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16 Attorneys for Plaintiff Estefany Segovia

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

19 ESTEFANY SEGOVIA, individually, and on  
20 behalf of all others similarly situated,

21 Plaintiff,

22 vs.

23 PRODUCE SERVICES OF LOS ANGELES,  
24 INC., a California corporation; and DOES 1  
25 through 10, inclusive,

26 Defendants.

Case No. 23STCV28902  
Related Case No. 24STCV11397

*Assigned for all purposes to:*  
*Hon. David S. Cunningham*  
*Dept. 11*

**DECLARATION OF JOHN G. YSLAS IN  
SUPPORT OF MOTION FOR  
PRELIMINARY APPROVAL OF CLASS  
ACTION AND PAGA SETTLEMENT**

Date: June 15, 2026  
Time: 9:00 a.m.  
Dept.: 11

1 I, John G. Yslas, hereby declare as follows:

2 1. I am an attorney at law licensed to practice before all of the courts of the State of  
3 California. I am a senior partner at Wilshire Law Firm, PLC (“WLF”), counsel for Plaintiff  
4 Estefany Segovia (“Plaintiff”) in this matter. I am thoroughly familiar with and have personal  
5 knowledge of all of the facts set forth herein.

6 2. I submit this declaration in support of the Motion for Preliminary Approval of Class  
7 Action and PAGA Settlement.

### 8 **Procedural History**

9 3. On November 27, 2023, Plaintiff filed this action as a putative class action against  
10 Defendant alleging: (1) failure to pay minimum and straight time wages; (2) failure to pay overtime  
11 wages; (3) failure to provide meal periods; (4) failure to authorize and permit rest periods; (5)  
12 failure to timely pay final wages at termination; (6) failure to provide accurate itemized wage  
13 statements; (7) failure to indemnify employees for expenditures; (8) failure to produce requested  
14 employment records; and (9) unfair business practices (“Class Action”).

15 4. On March 1, 2024, pursuant to Labor Code §2699.3, subd. (a), Plaintiff gave notice  
16 to the LWDA and Defendant that Plaintiff intended to proceed with a representative action under  
17 PAGA (LWDA-CM-1014193-24). A true and correct copy of the Initial Notice to the LWDA is  
18 attached hereto as **Exhibit 3**. The LWDA did not notify Plaintiff that it intended to investigate  
19 within 65 days of this written notice. Therefore, on May 7, 2024, Plaintiff filed a separate action  
20 alleging a claim under PAGA, Case No. 24STCV11397 (“PAGA Action”).

21 5. The Parties subsequently participated in a private mediation with mediator Michael  
22 Mandel on June 26, 2024. The Parties were ultimately able to reach an agreement on general  
23 settlement terms thereafter. The negotiations were adversarial, conducted at arm’s length, and  
24 tempered by the efforts of both sides to serve the interests of their clients.

25 6. The parties negotiated the terms of the Settlement and finalized their long-form  
26 agreement on October 2025. A true and correct copy of the fully executed Settlement Agreement  
27 is attached hereto as **Exhibit 1**. Attached thereto as **Exhibit A** is a true and correct copy of the  
28 Parties’ proposed Class Notice.

7. On December 3, 2025, Plaintiff submitted a copy of the Settlement Agreement to the LWDA. A true and correct copy of the confirmation of submission my office received after submitting the Settlement Agreement to the LWDA is attached hereto as **Exhibit 2**.

## Investigation and Exposure Analysis

8. Prior to attending mediation, Plaintiff's Counsel thoroughly investigated the claims, applicable laws, and potential defenses. Plaintiff's Counsel assessed the value to the class claims using the documents and data Defendant produced in informal discovery, including class data providing the number of Class Members, the number of workweeks in the Class Period, and the number of pay periods in the PAGA Period, Plaintiff's personnel files, an arbitration agreement, employment handbooks and policies, and a random sampling of time and payroll records. Plaintiff's Counsel engaged an expert to quantify the potential exposure using the time and payroll records, and then assessed the risks associated with each claim meriting reductions in the likely success at class certification and likely recovery at trial.

9. The Class is also readily ascertainable from Defendant's business records, because all Class Members are or were employees of Defendant. Defendant's records show that there are approximately 145 Class Members, making joinder of all Class Members impracticable. Further, given the size and amount of each Class Members' claim, Class Members have little incentive to litigate their claims on an individual basis because the out-of-pocket expenses and personal commitment necessary to litigate each claim likely outweighs any potential recovery.

10. Plaintiff has alleged that Defendant maintained common employment policies and/or practices that unlawfully deprived Class Members of wages, meal period, rest periods, reimbursements for business expenses, accurate wage statements, and timely payment of wages upon separation of employment. These allegations present common factual and legal questions of, *inter alia*, whether Defendant applied the same scheduling, timekeeping, pay, meal period, rest period, and reimbursement policies to all Class Members, whether these policies and practices resulted in Labor Code violations, whether Defendant's conduct was intentional, and whether Class Members are entitled to damages and/or penalties. These common questions could be resolved

1 using Class Members' time records, payroll records, testimony from Defendant's designated  
2 representative(s), and Class Members' testimony.

3 11. Although the exposure Plaintiff's Counsel calculated is substantial, the various risks  
4 at succeeding at class certification and through trial also affected the valuation of the claims for  
5 settlement purposes. Further, as another example, Defendant contended that plaintiff and others  
6 signed arbitration agreements with class action waivers (though plaintiff reserved the right to  
7 contest the enforceability of those agreements and waivers). This was one of the additional  
8 potential challenges for this matter to proceed as a class action (or to be narrowed given the  
9 possibility of members of the class who signed arbitration agreements being stricken from the  
10 class), and thus a further significant discount was taken into consideration when considering the  
11 reasonableness of the settlement.

12 12. Minimum and Overtime Wages: Plaintiff's unpaid minimum and overtime wage  
13 claims were based on the allegation that Defendant failed to pay Class Members for all hours  
14 worked by requiring them to perform work duties while off-the-clock. Based on Plaintiff's estimate  
15 that she worked a total of 1 hour off-the-clock each week, Plaintiff's Counsel assumed each Class  
16 Member worked 1-hour off-the-clock per week in calculating potential exposure to be  
17 approximately \$124,874.81 for these claims. However, Defendant argued that any off-the-clock  
18 time was undocumented and unknown to Defendant, and that Defendant was therefore not  
19 obligated to pay for this time. Because this claim would have relied heavily on Class Member  
20 testimony and would not be evidenced in Defendant's time and payroll records, the risk of  
21 succeeding at class certification was substantial. Accordingly, Plaintiff's Counsel applied a risk  
22 discount based on a 35% chance of succeeding at class certification and a 30% chance of  
23 succeeding at trial on the merits, yielding a realistic estimate of approximately \$13,111.85  
24 ( $\$124,874.81 \times 35\% \times 30\%$ ).

25 13. Meal Periods: With respect to the meal period claim, Plaintiff's meal period claims  
26 were based on the allegations that Defendant failed to maintain a policy and practice of providing  
27 meal periods and/or paying meal period premiums when its time records showed Class Members'  
28 meal periods were late, short, or missed. Plaintiff's Counsel found a violation rate of approximately

31.9% in Defendant's time and payroll records and calculated potential exposure on this claim to be approximately \$122,160.86. However, Defendant argued that Class Members signed meal period waivers and/or on-duty meal period agreements. Accordingly, Plaintiff's Counsel applied a risk discount based on a 40% chance of succeeding at class certification and a 40% chance of succeeding at trial on the merits, yielding a realistic damage estimate of approximately \$19,545.74 (\$122,160.86 x 40% x 40%).

14. Rest Breaks: Plaintiff's rest break claims were based on the allegations that Defendant failed to maintain a policy and/or practice of providing rest breaks and/or paying rest break premiums when Class Members' rest breaks were late, short, or missed. Plaintiff's Counsel applied a 100% violation rate to all shifts over 3.5 hours and calculated a potential exposure of \$382,949.40 for this claim. However, we discounted this figure to account for the difficulty of certifying and proving rest period claims, particularly because rest periods do not have to be recorded, and to account for the possibility of Class Members voluntarily choosing to forego a rest period. Because this claim would have relied exclusively on Class Member testimony, Plaintiff's Counsel discounted this claim based on a 40% chance of succeeding at class certification and a 30% chance of succeeding at trial, yielding a realistic damage estimate of approximately \$45,953.93 (\$382,949.40 x 40% x 30%).

15. Reimbursements: Plaintiff's reimbursement claim was based on the allegation that Defendant required Class Members to use their personal cellular phones and purchase specific work attire for work related purposes. Assuming a very conservative \$30 per month per employee for unpaid reimbursements, this results in a damage estimate of \$30,772.50. However, Defendant argued that these expenses were not required by Defendant, and that it could not have known that these expenses were being incurred. Accordingly, Plaintiff's Counsel could not attribute any value to this claim in terms of settlement value.

16. Derivative Penalties: Plaintiff alleged that as a result of Defendant's alleged failure to pay all wages and meal and rest period premiums owed, Defendant owed waiting time penalties and wage statement penalties. However, Defendant argued that it had good faith defenses that made the imposition of these penalties unwarranted. Moreover, Plaintiff could not recover these penalties

1 if she failed to prove the underlying claims. Plaintiff's Counsel calculated that potential exposure  
2 for the waiting time penalty claim was approximately \$208,844.97, and approximately  
3 \$276,000.00 for the wage statement penalty claim, Plaintiff's Counsel could not attribute a high  
4 value to these claims. As such, Plaintiff's Counsel applied a risk discount based on a 40% chance  
5 of succeeding at class certification and a 30% chance of succeeding at trial on the merits for the  
6 waiting time penalty claim, yielding a realistic damage estimate of approximately \$25,061.40  
7 (\$208,844.97 x 40% x 30%) and a risk discount based on a 30% chance of succeeding at class  
8 certification and a 30% chance of succeeding at trial on the merits for the wage statement penalty  
9 claim, yielding a realistic damage estimate of approximately \$24,840.00 (\$276,000.00 x 30% x  
10 30%).

11 17. PAGA: For the PAGA claim, Plaintiff's Counsel determined that Defendant's  
12 potential exposure could potentially reach \$141,700.00, assuming the initial \$100 penalty would  
13 apply for each of the 1,417 pay periods in the PAGA Period. However, even assuming success on  
14 the merits of each claim, PAGA gives the Court discretion to reduce penalties for a variety of  
15 reasons, including where to do otherwise would result in an award that is unjust, arbitrary and  
16 oppressive, or confiscatory. As such, Plaintiff could not place a high value on the PAGA Penalties  
17 and therefore allocated \$20,000.00 of the Gross Settlement Amount to settle the PAGA claims.

#### 18 **Plaintiff's Counsel's Qualifications**

19 18. Plaintiff is represented by WLF. The attorneys at WLF performed significant work  
20 and expended litigation costs in prosecuting this matter with no guarantee of payment.

21 19. WLF was selected by Best Lawyers and U.S. News & World Report as one of the  
22 nation's Best Law Firms since 2020 and is comprised of more than 100 attorneys and over 600  
23 employees. WLF is actively and continuously practicing in employment litigation, representing  
24 employees in both individual and class actions in both state and federal courts throughout  
25 California.

26 20. WLF is qualified to handle this Litigation because its attorneys are experienced in  
27 litigating Labor Code violations in individual, class action, and representative action cases. WLF  
28 has handled, and is currently handling, numerous wage and hour class action lawsuits, as well as

1 class actions involving consumer rights and data privacy litigation.

2 21. I graduated from the University of California, Santa Barbara with High Honors in  
3 1991 with Bachelor of Arts degrees in Psychology. I received my Juris Doctor from UCLA Law  
4 School in 1996.

5 22. Upon graduating from law school in 1996, I worked for a boutique law firm  
6 practicing general litigation which included employment law matters. Since 2000 (that is, the last  
7 25 years) my practice has been exclusively focused on labor and employment matters including  
8 handling wage and hour class, collective and representative actions (including the California  
9 Private Attorneys General Act, or “PAGA”), including in the international law firms of Morgan,  
10 Lewis & Bockius LLP (where I was a senior associate), Foley & Lardner LLP (where I was a  
11 partner and a national Vice Chair of the Labor and Employment Group), Norton Rose Fulbright  
12 LLP (where I was a partner) and Seyfarth Shaw LLP (where I was a partner and member of the  
13 Wage and Hour Practice Group). During my time at these law firms, I was the primary attorney or  
14 took a major leading role in defending employers on numerous wage and hour class, collective and  
15 representative actions.

16 23. In late June 2022 I left Seyfarth Shaw LLP and joined my current firm, Wilshire  
17 Law Firm, PLC, to represent plaintiff employees. I have been and am handling many wage and  
18 hour class and representative actions litigating such matters on behalf of plaintiff employees in  
19 numerous Superior Courts and District Courts. From matters representing both plaintiffs and  
20 defendants, I have successfully mediated the resolution of many wage and hour class, collective,  
21 and representative actions. Just since starting to settle cases in late April 2023 I have already  
22 successfully mediated matters in which I have been counsel or co-counsel resulting in **over \$200**  
23 **million** in settlements and verdicts which are in the process of being finalized, and with numerous  
24 upcoming mediations scheduled. In those and numerous other matters, I have managed and assisted  
25 with the litigation and settlement of many wage and hour PAGA and class actions. In those actions,  
26 I performed similar tasks as those performed in the course of prosecuting this action. Indeed, I  
27 recently tried and prevailed in achieving a jury verdict in a wage and hour class action in the matter  
28 of *Aguilar-Flores v. Javier’s – CC LLC*, Los Angeles County Superior Court, Case No.

1 19STCV36438.

2 24. I have received numerous awards for my legal work. For example, from 2015 to  
3 2018, I was listed in Los Angeles Super Lawyers for Employment Litigation (Thomson Reuters).  
4 I have also served on numerous prominent boards and in other leadership positions, including  
5 serving as Southern California Regional President for the Hispanic National Bar Association and  
6 on the board of directors of the Mexican American Bar Foundation. I also previously served on the  
7 5-member Los Angeles Civil Service Commission, which generally oversees the personnel  
8 decisions for the City of Los Angeles.

9 25. I have also published numerous blogs on labor and employment issues including on  
10 wage and hour issues. For example, I published “Headline News: Wal-Mart v. Dukes-Impact on  
11 Class Action Litigation” (while a partner with Foley & Lardner LLP) and “Are You Really  
12 Protected From Wage-and-Hour Successor Liability in an Asset Purchase” (while a partner with  
13 Seyfarth Shaw LLP). I have also been a presenter at numerous conferences, including being a  
14 presenter involving the “Employment Law Update” at a National Employment Law Council  
15 conference.

