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as an individual and on behalf of all employees similarly situated

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

ROBERTO VAZQUEZ, as an individual and on
behalf of all employees similarly situated,

Plaintiff,

v.

CALIFORNIA ART PRODUCTS LLC, a
California Limited Liability Company; and
DOES 1 through 50, inclusive,

Defendants.

Case No.: 25STCV31937

[Assigned for all purposes to Hon. Carolyn B.
Kuhl, Dept. SSCDept12]

**CLASS AND PAGA REPRESENTATIVE
ACTION**

**DECLARATION OF LILIT TUNYAN IN
SUPPORT OF PLAINTIFF'S MOTION
FOR PRELIMINARY APPROVAL OF
CLASS AND PAGA REPRESENTATIVE
ACTION SETTLEMENT**

Date: September 23, 2026
Time: 10:30 a.m.
Courtroom: SSCDept12
Judge: Hon. Carolyn B. Kuhl

Complaint Filed: October 29, 2025
FAC Filed: January 5, 2026
Trial: None Yet Set

1 **DECLARATION OF LILIT TUNYAN**

2 I, LILIT TUNYAN, declare as follows:

3 1. I am admitted, in good standing, to practice as an attorney in the State of California, the
4 United States District Courts for the Central, Eastern, Southern and Northern Districts of California. I am
5 the founding partner at the law firm of Tunyan Law, APC. I am a fully qualified, adult resident of the
6 State of California, and, if called as a witness herein, I would testify truthfully to the matters set forth
7 herein. All of the matters set forth herein are within my personal knowledge, except those matters that are
8 stated to be upon information and belief. As to such matters, I believe them to be true. I am one of the
9 attorneys of record for Plaintiff ROBERTO VAZQUEZ ("Plaintiff").

10 2. This Declaration is submitted in support of Plaintiff's Motion for Preliminary Approval of
11 Class and PAGA Representative Action Settlement.

12 **BACKGROUND**

13 3. On October 29, 2025, Plaintiff commenced this Action by filing a complaint alleging
14 causes of action against Defendant for: (1) failure to pay wages for all hours worked (including minimum,
15 regular, overtime, and double-time wages), failure to timely pay wages during employment, and failure to
16 pay sick pay; (2) failure to provide meal periods or premium compensation in lieu thereof; (3) failure to
17 provide rest periods or premium compensation in lieu thereof; (4) failure to provide accurate itemized
18 wage statements and failure to keep accurate payroll records; (5) failure to timely pay final wages upon
19 termination of employment; and (6) unfair, unlawful, and/or fraudulent business practices. On January 5,
20 2026, Plaintiff filed a First Amended Complaint adding a cause of action for civil penalties under PAGA.
21 The First Amended Complaint is the operative complaint in the Action (the "Operative Complaint.")

22 4. Pursuant to Labor Code § 2699.3(a), Plaintiff gave timely written notice to Defendant and
23 the LWDA by sending the PAGA Notice. ("PAGA").

24 5. The Parties have conducted informal discovery and investigation of the facts and law.
25 Such discovery and investigation have included, inter alia, the exchange of discoverable information in
26 preparation for the mediation and settlement negotiations. The Parties have analyzed payroll and other
27 data pertaining to Plaintiff and the Class during the relevant Settlement Period, including but not limited
28 to the numbers of former and current members of the Class, average workweeks, class members' time and

1 pay records and average rate of hourly pay, wage and hour policies.

2 6. After reviewing documents regarding Defendant's wage and hour policies and practices
3 and other information obtained during the exchange of discovery, Class Counsel were able to evaluate the
4 probability of class certification, success on the merits, and the reasonably obtainable maximum monetary
5 exposure for all claims. Class Counsel reviewed these records and prepared a damage analysis prior to
6 engaging in settlement negotiations. Class Counsel also investigated the applicable law regarding the
7 claims and defenses asserted in the litigation.

8 7. On July 14, 2026, the Parties mediated before a mediator Tagore Subramaniam, Esq. who
9 is a highly experienced and well-regarded mediator for wage and hour class action litigation, which led to
10 this Agreement to settle the Action. At the mediation, the Parties discussed at length the burdens and risks
11 of continuing with the litigation considering Defendant's defenses. The Parties have reached an agreement
12 regarding the substantive terms of a class-wide settlement, pending the Parties' agreement on a long-form
13 class settlement agreement. The Parties then signed a long form settlement agreement ("Agreement").

14 8. Plaintiff and Class Counsel are aware of the burdens of proof necessary to establish
15 liability for the claims asserted in the Action, both generally and in response to Defendant's defenses
16 thereto. Plaintiff and Class Counsel have also taken into account Defendant's agreement to enter into a
17 Settlement that confers substantial relief upon the Class.

18 9. Based on the foregoing, Plaintiff and Class Counsel have determined that the Settlement
19 set forth in this Agreement is a fair, adequate, and reasonable Settlement and is in the best interests of the
20 Class. Solely for the purpose of settling this case, the parties agree that the requirements for establishing
21 class action certification with respect to this class have been met and are met. If this Settlement is not
22 approved by the Court for any reason, Defendant reserves its right to contest class certification. This
23 Settlement, if approved by the Court, will result in the entry of the Judgment and the release of all
24 Released Claims for all Class Members, including all within the class definition who have not elected to
25 exclude themselves from the Settlement Class.

26 SUMMARY OF THE SETTLEMENT TERMS

27 10. Key provisions of the proposed settlement include the following:

- 28 • Certification: Defendant agrees not to oppose certification of a Class for purposes of

Settlement only. (Settlement, ¶ 11.1.) Plaintiff addresses certification requisites herein, at Part V.A., and in the Declaration of Lilit Tunyan, at Paragraphs 34-40;

- Class: All individuals who were employed by Defendant as hourly, nonexempt employees in California at any time during the Class Period. (Settlement, ¶ 1.5.);
- Class Period: The period from October 29, 2021 through September 12, 2026, or as modified under Paragraph 4.1 of the Settlement Agreement. (Settlement, ¶ 1.12.) “Participating Class Members” are those Class Members who do not submit timely exclusion requests to the Settlement Administrator. (Settlement, ¶¶ 1.9, 1.34.);
- Gross Settlement Amount: Defendant will pay a maximum of **\$220,000.00**, referred to as the Gross Settlement Amount (or GSA herein), resulting in an estimated average gross payment per Class Member of approximately **\$5,789.47**. (Settlement, ¶ 1.21.);
- Class Size: An estimated **38** individuals who worked approximately **4,362** Workweeks from October 29, 2021 to July 14, 2026. (Settlement, ¶ 4.1.);
- The PAGA Group (Aggrieved Employees): All individuals who were employed by Defendant as hourly, nonexempt employees in California at any time during the PAGA Period. (Settlement, ¶ 1.4.);
- PAGA Group Size: An estimated **31** individuals who worked approximately **885** PAGA Pay Periods from October 29, 2024 to July 14, 2026. (Settlement, ¶ 4.1.);
- PAGA Period: The period from October 29, 2024 through September 12, 2026, or as modified under Paragraph 4.1 of the Settlement Agreement. (Settlement, ¶ 1.30.);
- Escalator Clause: Based on a review of its records, Defendant estimates there are 38 Class Members who collectively worked a total of approximately 4,362 Workweeks (between the start of the Class Period on October 29, 2021 and the date of mediation on July 14, 2026), and 31 Aggrieved Employees who worked a total of approximately 885 PAGA Pay Periods (between the start of the PAGA Period on October 29, 2024 and the date of mediation on July 14, 2026). If the number of Workweeks worked by the Class Members during the Class Period is greater than ten percent (10%) above that estimated by Defendant, or 4,799 Workweeks worked, then Plaintiff shall have the right to request, at Defendant’s election,

1 either: (1) a pro rata increase in the Gross Settlement Amount equal to the percentage
2 increase in Workweeks above 4,799 (e.g., if the total Workweeks increases by 12%, then a
3 2% increase to the Gross Settlement Amount); or (2) a cut-off of the Class Period to end on
4 the date that total Workweeks reaches 4,799 (the “Escalator Clause”). (Settlement, ¶ 4.1.);

- 5 • Kullar/Munoz Analysis: Plaintiff addresses the claims analysis herein, at Part V.B.3, and in
6 more detail the Declaration of Lilit Tunyan, at Paragraph 18;
- 7 • No Reversion: The Settlement is a non-reversionary settlement. (Settlement, ¶ 3.1.);
- 8 • No Claim Form: No claim form is required. (Settlement., ¶ 3.1.);
- 9 • Class Release: The Settlement will release specified wage and hour claims for Participating
10 Class Members (those Class Members who do not opt out of the class portion of the
11 Settlement). (Settlement, ¶¶ 1.37, 5.2.);
- 12 • PAGA Release: The Aggrieved Employees will release the PAGA Claims set forth in this
13 Action, that were identified in the First Amended Complaint and Plaintiff’s LWDA PAGA
14 Notice letter, regardless of whether they opt out of the class portion of the Settlement.
15 (Settlement, ¶¶ 1.38, 5.3.);
- 16 • Release Effective Date: The Release is not active until Defendant tender all payments
17 required under the Settlement to the Settlement Administrator. (Settlement, ¶ 5.);
- 18 • Net Settlement Amount Available to the Class: After deducting Class Counsel’s Fees and
19 Litigation Expenses, the Class Representative Service Payment to Plaintiff, Administration
20 Expenses Payment, and the PAGA Penalties Payment allocated to the LWDA, the remainder
21 will be available for distribution to Participating Class Members (with each Class Member
22 receiving a share based on the number of Workweeks each Class Member worked for
23 Defendant within the Class Period) and to PAGA Aggrieved Employees. The Net Settlement
24 Amount, inclusive of the PAGA Penalties allocation to Aggrieved Employees, is estimated to
25 be at least **\$104,666.67**, resulting in an average net payment per Class Member of at least
26 **\$2,754.39** before any tax withholdings. (Settlement, ¶ 3.);
- 27 • Tax Allocation: The Individual Class Payments to Participating Class Members will be
28 allocated as 20% to alleged unpaid wages and 80% to penalties and interest; the Individual

PAGA Payments to Aggrieved Employees will be allocated as 100% penalties. (Settlement, ¶ 3.2.4.1, 3.2.5.2.);

- Employer’s Portion of Payroll Taxes Paid Separately: Defendant’s portion of payroll taxes (e.g., FICA, FUTA, etc.) owed on the Wage Portions of Individual Class Payments to Class Members will be paid separate and apart from the GSA. (Settlement, ¶ 3.1.);
- Settlement Administrator: The notice portion of the Settlement will be administered by a third-party Administrator, Phoenix Settlement Administrators who has been selected as the Administrator, based upon its “not to exceed” bid of **\$4,500.00**. (Settlement, ¶ 3.2.3.);
- Class Data for Administration: The Settlement Administrator will receive the Class Data within 14 calendar days of Preliminary Approval, use the NCOA database to update Class Members’ addresses, and then use skip tracing on returned Class Notices. (Settlement, ¶¶ 1.8, 1.10, 7.4.1, 7.4.3.);
- Notice: The Class Notice will issue within 14 days of receipt of the Class Data. (Settlement, ¶ 7.4.2.) The Class Notice describes how to dispute Workweeks, submit an objection in writing (in person, or through an attorney), or request exclusion. (Settlement, ¶¶ 7.5 – 7.7.);
- Notice Language: Class Notice will issue in English and Spanish. (Settlement, ¶¶ 1.11, 7.4.2.);
- Objections: Objections can be submitted in person, through an attorney, or in writing to the Settlement Administrator. (Settlement, ¶ 7.7.);
- Exclusion Requests: The procedure for exclusion requests, mailing a request to the Settlement Administrator, is the same as the procedure for submitting a written objection. (Settlement, ¶¶ 7.5, 7.7.);
- PAGA Allocation: From the GSA, **\$20,000.00** will be allocated in PAGA Penalties to settle claims brought pursuant to the California Private Attorneys General Act, Labor Code §§ 2699 et seq. (“PAGA”)—of which sixty-five percent (65%), or **\$13,000.00**, will be paid to the California Labor & Workforce Development Agency (“LWDA”); and thirty-five percent (\$35%), or **\$7,000.00**, will be paid to Aggrieved Employees. (Settlement, ¶¶ 1.33, 3.2.5.);
- Notice to LWDA: Notice was provided prior to the filing of this Motion. Evidence is

attached to the Declaration of Lilit Tunyan;

- Enhancement/Service Payment to Plaintiff: Defendant will not oppose the application for Class Representative Service Payment of up to **\$6,500.00** for Plaintiff, to be paid from the GSA. (Settlement, ¶ 3.2.1.);
- Fees and Costs: Defendant will not oppose Class Counsel's application for attorneys' fees not to exceed 33 1/3% of the GSA (**\$73,333.33**), and actual costs, in an amount not to exceed **\$18,000.00**, to be paid out of the GSA. (Settlement, ¶ 3.2.2.);
- Check Void Period: Settlement checks will be valid for 180 days. (Settlement, ¶ 4.3.1.);
- Uncashed Checks: Any settlement checks that are mailed to the Participating Class Members/Aggrieved Employees and remain uncashed after 180 days of the date of issuance will be cancelled, and the moneys will be directed to the California Controller's Unclaimed Property Fund. (Settlement, ¶ 4.3.3.);
- Judgment Notice: The Settlement Agreement, Class Notice, and Judgment will be posted on the Settlement Administrator's website after entry. (Settlement, ¶ 7.8.1.);
- Confidentiality Provisions: The Settlement permits Class Counsel to discuss the Settlement with Class Members. (Settlement ¶ 11.2.).

11. A true and correct copy of the CLASS ACTION AND PAGA SETTLEMENT AGREEMENT is attached hereto as **Exhibit "1."**

THE SETTLEMENT IS FAIR, JUST AND REASONABLE

12. Plaintiff and counsel have diligently investigated the claims of the Class Members. Plaintiff and Class Counsel concluded, after taking into account the disputed factual and legal issues involved in this Action, the substantial risks attending further prosecution including risks related to the outcome of certification, and the substantial benefits to be received pursuant to the compromise and settlement of the Action as set forth in the Settlement, that settlement on the terms agreed to are in the best interest of Plaintiff and the putative Class and are fair and reasonable. Plaintiff's and Defendant's counsel brought to bear a great deal of experience with class actions in negotiating the settlement of this case.

