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JAVIER MARTINEZ

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF SAN BERNARDINO

JAVIER MARTINEZ, as an individual and on
behalf of all others similarly situated,

Plaintiff,

vs.

SCHLAGE LOCK COMPANY, LLC, a
Delaware limited liability company, and
DOES 1 through 100, inclusive,

Defendants.

Case No.: CIVSB2218620

*[Assigned for all purposes to Hon. Joseph T.
Ortiz, Department S-17]*

**DECLARATION OF SCOTT M. LIDMAN
IN SUPPORT OF MOTION FOR
PRELIMINARY APPROVAL OF CLASS
ACTION SETTLEMENT**

Date: September 6, 2023
Time: 8:30 a.m.
Dept.: S-17

1 I, SCOTT M. LIDMAN, declare as follows:

2 1. I am a shareholder and principal of the law firm Lidman Law, APC, and counsel
3 for the named Plaintiff Javier Martinez (“Plaintiff”) and the proposed Settlement Class in the
4 above-captioned matter. I am a member in good standing of the bar of the State of California and
5 am admitted to practice in this Court. I have personal knowledge of the facts stated in this
6 declaration and could testify competently to them if called upon to do so.

7 2. I am a 1998 graduate of Santa Clara University School of Law, where I graduated
8 *summa cum laude*. During law school, I worked as a summer associate for the international
9 employment law firm of Littler Mendelson, P.C., located in Los Angeles, California.

10 3. Since graduating from law school, my practice has focused exclusively on
11 employment litigation. In September 1998, I began working as an associate attorney at the
12 international law firm of Littler Mendelson P.C., at its Los Angeles office, which according to its
13 website is the largest law firm in the world exclusively devoted to representing management in
14 employment, employee benefits and labor law matters.

15 4. In 2000, I left Littler Mendelson to work at the Los Angeles office of Jones Day,
16 which was at the time one of the largest international firms in the world. During my employment
17 at Jones Day, I worked exclusively in the labor and employment department. In or around 2003,
18 I went to work at the law firm of Loeb & Loeb, again working exclusively in the Labor &
19 Employment department. In 2008, I returned to Littler Mendelson, was promoted to Shareholder
20 in 2009, and from 2008 until the end of 2017, I practiced exclusively labor and employment law,
21 with a strong emphasis and most of my time working on wage and hour class actions venued in
22 both state and federal courts. During that time and my legal career in general, I also worked on a
23 number of single and multi-plaintiff wage and hour matters as well.

24 5. During my employment at Littler Mendelson, I played a significant role in the class
25 actions that I was staffed on, and ran many on my own both as an Of Counsel and as a Shareholder.
26 In particular, I received a wide-array of wage and hour class action experience performing the
27 following types of tasks: drafting demurrers, motions to strike and/or dismiss; removing actions
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1 from state court to federal court; drafting and responding to written discovery; drafting and
2 opposing discovery related motions; arguing discovery related motions; drafting motions to
3 consolidate related matters; interviewing putative class members and obtaining declarations in
4 connection with class certification; drafting oppositions to motions for class certification; drafting
5 motions for decertification following class certification; conducting exposure analyses to assess
6 the strengths and weaknesses of asserted claims, the likelihood of prevailing at class certification
7 and potential damages resulting from such claims; drafting mediation briefs; serving as the primary
8 contact to in-house counsel; deposing named plaintiffs and putative class members; deposing
9 retained expert witnesses; and defending the depositions of corporate witnesses. I also was
10 involved in the negotiations and settlements of many large wage and hour class actions. In short,
11 I played an integral role in all aspects of litigation from the inception of a matter through and
12 beyond class certification. I also supervised the work of several junior attorneys who were staffed
13 on the same wage and hour class actions.

14 6. Although not exhaustive, below is a list of many of the wage and hour class and
15 PAGA actions that I performed substantial work on while I was a shareholder at Littler Mendelson:

- 16 ► *Ortega v. J.B. Hunt Transport, Inc.*, Case No. 07-cv-8336-RGK-AFMx,
17 United States District Court, Central District of California, Honorable Gary
18 Klausner, presiding¹.
- 19 ► *Aceves v. J.B. Hunt Transport, Inc.*, Case No. CIVDS1306133, California
20 Superior Court, County of San Bernardino, Honorable Michael Sachs,
21 presiding.
- 22 ► *Moreno v. J.B. Hunt Transport, Inc.*, Case No. BC388612, California
23 Superior Court, County of Los Angeles, Honorable Mel Red Recana,
24 presiding.

25
26
27 ¹ My work on this matter including proceedings not only in District Court, but also work before the United States
28 Court of Appeals for the Ninth Circuit as well as the United States Supreme Court.

- 1 ▶ *Newcomb v. J.B. Hunt Transport, Inc.*, Case No. RG16815734, California
2 Superior Court, County of Alameda, Honorable Winifred Smith, presiding.
- 3 ▶ *Vaquero v. Stoneledge Furniture, LLC, et al.*, Case No. 12-cv-08590-PA-
4 MAN, United States District Court, Central District of California,
5 Honorable Percy Anderson, presiding.
- 6 ▶ *Vaquero v. Stoneledge Furniture, LLC, et al.*, Case No. BC388612,
7 California Superior Court, County of Los Angeles, Honorable Elihu Berle,
8 presiding.²
- 9 ▶ *Dugan v. Stoneledge Furniture, LLC*, Case No. 16-cv-01125-PA-FFMx,
10 United States District Court, Central District of California, Honorable Percy
11 Anderson, presiding.
- 12 ▶ *Klune v. Stoneledge Furniture, LLC*, Case No. 14-cv-03986-PA-FFMx,
13 United States District Court, Central District of California, Honorable Percy
14 Anderson, presiding.
- 15 ▶ *Diaz v. ABM Industries, Inc.; Ampco Parking*, Case No. BC362932,
16 California Superior Court, County of Los Angeles, Honorable Jane
17 Johnson, presiding.³
- 18 ▶ *Adams v. Luxottica Retail North America, Inc.*, Case No. 07CC01346,
19 California Superior Court, County of Orange, Honorable Thierry Patrick
20 Colaw, presiding.
- 21 ▶ *Sakkab v. Luxottica Retail North America, Inc.*, Case No. 12-cv-00436-
22 GPC-KSC, United States District Court, Southern District of California.⁴

25 ² My work on this matter included proceedings not only in the trial court, but also before the California Courts of
26 Appeal and the California Supreme Court.

27 ³ This matter was consolidated and litigated collectively with Case Nos. BC380923, BC 381523 and BC 406663.

28 ⁴ The work I performed on this case included work in the United States Court of Appeals for the Ninth Circuit.

- 1 ▶ *Page v. Oakley, Inc.*, Case No. FCS041512, California Superior Court,
2 County of Solano, Honorable Paul Berman, presiding.
- 3 ▶ *Ramirez v. Oakley, Inc.*, Case No. 30-2014-00731617-CU-OE-CJC
4 California Superior Court, County of Orange, Honorable William Claster,
5 presiding.
- 6 ▶ *Ramirez v. Oakley, Inc.*, Case No. 30-2014-00723846-CU-DE-CXC,
7 California Superior Court, County of Orange, Honorable William Claster,
8 presiding.
- 9 ▶ *Sierra v. Oakley, Inc.*, Case No. 13-cv-00319-AG-JPR, United States
10 District Court, Central District of California, Honorable Andrew Guilford,
11 presiding.⁵
- 12 ▶ *Cordova v. Comerica Bank, et al.*, Case No. 09-cv-08905-MMM-PLAx,
13 United States District Court, Central District of California, Honorable
14 Margaret Morrow, presiding.
- 15 ▶ *Cordova v. Comerica Bank, et al.*, Case No. 09-cv-08905-MMM-PLAx,
16 United States District Court, Central District of California, Honorable
17 Margaret Morrow, presiding.
- 18 ▶ *Khelghatian v. Comerica Bank, et al.*, Case No. 11-cv-7689-DSF-FFMx,
19 United States District Court, Southern District of California, Honorable
20 John A. Houston, presiding.
- 21 ▶ *Babasa v. Comerica Bank, et al.*, Case No. 11-cv-0595-JAH-BGS, United
22 States District Court, Central District of California, Honorable Margaret
23 Morrow, presiding.
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28 ⁵ The work I performed on this case included work in the United States Court of Appeals for the Ninth Circuit.

- 1 ▶ *Bernal v. Comerica Bank, et al.*, Case No. 11-cv-01298-JAH-BGS, United
2 States District Court, Central District of California, Honorable Margaret
3 Morrow, presiding.
- 4 ▶ *Khalili v. Comerica Bank, et al.*, Case No. 09-cv-08905-MMM-PLAx,
5 United States District Court, Northern District of California.
- 6 ▶ *Granata v. Comerica Bank, et al.*, Case No. 37-2011-00086316-CU-OE-
7 CTL, California Superior Court, County of San Diego, Honorable Jeffrey
8 B. Barton, presiding.
- 9 ▶ *Mathews v. Comerica Bank, et al.*, Case No. 111CV194781, California
10 Superior Court, County of Santa Clara.
- 11 ▶ *Gallegos v. Comerica Bank, et al.*, Case No. BC455515, California Superior
12 Court, County of Los Angeles, Honorable Terry Green, presiding.
- 13 ▶ *Rumohr v. Comerica Bank, et al.*, Case No. CGC-11-508433, California
14 Superior Court, County of San Francisco.
- 15 ▶ *Smith v. Werner Enterprises*, Case No. 15-cv-02978-RS, United States
16 District Court, Northern District of California, Honorable Richard Seeborg,
17 presiding.

18 7. In January 2018, I voluntarily resigned from Littler Mendelson in order to open my
19 own law firm, Lidman Law, APC, to represent employees with work-related claims, including
20 primarily wage and hour claims and almost exclusively on a class-action basis. I am the President
21 and Shareholder of Lidman Law. Currently, over ninety percent (90%) of my practice is dedicated
22 exclusively to the prosecution of wage and hour class actions, and I am currently responsible for
23 prosecuting over sixty-five (65) wage and hour class actions filed in State courts throughout
24 California, with several of them having been removed to Federal courts. I believe that my
25 professional experience renders me more than qualified to serve as class counsel in this lawsuit
26 involving claims of underpaid overtime and minimum wages, meal and rest period violations, and
27 derivative penalty claims. Not only have I litigated dozens of wage and hour cases throughout my
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1 career involving similar claims, including the wage and hour class actions identified above, I have
2 litigated similar claims from both plaintiff and defense perspectives. As a result, I am able to
3 realistically assess and evaluate the facts and legal arguments that can be made in pursuit and
4 defense of similar wage and hour claims, as well as those facts and arguments in support and in
5 opposition to class certification. Consequently, I am able to appreciate the significant risks,
6 uncertainties, and delay involved in wage and hour class action litigation.

7 8. I have been appointed Class Counsel in: *Guardado v. Wesley Allen, Inc.*, Case No.
8 BC683027, California Superior Court, County of Los Angeles, Honorable Judge Carolyn B. Kuhl
9 presiding; *Rodriguez v. Satco, Inc.*, Case No. BC682137, California Superior Court, County of
10 Los Angeles, Honorable Judge Ann I. Jones presiding; *Ong v. Howard's Appliances, Inc.*, Case
11 No. 30-2017-00964213-CU-OE-CXC, California Superior Court, County of Orange, Honorable
12 Judge William Claster presiding; *Hanke v. C&W Facility Services, Inc.*, Case No.
13 CIVDS1814412, California Superior Court, County of San Bernardino, Honorable Judge David
14 Cohn presiding; *Molina v. Mader News, Inc.*, Case No. BC685960, California Superior Court,
15 County of Los Angeles, Honorable Judge Yvette M. Palazuelos presiding; *Alvarez v.*
16 *Salamander Fire Protection, Inc.*, Case No. BC688326, California Superior Court, County of Los
17 Angeles, Honorable Judge William F. Highberger presiding; *Rodriguez v. H.F. Cox, Inc.*, Case
18 No. BC653164, California Superior Court, County of Los Angeles, Honorable Judge Carolyn B.
19 Kuhl presiding; *Fregoso v. Amerigas Propane, Inc.*, Case No. BC697973, California Superior
20 Court, County of Los Angeles, Honorable Judge Rafael A. Ongkeko presiding; *Teran v. Western*
21 *Plastics, Inc.*, Case No. RIC1722619, California Superior Court, County of Riverside, Honorable
22 Judge Sunshine Sykes presiding; *Villegas de Torres v. El Monte Superstore Inc.*, Case No.
23 BC688477, California Superior Court, County of Los Angeles, Honorable Judge Daniel J.
24 Buckley presiding; *Huynh v. Polypeptide Laboratories, Inc.*, Case No. BC680872, California
25 Superior Court, County of Los Angeles, Honorable Judge Rafael A. Ongkeko presiding; *Guzman*
26 *v. Century Blinds*, Case No. RIC1723654, California Superior Court, County of Riverside,
27 Honorable Judge Sunshine S. Sykes presiding; *George v. Convergence Marketing*, Case No.

CIVDS1901039, California Superior Court, County of San Bernardino, Honorable Judge David S. Cohn presiding; *Coffee, et al. v. Flyers Transportation Energy, LLC*, Case No. 34-2017-00222084, California Superior Court, County of Sacramento, Honorable Judge Alan G. Perkins presiding; *Romero v. Fillmore Hospitality, LLC*, Case No. BC705667, California Superior Court, County of Los Angeles, Honorable Judge Maren E. Nelson presiding; *Wennerstrom, et al. v. Giant Inland Empire R.V. Center*, Case No. CIVDS1617291, California Superior Court, County of San Bernardino, Honorable Judge David S. Cohn presiding; *Contreras, et al. v. Letter Ride, LLC*, Case No. 37-2018-00020841-CU-OE-CTL, California Superior Court, County of San Diego, Honorable Judge Eddie C. Sturgeon presiding; *Davis v. WeDriveU*, Case No. 18CV322578, California Superior Court, County of Santa Clara, Honorable Judge Brian C. Walsh presiding; *Acuna v. Canton Food Co., Inc.*, Case No. BC685001, California Superior Court, County of Los Angeles, Honorable Judge David S. Cunningham presiding; and *Contreras v. Worldwide Flight Services, Inc.*, Case No. 2:18-cv-06036-PSG-SS, United States District Court for the Central District of California, the Honorable Judge Philip S. Gutierrez presiding.

9. As co-lead counsel for Plaintiff and the proposed Settlement Class, I have been intimately involved in every aspect of this case from its inception through the present, and I believe that the proposed Settlement is a favorable result for the Settlement Class Members under the circumstances presented.

10. Schlage Lock manufactures security products, including without limitation, metal security doors and locks. On August 25, 2022⁶, Plaintiff filed a putative class action complaint against Defendant in San Bernardino County Superior Court. On April 25, 2023, in conjunction with effectuating the terms of the settlement agreement, Plaintiff submitted a letter to the California Labor Workforce Development Agency (“LWDA”) and Schlage Lock regarding Defendant’s alleged Labor Code violations and Plaintiff’s intent to bring a claim for civil penalties under the

⁶ To note, there was a prior class action lawsuit, *Saul Benavides v. Allegion*, Case No. BC678135, Los Angeles Superior Court, Judge Elihu M. Berle presiding. In the lawsuit, the settlement class is defined as “all current and former hourly-paid or non-exempt employees who worked for Defendant within the State of California at any time during the period of October 3, 2013 through January 7, 2019. Given that this settlement covers the claims alleged in the present case, Plaintiff’s action has a slightly truncated class period beginning on January 8, 2019.

1 Labor Code Private Attorneys General Act (“PAGA”). Now, pursuant to effectuating the terms
2 of the settlement agreement and after his administrative remedies exhaust on June 29, 2023,
3 Plaintiff seeks to file a First Amended Class and Representative Action Complaint. Plaintiff’s
4 operative complaint alleges that Schlage Lock: (1) failed to pay all minimum wages owed; (2)
5 failed to pay all overtime wages owed; (3) failed to provide all legally required meal periods; (4)
6 failed to authorize and permit all legally required rest periods; (5) failed to provide accurate,
7 itemized wage statements; (6) failed to timely pay all wages upon separation of employment; (7)
8 engaged in unlawful business practices; and (8) is liable for civil penalties under the PAGA. A
9 true and correct copy of the proposed First Amended Complaint is attached hereto as **Exhibit 1**.

10 11. After agreeing to participate in early mediation, Schlage Lock informally produced
11 documents and information relevant to the claims alleged in advance of mediation, including
12 without limitation timekeeping and payroll data for a 20% sampling of the putative class.
13 Additionally, Schlage Lock produced information and data points needed for a fruitful mediation,
14 including without limitation, the number of employees, workweeks at issue, pay periods at issue,
15 meal and rest period policies and procedures, and payroll policies. After a review and analysis of
16 the documents and information produced by Accurate Delivery, Class Counsel drew on their
17 extensive experience in similar cases to assess the strengths and weaknesses of Plaintiff’s case.
18 This discovery allowed the parties to assess the merits and value of Plaintiff’s claims and Schlage
19 Lock’s defenses thereto, if a settlement could not be reached.

20 12. On April 18, 2023, a mediation was held with Steve Pearl, a well-respected wage
21 and hour class action mediator. During mediation, the parties vigorously debated their opposing
22 legal positions, the likelihood of certification of Plaintiff’s claims, and the legal basis for the claims
23 and defenses. Ultimately, the Parties agreed on a class-wide resolution that included Plaintiff filing
24 an amended complaint adding causes of action for wage statement penalties and civil penalties
25 under the PAGA. In the weeks that followed, the parties finalized the terms of settlement and
26 executed the Stipulation of Class Action and PAGA Settlement (“Settlement”). A true and correct
27 copy of the Settlement is attached hereto as **Exhibit 2**. The proposed Notice of Pendency of Class
28 Action and Proposed Settlement and Notice of Individual Settlement Award are attached as Exhibit

B to the Settlement.

13. If the Court approves this Settlement, Defendant will pay a Gross Settlement Amount (“GSA”) of \$300,000.00.⁷ Significantly, this Settlement is **non-reversionary**, and no Settlement Class member will have to submit a claim form to receive a Settlement Award (Settlement, ¶ 5). Each Settlement Class member will automatically receive a Settlement Award unless he or she affirmatively opts out of the Settlement. *Id.* The monetary terms of the Settlement are summarized below:

Gross Settlement Amount (“GSA”):	\$300,000.00
Minus Court-approved attorneys’ fees (1/3 of GSA):	\$100,000.00
Minus Court-approved, verified costs (up to):	\$20,000.00
Minus Court-approved Class Representative Service Award (up to):	\$5,000.00
Minus Settlement Administration Costs:	\$5,995.00
Minus PAGA civil penalties:	\$10,000.00
Net Settlement Amount (“NSA”):	\$159,005.00

The Gross Settlement Amount shall be deposited by Defendant into a qualified settlement fund set up by the Settlement Administrator for the benefit of participating Settlement Class members and PAGA Employees. Defendant agrees to deposit the Gross Settlement Amount and the required employer-side taxes with the Settlement Administrator within thirty (30) calendar days after the “Effective Date” which is defined as the latter of: (a) the Court’s final approval of the settlement if no objections by or on behalf of Settlement Class members have been filed; (b) the time for appeal has expired if an objection has been filed and no appeal has been filed or withdrawn; or (c) the final resolution of any appeal that has been filed.

