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as an individual and on behalf of all employees
similarly situated

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Attorneys for Defendant KF Casitas, LLC dba Casitas Care Center

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

TERESA CARMEN C. MEJIA, as an
individual and on behalf of all employees
similarly situated,

Plaintiff,

v.

KF CASITAS, LLC dba CASITAS CARE
CENTER, a Limited Liability Company; and
DOES 1 through 50, inclusive,

Defendants.

Case No. 23STCV06090

[Assigned for all purposes to Hon. Lawrence P.
Riff, Dept. 7]

**AMENDED PAGA SETTLEMENT
AGREEMENT**

Complaint Filed: March 17, 2023
Trial: None Yet Set

AMENDED PAGA SETTLEMENT AGREEMENT

This Amended PAGA Settlement Agreement (“Agreement” or “Settlement”) is made by and between Plaintiff TERESA CARMEN C. MEJIA (“Plaintiff”) and Defendant KF CASITAS, LLC dba CASITAS CARE CENTER (“Defendant”). The Agreement refers to Plaintiff and Defendant collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

1.1. “Action” means the Plaintiff’s PAGA lawsuit alleging wage and hour violations against Defendant captioned *Mejia v. KF Casitas, LLC dba Casitas Care Center*, Case N 23STCV06090, initiated on March 17, 2023 and pending in Superior Court of the State of California, County of Los Angeles.

1.2. “Administrator” means Simpluris, Inc., the neutral entity the Parties have agreed to appoint to administer the Settlement.

1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with approval of this Settlement.

1.4. “Aggrieved Employee” means a non-exempt or hourly employee of Defendant who worked for Defendant during the PAGA Period.

1.5. “Aggrieved Employee Data” means Aggrieved Employee identifying information in Defendant’s possession including the Aggrieved Employee’s name, last-known mailing address, Social Security number, and number of PAGA Pay Periods.

1.6. “Aggrieved Employee Address Search” means the Administrator’s investigation and search for current Aggrieved Employee mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Aggrieved Employees.

1.7. “Court” means the Superior Court of California, County of Los Angeles.

1.8. “Defense Counsel” means Levinson Arshonsky Kurtz & Komsky, LLP.

1.9. "Effective Date" means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Approving the PAGA Settlement and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) the day the Court enters Judgment if no objections are filed to this settlement or if all objections are withdrawn prior to the Court ruling on them; or (b) sixty-one (61) days after the date of entry of the settlement approval order if objections are filed and overruled and no appeal is taken from the order approving the settlement; or (c) if a timely appeal is made, ten (10) business days after the final resolution of that appeal if the appeal is rejected, the settlement is upheld, and the settlement approval order is no longer subject to further judicial review..

1.10. "Gross Settlement Amount" means \$150,000.00 which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 8 below. The Gross Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administrator's Expenses Payment. In addition to Gross Settlement Amount Defendant will pay \$10,000 to Plaintiff in lieu of arbitrating Plaintiff's individual claims and in consideration for representing Aggrieved Employees and for general release of Plaintiff's all claims beyond PAGA claims released in this action in accordance with a separate individual settlement and release agreement entered between the Parties.

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

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

1.13. "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).

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

1.15. "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Aggrieved Employees as Individual PAGA Payments.

1.16. "PAGA Counsel" means Tunyan Law, APC.

1.17. "PAGA Counsel Fees Payment" and "PAGA Counsel Litigation Expenses Payment" mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys' fees and expenses, respectively, incurred to prosecute the Action.

1.18. "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.

1.19. "PAGA Period" means the period from March 17, 2022 to the date of entry of order for approval of the Settlement by the Court or 60 days after February 15, 2024, whichever is earlier.

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

1.21. "PAGA Notice" means Plaintiff's March 16, 2023 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a). attached to this Agreement as **Exhibit A**.

1.22. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees and the 75% to LWDA in settlement of PAGA claims.

1.23. "Plaintiff" means Terese Carmen C. Mejia, the named plaintiff in the Action.

1.24. "Approval Order" means the proposed Court Order Granting Approval of PAGA Settlement.

1.25. "Released PAGA Claims" means the claims being released by the Plaintiff and PAGA Counsel and as described in Paragraph 5 below.

1.26. "Released Parties" means: Defendant and each of their former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries, and affiliates.

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

1.28. "Defendant" means named Defendant KF Casitas, LLC dba Casitas Care Center.

2. RECITALS.

2.1. On March 17, 2023, Plaintiff commenced this Action by filing a class action Complaint alleging seven causes of action against Defendant. Plaintiff's Complaint sought damages, on her behalf and on behalf of a class of all non-exempt or hourly employees, for the following alleged violations of the California Labor Code: (1) failure to pay all wages (Labor Code sections 204, 510, 1194, 1198); (2) failure to provide meal periods (Labor Code sections 226.7 and 512); (3) failure to provide rest breaks (Labor Code section 226.7); (4) failure to keep accurate itemized wage statements (Labor Code section 226); (5) failure to pay wages upon termination of employment (Labor Code sections 201–203, 227.3); (6) failure to reimburse for necessary expenditures (Labor Code sections 2802); (7) unfair business practices (Business and Professions Code sections 17200 *et seq.*).

2.2. On May 22, 2023, Plaintiff filed a First Amended Complaint, which added a cause of action for civil penalties pursuant to the PAGA based on the same Labor Code violations alleged in the Complaint. Plaintiff's First Amended Complaint is the operative complaint in the Action (the "Operative Complaint"). Defendant deny the allegations in the Operative Complaint, deny any failure to comply with the laws identified in the Operative Complaint and deny any and all liability for the causes of action alleged.

2.3. On August 31, 2023, the Court granted Defendant's motion to compel Plaintiff to arbitrate her individual claims and to dismiss class claims, and the Court denied Defendant's motion to compel Plaintiff to arbitrate her individual PAGA claim and to dismiss her non-individual PAGA claims. In lieu of arbitrating Plaintiff's individual non-PAGA claims and

litigating Plaintiff's individual and representative PAGA claims, the parties agreed to mediation with the scope of Plaintiff's individual claims and individual and non-individual PAGA claims.