13. One fundamental purpose of the class action device is to promote efficiency. Resolution

1 at this time will forestall the need for additional expensive and time-consuming litigation that could very
2 well result in an outcome less satisfactory than that proposed under this settlement. But, before any other
3 consideration, we have agreed to this settlement because it is objectively reasonable. The potential for
4 resolution benefits the class members, since they do not have to wait additional years for a similar
5 recovery. The efficiency of this litigation benefits the Court, the parties and their counsel. A class-wide
6 resolution is the most realistic method for addressing the claims raised in this matter.

7 14. We have engaged in the necessary investigation in this case including formal discovery
8 that made it possible for us to exercise informed judgment in those aspects of the settlement process in
9 which we were involved. The exchange of time and wage data, wage and hour policy documents, Class
10 Contact information and data about the composition of the Class were sufficient to permit us counsel to
11 adequately evaluate the settlement. We had more than enough information upon which to evaluate a fair
12 and reasonable settlement amount.

13 15. We believe that the case was viable through to a trial. However, while Plaintiff assert a
14 belief that this is a viable case for trial, we realize that there are always significant risks associated with
15 certification and trials, and those risks cannot be eliminated in this case. Continued litigation of this
16 lawsuit presented Plaintiff and Defendant with substantial legal risks and costs that were (and continue to
17 be) difficult to assess. The risks in this matter include:

- 18 • the risk that Plaintiff would be unable to establish liability for allegedly unpaid straight time
19 or overtime wages, *see Duran v. US Bank Nat'l Ass'n*, 59 Cal. 4th 1, 39 & fn. 33 (2014)
20 (“*Duran*”), *citing Dilts v. Penske Logistics, LLC* 2014 WL 205039 (S.D. Cal. 2014)
21 (dismissing certified off-the-clock claims based on proof at trial);;
- 22 • the risk that Defendant’s meal and rest period policies might not ultimately support class
23 certification or a class-wide liability finding, *see Duran*, 59 Cal. 4th at 14, n. 28 (citing
24 Court of Appeal decisions favorable on class certification issue without expressing opinion
25 as to ultimate viability of proposition) given also low violation rate based on the review of
26 the sample records;
- 27 • the risk that uncertainties pertaining to the ultimate legality of Defendant’s policies and
28 practices could preclude class-wide awards of statutory penalties under Labor Code §§ 203

and 226(e);

- the risk that individual differences between Class Members could be construed as pertaining to liability and not solely to damages, see *Duran*, 59 Cal. 4th at 19;
- the risk that any civil penalties award under the PAGA could be reduced by the Court in its discretion, see Labor Code § 2699(e)(1);
- the risk that class treatment could be deemed improper as to one or more claims, except for settlement purposes;
- the risk that lengthy appellate litigation could ensue;
- the risk that violation rate estimates would prove much lower than expected.

These risks are non-exhaustive. While we remain confident that we possess credible strategies for responding to the legal and factual risks facing them, those risks cannot be disregarded. We carefully considered the risks created by all of these uncontrollable factors when evaluating the reasonableness of this proposed settlement. This Settlement provides a benefit to the Class Members that is very reasonable in light of these particular risks.

16. The Settlement is the product of arm's-length negotiations between the Parties occurring throughout the litigation. In light of the uncertainties of protracted litigation and the state of the law regarding the legal positions of the Parties, the settlement amount reflects the best feasible recovery for the Class Members. The settlement amount is, of course, a compromise figure. By necessity it took into account risks related to liability, damages, and the defenses asserted by Defendant. Moreover, each Class Member will be given the opportunity to opt-out of the Settlement, allowing those who feel they have claims that are greater than the benefits they can receive under this Settlement to pursue their own claims. For the approximately 38 members of the Class, the average **gross** recovery is at least **\$5,789.47** per class member, and the estimated average **net** recovery for each Class Member including PAGA allocation is approximately **\$2,754.39**. Given that Defendant could challenge certification and liability, this is a significant sum to have achieved in settlement. Moreover, a Class Member who worked a greater number of weeks for Defendant will receive a larger share of the Settlement than a Class Member who worked for a shorter amount of time during the class period.

17. The Gross Settlement Amount of **\$220,000.00** is about **89%** of the **\$246,938.84** estimate

1 of *risk-adjusted* recovery (excluding interest) at this stage in the litigation. This assessment is based on a
2 carefully constructed model of the current fair value of the case, using estimated risks, average wage
3 rates, numbers of employees, and the amount of time covered by the class period. While Plaintiff would
4 certainly have preferred to recover more (and Defendant would have preferred to pay less), this outcome
5 is in line with a carefully constructed estimate of the current fair value of the case. On that basis, it
6 would be unwise to pass up this settlement opportunity. My maximum calculated reasonable exposure,
7 after removing implausible or extreme estimated recoveries, is **\$1,212,798.47 including** PAGA penalties.

- 8 • A reasonably estimated exposure for unpaid wages for regular rate violation was calculated,
9 with the assistance of an expert, to be approximately **\$10,115.59**. However, with the risk
10 factor discounts for certification and liability proof, the value of that claim is estimated by
11 Plaintiff's counsel to be approximately **\$3,034.68**, assuming certification probability of
12 60% and merits success at 50%.
- 13 • A reasonably estimated exposure for unpaid wages for off-the-clock work was calculated,
14 with the assistance of an expert, to be approximately **\$317,640.84** (4,362 workweeks x 2 hour
15 of unpaid wage per workweek, which is based on the average overtime rate of \$36.41 per
16 hour)). However, with the risk factor discounts for certification and liability proof, the value
17 of that claim is estimated by Plaintiff's counsel to be approximately **\$38,116.90**, assuming
18 certification probability of 40% and merits success at 30%.
- 19 • A reasonably estimated exposure for rest break violations over the class period was
20 calculated at **\$317,597.22** (4,362 workweeks x 3rest period premiums per workweek x
21 \$24.27), but with chances of certification and proof of liability (40% and 30% respectively)
22 for a risk-adjusted exposure of **\$38,111.67**.
- 23 • A reasonably estimated exposure for meal break violations over the class period was
24 calculated at **\$317,597.22** (4,362 workweeks x 3 meal period premiums per workweek x
25 \$24.27) with chances of certification and liability risks (70% and 60% respectively) resulting
26 in a risk-adjusted exposure of **\$133,390.83**.
- 27 • Risk-adjusted penalty recoveries for wage statement and Labor Code § 203 penalties were
28 estimated to be approximately **\$8,695.00** and **\$6,989.76** respectively, on maximum exposures

of **\$86,950.00** (31 initial violations x \$50 statutory penalty] + [854 subsequent violations x \$100 statutory penalty]) and **\$69,897.60** (12 employees terminated during the three-year statute of limitation x (30 days x hourly rate of \$24.27 x 8 hours), or approximately \$5,824.8 per individual, respectively), respectively (50% and 20% respectively).

- Performing risk-adjusted valuations for all claims yields a total value in the range of **\$228,338.84**, excluding PAGA. (Id.)
- PAGA penalties were calculated as having a maximum realistic exposure of **\$93,000.00** (31 aggrieved employees estimated to have worked during one-year statutory period x \$3,000.00 civil penalties), but a risk adjusted value of **\$18,600.00**, after factoring in risks of reduction in penalties pursuant to Court discretion and the high risk of the inability to prove violations for all aggrieved employees.

As required under *Kullar v. Foot Locker Retail, Inc.*, 168 Cal. App. 4th 116 (2008) and *Munoz v. BCI Coca-Cola Bottling Co. of Los Angeles*, 186 Cal. App. 4th 399 (2010), the maximum plausible and realistic recoveries versus the current risk-adjusted value of the claims are discussed in additional detail below:

(a) Key Class Data Elements at Time of Mediation:

- 1) Class Members: approximately 38
- 2) Work Weeks: approximately 4,362 during Class Period
- 3) PAGA Employees: approximately 31
- 4) Gross Settlement Amount: \$220,000.00

(b) KULLAR/MUNOZ ANALYSIS: Unpaid Wages Due to Regular Rate Violation

- 1) Plaintiff's claim for regular rate violation is based on Defendant's practice of not incorporating additional remuneration titled "Bonus" in calculation of overtime and sick pay rate.
- 2) Defendant denies these allegations and contends the bonuses were discretionary and they properly compensated for all time.
- 3) **Risk-adjusted Exposure Analysis:**

Calculated maximum recovery:	\$10,115.59
Estimated certification probability	60%
Estimated chance of prevailing on merits	50%
Max recovery × certification risk × chance or success on merits = Present Settlement Value	\$3,034.68

(c) **KULLAR/MUNOZ ANALYSIS: Unpaid Wages Due to Off-the-Clock Work**

- 1) Plaintiff's claim for unpaid wages due to off-the-clock work is based on Defendant's practice of making Class Members to arrive early to walk to the time clock located at the opposite side of the warehouse to stay in line with other employees to use the only time clock machine to clock in to work not later than the scheduled shift start time not to accumulate unapproved overtime without compensation and to work off-the-clock during meal periods to complete the work assignments without compensation.
- 2) Defendant denies these allegations and contends they compensated for all time.
- 3) **Risk-adjusted Exposure Analysis:**

Calculated maximum recovery:	\$317,640.84
Estimated certification probability	40%
Estimated chance of prevailing on merits	30%
Max recovery × certification risk × chance or success on merits = Present Settlement Value	\$38,116.90

(d) **KULLAR/MUNOZ ANALYSIS: Meal Periods**

- 1) Plaintiff's claim for meal break violation is based on Defendant's practice of requiring from Plaintiff and Class Members to regularly cut short their meal periods due to the time spent walking to the time clock machine and

1 staying in line with other employees as well as late or interrupted meal
2 periods due to the lack of coverage as well as interrupted, late and short
3 meal periods. Employees are entitled to meal periods of at least 30 minutes
4 before exceeding five hours of work and to second meal periods of not less
5 than 30 minutes before exceeding 10 hours of work. For each meal period
6 missed or taken late an employer must pay the employee an additional one
7 hour of compensation. Labor Code § 226.7. This additional hour of
8 compensation is referred to as “premium pay.”

- 9 2) Defendant denies these allegations and maintains that the obligation is
10 simply to “provide” meal periods, not to “ensure” that they are taken.
11 *Brinker v. Superior Court*, 53 Cal. App. 4th 1004, 1034-41 (2012)
12 (rejecting “ensure” standard). Defendant asserts that Plaintiff’s meal period
13 claims would not be amenable to class treatment, since individual inquires
14 would need to be made with respect to each specific shift that each
15 employee missed a meal or rest period, to determine why that specific
16 employee missed that specific meal or rest period on that specific shift.

17 3) **Risk-adjusted Exposure Analysis:**

18 Calculated maximum recovery:	\$317,597.22
19 Estimated certification probability	70%
20 Estimated chance of prevailing on merits	60%
21 Max recovery × certification risk × chance or success 22 on merits = Present Settlement Value	\$133,390.83

23
24 (e) **KULLAR/MUNOZ ANALYSIS: Rest Breaks**

- 25 1) Plaintiff’s claim for rest break violation is based on Defendant’s rest break
26 violation is based on Defendant’s deficient written policy devoid of the
27 language required by California Labor Code and applicable wage order that
28

requires employers to provide employees ten-minute rest breaks for every four hours, or major fraction, worked as well as the requirement for Plaintiff and Class Members to interrupt their rest periods and get back to work due to the lack of coverage. For each rest period missed or taken late an employer must pay the employee an additional one hour of compensation. Labor Code § 226.7. This additional hour of compensation is referred to as “premium pay.”

- 2) Defendant maintains that the obligation is simply to “authorize and permit” rest periods, not to “ensure” that they are taken. *Brinker v. Superior Court*, 53 Cal. App. 4th 1004, 1034-41 (2012) (rejecting “ensure” standard). Furthermore, Defendant contends that any failure to take rest breaks was a result of employee choice, not of any policy or practice of Defendant. Finally, Defendant asserts that Plaintiff’s rest breaks claims would not be amenable to class treatment, since individual inquires would need to be made with respect to each specific shift that each employee missed a rest period, to determine why that specific employee missed that specific rest break on that specific shift.

3) **Risk-adjusted Exposure Analysis:**

Calculated maximum recovery:	\$317,597.22
Estimated certification probability	40%
Estimated chance of prevailing on merits	30%
Max recovery × certification risk × chance of success on merits = Present Settlement Value	\$38,111.67

(f) **KULLAR/MUNOZ ANALYSIS: Late Pay Penalties Under Labor Code § 203**

- 1) Labor Code § 203 provides that if an employer fails to pay an employee all wages due at termination or within 72 hours of resignation, then that

employee's wages shall continue as a penalty until paid for a period of up to thirty (30) days from the date they were due. Because class members stopped working for Defendant but again were not paid their full compensation for the reasons discussed above, class members did not receive all wages due upon termination of employment.

- 2) Defendant argues that a good-faith belief in the legality of its employment practices precludes a finding that any withholding of wages was "willful." See Cal. Code Regs. § 13520 [good-faith dispute exists to a claim for waiting time penalties "when an employer presents a defense, based in law or fact which, if successful, would preclude any recovery on the part of the employee. The fact that a defense is ultimately unsuccessful will not preclude a finding that a good faith dispute did exist."].) Defendant further maintains that because of viable defenses in both law and fact that waiting-time penalties could not be awarded and, in any case, such penalties were subject to a three-year limitations period under Labor Code § 203(b) and an arbitration agreement that would bar class treatment.

3) **Risk-adjusted Exposure Analysis:**

Calculated maximum recovery:	\$69,897.60
Estimated certification probability	50%
Estimated chance of prevailing on merits	20%
Max recovery × certification risk × chance or success on merits = Present Settlement Value	\$6,989.76

(g) **KULLAR/MUNOZ ANALYSIS: Wage Statement Violations**

- 1) Plaintiff also alleged a cause of action under Labor Code § 226(a) for not including all wages, or meal and rest break premiums in the wage statements and as a result of including all nice digits of Social Security

Numbers of employees instead of including only four digits as well as for including sick pay hours in the total number of hours in Class Members wage statements. That section states that an employer must provide an accurate itemized wage statement twice a month or each time wages are paid, whichever is the more frequent. Failure to do so entitles employees 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) for each violation in a subsequent pay period, not exceeding an aggregate penalty of four thousand dollars (\$4,000). See Labor Code § 226(e).