⁷ Defendant represents that there are an estimated 8,011 workweeks worked by Settlement Class members during the Class Period. If the number of workweeks worked by Settlement Class members during the Class Period is more than 10% greater than this figure, Defendant has the sole option to either: (i) increase the Gross Settlement Amount on a proportional basis (*i.e.*, if there was an 11% increase in the number of workweeks worked by the Settlement Class members during the Class Period, Defendant would agree to increase the Gross Settlement Amount by 11%); or (ii) alter the definition of the Class Period such that it would commence on the date where the total workweek count during the Class Period would be no greater than 8,812 workweeks. *See* Settlement ¶ 5.E.

1 After deducting amounts for the Court-approved attorneys' fees and verified costs, Service
2 Award to Plaintiff, Settlement Administrator costs, and the PAGA civil penalties, the Settlement
3 requires Defendant to pay a Net Settlement Amount ("NSA") of at least **\$159,005.00** to all
4 Settlement Class Members who do not timely opt out. This amount does not include the \$2,500.00
5 PAGA Amount to be paid to the PAGA Employees.

6 14. According to Defendant, there are approximately 76 total Settlement Class
7 Members (who worked a total of approximately 8,000 workweeks during the relevant time period).
8 The Settlement Class members defined as:

9 All current and former non-exempt employees of Defendant Schlage Lock
10 Company, LLC who worked at any time in California during the Class Period.
11 For purposes of the Settlement, the "Class Period" shall mean the time period
12 between January 8, 2019 and either: June 17, 2023 or the date of preliminary
13 approval by the Court of this Settlement Agreement, whichever is sooner.

14 Thus, the average Individual Settlement Awards (assuming there are no opt-outs) is
15 projected to be approximately **\$2,092.17, exclusive of any PAGA civil penalties, which is**
16 **approximately \$19.88 per workweek** (\$159,005.00/8,000).

17 In addition, there are approximately 51 PAGA Employees (who worked a total of
18 approximately 1,215 pay periods during the relevant time period). The PAGA Employees is
19 defined as:

20 All current and former non-exempt employees of Defendant Schlage Lock
21 Company, LLC who worked at any time in California during the PAGA Period.
22 For purposes of the Settlement, the "PAGA Period" shall mean the time period
23 between August 25, 2021 and either: June 17, 2023 or the date of preliminary
24 approval by the Court of this Settlement Agreement, whichever is sooner

25 Thus, the average individual portion of PAGA Amount is approximately **\$49.02, which is**
26 **approximately 2.06 per pay period** (\$2,500/1,215 pay periods).

27 15. Settlement Class members' claims arise from Defendant's common, uniform
28 policies and practices that applied to Settlement Class members during the class period.
Specifically, Plaintiff alleged that Defendant's common and uniform policies and practices
resulted in the following violations: (1) failed to pay all minimum wages owed; (2) failed to pay

1 all overtime wages owed; (3) failed to provide all legally required meal periods; (4) failed to
2 authorize and permit all legally required rest periods; (5) failed to provide accurate, itemized wage
3 statements; (6) failed to timely pay all wages upon separation of employment; (7) engaged in
4 unlawful business practices; and (8) is liable for civil penalties under the PAGA.

5 16. As described in the accompanying Motion for Preliminary Approval, Plaintiff
6 alleges that Defendant failed to compensate its non-exempt employees for all time worked.
7 Specifically, Plaintiff alleges that Defendant would keep track of Plaintiff's time worked and
8 would unlawfully round/shave time worked such that Plaintiff would not be fully paid for all time
9 worked. This time-shaving and/or rounding practice utilized by Defendant was not even-handed
10 over time and would almost exclusively round and shave in Defendant's favor such that Plaintiff
11 was routinely underpaid for all his time worked. Additionally, during the most recent portion of
12 Plaintiff's employment with Defendant, Defendant required Plaintiff and other non-exempt
13 employees to be subjected to temperature checks and screening questionnaires due to the COVID-
14 19 pandemic. Despite being under Defendant's direction and control, Defendant failed to
15 compensate its non-exempt employees for such time. As a result, Defendant failed to pay Plaintiff
16 and other non-exempt employees for all minimum and overtime wages owed. Accordingly, based
17 on 5 minutes of unpaid time each shift beginning in March 2020 for COVID-19 screenings and
18 based on Plaintiff's expert calculated unpaid wages due to rounding at approximately \$1,084,
19 Plaintiff estimates Defendant's exposure at a total of \$78,089 ((Approx. 5,583 workweeks (March
20 2020-present) x .42 per workweek x \$32.84 (average OT rate) = \$77,005) + \$1,084).

21 17. Schlage Lock contends that it compensated Settlement Class members for all of
22 their time worked, that its rounding practices were lawful, and any unpaid time was *de minimis*
23 and therefore non-compensable. Schlage Lock further asserts that Plaintiff would be unable to
24 certify a rounding class given the individualized inquiries that would be required, and also that
25 Schlage Lock rounding mechanism was, according to it, allegedly facially neutral. Further,
26 Schlage Lock contends that Plaintiff's assessment of the claim at the overtime rate is incorrect.
27 In light of these defenses, Plaintiff discounted the maximum exposure by 35% for the risk of non-
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1 certification, and an additional 40% to account for Defendant's defenses on the merits to arrive
2 at an estimated exposure of approximately \$30,454.71.

3 18. Plaintiff alleges that he and Settlement Class Members were not provided with all
4 legally-required meal periods in compliance with California law due to Defendant's unlawful meal
5 period policies/practices. Due to work demands, Plaintiff was often prevented from taking meal
6 periods that commenced before the end of the 5th hour of work and/or which were at least 30
7 minutes in length. Additionally, Schlage Lock did not require its employees to track the start and
8 stop time of meal periods when they remained on the work premises, which resulted in Schlage
9 Lock unlawfully automatically deducting 30 minutes from its employees' work time for purported
10 meal periods. Therefore, based on a review of the time punch data and payroll records, Plaintiff
11 calculated Defendant's maximum exposure for the alleged meal period violations for (1) late first
12 lunch; (2) missed first meal period; (3) short first meal break; (4) first meal period with automatic
13 deduction of 30 minutes; and (5) missed second meal break on shifts over 10 hours at
14 approximately \$811,153.

15 19. Schlage Lock counters that it has always provided non-exempt employees with an
16 opportunity to take legally compliant meal periods, and any non-compliant meal periods reflected
17 in employee timekeeping records were solely the result of employee choice, rather than any policy
18 or practice of Schlage Lock. Schlage Lock also points out that it is only required to "provide" the
19 opportunity to take meal periods, not "ensure" meal periods are taken, and that they have always
20 done so. Schlage Lock also contends that because its production stops during meal periods, it does
21 not have to keep track of meal periods. Finally, Schlage Lock contends Plaintiff's meal period
22 claim is not suited for class certification and individual inquiries would be required to assess which
23 employees took non-compliant meal periods, how many meal periods were non-compliant or
24 missed, and the reasons why a particular employee took a non-compliant meal period or missed a
25 meal period during a particular shift. Accordingly, Plaintiff discounted the maximum exposure by
26 50% for the risk of non-certification, and an additional 55% to account for Schlage Lock's defenses
27 on the merits to arrive at an estimated exposure of \$182,509.43.

28 20. Plaintiff alleges that he and other Settlement Class Members were not authorized
and permitted to take all required rest periods due to Schlage Lock's rest period policies/practices

1 which fail to authorize and permit all rest periods for every four hours worked, *or major fraction*
2 *thereof*. Specifically, Plaintiff worked shifts in excess of 3.5 hours, but was not authorized or
3 permitted to take a ten-minute paid rest period for every four (4) hour period worked, or *major*
4 *fraction thereof* as a result of the work demands imposed by Defendant and understaffing. Based
5 on Plaintiff's review of the timekeeping data produced in connection with mediation, there were
6 34,100 shifts worked in excess of 3.5 hours during the relevant time period. Accordingly, Plaintiff
7 calculated Defendant's maximum exposure at approximately \$857,527.

8 21. Schlage Lock contends it has always maintained and enforced lawful rest period
9 policies and practices, and that Settlement Class Members were authorized and permitted to take
10 all off-duty rest periods in compliance with California law. Schlage Lock argues that Plaintiff's
11 rest period claims are inherently unsuited for class treatment as it requires an individualized
12 inquiry into whether each Settlement Class member was in fact authorized and permitted to take
13 a compliant rest period, which would devolve into an unmanageable series of mini-trials.
14 Accordingly, Plaintiff discounted the maximum exposure by 55% for the risk of non-certification,
15 and an additional 45% to account for Defendant's defenses on the merits to arrive at an estimated
16 exposure of \$212,237.93.

17 22. Plaintiff further alleges that Schlage Lock issued inaccurate wage statements in
18 violation of Labor Code § 226 as a result of the alleged unpaid wages and meal and rest period
19 premium wages described above. Specifically, Plaintiff contends that this conduct violated Labor
20 Code § 226(a) because the wage statements issued to Settlement Class Members did not include
21 all hours worked and the rate at which they were being paid. Therefore, Plaintiff calculated
22 Schlage Lock's maximum exposure for wage statement violations based on the 1,215 wage
23 statements issued during the relevant time period and applying \$50/\$100 at approximately
24 \$118,950.

25 23. Schlage Lock argued that meal and rest period claims could not support a claim for
26 wage statement penalties. Schlage Lock further argues that its alleged wage statement violations
27 could not be shown to be "knowing and intentional," and that Plaintiff cannot show that he or any
28 other employee "suffer[ed] injury" as a result of the alleged wage statement violations, as required
by Lab. Code § 226(e) for imposition of penalties. As such, Plaintiff discounted the calculated

1 exposure by 35% for a risk of non-certification and an additional 40% for a risk of being
2 unsuccessful on the merits to arrive at an estimated total of \$46,390.50.

3 24. Plaintiff alleges that Schlage Lock is also liable for waiting time penalties under
4 Labor Code section 203 as a result of its failure to pay all wages upon separation of employment.
5 Based on the data provided by Schlage Lock, there were approximately 31 Settlement Class
6 Members who have separated their employment with Defendant during the relevant time period
7 who could be entitled to waiting time penalties. Therefore, Plaintiff calculated Schlage Lock's
8 maximum exposure for waiting time penalties at approximately \$175,750.

9 25. Schlage Lock asserts it has strong defenses to the waiting time claim because there
10 exist good-faith disputes as to Plaintiff's underlying claims, precluding imposition of penalties.
11 Accordingly, Plaintiff discounted the maximum exposure by 45% for the risk of non-certification,
12 and an additional 45% to account for Schlage Lock's defenses on the merits to arrive at an
13 estimated exposure of approximately \$53,164.38.

14 26. Plaintiff also seeks civil penalties under the PAGA as a result of the foregoing
15 alleged Labor Code violations. Plaintiff calculated Schlage Lock's exposure at approximately
16 \$508,200 based on each unique Labor Code violation for failure to pay all wages due, meal period
17 violations, rest period violations, and wage statement violations that occurred during the PAGA
18 Period.

19 27. Schlage Lock argues that Plaintiff's PAGA claim will fail for the same reasons that
20 his underlying claims will fail. Schlage Lock also maintains that, given its good faith defenses,
21 this Court would exercise its discretion to substantially reduce any PAGA penalties if it were to
22 find Schlage Lock liable for any of Plaintiff's claims. Therefore, Plaintiff discounted the
23 maximum exposure figure by 45% for a risk of being unsuccessful on the merits, and an additional
24 40% to account for the possibility of this Court reducing penalties, to arrive at an estimated
25 exposure of approximately \$167,706.00.

26 28. Using these estimated figures for each of the claims described above, Plaintiff
27 predicted the realistic total recovery for the Settlement Class would be approximately \$692,462.94.
28 The proposed settlement of \$300,000.00 therefore represents approximately 43% of the reasonably
forecasted recovery for the Settlement Class. Preliminary approval is appropriate as the settlement

1 will provide tangible monetary relief to Settlement Class Members, and will still provide an
2 average recovery to Settlement Class Members of over \$2,000.00.

3 29. Here, Class Counsel will also apply for an attorneys' fees award of one-third of
4 the GSA, which is currently estimated to be \$100,000.00, and up to \$20,000.00 in verified costs
5 reimbursement. Plaintiff submits the requested fee is fair compensation for undertaking complex,
6 risky, expensive, and time-consuming litigation on a purely contingent fee basis. Class Counsel
7 has incurred substantial attorney fees conducting pre-filing investigation, analyzing Plaintiff's
8 claims, conducting legal research, reviewing Defendant's documents and policies, analyzing
9 Settlement Class Members' timekeeping data and payroll records, preparing for and attending
10 mediation, negotiating and revising the MOU, long-form Settlement, preparing this Motion, and
11 otherwise litigating the case. Class Counsel expect to expend additional attorney time in attending
12 the hearing on this Motion, overseeing the Notice process and fielding questions from Settlement
13 Class members, preparing the final approval papers and attending the Final Approval hearing.

14 30. Plaintiff has provided written approval of the split of attorneys' fees in this action.

15 31. Plaintiff will seek a service award of \$5,000.00 at the time of seeking final
16 approval, and I believe this is reasonable given Plaintiff's efforts in this case and the risks he
17 undertook on behalf of the Settlement Class members, including the risk that she could be liable
18 for Defendant's costs if this case was unsuccessful, and because this amount is consideration for
19 Plaintiff's general release and 1542 waiver against Defendant. Plaintiff was integral in the
20 prosecution of this action, by, among other things, providing substantial factual information and
21 documents to Class Counsel, attending multiple meetings and conferences with Class Counsel to
22 discuss the claims and theories at issue in the litigation, and otherwise actively participating in
23 the prosecution of their claims.

24 32. Although the parties engaged in informal discovery throughout this action, the
25 parties still had significant discovery to complete in formal litigation had the matter not settled.
26 Moreover, Plaintiff still had to file for class certification, and faced the prospect of appeals in the
27 wake of a disputed class certification ruling for Plaintiff and/or an adverse summary judgment
28 ruling. Even if the classes sought to be certified by Plaintiff were in fact certified, the parties

1 would incur considerably more attorneys' fees and costs through a possible decertification motion,
2 trial, and possible appeal. This Settlement avoids those risks and the accompanying
3 expense. Thus, this factor supports preliminary approval.

4 33. Plaintiff served the proposed Settlement Agreement on the California Labor
5 & Workforce Development Agency ("LWDA") on September 28, 2023. A true and correct
6 copy of the email generated by the LWDA website after Plaintiff submitted the Settlement
7 Agreement to the LWDA is attached hereto as **Exhibit 3**.

8 34. I have directed my office to submit a copy of the instant Motion for Preliminary
9 Approval and all supporting documents via the LWDA's website on the same date concurrently
10 herewith and will have a supplemental proof of service filed after the Motion for Preliminary
11 Approval and all supporting documents are submitted to the LWDA.

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

14 Executed on June 30, 2023 at El Segundo, California.

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Scott M. Lidman

EXHIBIT 1

EXHIBIT 1

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Attorneys for Plaintiff
JAVIER MARTINEZ

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF SAN BERNARDINO

JAVIER MARTINEZ, as an individual and on
behalf of all others similarly situated,

Plaintiff,

vs.

SCHLAGE LOCK COMPANY, LLC, a
Delaware limited liability company, and
DOES 1 through 100, inclusive,

Defendants.

Case No.: CIVSB2218620

**FIRST AMENDED CLASS AND
REPRESENTATIVE ACTION
COMPLAINT:**

- (1) FAILURE TO PAY ALL MINIMUM
WAGES OWED (LABOR CODE §§
1194, 1194.2, 1197);**
- (2) FAILURE TO PAY ALL
OVERTIME WAGES OWED
(LABOR CODE §§ 204, 510, 558,
1194, 1198);**
- (3) FAILURE TO PROVIDE MEAL
PERIODS (LABOR CODE §§ 226.7,
512, 558);**
- (4) FAILURE TO AUTHORIZE AND
PERMIT REST PERIODS (LABOR
CODE §§ 226.7, 516);**
- (5) FAILURE TO TIMELY PAY ALL
WAGES UPON TERMINATION
(LABOR CODE §§ 201-203);**
- (6) UNFAIR COMPETITION (BUS &
PROF CODE § 17200 *et seq.*)**

(7) **FAILURE TO PROVIDE
ACCURATE, ITEMIZED WAGE
STATEMENTS (LABOR CODE §
226 *et seq.*);**

(8) **CIVIL PENALTIES UNDER THE
PRIVATE ATTORNEYS GENERAL
ACT (LABOR CODE § 2698 *et seq.*)**

**DEMAND FOR JURY TRIAL
UNLIMITED CIVIL CASE**

1 Plaintiff Javier Martinez (“Plaintiff”), on behalf of himself and all others similarly
2 situated, hereby brings this First Amended Complaint (“FAC”) against Schlage Lock Company,
3 LLC, a Delaware limited liability company and DOES 1 to 100, inclusive (collectively
4 “Defendants”), and on information and belief alleges as follows:

5 **JURISDICTION**

6 1. Plaintiff, on behalf of himself and all others similarly situated, hereby brings this
7 FAC for recovery of unpaid wages and penalties under California Business and Professions Code
8 § 17200 *et. seq.*, Labor Code §§ 201-203, Labor Code §§ 204, 218 *et seq.*, 226, 226.7, 510, 512,
9 516, 558, 1194, 1194.2, 1197, 1198, 2698 *et seq.* and Industrial Welfare Commission Wage Order
10 1 (the “Wage Order 1”), in addition to seeking declaratory relief and restitution. This FAC is
11 brought pursuant to California Code of Civil Procedure § 382. This Court has jurisdiction over
12 Defendants’ violations of the California Labor Code because the amount in controversy exceeds
13 this Court's jurisdictional minimum.

14 **VENUE**

15 2. Venue is proper in this judicial district pursuant to Cal. Code of Civ. Proc. §§
16 395(a) and 395.5, as at least some of the acts and omissions complained of herein occurred in the
17 County of San Bernardino. Defendants own, maintain offices, transact business, have agent(s)
18 within the County of San Bernardino, and/or otherwise are found within the County of San
19 Bernardino, and Defendants are within the jurisdiction of this Court for purposes of service of
20 process.

21 **PARTIES**

22 3. Plaintiff is an individual over the age of eighteen (18). At all relevant times herein,
23 Plaintiff was a California resident. During the four years immediately preceding the filing of the
24 FAC in this action and within the statute of limitations periods applicable to each cause of action
25 pled herein, Plaintiff was employed by Defendants as a non-exempt employee. Plaintiff was, and
26 is, a victim of Defendants’ policies and/or practices complained of herein, lost money and/or
27 property, and has been deprived of the rights guaranteed by Labor Code §§ 201-203, 204, 218.5,
28 218.6, 226, 226.7, 510, 512, 516, 558, 1194, 1194.2, 1197, 1198, 2698 *et seq.* and California

1 Business and Professions Code § 17200 *et seq.* (“Unfair Competition Law” or “UCL”); and Wage
2 Order 1, which sets employment standards for the occupations in the manufacturing, which
3 includes the industry in which Plaintiff worked for Defendants.

4 4. Plaintiff is informed and believes, and based thereon alleges, that during the four
5 years preceding the filing of the Complaint and continuing to the present, Defendants did (and
6 continue to do) business by manufacturing security products including metal security doors and
7 locks. Defendants employed Plaintiff and other, similarly-situated non-exempt employees within
8 San Bernardino County and the state of California and, therefore, were (and are) doing business
9 in San Bernardino County and the State of California.

