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5 Attorneys for Plaintiffs,
JEREMIAH ROJAS and
6 DANIEL MAAKESTAD

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8 **HIGGS FLETCHER & MACK LLP**

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10 Attorney for Defendants,
11 CALIFORNIA DREAMS HOSTEL, LLC,
PEDRO HADDAD MOREIRA, ALEJANDRO
12 JAIME MARINO, and PLINIO DASILVA FRANCA

13
14 SUPERIOR COURT OF THE STATE OF CALIFORNIA
15 FOR THE COUNTY OF SAN DIEGO
16

17 JEREMIAH ROJAS, an Individual;
18 DANIEL MAAKESTAD, and Individual,

19 Plaintiffs,

20 vs.

21
22 CALIFORNIA DREAMS HOSTEL, LLC;
PEDRO HADDAD MOREIRA, an
23 Individual; ALEJANDRO JAIME
MARINO, an Individual; PLINIO
24 DASILVA FRANCA, an Individual; and
DOES 1-10, Inclusive,

25
26 Defendants.
27
28

ELECTRONICALLY FILED
Superior Court of California,
County of San Diego

07/19/2023 at 02:13:00 PM

Clerk of the Superior Court
By Bernabe Montijo, Deputy Clerk

Case No. 37-2023-00010705-CU-OE-CTL

UNLIMITED CIVIL CASE

**STIPULATION FOR SETTLEMENT
AND APPROVING SETTLEMENT
UNDER PRIVATE ATTORNEYS'
GENERAL ACT OF 2004; ~~[PROPOSED]~~
ORDER**

1 By and through their respective counsel of record, named plaintiffs JEREMIAH ROJAS
2 (“ROJAS”) and DANIEL MAAKESTAD (“MAAKESTAD”), and Defendants,
3 CALIFORNIA DREAMS HOSTEL, LLC (“CDH” or the “Company”), PEDRO HADDAD
4 MOREIRA (“MOREIRA”), ALEJANDRO JAIME MARINO (“MARINO”), PLINIO
5 DASILVA FRANCA (“FRANCA”) (collectively “Parties”), submit this Joint Stipulation
6 (“Stipulation”) together with a Proposed Order for this Court’s review and approval of their
7 “PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT AGREEMENT AND
8 RELEASE” (“PAGA Settlement”) (Exhibit 1 hereto).

9 Through this Stipulation, Plaintiffs respectfully request the Court grant the Proposed
10 Order, which provides for granting of approval of a total settlement pursuant to the Private
11 Attorneys’ General Act (Labor Code §2698 *et seq.*) in the amount of \$5,000.00. Pursuant to
12 Labor Code §2698 *et seq.*, \$3,750.00 will be apportioned to penalties payable to the California
13 Labor & Workforce Development Agency (LWDA), with the remaining \$1,250.00 to be
14 divided equally among allegedly “aggrieved” employees.

15 Pursuant to Labor Code section 2699(l)(2), the proposed PAGA settlement requires the
16 Court to approve the settlement.

17 RECITALS

18 1. On March 15, 2023, Plaintiffs filed an individual complaint for wage and hour
19 violations. On June 30, 2023, Plaintiffs filed a first amended complaint against Defendants, on
20 behalf of themselves and all other aggrieved employees in California who worked as
21 “volunteers”, for the following claims: unpaid regular and minimum wages; unpaid overtime;
22 noncompliant meal and rest periods; wage statements that were inaccurate, untimely, and/or
23 not provided at all; illegal offsets against wages; unreimbursed necessary, work-related
24 expenses; final pay violations; wrongful termination; and retaliation.

25 2. Plaintiffs provided the requisite notice to the Labor and Workforce Development
26 Agency (“LWDA”) detailing the claims and factual bases on March 16, 2023. (Exhibit 2) The
27 LWDA did not take any action.

3. The Parties agree, for purposes of this PAGA Settlement only, that the Plaintiffs have standing to prosecute the claims alleged in the Complaint.

4. The Parties engaged in informal discovery and decided to begin potential settlement discussions. After exchanging relevant information responsive to discovery requests, including supporting and/or negating evidence regarding claims, solvency, and the number of aggrieved employees, the Parties were able to reach a resolution of this matter, expressed in Exhibit 1.

5. The Parties and their counsel recognize the expense and length of continued proceedings necessary to litigate the disputes and through trial and through any possible appeals, and have also taken into account the uncertainty and risk of the outcome of further litigation, and the difficulties and delays inherent in such litigation. The Parties and their counsel are also aware of the burdens of proof necessary to establish liability for the claims alleged, and the affirmative defenses asserted. Thus, reaching this Settlement now has the potential for having a higher value today than it might have later if this litigation were to continue. Based on the foregoing, the Parties believe that a settlement of \$5,000.00 is fair, adequate, and reasonable.

6. The Parties submit that the PAGA Settlement provides fair and reasonable payment penalties for the benefit of the LWDA and the approximate 13 employees who qualify as PAGA aggrieved employees.

7. Contingent on this Court's approval of the Parties' settlement of the PAGA claims, the Parties have fully and finally settled all PAGA claims that were or could have been asserted against Defendants by Plaintiffs and Plaintiffs now seek court approval of the Settlement pursuant to Labor Code sections 2698, *et seq.*

8. On July 7, 2023, Plaintiffs submitted the fully executed settlement agreement to the LWDA for consideration. (Exhibit 3)

STIPULATION

Thus, the Parties do stipulate and agree:

1 9. The LWDA did not exercise its right to prosecute this action in response to
2 Plaintiff's PAGA letter dated March 16, 2023. (Exhibit 2)

3 10. The LWDA did not exercise its right to object to this settlement, after it was
4 provided notice of the settlement on July 7, 2023.

5 11. Plaintiffs therefore request that the Court approve all terms described in this
6 Stipulation, of the PAGA Settlement.

7 12. Plaintiff ROJAS worked for Defendants from approximately November 19,
8 2021, to January 29, 2023.

9 13. Plaintiff MAAKESTAD worked for Defendants from approximately March
10 31, 2022 to March 11, 2023.

11 14. On March 15, 2023, Plaintiffs filed the above captioned lawsuit asserting one
12 representative cause of action against Defendants under PAGA and eleven individual causes
13 of action, as stated above.

14 15. Plaintiffs and Defendants conducted informal discovery.

15 16. There is sufficient evidence to support Plaintiff's individual claims that the
16 court would not likely dismiss those claims and the action would proceed to a jury trial
17 absent agreement for settlement.

18 17. Defendant denies each and every allegation in both the PAGA claims and the
19 individual claims, and is prepared to proceed to trial, absent settlement.

20 18. Both parties face a risk of loss at trial and the attendant risk of having costs of
21 suit.

22 19. Plaintiff's own costs incurred in relation to their PAGA claims exceed
23 \$1,250.00.

24 20. Similarly, Defendants concluded there were benefits associated with settling.
25 Although Defendant disputes the various allegations and causes of action in the PAGA
26 action, Defendant took into account the sharply disputed factual and legal issues involved in
27 the PAGA action, the risk attending further defense, the expense, time, and burden of
28 protracted litigation, and the desire to put the controversy to rest, and based on these factors

1 Defendants and Defendants' counsel agreed to this settlement without any admission of fault
2 or liability.

3 21. Pursuant to Labor Code section 2699(1)(2), the proposed PAGA settlement
4 requires the Court to review and approve the following agreement:

5 a. PAGA Payment: Five thousand (\$5,000.00) of the Settlement Funds
6 shall be allocated to resolve the Representative PAGA Claims and will be paid
7 pursuant to the terms of a separate, but concurrently-executed PAGA Settlement
8 Agreement (attached as Exhibit 1).

9 i. Plaintiff shall issue one check to the LWDA for 75% of the PAGA
10 Payment pursuant to Labor Code section 2699(i);

11 ii. 25% of the PAGA Payment, less any costs incurred by Plaintiffs in this
12 Action, shall be distributed to current and former aggrieved pursuant to
13 Labor Code section 2699(i);

14 iii. In the event that there are any funds remaining to be distributed to the
15 current and former aggrieved employees, Plaintiffs shall notify
16 Defendants immediately so the funds can be properly distributed.