2.4. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiff gave timely written notice to Defendant and the LWDA by sending the PAGA Notice.

2.5. On February 15, 2023, the Parties participated in an all-day mediation presided over by Kevin T. Barnes, Esq., which led to this Agreement to settle the Action.

2.6. Prior to mediation, Plaintiff obtained, through informal discovery, employee and payroll data, policy documents, and additional information regarding Defendant's non-exempt, hourly employees in California, which Plaintiff's Counsel reviewed and analyzed.

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

3. MONETARY TERMS.

3.1. Gross Settlement Amount. Except as otherwise provided by Paragraphs 1.10 and 8, Defendant promises to pay One Hundred Fifty Thousand Dollars (\$150,000.00) and no more as the Gross Settlement Amount. Defendant has no obligation to pay the Gross Settlement Amount prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

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

3.2.1. To PAGA Counsel: A PAGA Counsel Fees Payment of not more than 33 1/3% which is currently estimated to be \$50,000.00 and PAGA Counsel Litigation Expenses Payment of not more than \$15,000. Defendant will not oppose requests for Court approval of these payments provided that they do not exceed these amounts. Plaintiff and/or PAGA Counsel will file a motion for PAGA Counsel Fees Payment and PAGA Litigation Expenses Payment

1 with the motion for approval of the Settlement. If the Court approves a PAGA Counsel Fees
2 Payment and/or a PAGA Counsel Litigation Expenses Payment less than the amounts requested,
3 the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties
4 shall have no liability to PAGA Counsel or any other Plaintiff's Counsel arising from any claim
5 to any portion any PAGA Counsel Fee Payment and/or PAGA Counsel Litigation Expenses
6 Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel
7 Expenses Payment using one or more IRS 1099 Forms. PAGA Counsel assumes full
8 responsibility and liability for taxes owed on the PAGA Counsel Fees Payment and the PAGA
9 Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies
10 Defendant, from any dispute or controversy regarding any division or sharing of any of these
11 Payments.

12 3.2.2. To the Administrator: An Administrator Expenses Payment not to exceed
13 \$15,000 except for showing of good cause and as approved by the Court. To the extent the
14 Administration Expenses are less or the Court approves payment less than \$15,000, the
15 Administrator will retain the remainder in the Net Settlement Amount. Simpluris, Inc. has been
16 selected as the Administrator, based upon its "not to exceed" bid of \$ 4,000.

17 3.2.3. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount
18 of at least \$81,000 to be paid from the Gross Settlement Amount, with 75% allocated to the
19 LWDA PAGA Payment and 25% allocated to the Individual PAGA Payments.

20 3.2.3.1. The Administrator will calculate each Individual PAGA Payment
21 by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties by the
22 total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the
23 PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay
24 Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on
25 their Individual PAGA Payment.

26 3.2.3.2. If the Court approves PAGA Penalties of less than the amount
27 requested, the Administrator will allocate the remainder to the Net Settlement Amount. The
28 Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

1 **4. SETTLEMENT FUNDING AND PAYMENTS.**

2 4.1. Aggrieved Employee Pay Periods. Based on a review of its records, Defendant
3 estimates there are **200** Aggrieved Employees who worked a total **5,314** of PAGA Pay Periods
4 from March 17, 2022 through February 15, 2024.

5 4.2. Aggrieved Employee Data. Within fourteen (14) days after the Effective Date,
6 Defendant will deliver the Aggrieved Employee Data to the Administrator in the form of a
7 Microsoft Excel spreadsheet. To protect Aggrieved Employee' privacy rights, the Administrator
8 must maintain the Aggrieved Employee Data in confidence, use the Aggrieved Employee Data
9 only for purposes of this Settlement and for no other purpose, and restrict access to the
10 Aggrieved Employee Data to Administrator employees who need access to the Aggrieved
11 Employee Data to effect and perform under this Agreement. Defendant has a continuing duty to
12 immediately notify PAGA Counsel if it discovers that the Aggrieved Employee Data omitted
13 employee identifying information and to provide corrected or updated Aggrieved Employee Data
14 as soon as reasonably feasible. Without any extension of the deadline by which Defendant must
15 send the Aggrieved Employee Data to the Administrator, the Parties and their counsel will
16 expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related
17 to missing or omitted Aggrieved Employee Data.

18 4.3. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross
19 Settlement Amount by transmitting the funds to the Administrator no later than fourteen (14)
20 days after the Effective Date.

21 4.4. Payments from the Gross Settlement Amount. Within fourteen (14) days after
22 Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all
23 Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment,
24 the PAGA Counsel Fees Payment, the PAGA Counsel Expenses Payment. Disbursement of the
25 PAGA Counsel Litigation Expenses Payment shall not precede disbursement of Individual
26 PAGA Payments.

27 4.4.1. The Administrator will issue checks for the Individual PAGA Payments
28 and send them to the Aggrieved Employees via First Class U.S. Mail, postage prepaid along with

1 the Notice of PAGA Representative Action Settlement (attached hereto as **Exhibit B**). The face
2 of each check shall prominently state the date (180 days after the date of mailing) when the
3 check will be voided. The Administrator will cancel all checks not cashed by the void date.
4 Before mailing any checks, the Settlement Administrator must update the recipients' mailing
5 addresses using the National Change of Address Database.

6 4.4.2. The Administrator must conduct an Aggrieved Employee Address Search
7 for all Aggrieved Employees whose checks are returned undelivered without USPS forwarding
8 address. Within 7 days of receiving a returned check the Administrator must re-mail checks to
9 the USPS forwarding address provided or to an address ascertained through the Aggrieved
10 Employee Address Search. The Administrator need not take further steps to deliver checks to
11 Aggrieved Employees whose re-mailed checks are returned as undelivered. The Administrator
12 shall promptly send a replacement check to any Aggrieved Employee whose original check was
13 lost or misplaced, requested by the Aggrieved Employee prior to the void date.