2) Defendant contends that Labor Code § 226(e) penalties are not automatic. Rather, the employee must show that he or she suffered injury from the employer's failure to provide compliant wage statements, and that Defendant's noncompliance was knowing and intentional. Defendant contends that class members suffered no injury from any failure to issue compliant wage statements and, furthermore, that any noncompliance was not knowing and intentional. Further, because the damages for this cause of action are penalties, the statute of limitations only runs from one year prior to the filing of the original complaint. See Code Civ. Proc. § 340. Moreover, Defendant maintain that Plaintiff's derivative claim for wage statement penalties would fail for the same reasons that Plaintiff's underlying claims would fail. The parties discussed these issues, and in light of these and other considerations Class Counsel factored in a reduction of liability and damages for this cause of action.

3) **Risk-adjusted Exposure Analysis:**

Calculated maximum recovery:	\$86,950.00
Estimated certification probability	50%
Estimated chance of prevailing on merits	20%

Max recovery × certification risk × chance or success on merits = Present Settlement Value	\$8,695.00
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(h) QUASI- KULLAR/MUNOZ ANALYSIS: PAGA

- 1) The Labor Code Private Attorneys General Act, Labor Code § 2699 *et seq.*, allows Plaintiff to obtain civil penalties on behalf of herself and other class members for Defendant’ violation of any provision of the Labor Code enumerated under Labor Code § 2699.5. Where civil penalties are provided in the statute, those civil penalties are recoverable; where no civil penalties are recoverable, Labor Code § 2699(f) establishes civil penalties of one (\$100) for each aggrieved employee per pay period for the initial violation and two hundred dollars (\$200) for each aggrieved employee per pay period for each subsequent violation. Pursuant to Labor Code § 2699(i), sixty-five (65) percent of the penalties recovered must be allocated to the Labor and Workforce Development Agency (LWDA), with the remaining thirty-five (35) percent allocated to the affected employees. The limitations period is one year prior to the filing of the complaint.
- 2) The provisions of the Labor Code potentially triggering PAGA penalties in this case include but are not limited to Labor Code §§ 203, 226(a), 226.7, and 510. Defendant asserted that if PAGA penalties were mandatory, an employer’s PAGA liability would be huge because of the possibility of collecting multiple civil penalties for a single violation, and thus such penalties would almost always dwarf the damages available under the causes of action proper. However, PAGA penalties are not mandatory but permissive. Labor Code § 2699(e)(2) states that “a court may award a lesser amount than the maximum civil penalty amount specified by this part if, based on the facts and circumstances of the particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive,

or confiscatory.” See also *Thurman v. Bayshore Transit Management, Inc.*, 203 Cal. App. 4th 1112, 1135 (2012) [affirming reduction of PAGA penalties].) Defendant here maintain that they have a strong argument that it would be unjust to award maximum PAGA penalties.

- 3) Furthermore, PAGA penalties are also completely derivative of each and every other claim. Finally, under *Amaral v. Cintas Corp.*, 163 Cal. App. 4th 1157(2008), it can be argued that penalties under PAGA could, at best, be awarded only at the rates obtainable for initial violations under the applicable statutes, because Defendant had never been notified of the alleged violations. *Id.*, at 1208, 1209.

4) **Risk-adjusted Exposure Analysis:**

Calculated maximum recovery:	\$93,000.00
Discount reduction factor for risk of Court reduction and uncertainty of proof for all aggrieved employees	20%
Max recovery × risk reduction = Present Settlement Value	\$18,600.00

With the assistance of Class Counsel’s retained damages expert, Class Counsel estimated Defendant’s maximum total exposure on the PAGA claim at approximately **\$93,000.00**. This number presupposes underlying claims are proven at a plausible rate and that the Court awards the full base penalties for each. Class Counsel then applied discounts in light of the countervailing arguments with regard to the other causes of action, and the Court’s power to award “a lesser amount than the maximum civil liability.” Accordingly, due to the speculative nature of a valuation for this claim, a discount of **80%** was applied to account for the difficulty of prevailing on this claim.

- (i) **Kullar Summary:** Indulging the most optimistic estimates and improbably

1 favorable outcomes, the maximum reasonable recovery is estimated to be
2 approximately **\$1,212,798.47** including PAGA. The settlement amount is about
3 **18%** of that amount. The calculated current settlement value is **\$246,938.84**
4 (calculated by adding the risk-adjusted amounts in the charts above together), and
5 the settlement is **89%** of the current risk-adjusted settlement value. The bottom
6 line is that the settlement is about 18% of the maximum plausible recovery for the
7 38 Class Members, and it is a reasonable settlement, given that the full amount is
8 very unlikely to be recovered.

9 18. This result here is fully supportable as reasonable. First, it is important to recognize the
10 wilfulness finding required for Labor Code §§ 203 and 226 is challenging to establish. Second, rest
11 break and meal period claims have been challenging to certify for many years, even after *Brinker*. Many
12 risks are eliminated through settlement. And, with respect to those risks, certification rates in California
13 are **lower** than conventional wisdom holds. See, e.g., H. Scott Leviant, *Second Interim Report on class*
14 *actions in California sheds new light on certification* (February 19, 2010),
15 www.thecomplexlitigator.com, available at [http://www.thecomplexlitigator.com/post-](http://www.thecomplexlitigator.com/post-data/2010/2/19/second-interim-report-on-class-actions-in-california-sheds-n.html)
16 [data/2010/2/19/second-interim-report-on-class-actions-in-california-sheds-n.html](http://www.thecomplexlitigator.com/post-data/2010/2/19/second-interim-report-on-class-actions-in-california-sheds-n.html); see also, *Findings of*
17 *the Study of California Class Action Litigation*, 2000-2006, available at
18 <http://www.courtinfo.ca.gov/reference/documents/class-action-lit-study.pdf> (finding, at page 5, and in
19 Table 9, at page 15, that only 21.4% of all class actions were certified either as part of a settlement **or** as
20 part of a contested certification motion). Here, the estimated certification probabilities are **above** the
21 average rate at which cases were certified in California over the study years, based upon data available
22 through the California Courts websites. In sum, well *under* 20% of all cases filed as proposed class
23 actions are ultimately certified by way of a *contested* motion. Since the recovery is roughly 18% of the
24 maximum theoretical recovery, it meets the expected outcome under that metric. This Settlement
25 achieves the goals of the litigation.

26 19. To the best of my knowledge, there are no other like class claims asserted or filed by Class
27 Members. To the best of my knowledge, no Class Member has refrained from bringing a class action
28 with claims similar to those raised in the Action, whether in reliance on the Action or otherwise, and who

1 thus might be prejudiced by entry of Judgment.

2 THE EXPERIENCE OF CLASS COUNSEL

3 20. I am a founding partner of Tunyan Law, APC and has been engaged in the practice of
4 employment and labor law for six and a half years focusing exclusively on plaintiffs' employment law
5 and wage-and-hour class actions and more than twenty-six years in practice of law in general. I have
6 handled hundreds of wage-related class and PAGA actions.

7 21. Prior to establishing my own practice, I was an associate attorney at Moon & Yang, APC
8 and Mahoney Law Group, APC. Since I was admitted to the California Bar, my practice has focused
9 mainly on labor and employment class action lawsuits involving California and federal labor laws. Along
10 with those firm's other attorneys I have successfully settled more than 50 class and PAGA matters during
11 that time span and was routinely appointed lead or co-lead class counsel in courts in California including
12 by way of motion for class certification. I have additionally successfully settled about 40 class and
13 PAGA matters during the last year and a half prior to filing this motion.

14 22. I received my Juris Doctorate from the State Yerevan University and my LL.M. from
15 University of Minnesota Law School. Prior to moving to California and starting to practice law in
16 California I practiced law in Armenia for about twenty years as a licensed attorney. I have been general
17 counsel and head of legal department for big telecommunication and financial corporations in Armenia
18 for the last 12 years prior to moving to California. I managed corporate legal department and corporate
19 legal and regulatory affairs and handled complex litigation matters as well as complex transactions for
20 many years.

21 23. I am a current member of the California Employment Lawyers Association (CELA). I
22 have been an active member of the State Bar of California in good standing.

23 24. I am experienced in prosecuting employment matters, particularly class actions, and I
24 focused a substantial percentage of my practice on wage, hour, and working conditions violations. In
25 addition to the present case, I represented Plaintiff and the class members and have extensively worked
26 on many wage-and-hour class cases and have been appointed as class or PAGA counsel along with other
27 counsel and co-counsel for wage-and-hour class action lawsuits in various counties throughout California
28 such as: *Fernandez v. Ronbow Corporation*, Case N 25CV140345, Alameda County Superior Court;

1 *Escobar v. Four Seasons Tree Care Inc.*, Case N 24CU015430C, San Diego Superior Court, *Pass, et al.*
2 *v. Del Amo Hospital, Inc.*, Case N 24STCV03085, Los Angeles County Superior Court; *Rosales v.*
3 *Baskerville-Parsons Contractors, Inc.* , Case N25CV004198, Sacramento County Superior Court; *Soto*
4 *v. Stine Enterprises, Inc.*, Case NECU004358, Imperial County Superior Court ; *Leon v. Gemperle Egg*
5 *Packing Co. Inc.*, Case NCV-25-001398, Stanislaus County Superior Court; *Pederia, et al. v. Glass*
6 *House Brands, Inc., et al.* , Case N23STCV12167, Los Angeles Superior Court; *Guzman v. Core*
7 *Environmental Solutions*, Case N 24STCV03593, Los Angeles Superior Court; *Hernandez v. Precise*
8 *Aerospace Manufacturing, Inc.*, Case N 30-2024-01400056-CU-OE-CXC, Orange County Superior
9 Court; *Sykes v. Macy's Retail Holdings, dba Macy's, et al.*, Case 24STCV09543, Los Angeles County
10 Superior Court; *Wilhelm v. Kemper Sports Management LLC, et al.* , Case N 30-2024-01376524-CU-
11 OE-CXC, Orange County Superior Court; *Bernal v. Onus Global Fulfillment Solutions LLC, et al.*, Case
12 N CIVSB2412062, San Bernardino County Superior Court; *Rodriguez v. TC California Hospitality LLC*,
13 Case N 37-2024-00010785-CU-OE-CTL, San Diego Superior Court; *Estrada, et al. v. Spears*
14 *Manufacturing*, Case N STK-CV-UOE-2023-0009772, San Joaquin Cuntly Superior Court; *Ramirez v.*
15 *Landscapes Unlimited, LLC*, Case N 24STCV12695, Los Angeles Superior Court; *Deza v. Euro Snack,*
16 *Inc.*, Case N S-CV-0052505, Placer County Superior Court; *Santoyo v. A P R Consulting, Inc., et al.* ,
17 Case N 24STCV04117, Los Angeles Superior Court; *Segovia v. Shelter Island, Inc.*, Case N 37-2024-
18 00005168-CU-OE-CTL, San Diego Superior Court; *Rodriguez v. TFC Manufacturing, Inc.*, Los Angeles
19 Superior Court, Case N 24STCV02351; *Garcia v. C&R Restaurant Group, L.P.*, Los Angeles Superior
20 Court, Case N 23STCV19037; *Powers v. Mario's Place Inc.*, Riverside County Superior Court, Case N
21 CVRI2301652; *Camposeco v. Smarte Carte, Inc.*, Los Angeles Superior Court, Case N 23STCV07897;
22 *Rodriguez, et al. v. Roy Miller Painting, Inc.*, Orange County Superior Court, Case N 30-2023-
23 01314830-CU-OE-CXC; *Bazan v. Casa Martin, LLC, et al.*, Los Angeles Superior Court, Case N
24 23STCV04670; *Empy v. 24 Windward Ave LLC*, Los Angeles County Superior Court, Case N
25 23STCV18608; *De Martinez v. Facility Services Partners, Inc.*, Riverside County Superior Court, Case
26 N CVRI2304625; *Hernandez v. Caliber Aerospace, LLC, et al.*, Los Angeles Superior Court, Case N
27 23STCV20323; *Mejia v. KF Casitas, LLC*, Los Angeles Superior Court, Case N 23STCV06090; *Athey*
28 *v. Walker Evans Enterprises*, Riverside Country Superior Court, Case N CVRI2301534; *White v. SGB*

1 *Ventures, LLC*, Tulare County Superior Court, Case N VCU296946; *Viveros v. D and T Restaurants,*
2 *Inc., at al.*, Los Angeles Superior Court, Case N 23STCV10019; *Rocke v. Pink Chicku LLC*, Santa Clara
3 County Superior Court, Case N23CV41357, *Galvan v. Western Sky Dairy, LLC*, Kern County Superior
4 Court, Case N BCV-23-100992; *Oregel v. Diablo Range Framing, Inc.*, Contra Costa County Superior
5 Court, Case N C23-00697; *Gonzalez v. RV Retailer San Diego, LLC, et al.*, Riverside County Superior
6 Court, Case N CVRI2301403; *Evans, et al. v. Downtown Women’s Center*, Los Angeles County
7 Superior Court, Case N 22STCV06578 (class certification motion granted in part); *Sanchez v.*
8 *Anodizing Industries, Inc.*, Los Angeles County Superior Court, Case N 21STCV30722; *Godoy v.*
9 *Intertrade Industries, LTD*, Orange County Superior Court, Case No. 30-2020-01151921-CU-OE-CXC;
10 *Fuentes v. Actron Manufacturing Inc.*, Los Angeles Superior Court, Case N 20STCV31099; *Gonzalez v.*
11 *Community Health Systems, Inc.*, San Bernardino County Superior Court, Case N CIVDS2015678;
12 *Rodriguez v. Progress Lighting, Inc. et al.*, San Bernardino County Superior Court, Case N
13 CIVDS2023894; *Castillo v. Gibson Overseas, Inc.*, San Bernardino Superior Court, Case N
14 CIVDS2022537; *Mumphrey v. People's Care Northern California, Inc. et al.*, San Joaquin County
15 Superior Court, Case N STK-CV-UOE-2019-0016397; *Ochoa v. Orlando Spring Corp*, Los Angeles
16 Superior Court, Case N 20STCV343129; *Findley v. USC, et al.*, Los Angeles Superior Court, Case
17 N 20STCV47290; *Maldonado v. Techmer PM, LLC*, Los Angeles Superior Court, Case N
18 20STCV21918; *Huerta v. IRS*, Los Angeles Superior Court, Case N 20STCV09163; *Mata v.*
19 *Marukai Corporation*; Los Angeles Superior Court, Case N 20STCV00959; *Tapia v. Home &Body*;
20 Orange County Superior Court, Case N 30-2020-01155185-CU-OE-CXC; *Ruvalcaba v. Quinn*
21 *Group, Inc.*, Los Angeles Superior Court, Case N 20STCV41323; *Bravo v. FIDM*, Los Angeles
22 Superior Court, Case N 19STCV25338; *Lomeli v. Plaskolite et al.*, Los Angeles Superior Court,
23 Case N 21STCV14611; *Alcantar v. Classic Salads LLC*, Santa Cruz County Superior Court, Case N
24 21CV002309; *Casas v. Freedom Solar Services, et al.*, Los Angeles Superior Court, Case N
25 21STCV20233; *Serrano v. Barstow Community Hospital*, San Bernardino Superior Court, Case N
26 CIVDS2006967; *Lopez v. Fairway Staffing Services, et al.*, Los Angeles Superior Court, Case N
27 21STCV26640; *Linden v. Marugame Udon USA, LLC*, Los Angeles Superior Court, Case No.
28 20STCV00728; *Salter v. U.S. Reports, et al.*, Los Angeles Superior Court, Case N 19STCV30384;

1 *Perez v. Torn & Glasser, Inc.*, Los Angeles Superior Court, Case N 21STCV43614; *Gomez v. Arya*
2 *Ice Cream Distributing Co., Inc*, Los Angeles Superior Court, Case N 21STCV31170; *Herrera v.*
3 *Coastal Construction & Lumber*, Santa Cruz County Superior Court, Case N 22CV394683; *Garcia*
4 *v. San Jose Water Company*, Santa Clara County Superior Court, Case No. 22CV396328; *Ramirez v.*
5 *Partners Personnel Management Services LLC*, Los Angeles Superior Court, Case N
6 21STCV31253; *Ramirez v. Merrill Gardens LLC*, Eastern District Court of California, Case N1:22-
7 cv-00542-DAD-SAB; *Garcia v. Tri-Valley Plastering, Inc.*, Fresno County Superior Court, Case N
8 22CECG00591; *Garcia v. South Valley Companies, Inc.*, Kern County Superior Court, Case N
9 BCV-22-100465; *Morales v. Wiseguys Custom Home Theater, LLC*, San Diego Superior Court, Case
10 N37-2019-00070151-CU-OE-CTL.