17 22. Upon the Court's approval, Plaintiff will give notice of this settlement to the
18 LWDA and send the proceeds as stated above.

19 23. The Parties have also entered into a Confidential Settlement Agreement and
20 Release (the "Settlement Agreement") with respect to the individual claims with no party
21 admitting any fault and for the purpose of resolving a disputed claims; and subject to the
22 Court's approval of this Proposed Stipulated Order.

23 24. Said Settlement Agreement disposes of the present case in its entirety. The case
24 will be dismissed without prejudice after all parties execute the Settlement Agreement. After
25 Defendants fulfill their obligations under the Settlement Agreement, Plaintiffs shall dismiss
26 the case with prejudice.

27 25. The Parties shall file dismissals as required by the Settlement Agreement. If
28 any enforcement of the Settlement Agreement is necessary or if any disputes arise after the

1 filing of any dismissal, the Court reserves jurisdiction under Code of Civil Procedure §664.6
2 to enforce the Settlement Agreement. The Court's ruling on these issues shall be final and the
3 parties waive their right to appeal these rulings.

4 26. Upon failure to comply with any of the terms of the Settlement Agreement, any
5 party may apply *ex parte* for entry of judgment or any other relief which is appropriate, on 24
6 hours' notice. The Parties have executed a separate Stipulation for Entry of Judgment, which
7 will be held by Plaintiffs' counsel and not filed or entered with the Court unless either
8 Defendant defaults on payments, as described in the Settlement Agreement.

9 27. Should any proceeding be necessary under this Stipulation, the prevailing party
10 shall recover reasonable and necessary attorney's fees and costs incurred therein.

11 28. This Stipulation, the Settlement Agreement, and the Stipulation for Entry of
12 Judgment contain the entire understanding and agreement between the parties concerning the
13 resolution of all disputes between them and have been executed without reliance on any
14 promise, representation or warranty not contained in each respective document. While the
15 Settlement Agreement and Stipulation for Entry of Judgment will not be filed with the Court
16 (unless default in payment occurs, in which case the Stipulation for Entry of Judgment will be
17 filed), if enforcement of its provisions by the Court becomes necessary, it explicitly provides
18 for its admissibility per California Evidence Code §1123 and for its enforceability per
19 California Code of Civil Procedure §664.6.

20 29. It is further stipulated that no changes or additions to, or modifications of this
21 Stipulation, the Settlement Agreement, and the Stipulation for Entry of Judgment shall be
22 valid unless set forth in writing and executed by all Parties hereto.

23 30. It is further stipulated that this Stipulation may be signed in counterpart which
24 counterparts shall constitute one agreement between the parties.

25 31. It is further stipulated that this Stipulation shall be binding upon and inure to
26 the benefit of the parties hereto and their respective successors, assigns, heirs, and personal
27 representatives.

1 32. It is further stipulated that if any of the provisions of this Stipulation (or
2 portions thereof) is held by a court of competent jurisdiction to be invalid for any reason, the
3 validity and enforceability of the remaining of any such provision or portions thereof and the
4 remaining provisions of this Stipulation shall not be affected.

5 33. It is further stipulated that each individual signing this Stipulation and any
6 other documents executed in connection with this Stipulation, whether signed individually or
7 on behalf of a person or entity, warrants and represents that he or she has full authority to so
8 execute the stipulation on behalf of the parties on whose behalf he or she signs. Each
9 separately acknowledges and represents that this representation and warranty is an essential
10 and material provision of this Stipulation and shall survive execution hereof. The parties
11 hereto each respectively represent that any attorney signing this Stipulation and that
12 documents executed with this Stipulation on their behalf respectively, have been duly
13 authorized and empowered to do so.

14 34. It is further stipulated that copies of the Stipulation, the Settlement Agreement,
15 or the Stipulation for Entry of Judgment may be used in lieu of the originals for all purposes.

16 Now, therefore, the parties stipulate, agree, and request that the Court approve the
17 penalties sought as part of the Settlement pursuant to PAGA, the entire action be dismissed
18 without prejudice, and that the Court retain jurisdiction to enforce the terms of the Settlement
19 Agreement.

20 IT IS SO STIPULATED AND AGREED.

21
22 Dated: Jul 7, 2023



JEREMIAH ROJAS, Plaintiff

23
24 Dated: Jul 7, 2023



DANIEL MAAKESTAD, Plaintiff

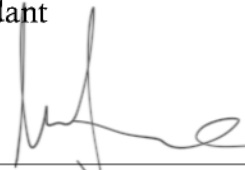
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Dated: July 17, 2023



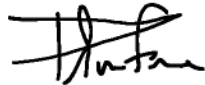
PEDRO HADDAD MOREIRA,
Defendant

Dated: Jul 14, 2023



ALEJANDRO JAIME MARINO,
Defendant

Dated: Jul 17, 2023



PLINIO DASILVA FRANCA, Defendant

Dated: July 18, 2023



Managing Member
CALIFORNIA DREAMS HOSTEL, LLC,
Defendant

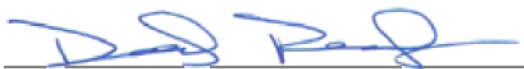
APPROVED AS TO FORM AND CONTENT

Dated: Jul 7, 2023



Nathan N. Kased,
Kased Law Group APC,
Attorney for Plaintiffs

Dated: July 19, 2023



Derek W. Paradis
Higgs Fletcher & Mack LLP,
Attorney for Defendants

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~~[PROPOSED]~~ ORDER

The Court having considered the above Stipulation and good cause appearing:

IT IS HEREBY ORDERED THAT the Court approves the Parties' PAGA settlement agreement attached as Exhibit 1, pursuant to Labor Code section 2699 (k)(2). The matter shall be dismissed without prejudice with the Court retaining jurisdiction to enforce the terms of the Confidential General Release and Settlement Agreement as set forth herein, per California Code of Civil Procedure §664.6.



Dated: 07/21/2023

Honorable Joel R. Wohlfeil
Judge of the Superior Court

EXHIBIT 1

PRIVATE ATTORNEYS GENERAL ACT SETTLEMENT AGREEMENT AND RELEASE

This Private Attorneys General Act Settlement Agreement and Release (“Agreement”) is made by and between CALIFORNIA DREAMS HOSTEL, LLC, and its parent, subsidiary, affiliated entities, employees, and owners, including but not limited to PEDRO MOREIRA, ALEJANDRO JAIME, and PLINIO FRANCA (collectively, “CDH”), on the one hand, and JEREMIAH ROJAS and DANIEL MAAKESTAD (“Plaintiffs”), on the other hand. Plaintiffs and CDH are referred to collectively herein as the “Parties.”

I. **RECITALS**

A. **WHEREAS**, Plaintiffs formerly performed work for CDH.

B. **WHEREAS**, on or around March 15, 2023, Plaintiffs filed a lawsuit in the Superior Court of California, County of San Diego, captioned *Jeremiah Rojas and Daniel Maakestad v. CDH*, Case No. 37-2023-00010705-CU-OE-CTL (the “Action”). In their original Complaint, Plaintiffs asserted causes of action against CDH on an individual basis for: (1) failure to pay wages; (2) failure to pay minimum wages, (3) failure to pay overtime, (4) failure to provide meal periods, (5) failure to provide rest breaks, (6) failure to furnish accurate wage statements, (7) illegal offset against wages, (8) failure to indemnify for business expenses, (9) waiting time penalties, (10) wrongful termination in violation of public policy, and (11) unlawful retaliation and discrimination.

C. **WHEREAS**, shortly after the Action was commenced, on March 16, 2023, Plaintiffs provided notice to the California Labor and Workforce Development Agency of their intention to pursue representative claims for penalties under the Private Attorney General Act, California Labor Code section 2698, *et seq.* (the “PAGA”). Plaintiffs’ counsel notified CDH of its intention to amend the complaint to add the aforementioned PAGA claims, however, the Parties reached a global settlement before the Complaint was amended.