10 5. Plaintiff does not know the true names or capacities, whether individual, partner,
11 or corporate, of the defendants sued herein as DOES 1 to 100, inclusive, and for that reason, said
12 defendants are sued under such fictitious names, and Plaintiff will seek leave from this Court to
13 amend this Complaint when such true names and capacities are discovered. Plaintiff is informed,
14 and believes, and based thereon alleges, that each of said fictitious defendants, whether individual,
15 partners, or corporate, were responsible in some manner for the acts and omissions alleged herein,
16 and proximately caused Plaintiff and the Classes (as defined in Paragraph 20) to be subject to the
17 unlawful employment practices, wrongs, injuries and damages complained of herein.

18 6. Plaintiff is informed, and believes, and thereon alleges, that at all times mentioned
19 herein, Defendants were and are the employers of Plaintiff and all members of the Classes.

20 7. At all times herein mentioned, each of said Defendants participated in the doing
21 of the acts hereinafter alleged to have been done by the named Defendants; and furthermore, the
22 Defendants, and each of them, were the agents, servants, and employees of each and every one of
23 the other Defendants, as well as the agents of all Defendants, and at all times herein mentioned
24 were acting within the course and scope of said agency and employment. Defendants, and each
25 of them, approved of, condoned, and/or otherwise ratified each and every one of the acts or
26 omissions complained of herein.

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

1 and scope of and in pursuance of said joint venture, partnership, and common enterprise. Further,
2 Plaintiff alleges that all Defendants were joint employers for all purposes of Plaintiff and all
3 members of the Classes.

4 **GENERAL FACTUAL ALLEGATIONS**

5 9. Plaintiff, a former non-exempt employee, was employed by Defendants from
6 approximately 1999 to on or about September 2, 2020. During his employment, Plaintiff worked
7 as a Shipping Coordinator in the Shipping Department at Defendants' location in Chino,
8 California.

9 10. During his employment with Defendants, Plaintiff was generally scheduled to
10 work from approximately 6:30 a.m. to approximately 3:30 p.m., Monday through Friday.
11 However, he often worked until 5:00 p.m. or later. Therefore, Plaintiff would often work more
12 than eight (8) hours per day and/or forty (40) hours per week. Defendants required Plaintiff to
13 clock in and out by swiping his employee card into a timekeeping system to keep track and record
14 his work time.

15 11. During his employment with Defendants, Defendants would keep track of
16 Plaintiff's time worked and would unlawfully shave Plaintiff's work time and/or round Plaintiff's
17 work time such that Plaintiff would not be fully paid for all time worked. This time-shaving
18 and/or rounding practice utilized by Defendants was not even-handed over time and would almost
19 exclusively round and shave in Defendants' favor such that Plaintiff was routinely unpaid for his
20 time worked. As a result, Defendants failed to pay Plaintiff all required minimum and overtime
21 wages.

22 12. Additionally, in connection with the COVID-19 pandemic, during the most recent
23 portion of Plaintiff's employment with Defendants, Defendants required Plaintiff and their other
24 non-exempt employees to be subjected to temperature checks and answer a daily screening
25 questionnaire before they were allowed to clock in and commence work. Despite being under
26 Defendants' direction and control and being required to undergo the temperature checks and
27 answer the COVID-19 questionnaire for the benefit of Defendants, Defendants would not
28 compensate Plaintiff or the other employees for this time. As a result, Defendants failed to pay

1 Plaintiff all required minimum and overtime wages.

2 13. Throughout Plaintiff's employment with Defendants, Plaintiff was not provided
3 all required meal periods due to Defendants' meal period policies/practices which fail to provide
4 uninterrupted, duty-free 30-minute meal periods prior to the start of the fifth hour of work.
5 Specifically, due to the work demands imposed by Defendants, Defendants often provided meal
6 periods that were either late or short or failed to provide a required meal period altogether.

7 14. Further, Defendants did not require Plaintiff and the other non-exempt employees
8 to clock in and out for their meal periods if they remained on the premises. Therefore, despite
9 Defendants' failure to keep any records of Plaintiff's meal periods when he remained on the work
10 premises, Plaintiff is informed and believes that Defendants unlawfully and automatically
11 deducted thirty minutes from Plaintiff's work time each shift for a purported meal period
12 regardless of whether or not a meal period was taken and regardless of whether the meal period,
13 if taken, was less than 30 minutes in length. As a result, Defendants failed to pay Plaintiff and
14 other non-exempt employees all of their minimum and overtime wages owed. Moreover, when
15 Plaintiff worked in excess of 10.0 hours in a shift, Defendants failed to provide a second
16 uninterrupted, duty-free 30-minute meal period in violation of California law.

17 15. Although Plaintiff was not provided with all legally-compliant meal periods to
18 which he was entitled, Defendants failed to compensate Plaintiff with the required meal period
19 premium for each workday in which he experienced a meal period violation as mandated by Labor
20 Code § 226.7.

21 16. Plaintiff was also not authorized and permitted to take all legally required and
22 compliant rest periods due to Defendants' rest period policies and practices. Specifically, due to
23 Defendants' practices of understaffing and the work demands imposed by Defendants,
24 Defendants did not authorize and permit one rest period for every four hours worked, or *major*
25 *fraction thereof*.

26 17. On those occasions when Plaintiff was not authorized and permitted to take all
27 legally-compliant rest periods to which he was entitled, Defendants failed to compensate Plaintiff
28 with the required rest period premium for each workday in which he experienced a rest period

violation as mandated by Labor Code § 226.7.

18. As a result of Defendants' failure to pay all minimum and overtime wages and meal and rest period premium wages, Defendants failed to pay all wages owed to Plaintiff upon his termination of employment with Defendants.

19. As a further result of Defendants' failure to pay all minimum wages, overtime wages, as well as meal period premium wages and rest period premium wages, Defendants maintained inaccurate payroll records and issued inaccurate wage statements to Plaintiff.

CLASS ACTION ALLEGATIONS

20. **Class Definitions:** Plaintiff brings this action on behalf of himself and the following Classes pursuant to § 382 of the Code of Civil Procedure:

- a. The Minimum Wage Class: consists of all of Defendants' current and former non-exempt employees in California who were subject to Defendants' timekeeping policies/practices, during the four years preceding the filing of the lawsuit through the present.
- b. The Overtime Class: consists of all of Defendants' current and former non-exempt employees in California who worked more than eight hours per day and/or forty hours per week and subject to Defendants' timekeeping policies/practices, during the four years immediately preceding the filing of this lawsuit through the present date.
- c. The Meal Period Class consists of all of Defendants' current and former non-exempt employees who: (i) worked at least one shift in excess of 5.0 hours, during the four years immediately preceding the filing of the lawsuit through the present.
- d. The Rest Period Class consists of all of Defendants' current and former non-exempt employees in California who worked at least one shift in excess of 3.5 hours during the four years immediately preceding the filing of the lawsuit through the present.
- e. The Waiting Time Penalty Class consists of Defendants' formerly employed members of the Minimum Wage Class, Overtime Class, Meal Period Class and/or

Rest Period Class in California, during the three years immediately preceding the filing of the Complaint through the present.

f. The Wage Statement Class consists of all members of the: (i) Minimum Wage Class; (ii) Overtime Class; (iii) Meal Period Class; and/or (iv) Rest Period Class during the one year immediately preceding the filing of the lawsuit through the present.

g. The UCL Class consists of members of the: (i) Minimum Wage Class; (ii) Overtime Class; (iii) Meal Period Class; (iv) Rest Period Class; (v) Waiting Time Penalty Class; and (vi) Wage Statement Class.

21. Plaintiff reserves the right under Rule 3.765(b) of the California Rules of Court, to amend or modify the description of the various classes with greater specificity or further division into subclasses or limitation to particular issues.

22. **Numerosity/Ascertainability:** The members of the Classes are so numerous that joinder of all members would be unfeasible and not practicable. The membership of the Classes is unknown to Plaintiff at this time; however, it is estimated that the members of the Classes number greater than ninety (90) individuals. The identity of such membership is readily ascertainable via inspection of Defendants' employment records.

23. **Common Questions of Law and Fact Predominate/Well Defined Community of Interest:** There are common questions of law and fact as to Plaintiff and all other similarly situated employees, which predominate over questions affecting only individual members. Those common questions include, without limitation:

i. Whether Defendants' timekeeping policies and/or practices resulted in the failure to properly compensate members of the Overtime and Minimum Wage Classes for all hours actually worked;

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

iii. Whether Defendants provided all legally compliant meal periods to members of

the Meal Period Class pursuant to Labor Code §§ 226.7 and 512;

iv. Whether Defendants authorized and permitted all legally compliant rest periods to members of the Rest Period Class pursuant to Labor Code §§ 226.7 and 516;

v. Whether Defendants' policies and/or practices for the timing and amount of payment of final wages to members of the Waiting Time Class at the time of their separation of employment were lawful;

vi. Whether Defendants furnished legally compliant wage statements to members of the Wage Statement Class pursuant to Labor Code § 226; and

vii. Whether Defendants engaged in unlawful, unfair, illegal, and/or deceptive business practices by and through the wage and hour policies and practices described above, and whether as a result Defendants owe the classes restitution.

24. **Predominance of Common Questions:** Common questions of law and fact predominate over questions that affect only individual members of the Classes. The common questions of law set forth above are numerous and substantial and stem from Defendants' policies and/or practices applicable to each individual class member, such as Defendants' uniform timekeeping, minimum wage payment, overtime wage payment, and meal and rest period policies and practices. As such, the common questions predominate over individual questions concerning each individual class member's showing as to their eligibility for recovery or as to the amount of their damages.

25. **Typicality:** The claims of Plaintiff are typical of the claims of the Classes because Plaintiff was employed by Defendants as a non-exempt employee in California during the statute(s) of limitations period applicable to each cause of action pled in the Complaint. As alleged herein, Plaintiff, like the members of the Classes, was not provided all legally required minimum and overtime wages, was not provided with all required meal periods, was not authorized and permitted to take all required rest periods, did not receive meal and rest period premium wages when he was not provided compliant meal and rest periods, was not paid all premium wages due at the time of termination, and was not provided with accurate, itemized wage statements.

1 26. **Adequacy of Representation:** Plaintiff is fully prepared to take all necessary steps
2 to represent fairly and adequately the interests of the members of the Classes. Moreover,
3 Plaintiff's attorneys are ready, willing and able to fully and adequately represent the members of
4 the Classes and Plaintiff. Plaintiff's attorneys have prosecuted and defended numerous wage-
5 and-hour class actions in state and federal courts in the past and are committed to vigorously
6 prosecuting this action on behalf of the members of the Classes.

7 27. **Superiority:** The California Labor Code is broadly remedial in nature and serves
8 an important public interest in establishing minimum working conditions and standards in
9 California. These laws and labor standards protect the average working employee from
10 exploitation by employers who have the responsibility to follow the laws and who may seek to
11 take advantage of superior economic and bargaining power in setting onerous terms and
12 conditions of employment. The nature of this action and the format of laws available to Plaintiff
13 and members of the Classes make the class action format a particularly efficient and appropriate
14 procedure to redress the violations alleged herein. If each employee were required to file an
15 individual lawsuit, Defendants would necessarily gain an unconscionable advantage since they
16 would be able to exploit and overwhelm the limited resources of each individual plaintiff with
17 their vastly superior financial and legal resources. Moreover, requiring each member of the
18 Classes to pursue an individual remedy would also discourage the assertion of lawful claims by
19 employees who would be disinclined to file an action against their former and/or current employer
20 for real and justifiable fear of retaliation and permanent damages to their careers at subsequent
21 employment. Further, the prosecution of separate actions by the individual class members, even
22 if possible, would create a substantial risk of inconsistent or varying verdicts or adjudications
23 with respect to the individual class members against Defendants herein; and which would
24 establish potentially incompatible standards of conduct for Defendants; and/or legal
25 determinations with respect to individual class members which would, as a practical matter, be
26 dispositive of the interest of the other class members not parties to adjudications or which would
27 substantially impair or impede the ability of the class members to protect their interests. Further,
28 the claims of the individual members of the Classes are not sufficiently large to warrant vigorous

individual prosecution considering all of the concomitant costs and expenses attending thereto. As such, the Classes identified in Paragraph 20 are maintainable as a Class under § 382 of the Code of Civil Procedure.

FIRST CAUSE OF ACTION

FAILURE TO PAY ALL MINIMUM WAGES OWED

(AGAINST ALL DEFENDANTS)

28. Plaintiff re-alleges and incorporates by reference all previous paragraphs.

29. This cause of action is brought pursuant to Labor Code §§ 204, 558, 1194, 1197 and 1198 which provide that all non-exempt employees are entitled to all minimum wages for all hours worked, and provide a private right of action for the failure to pay all minimum wage compensation for all work performed.

30. At all times relevant herein, Defendants were required to properly compensate Plaintiff and the members of the Minimum Wage Class for all hours worked pursuant to California Labor Code §§ 1194, 1197 and 1198, and the Wage Order 1. The Wage Order 1, Section 4 requires an employer to pay to every employee on the established payday for the period involved not less than the applicable minimum wage for all hours worked in the payroll period. Defendants caused Plaintiff and the members of the Minimum Wage Class to work hours in a workweek but did not properly compensate Plaintiff and the members of the Minimum Wage Class at least minimum wages for such hours.

31. At all times relevant herein, Defendants lacked good faith and had no reasonable grounds for believing that their practices in failing to pay all minimum wages owed at the applicable rate was not a violation of any provision of the Labor Code relating to minimum wage, or an order of the Industrial Welfare Commission. Defendants therefore, in addition to owing minimum wages to Plaintiff and the members of the Minimum Wage Class, also owe liquidated damages in an amount equal to the wages unlawfully unpaid, and interest thereon, pursuant to Labor Code § 1194.2.

32. The foregoing practices and policies are unlawful and create entitlement to recovery by Plaintiff and the members of the Minimum Wage Class in a civil action for the unpaid

1 amount of minimum wages owing, including interest thereon, as well as statutory penalties,
2 liquidated damages, civil penalties, and attorneys' fees and costs of suit, pursuant to Labor Code
3 §§ 204, 218.5, 218.6, 558, 1194, 1194.2, 1197, 1197.1 and 1198, the Wage Order 1, California
4 Code of Civil Procedure § 1021.5 California Code of Civil Procedure § 1021.5, and Civil Code
5 §§ 3287(b) and 3289.

6 **SECOND CAUSE OF ACTION**

7 **FAILURE TO PAY ALL OVERTIME WAGES OWED**

8 **(AGAINST ALL DEFENDANTS)**

9 33. Plaintiff re-alleges and incorporates by reference all previous paragraphs.

10 34. This cause of action is brought pursuant to Labor Code §§ 204, 510, 558, 1194
11 and 1198 which provide that all non-exempt employees are entitled to all overtime wages for all
12 overtime worked (hours in excess of 8 in one day and/or 40 in one week), and provide a private
13 right of action for the failure to pay all overtime compensation for overtime work performed.

14 35. At all times relevant herein, Defendants were required to properly compensate
15 Plaintiff and the members of the Overtime Class for all overtime hours worked pursuant to
16 California Labor Code §§ 510 and 1194, and the Wage Order 1. Labor Code § 510 and the Wage
17 Order 1, Section 3 require an employer to pay an employee "one and one-half (1½) times the
18 regular rate of pay" for work in excess of 8 hours per workday and/or in excess of 40 hours per
19 workweek. Labor Code § 510 and the Wage Order 1, Section 3 also require an employer to pay
20 an employee double the employee's regular rate for work in excess of 12 hours each workday
21 and/or in excess of 8 hours on the seventh consecutive day of work in the workweek. Defendants
22 caused Plaintiff and the members of the Overtime Class to work in excess of 8 hours in a workday
23 and/or 40 hours in a workweek but did not properly compensate Plaintiff and the members of the
24 Overtime Class at one and one-half their regular rate of pay for such hours. Plaintiff is further
25 informed and believes that Defendants failed to incorporate all non-discretionary Incentive Pay
26 into the regular rate of pay of members of the Overtime Class, resulting in members of the
27 Overtime Class being underpaid for overtime hours worked.

28 36. The foregoing practices and policies are unlawful and create entitlement to

1 recovery by Plaintiff and the members of the Overtime Class in a civil action for the unpaid
2 amount of overtime premium owing, including interest thereon, as well as statutory penalties,
3 civil penalties, and attorneys' fees and costs of suit, pursuant to Labor Code §§ 204, 210, 216,
4 218.5, 218.6, 510, 558, 1194 and 1198, the Wage Order 1, California Code of Civil Procedure §
5 1021.5 California Code of Civil Procedure § 1021.5, and Civil Code §§ 3287(b) and 3289.

6 **THIRD CAUSE OF ACTION**

7 **FAILURE TO PROVIDE MEAL PERIODS**

8 **(AGAINST ALL DEFENDANTS)**

9 37. Plaintiff re-alleges and incorporates by reference all previous paragraphs.

10 38. Plaintiff is informed and believes, and based thereon alleges, that Defendants
11 failed in their affirmative obligation to provide all of their non-exempt employees in California,
12 including Plaintiff and members of the Meal Period Class, with all legally compliant meal periods
13 in accordance with the mandates of the California Labor Code and the Wage Order 1, § 11.
14 Despite Defendants' violations, Defendants did not pay an additional hour of pay to Plaintiff and
15 members of the Meal Period Class at their respective regular rates of pay, in accordance with
16 California Labor Code §§ 204, 210, 226.7, and 512.

17 39. As a result, Defendants are responsible for paying premium compensation for meal
18 period violations pursuant to Labor Code §§ 226.7, 512, and 558, and the Wage Order 1, including
19 interest thereon, statutory penalties, civil penalties, and costs of suit.

20 **FOURTH CAUSE OF ACTION**

21 **FAILURE TO AUTHORIZE AND PERMIT REST PERIODS**

22 **(AGAINST ALL DEFENDANTS)**

23 40. Plaintiff re-alleges and incorporates by reference all previous paragraphs.

24 41. The Wage Order 1, § 12 and California Labor Code §§ 226.7, 516 and 558
25 establish the right of employees to be authorized and permitted to take a paid rest period of at
26 least ten (10) minutes net rest time for each four (4) hour period worked, or *major fraction thereof*.

27 42. As alleged herein, Defendants failed to authorize and permit Plaintiff and members
28 of the Rest Period Class to take all required rest periods.

1 43. The foregoing violations create an entitlement to recovery by Plaintiff and
2 members of the Rest Period Class in a civil action for the unpaid amount of rest period premiums
3 owing, including interest thereon, statutory penalties, civil penalties, and costs of suit according
4 to California Labor Code §§ 226.7, 516, 558, and Civil Code §§ 3287(b) and 3289.

5 **FIFTH CAUSE OF ACTION**

6 **FAILURE TO PAY ALL WAGES UPON TERMINATION**

7 **(AGAINST ALL DEFENDANTS)**

8 44. Plaintiff re-alleges and incorporates by reference all previous paragraphs.

9 45. This cause of action is brought pursuant to Labor Code §§ 201-203, which require
10 an employer to pay all wages immediately at the time of separation of employment in the event
11 the employer discharges the employee or the employee provides at least 72 hours of notice of
12 their intent to quit. In the event the employee provides less than 72 hours of notice of their intent
13 to quit, said employee's wages become due and payable not later than 72 hours upon said
14 employee's last date of employment.

15 46. Plaintiff is informed and believes, and based thereon alleges, that Defendants
16 failed to timely pay Plaintiff and members of the Waiting Time Penalty Class all final wages due
17 to them at their separation from employment, including, meal and rest period premium wages.