11 25. Artur Tunyan is another partner and attorney at Tunyan Law, APC. He received his Juris
12 Doctorate from the State Yerevan University and his LL.M. from the American University of Armenia
13 and University of Illinois Chicago, School of Law. Prior to moving to California and starting to practice
14 law in California he practiced law in Armenia for about twenty-five years. He oversaw international
15 donor-funded projects for the judiciary and managed public-private partnership initiatives in sectors such
16 as energy, banking, finance, and aviation. He managed complex transactions and litigation matters for
17 many years.

18 26. My current contingent billing rate is consistent with my practice area, legal market and
19 accepted hourly rates considering also that I practiced law in another country for additional 20 years
20 which brings a total of almost 25 years of experience practicing law. The 2024-2025 Adjusted Laffey
21 Matrix states that an attorney with 4 to 7 years experience can reasonably charge \$581 per hour. See
22 <http://www.laffeymatrix.com/see.html>.

23 REASONABLENESS OF THE REQUESTED FEE AWARD

24 27. When this case was taken on a contingent fee basis, with the firm agreeing to assume
25 responsibility for litigation costs, the ultimate result was far from certain. In the course of this litigation,
26 Tunyan Law, APC, paid filing fees, Westlaw fees, copy charges and mailing, telephone and mail charges.
27 There was never a guarantee that Tunyan Law, APC, would recoup those expenditures. The firm took on
28 this case, which necessarily required the firm to forego other opportunities, given finite resources to

1 devote to cases.

2 28. Because of the uncertainty of the outcome in this and other wage and hour litigation
3 undertaken by Tunyan Law, APC, we took this case with the expectation that a risk enhancement, either
4 in the form of a lodestar multiplier or a percentage of the fund award equivalent thereto, would be
5 available if we prevailed. This expectation stems from the fact that many cases we undertake as putative
6 class actions do not resolve successfully.

7 29. Class Counsel's experience in employment class actions was integral in evaluating the
8 strengths and weaknesses of the case against Defendant and the reasonableness of the settlement. Practice
9 in the narrow fields of wage and hour litigation requires skill and knowledge concerning the rapidly
10 evolving substantive law (state and federal), as well as the procedural law of class action litigation.

11 30. In the past six and a half years, I have settled many wage-and-hour class actions. Just as
12 the Court in *Chavez v. Netflix, Inc.*, 162 Cal. App. 4th 43, 66, n.11 (2008) observed, it has been my
13 experience, that attorney fee awards of one-third of a common settlement fund are the rule, rather than
14 the exception. Here, Class Counsel agrees that they will seek no more than one third of the settlement
15 amount in fees. This is consistent with common practice, consistent with Ninth Circuit practice,
16 consistent with California law approving the percentage of the fund method to award fees from a
17 common fund, *Laffitte v. Robert Half Intern. Inc.*, 1 Cal. 5th 480, 503 (2016), and not inappropriate in
18 light of the many hours expended by attorneys and paralegals performing work for Plaintiff before and
19 after the filing of this matter. That work includes:

- 20 (a) Numerous interviews with Plaintiff and review of documents provided by Plaintiff;
- 21 (b) Investigation of the matter and exploring the corporate structure of Defendant;
- 22 (c) Legal research and investigation regarding the Defendant's practices at numerous
23 points in the litigation;
- 24 (d) Preparation of multiple drafts of the original complaint and finalization and filing
25 of the original complaint;
- 26 (e) Preparation and filing of First Amended Complaint;
- 27 (f) Extensive "meet and confer" efforts with Defendant's counsel regarding and
28 selecting a mediator and mediation date;

- (g) Attending court hearings;
- (h) Drafting the LWDA Notice letter;
- (i) Drafting joint statements and joint stipulations;
- (j) Review of payroll and time data;
- (k) Working with expert consultants and Plaintiff to perform analyses of liability and exposure, preparation of a damages model with the aid of a statistics expert, review and revisions to the damage model and supporting data analysis;
- (l) Conferences with Defendant's counsel regarding mediation, data and settlement negotiations;
- (m) Preparing mediation brief;
- (n) Attending mediation;
- (o) Communicating with Plaintiff who requested updates or other information regarding this matter;
- (p) Drafting, negotiating, and reviewing multiple drafts of the Settlement Agreement and attachments;
- (q) Preparation of the initial motion for preliminary approval and multiple revisions thereafter.

31. I anticipate that Class Counsel will spend an additional 30 hours on this matter, appearing at the hearing of preliminary approval, answering class member calls, working with the administrator to finalize documents in mailing format, conferring with counsel over any notice issues, drafting the final approval motion and motion for fees and costs, appearing at the final approval hearing, and resolving any post-approval issues that may arise, and appearing at a final accounting hearing. Class Counsel has also incurred costs in this matter that will be detailed at the time final approval is sought. Class Counsel has agreed to a cap on recoverable costs of \$18,000, and if total incurred costs exceed the cap, Class Counsel will request no more than the agreed-upon cap.

THE CONTRIBUTION OF PLAINTIFF AND THE REASONABLENESS OF THE REQUESTED
INCENTIVE PAYMENT

32. Here, Plaintiff seeks an Enhancement Payment of **\$6,500.00**. This amount is very

1 reasonable given the risks undertaken by Plaintiff for involvement in the Action. Taking the risk of filing
2 a lawsuit against an employer deserves recognition, especially in light of the settlement achieved by
3 Plaintiff. Additionally, Plaintiff was actively involved in the litigation, discovery, mediation and
4 settlement negotiations of this Action, expending considerable effort in advancing the interests of the
5 Class. Plaintiff provided information to counsel before the filing of this matter; actively assisted with
6 formal discovery including providing relevant information and documents and verifying discovery
7 responses and settlement process (which included conferring with counsel prior to mediation, during the
8 mediation and after the mediation); and, regularly conferred with counsel regarding the case whenever
9 questions arose. I estimate that Plaintiff contributed dozens of hours of time to the prosecution of this
10 matter. Plaintiff's declaration also confirms that Plaintiff was an active participant in the filing and
11 settlement of this case. Most importantly, as a result of this Settlement, Class Members are receiving
12 significant amounts in settlement checks. For example, the net average payment per Class Member is at
13 least \$2,754.39. The enhancement also recognizes the considerable risks Plaintiff undertook on behalf of
14 the Class as well as the personal risk of facing intrusive discovery and potential disclosure to future
15 employers that Plaintiff sued a former employer, making future employment prospects uncertain and that
16 Plaintiff releases claims beyond wage-and-hour claims released by Class Members.

17 THE THIRD-PARTY ADMINISTRATOR

18 33. The parties have agreed that administration will be handled by a third-party administrator.
19 In counsel's experience as class counsel in similar wage-and-hour actions with a similar number of
20 employees, Phoenix Settlement Administrators is fully capable of administering the settlement at a
21 competitive and reasonable cost and should be approved by the Court to administer the settlement notice
22 process. Phoenix Settlement Administrators was selected because it submitted a low bid in the amount of
23 **\$4,500.00** for administration services. Phoenix Settlement Administrators has also provided a declaration
24 confirming its experience and its implementation of measures designed to protect Class Member data
25 and Class Settlement funds. Plaintiff's counsel do not have any conflicts of interest with the selected
26 administrator Phoenix Settlement Administrators.

27 CLASS CERTIFICATION

28 34. The class is ascertainable by objective criteria. The Class Members are: All individuals

1 who were employed by Defendant as hourly, nonexempt employees in California at any time during
2 the Class Period. (the “Class Period” is from October 29, 2021 through September 12, 2026, or as
3 modified under Paragraph 4.1 of the Settlement Agreement.). “Settlement Class Members” are those
4 Class Members who do not submit timely exclusion requests to the Settlement Administrator.
5 (Settlement, ¶¶ 1.5, 1.12, 1.35)

6 35. The class is sufficiently numerous. Based upon Defendant’s records, Defendant
7 represented that there are approximately 38 Class Members from October 29, 2021 to July 14, 2026.
8 Plaintiff’s counsel believes that the data is reliable.

9 36. Plaintiff is typical of the Class. Plaintiff was an employee of Defendant. Plaintiff
10 worked during the class period. Plaintiff’s claims are typical of the claims of the Class proposed in this
11 settlement. Like other class members, Plaintiff experienced work under policies and procedures
12 impacting wage and hour compliance. No unique defenses applicable to Plaintiff have been identified
13 that do not also exist as to other Class Members.

14 37. Common *issues* exist. Here, Class Members have shared a common interest in
15 determining whether Defendant violated wage and hour requirements under state and related federal
16 law, including the following issues: (i) Whether or not Defendant paid proper wages and sick pay to the
17 Class; (ii) Whether or not Defendant provided compliant meal periods to the Class; (iii) Whether or not
18 Defendant provided compliant rest periods to the Class; (iv) Whether or not Defendant paid
19 compensation timely upon separation of employment to former Class Members; (v) Whether or not
20 Defendant paid compensation timely throughout Class Members’ employment; (vi) Whether or not
21 Defendant provided accurate itemized wage statements to the Class; (vii) Whether or not Defendant
22 maintained accurate payroll records; (viii) Whether or not waiting-time penalties are available to the
23 Class for violation of California Labor Code § 203; (ix) Whether or not Defendant engaged in unlawful
24 or unfair business practices affecting the Class in violation of California Business and Professions Code
25 §§ 17200-17208; and (x) Whether or not Plaintiff and the Class are entitled to penalties pursuant to
26 PAGA.

27 38. From our review of the documentation provided, we determined that for purposes of
28 these claims, Defendant’s policies and practices are either identical, or sufficiently similar, to raise the

1 same questions of liability, and applied to all Class Members. Because Class Members would have to
2 prove the same issues of law and fact to prevail, and because their potential legal remedies are identical,
3 it would be preferable to resolve all Class Members' claims by means of the Settlement than to require
4 each Class Member to litigate his or her individual claims. Therefore, common questions predominate
5 over any questions that may be unique to individual Class Members, and class-wide settlement is
6 superior to any other method of resolution.

7 39. My declaration, in Paragraphs above, summarizes the firm's experience that establishes
8 its adequacy to represent the Class. Plaintiff's counsel has no known conflicts of interest with absent
9 Class Members. Plaintiff has demonstrated, through participation in this action, a willingness to serve
10 as a representative for the Class. Plaintiff has no known conflicts of interest with absent Class
11 Members and have agreed to place the class interests above Plaintiff's own. Plaintiff' actions also
12 demonstrate adequacy.

13 40. By consolidating all of these potential individual actions into one proceeding, this
14 Court's use of the class action device enables it to manage this litigation in a manner that serves the
15 economics of time, effort and expense for the litigants and the judicial system. Absent class treatment,
16 similarly situated employees with small but potentially meritorious claims for damages would, as a
17 practical matter, have no means of redress because of the time, effort and expense required to prosecute
18 individual actions. Moreover, in the context of settlement, superiority concerns are almost non-
19 existent, since case management is controlled and a methodology for trial need not be identified.

20 EXHIBITS

21 41. As noted above, a true and correct copy of the CLASS ACTION AND PAGA
22 SETTLEMENT AGREEMENT is attached hereto as **Exhibit "1."** The Settlement includes Exhibit A
23 (the "Notice to Class Members").

24 42. Attached hereto as **Exhibit "2"** is a true and correct copy of the submission of the
25 proposed settlement to the Department of Industrial Relations, through its online submission portal.

26 PAGA SETTLEMENT NOTIFICATION TO DIR

27 43. Counsel for Plaintiff provided notice of the requested approval of the PAGA settlement
28 through the online submission portal.

1 I declare under penalty of perjury, under the laws of the State of California, that the foregoing is
2 true and correct. Executed this 12th date of August 2026, at Glendale, California.

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4 

5 _____
6 LILIT TUNYAN, "Declarant"
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Exhibit “1”

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Attorneys for Plaintiff ROBERTO VAZQUEZ, as an individual
 and on behalf of all employees similarly situated

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

ROBERTO VAZQUEZ, as an individual and on
 behalf of all employees similarly situated,

Plaintiff,

v.

CALIFORNIA ART PRODUCTS LLC, a
 California Limited Liability Company; and
 DOES 1 through 50, inclusive,

Defendants.