14 4.4.3. For any Aggrieved Employee whose Individual PAGA Payment check is
15 uncashed and cancelled after the void date, the Administrator shall transmit the funds represented
16 by such checks to the California Controller's Unclaimed Property Fund in the name of the
17 Aggrieved Employee.

18 4.4.4. The payment of Individual PAGA Payments shall not obligate Defendant
19 to confer any additional benefits or make any additional payments to the Aggrieved Employees
20 (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

21 **5. RELEASES OF CLAIMS.**

22 Effective on the date when Defendant fully funds the entire Gross Settlement Amount
23 and Plaintiff's general release payment pursuant to the separate agreement entered between the
24 Parties, Plaintiff and PAGA Counsel will release claims against all Released Parties as follows:

25 **5.1 Plaintiff's Release.**

26 5.1.1 Scope of Plaintiff's Release. Plaintiff and her respective former and present
27 spouses, representatives, agents, attorneys (including PAGA Counsel), heirs,
28 administrators, successors, and assigns generally, release and discharge Released

Parties from all claims, transactions, or occurrences that occurred during the PAGA Period, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained in the Operative Complaint and the PAGA Notice ("Plaintiff's Release"). Pursuant to the individual settlement and release agreement Plaintiff also provides a general release of all claims as defined in a separate individual settlement and release agreement. Plaintiff's Release does not does apply to: (i) claims or actions to enforce PAGA Settlement Agreement; (ii) claims premised upon vested rights Plaintiff may have under Defendant's ERISA-covered employee benefit plans; and (iii) claims that controlling law clearly states may not be released by private settlement, such as claims for unemployment benefits, state-sponsored disability benefits, social security benefits, or workers' compensation benefits. With the exception of Plaintiff, who will execute an individual settlement agreement which includes a general release of all claims, this settlement shall not impact Aggrieved Employees' ability to assert claims other than the PAGA claims being released by this Settlement.

5.1.2 Plaintiff's Waiver of Rights Under California Civil Code § 1542. For purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the provisions, rights, and benefits, if any, of Section 1542 of the California Civil Code, which reads:

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

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

1 5.3 Release by PAGA Counsel: PAGA Counsel release on behalf of their present and
2 former attorneys, employees, agents, successors and assigns the Released Parties from all
3 claims for PAGA Counsel Fees incurred in connection with the Operative Complaint and the
4 PAGA Period facts stated in the Operative Complaint and the PAGA Notice.

5 **6. MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT.**

6 The Parties agree to jointly prepare and file an application or motion for approval of this
7 Settlement.

8 6.1. Plaintiff's Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all
9 documents necessary for obtaining approval of this Settlement under Labor Code Section 2699,
10 subd. (f)(2)) including (i) a draft proposed Order Granting Approval of PAGA Settlement; (ii) a
11 signed declaration from the Administrator attaching its "not to exceed" bid for administering the
12 Settlement and attesting to its willingness to serve; competency; operative procedures for
13 protecting the security of Aggrieved Employee Data; amounts of insurance coverage for any data
14 breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential
15 conflicts of interest with Aggrieved Employees or the LWDA; and the nature and extent of any
16 financial relationship with Plaintiff, PAGA Counsel or Defense Counsel; (iii) a signed
17 declaration from PAGA Counsel firm attesting to its timely transmission to the LWDA of all
18 necessary PAGA documents (initial notice of violations (Labor Code section 2699.3, subd. (a)),
19 Operative Complaint (Labor Code section 2699, subd. (l)(1)), this Agreement (Labor Code
20 section 2699, subd. (l)(2)); (iv) a redlined version of the parties' Agreement showing all
21 modifications made to the Model Agreement ready for filing with the Court; and (v) all facts
22 relevant to any actual or potential conflict of interest with Aggrieved Employees and/or the
23 Administrator. In their Declarations, Plaintiff and PAGA counsel shall aver that they are not
24 aware of any other pending matter or action asserting claims that will be extinguished or
25 adversely affected by the Settlement.

26 6.2. Responsibilities of PAGA Counsel. PAGA Counsel and Defense Counsel are jointly
27 responsible for expeditiously finalizing and filing the application or motion for approval of this
28 Settlement no later than thirty (30) days after the full execution of this Agreement and, if

necessary, obtaining a prompt hearing date for the motion and appearing in Court to advocate in favor of the motion. PAGA Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.

6.3. Duty to Cooperate. If the Parties disagree on any aspect of the proposed application or motion for approval of this Settlement and/or the supporting declarations and documents, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant the motion for approval of this Settlement or conditions its approval on any material change to this Agreement, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

7. SETTLEMENT ADMINISTRATION.

7.1. Selection of Administrator. The Parties have jointly selected Simpluris, Inc. to serve as the Administrator and verified that, as a condition of appointment, Simpluris, Inc. 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.

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

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1 **8. AGGRIEVED EMPLOYEE SIZE ESTIMATES AND ESCALATOR CLAUSE**

2 Based on its records, Defendant estimates that, as of the date of mediation, there are 200
3 Aggrieved Employees who worked 5,314 Pay Periods from March 17, 2022 to February 15,
4 2024. If the number of actual PAGA pay periods during the PAGA Period exceeds 15% of the
5 estimated pay periods (i.e., exceeds 6,111 pay periods), Defendant shall increase the Gross
6 Settlement Amount by a pro-rata dollar value equal to the number of pay periods in excess of
7 6,111 pay periods. For example, if there is a 1% increase over 15% then the Gross Settlement
8 Amount increases by 1%.