18 47. Further, Plaintiff is informed and believes, and based thereon alleges, that as a
19 matter of uniform policy and practice, Defendants continue to fail to pay Plaintiff and members
20 of the Waiting Time Penalty Class all earned wages at the end of employment in a timely manner
21 pursuant to the requirements of Labor Code §§ 201-203.

22 48. Defendants' failure to pay all final wages was willful within the meaning of Labor
23 Code § 203. Defendants' willful failure to timely pay Plaintiff and the members of the Waiting
24 Time Penalty Class their earned wages upon separation from employment results in a continued
25 payment of wages up to thirty days from the time the wages were due.

26 49. Therefore, Plaintiff and members of the Waiting Time Penalty Class are entitled
27 to compensation pursuant to Labor Code § 203, plus reasonable attorneys' fees and costs of suit.
28

1 **SIXTH CAUSE OF ACTION**

2 **UNFAIR COMPETITION**

3 **(AGAINST ALL DEFENDANTS)**

4 50. Plaintiff re-alleges and incorporates by reference all previous paragraphs.

5 51. Defendants have engaged and continue to engage in unfair and/or unlawful
6 business practices in California in violation of California Business and Professions Code § 17200
7 *et seq.*, by failing to properly pay all minimum and overtime wages, provide all required meal
8 periods and authorize and permit all required rest periods, or pay premium payments in lieu
9 thereof.

10 52. Defendants' utilization of these unfair and/or unlawful business practices deprived
11 Plaintiff and continues to deprive members of the Classes of compensation to which they are
12 legally entitled, constitutes unfair and/or unlawful competition, and provides an unfair advantage
13 over Defendants' competitors who have been and/or are currently employing workers and
14 attempting to do so in honest compliance with applicable wage and hour laws.

15 53. Because Plaintiff is a victim of Defendants' unfair and/or unlawful conduct alleged
16 herein, Plaintiff for himself and on behalf of the members of the Classes, seeks full restitution of
17 monies, as necessary and according to proof, to restore any and all monies withheld, acquired
18 and/or converted by Defendants pursuant to Business and Professions Code §§ 17203 and 17208.

19 54. The acts complained of herein occurred within the last four years immediately
20 preceding the filing of the Complaint in this action.

21 55. Plaintiff was compelled to retain the services of counsel to file this court action to
22 protect his interests and those of the Classes, to obtain restitution and injunctive relief on behalf
23 of Defendants' current non-exempt employees, and to enforce important rights affecting the
24 public interest. Plaintiff has thereby incurred the financial burden of attorneys' fees and costs,
25 which he is entitled to recover under Code of Civil Procedure § 1021.5.

1 **SEVENTH CAUSE OF ACTION**

2 **FAILURE TO PROVIDE ACCURATE, ITEMIZED WAGE STATEMENTS**

3 **(AGAINST ALL DEFENDANTS)**

4 56. Plaintiff re-alleges and incorporates by reference all previous paragraphs.

5 57. Plaintiff is informed and believes, and based thereon alleges, that Defendants
6 knowingly and intentionally, as a matter of uniform policy and practice, failed to furnish Plaintiff
7 and members of the Wage Statement Class with complete and accurate wage statements with
8 respect to their rates of pay, hours worked at each rate of pay, total gross wages earned, and total
9 net wages earned in violation of Labor Code § 226 *et seq.*

10 58. Defendants' failures in furnishing Plaintiff and members of the Wage Statement
11 Class with complete and accurate itemized wage statements resulted in actual injury, as said
12 failures led to, among other things, the non-payment of all earned overtime and/or minimum
13 wages as well as meal and rest period premium wages, and deprived them of the information
14 necessary to identify the discrepancies in Defendants' reported data.

15 59. Defendants' failures create an entitlement to recovery by Plaintiff and members of
16 the Wage Statement Class in a civil action for all damages and/or penalties pursuant to Labor
17 Code § 226 *et seq.*, including statutory penalties, civil penalties, reasonable attorneys' fees, and
18 costs of suit according to California Labor Code § 226 *et seq.*

19 **EIGHTH CAUSE OF ACTION**

20 **LABOR CODE PRIVATE ATTORNEYS GENERAL ACT OF 2004**

21 **(AGAINST ALL DEFENDANTS)**

22 60. Plaintiff re-alleges and incorporates by reference all previous paragraphs.

23 61. Defendants have committed several Labor Code violations against Plaintiff and
24 other Aggrieved Employees. Plaintiff, an "Aggrieved Employee" within the meaning of Labor
25 Code § 2698 *et seq.*, acting on behalf of himself and other Aggrieved Employees, brings this
26 representative action against Defendants to recover the civil penalties due to Plaintiff, the other
27 aggrieved employees, and the State of California according to proof pursuant to Labor Code §
28 2699 (a) and (f) including, but not limited to: (1) \$250.00 for each initial violation and \$1,000.00

for each subsequent violation pursuant to Labor Code § 226.3 per employee per pay period; and/or (2) \$100.00 for each initial violation and \$200.00 for each subsequent violation per employee per pay period for those violations of the Labor Code for which no civil penalty is specifically provided, based on the following Labor Code violations:

- a) Defendants violated Labor Code §§ 1194, 1194.2, and 1197 by failing to pay Plaintiff and other Aggrieved Employees the statutory minimum wage for all hours worked;
- b) Defendants violated Labor Code §§ 204, 510, 558, 1194, and 1198 by failing to pay Plaintiff and other Aggrieved Employees all overtime compensation earned;
- c) Defendants violated Labor Code §§ 226.7, 512, and 558 by failing to provide all legally required meal periods and failing to pay meal period premiums to Plaintiff and other Aggrieved Employees;
- d) Defendants violated Labor Code §§ 226.7, 516, and 558 by failing to provide all legally required rest periods and failing to pay rest period premiums to Plaintiff and other Aggrieved Employees;
- e) Defendants violated Labor Code § 226 by failing to furnish Plaintiff and other Aggrieved Employees with accurate and compliant itemized wage statements;
- f) Defendants violated Labor Code §§ 201, 202 and 203 by failing to timely pay all final wages due to Plaintiff and other Aggrieved Employees;
- g) Defendants violated Labor Code § 204 by failing to pay Plaintiff and other Aggrieved Employees all earned wages at least twice during each calendar month; and
- h) Defendants violated Labor Code § 1174 by failing to maintain accurate records on behalf of Plaintiff and other Aggrieved Employees.

62. On April 25, 2023, Plaintiff notified Defendants via certified mail, and the California Labor and Workforce Development Agency (“LWDA”) via e-mail, of Defendants’ violations of the California Labor Code and Plaintiff’s intent to bring a claim for civil penalties under California Labor Code § 2698 et seq. with respect to violations of the California Labor

Code identified in Paragraph 61 (a)-(h). Attached hereto as **Exhibit 1** is a true and correct copy of the April 25, 2023 correspondence. Now that sixty-five days have passed from Plaintiff notifying Defendants of these violations, Plaintiff has exhausted his administrative requirements for bringing a claim under the Labor Code Private Attorneys General Act with respect to these violations.

63. Plaintiff was compelled to retain the services of counsel to file this court action to protect his interests and the interests of other aggrieved employees, and to assess and collect the civil penalties owed by Defendants. Plaintiff has thereby incurred attorneys' fees and costs, which she is entitled to recover under California Labor Code § 2699(g).

PRAYER

WHEREFORE, Plaintiff prays for judgment for himself and for all others on whose behalf this suit is brought against Defendants, as follows:

1. For an order certifying the proposed Classes;
2. For an order appointing Plaintiff as representative of the Classes;
3. For an order appointing Counsel for Plaintiff as Counsel for the Classes;
4. Upon the First Cause of Action, for payment of minimum wages, liquidated damages, and penalties according to proof pursuant to Labor Code §§ 1194, 1194.2 and 1197;
5. Upon the Second Cause of Action, for compensatory, consequential, general and special damages according to proof pursuant to Labor Code §§ 204, 510, 558, 1194, and 1198;
6. Upon the Third Cause of Action, for compensatory, consequential, general and special damages according to proof pursuant to Labor Code §§ 226.7, 512, and 558;
7. Upon the Fourth Cause of Action, for compensatory, consequential, general and special damages according to proof pursuant to Labor Code §§ 226.7, 516, and 558;
8. Upon the Fifth Cause of Action, for statutory waiting time penalties pursuant to Labor Code § 203;
9. Upon the Sixth Cause of Action, for restitution to Plaintiff and members of the Class of all money and/or property unlawfully acquired by Defendants by means of any acts or practices declared by this Court to be in violation of Business and Professions Code § 17200 *et*

1 *seq.*;

2 10. Upon the Seventh Cause of Action, for statutory wage statement penalties pursuant
3 to Labor Code § 226 *et seq.*;

4 11. Upon the Eighth Cause of Action, for civil penalties due to Plaintiff, other
5 aggrieved employees, and the State of California according to proof pursuant to Labor Code §§
6 558 and 2699(a) and (f) including, but not limited to: (1) \$100.00 for each initial violation for
7 each failure to pay each employee and \$200.00 for each subsequent violation or willful or
8 intentional violation pursuant to Labor Code § 210 for each failure to pay each employee, plus
9 25% of the amount unlawfully withheld; (2) \$250.00 for each initial violation and \$1,000.00 for
10 each subsequent violation pursuant to Labor Code § 226.3 per employee per pay period; (3)
11 \$50.00 for each initial violation and \$100.00 for each subsequent violation pursuant to Labor
12 Code § 558 per employee per pay period; and/or (4) \$100.00 for each initial violation and \$200.00
13 for each subsequent violation per employee per pay period for those violations of the Labor Code
14 for which no civil penalty is specifically provided, based on the Labor Code violations cited in
15 Paragraph 61 (a)-(h) above.

16 12. Prejudgment interest on all due and unpaid wages pursuant to California Labor
17 Code § 218.6 and Civil Code §§ 3287 and 3289;

18 13. On all causes of action, for attorneys' fees and costs as provided by Labor Code §
19 218.5 and Code of Civil Procedure § 1021.5 and all other applicable statutes; and

20 14. For such other and further relief the Court may deem just and proper.

21
22 Dated: _____ Respectfully submitted,
23 LIDMAN LAW, APC

24 By: _____
25 Scott M. Lidman
26 Attorneys for Plaintiff
27 JAVIER MARTINEZ
28

1
2 **DEMAND FOR JURY TRIAL**

3 Plaintiff hereby demands a jury trial with respect to all issues triable by jury.

4
5 Dated: _____

Respectfully submitted,
LIDMAN LAW, APC

6
7 By: _____

Scott M. Lidman
Attorneys for Plaintiff
JAVIER MARTINEZ

EXHIBIT 1

EXHIBIT 1

LIDMAN LAW

2155 CAMPUS DRIVE, SUITE 150, EL SEGUNDO, CA 90245

OFFICE: (424) 322-4772

FAX: (424) 322-4775

April 25, 2023

VIA LWDA WEBSITE

Labor and Workforce Development Agency
Attn: PAGA Administrator
1515 Clay Street, Suite 801
Oakland, CA 94612

**VIA U.S. CERTIFIED MAIL – RETURN RECEIPT
REQUESTED**

LEWIS BRISBOIS BISGAARD & SMITH LLP

William C. Sung
Rita R. Kanno
Sawyer C. Stephens
633 W. 5th Street, Suite 4000
Los Angeles, California 90071

Attorneys for Defendant
SCHLAGE LOCK COMPANY, LLC

Re: *Javier Martinez v. Schlage Lock Company, LLC*

To Whom It May Concern:

Please be advised that this law firm represents Javier Martinez in claims arising from his employment with Schlage Lock Company, LLC, a Delaware limited liability company (“Defendant”). Mr. Martinez is an “aggrieved employee” as defined by Labor Code sections 2699, *et seq.* due to Defendant’s numerous violations of the Labor Code as set forth below. The purpose of this letter is to comply with Labor Code section 2699.3, which requires aggrieved employees to notify their employer and the Labor and Workforce Development Agency (“LWDA”) of the specific provisions of the Labor Code allegedly violated.

For purposes of this letter, an “aggrieved employee” should be considered to include all current and former non-exempt employees in California who worked, at least in part, during from August 25, 2021 through the date of trial, the date judgment is entered, the date of settlement and/or other date approved by the Court.

Mr. Martinez, a former non-exempt employee, was employed by Defendant from approximately 1999 to on or about September 2, 2020. During his employment, Mr. Martinez worked as a Shipping Coordinator in the Shipping Department at Defendants’ location in Chino, California.

During his employment with Defendant, Mr. Martinez was generally scheduled to work from approximately 6:30 a.m. to approximately 3:30 p.m., Monday through Friday. However, he often worked until 5:00 p.m. or later. Therefore, Plaintiff and other non-exempt employees would often work

more than eight (8) hours per day and/or forty (40) hours per week. Defendant required Plaintiff and other non-exempt employees to clock in and out by swiping their employee card into a timekeeping system to keep track and record their work time.

During his employment with Defendant, Defendant would keep track of his and the other non-exempt employees' time worked and would unlawfully shave their work time and/or round their work time such that they would not be fully paid for all time worked. This time-shaving and/or rounding practice utilized by Defendant was not even-handed over time and would almost exclusively round and shave in Defendant's favor such that Ms. Martinez and other non-exempt employees were routinely unpaid for their time worked. As a result, Defendant failed to pay Mr. Martinez and other non-exempt employees all required minimum and overtime wages.

Additionally, in connection with the COVID-19 pandemic, during the most recent portion of Mr. Martinez's employment with Defendant, Defendant required him and the other non-exempt employees to be subjected to temperature checks and answer a daily screening questionnaire before they were allowed to clock in and commence work. Despite being under Defendant's direction and control and being required to undergo the temperature checks and answer the COVID-19 questionnaire for the benefit of Defendant, Defendants would not compensate Mr. Martinez or the other non-exempt employees for this time. As a result, Defendant failed to pay Mr. Martinez and other non-exempt employees all required minimum and overtime wages.

Throughout his employment with Defendant, Mr. Martinez and other non-exempt employees were not provided all required meal periods due to Defendant's meal period policies/practices which fail to provide uninterrupted, duty-free 30-minute meal periods prior to the start of the fifth hour of work. Specifically, due to the work demands imposed by Defendant, Defendant often provided meal periods that were either late or short or failed to provide a required meal period altogether.

Further, Defendant did not require Mr. Martinez and the other non-exempt employees to clock in and out for their meal periods if they remained on the premises. Therefore, despite Defendant's failure to keep any records of their meal periods when they remained on the work premises, Mr. Martinez is informed and believes that Defendant unlawfully and automatically deducted thirty minutes from their work time each shift for a purported meal period regardless of whether or not a meal period was taken and regardless of whether the meal period, if taken, was less than 30 minutes in length. As a result, Defendant failed to pay Mr. Martinez and other non-exempt employees all of their minimum and overtime wages owed. Moreover, when Mr. Martinez and other non-exempt employees worked in excess of 10.0 hours in a shift, Defendant failed to provide a second uninterrupted, duty-free 30-minute meal period in violation of California law.

Although Mr. Martinez and other non-exempt employees were not provided with all legally-compliant meal periods to which they were entitled, Defendant failed to compensate them with the required meal period premium for each workday in which they experienced a meal period violation as mandated by Labor Code § 226.7.

Mr. Martinez and other non-exempt employees were also not authorized and permitted to take all legally required and compliant rest periods due to Defendant's rest period policies and practices. Specifically, due to Defendant's practices of understaffing and the work demands imposed by Defendant, Defendant did not authorize and permit one rest period for every four hours worked, or *major fraction thereof*.

On those occasions when Mr. Martinez and other non-exempt employees were not authorized and permitted to take all legally-compliant rest periods to which they were entitled, Defendant failed to compensate Mr. Martinez and other non-exempt employees with the required rest period premium for each workday in which they experienced a rest period violation as mandated by Labor Code § 226.7.

As a result of Defendant's failure to pay all overtime and/or minimum wages owed, as well as meal and rest period premium wages, Defendant maintained inaccurate payroll records and issued inaccurate wage statements to Mr. Martinez and the other non-exempt employees.

As a further result of Defendant's failure to pay all overtime and/or minimum wages owed, and failure to pay all meal and rest period premium wages, Defendant failed to provide pay Mr. Martinez and the other former non-exempt employees all wages owed upon their separation of employment with Defendant.

As described above, Defendant committed the following violations of the Labor Code and Industrial Welfare Commission Wage Order No. 1 ("Wage Order 1"):

Overtime Violations

Defendant was required to pay their aggrieved employees overtime wages for all hours worked in excess of eight hours per workday and/or forty hours per workweek. *See* Labor Code §§ 1194(a) and 1198; the Wage Order 1, § 3. According to Labor Code § 510(a), "Any work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee." This Section further provides, "Any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee. In addition, any work in excess of eight hours on any seventh day of a workweek shall be compensated equal to one and one-half times their regular rate of pay for all overtime hours worked. As explained above, throughout Mr. Martinez's employment with Defendant, Defendant would keep track of his and the other non-exempt employees' time worked and would unlawfully shave their work time and/or round their work time such that they would not be fully paid for all time worked. This time-shaving and/or rounding practice utilized by Defendant was not even-handed over time and would almost exclusively round and shave in Defendant's favor such that Ms. Martinez and other non-exempt employees were routinely unpaid for their time worked. Therefore, this practice by Defendant resulted in Defendant paying Mr. Martinez and other non-exempt employees less than they were owed for the work they performed, including failing to pay them all required overtime wages.

Additionally, in connection with the COVID-19 pandemic, during the most recent portion of Mr. Martinez's employment with Defendant, Defendant required him and the other non-exempt employees to be subjected to temperature checks and answer a daily screening questionnaire before they were allowed to clock in and commence work. Despite being under Defendant's direction and control and being required to undergo the temperature checks and answer the COVID-19 questionnaire for the benefit of Defendant, Defendants would not compensate Mr. Martinez or the other non-exempt employees for this time. As a result, Defendant failed to pay Mr. Martinez and other non-exempt employees all required overtime wages.

Minimum Wage Violations

Defendant was required to pay their aggrieved employees an hourly rate at least equal to the minimum wage for each hour actually worked. *See* Labor Code §§ 1194; 1194.2, 1197; The Wage Order 1, § 4. The aggrieved employees were not paid for all hours worked due to Defendant's timekeeping and compensation practices. As alleged above, throughout Mr. Martinez's employment with Defendant, Defendant would keep track of his and the other non-exempt employees' time worked and would unlawfully shave their work time and/or round their work time such that they would not be fully paid for all time worked. This time-shaving and/or rounding practice utilized by Defendant was not even-handed over time and would almost exclusively round and shave in Defendant's favor such that Ms. Martinez and other non-exempt employees were routinely unpaid for their time worked. Therefore, this practice by Defendant resulted in Defendant paying Mr. Martinez and other non-exempt employees less than they were owed for the work they performed, including failing to pay them all required minimum wages.

Additionally, in connection with the COVID-19 pandemic, during the most recent portion of Mr. Martinez's employment with Defendant, Defendant required him and the other non-exempt employees to be subjected to temperature checks and answer a daily screening questionnaire before they were allowed to clock in and commence work. Despite being under Defendant's direction and control and being required to undergo the temperature checks and answer the COVID-19 questionnaire for the benefit of Defendant, Defendants would not compensate Mr. Martinez or the other non-exempt employees for this time. As a result, Defendant failed to pay Mr. Martinez and other non-exempt employees all required minimum wages.

