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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF RIVERSIDE

MICHAEL FLORES, as an individual and on behalf of all others similarly situated, Plaintiff, vs. WE CARE PLUMBING, HEATING & AIR, LLC; RUSSELL COCHRAN, an individual; and DOES 1 through 50, inclusive, Defendants.	Case No.: CVRI2303843 [*Assigned for all purposes to the Hon. Angel M. Bermudez in Dept. M301*] **DECLARATION OF SEAN M. BLAKELY IN SUPPORT OF PLAINTIFF'S MOTION FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT** Date: September 3, 2024 Time: 8:30 a.m. Dept: M301 Reservation No.: 754604901804 Action Filed: July 27, 2023 Trial Date: None Set

I, SEAN M. BLAKELY, declare as follows:

1. I am a Partner at Haines Law Group, APC, and co-counsel for the named Plaintiff Michael Flores ("Plaintiff") and the proposed Settlement Class in the above-captioned matter. I am a member in good standing of the bar of the State of California and am admitted to practice in this Court. I have personal knowledge of the facts stated in this declaration and could testify competently to them if called upon to do so.

2. I am a 2008 graduate of Southwestern Law School. I was admitted to the California State Bar in September 2009. From December 2010 to September 2011, I worked as a Law Clerk for Rose, Klein & Marias, a civil litigation firm in Long Beach, California. At Rose, Klein & Marias I assisted trial attorneys in employment and personal injury cases. From September 2011 to May 2016, I worked as an associate at the employment law firm of Mahoney Law Group, APC in Long Beach, California. The vast majority of my work at Mahoney Law Group, APC focused on representing employees in wage and hour class actions. My work at Mahoney Law Group, APC also included representing employees in individual claims for wrongful termination, harassment, discrimination, and retaliation. Although non-exhaustive, the types of work I performed at Mahoney Law Group, APC included: conducting client intakes performing pre-filing research and analysis, drafting complaints, attending court hearings, corresponding with opposing counsel, drafting and responding to written discovery, preparing for and taking and defending depositions, analyzing payroll and timekeeping records and employee handbooks, opposing motions for summary judgment, as well as a variety of other motions such as motions for remand, demurrers and motions to dismiss, motions to strike, motions to compel, motions to quash, and motions for class certification, drafting mediation briefs, attending mediations, drafting long-form settlement agreements, drafting motions for preliminary and final settlement approval, and overseeing the notice process.

3. Since November 8, 2016, I have worked at my current firm, Haines Law Group, APC, where, in 2020, I became a Partner. I am currently responsible for managing over fifty (50) active wage and hour class and representative actions in both state and federal court.