D. **WHEREAS**, Plaintiffs’ PAGA claims seek penalties based on alleged violations of California Labor Code §§ 201, 202, 203, 204, 221, 224, 226, 226.7, 226.8, 510, 512, 1182.12, 1174, 1194, 1194.2, 1197, 1198, and 2802. (the “Released PAGA Claims”);

E. **WHEREAS**, the Parties negotiated at arm’s length through experienced wage and hour counsel. Through those discussions, the Parties have now reached an agreement to settle and resolve Plaintiffs’ pending PAGA representative claims.

F. **WHEREAS**, CDH denies any wrongdoing, liability, or obligation as to the claims asserted or which could have been asserted in the Action. Further, nothing contained herein should be construed as an admission by CDH of any liability of any kind or form to Plaintiffs, any allegedly “aggrieved” employees, or any entity or person.

G. **WHEREAS**, the Parties desire to resolve the Representative PAGA Claims and have entered into this Agreement for that purpose. The Parties understand, acknowledge, and agree that it is the desire and intention of the Parties to affect a final and complete resolution of the Representative PAGA Claims which Plaintiffs and the PAGA Group have, or may have had, against CDH or any

persons or companies affiliated with CDH. The Parties further acknowledge that this Agreement is a compromise of disputed claims, and that nothing in this Agreement shall be construed as an admission by CDH of any liability or wrongdoing;

H. **WHEREAS**, given the very strong defenses that CDH has to **Plaintiffs’** PAGA claims, the limited number of aggrieved employees (approximately 15), **and CDH’s limited resources**, the Parties believe and agree that this Agreement provides for a fair, adequate, and reasonable resolution of the PAGA Representative Claims, and have arrived at the settlement through extensive, arms-length negotiations, taking into account all relevant factors, present and potential;

I. **WHEREAS**, under California Law, the State may assess and collect civil penalties from “**employers**” for violations of certain provisions of the Labor Code. (*See* Cal. Lab. Code §§ 2699(a), et seq.) Under PAGA, however, if an “aggrieved employee” “give[s] written notice by certified mail to the [State] and the employer of the specific provision of the [Labor Code] alleged to have been violated,” and the State thereafter decides not to investigate, or does investigate and determines that a citation against the employer should not issue, the employee may, “as an alternative” to enforcement by the State, bring a civil action under PAGA to recover the civil penalties “on behalf of himself or herself and other current or former employees.” (*Id.*) “[C]ivil penalties recovered by aggrieved employees shall be distributed as follows: 75 percent to the state and 25 percent to the aggrieved employees.” (*Id.*)

J. **WHEREAS**, California Labor Code section 2699(l) requires that the Court approve any penalties sought as part of a proposed settlement of a PAGA claim.

II. **TERMS**

NOW, THEREFORE, in consideration of the promises and mutual agreements contained herein, the adequacy of which is hereby acknowledged, the Parties hereby agree and covenant as follows:

1. **Recitals Incorporated.** The Recitals set forth above are incorporated herein by this reference, and are hereby made part of this Agreement.

2. **Effective Date.** The effective date of the release of Plaintiffs **and the PAGA Group’s** Representative PAGA Claim shall be the date the Court enters its final order approving the PAGA Settlement Agreement (the “Effective Date”).

3. **Release.** Upon the Effective Date, each member of the PAGA Group (i.e., all non-exempt employees of CDH who were employed between March 16, 2022 and the present) shall fully and finally release and forever discharge any and all claims for civil penalties under PAGA predicated on the alleged California Labor Code violations asserted in the Action (which include the Released PAGA Claims), or which could have been asserted in the Action, covering the period of March 16, 2022 through the Effective Date (the “PAGA Period”), against CDH and/or its past or present parents, subsidiaries, and affiliated corporations, directors, employees, partners, agents, insurers, and/or any other individual or entity which could be liable for the acts of omissions of CDH (the “Released Parties”).

4. PAGA Settlement Payment Procedures. In exchange for the PAGA Groups' dismissal of the PAGA Representative Claims and release, as set forth above, CDH agrees to pay five thousand dollars (\$5,000.00) (the "PAGA Penalty Payment") to Kased Law Group, Client Trust Account within 14-days of the Effective Date.

a. A total of \$3,750.00 (i.e., Seventy-Five percent [75%] of the PAGA Penalty Payment) shall be paid to the California Labor & Workforce Development Agency in satisfaction of the **Representative PAGA Claim asserted in the Action (the "LWDA Payment").** Plaintiffs shall pay the LWDA Payment from the PAGA Penalty Payment within sixty (60) days of the Effective Date.

b. A total of \$1,250.00 (i.e., Twenty-Five percent [25%] of the PAGA Penalty Fund), less any costs and fees incurred by Plaintiffs in this Action pursuant to Labor Code section 2699 subd. (i), shall be distributed to the members of the PAGA Group based on the number of workweeks each PAGA Group member worked during the PAGA Period ("Individual PAGA Payments"). Specific calculations of Individual PAGA Payments, if any, will be made as follows:

i. CDH will calculate the number of workweeks worked by each member of the PAGA Group ("Individual Workweeks"), and the number of workweeks worked by all of the members of the PAGA Group ("Total PAGA Workweeks"), during the PAGA Period.

ii. To determine the Individual Settlement Payment for the members of the PAGA Group, CDH shall use the following formula: Individual PAGA Payment = Individual Workweeks ÷ Total PAGA Workweeks × \$1,250.00.

c. The Individual Settlement Payments are allocated as 100% penalties, and will be reported by CDH on IRS Form 1099s to each member of the PAGA Group.

d. All checks issued to the PAGA Group pursuant to this Agreement, if any, shall be valid for a period of one hundred and eighty (180) days from the date they are issued by CDH. Any unclaimed funds after the 180-day period shall be returned to CDH.

5. Court Approval. Plaintiffs shall file a Motion or Stipulation for Court Approval of the PAGA Settlement Agreement pursuant to Labor Code section 2699(l) within 14 days after the PAGA Settlement Agreement is signed by all Parties. Should the Court not approve the Motion or Stipulation for procedural reasons, Plaintiffs shall file additional Motions or Stipulations for Court Approval. In this process, the gross Settlement Funds will never be increased CDH. In no event shall CDH pay, or ever be obligated to pay, any sums exceeding the gross Settlement Funds presently called for under this Agreement.

If the Court does not approve the Agreement, if the Court does not enter judgment as provided for in this Agreement, or if appellate review regarding the Court's decision regarding approval of the settlement is sought by an aggrieved employee and, on such review, the Court's decision is materially modified or reversed, or if one or more of the material terms of the Agreement is not approved or is materially modified or reversed or found to be invalid, then either of the Parties shall have the right within 10 days of written notice thereof to elect to terminate the Agreement, in which case the Agreement shall have no force or effect, and the Parties shall be deemed to have reverted to their

respective status as of the date and time immediately prior to the execution of this Agreement. Before either Party elects to terminate the settlement, the Parties agree to and work jointly to make reasonable efforts to remedy the settlement in order to obtain the Court's approval.

As part of their Motion to approve the Agreement, Plaintiffs' Counsel shall submit a proposed judgment which enters judgment in the Action in accordance with the terms of the MOU and this Agreement, retains jurisdiction over the Action under Code of Civil Procedure § 664.6 for the purpose of enforcing the terms of the Agreement following approval of the settlement, and enjoins the prosecution of any of the PAGA Released Claims against any of the Released Parties upon the judgment being entered and the Settlement being fully funded. This Agreement is expressly conditioned upon the Court entering judgment as set forth herein. The judgment will not release or bar any claims other than the PAGA Released Claims as to Plaintiffs and the Aggrieved Employees.

6. **Attorneys' Fees and Costs.** The Parties to the Action agree that they shall each bear their own attorneys' fees and costs incurred in connection with the PAGA Representative Claims and the Action, and warrant that they shall not pursue any claim or action against any other Party to seek reimbursement of any attorneys' fees or costs incurred in connection with the PAGA Representative Claims and the Action. Plaintiffs agree and warrant they are not prevailing employees within the meaning of PAGA or the California Labor Code.

III. ADDITIONAL TERMS

1. **Subsequent Attorneys' Fees.** Should any action, arbitration, or proceeding be initiated by any Party for the purpose of enforcing, interpreting or construing this Agreement, the prevailing party (as defined by California law) in such action, arbitration or proceeding shall be entitled to recover their reasonable attorneys' fees and costs.