16 26. Samantha A. Smith is a Senior Attorney at WLF where her practice is focused on  
17 managing wage and hour class action and PAGA settlements. Ms. Smith was admitted to the  
18 California Bar in December of 2004, and received a J.D. from University of California, Hastings  
19 College of the Law and a B.A. from University of California, Davis. Ms. Smith has dedicated her  
20 20-year career to plaintiffs’-side class action litigation. Her wealth of experience includes  
21 successful work on all stages of class action litigation, including class action appeals, class  
22 certification motions, and class settlements. See, e.g., *Blue Diamond Growers Product Labeling*  
23 *Cases*, JCCP No. 4822 (Los Angeles County Superior Court) (false advertising of Blue Diamond  
24 food products); *Adam vs. eHealth, Inc.*, Case No. 17CV309050 (Santa Clara Superior Court)  
25 (employee data breach); *Overton v. Armour-Eckrich Meats, LLC*, Case No. CIVDS1501325 (San  
26 Bernardino County Superior Court) (unpaid wages, meal period and rest break claims, and  
27 PAGA violations for nonexempt employees); *DeLeon et al. v. Westlake Services, LLC*, Case No.  
28 BC 526750 (Los Angeles County Superior Court) (unpaid overtime, meal period and rest break

claims for call center employees); *Sawyer v. Retail Data, LLC*, Case No. 30-2014-00753767-CU-OE-CXC (Orange County Superior Court) (unpaid wage and rest break claims for piece rate workers); *Nguyen v. Pharmerica Corporation et al.*, Case No. 30-2014-00716072-CU-OE-CXC (Orange County Superior Court) (unpaid wages and unreimbursed expenses for pharmacists); *Laumea v. Performance Food Group, Inc.*, Case No. CIVDS1407509 (San Bernardino Superior Court) (unpaid wages, meal and rest break claims for non-exempt employees); *Durroh v. East West Bank*, Case No. BC528860 (Los Angeles Superior Court) (overtime claims for failure to include bonuses in regular rate of pay for bank workers); *Gonzalez et al. v. SFFI Company, Inc.* et al., Case No. CIVDS1504287 (San Bernardino Superior Court) (unpaid wages, meal period and rest break claims for non-exempt employees).

27. Jeffrey C. Bils is an eleventh-year Senior Attorney at WLF. He graduated from the University of Wisconsin–Madison with a Bachelor of Arts in Journalism and German, and received his Juris Doctor from the University of California, Los Angeles School of Law in 2014. During law school, he was a Senior Editor on the UCLA Law Review and an Articles Editor on the Entertainment Law Review. Mr. Bils served as a Judicial Extern for the Hon. Consuelo Bland Marshall in United States District Court for the Central District of California, and also for the Hon. Sandra R. Klein of United States Bankruptcy Court for the Central District of California. Mr. Bils graduated ranked No. 7 in his graduating class from UCLA School of Law. He was admitted to practice law in the State of California in 2014. Since graduating from law school, he has focused his legal work primarily on employment matters, including wage-and-hour class action and PAGA representative action litigation, and he has helped obtain dozens of settlements on behalf California workers, as well as on behalf of California employers during his years on the defense bar. Mr. Bils is a member of the Beverly Hills Bar Association (BHBA), where he is a past member of the Board of Governors and a past Chair of the Labor & Employment Law Section Executive Committee. He is also a member of the California Employment Lawyers Association (CELA) and the Consumer Attorneys Association of Los Angeles (CAALA).

28. Aram Boyadjian is a fifth-year Associate Attorney at WLF. He was admitted to practice law in the State of California in 2021. Aram graduated from the University of California,

1 Los Angeles, with a Bachelor of Arts in Political Science. He received his Juris Doctor from Loyola  
2 Law School. During law school, he was a member of the student editorial board for the  
3 International and Comparative Law Review. Since January 2021, his practice has mainly been  
4 focused on wage and hour class action litigation.

5 29. Lisa B. Iturriaga is a Settlement Attorney at Wilshire Law Firm, PLC. She was  
6 admitted to practice law in the State of California in 2021. Ms. Iturriaga graduated from University  
7 of South Florida with a Bachelor of Science in Finance and a Bachelor of Arts in Marketing. She  
8 received her Juris Doctor from Chapman University Dale E. Fowler School of Law. Since  
9 graduating, her practice has been in insurance defense (previously) and employment law  
10 (currently). Since 2023, she has exclusively worked on Plaintiff-side wage and hour cases. Ms.  
11 Iturriaga is also a member of the California Employment Lawyers Association (CELA).

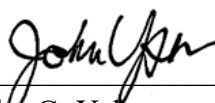
12 30. Andrew Sandoval is a third-year Associate Attorney at WLF. He was admitted to  
13 practice law in the State of California in 2022. Andrew graduated from Azusa Pacific University  
14 with a Bachelor of Arts in Economics. He received his Juris Doctor from Loyola Law School.  
15 During law school, he was a Vice-President of La Raza de Loyola. Since graduating, his practice  
16 has mainly been focused on wage and hour class action litigation.

17 CY PRES RECIPIENT

18 31. Hand In Paw Rescue's ("HIPR") is a registered 501(c)(3) not for profit corporation  
19 dedicated to the rescue, rehabilitation, and adoption of abandoned, homeless, and abused dogs.  
20 They educate the public about the crisis of overpopulation, irresponsible breeding, puppy mills,  
21 neglect and abuse, as well as the importance of spay and neuter.

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

24 Executed on December 3, 2025 at Los Angeles, California.

25  
26   
27 John G. Yslas  
28

# **EXHIBIT 1**

# **EXHIBIT 1**

## CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between plaintiff Estefany Segovia (“Plaintiff”) and defendant Produce Services of Los Angeles, Inc. (“Defendant”). The Agreement refers to Plaintiff and Defendant collectively as “Parties,” or individually as “Party.”

### 1. DEFINITIONS.

- 1.1 “Actions” means the Plaintiff’s lawsuits alleging wage-and-hour violations against Defendant captioned *Segovia v. Produce Services of Los Angeles, Inc.* initiated on November 27, 2023 and pending in the Superior Court of the State of California, County of Los Angeles, case no. 23STCV28902 (“Class Action”); and *Segovia v. Produce Services of Los Angeles, Inc.* initiated on May 7, 2024 and pending in the Superior Court of the State of California, County of Los Angeles, case no. 24STCV11397 (“PAGA Action”).
- 1.2 “Administrator” means Apex Class Action, 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 Employee” means all persons currently or formerly employed by Defendant in the State of California, either directly or through any subsidiary, staffing agency, or professional employer organization, as hourly-paid, non-exempt employees during the PAGA Period.
- 1.5 “Class” means all persons currently or formerly employed by Defendant in the State of California, either directly or through any subsidiary, staffing agency, or professional employer organization, as hourly-paid, non-exempt employees during the Class Period.
- 1.6 “Class Counsel” means John G. Yslas, Jeffrey C. Bils, Aram Boyadjian, Andrew Sandoval of the Wilshire Law Firm, PLC.
- 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 Actions.
- 1.8 “Class Data” means Class Member identifying information in Defendant’s possession including the Class Member’s 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 “Class Member Address Search” means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.
- 1.11 “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English in the form, without material variation, attached as **Exhibit A** and incorporated by reference into this Agreement.
- 1.12 “Class Period” means the period from June 2, 2019 through June 26, 2024.
- 1.13 “Class Representative” means the named Plaintiff in the operative complaint in the Class 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 Actions and providing services in support of the Actions.
- 1.15 “Court” means the Superior Court of California, County of Los Angeles.
- 1.16 “Defendant” means named defendant Produce Services of Los Angeles, Inc.
- 1.17 “Defense Counsel” means Jeremy Mittman of Mitchell Silberberg & Knupp LLP.
- 1.18 “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or 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 “Final Judgment” means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.
- 1.22 “Gross Settlement Amount” means **\$130,000** which is the total amount Defendant

agrees to pay under the Settlement except as provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payment and the Administrator's Expenses.

- 1.23 "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.
- 1.24 "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of Workweeks worked during the PAGA Period.
- 1.25 "Judgment" means the judgment entered by the Court based upon the Final Approval.
- 1.26 "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subdivision (i).
- 1.27 "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subdivision (i).
- 1.28 "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.
- 1.29 "Non-Participating Class Member" means any Class Member who opts out of the Settlement by sending the Administrator a valid and timely Request for Exclusion.
- 1.30 "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period.
- 1.31 "PAGA Period" means the period from December 27, 2022 through June 26, 2024.
- 1.32 "PAGA" means the Labor Code Private Attorneys General Act of 2004 (Lab. Code, § 2698, et seq.).
- 1.33 "PAGA Notice" means Plaintiff's March 1, 2024 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subdivision (a).
- 1.34 "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount in the amount of **\$20,000**, allocated 25% to the Aggrieved Employees (**\$5,000**) and the 75% to LWDA (**\$15,000**) in settlement of PAGA claims.
- 1.35 "Participating Class Member" means a Class Member who does not submit a valid and

timely Request for Exclusion from the Settlement.

- 1.36 “Plaintiff” means Estefany Segovia, the named plaintiff in the Actions.
- 1.37 “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.
- 1.38 “Preliminary Approval Order” means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.39 “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.
- 1.40 “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.
- 1.41 “Released Parties” means Defendant and each and all of its former and present partners, parents, subsidiaries, affiliates, and related entities, employees, agents, registered representatives, payroll companies, staffing agencies, directors, officers, shareholders, owners, attorneys, insurers, predecessors, successors, and assigns, and any other persons acting by, through, under, or in concert with any of them (including any alleged joint employers) .
- 1.42 “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.
- 1.43 “Response Deadline” means 45 days after the Administrator mails Notice to Class Members and Aggrieved Employees, and shall be the last date on which Class Members may: (a) fax, email or mail Requests for Exclusion from the Settlement, or (b) fax, email or mail his, her, or their Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.
- 1.44 “Settlement” means the disposition of the Actions effected by this Agreement and the Judgment.
- 1.45 “Workweeks” means the number of weeks that a Class Member was employed by Defendant in a non-exempt, hourly position during the Class Period in California based on hire dates, re-hire dates (as applicable), and termination dates (as applicable).

## **2. RECITALS.**

- 2.1 On November 27, 2023, Plaintiff commenced the Class Action by filing a Complaint alleging causes of action against Defendant for (1) Failure to Pay Minimum and Straight Time Wages; (2) Failure to Pay Overtime Wages; (3) Failure to Provide Meal Periods; (4) Failure to Authorize and Permit Rest Periods; (5) Failure to Timely Pay

Final Wages at Termination; (6) Failure to Provide Accurate Itemized Wage Statements; (7) Failure to Indemnify Employees for Expenditures; (8) Failure to Produce Requested Employment Records; and (9) Unfair Business Practices.

- 2.2 On May 7, 2024, Plaintiff filed the PAGA Action seeking PAGA penalties arising from the same Labor Code violations as alleged in the Class Action and based on the same underlying facts. Defendant denies the allegations in the Actions, denies any failure to comply with the laws identified in the Actions, and denies any and all liability for the causes of action alleged.
- 2.3 Pursuant to Labor Code section 2699.3, subdivision (a), Plaintiff gave written notice to Defendant and the LWDA by sending the PAGA Notice.
- 2.4 On June 26, 2024, the Parties participated in an all-day mediation presided over by Michael Mandel which led to this Agreement to settle the Actions.
- 2.5 Prior to mediation, Plaintiff obtained, through informal discovery, the total number of putative Class Members and Aggrieved Employees at issue and a sampling of relevant records for the Class Members and Aggrieved Employees (including their timekeeping and payroll records, along with Defendant's Employee Handbook including meal period policies) for the period beginning December 27, 2022 through April 20, 2024. Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").
- 2.6 The Court has not granted class certification. The Parties stipulate to class certification for purposes of settlement only. If the Court does not grant Preliminary and Final Approval of this Agreement despite the Parties' good faith efforts to address the Court's concerns without increasing the Gross Settlement Amount, the Parties shall return to status quo ante.
- 2.7 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 8 below, Defendant promises to pay **\$130,000** and no more as the Gross Settlement Amount and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. Defendant has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.

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

3.2.1 To Plaintiff: Class Representative Service Payment to the Class Representative of not more than **\$5,000** (in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member). Defendant will not oppose Plaintiff's request for a Class Representative Service Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiff will seek Court approval for any Class Representative Service Payments no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will retain the remainder in the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the Class Representative Service Payment.

3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than 33 1/3%, which is currently estimated to be **\$43,333.33**, and a Class Counsel Litigation Expenses Payment for actual costs incurred. Defendant will not oppose requests for these payments provided that they do not exceed these amounts. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than 16 court days prior to the Final Approval Hearing. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment.

3.2.3 To the Administrator: An Administrator Expenses Payment not to exceed \$5,500.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$5,500.00, the Administrator will retain the remainder in the Net Settlement Amount.

3.2.4 To Each Participating Class Member: An Individual Class Payment calculated 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. 10% of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage

claims (the “Wage Portion”). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The 90% of each Participating Class Member’s Individual Class Payment will be allocated to settlement of claims for interest 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 Payments.

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** to be paid from the Gross Settlement Amount, with 75% (**\$15,000**) allocated to the LWDA PAGA Payment and 25% (**\$5,000**) 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’ 25% share of PAGA Penalties (**\$5,000**) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee’s PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.5.2 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 Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records to date, Defendant estimates there are approximately 145 Class Members who collectively worked a total of 4,103 Workweeks, and approximately 69 Aggrieved Employees who worked a total of 1,417 PAGA Pay Periods.

4.2 Class Data. Not later than 15 days after the Court grants Preliminary Approval of the Settlement, Defendant will simultaneously deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members’ privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon

as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

- 4.3 Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Defendant's share of payroll taxes by transmitting the funds to the Administrator upon the Court granting Preliminary Approval of the settlement.
- 4.4 Payments from the Gross Settlement Amount. Within 14 days after the Effective Date, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. 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.
  - 4.4.1 The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date (not less than 180 days after the date of mailing) when the check will be voided. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.
  - 4.4.2 The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without United States Postal Service ("USPS") forwarding address. Within 7 days of receiving a returned check the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, requested by the Class Member prior to the void date.
  - 4.4.3 For any Class Member 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 checks to Hand In Paw Rescue (a

registered 501(c)(3) not for profit corporation dedicated to the rescue, rehabilitation and adoption of abandoned, homeless, and abused dogs). If the Court for any reason does not approve of such organization, then such monies shall instead be transmitted to Legal Aid at Work for use in Los Angeles County (“Cy Pres Recipient”). The Settlement Administrator shall prepare a report regarding the distribution plan pursuant to Code of Civil Procedure section 384 and the report shall be presented to the Court by Class Counsel along with a proposed amended judgment that is consistent with the provisions of Code of Civil Procedure section 384. The Parties, Class Counsel and Defense Counsel represent that they have no interest or relationship, financial or otherwise, with the intended Cy Pres Recipient.