4. The following is a non-exhaustive list of wage and hour class actions in which I

have been appointed as class counsel and/or played a significant role in prosecuting the litigation, and which have received final approval: *Santimateo v. Sun Healthcare Group, Inc., et al,* Case No. BC471884, California Superior Court, Los Angeles County, Judge Jane L. Johnson presiding (granted final approval of settlement on behalf of employees at rehabilitation facility involving claims for unpaid wages and meal and rest period violations, and other claims, in which I was approved at an hourly rate of $325 for work performed in 2012-2013); *Teyuca v. Pacific Alliance Medical Center, Inc*., California Superior Court, Los Angeles County, Judge William F. Highberger presiding (granting final approval of settlement on behalf of healthcare workers for unpaid wages, meal and rest period violations, and other claims, in which I was approved at an hourly rate of $325 for work performed in 2012-2013); *Arteaga v. Command Center Security, Inc.,* Case No. BC480496, California Superior Court, Los Angeles County, Judge John Shepard Wiley, Jr. presiding (granting final approval of settlement on behalf of security guards involving claims for unpaid overtime, meal and rest period violations, and other claims, in which I was approved at an hourly rate of $425 for work performed in 2012-2015); *Casadine v. Maxim Healthcare Services, Inc*., Case No. CV 12-10078-DMG (CWx), United States District Court, Central District of California, Judge Dolly M. Gee presiding (granting final approval of settlement on behalf of home health care employees involving claims for unpaid wages and other claims, in which I was approved at an hourly rate of $425 for work performed in 2012-2015); *Guzman v. Andrew Lauren Interiors, Inc*., *et al*., Case No. BC567757, California Superior Court, Los Angeles County, Judge Elihu M. Berle presiding (granting final approval of settlement on behalf of construction workers involving claims for unpaid wages, meal and rest period violation, and other claims, in which I was approved at an hourly rate of $425 for work performed in 2014-2016); *Booker v. The Goodyear Tire and Rubber Company*, Case No. BC498399, California Superior Court, Los Angeles County, Judge Amy Hogue presiding (granting final approval of settlement on behalf of tire mechanics involving claims for unpaid wages, meal and rest period violations, and other claims, in which I was approved at an hourly rate of $425 for work performed in 2013-2015); *Nunez v. CompuCom Systems, Inc.*, Case No. BC618385, California Superior Court, Los Angeles County, Judge John Shepard Wiley, Jr. presiding (granting final approval of settlement on behalf of IT support workers for overtime, meal and period, reimbursement, and related violations, approved at hourly rate of $475 for work performed in 2016 and 2017); *Galvan v. AMVAC Chemical Corporation*, Case No. 30-2014-00716103-CU-OE-CXC, California Superior Court, Orange County, Judge William D. Claster presiding (granting final approval of settlement on behalf of non-exempt employees of a chemical manufacturing company involving claims for unpaid overtime and waiting time penalties); *Razon v. TTM Technologies, Inc., et al*., Case No. 37-2016-00038326-CU-OE-CTL, California Superior Court, San Diego County, Judge Gregory W. Pollack presiding (granting final approval of settlement involving claims for unpaid overtime wages, wage statement violations, and meal period violations); *Blank v. Coty, Inc., et al*., Case No. BC624850, California Superior Court, Los Angeles County, Judge Williams F. Highberger presiding (granting final approval of settlement involving claims for wage statement violations, meal period violations, and other claims); *Morales v. Caremeridian, LLC, et al*., Case No. BC593191, California Superior Court, Los Angeles County, Judge William F. Highberger presiding (granting final approval of settlement on behalf of direct support professionals involving claims for unpaid wages, meal and rest period violations, wage statement violations, and other claims); *Aguilar v. Act Fulfillment, Inc*., Case No. RIC1616643, California Superior Court, Riverside County, Judge Sharon J. Waters presiding (granting final approval of settlement on behalf of non-exempt factory workers involving claims for meal period violations); *Sandoval v. AMCOR Flexibles Inc*., Case No. BC617499, California Superior Court, Los Angeles County, Judge Kenneth R. Freeman presiding (granting final approval of settlement on behalf of manufacturing employees involving claims for unpaid wages, meal period violations, rest period violations, and waiting time penalties); *Le v. GBW Railcar Services, L.L.C*., Case No. RIC1612209, California Superior Court, Riverside County, Judge Sharon J. Waters presiding (granting final approval of settlement on behalf of non-exempt employees of a freight railcar manufacturer involving claims for unpaid overtime and minimum wages, meal period violations, and rest period violations); *Silva v. ADJ Products, LLC*, Case No. BC618581, California Superior Court, Los Angeles County, Judge William F. Highberger presiding (granting final approval of settlement involving claims for unpaid overtime and minimum wages, rest period violations, wage statement violations, and waiting time penalties); *Lira v. Discus Dental, LLC, et al.