2. **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties relating to the subject matter hereof, and fully supersedes any and all prior understandings, representations, warranties and agreements between the Parties pertaining to the subject matter hereof.

3. **Governing Law.** This Agreement shall be construed and enforced in accordance with, and governed by, the laws of the State of California in effect at the time of execution of this Agreement by the Parties, and without regard to choice of law principles.

4. **Independent Advice of Counsel.** The undersigned, in executing this Agreement, represent and acknowledge that they have been represented by independent counsel in the negotiation, preparation, drafting, and execution of this Agreement, that each Party has read this Agreement and has had it fully explained to it by its independent counsel prior to execution, and fully understands the Agreement's contents and legal effect.

5. **Non-Assignment of Released Claims.** The Parties represent and warrant to one another that they have not assigned or transferred to any third party any of the rights, claims, causes of action or items to be released, which they are obligated to release as part of this Agreement.

6. **Voluntary Agreement.** The undersigned represent and acknowledge they have signed the Agreement freely and voluntarily, without duress or coercion. Each Party, by executing this Agreement, represents that they shall not deny the validity of this Agreement on the ground they executed the same under duress, fraud or without capacity.

7. **Written Modifications.** The provisions of this Agreement may not be waived, altered, amended, modified, assigned or repealed, in whole or in part, without the express prior written consent of the Parties hereto. This Agreement may not be modified and/or amended except by written agreement signed by the Parties.

8. **Mutual Participation in Drafting Agreement.** Each Party represents it has fully participated in drafting the terms and provisions of this Agreement. Accordingly, should any later construction or interpretation of the Agreement find a purported ambiguity therein, the Agreement shall not be construed against any one Party on account of their having allegedly drafted this Agreement.

9. **Severability.** Should any provision of this Agreement be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions, conditions or covenants not so declared shall be deemed severable from the remainder of this Agreement, and shall in no way affect any other provision, covenant, condition, or promise contained herein. If any provision is deemed invalid due to scope or breadth, the provision(s) shall be deemed valid to the full extent of scope and breadth permitted by law.

10. **Waiver.** No breach of any provision of this Agreement may be waived unless done in writing. Waiver of any one breach shall not be deemed to be a waiver of any other breach of the same or any other provision.

11. **Gender and Tense.** Whenever required by the context of this Agreement, the singular shall include the plural, and the plural shall include the singular, and the masculine, feminine and neutral genders shall each include the other.

12. **Counterparts.** This Agreement may be executed in counterparts. Any such executed counterparts shall constitute one Agreement, which shall be binding on the Parties, even though not all Parties may have signed the original or same counterpart. Duplicates of this Agreement, or counterparts thereof, showing the execution of all Parties, shall be of the same validity, force and effect as the original. Fax and electronically transmitted signatures shall have the same force and effect as original signatures.

13. **Taxability.** It is expressly agreed and understood that the Parties have not relied upon any advice, representations or warranties from the other Party whatsoever as to the tax consequences of this Agreement. Plaintiffs and his counsel are solely responsible for any and all tax consequences arising out of the payments made pursuant to this Agreement.

14. **Compromise Not Admission.** This Agreement is intended to and does compromise disputed claims and shall not be construed as an admission of liability by any Party of any claim made by any other Party. CDH, on the one hand, and Plaintiffs, on the other hand, deny any and all

wrongdoing, liability, or obligation to each other as to the various claims and damages asserted in the Action, or which could have been asserted in the Action, and all such claims are denied and contested.

15. Headings. The headings used in this Agreement are for informational purposes only and shall not be used to construe the intent of this Agreement.

16. Admissibility. The Parties acknowledge and hereby agree that this Agreement—redacted to cover monetary amounts—shall be admissible in any subsequent proceeding initiated to enforce its provisions. Plaintiffs **hereby waives any objection to the Agreement’s admissibility under** California Evidence Code section 1152 or Federal Rule of Evidence 408, or any other provision of law.

17. Jurisdiction. The Parties acknowledge and hereby agree that the San Diego Superior Court shall have exclusive jurisdiction to enforce the terms and conditions of this Agreement, and neither Party shall deny the same or claim a lack of such jurisdiction.

18. No Prevailing Party. Neither Plaintiffs nor CDH shall be considered a prevailing party in the Action, for any purpose.

IN WITNESS WHEREOF, the Parties hereto have each approved and executed this Agreement on the dates set forth opposite their respective signatures.

Dated: May 20, 2023

Jeremiah Rojas

JEREMIAH ROJAS

Dated: May 23, 2023

Dan

DANIEL MAAKESTAD

Dated: May 31, 2023

[Signature]

CALIFORNIA DREAMS HOSTEL, LLC

By: Alejandro Jaime
Its: Partner

Dated: May 31, 2023

[Signature]

PEDRO MOREIRA

Dated: May 31, 2023

[Signature]

ALEJANDRO JAIME

Dated: May 31, 2023

[Signature]

PLINIO FRANCA

EXHIBIT 2



Reply to:
2535 Kettner Blvd, Ste 2A2
San Diego, CA 92101
nathan@kasedlegal.com

March 16, 2023

VIA ONLINE SUBMISSION
PAGAfilings@dir.ca.gov

VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

California Dreams Hostel, LLC
743 Emerald St
San Diego, CA 92109

Alejandro Jaime Marino
Served Individually and as Managing Member
743 Emerald St
San Diego, CA 92109

Pedro Haddad Moreira
Served Individually and as Managing Member
743 Emerald St
San Diego, CA 92109

Plinio Dasilva Franca
Served Individually and as Managing Member
743 Emerald St
San Diego, CA 92109

cc:
Class Advisors, Inc.
Agent for Service of Process
California Dreams Hostel, LLC
2555 Camino Del Rio South, Ste 201
San Diego, CA 92108

Re: Notice Pursuant to Labor Code § 2699.3(a) re: Jeremiah Rojas, Daniel Maakestad, and all Aggrieved Employees

To Whom It May Concern:

This letter serves as notice to the Labor & Workforce Development Agency ("LWDA") of the Labor Code violations of Pedro Haddad Moreira ("Moreira"), Alejandro Jaime Marino ("Marino"), Plinio Dasilva Franca ("Franca"), and California Dreams Hostel, LLC ("CDH," or collectively, "Employers"). We submit this notice in accordance with Labor Code § 2699.3(a).

Employers formerly employed our client, Jeremiah Rojas ("Mr. Rojas") and currently employ our client, Daniel Maakestad ("Mr. Maakestad," collectively, "Plaintiffs"). We submit this notice on behalf of our clients and all other aggrieved employees that were and are employed by the aforementioned Employers. In compliance with Labor Code § 2699.3(a)(1), Mr. Rojas and Mr. Maakestad furnished Employers with a copy of this notice by certified mail. Unless the LWDA proceeds against Employers, Mr. Rojas and Mr. Maakestad intend to pursue a representative civil action against Employers, in accordance with Labor Code § 2698, *et seq.*

San Diego
2535 Kettner Boulevard, Suite 2A2
San Diego, CA 92101
P: +1 619.333.6373 | F: +1 619.399.3040

Los Angeles
400 Continental Boulevard, 6th Floor
El Segundo, CA 90245
P: +1 310.697.3200

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Our clients have already filed a civil complaint for their individual claims and will amend their complaint to include claims under the Private Attorneys General Act (“PAGA”) if the LWDA does not investigate their claims. A true and correct copy of the complaint filed in San Diego Superior Court is attached hereto as **Exhibit 1**, and incorporated by reference herein.

I. Labor Code Violations

Employers have violated at least the following specifically enumerated Labor Code sections, in addition to any other Labor Code sections implicated by the actions described in the Complaint attached hereto: §§ 201, 202, 203, 204, 221, 224, 226, 226.7, 226.8, 510, 512, 1182.12, 1174, 1194, 1194.2, 1197, 1198, and 2802; and violated the applicable Wage Orders issued by the IWC of the State of California (the “Wage Order(s)”).