9 **9. CONTINUING JURISDICTION OF THE COURT.**

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

14 9.1. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and
15 conditions of this Agreement, specifically including the PAGA Counsel Fees Payment and
16 PAGA Counsel Litigation Expenses Payment, the Parties, their respective counsel waive all
17 rights to appeal from the Judgment, including all rights to post-judgment and appellate
18 proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary
19 writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such
20 motions, writs or appeals. If another party appeals the Judgment, the Parties' obligations to
21 perform under this Agreement will be suspended until such time as the appeal is finally resolved
22 and the Judgment becomes final, except as to matters that do not affect the amount of the Net
23 Settlement Amount.

24 **10. ADDITIONAL PROVISIONS.**

25 10.1. No Admission of Liability or Representative Manageability for Other Purposes.
26 This Agreement represents a compromise and settlement of highly disputed claims. Nothing in
27 this Agreement is intended or should be construed as an admission by Defendant that any of the
28 allegations in the Operative Complaint have merit or that Defendant have any liability for any

claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant' defenses in the Action have merit. The Parties agree that representative treatment is for purposes of this Settlement only. If, for any reason the Court does not approve this Settlement, Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the right to contest Defendant's defenses. The Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

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

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

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

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

1 10.6. No Tax Advice. Neither Plaintiff, PAGA Counsel, Defendant nor Defense Counsel
2 are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be
3 relied upon as such within the meaning of United States Treasury Department Circular 230 (31
4 CFR Part 10, as amended) or otherwise.

5 10.7. Modification of Agreement. This Agreement, and all parts of it, may be amended,
6 modified, changed, or waived only by an express written instrument signed by all Parties or their
7 representatives, and approved by the Court.

8 10.8. Agreement Binding on Successors. This Agreement will be binding upon, and
9 inure to the benefit of, the successors of each of the Parties.

10 10.9. Applicable Law. All terms and conditions of this Agreement and its exhibits will
11 be governed by and interpreted according to the internal laws of the state of California, without
12 regard to conflict of law principles.

13 10.10. Cooperation in Drafting. The Parties have cooperated in the drafting and
14 preparation of this Agreement. This Agreement will not be construed against any Party on the
15 basis that the Party was the drafter or participated in the drafting.

16 10.11. Confidentiality. To the extent permitted by law, all agreements made, and orders
17 entered during Action and in this Agreement relating to the confidentiality of information shall
18 survive the execution of this Agreement.

19 10.12. Use and Return of Aggrieved Employee Data. Information provided to PAGA
20 Counsel pursuant to Cal. Evid. Code §1152, and all copies and summaries of the PAGA Data
21 provided to PAGA Counsel by Defendant in connection with the mediation, other settlement
22 negotiations, or in connection with the Settlement, may be used only with respect to this
23 Settlement, and no other purpose, and may not be used in any way that violates any existing
24 contractual agreement, statute, or rule of court. Not later than 90 days after the Administrator
25 discharges its obligation to pay out of all Settlement funds, Plaintiff shall destroy all paper and
26 electronic versions of Aggrieved Employee Data received from Defendant unless, prior to the
27 Administrator's payment of all Settlement Funds, Defendant make a written request to PAGA
28 Counsel for the return, rather than the destructions, of Aggrieved Employee Data.

1 10.13. Headings. The descriptive heading of any section or paragraph of this Agreement
2 is inserted for convenience of reference only and does not constitute a part of this Agreement.

3 10.14. Calendar Days. Unless otherwise noted, all reference to “days” in this Agreement
4 shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a
5 weekend or federal legal holiday, such date or deadline shall be on the first business day
6 thereafter.

7 10.15. Notice. All notices, demands or other communications between the Parties in
8 connection with this Agreement will be in writing and deemed to have been duly given as of the
9 third business day after mailing by United States mail, or the day sent by email or messenger,
10 addressed as follows:

11 To Plaintiff:
12 Lilit Tunyan (SBN 329351)
 ltunyan@tunyanlaw.com
13 Artur Tunyan (SBN 349174)
 atunyan@tunyanlaw.com
14 **TUNYAN LAW, APC**
15 535 N Brand Blvd. Suite 285
16 Glendale, California 91203
 Telephone: (323) 410-5050

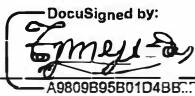
17 To Defendant:
18 James S. Cooper (SBN 162469)
 jcooper@lakklawyers.com
19 **LEVINSON ARSHONSKY**
20 **KURTZ & KOMSKY, LLP**
21 15303 Ventura Blvd., Suite 1650
22 Sherman Oaks, California 91403
 Telephone: (818) 382-3434
 Facsimile: (818) 382-3433

23 10.16. Execution in Counterparts. This Agreement may be executed in one or more
24 counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this
25 Agreement shall be accepted as an original. All executed counterparts and each of them will be
26 deemed to be one and the same instrument if counsel for the Parties will exchange between
27 themselves signed counterparts. Any executed counterpart will be admissible in evidence to
28 prove the existence and contents of this Agreement.

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

The Parties hereby execute this Agreement.

Dated: 6/4/2024 | 10:15 AM PDT **TERESA CARMEN C. MEJIA**

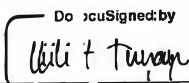
By: 
Teresa Carmen C. Mejia

Dated: **KF CASITAS, LLC dba CASITAS CARE CENTER**

By: _____
[NAME]
[TITLE]

APPROVED AS TO FORM:

Dated: 6/3/2024 | 9:24 AM PDT **TUNYAN LAW, APC**

By: 
Lilit Tunyan
Artur Tunyan
Attorneys for Plaintiff Teresa Carmen C. Mejia

Dated: **LEVINSON ARSHONSKY KURTZ & KOMSKY, LLP**

By: _____
James S. Cooper
Attorneys for Defendant KF Casitas, LLC
dba Casitas Care Center

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5 settlement process.