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

**5. RELEASES OF CLAIMS.** Effective on the date when Defendant fully funds the entire Gross Settlement Amount and funds all employer payroll taxes owed on the Wage Portion of the Individual Class Payments, Plaintiff, Class Members, and Class Counsel will release claims against all Released Parties as follows:

5.1 Plaintiff’s Release. Plaintiff and his, her, or their respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors and assigns generally, release and discharge Released Parties from all claims, transactions or occurrences that occurred during the Class Period, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained, in the Class Action and (b) all PAGA claims that were, or reasonably could have been, alleged based on facts contained in the PAGA Action, PAGA Notice, or ascertained during the Actions and released under 5.2 and 5.3, below; and (c) in light of Plaintiff’s Class Representative Enhancement Payments, Plaintiff also agrees to release all claims, whether known or unknown, under any federal, state or local law against Defendants and Defendants’ Releasees. This release includes, but is not limited to, claims arising under the California Labor Code; the Industrial Welfare Commission (IWC) wage orders; Title VII of the Civil Rights Act of 1964; the Family and Medical Leave Act; the Fair Labor Standards Act; the California Fair Employment and Housing Act; the Americans with Disabilities Act; the Age Discrimination in Employment Act; the Older Workers’ Benefit Protection Act; and claims of intentional infliction of emotional distress; breach of express or implied contract; wrongful termination; statutory or civil penalties of any kind; attorney’s fees; or any other statute or common law principle of similar effect that occurred prior to the date on which Plaintiff executes this Settlement Agreement, arising out of Plaintiff’s employment with Defendant or the termination of that relationship. (“Plaintiff’s Release.”) Plaintiff’s Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers’ compensation benefits that arose at any time, or based on occurrences outside the Class Period. Plaintiff acknowledges that Plaintiff may discover facts or law different from, or in addition to, the facts or law that Plaintiff now knows or believes to be true but agrees, nonetheless, that Plaintiff’s Release shall be and remain effective in all

respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

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

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

- 5.2 Release by Participating Class Members Who Are Not Aggrieved Employees: All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors and assigns, release Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Class Action and ascertained in the course of the Class Action, including, (1) Failure to Pay Minimum and Straight Time Wages; (2) Failure to Pay Overtime Wages; (3) Failure to Provide Meal Periods; (4) Failure to Authorize and Permit Rest Periods; (5) Failure to Timely Pay Final Wages at Termination; (6) Failure to Provide Accurate Itemized Wage Statements; (7) Failure to Indemnify Employees for Expenditures; (8) Failure to Produce Requested Employment Records; and (9) Unfair Business Practices. Except as set forth in Section 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 Non-Participating Class Members Who Are Aggrieved Employees: All Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the PAGA Action, and the PAGA Notice and ascertained in the course of the PAGA Action.

6. **MOTION FOR PRELIMINARY APPROVAL.** The Parties agree to jointly 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 seven (7) days of the full execution of this Agreement, Defendant will prepare and deliver to Class Counsel a signed Declaration from Defendant and Defense Counsel disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator and Cy Pres Recipient. In their Declarations, Defense Counsel and Defendant shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.

- 6.2 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, subdivision (f)(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/or the proposed Cy Pres; 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 and/or the proposed Cy Pres; (vi) a signed declaration from Class Counsel attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Lab. Code, § 2699.3, subd. (a))), complaint (Lab. Code, § 2699, subd. (l)(1)), this Agreement (Lab. Code, § 2699, subd. (l)(2)); (vii) all facts relevant to any actual or potential conflict of interest with Class Members, the Administrator and/or the Cy Pres Recipient. In their Declarations, Plaintiff and Class Counsel shall aver that they are not aware of any other pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement.
- 6.3 Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible for expeditiously finalizing and filing the Motion for Preliminary Approval no later than 30 days after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.
- 6.4 Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

## 7. SETTLEMENT ADMINISTRATION.

- 7.1 Selection of Administrator. The Parties have jointly selected Apex Class Action to serve as the Administrator and verified that, as a condition of appointment, Apex Class

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

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

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

7.4 Notice to Class Members.

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

7.4.2 Using best efforts to perform as soon as possible, and in no event later than 14 days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class USPS mail, the Class Notice substantially in the form attached to this Agreement as **Exhibit A**. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.

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

7.4.4 The deadlines for Class Members’ written objections, Challenges to Workweeks and/or Pay Periods and Requests for Exclusion will be extended an additional 14 days beyond the 45 days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.

7.4.5 If the Administrator, Defendant or Class Counsel is contacted by or otherwise

discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith, in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than 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 45 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her/their representative that reasonably communicates the Class Member's election to be excluded from the 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 45 days after the Administrator mails the Class Notice (plus an additional 14 days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or Pay Periods 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/or this Agreement, including contesting the fairness of the Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Class Representative Service Payment.

7.7.2 Participating Class Members may send written objections to the Administrator, by fax, email or mail. In the alternative, Participating Class Members may appear in Court (or hire an attorney to appear in Court) to present oral objections at the Final Approval Hearing. A Participating Class Member who elects to send a written objection to the Administrator must do so not later than 45 days after the Administrator's mailing of the Class Notice (plus an additional 14 days for Class Members whose Class Notice was re-mailed).

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

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

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

- 7.8.2 Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will promptly review on a rolling basis Requests for Exclusion to ascertain their validity. Not later than 5 days after the 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; (c) copies of all Requests for Exclusion from Settlement submitted (whether valid or invalid).
- 7.8.3 Weekly Reports. The Administrator must, on a weekly basis, provide written reports to Class Counsel and Defense Counsel that, among other things, tally the number of: Class Notices mailed or re-mailed, Class Notices returned undelivered, Requests for Exclusion (whether valid or invalid) received, objections received, challenges to Workweeks and/or Pay Periods received and/or resolved, and checks mailed for Individual Class Payments and Individual PAGA Payments (“Weekly Report”). The Weekly Reports must include the Administrator’s assessment of the validity of Requests for Exclusion and attach copies of all Requests for Exclusion and objections received.
- 7.8.4 Workweek and/or Pay Period Challenges. The Administrator has the authority to address and make final decisions consistent with the terms of this Agreement on all Class Member challenges over the calculation of Workweeks and/or Pay Periods. The Administrator’s decision shall be final and not appealable or otherwise susceptible to challenge.
- 7.8.5 Administrator’s Declaration. Not later than 14 days before the date by which Plaintiff is required to file the Motion for Final Approval of the Settlement, the Administrator will provide to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its due diligence and compliance with all of its obligations under this Agreement, including, but not limited to, its mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing of Class Notices, attempts to locate Class Members, the total number of Requests for Exclusion from Settlement it received (both valid or invalid), the number of written objections and attach the Exclusion List. The Administrator will supplement its declaration as needed or requested by the Parties and/or the Court. Class Counsel is responsible for filing the Administrator’s declaration(s) in Court.
- 7.8.6 Final Report by Settlement Administrator. Within 10 days after the Administrator disburses all funds in the Gross Settlement Amount, the Administrator will provide Class Counsel and Defense Counsel with a final report detailing its disbursements by employee identification number only of all payments made under this Agreement. At least 15 days before any deadline set by the Court, the Administrator will prepare, and submit to Class Counsel and Defense Counsel, a signed declaration suitable for filing in Court attesting to its disbursement of all payments required under this Agreement. Class Counsel is responsible for filing the

Administrator's declaration in Court.

8. **CLASS SIZE ESTIMATES and ESCALATOR CLAUSE.** Based on its records, Defendant estimates that, as of the date of this Settlement Agreement, there are 145 Class Members and 4,103 Total Workweeks during the Class period. If the number of unique workweeks at issue for the Class Members is more than 110%, i.e., more than 4,513 workweeks, Defendant will pay a proportional amount in addition to the Gross Settlement Amount for each additional such unique workweek. Conversely, if the number of unique workweeks at issue for the Class Members is less than 90%, i.e., less than 3,693 workweeks, Defendant will pay a proportional amount less to the Gross Settlement Amount for each additional such unique workweek and the total amount of the Gross Settlement Amount shall be reduced accordingly.
9. **DEFENDANT'S RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 5% of the total of all Class Members, Defendant may, but is not obligated, elect to withdraw from the Settlement. The Parties agree that, if Defendant withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendant will remain responsible for paying all Settlement Administration Expenses incurred to that point. Defendant must notify Class Counsel and the Court of its election to withdraw not later than seven (7) days after the Administrator sends the final Exclusion List to Defense Counsel; late elections will have no effect.
10. **MOTION FOR FINAL APPROVAL.** Not later than 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 section 2699, subdivision (l), 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 in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.
  - 10.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five (5) court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.
  - 10.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

- 10.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Actions, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters and (iii) addressing such post-Judgment matters as are permitted by law.
- 10.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the Class Counsel Fees Payment and Class Counsel Litigation Expenses Payment set forth in this Settlement, the Parties, their respective counsel and all Participating Class Members who did not object to the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.
- 10.5 Appellate Court Orders to Vacate, Reverse or Materially Modify Judgment. If the reviewing Court vacates, reverses or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

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

**12. ADDITIONAL PROVISIONS.**

- 12.1 No Admission of Liability, Class Certification or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Actions have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Actions have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does grant Preliminary Approval, Final Approval or enter Judgment, Defendant reserves the right to contest certification of any class for any reasons, and Defendant reserves all available defenses

to the claims in the Actions, and Plaintiff reserves the right to move for class certification on any grounds available and to contest Defendant's defenses. The Settlement, this Agreement and Parties' willingness to settle the Actions will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

- 12.2 Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendant and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or generally, to any person, corporation, association, government agency or other entity except: (1) to the Parties' attorneys, accountants or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendant and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, any with third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. This paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 12.3 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 12.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants or inducements made to or by any Party.
- 12.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.
- 12.6 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and

supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

- 12.7 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 Party in this Settlement.
- 12.8 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.
- 12.9 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.
- 12.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 12.11 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.
- 12.12 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.
- 12.13 Confidentiality. To the extent permitted by law, all agreements made and orders entered during Actions and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 12.14 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 in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute or California Rules of Court rule. Not later than 90 days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy all paper and electronic versions of Class Data received from Defendant unless, prior to the Court's discharge of the Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destruction, of Class Data.

- 12.15     Headings. The descriptive heading of any section or paragraph of this Agreement is inserted for convenience of reference only and does not constitute a part of this Agreement.
- 12.16     Calendar Days. Unless otherwise noted, all reference to “days” in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.
- 12.17     Notice. All notices, demands or other communications between the Parties in connection with this Agreement will be in writing and deemed to have been duly given as of the third business day after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

To Plaintiff:     John G. Yslas  
                          Jeffrey C. Bills  
                          Aram Boyadjian  
                          Andrew Sandoval  
                          WILSHIRE LAW FIRM, PLC  
                          660 S. Figueroa St., Sky Lobby  
                          Los Angeles, California 90017

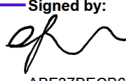
To Defendant:     Jeremy Mittman  
  
                          Mitchell Silberberg & Knupp LLP  
                          2049 Century Park East, 18th Fl  
                          Los Angeles, California 90067

- 12.18     Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e., DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.
- 12.19     Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to Code of Civil Procedure section 583.330 to extend the date to bring a case to trial under Code of Civil Procedure section 583.310 for the entire period of this settlement process.

**ACCEPTED AND AGREED:**

Dated: October 25, 2025

By Plaintiff Estefany Segovia:

Signed by:  


ABF37BECB08443C...

Dated: October 25, 2025

Defendant Produce Services of Los Angeles, Inc.

By Joshua Cruz

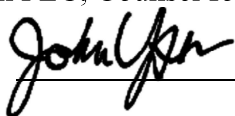


**Approved as to Form:**

Dated: October 23, 2025

Wilshire Law Firm PLC, Counsel for Plaintiff

By John G. Yslas:



Dated: October 23, 2025

Mitchell Silberberg & Knupp LLP, Counsel for Defendant

By Jeremy Mittman:



# **Exhibit A**

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

*Estefany Segovia v. Produce Services of Los Angeles, Inc.*  
Case No. 23STCV28902

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***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 and representative action lawsuits ("Actions") against Produce Services of Los Angeles, Inc. ("Defendant") for alleged wage and hour violations. The Actions were filed by a former employee Estefany Segovia ("Plaintiff") and seeks payment of (1) back wages and other relief for a class of hourly, non-exempt employees ("Class Members") who worked for Defendant during the Class Period June 2, 2019 to June 26, 2024; and (2) penalties under the Labor Code Private Attorney General Act of 2004 ("PAGA") for all hourly, non-exempt employees who worked for Defendant during the PAGA Period (December 27, 2022 to June 26, 2024 ("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 \$\_\_\_\_\_ (less withholding) and your Individual PAGA Payment is estimated to be \$\_\_\_\_\_**. The actual amount you may receive likely will be different and will depend on a number of factors. (If no amount is stated for your Individual PAGA Payment, then according to Defendant's records you are not eligible for an Individual PAGA Payment under the Settlement because you didn't work during the PAGA Period.)

The above estimates are based on Defendant's records showing that **you worked \_\_\_\_\_ workweeks** during the Class Period and **you worked \_\_\_\_\_ workweeks** during the PAGA Period. If you believe that you worked more workweeks during either period, you can submit a challenge by the deadline date. See Section 4 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 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 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 Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against Defendant, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

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

### SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

|                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>You Don't Have to Do Anything to Participate in the Settlement</b></p>                                                                                         | <p>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 claims against Defendant that are covered by this Settlement (Released Claims).</p>                                                                                                                                                                                                                                                                                                                                                                                           |
| <p><b>You Can Opt-out of the Class Settlement but not the PAGA Settlement</b></p> <p><b>The Opt-out Deadline is _____</b></p>                                        | <p>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 6 of this Notice.</p> <p>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).</p>                |
| <p><b>Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement</b></p> <p><b>Written Objections Must be Submitted by _____</b></p> | <p>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 Actions 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.</p> <p>You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section 7 of this Notice.</p> |

|                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>You Can Participate in the _____ Final Approval Hearing</b></p>                                                                     | <p>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 8 of this Notice.</p>                                                                                                             |
| <p><b>You Can Challenge the Calculation of Your Workweeks/Pay Periods</b></p> <p><b>Written Challenges Must be Submitted by _____</b></p> | <p>The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. 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 either of these numbers, you must challenge it by _____. See Section 4 of this Notice.</p> |

## 1. WHAT ARE THE ACTIONS ABOUT?

Plaintiff is a former employee of Defendant. The Actions accuse Defendant of violating California labor laws by failing to pay overtime wages, minimum wages, wages due upon termination and reimbursable expenses and failing to provide meal periods, rest breaks and accurate itemized wage statements. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the Labor Code Private Attorneys General Act of 2004 (Lab. Code, § 2698 *et seq.*) (“PAGA”). Plaintiff is represented by attorneys in the Actions: John G. Yslas, Jeffrey C. Bills, Aram Boyadjian, Andrew Sandoval of the Wilshire Law Firm, PLC (“Class Counsel.”)

Defendant strongly denies violating any laws or failing to pay any wages and contends it complied with all applicable laws.

## 2. WHAT DOES IT MEAN THAT THE ACTIONS HAVE SETTLED?

So far, the Court has made no determination whether Defendant or Plaintiff is correct on the merits. In the meantime, Plaintiff and Defendant hired an experienced, neutral mediator in an effort to resolve the Actions by negotiating an end to the case by agreement (settle the case) rather than continuing the expensive and time-consuming process of litigation. The negotiations were successful. By signing a lengthy written settlement agreement (“Agreement”) and agreeing to jointly ask the Court to enter a judgment ending the Actions 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.