Case No.: 25STCV31937

[Assigned for all purposes to Hon. Carolyn B.
 Kuhl, Dept. SSCDept12]

**CLASS ACTION AND PAGA
 SETTLEMENT AGREEMENT AND
 CLASS NOTICE**

Complaint Filed: October 29, 2025
 FAC Filed: January 5, 2026
 Trial: None Yet Set

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiff ROBERTO VAZQUEZ (“Plaintiff”) and Defendant CALIFORNIA ART PRODUCTS LLC (“Defendant”). The Agreement refers to Plaintiff and Defendant collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1. “Action” means the Plaintiff’s lawsuit alleging wage and hour violations against Defendant captioned *Vazquez v. California Art Products LLC*, Case N 25STCV31937 initiated on October 29, 2025, pending in Superior Court of the State of California, County of Los Angeles.
- 1.2. “Administrator” means Phoenix Settlement Administrators, 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 Preliminary Approval of the Settlement.
- 1.4. “Aggrieved Employees” means all individuals who were employed by Defendant as hourly, nonexempt employees in California at any time during the PAGA Period.
- 1.5. “Class” or “Class Members” means all individuals who were employed by Defendant as hourly, nonexempt employees in California at any time during the Class Period.
- 1.6. “Class Counsel” means TUNYAN LAW, APC.
- 1.7. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.8. “Class Data” means Class Member identifying information in Defendant’s possession including the Class Members’ and Aggrieved Employees’ name, last-known mailing

address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.

1.9. “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).

1.10. “Address Search” means the Administrator’s investigation and search for current Class Member or 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 Class Members or Aggrieved Employees.

1.11. “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English and Spanish in the form, without material variation, attached as **Exhibit A** and incorporated by reference into this Agreement.

1.12. “Class Period” means the period from October 29, 2021 through September 12, 2026, or as modified under Paragraph 4.1.

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

1.14. “Class Representative Service Payment” means the payment to the Class Representative for initiating the Action and providing services in support of the Action.

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

1.16. “Defendant” means named Defendant CALIFORNIA ART PRODUCTS LLC

1.17. “Defense Counsel” means O’HAGAN MEYER LLP.

1.18. “Effective Date” means the date on which the Judgment becomes final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or (c) if a timely appeal from the Judgment is filed,

the day after the appellate court affirms the Judgment and issues a remittitur.

1.19. “Final Approval” means the Court’s order granting final approval of the Settlement.

1.20. “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.

1.21. “Gross Settlement Amount” means **Two Hundred Twenty Thousand Dollars and Zero Cents (\$220,000.00)** which is the total amount Defendant agrees to pay under the Settlement except as provided in Paragraph 4.1 below. The employer’s share of payroll taxes owed on the Wage Portions of Individual Class Payments will be paid separately and in addition to the Gross Settlement Amount. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Class Representative Service Payment, and Administration Expenses Payment.

1.22. “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.

1.23. “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 35% of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during the PAGA Period.

1.24. “Judgment” means the judgment entered by the Court based upon the Final Approval.

1.25. “LWDA” means the California Labor and Workforce Development Agency.

1.26. “LWDA PAGA Payment” means the 65% of the PAGA Penalties paid to the LWDA under Labor Code section 2699(m).

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

1.28. “Non-Participating Class Member” means any Class Member who opts out of the Class

portion of the Settlement by sending the Administrator a valid and timely Request for Exclusion.

1.29. “PAGA Pay Period” means any pay period during which an Aggrieved Employee was employed by Defendant in California as an hourly, nonexempt employee during the PAGA Period. PAGA Pay Periods may be based on either: (1) pay periods during at least one day was worked; or (2) hire dates and, where applicable, last dates worked or separation dates, re-hire dates, dates of any periods of leave, and dates of any transition between nonexempt and exempt status.

1.30. “PAGA Period” means the period from October 29, 2024 through September 12, 2026, or as modified under Paragraph 4.1.

1.31. “PAGA” means the Private Attorneys General Act (Lab. Code §§ 2698 *et seq.*).

1.32. “PAGA Notice” means Plaintiff’s October 29, 2025 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3(a).

1.33. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, allocated 35% to the Aggrieved Employees (\$7,000.00) and 65% to LWDA (\$13,000.00) in settlement of PAGA claims.

1.34. “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the Class Portion of the Settlement.

1.35. “Plaintiff” means ROBERTO VAZQUEZ, the named plaintiff in the Action.

1.36. “Preliminary Approval” means the Court’s order granting preliminary approval of the Settlement.

1.37. “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.

1.38. “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.

1.39. “Released Parties” means Defendant and its former, present, and future owners, parents, subsidiaries, and affiliates, and all of their former, present, and future directors, officers, shareholders, owners, members, employees, joint venturers, attorneys, insurers,

predecessors, successors, and/or assigns.

1.40. “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the Class Settlement signed by the Class Member.

1.41. “Response Deadline” means sixty (60) days after the Administrator mails the Class Notice to Class Members and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Class Portion of the Settlement; (b) fax, email, or mail Objections to the Settlement; or (c) fax, email, or mail a challenge to the number of Workweeks allocated to the Class Member in the Class Notice. Class Members to whom Class Notices are resent after having been returned undeliverable to the Administrator shall have their deadline extended an additional 14 calendar days beyond the Response Deadline.

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

1.43. “Workweek” means any week during which a Class Member was employed by Defendant in California as an hourly, nonexempt employee during the Class Period. Workweeks may be based on either: (1) weeks during at least one day was worked; or (2) hire dates and, where applicable, last dates worked or separation dates, re-hire dates, dates of any periods of leave, and dates of any transition between nonexempt and exempt status.

2. **RECITALS.**

2.1. On October 29, 2025, Plaintiff commenced this Action by filing a complaint alleging causes of action against Defendant for: (1) failure to pay wages for all hours worked (including minimum, regular, overtime, and double-time wages), failure to timely pay wages during employment, and failure to pay sick pay; (2) failure to provide meal periods or premium compensation in lieu thereof; (3) failure to provide rest periods or premium compensation in lieu thereof; (4) failure to provide accurate itemized wage statements and failure to keep accurate payroll records; (5) failure to timely pay final wages upon termination of employment; and (6) unfair, unlawful, and/or fraudulent business practices. On January 5, 2026, Plaintiff filed a First Amended Complaint adding a cause of action for civil penalties under PAGA. The First Amended Complaint is the operative complaint in the Action (the “Operative Complaint”).

Defendant denies the allegations in the Operative Complaint, denies any failure to comply with the laws identified in in the Operative Complaint, and denies any and all liability for the causes of action alleged.

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

2.3. On July 14, 2026, the Parties participated in an all-day mediation presided over by mediator Tagore Subramaniam, Esq. and reached an agreement to settle the Action which led to this Agreement.

2.4. Prior to the mediation, Plaintiff obtained, through informal discovery, documents and information necessary to evaluate the claims in the Action, potential exposure, and potential risk, including, *inter alia*: (1) Plaintiff's personnel files, timekeeping records, and payroll records; (2) Defendant's operative employee handbooks and written employment policies and procedures in effect during the Class Period; (3) a representative randomized sampling of pay and time records for 50% of the putative Class; (4) Class data points, including, for both current and formerly employed putative Class Members between the start of the Class Period (October 29, 2021) through the date of mediation (July 14, 2026), total numbers of putative Class Members, approximate numbers of Workweeks worked, Pay Periods, and wage statements issues, and average hourly rates of pay; and (4) PAGA group data points, including, for both current and formerly-employed Aggrieved Employees between the start of the PAGA Period (October 29, 2024) and the date of mediation (July 14, 2026), total numbers of Aggrieved Employees, approximate numbers of Workweeks worked, Pay Periods, and wage statements issued, and average hourly rates of pay. Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Foot Locker Retail, Inc.*, 48 Cal. App. 4th 1794, 1801 (1996) and *Kullar v. Foot Locker Retail, Inc.*, 168 Cal. App. 4th 116, 129-130 (2008) ("*Dunk/Kullar*").

2.5. The Court has not granted class certification.

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

3. MONETARY TERMS.

3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 4.1 below, Defendant promises to pay \$220,000.00 and no more as the Gross Settlement Amount, and to separately

1 pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. The
2 employer's share of payroll taxes owed on the Wage Portions of Individual Class Payments will be paid
3 separately and in addition to the Gross Settlement Amount. Defendant has no obligation to pay the Gross
4 Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.2 of this Agreement.
5 The Administrator will disburse the entire Gross Settlement Amount without asking or requiring
6 Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment.
7 None of the Gross Settlement Amount will revert to Defendant.

8 3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the
9 following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final
10 Approval:

11 3.2.1. To Plaintiff: Class Representative Service Payment of not more than \$6,500.00 (in
12 addition to any Individual Class Payment and any Individual PAGA Payment the Class
13 Representative is entitled to receive as a Participating Class Member/Aggrieved Employee).
14 Defendant will not oppose Plaintiff's request for a Class Representative Service Payment that does
15 not exceed this amount. As part of the Motion for Final Approval, Plaintiff will seek Court
16 approval for any Class Representative Service Payment. If the Court approves a Class
17 Representative Service Payment less than the amount requested, the Administrator will retain the
18 remainder in the Net Settlement Amount. The Administrator will pay the Class Representative
19 Service Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for
20 employee taxes owed on the Class Representative Service Payment.

21 3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than 33 and 1/3% of the
22 Gross Settlement Amount, which is currently estimated to be \$73,333.33, and a Class Counsel
23 Litigation Expenses Payment of not more than \$18,000.00. Defendant will not oppose requests for
24 these payments provided they do not exceed these amounts. As part of the Motion for Final
25 Approval, Plaintiff and/or Class Counsel may seek Court approval of a Class Counsel Fees
26 Payment and Class Litigation Expenses Payment. In support of the Class Counsel Litigation
27 Expenses Payment, Class Counsel must submit a cost ledger listing each expense incurred during
28 the Action. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation

Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion of any Class Counsel Fees Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendant harmless, and indemnifies Defendant, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.3. To the Administrator: An Administration Expenses Payment not to exceed \$5,000.00 except for a showing of good cause and as approved by the Court. To the extent the administration expenses are less than or the Court approves payment less than \$5,000.00, the Administrator will retain the remainder in the Net Settlement Amount. Phoenix Settlement Administrators has been selected as the Administrator, based upon its "not to exceed" bid of \$4,500.00.

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

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

their Individual Class Payment.

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

3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$20,000.00 be paid from the Gross Settlement Amount, with 65% (\$13,000.00) allocated to the LWDA PAGA Payment and 35% (\$7,000.00) allocated to the Individual PAGA Payments.

3.2.5.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 35% share of PAGA Penalties (\$7,000.00) by the total number of PAGA Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

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

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Class Size Estimates and Escalator Clause. Based on a review of its records, Defendant estimates there are 38 Class Members who collectively worked a total of approximately 4,362 Workweeks (between the start of the Class Period on October 29, 2021 and the date of mediation on July 14, 2026), and 31 Aggrieved Employees who worked a total of approximately 885 PAGA Pay Periods (between the start of the PAGA Period on October 29, 2024 and the date of mediation on July 14, 2026). If the number of Workweeks worked by the Class Members during the Class Period is greater than ten percent (10%) above that estimated by Defendant, or 4,799 Workweeks worked, then Plaintiff shall have the right to

request, at Defendant's election, either: (1) a pro rata increase in the Gross Settlement Amount equal to the percentage increase in Workweeks above 4,799 (e.g., if the total Workweeks increases by 12%, then a 2% increase to the Gross Settlement Amount); or (2) a cut-off of the Class Period to end on the date that total Workweeks reaches 4,799. Defendant shall provide the estimated Workweeks total for the entire Class Period at least fifteen (15) days prior to the preliminary approval motion hearing date for determining the exact Class and PAGA Periods for Court approval in case the escalator clause is triggered resulting in either an increased Gross Settlement Amount or modified Class and PAGA Period end dates so that Plaintiff's counsel can submit a supplemental declaration or revised proposed order to the Court prior to the preliminary approval motion hearing.

4.2. Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Defendant's share of payroll taxes, by transmitting the funds to the Administrator no later than fifteen (15) days after the Effective Date.

4.3. Payments from the Gross Settlement Amount. Within fourteen (14) days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Class Representative Service Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, and the Class Counsel Litigation Expenses Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.

4.3.1. The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date when the check will be voided, which date shall be one hundred eighty (180) days after the date of mailing. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Class Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-

Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members who are also Aggrieved Employees a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.

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

4.3.3. For any Class Member or Aggrieved Employee whose Individual Class Payment check or Individual PAGA Payment check is uncashed and cancelled after the void date, the Administrator shall transmit the funds represented by such check to the California Controller's Unclaimed Property Fund in the name of the Class Member or Aggrieved Employee thereby leaving no "unpaid residue" subject to the requirements of California Code of Civil Procedure section 384(b).

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

5. RELEASES OF CLAIMS.

Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all

1 employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff, Class
2 Members, Aggrieved Employees, and Class Counsel will release claims against all Released Parties as
3 follows:

4 5.1. Plaintiff's Release.

5 5.1.1. Scope of Plaintiff's Release. Plaintiff, on behalf of himself and his former and
6 present representatives, agents, attorneys, heirs, administrators, successors, and
7 assigns, generally release and discharge Released Parties from all claims,
8 transactions, or occurrences, including, but not limited to all claims, demands,
9 rights, liabilities and causes of action of every nature and description whatsoever,
10 known or unknown, asserted or that might have been asserted, whether in tort,
11 contract, or for violation of any local, state or federal statute, rule or regulation
12 arising out of, relating to, or in connection with any act or omission by or on the
13 part of any of the Released Parties arising out of, based upon, or relating to
14 Plaintiff's employment with Defendant or the remuneration for or termination of
15 such employment committed or omitted prior to the execution of this Agreement
16 ("Plaintiff's Release"). Plaintiff's Release does not extend to any claims or actions
17 to enforce this Agreement, or to any claims for vested benefits, unemployment
18 benefits, disability benefits, social security benefits, or workers' compensation
19 benefits that arose at any time. Plaintiff acknowledges that Plaintiff may discover
20 facts or law different from, or in addition to, the facts or law that Plaintiff now
21 knows or believes to be true but agrees, nonetheless, that Plaintiff's Release shall
22 be and remain effective in all respects, notwithstanding such different or additional
23 facts or Plaintiff's discovery of them.

24 5.1.2. Plaintiff's Waiver of Rights Under California Civil Code Section 1542. For
25 purposes of Plaintiff's Release, Plaintiff expressly waives and relinquishes the
26 provisions, rights, and benefits, if any, of section 1542 of the California Civil Code,
27 which reads:

28 **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 Participating Class Members: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release the Released Parties from any and all claims that were alleged, or reasonably could have been alleged, based on the facts and allegations in the Operative Complaint in the Action for the duration of the Class Period (“Released Class Claims”). Except as set forth in Paragraph 5.3 of this Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or claims based on facts occurring outside the Class Period.