II. Facts & Theories

California Dreams Hostel operates two standalone coastal hostels in the Pacific Beach and Ocean Beach neighborhoods of San Diego, California. The Ocean Beach hostel is located at 3790 Udall Street and Pacific Beach hostel is located at 743 Emerald Street. The hostels feature multiple dorm-like living quarters with up to 10 beds per unit, and a few private units. One dorm unit was dedicated to staff who traded their labor for lodging. The remaining hostel units, dorm and private, were rented to patrons. In addition, the Company operated and rented out an adjacent duplex designed for single and family use occupancy.

To staff its hostels, the Company solicited Plaintiffs and other aggrieved employees by offering them a place to stay in exchange for their working and operating the premises on behalf of the Company. The Company deemed Plaintiffs and other similarly aggrieved who agreed to this arrangement as “volunteers.” No hourly compensation was promised or paid to Plaintiffs and, on information and belief, the aggrieved employees, while they fulfilled the purported volunteer role. On information and belief, the Company employed 15-plus volunteers throughout the relevant liability periods, roughly 7 or 8 per location.

Mr. Rojas’ and Mr. Maakestad’s specific allegations as to the Employers are described in detail in the attached Complaint. On information and belief, the Employers subjected Plaintiffs’ similarly aggrieved peers to the same unlawful employment practices.

Specifically, the Employers have maintained the unlawful compensation, timekeeping, meal and rest break, wage offsets, and reimbursement practices described in the Complaint with all the other “volunteers” throughout the relevant liability periods. As a result of such practices, CDH has routinely failed to pay Plaintiffs and their aggrieved peers their earned wages. The Employers have also utterly failed to issue to Plaintiffs and their aggrieved driver peers timely and accurate wage and hour statements.

To date, CDH has not paid Mr. Rojas all wages that he is still owed, in plain violation of California’s final pay laws. On information and belief, the Employers have not paid all final wages due to other aggrieved employees that have separated from the CDH during the relevant liability periods. Mr. Maakestad is still being subjected to the Employer’s unlawful pay scheme, as are his similarly aggrieved peers. Based on the Employers’ conduct as alleged herein, Employers are liable for substantial penalties in addition to the accrued wages lawfully owed to Mr. Rojas, Mr. Maakestad and their aggrieved peers.

Messers Moreira, Marino, and Franca
California Dreams Hostel, LLC
March 16, 2023
Page 3

III. Conclusion

The facts articulated above violate provisions of the Labor Code identified in this writing. By virtue of this letter, we hereby notify the LWDA of Employers' violations. In accordance with Labor Code § 2699.3(a)(2)(A), please notify us within 60 days, at our San Diego office address, whether you will investigate this matter.

Very truly yours,
Kased Law Group APC

A handwritten signature in black ink, appearing to read 'N. Kased', with a stylized flourish at the end.

Nathan N. Kased

cc: Mr. Rojas
Mr. Maakestad

EXHIBIT 1

1 NATHAN N. KASED (STATE BAR NO. 251400)

2 Email: nathan@kasedlegal.com

3 **KASED LAW GROUP APC**

2535 KETTNER BOULEVARD, SUITE 2A2

4 SAN DIEGO, CALIFORNIA 92101

PHONE: 619.333.6373

FAX: 619.399.3040

5 Attorneys for Plaintiffs,
6 JEREMIAH ROJAS and
DANIEL MAAKESTAD

ELECTRONICALLY FILED

Superior Court of California,
County of San Diego

03/15/2023 at 08:50:30 PM

Clerk of the Superior Court
By Erika Engel, Deputy Clerk

7
8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 FOR THE COUNTY OF SAN DIEGO

10
11 JEREMIAH ROJAS, an Individual;
12 DANIEL MAAKESTAD, and Individual,

13 Plaintiffs,

14 vs.

15
16 CALIFORNIA DREAMS HOSTEL, LLC;
PEDRO HADDAD MOREIRA, an
17 Individual; ALEJANDRO JAIME
MARINO, an Individual; PLINIO
18 DASILVA FRANCA, an Individual; and
DOES 1-10, Inclusive,

19 Defendants.
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Case No. 37-2023-00010705-CU-OE-CTL

UNLIMITED CIVIL CASE

COMPLAINT FOR:

1. Failure to Pay Earned Wages (Cal. Lab. Code § 204);
2. Failure to Pay Minimum Wages (Cal. Labor Code §§ 1182.12, 1194, 1197, 1198; IWC Wage Order No. 5-2001);
3. Failure to Pay Overtime Compensation (Cal. Lab. Code §§ 510, 1194, 1198; IWC Wage Order No. 5-2001);
4. Failure to Pay Meal Period Compensation (Cal. Lab. Code §§ 226.7, 512, 1198; IWC Wage Order No. 5-2001);
5. Failure to Pay Rest Period Compensation (Cal. Lab. Code §§ 226.7, 1198; IWC Wage Order No. 5-2001);
6. Failure to Furnish Accurate Wage and Hour Statements (Cal. Lab. Code § 226);
7. Illegal Offset Against Wages (Cal. Lab. Code §§ 221, 224; IWC Wage Order No. 5-2001);
8. Failure to Indemnify for All Necessary Expenditures (Cal. Lab. Code § 2802; IWC Wage Order No. 5-2001);

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9. **Waiting Time Penalties (Cal. Lab. Code §§ 201, 203);**
10. **Wrongful Termination in Violation of Public Policy;**
11. **Unlawful Retaliation and Discrimination**
- Demand for Jury Trial**

9 Plaintiffs JEREMIAH ROJAS (“ROJAS”) and DANIEL MAAKESTAD (“MAAKESTAD”) (collectively, “Plaintiffs”), allege as against defendants CALIFORNIA DREAMS HOSTEL, LLC (“CDH” or the “Company”), PEDRO HADDAD MOREIRA (“MOREIRA”), ALEJANDRO JAIME MARINO (“MARINO”), PLINIO DASILVA FRANCA (“FRANCA”), and DOES 1-10, the following:

13 **Nature of the Action**

14 1. This is an action by ROJAS and MAAKESTAD for individual wage and hour violations, to recover unpaid wages and related penalties and compensation owed to them by Defendants. Plaintiffs intend to amend this complaint to add a representative action under California’s Private Attorneys General Act of 2004 (the “PAGA”).

18 **Jurisdiction and Venue**

19 2. Pursuant to Article VI, § 10 of the California Constitution, subject matter jurisdiction is proper in the Superior Court of California, County of San Diego, State of California.

22 3. Venue is proper in this Court because Defendants are headquartered in, and did substantial business in San Diego County, California, and employed Plaintiff in San Diego County, California at all relevant times.

25 **The Parties**

26 4. Plaintiff ROJAS is, and at all relevant times was, a competent adult residing in San Diego County, California.

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1 5. Plaintiff MAAKESTAD is, and at all relevant times was, a competent adult
2 residing in San Diego County, California.

3 6. Defendant CALIFORNIA DREAMS HOSTEL, LLC is, and at all relevant
4 times was, a California limited liability company with its principal place of business in San
5 Diego County, California.

6 7. On information and belief, Defendant MOREIRA is, and at all relevant times
7 was, a competent adult residing in San Diego County, California.

8 8. On information and belief, Defendant MARINO is, and at all relevant times
9 was, a competent adult residing in San Diego County, California.

10 9. On information and belief, Defendant FRANCA is, and at all relevant times
11 was, a competent adult residing in San Diego County, California.

12 10. On information and belief, each of MOREIRA, MARINO, and FRANCA, at
13 all relevant times, was a director, officer, and/or managing agent of Defendant CALIFORNIA
14 DREAMS HOSTEL, LLC within the meaning of California Labor Code section 558.1 and
15 California Civil Code section 3294. On information and belief, MOREIRA, MARINO, and
16 FRANCA, at all relevant times, exercised substantial discretion in their decision-making such
17 that their decisions ultimately determined policy of the Company. On information and belief,
18 MOREIRA, MARINO, and FRANCO conceived of and implemented the unlawful
19 compensation scheme to which ROJAS and, on information and belief, other employees were
20 subjected during the relevant liability period, as described in this Complaint.