### 3. WHAT ARE THE IMPORTANT TERMS OF THE PROPOSED SETTLEMENT?

1. Defendant Will Pay \$130,000 as the Gross Settlement (“Gross Settlement”). Defendant has agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel’s attorneys’ fees and expenses, the Administrator’s expenses, and penalties to be paid to the California Labor and Workforce Development Agency (“LWDA”). Assuming the Court grants Final Approval, Defendant will fund the GFV not more than 14 days after the Judgment entered by the Court become 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, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the GFV, the amounts of which will be decided by the Court at the Final Approval Hearing:
  - A. Up to \$43,333.33 (33 1/3% of the GFV) to Class Counsel for attorneys’ fees and up to \$17,000.00 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Actions without payment.
  - B. Up to \$5,000 as a Class Representative Award for filing the Actions, working with Class Counsel and representing the Class. A Class Representative Award will be the only monies Plaintiff will receive other than Plaintiff’s Individual Class Payment and any Individual PAGA Payment.
  - C. Up to \$5,500.00 to the Administrator for services administering the Settlement.
  - D. Up to \$20,000 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment (\$15,000) and 25% in Individual PAGA Payments to the Aggrieved Employees (\$5,000) based on their PAGA Period Pay Periods.

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

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the “Net Settlement”) by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.
4. Taxes Owed on Payments to Class Members. Plaintiff and Defendant are asking the Court to approve an allocation of 10% of each Individual Class Payment to taxable wages (“Wage Portion”) and 90% to (e.g., interest, 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 irrevocably lost to you because they will be paid to a non-profit organization or foundation ("Cy Pres").
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 \_\_\_\_\_, 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 \_\_\_\_\_ Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her/their representative setting forth a Class Member's name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against Defendant.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the Class Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against Defendant based on the PAGA Period facts alleged in the PAGA 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. Plaintiffs 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, Apex Class Action (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 9 of this Notice.
9. Participating Class Members' Release. After the Judgment is final and Defendant has fully funded the Gross Settlement 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 any other lawsuit against Defendant or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Actions and resolved by this Settlement.

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

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors and assigns, release Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Class Action and ascertained in the course of the Class Action, including, (1) Failure to Pay Minimum and Straight Time Wages; (2) Failure to Pay Overtime Wages; (3) Failure to Provide Meal Periods; (4) Failure to Authorize and Permit Rest Periods; (5) Failure to Timely Pay Final Wages at Termination; (6) Failure to Provide Accurate Itemized Wage Statements; (7) Failure to Indemnify Employees for Expenditures; (8) Failure to Produce Requested Employment Records; and (9) Unfair Business Practices. Except as set forth in Section 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.

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

The Aggrieved Employees' Releases for Participating and Non-Participating Class Members are as follows:

All Non-Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the PAGA Period facts stated in the PAGA Action, and the PAGA Notice and ascertained in the course of the PAGA Action.

#### **4. 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, 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 \$\_\_\_\_\_ by the total number of PAGA 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/Pay Period Challenges. The number of Class Workweeks you worked during

the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Defendant's records, are stated in the first page of this Notice. You have until \_\_\_\_\_ to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

You need to support your challenge by sending copies of pay stubs or other records. The Administrator will accept Defendant's calculation of Workweeks and/or Pay Periods based on Defendant's records as accurate unless you send copies of records containing contrary information. You should send copies rather than originals because the documents will not be returned to you. The Administrator will resolve Workweek and/or Pay Period 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.

## 5. HOW WILL I GET PAID?

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

**Your check will be sent to the same address as this Notice. If you change your address, be sure to notify the Administrator as soon as possible. Section 9 of this Notice has the Administrator's contact information.**

## 6. HOW DO I OPT-OUT OF THE CLASS 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 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 \_\_\_\_\_, and include your identifying information (full name, address, telephone number, approximate dates of employment 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 \_\_\_\_\_, or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

## 7. 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 days before the \_\_\_\_\_ Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Award

stating (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 Award. Upon reasonable request, Class Counsel (whose contact information is in Section 9 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 \_\_\_\_\_ (url) \_\_\_\_\_ or the Court's website \_\_\_\_\_ (url) \_\_\_\_\_.

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award 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 \_\_\_\_\_.** 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 \_\_\_\_\_ and include your name, current address, telephone number and approximate dates of employment for [Defendant] and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, 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 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

## 8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on \_\_\_\_\_ at \_\_\_\_\_ (time) \_\_\_\_\_ in Department 11 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://www.lacourt.org/lacc/>). 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 \_\_\_\_\_ beforehand or contact Class Counsel to verify the date and time of the Final Approval Hearing.

## 9. HOW CAN I GET MORE INFORMATION?

The 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 \_\_\_\_\_ (specify entity) website at \_\_\_\_\_ (url) \_\_\_\_\_. 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 (<http://www.lacourt.org/casesummary/ui/index.aspx>) [**confirm**] and entering the Case Number for the Action, Case No. 23STCV28902. 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:

John G. Yslas  
Jeffrey C. Bills  
Aram Boyadjian  
Andrew Sandoval  
WILSHIRE LAW FIRM, PLC  
660 S. Figueroa St., Sky Lobby  
Los Angeles, California 90017

Settlement Administrator:

Name of Company:

Email Address:

Mailing Address:

Telephone:

Fax Number:

**10. 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 will have no way to recover the money.

**11. 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 2**

# **EXHIBIT 2**

## Theresa Chan

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**From:** no-reply@formassembly.com  
**Sent:** Wednesday, December 3, 2025 12:33 PM  
**To:** Theresa Chan  
**Subject:** Thank you for your Proposed Settlement Submission

12/03/2025 12:32:22 PM

Thank you for your submission to the Labor and Workforce Development Agency.

Item submitted: Proposed Settlement

On 12/03/2025 12:32:22 PM your Proposed Settlement was successfully processed for case number LWDA-CM-1014193-24

If you have questions or concerns regarding this submission or your case, please send an email to [pagainfo@dir.ca.gov](mailto:pagainfo@dir.ca.gov).

DIR PAGA Unit on behalf of  
Labor and Workforce Development Agency

Website:

[https://nam12.safelinks.protection.outlook.com/?url=http%3A%2F%2Flabor.ca.gov%2FPrivate\\_Attorneys\\_General\\_Act.htm&data=05%7C02%7Ctheresa.chan%40wilshirelawfirm.com%7C96175b7613a54024ae5b08de32ab193d%7C9ada260a4f194da187b814d372333753%7C1%7C0%7C639003907609670451%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiwlLjAuMDAwMCIslIAiOiJXaW4zMilslkFOljoiTWFpbCIsIldUIjoyfQ%3D%3D%7C0%7C%7C%7C&sdata=1HTGltBUYXCUR0R9qm4HsLOUIq21kHXejzlgyyqRRvk%3D&reserved=0](https://nam12.safelinks.protection.outlook.com/?url=http%3A%2F%2Flabor.ca.gov%2FPrivate_Attorneys_General_Act.htm&data=05%7C02%7Ctheresa.chan%40wilshirelawfirm.com%7C96175b7613a54024ae5b08de32ab193d%7C9ada260a4f194da187b814d372333753%7C1%7C0%7C639003907609670451%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOiwlLjAuMDAwMCIslIAiOiJXaW4zMilslkFOljoiTWFpbCIsIldUIjoyfQ%3D%3D%7C0%7C%7C%7C&sdata=1HTGltBUYXCUR0R9qm4HsLOUIq21kHXejzlgyyqRRvk%3D&reserved=0)

# **EXHIBIT 3**

# **EXHIBIT 3**

**WILSHIRE LAW FIRM, PLC**

3055 Wilshire Blvd, 12<sup>th</sup> Floor  
Los Angeles, CA 90010  
Tel: (213) 381-9988  
Fax: (213) 381-9989  
www.wilshirelawfirm.com



Bobby Saadian, Esq. JD/MBA

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John Yslas, Esq.  
Tae Kim, Esq.  
Jon Teller, Esq.  
Johnny Ogata, Esq.  
Carolin Shining, Esq.  
Nicol Hajjar, Esq.  
Thiago Coelho, Esq.  
Christina Le, Esq.

Jennifer Leinbach, Esq.  
Jeffrey Bils, Esq.  
Nathan Kingery, Esq.  
Elizabeth Votra, Esq.  
Benjamin Haber, Esq.  
Ghazaleh Attaran, Esq.  
Adam Sherman, Esq.  
Jesenia Martinez, Esq.  
Arrash Fattahi, Esq.  
Jesse Chen, Esq.

March 1, 2024

LWDA

Attn. PAGA Administrator  
1515 Clay Street, Ste. 801  
Oakland, CA 94612  
**(Via Online Submission)**

Jeremy Mittman, Esq.  
Talya Cytryn, Esq.  
MITCHELL SILBERBERG & KNUPP LLP  
2049 Century Park East, 18th Floor  
Los Angeles, CA 90067  
*Attorneys for Produce Services of Los Angeles, Inc.*  
**(Via Certified Mail, Return Receipt Requested)**  
**#9489 0090 0027 6621 5405 70**

Re: **Estefany Segovia v. Produce Services of Los Angeles, Inc.**  
**Notice of Labor Code Violations and PAGA Penalties**

To Whom It May Concern:

Please be advised that my office has been retained by Estefany Segovia ("Ms. Segovia" or "Employee") to pursue a Labor Code Private Attorneys General Act of 2004 ("PAGA") representative action (Cal. Lab. Code §§ 2699, *et seq.*) against her former employers, Produce Services of Los Angeles, Inc. ("Produce Services" or "Employers"). The purpose of this letter is to comply with PAGA and set forth the facts and theories of California Labor Code violations which we allege Employers engaged in with respect to Employee and some or potentially all of Employers' Aggrieved Employees.

Ms. Segovia wishes to pursue this action on behalf of Employee as Aggrieved Employee, on behalf of the State of California, as well as on behalf of some or potentially all other persons who worked for Produce Services in California as a non-exempt or hourly-paid employee at any time within the applicable statutory period (hereafter, the "Aggrieved Employees").

Employee and the Aggrieved Employees, or some of them, suffered the Labor Code violations described below.

**Ms. Segovia's Employment with Produce Services**

Produce Services is a produce wholesaler. Employee worked in accounts receivable. In performing Employee's duties, Employee was frequently deprived of an opportunity to take legally compliant meal periods and rest breaks. Employers failed to provide Employee and other Aggrieved Employees with meal and rest break premiums that they were entitled to. Additionally, Employee

necessarily incurred business-related expenses, but Employers failed to reimburse such business-related expenses. These are just non-exhaustive examples of the facts and theories the Employee asserts, which are described in more detail below.

Employers own/owned and operate/operated an industry, business, and establishment within the State of California. As such and based upon all the facts and circumstances incident to Employers' business in California, Employers are subject to the California Labor Code, Wage Orders issued by the Industrial Welfare Commission ("IWC"), and the California Business & Professions Code.

Ms. Segovia is a resident of Huntington Park, California who worked for Employers in Los Angeles County, California as an hourly-paid, non-exempt employee from approximately January 2020 through approximately September 2022.

During Employee's employment for Employers, Employers paid Employee an hourly wage and classified Employee as non-exempt from overtime. Employers typically scheduled Employee to work at least five days in a workweek and at least eight hours per day, but Employee also worked more than eight hours in a workday and more than forty (40) hours in a workweek.

Throughout Employee's employment, Employers failed to pay for all hours worked (including minimum, straight time, and overtime wages), failed to provide Employee with legally compliant meal periods, failed to authorize and permit Employee to take rest periods, failed to timely pay all final wages to Employee when Employers terminated Employee's employment, failed to furnish accurate wage statements to Employee, failed to indemnify Employee for business expenditures, and failed to timely produce Employee's requested employment records. As discussed below, Employee's experience working for Employers was typical and illustrative.

### **Failure to Pay for All Hours Worked, Including Minimum, Straight Time, and Overtime Wages**

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 hours in any workday or forty (40) hours in a workweek unless they receive additional compensation beyond their regular wages in amounts specified by law.

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

Throughout the statutory period, Employers at times failed to pay Employee and the Aggrieved Employees, or some of them, for all hours worked, including minimum, straight time, and overtime wages. Employers at times required Employee and the Aggrieved Employees, or some of them, to work "off-the-clock," uncompensated, by, for example, requiring Employee and the Aggrieved Employees to perform work during uncompensated meal periods and rest periods, and requiring Employee and the Aggrieved Employees to perform work before clocking in and/or after clocking out. Some of this unpaid work should have been paid at the overtime rate. California Labor Code § 510 requires that employers compensate employees 1.5 times their regular rate of pay when employees work over eight hours per day, 40 hours per week, or when employees work up to eight

hours on any seventh day of a workweek. Employers at times failed to properly calculate Employee's regular rate of pay when paying overtime, by failing to include all compensation in Employee's overtime calculations. In failing to pay for all hours worked, Employers also failed to maintain accurate records of the hours Employee and the Aggrieved Employees, or some of them, worked.

Throughout the statutory period, Employers also engaged, at times, in a practice of improper rounding. Under *Camp v. Home Depot U.S.A., Inc.* (2022) 84 Cal.App.5th 638, because Employers could and did track the exact time in minutes that Employee worked, they must pay for all time worked. When an employer uses an electronic timekeeping system to record time worked, this ability to "precisely capture time worked" means that "the employer must pay the employee for that worktime when due." (*Id.* at 671.) As a result of Employers' rounding policy, Employee consistently was not compensated at least minimum wage for all hours that Employee worked.

As a result, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code §§ 210, 1197.1, and 2699(f)(2) for failing to pay for all hours worked, including minimum, straight time, and overtime wages.

### **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, Employers at times wrongfully failed to provide Employee and the Aggrieved Employees, or some of them, with their legally mandated 30-minute, uninterrupted, and duty-free meal period in a manner required by law (and also including but not limited to failing at times to provide Plaintiff, the Class, and the Aggrieved Employees, or some of them, the opportunity to leave the work premises to take meal periods). Employers also continued to assert control over Employee and the Aggrieved Employees, or some of them, by, among other things, requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory meal periods, or by denying Employee and the Aggrieved Employees, or some of them, permission to take a meal period under the conditions required by law, and without properly compensating Employee and the Aggrieved Employees, or some of them, for meal periods that were not provided as required by law. Employers also did not inform Employee of Employee's right to, nor permitted Employee to take, all of Employee's second meal periods when Employee worked at least ten hours of work in a workday and otherwise unlawfully pressured Employee to waive such breaks. Accordingly, Employers at times failed to provide meal periods to Employee and the Aggrieved Employees, or some of them, in compliance with California law.

Employee and the Aggrieved Employees, or some of them, are thus entitled to be paid one hour of additional wages for each workday they were not provided with all required meal period(s). Employers, however, at times failed to pay Employee and the Aggrieved Employees, or some of them, the additional wages to which they were entitled for meal periods that were not provided. As a result, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code §§ 210 and 2699(f)(2) for failing to provide meal

periods and pay meal period premium wages.

### **Failure to Authorize and Permit Rest Periods**

Employers are required by California law to authorize and permit breaks of ten 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 six hours and ten minutes, the employee is entitled to two rest breaks. Each failure to authorize rest breaks as so required is itself a violation of California's rest break laws.

