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

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

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

As to the Ninth Cause of Action:

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

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

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

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

As to All Causes of Action:

33. For reasonable costs incurred;

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

Dated: August 29, 2023

BARTZ LAW GROUP, APC

By: /s/ Aaron A. Bartz
AARON A. BARTZ
Attorneys for Plaintiff Sarai Corado and all others similarly situated

DEMAND FOR JURY TRIAL

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

Dated: August 29, 2023 BARTZ LAW GROUP, APC

By: /s/ Aaron A. Bartz
AARON A. BARTZ
Attorneys for Plaintiff Sarai Corado and all others similarly situated

PROOF OF SERVICE - C.C.P. §§ 1013B, 2015.5
STATE OF CALIFORNIA

I, the undersigned, am employed in the State of California. I am over the age of eighteen (18) years and not a party to the action. My business address is 5151 California Ave., Suite 100, Irvine, California 92617.

On August 29, 2023, I served true copies of the foregoing documents described as: **FIRST AMENDED CLASS ACTION AND PAGA COMPLAINT** on the interested parties in this action, addressed as follows:

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

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

(X) (State) I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct, and that this declaration was executed on August 29, 2023.

/s/ Nestor Mejia /s/
Nestor Mejia