5.3. 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 facts and allegations in the Operative Complaint in the Action and the PAGA Notice, attached hereto as **Exhibit B**, for the duration of the PAGA Period.

6. MOTION FOR PRELIMINARY APPROVAL.

Plaintiff shall prepare and file a motion for preliminary approval (“Motion for Preliminary Approval”) that complies with the Court’s current checklist for Preliminary Approvals.

6.1. Defendant’s Declaration in Support of Preliminary Approval. Within fifteen (15) days of the full execution of this Agreement, Defendant will prepare and deliver to Class Counsel a signed Declaration from Defense Counsel attesting that Defendant and their counsel have no conflict of interest with the selected Administrator. In their Declaration, Defense Counsel shall aver whether they are aware of any pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.2. Plaintiff’s Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and

memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code section 2699(s)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its “not to exceed” bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with Class Members; and the nature and extent of any financial relationship with Plaintiff, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiff confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members and/or the Administrator; (vi) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (PAGA Notice (Lab. Code § 2699.3(a)), Operative Complaint (Lab. Code § 2699(s)(1)), this Agreement (Labor Code § 2699(s)(2)); and all facts relevant to any actual or potential conflict of interest with Class Members and/or the Administrator. In their Declarations, Plaintiff and Class Counsel shall aver whether they are aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

6.3. Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court’s Preliminary Approval to the Administrator.

6.4. Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting and conferring, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting and conferring, and in good faith, to

1 modify the Agreement and otherwise satisfy the Court's concerns.

2 **7. SETTLEMENT ADMINISTRATION.**

3 7.1. Selection of Administrator. The Parties have jointly selected Phoenix Settlement
4 Administrators to serve as the Administrator and verified that, as a condition of appointment, Phoenix
5 Settlement Administrators agrees to be bound by this Agreement and to perform, as a fiduciary, all duties
6 specified in this Agreement in exchange for the Administration Expenses Payment. The Parties and their
7 Counsel represent that they have no interest or relationship, financial or otherwise, with the Administrator
8 other than a professional relationship arising out of prior experiences administering settlements.

9 7.2. Employer Identification Number. The Administrator shall have and use its own Employer
10 Identification Number for purposes of calculating payroll tax withholdings and providing reports state and
11 federal tax authorities.

12 7.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets
13 the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation § 468B-1.

14 7.4. Notice to Class Members.

15 7.4.1. Not later than fourteen (14) days after the Court grants Preliminary Approval of
16 the Settlement, Defendant will deliver the Class Data to the Administrator, in
17 the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy
18 rights, the Administrator must maintain the Class Data in confidence, use the
19 Class Data only for purposes of this Settlement and for no other purpose, and
20 restrict access to the Class Data to Administrator employees who need access to
21 the Class Data to effect and perform under this Agreement. Defendant has a
22 continuing duty to immediately notify Class Counsel if it discovers that the
23 Class Data omitted Class Member identifying information and to provide
24 corrected or updated Class Data to the Administrator as soon as reasonably
25 feasible. Without any extension of the deadline by which Defendant must send
26 the Class Data to the Administrator, the Parties and their counsel will
27 expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve
28 any issues related to missing or omitted Class Data. No later than three (3)

1 business days after receipt of the Class Data, the Administrator shall
2 notify Class Counsel that the list has been received and state the number
3 of Class Members, PAGA Members, Workweeks, and PAGA Pay
4 Periods in the Class Data.

5 7.4.2. Using best efforts to perform as soon as possible, and in no event later than
6 fourteen (14) days after receiving the Class Data, the Administrator will send to all
7 Class Members identified in the Class Data, via first-class United States Postal
8 Service (“USPS”) mail, the Class Notice (with Spanish translation) substantially in
9 the form attached to this Agreement as **Exhibit A**. The first page of the Class
10 Notice shall prominently estimate the dollar amounts of any Individual Class
11 Payment and Individual PAGA Payment (if applicable) payable to the Class
12 Member, and the number of Workweeks and PAGA Pay Periods (if applicable)
13 used to calculate these amounts. Before mailing Class Notices, the Administrator
14 shall update Class Member addresses using the National Change of Address
15 database.

16 7.4.3. Not later than three (3) business days after the Administrator’s receipt of any Class
17 Notice returned by the USPS as undelivered, the Administrator shall re-mail the
18 Class Notice using any forwarding address provided by the USPS. If the USPS
19 does not provide a forwarding address, the Administrator shall conduct a Class
20 Member Address Search, and re-mail the Class Notice to the most current address
21 obtained. The Administrator has no obligation to make further attempts to locate
22 or send Class Notice to Class Members whose Class Notice is returned by the
23 USPS a second time.

24 7.4.4. The deadlines for Class Members’ written objections, Challenges to Workweeks,
25 and Requests for Exclusion will be extended for Class Members whose notices are
26 re-mailed. Class Members to whom Class Notices are resent after having been
27 returned undeliverable to the Administrator shall have their deadline extended an
28 additional fourteen (14) days beyond the Response Deadline. The Administrator

will inform the Class Member of the extended deadline with the re-mailed Class Notice.

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

7.5. Requests for Exclusion (Opt-Outs).

7.5.1. Class Members who wish to exclude themselves (opt-out of) the Class Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than the Response Deadline. A Request for Exclusion is a letter from a Class Member or the Class Member's representative that reasonably communicates the Class Member's election to be excluded from the Class Settlement and includes the Class Member's name, address and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline.

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

determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.

7.5.3. Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 5.2 and 5.3 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.

7.5.4. Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action components of the Settlement. Because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the claims identified in Paragraph 5.3 of this Agreement and are eligible for an Individual PAGA Payment.

7.6. Challenges to Calculation of Workweeks. Each Class Member shall have until the Response Deadline to challenge the number of Workweeks allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct if they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks to Defense Counsel and Class Counsel and the Administrator's determination the challenges.

7.7. Objections to Settlement.

7.7.1. Only Participating Class Members may object to the class action components of

the Settlement and this Agreement, including contesting the fairness of the Settlement, and/or the amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, Administration Expenses Payment, and/or Class Representative Service Payment.

7.7.2. Participating Class Members may send written objections to the Administrator, by fax, email, or mail no later than the Response Deadline. Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present oral objections at the Final Approval Hearing.

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

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

7.8.1. Website, Email Address and Toll-Free Number. The Administrator will post information of interest to Class Members including the date, time and location for the Final Approval Hearing and copies of the Settlement Agreement, the Class Notice, the Preliminary Approval, the Final Approval and the Judgment on the Administrator's website. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes and emails.

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

1 7.8.3. Weekly Reports. The Administrator must, on a weekly basis, provide written
2 reports to Class Counsel and Defense Counsel that, among other things, tally the
3 number of: Class Notices mailed or re-mailed, Class Notices returned undelivered,
4 Requests for Exclusion (whether valid or invalid) received, objections received,
5 challenges to Workweeks received and/or resolved, and checks mailed for
6 Individual Class Payments and Individual PAGA Payments (“Weekly Report”).
7 The Weekly Reports must include provide the Administrator’s assessment of the
8 validity of Requests for Exclusion and attach copies of all Requests for Exclusion
9 and objections received.

10 7.8.4. Administrator’s Declaration. Not later than fourteen (14) days before the date by
11 which Plaintiff is required to file the Motion for Final Approval of the Settlement,
12 the Administrator will provide to Class Counsel and Defense Counsel, a signed
13 declaration suitable for filing in Court attesting to its due diligence and compliance
14 with all of its obligations under this Agreement, including, but not limited to, its
15 mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing
16 of Class Notices, attempts to locate Class Members, the total number of Requests
17 for Exclusion from Settlement it received (both valid or invalid), and the number of
18 written objections. The declaration shall attach the Exclusion List. The
19 Administrator will supplement its declaration as needed or requested by the Parties
20 and/or the Court. Class Counsel is responsible for filing the Administrator’s
21 declaration(s) in Court.

22 7.8.5. Final Report by Settlement Administrator. Within fourteen (14) days after the
23 Administrator disburses all funds in the Gross Settlement Amount, the
24 Administrator will provide Class Counsel and Defense Counsel with a final report
25 detailing its disbursements by employee identification number only of all payments
26 made under this Agreement. At least fourteen (14) days before any deadline set by
27 the Court, the Administrator will prepare, and submit to Class Counsel and
28 Defense Counsel, a signed declaration suitable for filing in Court attesting to its

disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the Administrator's declaration in Court.

8. DEFENDANT'S RIGHT TO WITHDRAW

If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 15% of the total of all Class Members, Defendant may, but is not obligated, elect to withdraw from the Settlement. Defendant agrees that as a material term of this Settlement, Defendant and its respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement. The Parties agree that, if Defendant withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendant will remain responsible for paying all Settlement Administration Expenses incurred to that point. Defendant must notify Class Counsel and the Court of its election to withdraw not later than thirty (30) days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.

9. MOTION FOR FINAL APPROVAL.

Not later than sixteen (16) court days before the calendared Final Approval Hearing, Plaintiff will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA settlement under Labor Code § 2699(s), a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiff shall provide drafts of these documents to Defense Counsel not later than seven (7) days prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.

9.1. Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five (5) court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.

9.2. Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in

1 good faith to address the Court's concerns by revising the Agreement as necessary to
2 obtain Final Approval. The Court's decision to award less than the amounts requested for
3 the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel
4 Litigation Expenses Payment or Administration Expenses Payment shall not constitute a
5 material modification to the Agreement within the meaning of this paragraph.

6 9.3. Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the
7 Court will retain jurisdiction over the Parties, Action, and the Settlement solely for
8 purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement
9 administration matters, and (iii) addressing such post-Judgment matters as are permitted by
10 law.

11 9.4. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and
12 conditions of this Agreement, specifically including the Class Counsel Fees Payment and
13 Class Counsel Litigation Expenses Payment, the Parties, their respective counsel, and all
14 Participating Class Members who did not object to the Settlement, waive all rights to
15 appeal from the Judgment, including all rights to post-judgment and appellate proceedings,
16 the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and
17 appeals. The waiver of appeal does not include any waiver of the right to oppose such
18 motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to
19 perform under this Agreement will be suspended until such time as the appeal is finally
20 resolved and the Judgment becomes final, except as to matters that do not affect the
21 amount of the Net Settlement Amount.

22 9.5. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the
23 reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a
24 material modification of this Agreement (including, but not limited to, the scope of release
25 to be granted by Class Members), this Agreement shall be null and void. The Parties shall
26 nevertheless expeditiously work together in good faith to address the appellate court's
27 concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis,
28 any additional Administration Expenses reasonably incurred after remittitur. An appellate

1 decision to vacate, reverse, or modify the Court's award of the Class Representative
2 Service Payment or any payments to Class Counsel shall not constitute a material
3 modification of the Judgment within the meaning of this paragraph, as long as the Gross
4 Settlement Amount remains unchanged.

5 **10. AMENDED JUDGMENT.**

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

8 **11. ADDITIONAL PROVISIONS.**

9 11.1. No Admission of Liability, Class Certification or Representative Manageability for Other
10 Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in
11 this Agreement is intended or should be construed as an admission by Defendant that any of the
12 allegations in the Operative Complaint have merit or that Defendant has any liability for any claims
13 asserted; nor is it intended or should be construed as an admission by Plaintiff that Defendant's defenses in
14 the Action have merit. The Parties agree that class certification and representative treatment is for
15 purposes of this Settlement only. If, for any reason the Court does not grant Preliminary Approval, grant
16 Final Approval, or enter Judgment, Defendant reserves the right to contest certification of any class for any
17 reasons, Defendant reserves all available defenses to the claims in the Action, and Plaintiff reserves the
18 right to move for class certification on any grounds available and to contest Defendant's defenses. The
19 Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will
20 not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the
21 Settlement and this Agreement).

22 11.2. Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendant and
23 Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed,
24 they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to
25 disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or
26 generally, to any person, corporation, association, government agency, or other entity except: (1) to the
27 Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement
28 confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate

1 taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or
2 subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each
3 other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class
4 Counsel, Defendant and Defense Counsel separately agree not to, directly or indirectly, initiate any
5 conversation or other communication, before the filing of the Motion for Preliminary Approval, with any
6 third party regarding this Agreement or the matters giving rise to this Agreement except to respond only
7 that “the matter was resolved,” or words to that effect. This paragraph does not restrict Class Counsel’s
8 communications with Class Members in accordance with Class Counsel’s ethical obligations owed to
9 Class Members.

10 11.3. No Solicitation. The Parties separately agree that they and their respective counsel and
11 employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the
12 Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel’s ability to communicate
13 with Class Members in accordance with Class Counsel’s ethical obligations owed to Class Members.

14 11.4. Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement
15 together with its attached exhibits shall constitute the entire agreement between the Parties relating to the
16 Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or
17 by any Party.

18 11.5. Attorney Authorization. Class Counsel and Defense Counsel separately warrant and
19 represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action
20 required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to
21 execute any other documents reasonably required to effectuate the terms of this Agreement including any
22 amendments or addendums to this Agreement.

23 11.6. Cooperation. The Parties and their counsel will cooperate with each other and use their
24 best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement
25 Agreement, submitting supplemental evidence and supplementing points and authorities as requested by
26 the Court. In the event the Parties are unable to agree upon the form or content of any document
27 necessary to implement the Settlement, or on any modification of the Agreement that may become
28 necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court

for resolution.

11.7. 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 Parties in this Settlement.

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

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

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

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

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

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

11.14. Use and Return of Class Data. Information provided to Class Counsel pursuant to Evidence Code section 1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the mediation, other settlement negotiations, or the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the date

1 when the Court discharges the Administrator's obligation to provide a Declaration confirming the final
2 pay out of all Settlement funds, Plaintiff shall destroy, all paper and electronic versions of Class Data
3 received from Defendant.

4 11.15. Headings. The descriptive heading of any section or paragraph of this Agreement is
5 inserted for convenience of reference only and does not constitute a part of this Agreement.

6 11.16. Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be
7 to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or
8 federal legal holiday, such date or deadline shall be on the first business day thereafter.