21 11. At all relevant times, every defendant was the agent, representative, employee,
22 servant, or affiliated entity of every other defendant and, in doing the acts herein alleged, each
23 defendant is liable and responsible to Plaintiffs for the acts of every other defendant.

24 12. Plaintiffs are ignorant of the true names and capacities of defendants sued herein
25 as DOES 1 through 10, inclusive, and therefore sue said defendants by such fictitious names.
26 Plaintiffs will amend this Complaint to allege the true names and capacities of such fictitiously
27 named defendants when they are ascertained.

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1 15. To staff its hostels, the Company solicited Plaintiffs and other aggrieved
2 employees by offering them a place to stay in exchange for their working and operating the
3 premises on behalf of the Company. The Company deemed Plaintiffs and other similarly
4 aggrieved who agreed to this arrangement as “volunteers.” No hourly compensation was
5 promised or paid to Plaintiffs and, on information and belief, the aggrieved employees, while
6 they fulfilled the purported volunteer role. On information and belief, the Company employed
7 15-plus volunteers throughout the relevant liability periods, roughly 7 or 8 per location.

8 16. ROJAS began employment with the Company in or around October 2021. He
9 hired on as a volunteer and worked continuously in that role, on a full-time basis, until in or
10 around March 2022. At that point, the Company elevated him to a “manager/supervisor” role.
11 ROJAS worked continuously in that role, on a full-time basis, for the remainder of his
12 employment with the Company. Having enlisted in the National Guard, ROJAS deployed for
13 related training for a period of five consecutive months, from in or around August 2022 through
14 on or about January 19, 2023. ROJAS returned to the Company to resume his supervisor role
15 immediately after his training deployment concluded. He had grown weary of the Company’s
16 failure to pay compensation for work performed and protested the same after looking into the
17 matter. Shortly after he voiced his concerns to Company leadership about what he perceived
18 to be unlawful compensation practices and the COMPANY learned that he has retained
19 counsel regarding his employment rights, ROJAS was promptly evicted from his unit and
20 terminated from employment.

21 17. MAAKESTAD began employment with the Company as a purported volunteer
22 on or about March 29, 2022. He has worked continuously in that role to the present.

23 18. During his employment, ROJAS reported to all three individual defendants, but
24 primarily to MOREIRA. MAAKESTAD reported to ROJAS and Renee Contreras.

25 19. Throughout his employment, Plaintiffs typically performed routine innkeeper
26 duties, including bookings, check in and check out of guests, guest relations, housekeeping,
27 general upkeep and maintenance, and operation of the retail shop which featured rentals of
28 bikes, surfboards, wetsuits, aquatic equipment, and the like.

1 20. The Company did not pay Plaintiffs any compensation while they worked as
2 purported volunteers; it was strictly an exchange of services for lodging. After ROJAS gained
3 promotion to supervisor in or around March 2022, the Company began to pay him \$400 every
4 two weeks; payment was in the form of cash (either actual or via cash app) or check. The
5 Company maintained just two supervisory employees, one of whom was ROJAS.

6 21. In terms of schedule, each purported volunteer was scheduled for at least 27
7 hours per week but often worked upwards of 40 or more. Operating hours at each location were
8 8 a.m. to 1 a.m. Typically, the purported volunteers worked in shifts. The opening shift was
9 between 8 a.m. and 1:30 p.m. The mid shift was between 1:30 to 7:30 p.m., and the night shift
10 was between 7:30 p.m. and 1 a.m. The Company's busier days of the week were Thursdays
11 through Saturdays. Despite the scheduled shifts, the Company expected each purported
12 volunteer to monitor the premises throughout the day and timely attend to guest and
13 operational issues as they arose. For example, even if a purported volunteer was off premises
14 on a personal errand, the purported volunteer sometimes received a call or text message to
15 return to the hostel to address an issue. As a further example, hostel patrons would often knock
16 on the door of the staff dorm unit requesting accommodations of some kind. Plaintiffs generally
17 worked anywhere between 30 to 40-plus hours per week during any given workweek. Plaintiffs,
18 and particularly ROJAS, estimate that they were free to engage in personal endeavors during
19 a very small fraction of the workday.

20 22. In terms of rest breaks, because the Company did not generally compensate
21 Plaintiffs and its purported volunteers, it failed to provide them with *paid* rest breaks of 10
22 uninterrupted minutes for every 4 hours or major fraction thereof worked. In terms of meal
23 breaks, the Company never promulgated any employment policies authorizing or permitting
24 the same; on information and belief, this is because the Company did not deem its purported
25 volunteers as employees. Furthermore, Plaintiffs and the purported volunteers did not have
26 reasonable opportunities to take duty-free meal periods of 30 consecutive minutes for every
27 five-plus hours worked. Rather, Plaintiffs and the purported volunteers were required to remain
28 vigilant and attentive to guest and operational issues in a contemporaneous manner throughout

the workday, between hours of operation (i.e., 8 a.m. to 1 a.m). The Company never paid Plaintiffs and the aggrieved employees break premium wages for these missed breaks.

23. Throughout the relevant liability periods, Plaintiffs and their aggrieved peers were required to use personal devices, such as mobile phones, to communicate with Company leadership and amongst themselves regarding guest and operational issues throughout the workday. In addition, Plaintiff ROJAS, having oversight at both the Ocean Beach and Pacific Beach locations, was required to use his personal vehicle to travel back and forth between locations. ROJAS estimates that he incurred about 50 miles per week on behalf of the Company. Notwithstanding, the Company never reimbursed Plaintiffs and their aggrieved peers for use of their personal devices and vehicles for necessary, work-related tasks.

24. Throughout the relevant liability periods, the Company never issued to Plaintiffs, and on information and belief their aggrieved peers, any wage statements reflecting compensation paid.

25. In terms of lodging credits taken by the Company against wage compensation that should have been paid to Plaintiffs and their aggrieved peers, meals or lodging may *not* be credited against the minimum wage without a voluntary written agreement between the employer and employee under California law. Plaintiffs did not have any such written agreement with Defendants regarding lodging offsets; on information and belief, nor did Plaintiffs' aggrieved peers.

EFFECTIVE: For an employer who employs:	JANUARY 1, 2020		JANUARY 1, 2021		JANUARY 1, 2022		JANUARY 1, 2023 All Employers regardless of number of Employees
	26 or More Employees	25 or Fewer Employees	26 or More Employees	25 or Fewer Employees	26 or More Employees	25 or Fewer Employees	
LODGING							
Room occupied alone	\$61.13 /week	\$56.43 /week	\$65.83 /week	\$61.13 /week	\$70.53 /week	\$65.83 /week	\$72.88 /week
Room shared	\$50.46 /week	\$46.58 /week	\$54.34 /week	\$50.46 /week	\$58.22 /week	\$54.34 /week	\$60.16 /week
Apartment — two thirds (2/3) of the ordinary rental value, and in no event more than:	\$734.21 /month	\$677.75 /month	\$790.67 /month	\$734.21 /month	\$847.12 /month	\$790.67 /month	\$875.33 /month
Where a couple are both employed by the employer, two thirds (2/3) of the ordinary rental value, and in no event more than:	\$1086.07 /month	\$1002.56 /month	\$1169.59 /month	\$1086.07 /month	\$1253.10 /month	\$1169.59 /month	\$1294.83 /month
MEALS							
Breakfast	\$4.70	\$4.34	\$5.06	\$4.70	\$5.42	\$5.06	\$5.60
Lunch	\$6.47	\$5.97	\$6.97	\$6.47	\$7.47	\$6.97	\$7.72
Dinner	\$8.68	\$8.01	\$9.35	\$8.68	\$10.02	\$9.35	\$10.35

1 26. Based on the governing IWC Wage Order chart depicted above, the Company
2 was permitted to offset no more than between \$50.46 and \$60.16 *per week* for its purported
3 volunteers who lived in a 10-bed dorm, depending on the calendar year. Throughout the
4 statutory period, the hours worked by Plaintiffs and their aggrieved peers during a typical
5 workweek entitled them to compensation well beyond the lodging offset listed in the IWC
6 Wage Order. As such, Plaintiffs and their aggrieved peers were not even paid the minimum
7 wage for virtually all their hours worked throughout the relevant liability periods.