Throughout the statutory period, Employers at times have wrongfully failed to authorize and permit Employee and the Aggrieved Employees, or some of them, to take legally compliant rest periods in a manner required by law (and also including but not limited to failing, at times, to authorize and permit Plaintiff, the Class, and the Aggrieved Employees, or some of them, the opportunity to leave the work premises to take rest periods). Employers at times required Employee and the Aggrieved Employees, or some of them, to work in excess of four consecutive hours a day without Employers' authorizing and permitting Employee to take a 10-minute, uninterrupted, duty-free rest period for every four hours of work (or major fraction of four hours), or without compensating Employee and the Aggrieved Employees, or some of them, for rest periods that were not authorized or permitted. Instead, Employers at times continued to assert control over Employee and the Aggrieved Employees, or some of them, by requiring, pressuring, or encouraging them to perform work tasks which could not be completed without working in lieu of taking mandatory rest periods, or at times by denying Employee and the Aggrieved Employees, or some of them, permission to take a rest period.

Accordingly, Employers at times failed to authorize and permit Employee and the Aggrieved Employees, or some of them, to take rest periods in compliance with California law. Employee and the Aggrieved Employees, or some of them, 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). Employers, however, at times failed to pay Employee and the Aggrieved Employees, or some of them, the additional wages to which they were entitled for rest periods that they were not authorized and permitted to take.

As a result, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code §§ 210 and 2699(f)(2) for failing to authorize and permit rest periods and pay rest period premium wages.

### **Failure to Pay All Earned Wages Twice Per Month**

Based on Employers' failure at times to pay Employee and the Aggrieved Employees, or some of them, for all wages as discussed above, Employers also violated Labor Code § 204.

Labor Code § 204 requires employers to pay employees all earned wages two times per month. Throughout the statute of limitations period applicable to this cause of action, employees were 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 overtime hours worked. However, at times, Employers failed and refused to pay the Employee all wages due, and failed to pay those wages twice a month, in that Employee was not paid all wages for all meal periods not provided by Employers, all wages for all rest periods not authorized and permitted by Employers, and all wages for all hours worked. As a result, Employers owe Employee the legally required wages for unpaid wages, and Employee and the Aggrieved Employees, or some of them, suffered damages

in those amounts.

Moreover, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code § 210 for failing to pay all earned wages twice per month.

### **Failure to Maintain Accurate Records of Hours Worked and Meal Periods**

Employee seeks penalties under California Labor Code § 1174(d). Pursuant to California Labor Code § 1174.5, any person, including any entity, employing labor who willfully fails to maintain accurate and complete records required by California 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.

Employers, however, at times failed to maintain accurate records of hours worked and all meal periods taken or missed by Employee and the Aggrieved Employees, or some of them.

Employers' failure to provide and maintain records required by the California Labor Code and the applicable IWC Wage Orders deprived Employee and the Aggrieved Employees, or some of them, the ability to know, understand and question the accuracy and frequency of meal periods, and the accuracy of their hours worked stated in Employers' records. Therefore, Employee and the Aggrieved Employees, or some of them, had no way to dispute the resulting failure to pay wages, all of which resulted in an unjustified economic enrichment to Employers. As a direct result, Employee and the Aggrieved Employees, or some of them, 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 attorneys' fees in seeking to compel Employers to fully perform their obligation under state law, all to their respective damage in amounts according to proof at trial. As a result of Employers' knowing failure, at times, to comply with the California Labor Code and applicable IWC Wage Orders, Employee and the Aggrieved Employees, or some of them, have also suffered an injury in that they were prevented from knowing, understanding, and disputing the wage payments paid to them.

### **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 Employee and many other Aggrieved Employees ended, i.e., was terminated by quitting or being discharged, and the employment of others will be terminated. However, during the relevant time period, Employers at times failed, and continue at times to fail, to pay Employee and terminated Aggrieved Employees, or some of them, 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 Employers' employment. These unpaid wages include wages for unpaid work time (including minimum, straight time, and overtime wages), missed meal period premium wages, and missed

rest period premium wages.

Employers' 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, Employee and the Aggrieved Employees, or some of them, are entitled to recover from Employers their additionally accruing wages for each day they were not paid, at their regular hourly rate of pay, up to thirty (30) days maximum pursuant to Labor Code § 203.

Moreover, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code § 2699(f)(2) for failing to timely pay all wages at termination.

### **Failure to Furnish Accurate Itemized Wage Statements**

Labor Code § 226(a) provides that every employer shall, semimonthly or at the time of each payment of wages, 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).)

Throughout the statutory period, Employers at times failed to, and continue at times to fail, to timely furnish Employee and the Aggrieved Employees, or some of them, with accurate, itemized wage statements showing all applicable hourly rates, and all gross and net wages earned (including correct hours worked, correct wages for meal periods that were not provided in accordance with California law, and correct wages for rest periods that were not authorized and permitted to take in accordance with California law).

Because Employers at times violated Labor Code § 226, Employee and similarly Aggrieved Employees, or some of them, suffered injury and damage to their statutorily protected rights. Accordingly, Employee and similarly Aggrieved Employees, or some of them, are entitled to recover from Employers the greater of their actual damages caused by Employers' failure to comply with Labor Code § 226(a), or an aggregate penalty not exceeding four thousand dollars (\$4,000) per employee. Moreover, Employers are liable to Employee and the Aggrieved

Employees, or some of them, for the civil penalties provided for in Labor Code § 226.3 for failing to timely furnish accurate itemized wage statements.

#### **Failure to Indemnify for Necessary Expenditures**

Labor Code § 2802(a) provides that employers shall indemnify their employees for all necessary business expenditures or losses that have been incurred by the employees in direct discharge of his or her duties. Throughout the statute of limitations period applicable to this cause of action, Employers at times wrongfully required Employee and the Aggrieved Employees, or some of them, to pay expenses that they incurred in direct discharge of their duties for Employers. Employee and the Aggrieved Employees, or some of them, at times paid out-of-pocket for necessary employment-related expenses. Employee and the Aggrieved Employees, or some of them, incurred substantial expenses as a direct result of performing their job duties for Employers, but Employers failed to indemnify Employee and the Aggrieved Employees, or some of them, for these employment-related expenses.

As a result, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code §§ 2802 and 2699(f)(2) for failing to indemnify Employee and the Aggrieved Employees, or some of them, for necessary business expenditures.

#### **Failure to Produce Requested Employment Records**

Labor Code § 226 provides that current and former employees have the right to inspect or receive a copy of their records pertaining to their employment, upon reasonable request to their employer. Under this statute, an employer that receives a request to inspect or receive a copy of records pertaining to a current or former employee must comply with the request as soon as practicable, but no later than twenty-one (21) calendar days from the date of the request. Labor Code § 1198.5(a) also provides that every current and former employee, or his or her representative, has the right to inspect and receive a copy of the personnel records that the employer maintains relating to the employees' performance or to any grievance concerning the employee.

Under this statute, upon written request from a current or former employee or his or her representative, an employer must make the contents of those personnel records available for inspection or provide a copy of the personnel records to the current or former employee, or his or her representative, not later than thirty (30) calendar days from the date the employer receives the written request, subject to some limited exceptions. Labor Code § 432 provides that if an employee or applicant signs any instrument relating to the obtaining or holding of employment, he or she shall be given a copy of the instrument upon request. On information and belief, Employee and the Aggrieved Employees, or some of them, submitted written request(s) to Employers for their payroll records, timecards, and personnel records but did not timely receive them as required by the Labor Code.

As a result, Employers are liable to Employee and the Aggrieved Employees, or some of them, for the civil penalties provided for in Labor Code §§ 226(f), 1198.5(k), and 2699 for failing to timely produce the requested records.

#### **Recordkeeping Requirement Violations**

California Labor Code section 1174 requires employers to keep "accurate and complete" payroll records showing, among other things, the hours worked daily by Employees and Aggrieved Employees. All applicable IWC Wage Orders, section 7 similarly requires employers to keep

accurate time records reflecting the times during which all owed meal periods were provided each day.

Based on information and belief, Employers at times failed, and continue at times to fail, to keep accurate and complete payroll records as required by law, including but not limited to the following records: total daily hours worked, applicable rates of pay, time records showing when Employee and other Aggrieved Employees began and ended each work period, time records of meal periods, and accurate itemized wage statements.

Based on information and belief, Employers at times failed and continue at times to fail to keep accurate and complete records showing total hours worked by Employee and Aggrieved Employees, or some of them, by virtue of Employers' time rounding and/or auto deduction policies and practices and/or other off-the-clock work policies and practices.

Employers failed at times and continue at times to fail to keep accurate and complete records showing total hours worked by virtue of Employers' failure to relieve Employee and Aggrieved Employees, or some of them, of all duties and Employers' control for unpaid meal periods, resulting in unpaid hours worked.

Based on information and belief, Employers further failed at times, and continue at times to fail, to record the true start and end times of Employee's and Aggrieved Employees' meal periods, or some of them.

Based on further information and belief, Employers further failed at times and continue at times to fail, to record the true start and end times of Employee's and Aggrieved Employees' work shifts, or some of them.

Additionally, Employers at times failed, and continue at times to fail, to keep accurate records and issue accurate wage statements by not documenting accrued sick time for Employee and Aggrieved Employees, or some of them. Employers' failure to keep "accurate and complete" payroll records for Employee and Aggrieved Employees, or some of them, violates Labor Code sections 1174, 1198, 1199, and all applicable IWC Wage Orders, section 7. These violations subject Employers to civil penalties under Labor Code sections 558.1, 226.6, 1174.5 and 2699. Each violation of each Labor Code section and Wage Order provision, for each Aggrieved Employee (or some of them), results in a separate civil penalty.<sup>1</sup>

### **Violation of Wage Theft Protection Act of 2011**

Based on information and belief, Employers failed at times, and continue at times to fail, to comply with the notice requirements of Labor Code section 2810.5 (*i.e.*, the Wage Theft Protection Act of 2011) by, among other things, failing to provide Employee and Aggrieved Employees, or some of them, with the rates of pay and overtime rates of pay applicable to their employment, allowances claimed as part of the minimum wage, the regular payday designated by Employers, the name of the employer, including any "doing business as" names used, the name, address and telephone number of the workers' compensation insurance carrier, information regarding paid sick leave, and other pertinent information required to be disclosed by Employers under Labor Code section 2810.5. Employee is informed and believes that failure to provide such information, including

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<sup>1</sup> See Lab. Code §2699(f)(2) (establishing that the civil penalty is "for each aggrieved employee per pay period").

rates of pay that are in effect, has permitted Employers to pay Aggrieved Employees, or some of them, at rates of pay that were not agreed upon and violate minimum wage and overtime wage laws in California. Employee is additionally informed and believes that the notice requirement of Labor Code section 2810.5 involves a mandatory payroll or workplace injury reporting. Among other relief, Aggrieved Employees, or some of them, may collect from Employers in connection with these violations' civil penalties pursuant to Labor Code sections 558 and 2699.

**Violation of California Labor Code §§ 245-248.5**

Throughout the relevant time period, Employers at times failed to provide proper paid sick leave to Employee and other Aggrieved Employees, or some of them. Employers either failed at times to provide paid sick leave at all or improperly calculated the sick leave accrual and the sick leave rate of pay owed to Employee and other Aggrieved Employees, or some of them, by failing at times to base the accrued sick leave hours on the correct number of hours worked (as a result of the rounding/automatic deduction policies and practices for meal periods and/or shift start and end times/other required off-the-clock work including but not limited to unpaid meal periods that were restricted to Employers' premises) and by failing at times to incorporate multiple rates of pay and/or all non-discretionary remuneration, including but not limited to, non-discretionary bonuses, shift differential pay and/or other non-discretionary compensation into the sick leave pay rate calculation.

Based on information and belief, Employers further failed at times to provide notice of the correct sick leave amount balance available to Employee and other Aggrieved Employees, or some of them, on their wage statements or other written statement.

Based on information and belief, Employers at times failed to put Aggrieved Employees, or some of them, on notice of their paid sick leave rights, thereby failing at times to put their entitlement to sick leave in a Labor Code section 2810.5 notice. In addition, Employers at times failed to maintain accurate records of used sick leave and the balance of paid sick leave left to the Aggrieved Employees, or some of them.

Based on information and belief, Employers at times failed to provide notice of sick leave amount balance left for Employee and other Aggrieved Employees, or some of them, thus affecting their intelligent exercise of their paid sick leave. But for this failure, Employee and other Aggrieved Employees, or some of them, would have used their paid sick leave at least prior to their respective separations, for as on several occasions thereafter, he or she would have been entitled to use the banked sick leave and earn appropriate compensation.

This illegal retention of paid sick leave is unlawful, and Employee seeks all forms of injunctive relief, restitution, and declaratory relief as permitted by California law, on behalf of Employee and the Aggrieved Employees, or some of them.

In violation of Labor Code section 247.5, Employers at times failed to maintain records documenting the hours worked and paid sick days accrued and used by Employee and Aggrieved Employees, or some of them, permitting the presumption that Employee and these Aggrieved Employees, or some of them, were entitled to the maximum number of hours accruable under this article.

Upon information and belief, Employers at times further failed and continue at times to fail to comply with Labor Code section 246, by failing to provide Employee and Aggrieved Employees, or some of them, with a Labor Code section 226 wage statement, or separate writing containing

the amount of paid sick leave available, or paid time off leave an employer provides in lieu of sick leave, at the time it pays wages.

Employers at times unlawfully retained and continue at times to retain paid sick leave that should have been paid but was not, as a result of Employers' failure, at times, to properly institute a paid sick leave program.

On information and belief, Employee alleges that these practices at times were experienced and continue to be experienced at times by other Aggrieved Employees, or some of them.

Employee 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 Employers' sole failure to institute such a paid sick leave entitlement or paid sick leave bank as required by California law.

Accordingly, Employee and other Aggrieved Employees, or some of them, are entitled to injunctive relief, attorneys' fees, declaratory relief, restitution, and penalties as permitted by law. Employee requests all relief pursuant to the aforementioned code provisions, including but not limited to Labor Code sections 233 and 234, which incorporates the paid sick leave requirements.

### **Failure To Provide Supplemental Paid Sick Leave**

Labor Code section 248.2 provides that all employers with 26 or more employees are required to provide up to 80 hours for covered employees to take 2021 COVID-19 Supplemental Paid Sick Leave to care for themselves, to care for a family member or if it is vaccine-related. Based on information and belief, Employers at times violated Labor Code section 248.2 by not providing Aggrieved Employees, or some of them, with required 2021 COVID-19 Supplemental Paid Sick Leave.

### **Refusal to Make Payment**

Labor Code section 216 declares unlawful an employer's refusal to pay wages due and payable and/or denial of the validity of any claim to wages due.

Employers at times violated and continue at times to violate Labor Code section 216 by failing to pay Employee and Aggrieved Employees, or some of them, for all hours worked at the proper wage rate and by failing to pay Employee and Aggrieved Employees, or some of them, an additional hour of pay for each meal and/or rest period not provided or that was invalid. *Gould v. Maryland Sound Industries, Inc.* (1995) 31 Cal.App.4th 1137, 1154-1155. These violations subject Employers to civil penalties under Labor Code section 225.5. Each violation results in a *separate* civil penalty, for each Aggrieved Employee (or some of them) so affected, for each pay period (or some of them) during which the statute's provisions were violated.<sup>2</sup>

### **Seating Violations**

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<sup>2</sup> Labor Code § 225.5 (establishing that “[i]n addition to, and entirely independent and apart from, any other penalty provided in this article, every person who unlawfully withholds wages due any employee in violation of sections 212, 216, 221, 222, or 223 shall be subject to a civil penalty...for each failure to pay each employee”) (emphasis added).