Meal Period Violations

As alleged above, Defendant failed to provide their aggrieved employees with all required and compliant meal periods. *See* Labor Code §§ 226.7 and 512; Wage Order 1, § 11. As described above, Throughout his employment with Defendant, Mr. Martinez and other non-exempt employees were not provided all required meal periods due to Defendant's meal period policies/practices which fail to provide uninterrupted, duty-free 30-minute meal periods prior to the start of the fifth hour of work. Specifically, due to the work demands imposed by Defendant, Defendant often provided meal periods that were either late or short or failed to provide a required meal period altogether. Further, Defendant did not require Mr. Martinez and the other non-exempt employees to clock in and out for their meal periods if they remained on the premises. Therefore, despite Defendant's failure to keep any records of their meal periods when they remained on the work premises, Mr. Martinez is informed and believes that Defendant unlawfully and automatically deducted thirty minutes from their work time each shift for a purported meal period regardless of whether or not a meal period was taken and regardless of whether the meal period, if taken, was less than 30 minutes in length. Moreover, when Mr. Martinez and other non-exempt employees worked in excess of 10.0 hours in a shift, Defendant failed to provide a second uninterrupted, duty-free 30-minute meal period in violation of California law.

Therefore, the aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday they experienced a meal period violation. *See* Labor Code § 226.7 ("If an employer fails to provide an employee a meal or rest or recovery period in accordance with ... [an] order of the Industrial Welfare Commission ... the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest or recovery period is not provided."). Although the aggrieved employees were not provided with all

legally-compliant meal periods to which they were entitled, Defendant failed to compensate them with the required meal period premium for each workday in which they experienced a meal period violation as mandated by Labor Code § 226.7.

Rest Period Violations

Defendant also failed to authorize and permit their aggrieved employees to take all required rest periods. *See* Labor Code §§ 226.7 and 516; Wage Order 1, § 12. As alleged above, due to Defendant's practices of understaffing and the work demands imposed by Defendant, Defendant did not authorize and permit one rest period for every four hours worked, or *major fraction thereof*. As a result, the aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday that they were not authorized and permitted to take all legally required rest periods. *See* Labor Code § 226.7 ("If an employer fails to provide an employee a meal period or rest period in accordance with an applicable order of the Industrial Welfare Commission, the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest period is not provided.")

Wage Statement Violations

Defendant knowingly and intentionally, as a matter of uniform practice and policy, failed to furnish their aggrieved employees with accurate and complete, itemized wage statements that included, among other requirements, all minimum and overtime wages earned, total gross wages earned, total net wages earned, and meal and rest period premium wages, in violation of Labor Code § 226 *et seq.* Defendant's failure to furnish their aggrieved employees with complete and accurate, itemized wage statements resulted in actual injury, as said failures led to, among other things, the non-payment of all minimum and overtime wages earned, and unpaid meal period and premium wages, and deprived them of the information necessary to identify discrepancies in Defendant's reported data.

Waiting Time Penalties

Labor Code §§ 201 and 202 require that employees receive all of their final wages at the time of their separation of employment. Defendant failed to timely pay Mr. Martinez and other aggrieved employees all of their final wages at the time of separation, which included, among other things, underpaid minimum and overtime wages, and meal and rest period premium wages. Pursuant to Labor Code § 203, Defendant's failure to pay all final wages due to their aggrieved employees was willful and, consequently, entitles the aggrieved employees to waiting time penalties equal to one day of wages at their standard hourly rate for each day Defendant failed to pay their final wages after their separation, up to a maximum of thirty days.

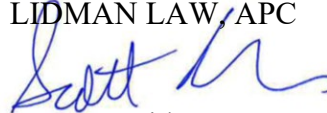
As an "aggrieved employee," Mr. Martinez will initiate a civil action on behalf of himself and other aggrieved employees to recover damages, statutory penalties, and civil penalties resulting from the wage and hour violations alleged herein. Based on Mr. Martinez's own investigation, and on information and belief, Defendant committed the following Labor Code violations:

- a) Defendant violated Labor Code §§ 204, 510, 558, 1194, and 1198 by failing to pay Mr. Martinez and the aggrieved employees all overtime compensation earned;

- b) Defendant violated Labor Code §§ 1194, 1194.2, and 1197 by failing to pay Mr. Martinez and the aggrieved employees the statutory minimum wage for all hours worked;
- c) Defendant violated Labor Code §§ 226.7, 512, and 558 by failing to provide all legally required meal periods and failing to pay meal period premiums to Mr. Martinez and the aggrieved employees;
- d) Defendant violated Labor Code §§ 226.7, 516, and 558 by failing to provide all legally required rest periods and failing to pay rest period premiums to Mr. Martinez and the aggrieved employees;
- e) Defendant violated Labor Code § 226 by failing to furnish Mr. Martinez and the aggrieved employees with accurate and compliant itemized wage statements;
- f) Defendant violated Labor Code § 204 by failing to pay Mr. Martinez and the aggrieved employees all earned wages at least twice during each calendar month;
- g) Defendant violated Labor Code § 1174 by failing to maintain accurate records on behalf of Mr. Martinez and the aggrieved employees; and
- h) Defendant violated Labor Code §§ 201, 202 and 203 by failing to timely pay all final wages due to Mr. Martinez and other aggrieved employees.

Pursuant to Labor Code section 2699.3(a)(2)(A), please notify us and Defendant if the LWDA intends to investigate these alleged violations of the Labor Code. Please contact me should you require additional information.

Very truly yours,
LIDMAN LAW, APC



Scott M. Lidman

EXHIBIT 2

EXHIBIT 2

STIPULATION OF CLASS ACTION AND PAGA SETTLEMENT

This Stipulation of Settlement (“Settlement Agreement,” “Settlement” and/or “Agreement”) is reached by and between Plaintiff Javier Martinez (“Plaintiff”), individually and on behalf of all members of the Settlement Class and PAGA Employees (both terms defined below), on one hand, and Defendant Schlage Lock Company, LLC (“Defendant”), on the other hand. Plaintiff and Defendant are referred to herein collectively as the “Parties.” Plaintiff, the Settlement Class, and the PAGA Employees are represented by Paul K. Haines of Haines Law Group, APC, and Scott M. Lidman, Elizabeth Nguyen, and Milan Moore of Lidman Law, APC (collectively, “Class Counsel”). Defendant is represented by William C. Sung and Sawyer C. Stephens of Lewis Brisbois Bisgaard & Smith LLP.

On August 25, 2022, Plaintiff Javier Martinez filed a class action Complaint against Defendant in San Bernardino County Superior Court, in the matter entitled *Javier Martinez v. Schlage Lock Company, LLC, a Delaware limited liability company; and Does 1 through 100, inclusive*, Case No. CIVSB2218620, alleging the following claims: (1) failure to pay all minimum wages owed; (2) failure to pay all overtime wages owed; (3) failure to provide meal periods and pay premium wages for non-compliant meal periods; (4) failure to authorize and permit rest periods and pay premium wages for non-compliant rest periods; (5) failure to timely pay all wages due upon separation of employment; and (6) all claims for unfair business practices that could have been premised on the facts, claims, causes of action or legal theories described above.

On April 25, 2023, Plaintiff sent a letter to the California Labor & Workforce Development Agency (“LWDA”) (a copy of which is attached hereto as **Exhibit A**) exhausting his administrative remedies in advance of amending this complaint to assert a cause of action seeking civil penalties under the California Labor Code Private Attorney General Act of 2004, Labor Code §§ 2698, *et seq.* (“PAGA”).

Given the uncertainty of litigation and Defendant’s denial of Plaintiff’s claims, Plaintiff and Defendant wish to settle both individually and on behalf of the Settlement Class, PAGA Employees, and the State of California. Accordingly, Plaintiff and Defendant agree as follows:

1. **Settlement Class.** For the purposes of this Settlement Agreement only, Plaintiff and Defendant stipulate to the certification of the “Settlement Class” defined as follows:

All current and former non-exempt employees of Defendant Schlage Lock Company, LLC who worked at any time in California during the Class Period.

For purposes of this Settlement Agreement, the “Class Period” shall mean the time period between January 8, 2019 and either: June 17, 2023 or the date of preliminary approval by the Court of this Settlement Agreement, whichever is sooner.

The Parties agree that certification for purposes of this Settlement Agreement is not an admission that class certification is proper under Section 382 of the Code of Civil Procedure. If for any reason this Settlement Agreement is not approved or is terminated, in whole or in part, this conditional agreement to class certification will be inadmissible and will have no effect in this

matter or in any claims brought on the same or similar allegations, and the Parties shall revert to the respective positions they held prior to entering into the Settlement Agreement.

2. **PAGA Employees.** For the purposes of this Settlement Agreement only, Plaintiff and Defendant stipulate to the following definition of “PAGA Employees”:

All current and former non-exempt employees of Defendant Schlage Lock Company, LLC who worked at any time in California during the PAGA Period.

For purposes of this Settlement Agreement, the “PAGA Period” shall mean the time period between August 25, 2021 and either: June 17, 2023 or the date of preliminary approval by the Court of this Settlement Agreement, whichever is sooner.

3. **Amendment to Complaint.** In connection with the mediation of this matter, Defendant provided Plaintiff with time punch and pay data and other information relating to the members of the Settlement Class. That information was analyzed by Plaintiff, and the Parties negotiated this Settlement with the intention of resolving not only the claims asserted in the Complaint, but also claims for: (i) failure to issue accurate, itemized wage statements; and (ii) violations of the PAGA that could have been premised on the facts, claims, causes of action or legal theories alleged in the Complaint and also related to rest periods and wage statements. Therefore, as a material term and condition of this Settlement, the Parties agree to stipulate, for settlement purposes only, that Plaintiff be granted leave to file a First Amended Complaint to add causes of action for (i) failure to issue accurate, itemized wage statements; and (ii) violations of the PAGA. This Settlement is expressly conditioned upon the Court granting leave to file the First Amended Complaint. If the Court denies preliminary or final approval of this settlement for any reason, then the First Amended Complaint shall be stricken and the pleadings in this Lawsuit shall be restored as if no settlement was reached by the parties. If the Court grants preliminary approval and leave for Plaintiff to file the First Amended Complaint, Plaintiff shall file the First Amended Complaint within ten court days, and Defendant is not required to file an answer to the First Amended Complaint unless and until the Court fails to preliminarily and finally approve this Settlement.

4. **Release by Settlement Class Members and Plaintiff.** Plaintiff and every member of the Settlement Class (except those who timely and properly submit a Request for Exclusion as set forth below) will fully and forever completely release and discharge Defendant, its past and present officers, directors, shareholders, members, owners, managers, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, and its respective successors and predecessors in interest, subsidiaries, affiliates, parents (including but not limited to Allegion, PLC), and attorneys, (collectively the “Released Parties”), as follows:

- A. Settlement Class Members’ Release: Settlement Class members and Plaintiff will release all claims, demands, rights, liabilities and causes of action that were pled or could have been pled based upon the facts as alleged in the anticipated First Amended Complaint in the Action (to be filed pursuant to Paragraph 3 above), that arose during the Class Period with respect to the following claims: (a) failure to pay all overtime wages owed; (b) failure to pay all minimum wages owed; (c) failure to provide meal periods and pay premium wages for non-compliant meal periods; (d) failure to authorize and permit rest periods and pay premium wages for non-

compliant rest periods; (e) failure to timely pay all wages due upon separation of employment; (f) failure to issue accurate, itemized wage statements; and (g) all claims for unfair business practices that reasonably could have been premised on the facts, claims, causes of action or legal theories described above (collectively, the “Released Class Claims”). The Class Members do not release any claims other than those set forth above, including without limitation claims for vested benefits, wrongful termination, violations of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or claims based on facts occurring outside the Class Period.

- B. The time period for the release of the Released Class Claims shall be the same time period as the Class Period.
- C. PAGA Release: PAGA Employees, including Plaintiff (and also including those who opt-out from the Class portion of the Settlement), will release and forever discharge the Released Parties from all claims, demands, rights, liabilities and causes of action for civil penalties under the PAGA which were pled in the letter to the LWDA dated April 25, 2023 (**Exhibit A**) and the anticipated First Amended Complaint in the Action (to be filed pursuant to Paragraph 3 above), or which could have been pled based upon the facts alleged in the operative First Amended Complaint in the Action (to be filed pursuant to Paragraph 3 above) that arose during the PAGA Period predicated on the following alleged violations: (a) failure to pay all overtime wages owed; (b) failure to pay all minimum wages owed; (c) failure to provide meal periods and pay premium wages for non-compliant meal periods; (d) failure to authorize and permit rest periods and pay premium wages for non-compliant rest periods; (e) failure to timely pay all wages due upon separation of employment; and (f) failure to issue accurate, itemized wage statements (collectively, “PAGA Released Claims”).
- D. The time period for the release of the PAGA Released Claims shall be the same time period as the PAGA Period.
- E. In light of the Class Representative Service Award, Plaintiff agrees to release, in addition to the Released Class Claims described above, all claims, whether known or unknown, under federal law or state law against the Released Parties. Notwithstanding the foregoing, Plaintiff understands that this release includes unknown claims, which includes waiving all rights and benefits afforded by Section 1542 of the California Civil Code, which provides:

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.

- F. Notwithstanding the above, nor anything else in this Settlement, the waiver and release in this Settlement by Plaintiff does not apply to (i) those rights that as a

matter of law cannot be waived, including, but not limited to, workers' compensation claims, pending or otherwise and/or benefits to be received by Plaintiff in workers' compensation pursuant to the jurisdiction of workers' compensation; and (ii) rights or claims arising out of this Settlement.

- G. The releases identified herein will only be effective upon the date that Defendant fully funds the Gross Settlement Amount and any required employer-side taxes.

5. **Gross Settlement Amount.** As consideration, Defendant agrees to pay a "Gross Settlement Amount" of Three Hundred Thousand Dollars and Zero Cents (\$300,000.00) (unless such Gross Settlement Amount is increased pursuant to Paragraph 5.D. below) in full and complete settlement of the Action, as follows:

- A. The Parties have agreed to engage Phoenix Class Action Administration Solutions as the "Settlement Administrator" to administer this Settlement. All administrative costs due and owing to the Settlement Administrator shall be paid from the Gross Settlement Amount.
- B. With the exception of the Settlement Administrator's fees, if required by the Settlement Administrator, the Gross Settlement Amount shall be deposited by Defendant into a qualified settlement fund set up by the Settlement Administrator for the benefit of participating Settlement Class members and PAGA Employees. Defendant agrees to deposit the Gross Settlement Amount and the required employer-side taxes with the Settlement Administrator within thirty (30) calendar days after the "Effective Date" which is defined as the latter of: (a) the Court's final approval of the settlement if no objections by or on behalf of Settlement Class members have been filed; (b) the time for appeal has expired if an objection has been filed and no appeal has been filed or withdrawn; or (c) the final resolution of any appeal that has been filed.
- C. This is a non-reversionary settlement. The Gross Settlement Amount includes:
- (1) All payments (including interest) to the Settlement Class members;
 - (2) All costs of the Settlement Administrator and settlement administration, which are anticipated to be no greater than Five Thousand Nine Hundred Ninety Five Dollars and Zero Cents (\$5,995.00);
 - (3) Up to Five Thousand Dollars and Zero Cents (\$5,000.00) for Plaintiff's Class Representative Service Award, in recognition of his contributions to the Action, and his service to the Settlement Class. In the event that the Court reduces or does not approve the requested Class Representative Service Award, Plaintiff shall not have the right to revoke this Settlement Agreement, and this Settlement shall remain binding;
 - (4) Up to one-third of the Gross Settlement Amount in Class Counsel's attorneys' fees [estimated to be One Hundred Thousand Dollars and Zero Cents (\$100,000.00), unless the Gross Settlement Amount is increased

pursuant to Paragraph 5.D. below], plus actual costs and expenses incurred by Class Counsel related to the Action as supported by declaration, which are currently estimated to be no greater than Twenty Thousand Dollars and Zero Cents (\$20,000.00). In the event that the Court reduces or does not approve the requested Class Counsel attorneys' fees and/or costs, Class Counsel shall not have the right to revoke this Settlement Agreement, and it will remain binding; and

- (5) Ten Thousand Dollars and Zero Cents (\$10,000.00) of the Gross Settlement Amount has been set aside by the Parties as PAGA civil penalties. Per Labor Code § 2699(i), seventy-five percent (75%) of such penalties, or Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) will be payable to the LWDA, and the remaining twenty-five percent (25%), or Two Thousand Five Hundred Dollars and Zero Cents (\$2,500.00), will be payable to the PAGA Employees as the "PAGA Amount," as described below.

D. Defendant's share of payroll taxes shall be paid by Defendant separately from, and in addition to, the Gross Settlement Amount. These taxes will not be deducted from the Gross Settlement Amount.

E. **Unexpected Workweeks/Escalator Clause.** Defendant represents that there are an estimated 8,011 workweeks worked by Settlement Class members during the Class Period. If the number of workweeks worked by Settlement Class members during the Class Period is more than 10% greater than this figure, Defendant has the sole option to either: (i) increase the Gross Settlement Amount on a proportional basis (*i.e.*, if there was an 11% increase in the number of workweeks worked by the Settlement Class members during the Class Period, Defendant would agree to increase the Gross Settlement Amount by 11%); or (ii) alter the definition of the Class Period such that it would commence on the date where the total workweek count during the Class Period would be no greater than 8,812 workweeks.

6. **Payments to the Settlement Class.** Settlement Class members are not required to submit a claim form to receive a payment ("Settlement Award") from the Settlement. Settlement Awards will be determined and paid as follows:

- A. The Settlement Administrator shall first deduct from the Gross Settlement Amount the amounts approved by the Court for Class Counsel's attorneys' fees, Class Counsel's costs and expenses, Plaintiff's Class Representative Service Awards, the Settlement Administrator's fees and expenses for administration, and the amount designated as PAGA civil penalties payable to the LWDA and the PAGA Amount payable to the PAGA Employees. The remaining amount shall be known as the "Net Settlement Amount."
- B. From the Net Settlement Amount, the Settlement Administrator will calculate each Settlement Class member's Settlement Award based on the following formula:

- i. The Net Settlement Amount shall be allocated to Settlement Class members who worked during the Class Period, as follows: each participating Settlement Class member shall receive a proportionate settlement share based upon the number of weeks worked as a non-exempt employee during the Class Period, the numerator of which is the Settlement Class member's total weeks worked as a non-exempt employees during the Class Period, and the denominator of which is the total weeks worked as non-exempt employees by all Settlement Class members (who do not opt out) who worked during the Class Period.
- C. PAGA Amount: Two Thousand Five Hundred Dollars and Zero Cents (\$2,500.00) of the Gross Settlement Amount has been designated as the "PAGA Amount" as described above. Each PAGA Employee shall receive a portion of the PAGA Amount proportionate to the number of pay periods that he or she worked during this PAGA Period which will be calculated by multiplying the PAGA Amount by a fraction, the numerator of which is the PAGA Employee's number of pay periods worked as a non-exempt employee during this time period, and the denominator of which is the total number of pay periods worked by all PAGA Employees. The payments to PAGA Employees shall be reported as penalties on a Form 1099.
- D. Within ten (10) calendar days following Defendant's deposit of the Gross Settlement Amount and all employer-side taxes with the Settlement Administrator, the Settlement Administrator will calculate Settlement Award amounts and provide the same to counsel for the Parties for review and approval. Within seven (7) calendar days of approval by counsel for the Parties, the Settlement Administrator will prepare and mail Settlement Awards to participating Settlement Class members.
- E. For purposes of calculating applicable taxes and withholdings, each Settlement Award shall be allocated as follows: twenty percent (20%) as wages; and eighty percent (80%) as penalties and interest. The Settlement Administrator will be responsible for issuing to participating Settlement Class members IRS Forms W-2 for amounts deemed "wages" and IRS Forms 1099 for the amounts allocated as penalties and interest. Each Settlement Class member who receives a Settlement Award will be responsible for correctly characterizing the payment for tax purposes and for payment of any taxes owing on said amount. Notwithstanding the treatment of the payments to each Settlement Class member above, none of the payments called for by this Settlement Agreement, including the wage portion, are to be treated as earnings, wages, pay or compensation for any purpose of any applicable benefit or retirement plan, unless required by such plans.
- F. Each member of the Settlement Class who receives a Settlement Award must cash the check(s) within 180 days from the date the Settlement Administrator mails it/them. Any funds payable to Settlement Class members whose checks were not cashed within 180 days after mailing will escheat to the California Secretary of State- Unclaimed Property Fund under the unclaimed property laws in the name of

the Settlement Class member. Any uncashed funds from the PAGA Amount shall be handled in the same manner.