9 11.17. Execution in Counterparts. This Agreement may be executed in one or more counterparts
10 by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be
11 accepted as an original. All executed counterparts and each of them will be deemed to be one and the
12 same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any
13 executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

14 11.18. Enforcement of Settlement. The Parties agree that following entry of the Final Approval
15 Order and Judgment, this Agreement shall be enforceable by the Court and the Court shall retain exclusive
16 and continuing jurisdiction of the Action over all parties and the Class Members to interpret and enforce
17 the terms, conditions, and obligations of the Agreement pursuant to California Code of Civil Procedure
18 section 664.6. In the event that one or more of the Parties to this Settlement institutes any legal action or
19 other proceeding against any other party or parties to enforce the provisions of this Settlement or to declare
20 rights and/or obligations under this Settlement, the successful party or parties shall be entitled to recover
21 from the unsuccessful party or parties reasonable attorney's fees and costs incurred in connection with any
22 enforcement actions.

23 11.19. Stay of Litigation. The Parties agree that upon the execution of this Agreement the
24 litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that
25 upon the signing of this Agreement that pursuant to Code of Civil Procedure section 583.330 to extend the
26 date to bring a case to trial under Code of Civil Procedure section 583.310 for the entire period of this
27 settlement process.
28

Plaintiff & Class Representative:

Dated: 7/23/2026 | 9:35 AM PDT

Firmado por:
By: Roberto
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ROBERTO VAZQUEZ

Plaintiff's Counsel:

Dated: 7/23/2026 | 9:37 AM PDT

TUNYAN LAW, APC

DocuSigned by:
By: Lilit Tunyan
C1FEE94A81E49A...

Lilit Tunyan
Artur Tunyan

Attorneys for Plaintiff ROBERTO VAZQUEZ

Defendant:

Dated:

07/24/2026

CALIFORNIA ART PRODUCTS LLC

Debora Guetta

By: _____

Print Name

[Signature]

Signature

Manager

Title

Defendant's Counsel:

Dated: 7/24/26

O'HAGAN MEYER LLP

By: _____

William B. Richards, Jr.
Katherine C. Den Bleyker
Patrick Lee

Attorneys for Defendant CALIFORNIA ART PRODUCTS LLC

Exhibit “A”

COURT APPROVED NOTICE OF CLASS ACTION AND PAGA SETTLEMENT AND HEARING
DATE FOR FINAL COURT APPROVAL

Vazquez v. California Art Products LLC
Los Angeles Superior Court Case No. 25STCV31937

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

You may be eligible to receive money from an employee class action lawsuit (“Action”) against Defendant CALIFORNIA ART PRODUCTS LLC (“Defendant”) for alleged wage and hour violations. The Action was filed by former California Art Products LLC employee plaintiff Roberto Vazquez (“Plaintiff”) and seeks payment of (1) back wages and penalties for a class of hourly, nonexempt employees who worked for Defendant in California during the Class Period from October 29, 2021 through [REDACTED] (“Class Members”); and (2) penalties under the California Private Attorneys General Act (“PAGA”) for all hourly, nonexempt employees who worked for Defendant in California at any time during the PAGA Period from October 29, 2024 to [REDACTED] (“Aggrieved Employees”).

The proposed Settlement has two main parts: (1) a class settlement requiring Defendant to fund Individual Class Payments, and (2) a PAGA settlement requiring Defendant to fund Individual PAGA Payments and pay penalties to the California Labor and Workforce Development Agency (“LWDA”).

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

The above estimates are based on Defendant’s records showing that **you worked [REDACTED] workweeks** during the Class Period and **you worked [REDACTED] pay periods** during the PAGA Period. Workweeks and pay periods may be based on either: (1) weeks/pay periods during at least one day was worked; or (2) hire dates and, where applicable, last dates worked or separation dates, re-hire dates, dates of any periods of leave, and dates of any transition between nonexempt and exempt status. If you believe that you worked more workweeks during the Class Period, you can submit a challenge by the deadline date. See Section IV of this Notice.

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

If you worked for Defendant as a nonexempt employee in California during the Class Period and/or the PAGA Period, you have two basic options under the settlement:

- (1) **Do Nothing.** You don’t have to do anything to participate in the proposed settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage and hour claims and PAGA Period penalty claims against Defendant.
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the class settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the class portion of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage and hour claims against Defendant, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed settlement.

Defendant will not retaliate against you for any actions you take with respect to the proposed settlement.

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage and hour claims against Defendant that are covered by this settlement ("Released Claims").
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is	If you don't want to fully participate in the proposed settlement, you can opt-out of the class settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed settlement. See Section VI of this Notice. You cannot opt-out of the PAGA portion of the proposed settlement. Defendant must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by	All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed settlement. The Court's decision whether to finally approve the settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section VII of this Notice.
You Can Participate in the Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on . You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the settlement at the Final Approval Hearing. See Section VIII of this Notice.
You Can Challenge the Calculation of Your Workweeks Written Challenges Must be Submitted by	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks you worked during the Class Period and how many pay periods you worked during the PAGA Period, respectively. Workweeks and pay periods may be based on either: (1) weeks/pay periods during at least one day was worked; or (2) hire dates and, where applicable, last dates worked or separation dates, re-hire dates, dates of any periods of leave, and dates of any transition between nonexempt and exempt status. The number Class Period workweeks and number of PAGA Period pay periods you worked according to Defendant's records is stated on the first page of this Notice. If you disagree with the number of Class Period workweeks, you must challenge it by . See Section IV of this Notice.

I. WHAT IS THE ACTION ABOUT?

Plaintiff is a former California Art Products LLC employee. The Action accuses Defendant of violating California labor laws by allegedly failing to pay wages for all hours worked (including minimum, regular, overtime, and double-time wages), failing to timely pay wages during employment, and failing to pay sick pay; failing to provide meal periods or premium compensation in lieu thereof; failing to provide rest periods or premium compensation in lieu thereof; failing to provide accurate itemized wage statements and failing to keep accurate payroll records; failing to timely pay final wages upon termination of employment; and engaging in unfair, unlawful, and/or fraudulent business practices based on the foregoing allegations. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) ("PAGA").

Plaintiff is represented by attorneys in the Action: Tunyan Law, APC (“Class Counsel.”) Defendant strongly denies violating any laws or failing to pay any wages and contends it complied with all applicable laws.

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

So far, the Court has made no determination whether Defendant or Plaintiff is correct on the merits. In the meantime, Plaintiff and Defendant hired an experienced, neutral mediator (Tagore Subramaniam, Esq.) in an effort to resolve the Action by negotiating to end the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a written settlement agreement (“Agreement”) and agreeing to jointly ask the Court to enter a judgment ending the Action and enforcing the Agreement, Plaintiff and Defendant have negotiated a proposed settlement that is subject to the Court’s Final Approval. Both sides agree the proposed settlement is a compromise of disputed claims. By agreeing to settle, Defendant does not admit any violations or concede the merit of any claims.

Plaintiff and Class Counsel strongly believe the settlement is a good deal for you because they believe that: (1) Defendant has agreed to pay a fair, reasonable and adequate amount considering the strength of the claims and the risks and uncertainties of continued litigation; and (2) settlement is in the best interests of the Class Members and Aggrieved Employees. The Court preliminarily approved the proposed settlement as fair, reasonable and adequate, authorized this Notice, and scheduled a hearing to determine Final Approval.

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

1. Defendant Will Pay \$220,000.00 as the Gross Settlement Amount (“Gross Settlement”). Defendant has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, a Class Representative Service Payment, Class Counsel’s attorneys’ fees and expenses, the Administrator’s expenses, and penalties to be paid to the LWDA. Assuming the Court grants Final Approval, Defendant will fund the Gross Settlement not more than fifteen (15) days after the judgment entered by the Court becomes final. The judgment will be final on the date the Court enters judgment, or a later date if Participating Class Members object to the proposed settlement or the judgment is appealed.
2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court:
 - A. Up to \$73,333.33 (33 and 1/3% of the Gross Settlement) to Class Counsel for attorneys’ fees and up to \$18,000.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - B. Up to \$6,500.00 as a Class Representative Service Payment for filing the Action, working with Class Counsel and representing the Class. A Class Representative Service Payment will be the only monies Plaintiff will receive for representing the Class in this Action other than Plaintiff’s Individual Class Payment and any Individual PAGA Payment.
 - C. Up to \$5,000.00 to the Administrator for services administering the settlement (estimated to be \$4,500.00).
 - D. Up to \$20,000.00 for PAGA Penalties, allocated 65% to the LWDA and 35% in Individual PAGA Payments to Aggrieved Employees based on their pay periods during the PAGA Period.

Participating Class Members have the right to object to any of these deductions except the PAGA penalties. The Court will consider all objections.

3. Net Settlement Distributed to Participating Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the “Net Settlement”) by making Individual Class Payments to Participating Class Members based on their Class Period workweeks.
4. Taxes Owed on Payments to Class Members. Plaintiff and Defendant are asking the Court to approve an allocation of 20% of each Individual Class Payment to taxable wages (“Wage Portion”) and 80% to

interest and penalties (“Non-Wage Portion”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendant will separately pay employer payroll taxes it owes on the Wage portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

Although Plaintiff and Defendant have agreed to these allocations, neither side is giving you any advice on whether your payments are taxable or how much you might owe in taxes. You are responsible for paying all taxes (including penalties and interest on back taxes) on any payments received from the proposed settlement. You should consult a tax advisor if you have any questions about the tax consequences of the proposed settlement.

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don’t cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller’s Unclaimed Property Fund in your name. If the monies represented by your check is sent to the Controller’s Unclaimed Property, you should consult the rules of the Fund for instructions on how to retrieve your money.
6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the class settlement, unless you notify the Administrator in writing, not later than [REDACTED], that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the [REDACTED] Response Deadline. The Request for Exclusion should be a signed letter from a Class Member or Class Member’s representative setting forth the Class Member’s name, present address, telephone number, and a simple statement electing to be excluded from the class settlement. Class Members who opt out (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against Defendant.

You cannot opt-out of the PAGA portion of the settlement. Class Members who opt out of the class settlement remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against Defendant based on the PAGA Period facts alleged in the Action.

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the settlement or decline enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiff and Defendant have agreed that, in either case, the settlement will be void: Defendant will not pay any money and Class Members will not release any claims against Defendant.
8. Administrator. The Court has appointed a neutral company, **Phoenix Settlement Administrators** (the “Administrator”) to send this Notice, calculate and make payments, and process Class Members’ Requests for Exclusion. The Administrator will also decide Class Member challenges over workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator’s contact information is contained in Section IX of this Notice.
9. Participating Class Members’ Release. After the Judgment is final and Defendant has fully funded the Gross Settlement Amount and separately paid all employer payroll taxes, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of another lawsuit against Defendant or Released Parties for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

The Participating Class Members will be bound by the following release:

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release the Released Parties from any and all claims that were alleged, or reasonably could have been alleged, based on the facts and allegations in the Operative Complaint in the Action for the duration of the Class Period (“Released Class Claims”). Except as set forth in Paragraph 5.3 of

the Settlement Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers' compensation, or claims based on facts occurring outside the Class Period.

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

The Aggrieved Employees' Releases are as follows:

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 facts and allegations in the Operative Complaint in the Action and the PAGA Notice, attached as Exhibit B to the Settlement Agreement, for the duration of the PAGA Period.

IV. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of workweeks worked by all Participating Class Members during the Class Period, and (b) multiplying the result by the number of workweeks worked by each individual Participating Class Member.
2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$7,000.00 by the total number of PAGA Period pay periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period pay periods worked by each individual Aggrieved Employee.
3. Workweek Challenges. The number of workweeks you worked during the Class Period as recorded in Defendant's records, are stated in the first page of this Notice. You have until [REDACTED] to challenge the number of Class Period workweeks credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section IX of this Notice has the Administrator's contact information.

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

V. HOW WILL I GET PAID?

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

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

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

To opt out of the class action settlement, submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the class settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Vazquez v. California Art Products LLC*, Los Angeles Superior Court Case No. 25STCV31937, and include your identifying information (full name, address, telephone number, approximate dates of employment for California Art Products LLC, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by [REDACTED], or it will be invalid.** Section IX of the Notice has the Administrator's contact information.

VII. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the settlement. Before deciding whether to object, you may wish to see what Plaintiff and Defendant are asking the Court to approve. At least 16 court days before the [REDACTED] Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court a Motion for Final Approval that includes, among other things, the reasons why the proposed settlement is fair and states (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiff is requesting as a Class Representative Service Payment. Upon reasonable request, Class Counsel (whose contact information is in Section IX of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website [REDACTED] or the Court's website (<https://www.lacourt.ca.gov/pages/lp/access-a-case/tp/find-case-information/cp/os-civil-case-access>).

A Participating Class Member who disagrees with any aspect of the settlement or the Motion for Final Approval may wish to object, for example, that the proposed settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. **The deadline for sending written objections to the Administrator is [REDACTED].** Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action (*Vazquez v. California Art Products LLC*, Los Angeles Superior Court Case No. 25STCV31937) and include your name, current address, telephone number, and approximate dates of employment for California Art Products LLC and sign the objection. Section IX of this Notice has the Administrator's contact information.

A Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section VIII of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

VIII. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on [REDACTED] at [REDACTED] in Department 12 of the Los Angeles Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012. At the Hearing, the judge will decide whether to grant Final Approval of the settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via LACourtConnect (<https://lacc.lacourt.org/termsfuse>). Check the Court's website for the most current information.

It's possible the Court will reschedule the Final Approval Hearing. You should check the Administrator's website [REDACTED] beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

IX. HOW CAN I GET MORE INFORMATION?

The Settlement Agreement sets forth everything Defendant and Plaintiff have promised to do under the proposed settlement. The easiest way to read the Agreement, the Judgment or any other settlement documents is to go to

Phoenix Settlement Administrators' website at [REDACTED]. You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below or consult the Superior Court website by going to <https://www.lacourt.ca.gov/pages/lp/access-a-case/tp/find-case-information/cp/os-civil-case-access> and entering the Case Number for the Action, Case No. 25STCV31937. You can also make an appointment to personally review court documents in the Clerk's Office at the Stanley Mosk Courthouse by calling (213) 830-0800.

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

Class Counsel:

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Artur Tunyan
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TUNYAN LAW, APC
535 N Brand Blvd. Suite 285
Glendale, California 91203
Telephone: (323) 410-5050

Settlement Administrator:

Phoenix Settlement Administrators

Email Address:

Mailing Address:

Telephone:

Fax Number:

X. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void, you should consult the Unclaimed Property Fund for instructions on how to retrieve the funds.