6 The Parties hereby execute this Agreement.

7 Dated: **TERESA CARMEN C. MEJIA**

8
9 By: _____
10 Teresa Carmen C. Mejia

11
12 Dated: 6/5/24 **KF CASITAS, LLC dba CASITAS CARE CENTER**

13
14 By:  _____
15 [NAME] Staci L. Trang
16 [TITLE] General Counsel

17 **APPROVED AS TO FORM:**

18 Dated: **TUNYAN LAW, APC**

19
20 By: _____
21 Lilit Tunyan
22 Artur Tunyan
23 Attorneys for Plaintiff Teresa Carmen C. Mejia

24 Dated: 6/5/2024 **LEVINSON ARSHONSKY KURTZ & KOMSKY, LLP**

25 By: s/ James S. Cooper _____
26 James S. Cooper
27 Attorneys for Defendant KF Casitas, LLC
28 dba Casitas Care Center

Exhibit “A”

Plaintiff and the Aggrieved Employees of their right to take rest periods during the timeframe required under California law but refused to pay for rest periods by deducting one hour of pay for combined meal periods and rest periods. Accordingly, Defendant's policy and practice was for Plaintiff and the Aggrieved Employees to work through rest periods and to not authorize or permit them to take any rest periods.

Plaintiff and the Aggrieved Employees are thus entitled to be paid one hour of additional wages for each workday he or she was not authorized and permitted to take all required rest period(s). Defendant, however, regularly failed to pay Plaintiff and the Aggrieved Employees the additional wages to which they were entitled for rest periods and that they were not authorized and permitted to take.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210, 558, and 2699(f)(2) for failing to authorize and permit rest periods and pay rest period premium wages.

Failure to Maintain Accurate Records of Hours Worked

Plaintiff seeks penalties under Labor Code § 1174(d). Pursuant to Labor Code § 1174.5, any person, including any entity, employing labor who willfully fails to maintain accurate and complete records required by Labor Code § 1174 is subject to a penalty under § 1174.5. Pursuant to the applicable IWC Order § 7(A)(3), every employer shall keep time records showing when the employee begins and ends each work period. Meal periods and total hours worked daily shall also be recorded.

Defendant, however, failed to maintain accurate records of hours worked and all meal periods taken or missed by Plaintiff and the Aggrieved Employees.

Defendant's failure to provide and maintain records required by the Labor Code IWC Wage Orders deprived Plaintiff and the Aggrieved Employees the ability to know, understand and question the accuracy and frequency of meal periods, and the accuracy of their hours worked stated in Defendant's records. Therefore, Plaintiff and the Aggrieved Employees had no way to dispute the resulting failure to pay wages, all of which resulted in an unjustified economic enrichment to Defendant. As a direct result, Plaintiff and the Aggrieved Employees have suffered and continue to suffer, substantial losses related to the use and enjoyment of such wages, lost interest on such wages and expenses and attorney's fees in seeking to compel Defendant to fully perform its obligation under state law, all to their respective damage in amounts according to proof at trial. As a result of Defendant's knowing failure to comply with the Labor Code and applicable IWC Wage Orders, Plaintiff and the Aggrieved Employees have also suffered an injury in that they were prevented from knowing, understanding, and disputing the wage payments paid to them.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 1174.5 for failing to maintain accurate records of hours worked and meal periods.

Failure to Reimburse and Indemnify Expenses

California Labor Code § 2802 requires employers to reimburse employees for their necessary expenditures and losses incurred in direct consequence of the discharge of their duties or of their obedience to directions of the employer.

Throughout the statutory period, Defendant wrongfully required Plaintiff and the Aggrieved Employees to pay expenses that they incurred in direct discharge of their duties for Defendant without reimbursement, which included the purchase and maintenance of the uniforms. Plaintiff and the Aggrieved Employees incurred these substantial expenses as a direct result of performing their job duties for Defendant, and Defendant have failed to indemnify Plaintiff and the Aggrieved Employees for these employment-related expenses.

Failure to Timely Pay All Wages at Termination

Labor Code §§ 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and that if an employee voluntarily leaves his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

Within the applicable statute of limitations, the employment of Plaintiff and many other Aggrieved Employees ended, i.e. was terminated by quitting or discharge, and the employment of others will be. However, during the relevant time period, Defendant failed, and continues to fail to pay Plaintiff and terminated Aggrieved Employees, without abatement, all wages required to be paid by Labor Code sections 201 and 202 either at the time of discharge, or within seventy-two (72) hours of their leaving Defendant's employ. These unpaid wages include wages for unpaid work time (including minimum and straight time wages), missed meal periods, and missed rest periods.

Defendant's conduct violates Labor Code §§ 201 and 202. Labor Code § 203 provides that if an employer willfully fails to pay wages owed, in accordance with sections 201 and 202, then the wages of the employee shall continue as a penalty wage from the due date, and at the same rate until paid or until an action is commenced; but the wages shall not continue for more than thirty (30) days.



TUNYAN LAW

Lilit Tunyan, Esq.
1336 Rossmoyne Avenue,
Glendale, CA 91207
Tel: (323) 410-5050
ltunyan@tunyanlaw.com

March 16, 2023

VIA ONLINE SUBMISSION

Labor & Workforce Development Agency
Attn. PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612
PAGAFilings@dir.ca.gov

VIA CERTIFIED MAIL

Return Receipt Requested

Agent for Service of Process for
KF Casitas, LLC dba Casitas Care Center
Jacob Winter
6300 Wilshire Blvd., Suite 1800
Los Angeles, CA 90048

VIA CERTIFIED MAIL

Return Receipt Requested

KF Casitas, LLC dba Casitas Care Center
10626 Balboa Blvd.
Granada Hills, CA 91344

**NOTICE OF LABOR CODE VIOLATIONS PURSUANT TO
LABOR CODE SECTION § 2698 ET SEQ.**

Re: *Teresa Carmen C. Mejia v. KF Casitas, LLC dba Casitas Care Center*

To Whom It May Concern:

Please be advised that my office has been retained by Teresa Carmen C. Mejia ("Plaintiff") to pursue a Labor Code Private Attorney General Act (PAGA) representative action (Cal. Lab. Code §§ 2699, *et seq.*) against her former employer KF Casitas, LLC dba Casitas Care Center ("Defendant"). The purpose of this letter is to comply with PAGA and set forth the facts and

theories of California Labor Code violations which Plaintiff alleges Defendant engaged in with respect to Plaintiff and all of Defendant's aggrieved employees.