7. **Attorneys' Fees and Costs.** Defendant will not object to Class Counsel's request for a total award of attorneys' fees of one-third of the Gross Settlement Amount, which is currently estimated to be One Hundred Thousand Dollars and Zero Cent (\$100,000.00), unless the Gross Settlement Amount is increased pursuant to Paragraph 5.D. above, in which case the attorneys' fees shall increase accordingly. Additionally, Class Counsel will request an award of actual costs and expenses as supported by declaration, in an amount not to exceed Twenty Thousand Dollars and Zero Cents (\$20,000.00) from the Gross Settlement Amount. These amounts will cover any and all work performed and any and all costs incurred in connection with this litigation, including without limitation: all work performed and all costs incurred to date; and all work to be performed and costs to be incurred in connection with obtaining the Court's approval of this Settlement Agreement, including any objections raised and any appeals necessitated by those objections. Class Counsel will be issued IRS Forms 1099 by the Settlement Administrator when the Settlement Administrator pays the fee award and cost award approved by the Court.

8. **Class Representative Service Award.** Defendant will not object to a request for a Class Representative Service Award of up to Five Thousand Dollars and Zero Cents (\$5,000.00) to Plaintiff for his time and risk in prosecuting this case, his service to the Settlement Class, and his execution of a general release. This award will be in addition to Plaintiff's Settlement Award as a Settlement Class member and shall be reported on an IRS Form 1099 issued by the Settlement Administrator. Even in the event that the Court reduces or does not approve the requested Class Representative Service Award, Plaintiff shall not have the right to revoke this Settlement, and it will remain binding.

9. **Settlement Administrator.** Defendant will not object the appointment of Phoenix Class Action Administration Solutions as Settlement Administrator. Defendant will not object to Plaintiff seeking permission to pay up to Five Thousand Nine Hundred Ninety Five Dollars and Zero Cents (\$5,995.00) for its services from the Gross Settlement Amount. The Settlement Administrator shall be responsible for sending notices and for calculating Settlement Awards and preparing all checks and mailings, calculating Defendant's share of taxes payable on the wages, which shall be paid by Defendant separate and apart from the Gross Settlement Amount, and other duties as described in this Settlement Agreement. The Settlement Administrator shall be authorized to pay itself from the Gross Settlement Amount by Class Counsel only after Settlement Awards have been mailed to all participating Settlement Class members.

10. **Preliminary Approval.** Within a reasonable time after execution of this Settlement Agreement by the Parties, Plaintiff shall apply to the Court for the entry of an Order:

- A. Conditionally certifying the Settlement Class for purposes of this Settlement Agreement;
- B. Appointing Paul K. Haines of Haines Law Group, APC and Scott M. Lidman, Elizabeth Nguyen, and Milan Moore of Lidman Law, APC, as Class Counsel;
- C. Appointing Javier Martinez as Class Representative for the Settlement Class;

- D. Approving Phoenix Class Action Administration Solutions as Settlement Administrator;
- E. Preliminarily approving this Settlement Agreement and its terms as fair, reasonable, and adequate;
- F. Approving the form and content of the Notice Packet (which is comprised of the Notice of Pendency of Class Action and Settlement and Notice of Settlement Award, drafts of which are attached collectively hereto as **Exhibit B**), and directing the mailing of same; and
- G. Scheduling a Final Approval hearing.

11. **Notice to Settlement Class.** Following preliminary approval, the Settlement Class shall be notified as follows:

- A. Within fifteen (15) calendar days after entry of an order preliminarily approving this Agreement, Defendant will provide the Settlement Administrator with the names, last known addresses, phone numbers, social security numbers, the number of weeks worked during the Class Period, number pay periods worked during the PAGA Period (or information allowing the Settlement Administrator to calculate same) for each Settlement Class member while employed during the Class Period and PAGA Period (the “Class Data”). The Class Data shall be provided to the Settlement Administrator in an electronic format satisfactory to the Settlement Administrator.
- B. Within ten (10) business days from receipt of this information, the Settlement Administrator shall (i) run the names of all Settlement Class members through the National Change of Address (“NCOA”) database to determine any updated addresses for Settlement Class members; (ii) update the address of any Settlement Class member for whom an updated address was found through the NCOA search; (iii) calculate the estimated Settlement Award for each Settlement Class member; and (iv) mail a Notice Packet to each Settlement Class member at his or her last known address or at the updated address found through the NCOA search, and retain proof of mailing.
- C. Requests for Exclusion. Any Settlement Class member who wishes to opt-out of the Settlement must complete and mail a Request for Exclusion (defined below) to the Settlement Administrator within sixty (60) calendar days of the date of the initial mailing of the Notice Packets (the “Response Deadline”). The Response Deadline shall be extended by fourteen (14) days in the event of a re-mailing of a Notice Packet.
 - i. The Notice Packet shall state that Settlement Class members who wish to exclude themselves from the Settlement must submit a Request for Exclusion by the Response Deadline. The Request for Exclusion must: (1) contain the name, address, telephone number and the last four digits of the Social Security number of the Settlement Class member; (2) contain a statement that the

Settlement Class member wishes to be excluded from the Settlement; (3) be signed by the Settlement Class member; and (4) be postmarked by the Response Deadline and mailed to the Settlement Administrator at the address specified in the Class Notice. If the Request for Exclusion does not contain the information listed in (1)-(3), it will not be deemed valid for exclusion from the Settlement, except a Request for Exclusion not containing a Class Member's telephone number and/or last four digits of the Social Security number will be deemed valid. The date of the postmark on the Request for Exclusion shall be the exclusive means used to determine whether a Request for Exclusion has been timely submitted. Any Settlement Class member who requests to be excluded from the Settlement Class will not be entitled to any recovery under this Settlement Agreement and will not be bound by the terms of the Settlement or have any right to object, appeal or comment thereon.

- ii. Notwithstanding any other provision of this Settlement, Defendant retains the right, in the exercise of its sole discretion, to nullify this Settlement within thirty (30) days after expiration of the Response Deadline, if at least ten percent (10%) or more of the Class Members properly and timely request exclusion from this Settlement. If Defendant elects to nullify this Settlement pursuant to this paragraph, it shall be solely responsible for payment of any and all costs of administration incurred by the Settlement Administrator as of the date of nullification.
- iii. Plaintiff agrees that he shall not request to be excluded from the Settlement.
- iv. The Parties agree there is no statutory or other right for any Settlement Class member to opt out or otherwise exclude himself or herself from the PAGA portion of the Settlement. A Settlement Class member who submits a valid and timely Request for Exclusion shall still receive his or her proportionate share of the PAGA Amount.

- D. Objections. Members of the Settlement Class who do not request exclusion may object to this Settlement Agreement as explained in the Class Notice by mailing a written objection with the Settlement Administrator (who shall serve all objections as received on Class Counsel and Defendant's counsel) postmarked by the Response Deadline. Class Counsel shall file any objections with the Court. Defendant's counsel and Class Counsel shall file any responses to objections no later than the deadline to file the Motion for Final Approval. To be valid, any written objection must: (1) contain the objecting Settlement Class member's full name and current address, as well as contact information for any attorney representing the objecting Settlement Class member for purposes of the objection; (2) include all objections and the factual and legal bases for same; (3) include any and all supporting papers, briefs, written evidence, declarations, and/or other evidence, if any; and (4) be postmarked no later than the Response Deadline. Members of the Settlement Class who do not request exclusion may also object to

the Settlement by appearing at the Final Approval Hearing in person or virtually irrespective of whether they submitted any written objections.

- E. Notice of Settlement Award / Disputes. Each Notice Packet mailed to a Settlement Class member shall disclose the amount of the Settlement Class member's estimated Settlement Award as well the Settlement Class member's number of weeks worked and pay periods worked as a non-exempt employee during the Class Period and PAGA Period. Settlement Class members will have the opportunity, should they disagree with Defendant's records regarding the information stated in the Notice of Settlement Award, to provide documentation and/or an explanation to show contrary information. Any such dispute, including any supporting documentation, must be mailed to the Settlement Administrator and postmarked by the Response Deadline. If there is a dispute, the Settlement Administrator will consult with the Parties to determine whether an adjustment is warranted. The Settlement Administrator shall determine the eligibility for, and the amounts of, any Settlement Awards under the terms of this Settlement Agreement. If a resolution cannot be reached by and among the Parties and the Settlement Administrator, the Court will render all final decisions on disputes.
- F. Any Notice Packets returned to the Settlement Administrator as non-delivered on or before the Response Deadline shall be re-mailed to the forwarding address affixed thereto. If no forwarding address is provided, the Settlement Administrator shall make reasonable efforts, including utilizing a "skip trace," to obtain an updated mailing address within three (3) business days of receiving the returned Notice Packet. If an updated mailing address is identified before the Response Deadline, the Settlement Administrator shall resend the Notice Packet to the Settlement Class member immediately, and in any event within three (3) business days of obtaining the updated address. The address identified by the Settlement Administrator as the current mailing address shall be presumed to be the best mailing address for each Settlement Class member. Settlement Class members to whom Notice Packets are re-mailed after having been returned as undeliverable to the Settlement Administrator shall have their Response Deadline extended by fourteen (14) calendar days to submit a Request for Exclusion, Objection, or dispute. Notice Packets that are re-mailed shall inform the recipient of this adjusted deadline. If a Settlement Class member's Notice Packet is returned to the Settlement Administrator more than once before the Response Deadline, the Settlement Administrator shall continue to make reasonable efforts to obtain an updated mailing address. Nothing else shall be required of, or done by, the Parties, Class Counsel, or Defendant's Counsel to provide notice of the proposed settlement.

12. **Final Approval.** Following preliminary approval and the close of the period for filing requests for exclusion, objections, or disputes under this Settlement Agreement, Plaintiff shall apply to the Court for entry of an Order:

- A. Granting final approval to the Settlement Agreement and adjudging its terms to be fair, reasonable, and adequate;

- B. Approving Plaintiff's and Class Counsel's application for attorneys' fees and costs, Class Representative Service Award, and settlement administration costs; and
- C. Entering judgment pursuant to California Rule of Court 3.769 and posting notice of the judgment on a static website created and maintained by the Settlement Administrator.

13. **Non-Admission of Liability.** Nothing in this Settlement Agreement shall operate or be construed as an admission of any liability or that class certification is appropriate in any context other than this Settlement. In particular, but without limiting the generality of the foregoing, nothing about this Settlement Agreement shall be offered or construed as an admission of liability, wrongdoing, impropriety, responsibility, or fault whatsoever on the part of Defendant and/or the Released Parties, and it shall not be construed as or deemed to be evidence of, or an admission or concession that the any Settling Class member has suffered any damage. Each of the Parties has entered into this Settlement Agreement to avoid the burden and expense of further litigation. Pursuant to California Evidence Code Section 1152, this Settlement Agreement is inadmissible in any proceeding, except a proceeding to approve, interpret, or enforce this Settlement Agreement. If Final Approval does not occur, the Parties agree that this Settlement Agreement is void, but remains protected by California Evidence Code Section 1152.

14. **Non-disclosure and Non-publication.** Prior to the filing of the Motion for Preliminary Approval, Plaintiff and Class Counsel agree not to disclose or publicize the Settlement Agreement contemplated herein, the fact of the Settlement Agreement, its terms or contents, or the negotiations underlying the Settlement Agreement, in any manner or form, directly or indirectly, to any person or entity, except to Settlement Class members and as shall be contractually required to effectuate the terms of the Settlement Agreement as set forth herein. Thereafter, however, the Parties will agree to make no comments to the media or otherwise publicize the terms of the settlement; provided, however, for the limited purpose of allowing Class Counsel to prove adequacy as class counsel in other actions, Class Counsel may disclose the names of the Parties in this Action, the venue/case number of this Action, and a general description of the Action, to a court in a declaration by Class Counsel. Class Counsel may also include a general description of the Settlement on their respective websites but may not include the name(s) of any of the Parties, or the case name or case number of the Action.

15. **Legal Developments.** The Parties agree that Plaintiff will submit to the Court a motion for preliminary approval of this Settlement containing all of the terms and conditions contained herein notwithstanding any new legal developments regarding the Released Class Claims and/or PAGA Released Claims.

16. **Waiver and Amendment.** The Parties may not waive, amend, or modify any provision of this Settlement Agreement except by a written agreement signed by all of the Parties, and subject to any necessary Court approval. A waiver or amendment of any provision of this Settlement Agreement will not constitute a waiver of any other provision.

17. **Enforcement Action:** The Parties agree that this Settlement is enforceable pursuant to the provisions of Code of Civil Procedure §664.6. Further, in the event of any dispute arising out of the interpretation, performance, or breach of any provision of this Settlement Agreement, the

prevailing party in such dispute(s) shall be entitled to recover their, his and/or its reasonable attorneys' fees and costs, including any expert witness fees, incurred arising from such dispute.

18. **Staying of Action and Five-Year Rule:** The Parties agree that upon full execution of this Settlement, the Action shall be stayed for all purposes except with respect to seeking approval of the Settlement and/or enforcing the terms thereof. The Parties further stipulate that the time within which to bring the Action to trial under C.C.P. Section 583.310 shall be extended for a period of not less than one (1) year starting from the date of the signing of this Settlement by all Parties until the entry of the final approval order and judgment or if not entered the date this Agreement shall no longer be of any force or effect.

19. **Notices.** All notices, demands, and other communications to be provided concerning this Settlement Agreement shall be in writing and delivered by receipted delivery and by e-mail at the addresses set forth below, or such other addresses as either Party may designate in writing from time to time:

if to Defendant: William C. Sung and Sawyer C Stephens, Lewis Brisbois Bisgaard & Smith LLP, 633 West 5th Street, Suite 4000, Los Angeles, California 90071; william.sung@lewisbrisbois.com and sawyer.stephens@lewisbrisbois.com

Hekmat (Matt) Kordab, Kordab Law Offices, 300 S. Harbor Blvd., Suite 820, Anaheim, California 92805; matt@kordablalaw.com

if to Plaintiff: Scott M. Lidman, Elizabeth Nguyen, and Milan Moore of Lidman Law, APC, 2155 Campus Drive, Suite 150, El Segundo, California 90245; slidman@lidmanlaw.com; enguyen@lidmanlaw.com and mmoore@lidmanlaw.com

Paul K. Haines, Haines Law Group, APC, 2155 Campus Drive, Suite 180, El Segundo, California 90245; phaines@haineslawgroup.com

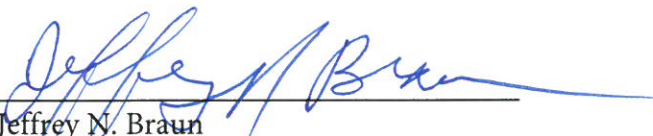
20. **Cooperation.** The Parties agree to work cooperatively, diligently and in good faith to ensure that all documents necessary to effectuate this Settlement are properly and timely filed.

21. **Entire Agreement.** This Settlement Agreement contains the entire agreement between the Parties with respect to the transactions contemplated hereby, and supersedes all negotiations, presentations, warranties, commitments, offers, contracts, and writings prior to the date hereof relating to the subject matters hereof.

22. **Counterparts.** This Settlement Agreement may be executed by one or more of the Parties on any number of separate counterparts by facsimile, electronic signature, or email which for purposes of this Agreement shall be accepted as an original, and such signatures may be delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

DATED: May 1, 2023

DEFENDANT SCHLAGE LOCK COMPANY,
LLC

By: 
Jeffrey N. Braun
Its: Senior Vice President & General Counsel

DATED: Apr 26, 2023

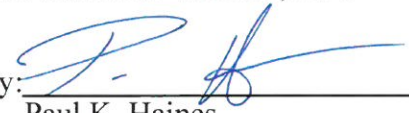
PLAINTIFF JAVIER MARTINEZ

By: 
Javier Martinez (Apr 26, 2023 13:07 PDT)
Plaintiff and Settlement Class Representative

APPROVED AS TO FORM:

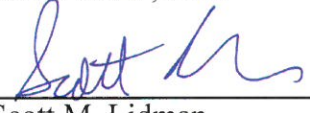
DATED: April 26, 2023

HAINES LAW GROUP, APC

By: 
Paul K. Haines
Attorneys for Plaintiff Javier Martinez

DATED: April 26, 2023

LIDMAN LAW, APC

By: 
Scott M. Lidman
Attorneys for Plaintiff Javier Martinez

DATED: April 26, 2023

LEWIS BRISBOIS BISGAARD & SMITH LLP

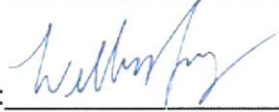
By: 
William C. Sung
Attorneys for Defendant Schlage Lock
Company, LLC

EXHIBIT A

EXHIBIT A

LIDMAN LAW

2155 CAMPUS DRIVE, SUITE 150, EL SEGUNDO, CA 90245

OFFICE: (424) 322-4772

FAX: (424) 322-4775

April 25, 2023

VIA LWDA WEBSITE

Labor and Workforce Development Agency
Attn: PAGA Administrator
1515 Clay Street, Suite 801
Oakland, CA 94612

**VIA U.S. CERTIFIED MAIL – RETURN RECEIPT
REQUESTED**

LEWIS BRISBOIS BISGAARD & SMITH LLP

William C. Sung
Rita R. Kanno
Sawyer C. Stephens
633 W. 5th Street, Suite 4000
Los Angeles, California 90071

Attorneys for Defendant
SCHLAGE LOCK COMPANY, LLC

Re: *Javier Martinez v. Schlage Lock Company, LLC*

To Whom It May Concern:

Please be advised that this law firm represents Javier Martinez in claims arising from his employment with Schlage Lock Company, LLC, a Delaware limited liability company (“Defendant”). Mr. Martinez is an “aggrieved employee” as defined by Labor Code sections 2699, *et seq.* due to Defendant’s numerous violations of the Labor Code as set forth below. The purpose of this letter is to comply with Labor Code section 2699.3, which requires aggrieved employees to notify their employer and the Labor and Workforce Development Agency (“LWDA”) of the specific provisions of the Labor Code allegedly violated.

For purposes of this letter, an “aggrieved employee” should be considered to include all current and former non-exempt employees in California who worked, at least in part, during from August 25, 2021 through the date of trial, the date judgment is entered, the date of settlement and/or other date approved by the Court.

Mr. Martinez, a former non-exempt employee, was employed by Defendant from approximately 1999 to on or about September 2, 2020. During his employment, Mr. Martinez worked as a Shipping Coordinator in the Shipping Department at Defendants’ location in Chino, California.