Per section 14(A-B) of all applicable IWC Wage Orders, employees shall be provided with suitable seats when the nature of the work reasonably permits the use of seats and when they are not actively engaged in the work duties that would not permit them to be seated.

All applicable IWC Wage Orders, Section 14(A-B) provides:

(A) All working employees shall be provided with suitable seats when the nature of the work reasonably permits the use of seats.

(B) When employees are not engaged in the active duties of their employment and the nature of the work requires standing, an adequate number of suitable seats shall be placed in reasonable proximity to the work area and employees shall be permitted to use such seats when it does not interfere with the performance of their duties.

Suitable seating is one of the worker protections covered by California's Wage Orders, which have the same dignity as statutes, are remedial in nature and are to be broadly construed to effectuate the goal of protecting the comfort and welfare of employees. *Brinker Restaurant Corp. v. Superior Court*, 53 Cal.4th 1004, 1027 (2012).

Based on information and belief, Employers at times failed to provide Aggrieved Employees, or some of them, with suitable seating, and when such employees, or some of them, were not engaged in duties which required them to stand, at times no seating was placed in reasonable proximity to their workstations.

Moreover, based on information and belief, the nature of the work reasonably permitted the use of seats for at least part of the time that Aggrieved Employees were working. Lastly, based on information and belief, Aggrieved Employees at times were not engaged in active duties of their employment, yet at times there were no suitable seats in reasonable proximity to the work area, and use of seats would not have interfered with the performance of their duties.

Employers' Aggrieved Employees worked in various positions. The nature of Employee's and other Aggrieved Employees' work, or some of them, reasonably permitted the use of seats. However, Employers at times failed to provide suitable seating in reasonable proximity to Aggrieved Employees' work areas, or some of them, in violation of section 14(A-B) of applicable Wage Orders, and Labor Code sections 1198 and 1199, subjecting Employers to civil penalties under Labor Code sections 1199 and 2699. Each violation of each Labor Code section and IWC Wage Order provision, for each Aggrieved Employee, or some of them, results in a separate civil penalty.<sup>3</sup>

### **Statutory Wage Violations**

Labor Code section 223 makes it unlawful for an employer to secretly pay wages lower than required by statute while purporting to pay legal wages.

As described above, Employers at times willfully and systematically denied Employee and other Aggrieved Employees, or some of them, of minimum and overtime wage compensation for all hours worked which resulted in the payment of less than statutorily required wages owed to them.

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<sup>3</sup> See Lab. Code §2699(f)(2) (establishing that the civil penalty is "for each aggrieved employee per pay period").

Employers at times acted with the intent to deprive some or all of them of statutory wages, including, but not limited to, overtime wages and minimum wages, to which they were entitled to under California law.

Thus, Employers at times paid Employee and other Aggrieved Employees, or some of them, lower wages than those to which they were entitled, while purporting that Employee and all Aggrieved Employees were properly paid. As such, Employee and Aggrieved Employees, or some of them, are entitled to recover penalties, attorneys' fees, costs, and interest thereon, pursuant to Labor Code § 2699(f)-(g).

#### **Failure to Pay Vested Vacation/Paid Time Off**

California Labor Code section 227.3 provides that when an employer policy provides for paid vacations and/or paid time off, and an employee is terminated without having taken off his, her, or their vested vacation time, all vested vacation shall be paid to the employee as wages at the employee's final rate in accordance with such contract of employment or employer policy respecting eligibility or time served and that there shall be no forfeiture of vested vacation time or paid time off upon termination. Based on information and belief, Employers at times had and continue at times to have a policy and/or practice of failing to allow Aggrieved Employees, or some of them, and Exempt Aggrieved Employees, or some of them, to use their earned vacation/paid time off during their employment and failing at times to pay all vested, accrued paid time off to Aggrieved Employees, or some of them, and/or Exempt Aggrieved Employees, or some of them, upon separation of employment, in violation of California law, including but not limited to, Labor Code section 227.3.

#### **Failure to Timely Provide Temporary Workers with Owed Wages**

On information and belief, Employers at times had and have failed to provide temporary workers, or some of them, with owed wages weekly by not later than the regular payday of the following week. As a result, pursuant to Labor Code section 201.3, Employers would be liable for civil penalties pursuant to Labor Code sections 201.3.

#### **Unlawful Agreements/ Unlawful Criminal History Inquiries**

##### **Unlawful Agreements**

Labor Code section 432.5 provides that "no employer ... shall require any employee or applicant for employment to agree, in writing, to any term or condition which is known by such employer ... to be prohibited by law." Based on information and belief, Employers at times required Employee, Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree in writing to unlawful conditions of employment including but not limited to unlawful non-compete and/or non-solicitation agreements as well as unlawful criminal and/or financial checks as a condition of obtaining and/or continuing employment in violation of Labor Code section 432.5.

The California Labor Code places certain procedural and substantive limits on employers' ability to conduct employee background checks and on how employers can use the information they obtain through those background checks. Labor Code section 1024.5 states that employers, except for financial institutions, may order a credit check only if the individual works (or is applying to work) in certain positions (e.g., managerial positions, financially related positions, and certain government positions). Additionally, the Investigative Consumer Reporting Agencies Act (ICRAA - CA Civil Code section 1786, *et seq.*) and the Fair Credit Reporting Act (FCRA - 15

U.S.C. section 1681, *et seq.*) mandate several requirements prior to and following an employee background check, including but not limited to identifying an appropriate reason for the background check, a separate consent form with required disclosures and certain formatting requirements, additional forms such as a summary of rights, a way by which to request a copy of the report, as well as proper notice of adverse actions taken, among other statutory requirements.

Based on information and belief, Employers at times ordered unlawful financial credit checks on Aggrieved Employees and Exempt Aggrieved Employees, or some of them, in violation of Labor Code section 1024.5, and at times required Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to provide ongoing written consent to the unlawful credit checks as a condition of employment, in violation of California and Federal law, which results in a further violation of Labor Code section 432.5.

Based on information and belief, Employers also at times required Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to submit and/or agree to submit in writing to unlawful criminal background checks as a condition of obtaining and/or holding employment in violation of the ICRAA and the FCRA. For example, based on information and belief, Employers required Employee to submit and/or agree to submit in writing to an unlawful background check as a condition of obtaining and/or holding employment in violation of, including but not limited to, Labor Code section 432.5.

Based on information and belief, Employers at times required Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree in writing to a background check which failed to abide by the requirements set forth in California Civil Code section 1786, *et seq.* and 15 U.S.C. section 1681, *et seq.*, including but not limited to by failing, at times, to provide a clear and conspicuous disclosure (and/or failing to provide any disclosure at all), failing at times to provide disclosures free of extraneous information, failing at times to provide a lawful purpose for the background check, failing at times to provide a summary of rights under the ICRAA and/or the FCRA, failing at times to provide a way by which the individual could request a copy of the report, failing at times to disclose the name, address, and telephone number of the third party preparing the report, and failing at times to properly obtain authorization or consent to such a background check, and thus was an unlawful background check.

By at times requiring Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree in writing to unlawful criminal and/or financial checks not in conformance with the applicable laws, Employers violated Labor Code section 432.5.

Based on information and belief, Employers also at times required Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree in writing to provide ongoing consent to Employers to conduct background checks throughout the duration of employment, in violation of the ICRAA and/or FCRA and/or other applicable laws, resulting in a further violation of Labor Code section 432.5, by at times requiring applicants and employees, or some of them, to agree to an unlawful provision as a condition of employment.

Based on further information and belief, Employers knew that requiring Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree at times to unlawful criminal and/or financial background checks as a condition of obtaining and/or holding employment was unlawful.

By requiring Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree at times in writing to unlawful provisions as a condition of employment, Employers violated Labor

Code section 432.5.

*Unlawful Inquires into Criminal History*

Labor Code section 432.7 prohibits an employer from asking applicants about past arrest(s) unless they resulted in conviction(s) and even then, certain limitations apply. Based on information and belief, Employers at times asked Aggrieved Employees and Exempt Aggrieved Employees, or some of them, about arrests not resulting in convictions on their employment application, in violation of California law.

Upon information and belief, Employers, in violation of California law, including but not limited to the Fair Chance Act/the California Fair Employment and Housing Act (“FEHA”), at times asked Aggrieved Employees and Exempt Aggrieved Employees, or some of them, about convictions prior to extending an offer of employment and/or otherwise impermissibly inquired into criminal history on their employment application in violation of California law.

By asking, at times, about arrests not resulting in convictions, Employers violated Labor Code section 432.7. By asking, at times, about convictions at the application phase or prior to extending an employment offer, Employers violated California’s Fair Chance Act, and thereby violated Labor Code section 432.5 by unlawfully requiring Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree in writing to disclose arrests and/or convictions as a condition of employment.

*Unlawful PAGA Waiver*

Additionally, Employers at times violated Labor Code section 432.5 by requiring Employee, Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree in writing to other unlawful agreements, including but not limited to an unlawful waiver of PAGA and or representative actions, as a condition of employment.

An action pursuant to PAGA “...is a representative action on behalf of the state” *Kim v Reins Int’l California, Inc.*, (2020) 9 Cal. 5th 73, 86-87. It is well settled that agreements purporting to waive an employee’s right to a trial of PAGA claims is contrary to California law and unenforceable. *See Iskanian v CLS Transportation Los Angeles, LLC* (2014) 59 Cal. 4th 348, 384 (“We conclude that where, as here, an employment agreement compels the waiver of representative claims under the PAGA, it is contrary to public policy and unenforceable as a matter of state law.”).

Moreover, the California Supreme Court has ruled that a court cannot compel arbitration of an aggrieved employee’s individual PAGA claim because there is no such thing as an individual PAGA claim. *Kim v Reins Int’l California, Inc.*, (2020) 9 Cal. 5th 73, 86-87 (“There is no individual component to a PAGA action because ‘every PAGA action ... is a representative action on behalf of the state.’”).

Upon information and belief, Employers at times required Employee, Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree in writing to waive their right to a trial of PAGA claims in violation of California law. By at times requiring Employee, Aggrieved Employees and Exempt Aggrieved Employees, or some of them, to agree, in writing, to an unlawful PAGA waiver, Employers at times required written agreement to an unlawful provision as a condition of employment, which is a violation of labor code section 432.5.

As such, Employee, Aggrieved Employees and Exempt Aggrieved Employees, or some of them, continue to be subject at times to various unlawful provisions as a condition of employment.

### **Preventing Employees from Using or Disclosing Skills, Knowledge, and Experience**

On information and belief, Employers at times have prevented Employee and/or other Aggrieved Employees, or some of them, from using or disclosing the skills, knowledge, and experience they obtained at Employers for purposes of competing with Employers, including, without limitation, preventing Employees, or some of them, from disclosing their wages in negotiating a new job with a prospective employer, and from disclosing who else works at Employers and under what circumstances they might be receptive to an offer from a rival employer. As such, Employee is informed and believes, this violates Business and Professions Code sections 17200, 16600 and 16700 and, by virtue thereof, various provisions of the Labor Code, including Labor Code sections 232, 232.5, and 1197.5, subdivision (k). Employers would be liable for civil penalties pursuant to Labor Code section 2699.

### **Whistleblower Violations**

On information and belief, Employers at times have prevented Employee and/or other Aggrieved Employees, or some of them, from disclosing violations of state and federal law, either within Employers to their managers or outside Employers to private attorneys or government officials, among others, in violation of Business and Professions Code section 17200, and thus in violation of Labor Code section 1102.5. In addition, Employee is informed and believes that these policies and/or practices at times prevent Employee and/or other Aggrieved Employees, or some of them, from disclosing information about unsafe or discriminatory working conditions, or about wage and hour violations in violation of Labor Code sections 98.6, 232, and 232.5. These violations of the Labor Code would expose Employers to liability for civil penalties pursuant to Labor Code section 2699.

### **Workplace Health and Safety Violations**

On information and belief, Employers at times have failed to furnish and use safety devices and safeguards, and adopt and use practices, means, methods, operations and processes which are reasonably adequate to render such employment and place of employment safe and healthful, pursuant to, including but not limited to, Labor Code section 6401. Employee is informed and believes, and based thereon alleges, that Employers at times have required or permitted employees, or some of them, to go or be in any employment or place of employment which is not safe and healthful, pursuant to Labor Code section 6402. Employee is informed and believes, and based thereon alleges, that Employers at times have failed or neglected to provide and use safety devices and safeguards reasonably adequate to render the employment and place of employment safe; adopt and use methods and processes reasonably adequate to render the employment and place of employment safe; and do every other thing reasonably necessary to protect the life, safety, and health of employees, pursuant to Labor Code section 6403. Employee is informed and believes, and based thereon alleges, that these failures include, without limitation, at times failing to disinfect time clocks and other surfaces after use by Employee and/or other Aggrieved Employees, or some of them; at times failing to provide adequate protection equipment to Employee and/or other Aggrieved Employees, or some of them; and at times failing to provide adequate distance in working conditions between Employee and/or other Aggrieved Employees, or some of them.

On information and belief, Employers violated section 1527, 3366, 3457 and 8397.4 by failing at times to provide adequate and readily accessible sanitation facilities; a regular schedule for servicing, cleaning, and supplying each facility to ensure it is maintained in a clean, sanitary and serviceable condition; an adequate supply of suitable cleansing agents, water, single-use towels or

blowers; and a sufficient number of toilets to be used by each sex of employee.

**Action for Civil Penalties Under PAGA**

In light of the above, Employee alleges that Employers at times violated the following provisions of the Labor Code with respect to the Aggrieved Employees, or some of them:

1. Labor Code §§ 204, 510, 1194, 1197, and 1198 by failing at times to pay for all hours worked, including minimum wages, straight time wages, and overtime wages;
2. Labor Code § 226.7 and applicable Wage Orders by failing at times to provide meal periods;
3. Labor Code § 226.7 and applicable Wage Orders by failing at times to authorize and permit rest periods;
4. Labor Code § 204 by failing at times to pay all earned wages two times per month;
5. California Labor Code § 1174.5 and applicable Wage Orders by failing at times to maintain accurate records of hours worked and meal periods taken or missed;
6. Labor Code §§ 201 to 203 by willfully failing at times to pay all wages owed at termination;
7. Labor Code § 226 by failing at times to provide accurate itemized wage statements;
8. Labor Code § 2802 by failing at times to indemnify for necessary expenditures;
9. Labor Code §§ 226, 432, and 1198.5 by failing at times to timely produce requested payroll records, timecards, and personnel records;
10. Labor Code § 1174 by failing at times to keep accurate and complete payroll records;
11. Labor Code §§ 245-248.5 by failing at times to provide proper sick leave and supplemental paid sick leave;
12. Labor Code § 216 for refusal at times to pay wages due and payable and/or denial at times of the validity of any claim to wages due;
13. Labor Code § 223 for at times secretly paying wages lower than required by statute while purporting to pay legal wages;
14. Labor Code § 227.3 for failure at times to pay vested vacation and/or paid time off;
15. Section 14(A-B) of all applicable IWC Wage Orders for failure at times to provide suitable seating;
16. Labor Code § 432.5 for unlawful agreements;
17. Labor Code § 201.3 for failure at times to timely provide temporary workers, or some of them, with wages;
18. Labor Code §§ 98.6, 232, 232.5, 1102.5, and 1197.5 for at times preventing employees, or some of them, from using or disclosing the skills, knowledge and experience they obtained at Employers, and whistleblower violations;
19. Labor Code § 432.7 for unlawful inquiries at times into criminal histories; and
20. Labor Code §§ 1527, 3366, 3457, 8397.4, 6401, and 6401 for workplace health and safety violations.