Plaintiff wishes to pursue a PAGA representative action on behalf of herself as an aggrieved employee, on behalf of the State of California, and on behalf of all other current and former aggrieved employees who worked for Defendant in California as an hourly paid, non-exempt employee at any time within the applicable statutory period (hereafter, the "Aggrieved Employees").

Plaintiff and the Aggrieved Employees of Defendant suffered the Labor Code violations described below.

Factual Background Regarding Plaintiff's Employment with Defendant

Defendant owns and operates an industry, business, and establishment within the State of California, including Los Angeles County. As such, Defendant is subject to the California Labor Code and the Wage Orders issued by the Industrial Welfare Commission ("IWC").

Plaintiff worked for Defendant as a housekeeping employee from approximately 2011 to February 22, 2023, primarily in Los Angeles County. Defendant classified Plaintiff as non-exempt from overtime. During the time period that Plaintiff was employed by Defendant, Plaintiff typically worked 5 days per week, and between 8 to 10 hours each workday.

Throughout Plaintiff's employment, Defendant committed numerous labor code violations under state law. As discussed below, Plaintiff's experience working for Defendant was typical and illustrative.

Failure to Pay for All Hours Worked, Including Overtime

Under California law, an employer must pay for all hours worked by an employee. "Hours worked" is the time during which an employee is subject to the control of an employer and includes all the time the employee is suffered or permitted to work, whether or not required to do so.

In addition, Labor Code § 510 provides that employees in California shall not be employed more than eight (8) hours in any workday or forty (40) hours in a workweek unless they receive additional compensation beyond their regular wages in amounts specified by law.

Labor Code §§ 1194 and 1198 also provide that employees in California shall not be employed more than eight hours in any workday unless they receive additional compensation beyond their regular wages in amounts specified by law. Additionally, Labor Code § 1198 states that the employment of an employee for longer hours than those fixed by the Industrial Welfare Commission is unlawful.

Throughout the time period involved in this case, Defendant maintained a policy and practice of failing to pay Plaintiff and the Aggrieved Employees for all hours worked (including minimum wages, straight time wages and overtime wages). Defendant regularly used a system of time rounding in a manner that resulted, over a period of time, in failing to compensate Plaintiff and the Aggrieved Employees properly for all the time they have actually worked, even though the realities of Defendant's operations are such that it is possible, practical, and feasible to count and pay for work time to the minute. Accordingly, Defendant frequently paid Plaintiff and the Aggrieved Employees less than all their work time. Some of this unpaid work also should have been paid at the overtime rate. Throughout the statutory period, Defendant also maintained a policy and practice of requiring Plaintiff and the Aggrieved Employees to perform work "off-the-clock". Approximately from March 2020 to February 2021 Defendant required Plaintiff and the Aggrieved Employees to arrive earlier than their scheduled shift to undergo COVID pre-screening prior to clocking in to work but refused to pay for that time. During the statutory period Defendant also required Plaintiff and the Aggrieved Employees to arrive earlier than their scheduled time to wait in line to clock in to work not later than their scheduled shift start time but refused to pay for the time spent in line to clock in to work. In maintaining a practice of not paying all wages owed, Defendant failed to maintain accurate records of the hours Plaintiff and the Aggrieved Employees worked. In doing so, Defendant also failed to maintain accurate records of the hours Plaintiff and the Aggrieved Employees worked.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210, 558, 1197.1, and 2699(f)(2) for failing to pay for all hours worked, including overtime.

Failure to Provide Meal Periods

Under California law, employers have an affirmative obligation to relieve employees of all duty in order to take their first 30-minute, duty-free meal periods no later than the start of sixth hour of work in a workday, and to allow employees to take their second 30-minute, duty-free meal period no later than the start of the eleventh hour of work in the workday. Further, employees are entitled to be paid one hour of additional wages for each workday they were not provided with all required meal period(s).

Despite these legal requirements, Defendant wrongfully failed to provide Plaintiff and the Aggrieved Employees with legally compliant meal periods. Defendant regularly required Plaintiff and the Aggrieved Employees to work in excess of five consecutive hours a day without providing a 30-minute, continuous and uninterrupted, duty-free meal period for every five hours of work, or without compensating Plaintiff and the Aggrieved Employees for meal periods that were not provided by the end of the fifth hour of work or tenth hour of work. Defendant did not adequately inform Plaintiff and the Aggrieved Employees of their right to take a meal period by the end of the fifth hour of work, or, for shifts greater than 10 hours, by the end of the tenth hour of work. Moreover, Defendant did not have adequate written policies or practices providing

meal periods for Plaintiff and the Aggrieved Employees, nor did Defendant have adequate policies or practices regarding the timing of meal periods. Plaintiff and the Aggrieved Employees would often times miss their meal periods, have interrupted or short meal periods. In those occasions when Plaintiff and the Aggrieved Employees had an opportunity to take their first meal periods, Defendant wrongfully required Plaintiff and the Aggrieved employees to combine their 30-minute first meal periods with rest periods instead of taking a separate meal periods and separate rest periods, and wrongfully deducted one hour of pay from Plaintiff's and the Aggrieved Employees' hours. Accordingly, Defendant's policy and practice was to not provide meal periods to Plaintiff and the Aggrieved Employees in compliance with California law.

Plaintiff and the Aggrieved Employees are thus entitled to be paid one hour of additional wages for each workday he or she was not provided with all required meal period(s). Defendant, however, regularly failed to pay Plaintiff and the Aggrieved Employees the additional wages to which they were entitled for meal periods and that were not provided.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210, 558, and 2699(f)(2) for failing to provide meal periods and pay meal period premium wages.