*, Case No. CIVDS1620402, California Superior Court, San Bernardino County, Judge David Cohn presiding (granting final approval of settlement on behalf of non-exempt manufacturing employees involving claims for unpaid minimum and overtime wages, meal and rest period violations, and other claims); *Gonzales v. PathPoint*, Case No. BC657147, California Superior Court, Los Angeles County, Judge Carolyn B. Kuhl presiding (granting final approval of settlement on behalf of non-exempt direct support professionals involving claims for meal and rest period violations and other claims); *Duran v. PRADA USA CORP.*, Case No. BC644319, California Superior Court, Los Angeles County, Judge Maren E. Nelson presiding (granting final approval of settlement on behalf of non-exempt commissioned salespersons involving claims for unpaid overtime wages, meal and rest period violations, failure to reimburse for necessary expenditures, and other claims); *Banegas v. UPM, Inc.*, Case No. BC644438, California Superior Court, Los Angeles County, Judge Carolyn B. Kuhl presiding (granting final approval of settlement on behalf of non-exempt manufacturing employees involving claims for unpaid wages, meal and rest period violations, and other claims); *Palafox v. Pacific Line Clean-Up, Inc.*, Case No. 30-2017-00921632-CU-OE-CXC, California Superior Court, Orange County, Judge William D. Claster presiding (granting final approval of settlement on behalf of non-exempt employees involving claims for unpaid overtime wages, meal and rest period violations, and other claims); *Janet Arroyo v. AST Sportswear, Inc., dba Bayside Apparel Manufacturing, Inc.*, Case No. 30-2017-00909663-CU-OE-CXC, California Superior Court, Orange County, Judge Glenda Sanders presiding (granting final approval of settlement on behalf of non-exempt garment employees involving claims for unpaid minimum wages, meal and rest period violations, and other claims); *Carlos Garcia v. Fabrica International, Inc.*, Case No. 30-2017-00949461-CU-OE-CXC, California Superior Court, Orange County, Judge William D. Claster presiding (granting final approval of settlement on behalf of non-exempt manufacturing employees involving claims for unpaid minimum and overtime wages, meal and rest period violations, and statutory penalties); *Jonathan Leon v. Piercey West, Inc.*, Case No. BC656874, California Superior Court, Los Angeles County, Judge Amy D. Hogue presiding (granting final approval of settlement on behalf of non-exempt commissioned salespersons and other employees involving claims for unpaid wages, meal and rest period violations, unreimbursed business expenses, and other claims); and *Matthew Tovar, et al. v. Rentokil North America, Inc*., Case No. BC676386, California Superior Court, Los Angeles County, Judge Daniel J. Buckley presiding (granting final approval of settlement on behalf of non-exempt employees involving claims for unpaid overtime, meal and rest break violations, and other claims); *Seungmin Samantha Lee v. Infor (US) Inc*., Case No. CGC-18-566393, California Superior Court, San Francisco County, Judge Ethan P. Schulman presiding (granting final approval of settlement on behalf of sales development representatives involving claims for unpaid overtime, meal and rest period violations, and penalty claims); *Tracy Aguilar, et al. v. Aero Port Services, Inc*., Case No. BC659234, California Superior Court, Los Angeles County, Judge Carolyn B. Kuhl presiding (granting final approval of settlement on behalf of non-exempt employees involving claims for meal and rest period violations, and other claims); *Carlos Perez, et al. v. Moss Bros. Auto Group, Inc., et al*., Case No. RIC1709905, California Superior Court, Riverside County, Judge Sunshine S. Sykes presiding (granting final approval of settlement on behalf of non-exempt commissioned salespersons involving claims for unpaid wages, meal and rest period violations, other claims); and *Julio Alfaro v. Orange Automotive d/b/a Kia of Orange*, Case No. 30-2017-00945105-CU-OE-CXC, California Superior Court, Orange County, Judge Randall J. Sherman presiding (granting final approval settlement on behalf of non-exempt commissioned employees involving claims for unpaid wages, meal and rest period violations, unreimbursed business expenses, and penalty claims).