XI. WHAT IF I CHANGE MY ADDRESS?

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

Exhibit “B”



535 N BRAND BLVD, SUITE 285
GLENDALE, CA 91203
www.tunyanlaw.com
323-410-5050
ltunyan@tunyanlaw.com

October 29, 2025

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

California Art Products LLC and
Michaelangelo Loggia
Agent for Service of Process for
California Art Products LLC
3750 Cohasset Street
Los Angeles, CA 91505

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

Re: *Vazquez v. California Art Products LLC*

To Whom It May Concern:

Please be advised that my office has been retained by Roberto Vazquez (“Plaintiff”) to pursue a Labor Code Private Attorney General Act (PAGA) representative action (Cal. Lab. Code §§ 2699, *et seq.*) against his former employer California Art Products LLC (“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 himself 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. 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 print roller from approximately October 2023 to October 14, 2025 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 more than 8 hours per shift.

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.

Individual Liability Under Labor Code § 558.1

Labor Code § 558.1 permits joint and several liability as to both an individual and employer for violations of Labor Code §§ 203, 226, 226.7, 1194, and 2802. Defendant, at all relevant times, were employers or persons acting on behalf of employer(s) who violated Plaintiff's and the Aggrieved Employees' rights by violating various sections of the California Labor Code. The California Legislature defines "other person acting on behalf of an employer" as "a natural person who is an owner, director, officer, or managing agent of the employer." The "managing agent" definition mirrors that found in California's punitive damages statute (subdivision (b) of section 3294 of the Civil Code). Under that statute and supporting case law, "managing agents" are all employees who exercise substantial independent authority and judgment in their corporate decision-making such that their decisions ultimately determine corporate policy. *White v. Ultramar, Inc.* (1999) 21 Cal. 4th 563, 566-67. For the reasons set forth above and others, at all relevant times, any above-listed individuals meet the criteria of managing agents under California Law, and therefore, may be held liable under California Labor Code sections 558 and 558.1 for violations of Labor Code §§ 203, 226, 226.7, and 1194 as further described in detail below.

Plaintiff intends to further name any unknown individuals responsible for violations arising under Labor Code sections 558 and 558.1 after further discovery. Plaintiff will ask the Court to relate the amendment of the PAGA charge and the operative complaint to the date of filing of these charges. Plaintiff asks and demands that Defendant put these individuals on notice immediately to provide them as much notice possible to mount in defense. In the alternative, Plaintiff also offers to Defendant to place those individuals on notice if Defendant voluntarily provides their contact information.

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, subdivision (a) provides that notwithstanding any agreement to work for a lesser wage, any employee receiving less than the legal minimum wage or the legal overtime compensation applicable to the employee is entitled to recover in a civil action the unpaid balance of the full amount of this minimum wage or overtime compensation, including interest thereon, reasonable attorney's fees, and costs of suit. Further, pursuant to Labor Code §1197, payment of less than the minimum wage fixed by the Labor Commission is unlawful.

Labor Code § 1197 provides the California requirement that employees must be paid at least the minimum wage fixed by the IWC, and any payment of less than the minimum wage is unlawful. Furthermore, "in any action under Labor Code §§ 98, 1193 .6, 1194, or 1197.1 to recover wages because of the payment of a wage less than the minimum wage fixed by an order of the commission or by statute, an employee shall be entitled to recover liquidated damages in an amount equal to the wages unlawfully unpaid and interest thereon ... " See California Labor Code § 1194.2.

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 statutory period, Defendant maintained a policy and practice of requiring Plaintiff and the Aggrieved Employees to perform work "off-the-clock". On information and belief, Defendant required Plaintiff and the Aggrieved Employees to stay in line with other employees to use the only time clock to clock in to work not later than the scheduled shift start time without compensation. Defendant required Plaintiff and the Aggrieved Employees to arrive at least 15-20 minutes earlier than the start of their scheduled shifts to make sure they have enough time to walk to the time clock located in the opposite side of the warehouse, to stay in line with other employees to use the only time clock to clock in to work and to start work not later than the scheduled shift start time by threatening them to discipline for tardiness. Based on information and belief, Plaintiff and the Aggrieved Employees have not been compensated for that time. Additionally, Plaintiff and the Aggrieved Employees were often instructed by their managers to interrupt their meal periods and return to work to complete the assignments including but not limited to unloading products, operating a forklift, off-the-clock, uncompensated.

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. This conduct also results in violations of Labor Code §§ 218.5, 510, 558.1, 1198-1199, and all applicable IWC Wage Orders, section 12(A). These violations subject Defendant to civil penalties under Labor Code §§ 558, 558.1, 218.5, and 2699, and all applicable IWC Wage Orders, section 20. Each violation of each Labor Code Section and Wage Order provision results in a separate civil penalty, for each non-exempt aggrieved employee, for each pay period during which the referenced statutes and Wage Order provisions were violated.

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. Plaintiff's and the Aggrieved Employees' meal periods were regularly cut short by the time spent in line with other employees to clock back in from meal periods using the only time clock in the opposite side of the warehouse. Defendant had a notification system in place notifying Plaintiff and the Aggrieved Employees five minutes before the end of the 30-minute first meal period to stay in line with other employees to make sure they are clocked in back to work by 30th minute of the meal period. Therefore, Plaintiff's and the Aggrieved Employees' meal periods were regularly cut short by at least five minutes. Additionally, Plaintiff and the Aggrieved Employees were often instructed by their managers to interrupt their meal periods and return to work to complete the assignments including but not limited to unloading products, operating a forklift, off-the-clock. Accordingly, Defendant's policy and practice was to not provide meal periods to Plaintiff and the Aggrieved Employees in compliance with California law.

Moreover, based on information and belief, Defendant failed to keep accurate records of the true start and end times of Plaintiff's and the Aggrieved Employees' meal periods. Based on information and belief, Defendant illegally rounded the start and end times of purported meal periods resulting in Plaintiff and the Aggrieved Employees not being paid for all time worked as well as late and/or shortened meal periods. See *Donohue v. AMN Services, LLC* (2021) 11 Cal.5th 58.

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. The aforementioned conduct also results in violations of Labor Code §§ 226.7, 512, and 1199, and all applicable IWC Wage Orders, section 11(A) and (C) along with all applicable IWC Wage Orders. These violations subject Defendant to civil penalties under Labor Code §§ 558.1, 558 and 2699, and all applicable IWC Wage Orders, section 20. Each violation of each Labor Code section and Wage Order provision results in a separate civil penalty, for each Aggrieved Employee for each pay period during which the referenced statutes and Wage Order provisions were violated. Defendant's failure to provide valid meal periods, and the automatic deduction for meal periods that were not provided/valid, ultimately results in further violations, such as violations of Labor Code sections 1174, 1199, 226.6, discussed above, and other violations discussed below.

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, 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. Plaintiff and the Aggrieved Employees were often instructed by their managers to interrupt their rest periods and return to work to complete the assignments including but not limited to unloading products, operating a forklift. Additionally, rest periods were cut short by the walking distance to the rest break area. 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. The aforementioned conduct also results in violations of Labor Code §§ 226.7, and 1198-1199, and all applicable IWC Wage Orders, §12(A). These violations subject Defendant to civil penalties under Labor Code sections 558, 2699, and all applicable IWC Wage Orders, § 20. Each violation of each Labor Code section and Wage Order provision results in a separate civil penalty, for each Aggrieved Employee for each pay period during which the referenced statutes and Wage Order provisions were violated

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.

Throughout the statutory period, Defendant failed to maintain accurate time records. Defendant's failure to provide and maintain records required by the Labor Code IWC Wage Orders deprived Plaintiff and the Aggrieved Employees of 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 their 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. Defendant's failure to keep accurate and complete payroll records for Plaintiff and non-exempt aggrieved employees violates Labor Code sections 1174, 1198, 1199, and all applicable IWC Wage Orders, section 7. These violations subject Defendant to civil penalties

under Labor Code §§ 558.1, 226.6, 1174.5 and 2699. Each violation of each Labor Code section and Wage Order provision, for each Aggrieved Employee, results in a separate civil penalty.

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 continue 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, 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.

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. 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 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).

On information and belief, Defendant intentionally and willfully failed to provide employees with complete and accurate wage statements. The deficiencies include, among other things, the failure to correctly list gross wages earned, 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.

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 the 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, Defendant 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).

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 owes 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 Provide Paid Sick Leave and Written Notice of Available Paid Sick Leave

Pursuant to Labor Code § 246 (a) an employee who, on or after July 1, 2015, works in California for the same employer for 30 or more days within a year from the commencement of employment is entitled to paid sick days.

Labor Code § 246 (i) requires employers to provide an employee with written notice that sets forth the amount of paid sick leave available.

Throughout the relevant time period, Defendant improperly calculated the sick leave accrual and the sick leave rate of pay owed to Plaintiff and the Aggrieved Employees by failing to base the accrued sick leave hours on the correct number of hours worked (as a result of the rounding policies and practices for meal periods and/or shift start and end times/other required off-the-clock work including but not limited to work completed during unpaid meal periods).

Based on information and belief, Defendant further failed to provide notice of the correct sick leave amount balance available to Plaintiff and the Aggrieved Employees on their wage statements or other written statements.

In violation of Labor Code § 247.5 Defendant failed to maintain accurate records documenting the hours worked and paid sick days accrued and used by Plaintiff and the Aggrieved Employees, permitting the presumption that Plaintiff and the Aggrieved Employees were entitled to the maximum number of hours accruable under this article.

On information and belief, Plaintiff alleges that all of these practices were experienced and continue to be experienced by the Aggrieved Employees. Plaintiff requests all appropriate relief under the PAGA and these statutes, including but not limited to the restitution of earned paid

sick leave that could have been used, but was not due to Defendant's sole failure to institute such a paid sick leave entitlement or paid sick leave bank as required by California law.

Accordingly, Plaintiff and the Aggrieved Employees are entitled to injunctive relief, attorney's fees, declaratory relief, restitution, and penalties as permitted by law. Plaintiff requests all relief pursuant to the aforementioned code provisions, including but not limited to Labor Code §§ 233 and 234, which incorporates the paid sick leave requirements. Defendant is liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 2699(f)(2) for failing to provide any information on accrued sick leave.

Failure to Take All Feasible Means to Reduce Excessive Heat in Workplace

In accordance with the Section 15 (a) of the applicable wage order issued by the Industrial Welfare Commission ("IWC"), The temperature maintained in each work area shall provide reasonable comfort consistent with industry-wide standards for the nature of the process and the work performed. Further Section 15 (b) of IWC states that if excessive heat or humidity is created by the work process, the employer shall take all feasible means to reduce such excessive heat or humidity to a degree providing reasonable comfort.

However, Defendant has not taken feasible means to reduce such excessive heat. Defendant did not have proper air conditioning and air ventilation, and temperature in the warehouse became more than 100 degrees Fahrenheit and intolerable. As a result, Plaintiff and Aggrieved Employees suffered injuries at their workplace due to the excessive heat.

Labor Code § 1199 (c) provides that employers, persons, officers, agents, or other employees are guilty of a misdemeanor and subject to a fine of at least \$100 for violating, refusing or neglecting to comply with any provision of the particular Labor Code chapter or any order or ruling of the Commission.

Section 20 of IWC provides that in addition to any other civil penalties provided by law, any employer or any other person acting on behalf of the employer who violates, or causes to be violated, the provisions of this order, shall be subject to the civil penalty of initial violation - \$50.00 for each underpaid employee for each pay period during which the employee was underpaid in addition to the amount which is sufficient to recover unpaid wages, and subsequent violations — \$100.00 for each underpaid employee for each pay period during which the employee was underpaid in addition to an amount which is sufficient to recover unpaid wages.

Standard Conditions of Labor Violations

Together, Labor Code §§ 1198 and 1199 make unlawful any employment of any employee under conditions of labor prohibited by the Wage Orders, and any violation, refusal, or neglect to comply with any provision within Part 4, Chapter 1 of the Labor Code, including §§ 1174, 1197, and 1198, or order or ruling of the commission.

Therefore, Defendant's violations, including but not limited to, with respect to meal periods, rest periods, recordkeeping provisions, minimum wages and overtime wages and other violations described herein result in separate violations of §§ 1198 and 1199, which subject Defendant to civil penalties under Labor Code §§ 1197.1 and 2699.

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 including but not limited to Labor Code §§ 201-203, 204, 226, 226.7, 245-248.5, 510, 512, 558, 558.1, 1174, 1194, 1197, 1197.1, 1198, 1199 and all applicable Wage Orders.

Defendant has violated the above-referenced California Labor Code provisions, the applicable IWC Wage Order, including but not limited to all applicable Wage Orders, as well as other laws, and is liable for all applicable premium wages, statutory and civil penalties, interest, attorneys' fees, and costs. The civil penalties Plaintiff and The Aggrieved Employees seek to recover include, but are not limited to, the statutory and civil penalties specified above.

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, 218.5, 225.5, 226, 226.3, 226.6, 233, 234, 558, 558.1, 1174.5, 1197.1, 1198, 1199 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,


Lilit Tunyan, Esq.
TUNYAN LAW, APC

Exhibit “2”

1 **PROOF OF SERVICE**

2 STATE OF CALIFORNIA)
3) ss
4 COUNTY OF LOS ANGELES)

5 I am employed in the county of Los Angeles, State of California. I am over the age of
6 18 and not a party to the within action; my business address is 535 N Brand Blvd. Suite 285,
7 Glendale, California 91203.

8 On the date indicated below, I served the document described as: **DECLARATION OF LILIT
9 TUNYAN IN SUPPORT OF PLAINTIFF'S MOTION FOR PRELIMINARY APPROVAL OF
10 CLASS AND PAGA REPRESENTATIVE ACTION SETTLEMENT** on the interested parties in
11 this action by sending a true copy thereof to interested parties as follows and as stated on the attached
12 service list:

13 Katherine C. Den Bleyker
14 kdenbleyker@ohaganmeyer.com

15 William B. Richards, Jr.
16 wrichards@ohaganmeyer.com

17 Patrick Lee
18 patricklee@ohaganmeyer.com

19 Teresa Armendariz
20 TArmendariz@ohaganmeyer.com

21 Maya Smith
22 mayasmith@ohaganmeyer.com

23 **O'HAGAN MEYER LLP**
24 550 S. Hope Street, Suite 2400
25 Los Angeles, California 90071
26 Telephone: 213.647.0005
27 Facsimile: 213.647.1799

28 ***Attorneys for Defendant CALIFORNIA ART PRODUCTS LLC***

[✓] **BY ELECTRONIC SERVICE:** Based on a court order or an agreement of the parties
to accept electronic service, I caused the documents to be sent to the persons at the
electronic service addresses listed above via third-party cloud service
CASEANYWHERE. I did not receive an error message

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

Executed on August 12, 2026, at Glendale, California.

Roxana Carranza
Name


Signature