Failure to Authorize and Permit Rest Periods

Employers are required by California law to authorize and permit breaks of 10 uninterrupted minutes for each four hours of work or major fraction of four hours (i.e. more than two hours). Thus, for example, if an employee's work time is 6 hours and ten minutes, the employee is entitled to two rest breaks. Each failure to authorize rest breaks as so required is itself a violation of California's rest break laws.

Defendant, however, wrongfully failed to authorize and permit Plaintiff and the Aggrieved Employees to take timely and duty-free rest periods. Defendant regularly required Plaintiff and the Aggrieved Employees to work in excess of four consecutive hours a day without Defendant authorizing and permitting them to take a 10 minute, continuous and uninterrupted, rest period for every four hours of work (or major fraction of four hours), or without compensating Plaintiff and the Aggrieved Employees for rest periods that were not authorized or permitted. Defendant did not adequately inform Plaintiff and the Aggrieved Employees of their right to take a rest period. Moreover, Defendant did not have adequate policies or practices permitting or authorizing rest periods for Plaintiff and the Aggrieved Employees, nor did Defendant have adequate policies or practices regarding the timing of rest periods. Defendant did not schedule rest periods every 4 hours or a major fraction. Instead, Defendant wrongfully required Plaintiff and the Aggrieved employees to combine their 30-minute first meal periods with rest periods instead of taking a separate meal periods and separate rest periods, and wrongfully deducted one hour from Plaintiff's and the Aggrieved Employees' hours. Not only Defendant deprived

Accordingly, Plaintiff and the Aggrieved Employees are entitled to recover from Defendant their additionally accruing wages for each day they were not paid, at their regular hourly rate of pay, up to 30 days maximum pursuant to Labor Code § 203.

Moreover, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 2699(f)(2) for failing to timely pay all wages at termination.

Failure to Furnish Accurate Itemized Wage Statements

Labor Code § 226(a) provides that every employer shall furnish each of his or her employees an accurate itemized wage statement in writing showing nine pieces of information, including: (1) gross wages earned, (2) total hours worked by the employee, (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 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 (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. An employee is presumed to suffer an injury if this information is missing. Lab. Code § 226(e)(2)(B)(iii).

The statute further provides: “An employee suffering injury as a result of a knowing and intentional failure by an employer to comply with subdivision (a) is entitled to recover the greater of all actual damages or fifty dollars (\$50) for the initial pay period in which a violation occurs and one hundred dollars (\$100) per employee for each violation in a subsequent pay period, not to exceed an aggregate penalty of four thousand dollars (\$4,000), and is entitled to an award of costs and reasonable attorney’s fees.” Lab. Code § 226(e)(1).

Defendant intentionally and willfully failed to provide employees with complete and accurate wage statements. The deficiencies include, among other things, the failure to correctly identify hourly rates, the failure to correctly list gross wages earned, and the failure to list the true net wages earned, including wages for meal periods that were not provided in accordance with California law, wages for rest periods that were not authorized and permitted to take in accordance with California law, and correct wages earned for all hours worked. Moreover, during some pay periods Defendant failed to state the hourly rate, the total hours worked, the pay period beginning and end date in the wage statements at all.

As a result of Defendant violating Labor Code § 226, Plaintiff and similarly Aggrieved Employees suffered injury and damage to their statutorily protected rights.

Accordingly, Plaintiff and similarly Aggrieved Employees are entitled to recover from Defendant the greater of their actual damages caused by Defendant's failure to comply with Labor Code § 226(a), or an aggregate penalty not exceeding \$4,000 dollars per employee.

Moreover, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 226.3 for failing to furnish accurate itemized wage statements.

Failure to Pay All Earned Wages Twice Per Month

Based on its failure to pay Plaintiff and the Aggrieved Employees for all wages as discussed above, Defendants also violated Labor Code § 204.

Labor Code § 204 requires employers to pay employees all earned wages two times per 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. Lab. Code § 204(a). The requirements of this section shall be deemed satisfied by the payment of wages for weekly, biweekly, or semimonthly payroll if the wages are paid not more than seven calendar days following the close of the payroll period. Lab. Code § 204(d).

Here, Defendant paid wages bi-weekly, but often times issued wages seven calendar days following the close of the payroll period.

Throughout the statute of limitations period applicable to this cause of action, employees were also entitled to be paid twice a month at their regular rates, including all meal period premium wages owed, rest period premium wages owed, and wages owed for hours worked. However, during all such times, Defendant systematically failed and refused to pay the employees all wages due, and failed to pay those wages twice a month, in that employees were not paid all wages for all meal periods not provided by Defendant, all wages for all rest periods not authorized and permitted by Defendant, and all wages for all hours worked. As a result, Defendant owe employees the legally required wages for unpaid wages, and Plaintiff and the Aggrieved Employees suffered damages in those amounts.

Moreover, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 210 for failing to pay all earned wages twice per month.

Failure to Pay All Accrued Vacation Wages at Termination

Labor Code § 227.3 requires employers to pay employees for all unused vested vacation time at their final rate of pay upon termination of their employment.

During the statutory period, Defendant maintained a policy and practice of failing to pay Plaintiff and the Aggrieved Employees the correct amount of vacation pay owed at the termination of employment. For instance, when Plaintiff's employment with Defendant terminated, she was owed vacation wages at her true final wage rate on her final pay check from Defendant even though he had accrued unused vacation time. On information and belief, Defendant's failure to pay Plaintiff the correct amount of vacation pay was not a single, isolated incident, but was instead part of Defendant's policy and practice that applied to the Aggrieved Employees.

As a result, Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 2699(f)(2) for failing to pay all accrued vacation wages at termination.