During his employment with Defendant, Mr. Martinez was generally scheduled to work from approximately 6:30 a.m. to approximately 3:30 p.m., Monday through Friday. However, he often worked until 5:00 p.m. or later. Therefore, Plaintiff and other non-exempt employees would often work

more than eight (8) hours per day and/or forty (40) hours per week. Defendant required Plaintiff and other non-exempt employees to clock in and out by swiping their employee card into a timekeeping system to keep track and record their work time.

During his employment with Defendant, Defendant would keep track of his and the other non-exempt employees' time worked and would unlawfully shave their work time and/or round their work time such that they would not be fully paid for all time worked. This time-shaving and/or rounding practice utilized by Defendant was not even-handed over time and would almost exclusively round and shave in Defendant's favor such that Ms. Martinez and other non-exempt employees were routinely unpaid for their time worked. As a result, Defendant failed to pay Mr. Martinez and other non-exempt employees all required minimum and overtime wages.

Additionally, in connection with the COVID-19 pandemic, during the most recent portion of Mr. Martinez's employment with Defendant, Defendant required him and the other non-exempt employees to be subjected to temperature checks and answer a daily screening questionnaire before they were allowed to clock in and commence work. Despite being under Defendant's direction and control and being required to undergo the temperature checks and answer the COVID-19 questionnaire for the benefit of Defendant, Defendants would not compensate Mr. Martinez or the other non-exempt employees for this time. As a result, Defendant failed to pay Mr. Martinez and other non-exempt employees all required minimum and overtime wages.

Throughout his employment with Defendant, Mr. Martinez and other non-exempt employees were not provided all required meal periods due to Defendant's meal period policies/practices which fail to provide uninterrupted, duty-free 30-minute meal periods prior to the start of the fifth hour of work. Specifically, due to the work demands imposed by Defendant, Defendant often provided meal periods that were either late or short or failed to provide a required meal period altogether.

Further, Defendant did not require Mr. Martinez and the other non-exempt employees to clock in and out for their meal periods if they remained on the premises. Therefore, despite Defendant's failure to keep any records of their meal periods when they remained on the work premises, Mr. Martinez is informed and believes that Defendant unlawfully and automatically deducted thirty minutes from their work time each shift for a purported meal period regardless of whether or not a meal period was taken and regardless of whether the meal period, if taken, was less than 30 minutes in length. As a result, Defendant failed to pay Mr. Martinez and other non-exempt employees all of their minimum and overtime wages owed. Moreover, when Mr. Martinez and other non-exempt employees worked in excess of 10.0 hours in a shift, Defendant failed to provide a second uninterrupted, duty-free 30-minute meal period in violation of California law.

Although Mr. Martinez and other non-exempt employees were not provided with all legally-compliant meal periods to which they were entitled, Defendant failed to compensate them with the required meal period premium for each workday in which they experienced a meal period violation as mandated by Labor Code § 226.7.

Mr. Martinez and other non-exempt employees were also not authorized and permitted to take all legally required and compliant rest periods due to Defendant's rest period policies and practices. Specifically, due to Defendant's practices of understaffing and the work demands imposed by Defendant, Defendant did not authorize and permit one rest period for every four hours worked, or *major fraction thereof*.

On those occasions when Mr. Martinez and other non-exempt employees were not authorized and permitted to take all legally-compliant rest periods to which they were entitled, Defendant failed to compensate Mr. Martinez and other non-exempt employees with the required rest period premium for each workday in which they experienced a rest period violation as mandated by Labor Code § 226.7.

As a result of Defendant's failure to pay all overtime and/or minimum wages owed, as well as meal and rest period premium wages, Defendant maintained inaccurate payroll records and issued inaccurate wage statements to Mr. Martinez and the other non-exempt employees.

As a further result of Defendant's failure to pay all overtime and/or minimum wages owed, and failure to pay all meal and rest period premium wages, Defendant failed to provide pay Mr. Martinez and the other former non-exempt employees all wages owed upon their separation of employment with Defendant.

As described above, Defendant committed the following violations of the Labor Code and Industrial Welfare Commission Wage Order No. 1 ("Wage Order 1"):

Overtime Violations

Defendant was required to pay their aggrieved employees overtime wages for all hours worked in excess of eight hours per workday and/or forty hours per workweek. *See* Labor Code §§ 1194(a) and 1198; the Wage Order 1, § 3. According to Labor Code § 510(a), "Any work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee." This Section further provides, "Any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee. In addition, any work in excess of eight hours on any seventh day of a workweek shall be compensated equal to one and one-half times their regular rate of pay for all overtime hours worked. As explained above, throughout Mr. Martinez's employment with Defendant, Defendant would keep track of his and the other non-exempt employees' time worked and would unlawfully shave their work time and/or round their work time such that they would not be fully paid for all time worked. This time-shaving and/or rounding practice utilized by Defendant was not even-handed over time and would almost exclusively round and shave in Defendant's favor such that Ms. Martinez and other non-exempt employees were routinely unpaid for their time worked. Therefore, this practice by Defendant resulted in Defendant paying Mr. Martinez and other non-exempt employees less than they were owed for the work they performed, including failing to pay them all required overtime wages.

Additionally, in connection with the COVID-19 pandemic, during the most recent portion of Mr. Martinez's employment with Defendant, Defendant required him and the other non-exempt employees to be subjected to temperature checks and answer a daily screening questionnaire before they were allowed to clock in and commence work. Despite being under Defendant's direction and control and being required to undergo the temperature checks and answer the COVID-19 questionnaire for the benefit of Defendant, Defendants would not compensate Mr. Martinez or the other non-exempt employees for this time. As a result, Defendant failed to pay Mr. Martinez and other non-exempt employees all required overtime wages.

Minimum Wage Violations

Defendant was required to pay their aggrieved employees an hourly rate at least equal to the minimum wage for each hour actually worked. *See* Labor Code §§ 1194; 1194.2, 1197; The Wage Order 1, § 4. The aggrieved employees were not paid for all hours worked due to Defendant's timekeeping and compensation practices. As alleged above, throughout Mr. Martinez's employment with Defendant, Defendant would keep track of his and the other non-exempt employees' time worked and would unlawfully shave their work time and/or round their work time such that they would not be fully paid for all time worked. This time-shaving and/or rounding practice utilized by Defendant was not even-handed over time and would almost exclusively round and shave in Defendant's favor such that Ms. Martinez and other non-exempt employees were routinely unpaid for their time worked. Therefore, this practice by Defendant resulted in Defendant paying Mr. Martinez and other non-exempt employees less than they were owed for the work they performed, including failing to pay them all required minimum wages.

Additionally, in connection with the COVID-19 pandemic, during the most recent portion of Mr. Martinez's employment with Defendant, Defendant required him and the other non-exempt employees to be subjected to temperature checks and answer a daily screening questionnaire before they were allowed to clock in and commence work. Despite being under Defendant's direction and control and being required to undergo the temperature checks and answer the COVID-19 questionnaire for the benefit of Defendant, Defendants would not compensate Mr. Martinez or the other non-exempt employees for this time. As a result, Defendant failed to pay Mr. Martinez and other non-exempt employees all required minimum wages.

Meal Period Violations

As alleged above, Defendant failed to provide their aggrieved employees with all required and compliant meal periods. *See* Labor Code §§ 226.7 and 512; Wage Order 1, § 11. As described above, Throughout his employment with Defendant, Mr. Martinez and other non-exempt employees were not provided all required meal periods due to Defendant's meal period policies/practices which fail to provide uninterrupted, duty-free 30-minute meal periods prior to the start of the fifth hour of work. Specifically, due to the work demands imposed by Defendant, Defendant often provided meal periods that were either late or short or failed to provide a required meal period altogether. Further, Defendant did not require Mr. Martinez and the other non-exempt employees to clock in and out for their meal periods if they remained on the premises. Therefore, despite Defendant's failure to keep any records of their meal periods when they remained on the work premises, Mr. Martinez is informed and believes that Defendant unlawfully and automatically deducted thirty minutes from their work time each shift for a purported meal period regardless of whether or not a meal period was taken and regardless of whether the meal period, if taken, was less than 30 minutes in length. Moreover, when Mr. Martinez and other non-exempt employees worked in excess of 10.0 hours in a shift, Defendant failed to provide a second uninterrupted, duty-free 30-minute meal period in violation of California law.

Therefore, the aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday they experienced a meal period violation. *See* Labor Code § 226.7 ("If an employer fails to provide an employee a meal or rest or recovery period in accordance with ... [an] order of the Industrial Welfare Commission ... the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest or recovery period is not provided."). Although the aggrieved employees were not provided with all

legally-compliant meal periods to which they were entitled, Defendant failed to compensate them with the required meal period premium for each workday in which they experienced a meal period violation as mandated by Labor Code § 226.7.

Rest Period Violations

Defendant also failed to authorize and permit their aggrieved employees to take all required rest periods. *See* Labor Code §§ 226.7 and 516; Wage Order 1, § 12. As alleged above, due to Defendant's practices of understaffing and the work demands imposed by Defendant, Defendant did not authorize and permit one rest period for every four hours worked, or *major fraction thereof*. As a result, the aggrieved employees are owed an additional hour of wages at their regular rate of compensation for each workday that they were not authorized and permitted to take all legally required rest periods. *See* Labor Code § 226.7 ("If an employer fails to provide an employee a meal period or rest period in accordance with an applicable order of the Industrial Welfare Commission, the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each workday that the meal or rest period is not provided.")

Wage Statement Violations

Defendant knowingly and intentionally, as a matter of uniform practice and policy, failed to furnish their aggrieved employees with accurate and complete, itemized wage statements that included, among other requirements, all minimum and overtime wages earned, total gross wages earned, total net wages earned, and meal and rest period premium wages, in violation of Labor Code § 226 *et seq.* Defendant's failure to furnish their aggrieved employees with complete and accurate, itemized wage statements resulted in actual injury, as said failures led to, among other things, the non-payment of all minimum and overtime wages earned, and unpaid meal period and premium wages, and deprived them of the information necessary to identify discrepancies in Defendant's reported data.

Waiting Time Penalties

Labor Code §§ 201 and 202 require that employees receive all of their final wages at the time of their separation of employment. Defendant failed to timely pay Mr. Martinez and other aggrieved employees all of their final wages at the time of separation, which included, among other things, underpaid minimum and overtime wages, and meal and rest period premium wages. Pursuant to Labor Code § 203, Defendant's failure to pay all final wages due to their aggrieved employees was willful and, consequently, entitles the aggrieved employees to waiting time penalties equal to one day of wages at their standard hourly rate for each day Defendant failed to pay their final wages after their separation, up to a maximum of thirty days.

As an "aggrieved employee," Mr. Martinez will initiate a civil action on behalf of himself and other aggrieved employees to recover damages, statutory penalties, and civil penalties resulting from the wage and hour violations alleged herein. Based on Mr. Martinez's own investigation, and on information and belief, Defendant committed the following Labor Code violations:

- a) Defendant violated Labor Code §§ 204, 510, 558, 1194, and 1198 by failing to pay Mr. Martinez and the aggrieved employees all overtime compensation earned;

- b) Defendant violated Labor Code §§ 1194, 1194.2, and 1197 by failing to pay Mr. Martinez and the aggrieved employees the statutory minimum wage for all hours worked;
- c) Defendant violated Labor Code §§ 226.7, 512, and 558 by failing to provide all legally required meal periods and failing to pay meal period premiums to Mr. Martinez and the aggrieved employees;
- d) Defendant violated Labor Code §§ 226.7, 516, and 558 by failing to provide all legally required rest periods and failing to pay rest period premiums to Mr. Martinez and the aggrieved employees;
- e) Defendant violated Labor Code § 226 by failing to furnish Mr. Martinez and the aggrieved employees with accurate and compliant itemized wage statements;
- f) Defendant violated Labor Code § 204 by failing to pay Mr. Martinez and the aggrieved employees all earned wages at least twice during each calendar month;
- g) Defendant violated Labor Code § 1174 by failing to maintain accurate records on behalf of Mr. Martinez and the aggrieved employees; and
- h) Defendant violated Labor Code §§ 201, 202 and 203 by failing to timely pay all final wages due to Mr. Martinez and other aggrieved employees.

Pursuant to Labor Code section 2699.3(a)(2)(A), please notify us and Defendant if the LWDA intends to investigate these alleged violations of the Labor Code. Please contact me should you require additional information.

Very truly yours,
LIDMAN LAW, APC



Scott M. Lidman

EXHIBIT B

EXHIBIT B

SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF SAN BERNARDINO

JAVIER MARTINEZ, on behalf of himself and on
behalf of all persons similarly situated,

Plaintiffs,

vs.

SCHLAGE LOCK COMPANY, LLC, a Delaware
limited liability company; and DOES 1 through 100,
inclusive,

Defendants.

Case No. CIVSB2218620

**NOTICE OF PENDENCY OF CLASS
ACTION AND PROPOSED SETTLEMENT**

To: All current and former non-exempt employees of Defendant Schlage Lock Company, LLC who worked at any time in California during the time period between January 8, 2019 and [the earlier of the date of preliminary approval or June 17, 2023]. Collectively, these employees will be referred to as “Settlement Class Members.”

**PLEASE READ THIS NOTICE CAREFULLY
YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR NOT**

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT:	
Do Nothing and Receive a Payment	To receive a cash payment from the Settlement, you do not have to do anything. In exchange for the settlement payment, you will release claims against the Defendant as detailed below. Your estimated Settlement Award is explained in the accompanying Notice of Settlement Award. After final approval by the Court, the payment will be mailed to you at the same address as this notice. If your address has changed, you must notify the Settlement Administrator as explained below.
Exclude Yourself	To exclude yourself, you must send a written request for exclusion to the Settlement Administrator as provided below. If you request exclusion, you will receive no money from the Settlement. However, if you are an PAGA Employee who requests exclusion, you will still receive a small amount as your share of the PAGA civil penalties described below. Instructions are set forth below.
Object	Write to the Court about why you do not agree with the Settlement, and/or appear at the Final Approval Hearing to make an oral objection. Directions are provided below.

Why should you read this notice?

The Court has granted preliminary approval of a proposed class action settlement (the “Settlement”) entitled *Javier*

Martinez, on behalf of himself and on behalf of all persons similarly situated, v. Schlage Lock Company, LLC, San Bernardino Superior Court Case No. CIVSB2218620 (the “Lawsuit”). Because your rights may be affected by the Settlement, it is important that you read this notice carefully.

You may be entitled to money from this Settlement. Defendant Schlage Lock Company, LLC’s (“Defendant”) records show that you were employed by Defendant as a non-exempt employee in California at some time between January 8, 2019 and [the earlier of the date of preliminary approval or June 17, 2023] (the “Class Period”). The Court ordered that this Notice be sent to you because you may be entitled to money under the Settlement and because the Settlement affects your legal rights.

The purpose of this Notice is to provide you with a brief description of the Lawsuit, to inform you of the terms of the Settlement, to describe your rights in connection with the Settlement, and to explain what steps you may take to participate in, object to, or exclude yourself from the Settlement. If you do not exclude yourself from the Settlement and the Court finally approves the Settlement, you will be bound by the terms of the Settlement and any final judgment.

What is this case about?

Plaintiff Javier Martinez (“Plaintiff”) brought this Lawsuit against Defendant, seeking to assert claims on behalf of a class of current and former non-exempt employees who worked for Defendant in California at any time between January 8, 2019 and [the earlier of the date of preliminary approval or June 17, 2023]. Plaintiff is known as the “Class Representative,” and their attorneys, who also represent the interests of all Settlement Class members, are known as “Class Counsel.”

The Lawsuit alleges that Defendant failed to provide Settlement Class members all minimum and/or overtime wages, failed to provide all legally required meal periods, failed to authorize and permit all legally required rest periods, failed to provide accurate, itemized wage statements and failed to pay all wages upon termination of employment. As a result of the foregoing alleged violations, Plaintiff also alleges that Defendant engaged in unfair business practices and is liable for civil penalties under the California Labor Code Private Attorney General Act of 2004 (“PAGA”).

Defendant denies that it has done anything wrong. Defendant further denies that it owes Settlement Class members any wages, restitution, penalties, or other damages. No Court has made any determination as to the factual allegations in the Lawsuit. Rather, the Settlement constitutes a compromise of disputed claims and should not be construed as an admission of liability on the part of Defendant, and it expressly denies all liability.

The Court has not ruled that Defendant violated any laws or whether Plaintiff or any other person is entitled to damages or other relief. However, to avoid additional expense, inconvenience, and interference with their business operations, Defendant has concluded that it is in their best interests and the interests of Settlement Class members to settle the Lawsuit on the terms summarized in this Notice. After Defendant provided relevant information to Class Counsel, the Settlement was reached after mediation and arm’s-length negotiations between the Parties.

The Class Representative and Class Counsel support the Settlement. Among the reasons for support are the defenses to liability potentially available to Defendant, the risk of denial of class certification, the inherent risks of trial on the merits, and the delays and uncertainties associated with litigation.

If you are still employed by Defendant, your decision about whether to participate in the Settlement will not affect your employment. California law and Defendant’s policies strictly prohibit unlawful retaliation. Defendant will not take any adverse employment action against or otherwise target, retaliate, or discriminate against any Settlement Class member because of the Settlement Class member’s decision to either participate or not participate in the Settlement.

Who are the Attorneys?

Attorneys for the Plaintiff / Settlement Class Members:	Attorneys for Defendant Schlage Lock Company, LLC
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LIDMAN LAW, APC Scott M. Lidman slidman@lidmanlaw.com Elizabeth Nguyen enguyen@lidmanlaw.com Milan Moore mmoore@lidmanlaw.com 2155 Campus Drive, Suite 150 El Segundo, California 90245 Tel: (424) 322-4772 Fax: (424) 322-4775 www.lidmanlaw.com HAINES LAW GROUP, APC Paul K. Haines phaines@haineslawgroup.com 155 Campus Drive, Suite 180 El Segundo, California 90245 Tel: (424) 292-2350 Fax: (424) 292-2355 www.haineslawgroup.com	LEWIS BRISBOIS BISGAARD & SMITH LLP Jasmine Shams, Esq. Cheryl Wilke, Esq. 633 West 5th Street, Suite 4000 Los Angeles, California 90071 Telephone: (213) 250-1800 Facsimile: (213) 250-7900
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What are the terms of the Settlement?

On **[INSERT DATE OF PRELIMINARY APPROVAL]**, the Court preliminarily certified a class, for settlement purposes only, of all current and former non-exempt of Defendant Schlage Lock Company, LLC who worked at any time in California during the time period between January 8, 2019 and **[the earlier of the date of preliminary approval or June 17, 2023]**. Settlement Class members who do not opt out of the Settlement pursuant to the procedures set forth in this Notice will be bound by the Settlement and will release their claims against Defendant as described below.

Defendant has agreed to pay \$300,000.00 (the “Gross Settlement Amount”) to fully resolve all claims in the Lawsuit, which includes payments to Settlement Class members, attorneys’ fees and expenses, payment to the Labor Workforce Development Agency (“LWDA”), settlement administration costs, and the Class Representative’s Service Award.

The following deductions from the Gross Settlement Amount will be requested by the Parties:

Settlement Administration Costs. The Court has approved Phoenix Settlement Administrators to act as the “Settlement Administrator,” who is sending this Notice to you and will perform many other duties relating to the Settlement. The Court has approved setting aside an amount not to exceed \$5,995.00 from the Gross Settlement Amount to pay the Settlement administration costs.