LWDA

*Notice of Labor Code Violations and PAGA*

March 1, 2024

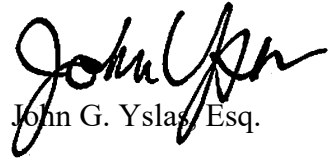
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Therefore, on behalf of potentially Aggrieved Employees, Employee seeks applicable penalties related to the violations alleged above pursuant to the PAGA. These include, but are not limited to, penalties under Labor Code §§ 210, 226.3, 1174.5, 1197.1, and 2699.

Employee has placed Employers on notice by mailing a certified copy of this correspondence, as indicated on the first page. Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact me.

Sincerely,

WILSHIRE LAW FIRM

A handwritten signature in black ink, appearing to read "John G. Yslas". The signature is stylized with a large, looped "J" and a cursive "Yslas".

John G. Yslas, Esq.

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Attorneys for Plaintiff Estefany Segovia

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

ESTEFANY SEGOVIA, individually, and on  
behalf of all others similarly situated,

Plaintiff,

vs.

PRODUCE SERVICES OF LOS ANGELES,  
INC., a California corporation; and DOES 1  
through 10, inclusive,

Defendants.

Case No. 23STCV28902  
Related Case No. 24STCV11397

*Assigned for all purposes to:*  
*Hon. David S. Cunningham*  
*Dept. 11*

**DECLARATION OF SEAN HARTRANFT**  
**IN SUPPORT OF MOTION FOR**  
**PRELIMINARY APPROVAL OF CLASS**  
**ACTION AND PAGA SETTLEMENT**

Date: June 15, 2026  
Time: 9:00 a.m.  
Dept.: 11

**DECLARATION OF SEAN HARTRANFT**

I, Sean Hartranft, declare as follows:

1. I am the Chief Executive Officer of Apex Class Action LLC., a class action settlement administration company headquartered in Irvine, California. I have personal knowledge of the facts outlined in this declaration and, if called as a witness, I could and would competently testify thereto.

2. Apex Class Action's team has been directly involved with class action administration for a combined 100 years and has successfully managed numerous class action cases during that time. Our team comprises experienced professionals with extensive knowledge of class action settlement administration. Additionally, Apex Class Action possesses the necessary technology and infrastructure to manage large-scale class action cases efficiently. We utilize state-of-the-art software and systems to ensure that all aspects of the administration process are executed accurately and efficiently.

3. The legal practitioners or parties involved do not possess any form of ownership stake or affiliation with Apex Class Action.

4. Apex Class Action has extensive expertise in the dissemination of class action notices and the administration of class action settlements. Our range of services includes first-class mail via the United States Postal Service, a bilingual toll-free call center, interactive & static website development and support, enterprise database management, response processing, and Qualified Settlement Fund (QSF) distribution for class actions of various sizes. We maintain the highest level of confidentiality in all our operations. Any class data and communication received by us will be treated with utmost privacy and will not be disclosed to any unauthorized party. Attached is our current CV, as Exhibit A, which highlights our primary competencies in class action administration.

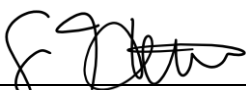
5. Apex Class Action ensures that Client and Class Member Information is only used for the purposes specified in the relevant agreements or court orders governing the provision of its legal services. To safeguard class member information, Apex Class Action has implemented a comprehensive process to identify, assess, and mitigate risks in all areas of its operations,

1 regularly evaluating the effectiveness of its security measures. Access to class member  
2 information is limited to employees, agents, or subcontractors who require it to perform their  
3 duties, and Apex Class Action conducts background checks on all personnel with access to  
4 sensitive personal information to ensure they do not pose a threat to the security of client or class  
5 member information. As part of its commitment to data security and industry best practices, Apex  
6 Class Action has completed a rigorous third-party audit and is SOC 2 Type 2 certified,  
7 demonstrating its adherence to strict standards for data privacy, confidentiality, and system  
8 integrity. This certification reflects Apex's continued focus on protecting sensitive information  
9 through well-documented and consistently applied internal controls. To guarantee the security of  
10 the settlement administration process, Apex Class Action maintains Professional Liability and  
11 Cyber Liability Insurance coverage, as required by legal standards and best practices in the legal  
12 profession.

13 6. Apex Class Action disbursement process involves (i) obtaining a Federal Employer  
14 Identification Number (FEIN) from the Internal Revenue Service (IRS) under the name of the  
15 settlement case; (ii) establishing a QSF to manage the distribution of settlement funds; (iii)  
16 conducting preliminary and final calculations to determine the individual settlement amounts,  
17 including attorneys' fees, costs, enhancement awards, and any other court-approved designees;  
18 (iv) calculating and reporting state and federal taxes as applicable; (v) and disseminating approved  
19 settlement funds and tax forms via First-Class USPS mail.

20 7. The administration fees for Apex Class Action's management of this settlement will  
21 not exceed \$5,990.00, as specified in **Exhibit B**. This document presents a comprehensive plan  
22 detailing the specific administration services that will be provided.

23  
24 I declare under penalty of perjury under the laws of the state of California that the  
25 foregoing is true and correct. Executed this 2<sup>nd</sup> day of December 2025, in Irvine, California.

26  
27   
28 \_\_\_\_\_  
Sean Hartranft

# EXHIBIT A



## CASE TYPES

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- Consumer
- Data Breach
- Mass Tort Disbursement
- Wage & Hour
- Private Attorneys  
General Act (PAGA)
- Belaire West
- Class Certification
- Fair Labor Standards  
Act (FSLA)
- Telephone Consumer  
Protection Act (TCPA)
- Employee Retirement  
Income Security Act  
(ERISA)
- Product Liability

## SUMMARY

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Apex Class Action brings together a seasoned team of professionals adept at navigating the intricate landscape of legal processes and settlement administration. Armed with extensive expertise, we offer a comprehensive understanding of the nuances inherent in settlement procedures. Our organization excels in communication and organization, leveraging cutting-edge technology to streamline project management and adhere to rigorous timelines with precision and efficiency.

From initial pre-settlement consultation to the final stages of disbursement and tax reporting, our technology platform and stringent data security protocols revolve around integration, automation, and observability. This ensures swift and precise payment for class members, bolstering efficiency and accuracy throughout the process.

## PRELIMINARY CONSULTATION

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Our complimentary preliminary consultation serves as the cornerstone for establishing a comprehensive framework. This framework ensures that all stakeholders grasp the project's scope, timeline, and budget parameters effectively. Following the alignment of objectives and expectations between plaintiff and defense counsel, our team diligently explores additional avenues to identify potential class members. We go the extra mile by offering detailed interactive banner ad campaigns and print media options, maximizing outreach and engagement to achieve optimal results.

## CASE MANAGEMENT

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At Apex Class Action, our expert Case Managers and Data Managers take charge of overseeing all aspects of the settlement administration process. Their role is pivotal in ensuring strict adherence to court orders, settlement agreements, and industry benchmarks. Working hand in hand with both plaintiff and defense counsel, we meticulously manage every aspect of the settlement administration process.

Our comprehensive mailing and notification services commence with meticulous data scrubbing and the establishment of a class database, guaranteeing the accuracy of contact information. Subsequently, the database undergoes validation using the USPS National Change of Address (NCOA) database to ensure precision and reliability. Additionally, we provide court-certified translation services covering over 65 languages, facilitating effective communication across diverse demographics. In instances where mail is returned as undeliverable, we undertake skip tracing to obtain updated addresses for class members, ensuring that all notices reach their intended recipients without delay.



To ensure transparency throughout the entire process, a steady cadence of reports, as defined during the preliminary consultation, is generated throughout the administration process for both the plaintiff and defense counsel.

Our capability to provide cost-effective pricing is rooted in our adept utilization of cutting-edge technology, a team of highly skilled professionals, and an optimized process. Should the courts approve the utilization of modern electronic notification methods like email and banner ads, we ensure both certainty and cost-effectiveness. Through electronic disbursement, we offer a highly efficient strategy wherein settlement awards are directly delivered to class members, mitigating potential drawbacks associated with traditional mail delivery and enhancing overall efficiency.

## **TAX COMPLIANCE & CASE RESOLUTION**

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Apex leverages its proprietary technology to efficiently manage all necessary state and federal tax reporting requirements. This includes establishing a Settlement Federal Tax Identification Number (FIEN) with the IRS and Qualified Settlement Fund (QSF) EDD accounts where applicable. We handle taxes associated with settlements involving multiple state tax filings, as well as manage all payroll tax filings such as Form 940, 941, and state filings. Additionally, our services encompass the preparation of information returns (Forms W-2, 1099, and 1042-S) for reportable payments and the preparation of the annual Federal income tax return (Form 1120-SF). Moreover, we provide comprehensive management of qualified settlement funds (QSF), ensuring that all accounts are FDIC-insured bank accounts. Our full suite of comprehensive tax management services includes:

- Prepare and fill all applicable returns (Forms W-2, 1099, and 1042-S)
- Payroll tax filings, including Form 940, 941, and state filings
- FID-Insured QSF Bank Accounts
- State and Federal Tax Reporting
- IRS Federal Tax Identification Number
- QSF Audit Reports
- Prepare And File 1120-SF Tax Returns with Quarterly Tax Obligations

## **CONTACT**

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**Address**  
18 Technology Dr. Ste. 164  
Irvine, CA 92618

**Email**  
[Info@apexclassaction.com](mailto:Info@apexclassaction.com)

**Phone**  
1.800.355.0700

# **EXHIBIT B**



**Quotation Request:**

Lisa Iturriaga  
 Wilshire Law Firm, PLC  
 lisa.iturriaga@wilshirelawfirm.com  
 800.926.9799

**Case Name:**

Date:  
 RFP Number:

**Produce Services of Los Angeles (Segovia)**

Thursday, May 8, 2025  
 97990010

**Prepared By:**

Sean Hartranft  
 Apex Class Action LLC  
 Sean@apexclassaction.com  
 949.878.3676

| Settlement Specifications        |     |
|----------------------------------|-----|
| Estimated Class Size:            | 150 |
| Certified Language Translation:  | Yes |
| Static Settlement Website        | No  |
| Percentage of Undeliverable Mail | 20% |

| Professional Services | Fee Calculation | Rate(s) | Quantity | Estimated Cost |
|-----------------------|-----------------|---------|----------|----------------|
|-----------------------|-----------------|---------|----------|----------------|

| Data Analytics and Standardization                                                                                 |          |          |   |          |
|--------------------------------------------------------------------------------------------------------------------|----------|----------|---|----------|
| Import and Standardize Data*                                                                                       | Per Hour | \$125.00 | 2 | \$250.00 |
| Data Analyst                                                                                                       | Per Hour | \$150.00 | 2 | \$300.00 |
| *Data provided must be in a workable format. Apex can standardize provided data at an additional cost of \$150/hr. |          |          |   |          |
| Sub Total:                                                                                                         |          |          |   | \$550.00 |

| Mailing of Class Notice                                    |             |            |     |            |
|------------------------------------------------------------|-------------|------------|-----|------------|
| Form Set Up                                                | Per Hour    | \$120.00   | 1   | \$120.00   |
| Print & Mail Class Notice                                  | Per Piece   | \$1.50     | 150 | \$225.00   |
| USPS First Class Postage                                   | Per Piece   | \$0.78     | 150 | \$117.00   |
| Remail Undeliverable Mail (Skip-Trace)                     | Per Piece   | \$2.00     | 30  | \$60.00    |
| Receive and Process Undeliverable Mail                     | Per Hour    | \$75.00    | 0.5 | \$37.50    |
| Process Class Member Correspondence via mail, e-mail & fax | Per Piece   | \$75.00    | 1   | \$75.00    |
| NCOA Address Update (USPS)                                 | Static Rate | \$55.00    | 1   | \$55.00    |
| Certified Language Translation: Spanish                    | Static Rate | \$1,200.00 | 1   | \$1,200.00 |
| Sub Total:                                                 |             |            |     | \$1,889.50 |

| Project Management         |          |          |   |          |
|----------------------------|----------|----------|---|----------|
| Project Management         | Per Hour | \$150.00 | 2 | \$300.00 |
| Project Coordinator        | Per Hour | \$90.00  | 2 | \$180.00 |
| Data Analyst and Reporting | Per Hour | \$140.00 | 1 | \$140.00 |
| Sub Total:                 |          |          |   | \$620.00 |



# APEX

CLASS ACTION ADMINISTRATION

| Professional Services | Fee Calculation | Rate(s) | Quantity | Estimated Cost |
|-----------------------|-----------------|---------|----------|----------------|
|-----------------------|-----------------|---------|----------|----------------|

| Toll-Free Contact Center, Website & Reporting |             |          |   |         |
|-----------------------------------------------|-------------|----------|---|---------|
| Bilingual Toll-Free Contact Center            | Static Rate | \$63.50  | 1 | \$63.50 |
| Settlement Status Reports                     | Static Rate | \$750.00 | 1 | Waived  |
| Sub Total:                                    |             |          |   | \$63.50 |

| Distribution & Settlement Fund Management             |           |            |     |            |
|-------------------------------------------------------|-----------|------------|-----|------------|
| Settlement Calculations (Preliminary and Final)       | Per Hour  | \$120.00   | 2   | \$240.00   |
| Account Management and Reconciliation                 | Per Hour  | \$140.00   | 2   | \$280.00   |
| Print & Mail Distribution Settlement Check (W-2/1099) | Per Piece | \$1.50     | 150 | \$225.00   |
| USPS First Class Postage                              | Per Piece | \$0.78     | 150 | \$117.00   |
| Remail Distribution to Updated Address (Skip Trace)   | Per Piece | \$2.00     | 15  | \$30.00    |
| Individual Income Tax Preparation & Reporting         | Per Hour  | \$100.00   | 5   | \$500.00   |
| QSF Income Tax Reporting (per calendar year)          | Per Year  | \$1,000.00 | 1   | \$1,000.00 |
| Sub Total:                                            |           |            |     | \$2,392.00 |

| Post Distribution Reconciliation  |          |          |   |          |
|-----------------------------------|----------|----------|---|----------|
| Bank Account Reconciliation       | Per Hour | \$135.00 | 1 | \$135.00 |
| Project Management Reconciliation | Per Hour | \$100.00 | 1 | \$100.00 |
| Declarations                      | Per Hour | \$120.00 | 2 | \$240.00 |
| Sub Total:                        |          |          |   | \$475.00 |

|                  |  |  |  |            |
|------------------|--|--|--|------------|
| WILL NOT EXCEED: |  |  |  | \$5,990.00 |
|------------------|--|--|--|------------|

Thank you for your business!