Action for Civil Penalties Under PAGA

In light of the above, Plaintiff alleges that Defendant violated the following provisions of the Labor Code with respect to the Aggrieved Employees:

1. Labor Code § 204, 510, 1194, 1197, and 1198 by failing to pay for all hours worked, including minimum wages, straight time wages and overtime wages;
2. Labor Code § 226.7, 512 and applicable Wage Orders by failing to provide meal periods;
3. Labor Code § 226.7 and applicable Wage Orders by failing to authorize and permit rest periods;
4. Labor Code § 1174.5 and applicable Wage Orders by failing to maintain accurate records of hours worked and meal periods taken or missed;
5. Labor Code § 2802 by failing to reimburse and indemnify employees for expenses and losses in the direct consequence and discharge of their duties;
6. Labor Code § 227.3 by failing to pay all vacation wages at termination;
7. Labor Code §§ 201 to 203 by willfully failing to pay all wages owed at termination;
8. Labor Code § 226 by failing to provide accurate itemized wage statements; and
9. Labor Code § 204 by failing to pay all earned wages two times per month.

Therefore, on behalf of all Aggrieved Employees, Plaintiff seeks applicable penalties related to the violations alleged above pursuant to the PAGA. These include, but are not limited to, penalties under Labor Code §§ 210, 226.3, 558, 1174.5, 1197.1, 2802, and 2699(f)(2).

Plaintiff has placed Defendant on notice by mailing a certified copy of this correspondence to its corporate address and address of the agent for service, as indicated on the first page.

The facts and claims contained herein are based on the information available at the time of this writing. Therefore, if through discovery and/or expert review, Plaintiff becomes aware of additional compensation owed or losses incurred by Plaintiff or by any other aggrieved employee of Defendant or any additional facts, Plaintiff expressly reserves the right to revise these facts and/or add any new claims by amending the claim letter or by adding applicable causes of action to the complaint which will relate back to the date of this letter.

Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script, appearing to read "L. Tunyan".

Lilit Tunyan, Esq.
Partner
TUNYAN LAW, APC

Exhibit “B”

NOTICE OF PAGA ACTION SETTLEMENT

Mejia v. KF Casitas, LLC dba Casitas Care Center, Los Angeles County Superior Court Case N 23STCV06090
This is not a solicitation by a lawyer. You are not being sued.

IF YOU ARE OR WERE EMPLOYED AS A NON-EXEMPT EMPLOYEE BY DEFENDANT KF CASITAS, LLC dba CASITAS CARE CENTER (“DEFENDANT”) DURING THE PAGA PERIOD (March 17, 2022 through April 15, 2024), THIS PAGA SETTLEMENT AFFECTS YOUR RIGHTS.

A settlement (the “Settlement”) has been reached in the lawsuit entitled *Mejia v. KF Casitas, LLC dba Casitas Care Center*, Los Angeles County Superior Court Case N 23STCV06090 (the “Action”), asserting claims under the Labor Code Private Attorneys General Act of 2004, Labor Code § 2698, *et seq.* (“PAGA”). The purpose of this Notice is to advise you as to why you have received a portion of the Settlement proceeds. The Settlement resolves the Action.

Who is affected by this Proposed Settlement?

The Court has designated, for settlement purposes only, the following persons as “Aggrieved Employees”:

All non-exempt employees worked for Defendant in California at any time during the PAGA Period (the “PAGA Period” refers to the period of March 17, 2022 through April 15, 2024).

According to Defendant’s records, you are one of the Aggrieved Employees.

What is this case about?

In the Action, Plaintiff Teresa Carmen C. Mejia asserted claims that Defendant violated provisions of the Labor Code giving rise to civil penalty liability under the Labor Code Private Attorneys General Act of 2004 (“PAGA”) [Lab. Code § 2699, *et seq.*].

Defendant denies all liability based on legal and factual defenses to these claims, but Defendant agreed to settle, in recognition of the risks, distractions, and costs associated with litigation.

This Settlement is a compromise reached after good faith, arm’s length negotiations between Plaintiff and Defendant (the “Parties”), through their attorneys and is not an admission of liability on the part of Defendant.

The Court has not ruled on the merits of Plaintiff’s claims or Defendant’s defenses but did approve the Settlement.

What are the Settlement terms?

Defendant will pay \$150,000.00 (the “Gross Settlement Amount”) for: (a) payment of \$----- to the Labor and Workforce Development Agency (“LWDA”) as its 75% share of PAGA penalties; (b) payment of \$----- to Aggrieved Employees as their 25% share of PAGA penalties, (c) payment of attorney’s fees of \$50,000 and litigation costs of up to \$15,000.00; and, (d) payment of administration costs of \$4,000 to the Settlement Administrator.

By operation of the Settlement’s terms, all Aggrieved Employees are deemed to release Defendant and each of their former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries, and affiliates (collectively, the “Released Parties”) from the PAGA claims that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in Plaintiff’s Complaint and PAGA Notice (the “Released Claims”).

The Settlement Payments to Aggrieved Employees are classified as other miscellaneous income and will be reported on IRS Form 1099-MISC, if required¹. Your share was calculated based on the number of pay periods you worked for Defendant during the PAGA Period.

All checks will remain valid and negotiable for one hundred eighty (180) days from the date of the checks’ issuance and shall thereafter automatically be void if not cashed within that time. Uncashed checks will be sent to the California State Controller’s Unclaimed Property division, in the name of the PAGA Settlement Member. If your check is lost or misplaced, you should contact the Settlement Administrator immediately to request a replacement.

The Settlement includes a release of PAGA claims asserted in the Action. There is no statutory right for PAGA Settlement Members to object, opt out or otherwise exclude themselves from this Settlement.

PLEASE DO NOT CONTACT THE COURT FOR INFORMATION REGARDING THIS SETTLEMENT.

¹ One hundred percent (100%) of your Individual PAGA Payment under this Settlement will be considered penalties, and will be reported to the IRS and state tax authorities. You should rely on your own tax advisors as to the tax consequences, if any, of your individual PAGA payment. Neither Plaintiff nor Defendant has made any representations or warranties regarding the taxation of your Individual PAGA payment. Nothing within this notice or any other communication shall constitute or be construed or relied upon as tax advice within the meaning of United States Treasury Department Circular 230 (31 C.F.R. Part 10, as amended).