8 27. Plaintiff ROJAS is still owed wages that should have been paid to him on
9 separation, in violation of California's final pay laws. On information and belief, the Company
10 failed to pay other aggrieved employees all their wages due upon separation, in violation of
11 California's final pay laws.

12 **First Cause of Action**

13 **For Failure to Pay Earned Wages**

14 **(California Labor Code § 204)**

15 **By Plaintiffs Against All Defendants**

16 28. Plaintiffs hereby incorporate the preceding paragraphs.

17 29. Defendants failed to pay Plaintiffs the wages that they earned, as required by the
18 Code and the applicable Wage Order.

19 30. Plaintiffs have been deprived of their rightfully earned wages as a direct and
20 proximate result of Defendants' failure to pay said compensation. Plaintiffs are entitled to
21 recover such amounts, plus interest thereon, attorney's fees and costs.

22 **Second Cause of Action**

23 **For Failure to Pay Minimum Wages**

24 **(California Labor Code §§ 1182.12, 1194 *et seq.*, 1197, 1198; IWC Wage Order No. 5-2001)**

25 **By Plaintiffs Against All Defendants**

26 31. Plaintiffs hereby incorporate the preceding paragraphs.

27 32. Plaintiffs are entitled to minimum wage as provided under the Code and the
28 Wage Orders.

33. The Labor Code and Wage Order 5-2001, which governs the public housekeeping industry, provide that a smaller employer must pay a minimum wage to an employee, which is \$12.00 per hour for 2020, \$13.00 per hour for 2021, \$14.00 per hour for 2022, and \$15.50 per hour for 2023. Section 4(A)(1).

34. Defendants required Plaintiffs to work without compensation for all hours worked every week, in violation of California's minimum wage laws, among other provisions of the Labor Code.

35. As a result, Defendants failed to pay Plaintiffs minimum wage for their work, as required by the Code and the Wage Orders.

36. Defendants thus required Plaintiffs to work under conditions prohibited by order of the IWC, in violation of those orders.

37. Defendants deprived Plaintiffs of their rightfully earned minimum wage compensation, as a direct and proximate result of Defendant's failure to pay said compensation. Under Labor Code § 1194, Plaintiffs are entitled to recover such amounts, plus interest thereon, reasonable attorney's fees, and costs.

38. In addition, under Labor Code § 1194.2, Plaintiffs are entitled to recover liquidated damages in an amount equal to the minimum wages unlawfully unpaid, and interest thereon.

Third Cause of Action

For Failure to Pay Overtime Compensation

(California Labor Code §§ 510, 1194, 1198; IWC Wage Order No. 5-2001)

By Plaintiffs Against All Defendants

39. Plaintiffs hereby incorporate the preceding paragraphs.

40. The Code and the Wage Order provide that a workday consists of eight hours, a workweek consists of 40 hours, and an employer must compensate an employee who works overtime hours with either one-and-one-half times or double the employee's regular rate of compensation. Defendant employed Plaintiffs for more than eight hours per day and more than

1 40 hours per workweek, but Defendant failed to pay Plaintiffs the overtime compensation
2 required by the California Labor Code and the Wage Order.

3 41. Defendants thus required Plaintiffs to work for longer hours than those fixed, or
4 under conditions prohibited, by order of the IWC, in violation of those orders.

5 42. Defendants deprived Plaintiffs of their rightfully earned overtime compensation
6 as a direct and proximate result of Defendants' failure to pay said compensation. Under Labor
7 Code § 1194, Plaintiffs are entitled to recover such amounts, plus interest thereon, attorney's
8 fees, and costs.

9 **Fourth Cause of Action**

10 **For Failure to Pay Meal Period Compensation**

11 **(California Labor Code §§ 226.7, 512, 1198; IWC Wage Order No. 5-2001)**

12 **By Plaintiffs Against All Defendants**

13 43. Plaintiffs hereby incorporate the preceding paragraphs.

14 44. The Code and the Wage Order provide that an employee is entitled to an
15 uninterrupted, off-the-clock meal period of not less than 30 minutes for every five hours
16 worked. The Code and the Wage Order also require the employer to pay the employee one
17 hour at the employee's regular rate of compensation for each day that the employer does not
18 provide at least one required meal period.

19 45. Defendants employed Plaintiffs for work periods of more than five (5) hours
20 without a timely meal period of not less than 30 minutes and failed to compensate Plaintiffs for
21 such meal periods, as required by Labor Code § 226.7 and the Wage Order.

22 46. Defendants deprived Plaintiffs of their rightfully earned compensation for meal
23 periods as a direct and proximate result of Defendant's failure to pay said compensation.

24 47. The remedy provided for in Code § 226.7 constitutes a wage, and Plaintiffs are
25 entitled to interest thereon. *Naranjo v. Spectrum Security Services, Inc.* (2022) 13 Cal. 5th 93, 101;
26 *Murphy v. Kenneth Cole Productions, Inc.* (2007) 40 Cal.4th 1094, 1099-1100.

27 48. Defendants thus required Plaintiffs to work for longer hours than those fixed, or
28 under conditions prohibited, by order of the IWC, in violation of those orders.

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Fifth Cause of Action
For Failure to Pay Rest Period Compensation
(California Labor Code §§ 226.7, 1198; IWC Wage Order No. 5-2001)
By Plaintiffs Against All Defendants

49. Plaintiffs hereby incorporate the preceding paragraphs.

50. The Code and the Wage Order provide that an employee is entitled to an uninterrupted rest period of not less than 10 net minutes for every four hours worked or major fraction thereof. The Code and the Wage Order require the employer to pay the employee one hour at the employee’s regular rate of compensation for each day that the employer does not provide at least one required rest period.

51. Defendant employed Plaintiffs for work periods of four hours or major fraction thereof without rest periods of ten minutes’ net rest time and failed to compensate Plaintiffs for such rest periods, as required by Code § 226.7 and the Wage Order.

52. Defendant deprived Plaintiffs of their rightfully earned compensation for rest periods as a direct and proximate result of Defendants’ failure to pay said compensation.

53. The remedy provided for in Code § 226.7 constitutes a wage, and Plaintiffs are entitled to interest thereon. *Naranjo v. Spectrum Security Services, Inc.* (2022) 13 Cal. 5th 93, 101; *Murphy v. Kenneth Cole Productions, Inc.* (2007) 40 Cal.4th 1094, 1099-1100.

54. Defendant thus required Plaintiffs to work for longer hours than those fixed, or under conditions prohibited, by order of the IWC, in violation of those orders.

Sixth Cause of Action
For Failure to Furnish Accurate Wage and Hour Statements
(California Labor Code § 226)
By Plaintiffs Against All Defendants

55. Plaintiffs hereby incorporate the preceding paragraphs.

56. Labor Code § 226(a) required Defendants, “semimonthly or at the time of each payment of wages,” to furnish Plaintiff “an accurate itemized statement in writing” showing gross and net wages earned, total hours worked by the employee/employees, rates of pay, and

1 other information. Defendants knowingly and intentionally failed to provide Plaintiffs with
2 such accurate wage and hour statements, as they had failed to pay all earned compensation in
3 a timely manner.

4 57. Plaintiffs suffered injury as a result of Defendants' knowing and intentional
5 failure to provide them with the wage and hour statements required by law.

6 58. Under Labor Code § 226, subsections (e) and (f), and based on Defendants'
7 conduct as alleged herein, Plaintiffs are entitled to: (a) fifty dollars (\$50) for the initial pay
8 period in which a wage and hour statement violation occurred, and one hundred dollars (\$100)
9 per employee for each violation in a subsequent pay period, not exceeding an aggregate penalty
10 of four thousand dollars (\$4,000); (b) injunctive relief to ensure Defendants' compliance with
11 Labor Code § 226; and (c) an award of costs and reasonable attorney's fees.

12 **Seventh Cause of Action**

13 **For Illegal Offset Against Wages**

14 **(California Labor Code §§ 221, 224; IWC Wage Order No. 5-2001)**

15 **By Plaintiffs Against All Defendants**

16 59. Plaintiffs hereby incorporate the preceding paragraphs.

17 60. Code § 221 provides: "It shall be unlawful for any employer to collect or receive
18 from an employee any part of wages theretofore paid by said employer to said employee."