5. I have also moved to certify and have received an order certifying a class action in *Ontiveros v. Safelite Fulfillment, Inc., et al*., Case No. CV 15-7118-DMG (RAOx), United States District Court, Central District of California, Honorable Dolly M. Gee presiding (certifying six classes of employees for rest period violations, wage statement violations, meal period violations, and overtime and double-time violations); and *Vazquez v. Kraft Heinz Foods Company,* Case No. 16-CV-02749-WQH (BLM), United States District Court, Southern District of California, Honorable William Q. Hayes, presiding (certifying unpaid wages classes, meal period classes, wage statement class, and waiting time penalty class).

6. In each year from 2018-2023, Thomson Reuters recognized me as a Top Young Attorney in Southern California in the annual Rising Star Edition of Super Lawyers. This is an honor awarded to no more than two-and-a-half percent (2.5%) of attorneys under the age of forty in Southern California each year.

7. As co-counsel for Plaintiff and the proposed Settlement Class, I have been intimately involved in this case and I believe that the proposed Settlement is an excellent result for the Settlement Class.

8. Defendant We Care Plumbing, Heating & Air, LLC ("We Care") provides plumbing and heating, ventilation and air conditioning ("HVAC") services to residential and commercial clients throughout Southern California. As an Installer, Plaintiff performed various services to We Care's clients, including installing HVAC units and all necessary components such as condensers, ducting, diffusers, controls, and vent piping. Installers for We Care also install refrigeration lines and provide HVAC cleaning and maintenance services to We Care's clients.

9. On April 20, 2023, Plaintiff sent his PAGA notice letter to the LWDA. Attached hereto as **Exhibit B** is a true and correct copy of the LWDA letter. On July 27, 2023, Plaintiff filed his Class Action Complaint in Riverside Superior Court, alleging causes of actions for: (1) meal period violations; (2) rest period violations; (3) failure to reimburse business expenses; (4) civil penalties under the Private Attorneys' General Act of 2004, Labor Code Section 2698, *et seq*., and (5) unfair competition in violation of California Business & Professions Code § 17200 *et seq*. On November 3, 2023 Plaintiff filed the operative First Amended Class and Representative Action Complaint ("FAC"), adding causes of action for minimum wage violations, failure to pay all overtime wages, waiting time penalties, and wage statement violations.

10. In connection with mediation, the Parties engaged in extensive informal discovery. We Care produced timekeeping and payroll records for over 90% of putative class members. We Care also provided a detailed Class List, which included putative class members' position, date of hire, and date of termination (if applicable), as well as its written wage and hour policies and compensation plans for employees paid on a piece-rate/commission basis. Plaintiff hired a labor economist with a Ph.D. in economics to assist Plaintiff in analyzing and extrapolating the data

produced to calculate We Care's potential exposure for each of Plaintiff's claims at issue. This discovery allowed the Parties to assess the merits and value of Plaintiff's claims, the chances of certification of Plaintiff's claims, and We Care's potential defenses.

11. On April 3, 2024, the Parties participated in a full-day mediation with Steven G. Mehta, Esq., a highly experienced wage and hour class action mediator. During mediation, the Parties vigorously debated their opposing legal positions, the likelihood of certification of Plaintiff's claims, and the legal basis for the claims and defenses. At the conclusion of mediation, Mr. Mehta issued a mediator's proposal for a class-wide settlement, which was accepted by all Parties. During the months that followed, the Parties finalized the terms of the Settlement and executed the long-form Settlement Agreement now before the court. A true and correct copy of the Stipulation of Settlement ("Settlement") is attached hereto as **Exhibit A.** The proposed Class Notice, Notice of Estimated Settlement Payment, and Request for Exclusion Form are attached as **Exhibits 1, 2**, **and 3** respectively, to the Settlement.

12. The monetary terms of the Settlement are summarized below:

• Gross Settlement Amount:	$1,650,000.00
• Minus Court-approved attorneys' fees:	$550,000.00
• Minus Court-approved verified costs (up to):	$50,000.00
• Minus Court-approved Enhancement Payment:	$10,000.00
• Minus amount set aside as PAGA penalties:	$50,000.00
• Minus estimated Settlement Administration costs:	$12,000.00
Net Settlement Amount ("NSA"):	$978,000.00
• PLUS 25% "PAGA Amount" to Settlement Class:	$12,500.00
Total Amount Paid to Settlement Class members:	**$990,500.00**

13. Based on information from We Care, there are approximately 628 Settlement Class members. Therefore, the average Individual Settlement Amount from the NSA is projected to be approximately $1,557.32. There are approximately 286 Aggrieved Employees who worked during the PAGA Period. Therefore, the average payment from the PAGA Amount is estimated to be approximately $43.71.