Attorneys’ Fees and Expenses. Class Counsel have been prosecuting the Lawsuit on behalf of the Settlement Class Members on a contingency fee basis (that is, without being paid any money to date) and have been paying all litigation costs and expenses. The Court will determine the actual amount awarded to Class Counsel as attorneys’ fees, which will be paid from the Gross Settlement Amount. Settlement Class members are not personally responsible for any of Class Counsel’s attorneys’ fees or expenses. Class Counsel will ask for fees of up to one-third of the Gross Settlement Amount, which is estimated to be \$100,000.00, as reasonable compensation for the work Class Counsel performed and will continue to perform in this Lawsuit through Settlement finalization. Class Counsel also will ask for reimbursement in an amount not to exceed \$20,000.00 for verified costs Class Counsel incurred in connection with the Lawsuit.

Service Award to Class Representative. Class Counsel will ask the Court to award the Class Representative a service award in the amount not to exceed \$5,000.00, to compensate him for his services and extra work provided on behalf of the Settlement Class members.

LWDA Payment. Class Counsel will ask the Court to approve a payment in the total amount of \$10,000.00 as and for alleged civil penalties, payable pursuant to the California Labor Code Private Attorney General Act (“PAGA”). Per Labor Code § 2699(i), seventy-five percent (75%) of such penalties, or Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00) will be payable to the LWDA, and the remaining twenty-five percent (25%), or Two Thousand Five Hundred Dollars and Zero Cents (\$2,500.00), will be payable to certain Settlement Class members as the “PAGA Amount,” as described below.

Calculation of Individual Settlement Class Members’ Settlement Award. After deducting the Court-approved amounts above, the balance of the Gross Settlement Amount will form the Net Settlement Amount (“NSA”), which will be distributed to all Settlement Class members who do not submit a valid and timely Request for Exclusion (described below). The NSA is estimated at approximately \$<< >>, to be shared among an up to << >> estimated Settlement Class members. The NSA will be divided as follows:

- (i) The Net Settlement Amount shall be allocated to Settlement Class members who worked during the Class Period, as follows: each participating Settlement Class member shall receive a proportionate settlement share based upon the number of workweeks worked as a non-exempt employee during the Class Period, the numerator of which is the Settlement Class member’s total workweeks worked as a non-exempt employee during the Class Period, and the denominator of which is the total workweeks worked as non-exempt employees by all Settlement Class members (who do not opt out) who worked during the Class Period.

PAGA Amount. In addition, Two Thousand Five Hundred Dollars and Zero Cents (\$2,500.00) of the Gross Settlement Amount has been designated as the “PAGA Amount” as described above. Each PAGA Employee shall receive a portion of the PAGA Amount proportionate to the number of pay periods that he or she worked during the time period between August 25, 2021 and [the earlier of the date of preliminary approval or June 17, 2023] (“PAGA Period”) which will be calculated by multiplying the PAGA Amount by a fraction, the numerator of which is the PAGA Employee’s number of pay periods worked as a non-exempt employee during this time period, and the denominator of which is the total number of pay periods worked by all PAGA Employees. The payments to PAGA Employees shall be reported as penalties on a Form 1099.

Payments to Settlement Class Members. If the Court grants final approval of the Settlement, Settlement Awards will be mailed to all Settlement Class members who did not submit a valid and timely Request for Exclusion.

If you submit a Request for Exclusion, you will still receive a proportionate share of the PAGA Amount regardless of whether you exclude yourself from the Settlement if you are a PAGA Employee.

Each member of the Settlement Class who receives a Settlement Award must cash the check within 180 days from the date the Settlement Administrator mails it. Any funds payable to Settlement Class Members whose checks were not cashed within 180 days after mailing will be transferred to the California State Controller’s Unclaimed Property Fund under the unclaimed property laws in the name of the Settlement Class Member. Funds can be claimed by such individuals by submitting a claim at www.claimit.ca.gov.

Payment by Defendant of Gross Settlement Amount. The Gross Settlement Amount shall be deposited by Defendant into a qualified settlement fund set up by the Settlement Administrator for the benefit of participating Settlement Class members and PAGA Employees. Defendant agrees to deposit the Gross Settlement Amount and the required employer-side taxes with the Settlement Administrator within thirty (30) calendar days after the “Effective Date” which is defined as the latter of: (a) the Court’s final approval of the settlement if no objections by or on behalf of Settlement Class members have been filed; (b) the time for appeal has expired if an objection has been filed and no appeal has been filed or withdrawn; or (c) the final resolution of any appeal that has been filed.

Within ten (10) calendar days following Defendant’s deposit of the final Settlement Installment of Gross Settlement Amount and all employer-side taxes with the Settlement Administrator, the Settlement Administrator will calculate Settlement Award amounts and provide the same to counsel for the Parties for review and approval. Within seven (7) calendar days of approval by counsel for the Parties, the Settlement Administrator will prepare and mail Settlement Awards to participating Settlement Class members. Settlement Awards are expected to be disbursed in [insert estimated month and year].

Allocation and Taxes. For purposes of calculating applicable taxes and withholdings, each Settlement Award shall be allocated as follows: twenty percent (20%) as wages; and eighty percent (80%) as penalties and interest. The Settlement Administrator will be responsible for issuing to participating Settlement Class members IRS Forms W-2 for amounts deemed “wages” and IRS Forms 1099 for the amounts allocated as penalties and interest. Each Settlement Class member who receives a Settlement Award will be responsible for correctly characterizing the payment for tax purposes and for payment of any taxes owing on said amount. The Settlement Administrator, Defendant and its counsel, and Class Counsel cannot provide tax advice. Accordingly, Settlement Class members should consult with their tax advisors concerning the tax consequences and treatment of payments they receive under the Settlement.

Release. If the Court approves the Settlement, the Settlement Class, and each Settlement Class member who has not submitted a timely and valid Request for Exclusion, will fully and forever completely release and discharge Defendant, its past and present officers, directors, shareholders, members, owners, managers, employees, agents, principals, heirs, representatives, accountants, auditors, consultants, and its respective successors and predecessors in interest, subsidiaries, affiliates, parents (including but not limited to Allegion, PLC), and attorneys (collectively the “Released Parties”), from all claims, demands, rights, liabilities and causes of action that were pled or could have been pled based upon the facts alleged in the operative First Amended Complaint in the Action, that arose during the Class Period defined above with respect to the following claims: (a) failure to pay all overtime wages owed; (b) failure to pay all minimum wages owed; (c) failure to provide meal periods and pay premium wages for non-compliant meal periods; (d) failure to authorize and permit rest periods and pay premium wages for non-compliant rest periods; (e) failure to timely pay all wages due upon separation of employment; (f) failure to issue accurate, itemized wage statements; and (g) all claims for unfair business practices that reasonably could have been premised on the facts, claims, causes of action or legal theories described above (collectively, the “Released Class Claims”). The Class Members do not release any claims other than those set forth above, including without limitation claims for vested benefits, wrongful termination, violations of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or claims based on facts occurring outside the Class Period.

The time period of the Released Claims shall be the same time period as the Class Period.

PAGA Release and PAGA Employees. If the Court approves the Settlement, all PAGA Employees, including Plaintiff (and also including those who opt-out from the Class portion of the Settlement), will release and forever discharge the Released Parties from all claims, demands, rights, liabilities and causes of action for civil penalties under California Labor Code Private Attorneys General Act of 2004 which were pled in the letter to the Labor & Workforce Development Agency (“LWDA”) dated April 25, 2023 and the operative First Amended Complaint in the Action, or which could have been pled based upon the facts alleged in the operative First Amended Complaint in the Action that arose during the PAGA Period predicated on the following alleged violations: (a) failure to pay all overtime wages owed; (b) failure to pay all minimum wages owed; (c) failure to provide meal periods and pay premium wages for non-compliant meal periods; (d) failure to authorize and permit rest periods and pay premium wages for non-compliant rest periods; (e) failure to timely pay all wages due upon separation of employment; and (f) failure to issue accurate, itemized wage statements (collectively, “PAGA Released Claims”).

The time period of the PAGA Released Claim is August 25, 2021 and [the earlier of the date of preliminary approval or June 7, 2023] (“PAGA Period”).

The Parties acknowledge that under the release, the right of the LWDA to investigate the PAGA Released claim is not released, but the PAGA Released Claim does include any claims for penalties by a PAGA Employee as a result of any such LWDA investigation, and PAGA Employees are barred from their right to act as a private attorney general as to the PAGA Released Claims.

You cannot submit a Request for Exclusion from the PAGA Release.

The releases are null and void if Defendant fails to fully fund the Settlement. The releases identified herein shall become effective on the date on which Defendant fully funds the Settlement (“Effective Date of the Release”). Upon the Effective Date of the Release, all Class Members shall be deemed to have, and by operation of Judgment shall have, released, waived and relinquished the Released Claims.

Conditions of Settlement. The Settlement is conditioned upon the Court entering an order at or following the Final Approval Hearing finally approving the Settlement as fair, reasonable, adequate and in the best interests of the Settlement Class, and the entry of Judgment.

How can I claim money from the Settlement?

Do Nothing. If you do nothing, you will be entitled to your share of the Settlement based on the proportionate number of workweeks you worked during the Class Period (as explained above), and as stated in the accompanying Notice of Settlement Award. You also will be bound by the Settlement, including the release of claims stated above.

If your address is incorrect or has changed, you must notify the Settlement Administrator. It is your responsibility to ensure that the Settlement Administrator has your current address on file, or you may not receive important information or a settlement payment. The Settlement Administrator is: _____ (800) _____.

What other options do I have?

Dispute Information in Notice of Settlement Award. Your award is based on the proportionate number of workweeks you worked during the Class Period, and the number of pay periods you worked during the PAGA Period, if any. The information contained in Defendant's records regarding all of these factors, along with your estimated Settlement Award, is listed on the accompanying Notice of Settlement Award. If you disagree with the information in your Notice of Settlement Award, you may submit a dispute, along with any supporting documentation, in accordance with the procedures stated in the Notice of Settlement Award. Any disputes, along with supporting documentation, must be postmarked no later than <<RESPONSE DEADLINE>>. Send disputes directly to the Settlement Administrator at <<INSERT ADMINISTRATOR CONTACT INFO>>.

DO NOT SEND ORIGINALS; DOCUMENTATION SENT TO THE SETTLEMENT ADMINISTRATOR WILL NOT BE RETURNED OR PRESERVED.

The Parties and the Settlement Administrator will evaluate the evidence submitted and discuss in good faith how to resolve any disputes submitted by Settlement Class members. The Settlement Administrator's decision regarding any dispute will be final.

Exclude Yourself from the Settlement. If you **do not** wish to take part in the Settlement, you may exclude yourself by sending to the Settlement Administrator a written "Request for Exclusion from the Class Action Settlement" letter or card postmarked no later than <<RESPONSE DEADLINE>>, with your name, address, telephone number, last four digits of your social security number, your signature, and a statement indicating that you would like to be excluded from the Class Action Settlement. The Request for Exclusion should state something to the effect of:

"I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE *MARTINEZ V. SCHLAGE LOCK COMPANY* LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE ANY MONEY FROM THE SETTLEMENT OF THIS LAWSUIT."

Send the Request for Exclusion directly to the Settlement Administrator at <<INSERT ADMINISTRATOR CONTACT INFO>>. Any person who files a timely Request for Exclusion from the Settlement shall, upon receipt by the Settlement Administrator, no longer be a Settlement Class member, shall be barred from participating in any portion of the Settlement, and shall receive no benefits from the Settlement.

If you submit a Request for Exclusion, you will only be excluded from the Released Claims. You cannot submit a Request for Exclusion from the PAGA Release. You will receive a proportionate share of the PAGA Payment regardless of whether you exclude yourself from the Settlement if you were employed and worked between August 25, 2021 and [the earlier of the date of preliminary approval or June 7, 2023].

Do not submit both a Dispute and a Request for Exclusion. If you do, the Request for Exclusion will be invalid, you will be included in the Settlement Class, and you will be bound by the terms of the Settlement.

Objecting to the Settlement. You also have the right to object to the terms of the Settlement. However, if the Court rejects your objection, you will still be bound by the terms of the Settlement. If you wish to object to the Settlement, or any portion of it, you may mail a written objection to the Settlement Administrator. Your written objection must include your name, address, as well as contact information for any attorney representing you regarding your objection, the case name and number, each specific reason in support of your objection, and any legal or factual support for each objection together with any evidence in support of your objection. Written objections must be postmarked on or before <<RESPONSE DEADLINE>>. Send written objections directly to the Settlement Administrator at <<INSERT ADMINISTRATOR CONTACT INFO>>.

If you choose to object to the Settlement, you may also appear at the Final Approval Hearing scheduled for <<FINAL APPROVAL HEARING DATE/TIME>> in Department S-26 of the San Bernardino County Superior Court, located at 247 West Third Street, San Bernardino, California 92415. You have the right to appear either remotely, in person or through your own attorney at this hearing. Any attorney who intends to represent an individual objecting to the Settlement must file a notice of appearance with the Court and serve counsel for all parties on or before <<RESPONSE DEADLINE>>. All objections or other correspondence must state the name and number of the case (*Javier Martinez v. Schlage Lock Company, LLC*, San Bernardino County Superior Court, Case No. CIVSB2218620).

If you object to the Settlement, you will remain a member of the Settlement Class, and if the Court approves the Settlement, you will be bound by the terms of the Settlement in the same way as Settlement Class members who do not object.

What is the next step?

The Court will hold a Final Approval Hearing on the adequacy, reasonableness, and fairness of the Settlement on <<FINAL APPROVAL HEARING DATE/TIME>>, in Department S-26 of the San Bernardino County Superior Court, located at 247 West Third Street, San Bernardino, California 92415. The Court also will be asked to rule on Class Counsel's request for attorneys' fees and reimbursement of documented costs and expenses and the Service Award to the Class Representative. The Final Approval Hearing may be postponed without further notice to Settlement Class members. **You are not required to attend the Final Approval Hearing, although any Settlement Class member is welcome to attend the hearing.**

Any changes to date, time, or location of the Final Approval Hearing will be posted on the Settlement Administrator's website (<http://.com>). The Court's final judgment will also be posted on the Settlement Administrator's website.

How can I get additional information?

This Notice is only a summary of the Lawsuit and the Settlement. For more information, you may inspect the Court's files and the Settlement Agreement at the Office of the Clerk of the San Bernardino County Superior Court, located at 247 West Third Street, San Bernardino, California 92415. You may get more details by examining the Court's file on the Court Access website for the California Superior Court for the County of San Bernardino (<https://cap.sb-court.org/login>) and entering the Case No. CIVSB2125337. You may also contact Class Counsel using the contact information listed above for more information.

PLEASE DO NOT CALL OR WRITE THE COURT, DEFENDANT OR ITS ATTORNEYS FOR INFORMATION ABOUT THIS SETTLEMENT OR THE SETTLEMENT PROCESS

REMINDER AS TO TIME LIMITS

The deadline for submitting any Disputes, Requests for Exclusion, or Objections is <<RESPONSE DEADLINE>>. These deadlines will be strictly enforced.

BY ORDER OF THE COURT ENTERED ON <<PRELIM APPROVAL DATE>>.

NOTICE OF SETTLEMENT AWARD

Javier Martinez, on behalf of themselves and on behalf of all persons similarly situated, v. *Schlage Lock Company, LLC*

SAN BERNARDINO COUNTY SUPERIOR COURT, CASE NO. CIVSB2218620

Please complete, sign, date and return this form to <<ADMINISTRATOR CONTACT INFO>> **ONLY IF** (1) your personal contact information has changed, and/or (2) you wish to dispute any of the items listed in Section (III), below. It is your responsibility to keep a current address on file with the Settlement Administrator.

(I) Please type or print your name:

(First, Middle, Last)

(II) Please type or print the following identifying information if your contact information has changed:

Former Names (if any)

New Street Address

City

State

Zip Code

(III) Information Used to Calculate Your Individual Settlement Award:

According to the records of Schlage Lock Company, LLC ("Defendant"):

- (a) You were employed by Defendant and worked a total of [] workweeks between January 8, 2019 and [the earlier of the date of June 17, 2023 or preliminary approval].
- (b) You were employed by Defendant and worked a total of [] pay periods between August 25, 2021 and [the earlier of the date of June 17, 2023 or preliminary approval].
- (c)

Based on the above, your Individual Settlement Award is estimated to be \$ [].

(IV) If you disagree with item (a) in Section (III) above, please explain why in the space provided below and include copies of any supporting evidence or documentation with this form:

If you dispute the above information from Defendant's records, Defendant's records will control unless you are able to provide documentation that establishes that Defendant's records are mistaken. If there is a dispute about whether Defendant's information or yours is accurate, and the dispute cannot be resolved informally, the dispute will be resolved by the Parties and the Settlement Administrator as described in the "Notice of Pendency of Class Action and Proposed Settlement" that accompanies this Form. Any unresolved disputes will be submitted to the Court for a final determination.

**ANY DISPUTES, ALONG WITH ANY SUPPORTING DOCUMENTATION, MUST BE POSTMARKED
NO LATER THAN <<RESPONSE DEADLINE>>**

EXHIBIT 3

EXHIBIT 3

From: [DIR PAGA Unit](#)
To: [Dana Joudi](#)
Subject: Thank you for your Proposed Settlement Submission
Date: Wednesday, June 28, 2023 5:01:13 PM

06/28/2023 05:00:43 PM

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

Item submitted: Proposed Settlement

If you have questions or concerns regarding this submission or your case, please send an email to pagainfo@dir.ca.gov.

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website: http://labor.ca.gov/Private_Attorneys_General_Act.htm



Private Attorneys General Act (PAGA) – Filing

Proposed Settlement of PAGA case

PAGA Number (LWDA-CM-) : *

Please enter only the eight digit number after "LWDA-CM-" in the following format, "XXXXXX-XX".

[Search for PAGA Case number](#)

The timing of the deposit of settlement checks is governed by the provisions of the State Administrative Manual. This ministerial, administrative act of depositing a settlement check mandated by state procedures should not be construed as nor does it constitute an unconditional, voluntary and/or absolute acceptance of settlement proceeds or approval of the terms of any settlement agreement or judgment related to that check.

Your Information (Person Who is Filing)

Your First Name *

Scott

Your Last Name *

Lidman

Your Email Address *

djoudi@lidmanlaw.com

Your Street Name, Number and Suite/Apt *

2155 Campus Drive, Suite

Your Mobile Phone Number

Your City *

El Segundo

Your Work Phone Number

Your State *

California

Your Zip/Postal Code *

90245

Court and Hearing Information

Court *

San Bernardino Superior C

Court Case Number *

CIVSB2218620

Hearing Date (if any)

9/6/23

Hearing Time

8:30 a.m.

Hearing Location

S-17, 247 W 3rd St, San B

Number of aggrieved employees *

51

Gross settlement amount *

300000

Gross penalty amount *

10000

Penalties to LWDA *

7500

Date of proposed settlement *

05/01/2023

Proposed Settlement and Other Documents

Proposed Settlement *

Choose File 2023-05-09 ... executed).pdf

Other Attachment (if any)

Choose File No file chosen

[Add Another Attachment](#)

Should you have questions regarding this online form, please contact PAGAIInfo@dir.ca.gov

IMPORTANT NOTICE OF REDACTION RESPONSIBILITY: All filers must redact: Social Security or taxpayer identification numbers; personal addresses, personal telephone numbers, personal email addresses, dates of birth; names of minor children; & financial account numbers. This requirement applies to all documents, including attachments.

☒ I understand that, if I file, I must comply with the redaction rules consistent with this notice.

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