19 61. As alleged herein, Defendants unlawfully withheld compensation due Plaintiff
20 in amounts grossly exceeding what the Wage Order authorized (see paragraphs 25 and 26
21 above), in violation of Code §§ 221, 224.

22 62. Further, no amounts should have been withheld for lodging, as there was no
23 valid written agreement for any withholding.

24 63. Plaintiffs have been deprived of their rightfully earned wages as a direct and
25 proximate result of Defendants' failure to pay said compensation. Plaintiffs are entitled to
26 recover such amounts, plus interest thereon, attorney's fees and costs.

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Eighth Cause of Action
For Failure to Indemnify for All Necessary Expenditures or Losses
(California Labor Code § 2802; IWC Wage Order No. 5-2001)
By Plaintiffs Against All Defendants

64. Plaintiffs hereby incorporate the preceding paragraphs.

65. Code § 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.

66. Plaintiffs were required to use their personal mobile phones to perform their work duties. Plaintiff ROJAS was also required to use his personal vehicle for performing his work duties. None of these necessary and reasonable expenses were reimbursed, as there was no mechanism or policy or procedure. To date, Defendants have failed to indemnify Plaintiffs for these out-of-pocket expenses.

67. Under Code § 2802(c), Plaintiffs are entitled to recover all reasonable costs, including attorney's fees, incurred in enforcing his rights granted by § 2802.

Ninth Cause of Action
For Waiting Time Penalties
(California Labor Code §§ 201, 202 and 203)
By Plaintiff ROJAS Against All Defendants

68. Plaintiff ROJAS hereby incorporates the preceding paragraphs.

69. Defendants willfully failed to pay Plaintiff accrued wages due to him promptly upon separation, as required by California Labor Code §§ 201 and 202.

70. Based on Defendants' conduct as alleged herein, Defendants are liable for statutory penalties pursuant to Labor Code § 203.

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76. As a direct and proximate result of Defendants' acts and omissions, Plaintiff has suffered compensatory, consequential, and incidental damages all in amounts to be proven at the time of trial herein.

77. As a further direct and proximate result of Defendants' acts and omissions, Plaintiff has suffered general damages, including emotional distress, anxiety, and worry, all in amounts to be proven at the time of trial herein. Defendants' conduct harmed Plaintiff emotionally and mentally.

78. Defendants' conduct, intentionally perpetrated against Plaintiff, was malicious, wanton, and despicable within the meaning of Civil Code §3294, as to entitle Plaintiff to an award of punitive damages against Defendants, and each of them, in amounts deemed appropriate at the time of trial. Defendants' conduct was intentional and outside all norms of society, bearing no relationship to the normal employer-employee relationship.

79. Defendants' unfair and illegal conduct further entitles Plaintiff to the recovery of his attorneys' fees and costs under the Labor Code, including Section 1102.5, as well as the private attorney general provisions of California Code of Civil Procedure §1021.5. Plaintiff seeks to vindicate important and substantial public interests and rights, namely for employees to be free from unlawful retaliation and discrimination in the workplace. Defendants' conduct herein thus warrants a finding that Plaintiff's fees and costs be paid by Defendants rather than from a recovery in this matter.

Eleventh Cause of Action

Unlawful Retaliation and Discrimination

By Plaintiff ROJAS Against CDH and All DOE Defendants

80. Plaintiff ROJAS incorporates the preceding paragraphs.

81. As alleged herein above, Defendants engaged in a concerted course of action intended to compromise and inhibit Plaintiff's and the public's rights and interests, which conduct was substantially motivated by ROJAS's engagement of an attorney to negotiate the terms and conditions of his employment, to oppose the Company's unfair and illegal business practices, and ROJAS's objection to the Company's improper denial of compensation earned.

1 82. Defendants engaged in acts of retaliation and discrimination against ROJAS
2 when taking the adverse actions against him as alleged herein, in violation of the California
3 Labor Code, including Sections 923, 1102.5 and such other statutes and promulgations,
4 including those mandating the timely payment to employees of all compensation earned.
5 Defendants' acts and omissions on account of ROJAS's exercise of his rights and engagement
6 in protected activities constituted unlawful employment practices in violation of his rights and
7 interests.

8 83. As a direct and proximate result of Defendants' acts and omissions, Plaintiff has
9 suffered compensatory, consequential, and incidental damages all in amounts to be proven at
10 the time of trial herein.

11 84. As a further direct and proximate result of Defendants' acts and omissions,
12 Plaintiff has suffered general damages, including emotional distress, anxiety, and worry, all in
13 amounts to be proven at the time of trial herein. Defendants' conduct harmed Plaintiff
14 emotionally and mentally.

15 85. Defendants' conduct, intentionally perpetrated against Plaintiff, was malicious,
16 wanton, and despicable within the meaning of Civil Code §3294, as to entitle Plaintiff to an
17 award of punitive damages against Defendants, and each of them, in amounts deemed
18 appropriate at the time of trial. Defendants' conduct was intentional and outside all norms of
19 society, bearing no relationship to the normal employer-employee relationship.

20 86. Defendants' unfair and illegal conduct further entitles Plaintiff to the recovery of
21 his attorneys' fees and costs under the Labor Code, including Section 1102.5, as well as the
22 private attorney general provisions of California Code of Civil Procedure §1021.5. Plaintiff
23 seeks to vindicate important and substantial public interests and rights, namely for employees
24 to be free from unlawful retaliation and discrimination in the workplace. Defendants' conduct
25 herein thus warrants a finding that Plaintiff's fees and costs be paid by Defendants rather than
26 from a recovery in this matter.

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1 **Prayer for Relief**

2 WHEREFORE, Plaintiffs hereby pray that the Court enter judgment in their favor and
3 against Defendant and Does 1 through 10, Inclusive, and each of them, as follows:

- 4 1. For unpaid wages in an amount according to proof;
5 2. For minimum wages and corresponding liquidated damages in an amount
6 according to proof;
7 3. For overtime compensation in an amount according to proof;
8 4. For meal period compensation in an amount according to proof;
9 5. For rest period compensation in an amount according to proof;
10 6. For Labor Code § 226(e) statutory penalties in an amount according to proof;
11 7. For Labor Code § 203 penalties in an amount according to proof;
12 8. For recovery of all wages illegally offset in an amount according to proof;
13 9. For indemnification of all necessary expenditures incurred according to proof;
14 10. For general damages according to proof;
15 11. For special damages according to proof;
16 12. For punitive damages according to proof;
17 13. For prejudgment interest on the foregoing at the legal rate;
18 14. For reasonable attorney fees as allowed by law;
19 15. For costs of suit incurred herein;
20 16. For such further relief as the Court may deem appropriate.

21 **Plaintiff hereby demands jury trial of this matter.**

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23 Dated: March 15, 2023

KASED LAW GROUP APC

24
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26 By: 

Nathan N. Kased
Attorneys for Plaintiffs
JEREMIAH ROJAS and
DANIEL MAAKESTAD

EXHIBIT 3

PAGA NOTICE PUBLIC SEARCH - CASE DETAIL

Case Information

Case Number: LWDA-CM-942544-23
Plaintiff for PAGA Case: Jeremiah Rojas, Daniel Maakestad
Filer/Attorney for PAGA Case: Nathan Kased Esq.
Law Firm for PAGA Plaintiff: Kased Law Group APC
Employer: California Dreams Hostel, LLC
Date Case Received:
Filer for Employer:
Employer Filer Firm:
Court Type: California Superior Courts
Court Name: San Diego Superior Court
PAGA Court Case Number: 37-2023-00010705-CU-OE- CTL
Violation Type:
Related BOFE Case:

Attachments

Attachment Name	Description	Date Submitted	Type
Court Complaint Submitted on 07/05/2023 06:52:28 PM by Nathan Kased	First Amended Complaint (8).pdf	7/6/2023 1:52 AM	Court Complaint
Proposed Settlement Submitted on 07/07/2023 12:25:21 PM by Nathan Kased	ROJAS - PAGA Settlement Agreement FINAL (fully executed).PDF	7/7/2023 7:25 PM	Proposed Settlement