14. Plaintiff alleges that We Care failed to separately compensate Settlement Class members for paid rest periods when those employees were compensated under a piece-rate/commission pay plan, which included Installer positions and various non-exempt employees in We Care's Plumbing department. Based on Plaintiff's review of employee timekeeping and

payroll records, Plaintiff estimates that We Care's piece-rate/commission practices have resulted in approximately 61,056 daily shifts without separately compensated rest periods, leading to a maximum potential exposure for this claim at approximately $1,231,500 (61,056 daily shifts without separate compensation * $20.17 average rest period premium rate). We Care argues that its compensation plans are compliant with California law. We Care further contends that any liability for its failure to separately compensate employees for rest periods during shifts would be limited to back-pay for the rest periods themselves (i.e., pay for the 10 minutes per rest period) as opposed to the rest period penalties under Labor Code § 226.7, measured as an hour of pay per workday, sought by Plaintiff. We Care further contends that any questions of uncompensated rest periods would be highly individualized, precluding certification, as employees worked in a variety of positions, some of them not compensated by piece-rate/commission plans. Given these defenses, Plaintiff discounted the maximum amount by 30% for risk of non-certification and an additional 35% for a risk of being unsuccessful on the merits or of failing to recover the full amount sought, to arrive at an estimated realistic exposure of approximately $560,333.

15. Plaintiff alleges that We Care's piece-rate/commission pay plans for Settlement Class members are further unlawful in that they fail to compensate for "non-productive" hours worked. Plaintiff reports that Installers and Plumbers were required to perform non-productive tasks throughout their workday, including travel time between work sites, loading and unloading trucks as well as cleaning company trucks, and other tasks which were not directly tied to activities which generated piece-rate/commission earnings, however, were not compensated for this time because We Care's compensation plans fail to compensate for non-productive time. Plaintiff estimates that We Care is liable for approximately 1.5 hours of unpaid non-productive time per Installer or Plumbing employee per workweek, and 1 hour of unpaid non-productive time per other commission-based employees per workweek. At 10,054 workweeks for Installers and Plumbing employees, and 3,233 workweeks for other commission-based employees, Plaintiff estimates maximum exposure for unpaid non-productive time at approximately $369,394 [(10,054 Installer/Plumbing workweeks * 1.5 hours of non-productive time * $20.17 average hourly rate) + (3,233 workweeks * 1 hour of non-productive time * $20.17 average hourly rate)].

We Care argues that its compensation plans fully comply with California law and compensate employees for all hours worked. We Care further contends that employees experienced minimal (if any) uncompensated "non-productive" time. We Care also argues that any questions of non-productive time would be highly individualized, as employees worked in a variety of positions, some of them not compensated by piece-rate/commission plans, and there are no records or other common evidence of time spent on potentially non-productive tasks necessary to prove class-wide liability, precluding certification. In light of these arguments, Plaintiff discounted We Care's maximum exposure on this claim by 35% to account for a risk of non-certification, and by an additional 40% for risk of being unsuccessful on the merits or having the amount of unpaid wages reduced, for a reasonably expected total of approximately $144,064.

16. Plaintiff alleges that We Care's meal period polices/practice resulted in missed, late, and/or short first meal periods. Plaintiff further alleges that We Care did not always accurately record meal periods worked for many of its non-exempt employees. Based on Plaintiff's review of We Care's timekeeping records, there were approximately 33,108 facially non-compliant first meal periods during the Class Period. Furthermore, due to We Care's recordkeeping practices, Plaintiff estimated an additional 34,472 meal period violations for Settlement Class members who worked under a piece-rate and/or commission payment plan. Therefore, Plaintiff estimated total maximum damages for meal period violations at approximately $1,363,089 (67,580 non-compliant meal periods * $20.17 average meal period premium). We Care argues that it has maintained compliant written meal period policies throughout the Class Period and has provide compliant meal periods in line with those policies. We Care further contends that under *Brinker*, it is only required to "provide" the opportunity to take meal periods, not "ensure" meal periods are taken. We Care also maintains that any short, missed, or late first meal periods were the result of lawful employee waiver or choice, thereby precluding liability. Lastly, We Care argues that individualized inquiries will be required to determine why each meal period was taken late or short or missed by each employee, and whether there was a valid waiver, thereby making class certification of this claim unlikely. Based on these defenses, Plaintiff discounted the maximum amount by 35% for risk of non-certification and an

additional 40% for risk of losing on the merits or failing to recover the full amount sought, to arrive at an estimated exposure of approximately $531,605.