## Terms & Conditions

The following Terms and Conditions govern the provision of all services to be provided by Apex Class Action and its affiliates ("Apex") to the Client. These terms and conditions are binding and shall apply to all services provided by Apex in relation to any related services or products.

1. **Services:** Apex commits to providing the Client with the administrative services detailed in the attached Proposal (the "Services").

2. **Payment Terms:** As compensation for the legal services to be provided, the Client agrees to pay Apex all fees detailed in the Proposal. The fees quoted in the Proposal (and any subsequent proposals for additional services) are estimates based on the information provided to Apex by the Client. Apex makes no representation that the estimated fees in the Proposal or any subsequent proposals for additional services shall equal the actual fees charged by Apex to the Client, which fees (including individual line items) may be greater or less than estimated. If additional services are requested on an hourly basis and are not specifically detailed in the Proposal, Apex will prepare estimates for such services subject to approval by the Client. In the performance of such additional services, Apex will charge standard hourly fees which shall apply.

3. **Incurred Expenses:** In relation to the provision of services outlined in this agreement, the Client agrees to reimburse Apex for all reasonable out-of-pocket expenses incurred. Such expenses may include, but are not limited to, costs associated with postage, media production or publication, banking fees, brokerage fees, messenger and delivery service expenses, travel expenses, filing fees, office supplies, meals, staff overtime expenses, and other related costs and expenses. If not otherwise specified in writing, fees for print notice and certain expenses, such as media publication and postage, must be paid immediately upon invoicing and, in certain cases, at least ten (10) days prior to the date on which such expenses will be incurred.

4. **Invoicing:** Apex shall present invoices for its fees and expenses on a monthly basis, except as provided in Section 3. The Client agrees to pay each invoice within 30 days of receipt. In case of non-payment within 90 days of the billing date, an additional service charge of 1.5% per month may apply. Apex reserves the right to increase its prices, charges, and rates annually, subject to reasonable adjustments. If any price increases exceed 10%, Apex shall give thirty (30) days' notice to the Client. In the event of any unpaid invoices beyond 120 days of the due date, Apex reserves the right to withhold services and reports until payment is received, subject to notice to the Client. It is important to note that Apex's failure to provide services and reports in such instances shall not constitute a default under this agreement.

5. **Case Duration:** The duration of these Terms and Conditions, except for the data storage obligations stated in Section 13, shall be in effect until 30 days following the completion of the Services as described in the Proposal. The parties may extend these Terms and Conditions in writing for a mutually agreed-upon period beyond this initial 30-day period.

6. **Termination of Services:** Either party may terminate the Services by providing thirty (30) days written notice to the other party. Alternatively, termination may occur immediately upon written notice for Cause, as defined below. Cause means (i) Apex's gross negligence or willful misconduct that causes serious and material harm to the Client; (ii) the Client's failure to pay Apex invoices for more than one hundred twenty (120) days from the date of the invoice; or (iii) the accrual of invoices or unpaid services where Apex reasonably believes it will not be paid. Termination of the Services shall not relieve the Client of its obligation to pay Apex for services rendered prior to the termination.

7. **Independent Contractor:** As an independent contractor, Apex will provide services under the terms of this agreement. It is agreed that neither Apex nor any of its employees will be considered an employee of the Client. Consequently, Apex and its employees will not be eligible for any benefits provided by the Client to its employees. The Client will not make any tax deductions from the payments due to Apex for state or federal tax purposes. Apex will be solely responsible for paying all taxes and other payments due on payments received from the Client under this agreement.

8. **Apex warrants** that the Services outlined in the Proposal will be performed in accordance with the standards generally adhered to by professionals providing similar services. It is acknowledged that the Services may entail the likelihood of some human and machine errors, omissions, delays, and losses that may result in damage. However, Apex shall not be held liable for such errors, omissions, delays, or losses unless they are caused by its gross negligence or willful misconduct. In the event of any breach of this warranty by Apex, the Client's sole remedy will be limited to Apex's rerunning, at its expense, any inaccurate output provided that such inaccuracies occurred solely as a result of Apex's gross negligence or willful misconduct under this agreement.

9. **Limitation of Liability:** The Client acknowledges that Apex shall not be held liable for any consequential, special, or incidental damages incurred by the Client in relation to the performance of Services, whether the claim is based on breach of warranty, contract, tort (including negligence), strict liability, or any other grounds. Under no circumstances shall Apex's liability to the Client, for any Losses (including court costs and reasonable attorney's fees), arising out of or in connection with these Terms and Conditions, exceed the total amount charged or chargeable to the Client for the specific service(s) that caused the Losses.

10. **Indemnification:** The Client agrees to indemnify and hold harmless Apex from any losses, suits, actions, judgments, fines, costs, liabilities, or claims arising from any action or proceeding relating to the Services provided by Apex, regardless of whether or not it results in liability (collectively referred to as "Indemnified Claims"). However, this indemnification provision shall not apply to the extent that such Indemnified Claims are caused by Apex's willful misconduct, gross negligence, or breach of these Terms and Conditions. This provision shall survive termination of the Services.

11. **Confidentiality:** Apex will uphold strict confidentiality between Apex and the Client and applies to all non-public records, documents, systems, procedures, processes, software, and other information received by either party in connection with the performance of services under these terms. Both Apex and the Client agree to keep confidential all such non-public information, including any material marked or identified as confidential or proprietary. Any such confidential information shall not be disclosed, provided, disseminated, or otherwise made available to any third party, except as required to fulfill the parties' obligations under these terms. The parties acknowledge that in the event of any request to disclose any confidential information in connection with a legal or administrative proceeding, or otherwise to comply with a legal requirement, prompt notice of such request must be given to the other party to enable that party to seek an appropriate protective order or other remedy or to waive compliance with the relevant provisions of these terms. If the Client seeks a protective order or another remedy, Apex, at the Client's expense, will cooperate with and assist the Client in such efforts. If the Client fails to obtain a protective order or waives compliance with the relevant provisions of these terms, Apex will disclose only that portion of the confidential information that it determines it is required to disclose. This confidentiality provision shall survive termination of the services provided. Both parties acknowledge and agree that any breach of these terms may cause irreparable harm to the non-breaching party and that injunctive relief may be necessary to prevent any actual or threatened breach. The terms set forth between the parties supersede all prior negotiations, understandings, and agreements between the parties concerning confidentiality. These terms may only be amended in writing and signed by both parties.

12. **Ownership** of the programs, system data, and materials provided by Apex to the Client during the course of providing services herein shall solely belong to Apex. It is acknowledged that fees and expenses paid by the Client do not confer any rights in such property. It is also understood that the said property is made available to the Client solely for the purpose of using it during and in connection with the services provided by Apex.

13. **Apex may derive financial benefits** from financial institutions in connection with the deposit and investment of funds with such institutions, including without limitation, discounts on eligible banking services and fees, and loans at favorable rates.

14. **COMPLETE AGREEMENT.** These Terms and Conditions, along with the attached Proposal, represent the complete agreement and understanding between the parties and override any prior agreements (whether written or oral) between Apex and the Client regarding the subject matter. Any modification to these Terms and Conditions may only be made in writing and must be signed by both Apex and the Client. The headings in this document are included for convenience only and do not alter or restrict any provisions in these Terms and Conditions. They may not be used in the interpretation of these Terms and Conditions.

15. **This provision outlines the requirements for providing notice or other communication under this agreement.** All such communications must be in writing and can be delivered either by personal delivery or through U.S. Mail with prepaid postage or overnight courier. Once delivered personally or sent through the mail, the notice will be considered given after five (5) days from the deposit date in the U.S. Mail. Alternatively, if sent through an overnight courier, the notice will be considered given one business day after delivery to the such courier. It's important to note that the notice must be provided to a responsible officer or principal of the Client or Apex, depending on the case.

16. **Force Majeure:** In the event of any failure or delay in performance due to circumstances beyond Apex's control, including but not limited to strikes, lockouts, fires, floods, acts of God or public enemy, riots, civil disorders, insurrections, war or war conditions, or interference by civil or military authorities, Apex shall not be held liable for any resulting loss or damage. The time for performance under this agreement shall be extended for a period equal to the duration of the disabling cause and a reasonable time thereafter. This provision shall constitute a force majeure clause and shall be construed accordingly.

17. **The applicable state and federal laws shall govern the interpretation and enforcement of these Terms and Conditions.** No choice of law or conflict of laws provisions shall affect this governing law provision.

18. **Severability:** This applies to all clauses and covenants contained within these Terms and Conditions. In the event that any clause or covenant is deemed invalid, illegal, or unenforceable, the remaining provisions shall remain valid and enforceable to the fullest extent permissible by law. The validity, legality, and enforceability of the remaining provisions shall in no way be affected or impaired by the invalidity, illegality, or unenforceability of any provision deemed so.

19. **Nonwaiver:** This applies to these Terms and Conditions. This means that any failure by one party to enforce a provision of these terms on one or more occasions shall not be construed as a waiver of that provision. In other words, any failure to enforce a provision does not give up the right to enforce it in the future. All provisions of these Terms and Conditions remain in full force and effect, regardless of any prior failure to enforce them.

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Los Angeles, California 90017  
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Attorneys for Plaintiff Estefany Segovia

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

ESTEFANY SEGOVIA, individually, and on  
behalf of all others similarly situated,

Plaintiff,

vs.

PRODUCE SERVICES OF LOS ANGELES,  
INC., a California corporation; and DOES 1  
through 10, inclusive,

Defendants.

Case No. 23STCV28902  
Related Case No. 24STCV11397

*Assigned for all purposes to:  
Hon. David S. Cunningham  
Dept. 11*

**DECLARATION OF ESTEFANY  
SEGOVIA IN SUPPORT OF MOTION  
FOR PRELIMINARY APPROVAL OF  
CLASS ACTION AND PAGA  
SETTLEMENT**

Date: June 15, 2026  
Time: 9:00 a.m.  
Dept.: 11

I, Estefany Segovia, hereby declare as follows:

1. I have personal knowledge of the facts set forth in this declaration and could and would competently testify to them under oath if called as a witness. I submit this declaration in support of my Motion for Preliminary Approval of Class Action and PAGA Settlement.

2. I worked for defendant Produce Services of Los Angeles, Inc. (“Defendant”) as an hourly-paid, non-exempt accounts receivable from around August 2020 to March 2022.

3. Based on my experience and knowledge of Defendant’s wage and hour policies and my familiarity with its employment practices, I worked with my attorneys to bring claims on my own behalf as well as on behalf of other hourly-paid, non-exempt employees of Defendant.

4. I am seeking to become a class representative in this case. I believe my experiences are similar to other hourly-paid, non-exempt employees of Defendant. I believe we were all subject to the same employment policies and practices.

5. I do not have any conflicts with other hourly-paid, non-exempt employees that would interfere with my ability to represent them. I believe I will adequately represent the hourly-paid, non-exempt employees of Defendant.

6. My interests as a named plaintiff in this case are not adverse to the interests of the other hourly-paid, non-exempt employees. I believe my interests are the same as the other employees because we were all subject to the same policies and practices and were similarly injured by Defendant’s company-wide policies and practices. I am seeking the same recovery on behalf of myself and the other employees, which is to collect unpaid wages, penalties, and interest that are owed to us by Defendant.

### **Risks, Both Financial and Otherwise, Faced in Bringing the Suit**

7. Further, when I decided to become involved in this lawsuit as a class representative on behalf of other employees of Defendant and as a private attorney general for the State of California, I understood that I was not only seeking unpaid wages and penalties on behalf of myself, but also for other employees who worked for Defendant, and that by doing so, I would be delaying more immediate recovery available to me through the Labor Commissioner’s office.

1           8.       I was also made aware that being a class representative and private attorney general  
2 in an action filed on behalf of others would subject me to a stigma that is sometimes associated with  
3 those who bring these kinds of lawsuits. I was aware that, as a class representative and private  
4 attorney general, I might be responsible for some or all of Defendant's legal costs if the case was not  
5 successfully concluded. Even with knowledge of these risks, I was willing to go forward and to act  
6 on behalf of the other employees and the State of California, but I was nervous about losing and  
7 having a judgment filed against me for costs or losing job opportunities in the future.

8           9.       I understood that there were risks involved in class and representative action lawsuits.  
9 I understood that the lawsuit could continue for several years and require my services and attention  
10 throughout the entire length of the lawsuit. I learned that even if we won at trial, the case could be  
11 further delayed by appeals.

#### 12                           **Notoriety and Personal Difficulties Encountered**

13           10.       As the named plaintiff, I am the face of the litigation. As of the date of this declaration,  
14 the class notice will be mailed in this case to approximately 145 current and former employees of  
15 Defendant, which will inform them that I filed a class and representative action against Defendant.  
16 Exposing myself to this kind of publicity creates a risk for my future career prospects, since current  
17 and former employees of Defendant may move to different companies within the industry or may  
18 know people at other companies within the industry who may not wish to hire someone who sued  
19 her employer. I also understand that having filed this lawsuit in court means that there is now a  
20 permanent public record of this lawsuit available to the general public. Given this additional  
21 exposure, there is further risk to my future career prospects.

#### 22                           **Amount of Time and Effort Spent and Duration of the Litigation**

23           11.       I have always kept the best interests of the other hourly-paid, non-exempt employees  
24 in mind while performing my duties as the named plaintiff in this case. I have been committed  
25 throughout the course of this case to vigorously prosecuting this case on behalf of myself and the  
26 other employees. I believe that I have demonstrated my ability to advocate for the interests of the  
27 other hourly-paid, non-exempt employees by initiating this lawsuit and have spent a substantial  
28 amount of time and effort on this litigation. My work on this case has specifically included, among

1 other things, searching/gathering and providing my payroll records and other documents and  
2 information to my attorneys, discussing potential witnesses, keeping in regular contact with my  
3 attorneys regarding the status of the case, assisting my attorneys prepare for mediation (i.e.,  
4 reviewing discovery information and data (if needed), discussing my claims and experience), being  
5 on-call for my attorneys on the date of mediation in case questions or concerns arose during  
6 mediation, and participating in settlement discussions. After mediation, I remained actively involved  
7 by reviewing the settlement papers and contacting my counsel for updates. I estimate that since I  
8 retained my counsel in May 2023, I have spent approximately 40-45 hours on the activities described  
9 above. And I estimate that I will spend an additional 1-5 hours assisting my attorneys through the  
10 approval process and staying up to date with the case through disbursement of the settlement checks.

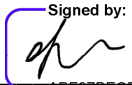
11 **Personal Benefit Received as a Result of the Litigation**

12 12. Absent the requested service payment, the personal benefit I will receive is the same  
13 as all other employees. But unlike the other employees, who are only releasing the wage and hour  
14 claims asserted in the lawsuit, I have signed a general release of claims as to Defendant.

15 13. I will continue to actively participate in this lawsuit as necessary, and will continue  
16 to make myself available to assist in this case moving forward as needed.

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

19 Executed on 12/3/2025, at Huntington Park, California.

20 Signed by:  
21   
22 ABF37BECB68443C...  
23 Estefany Segovia  
24  
25  
26  
27  
28