17. Plaintiff alleges that We Care failed to pay all overtime wages owed by not including all non-discretionary renumeration, such as the piece-rate/commission pay, into the "regular rate" of pay. Based on Plaintiff's review of the payroll records, Plaintiff estimates the total underpayment of overtime wages due to the alleged regular rate miscalculations to be approximately $10,050. However, We Care argues that it properly included all forms of remuneration when calculating the regular rate of pay, and therefore, paid all overtime wages to Settlement Class members. We Care further argues that Settlement Class members received different types of piece-rate and/or commission pay throughout the Class Period, depending on their job positions, creating substantive differences among the Settlement Class members with respect to the incentives received, making class certification unlikely. In light of these defenses, Plaintiff discounted the maximum exposure by 20% for the risk of non-certification, and an additional 25% for risk of losing on the merits, and/or not receiving the maximum penalties sought, to arrive at an estimated exposure of approximately $6,030.

18. Plaintiff alleges that We Care required Settlement Class members to use their cell phones for a variety of work purposes, including but not limited to communicating with co-workers and management. Despite requiring Plaintiff and putative class members to be in communication with each other and their supervisors by personal cellular phone, Plaintiff alleges that We Care did not reimburse its employees for any of these expenses, in violation of Labor Code § 2802(a). Based on a review of We Care's records, Plaintiff estimates We Care's maximum exposure for unreimbursed business expenses at $189,875 (7,595 total months * $25 per month in reasonable work-related personal cell phone use). We Care maintains that Settlement Class members were not required to use their personal cell phones as a necessary part of their job. We Care further argues that any expenses incurred by Settlement Class members were minimal, given the wide availability of low-cost cell phone plans. Lastly, We Care argues this claim is not suitable for class treatment, as it would require individualized determinations as to whether each Settlement Class member used a personal cell phone for work-related purposes, and if so, how

much of that use was a reasonable percentage of their individual monthly phone bill. In light of these defenses, Plaintiff discounted the maximum amount 40% for risk of non-certification and an additional 55% for risk of losing on the merits or failing to recover the full amount sought, to arrive at an estimated exposure of approximately $51,266.

19. Plaintiff alleges that he and other non-exempt Installers and Plumbers who worked at alternative worksites were often required to meet at a central location, where they performed various tasks such as cleaning and loading the company vehicle, prior to driving to the worksite, where they would be clocked in for the day by their supervisors. Plaintiff further alleges that We Care would only compensate Plaintiff and other non-exempt Installers and Plumbers for the time spent once the employees arrived at their worksites and thus failed to compensate the employees for all required travel time. Using a conservative estimate of one (1) hour of unpaid travel time per shift, Plaintiff calculates We Care's liability for unpaid travel time for the Installers/Plumbers at approximately $937,986 (46,504 shifts * 1 hour * $20.17 average hourly rate). We Care counters that its policies provided for travel time pay, that its timekeeping policies/practices complied with California law, that it has always properly compensated Settlement Class members for all hours worked throughout the Class Period. We Care further argues that Plaintiff would be unable to certify this claim as individualized inquiries would be necessary as to whether employees were in fact not compensated for travel time as there are no records of travel time kept, resulting in an unmanageable series of mini-trials. Given these defenses, Plaintiffs discounted this maximum amount by 55% for risk of non-certification and an additional 60% for a risk of being unsuccessful on the merits or of failing to recover the full amount sought, to arrive at an estimated realistic exposure of approximately $168,837.

20. Plaintiff alleges that as a result of the unpaid minimum and overtime wages, as well as the unpaid meal and rest period premium wages described above, We Care is liable for wage statement penalties. Those penalties are calculated as $50 for each "initial" violation and $100 for each "subsequent" violation, with a maximum of $4,000 per employee. There were 286 Settlement Class members employed during the relevant period and a total of 4,347 pay periods. Plaintiff, therefore, calculated potential wage statement exposure at approximately $420,400

[(286 “initial” violations * $50) + (4,061 “subsequent” violations * $100)]. We Care argues that any alleged wage statement violations were not “knowing and intentional,” and Plaintiff cannot show that he or other employees “suffer[ed] injury” due to the alleged wage statement violations, as required by Labor Code § 226(e) for the imposition of penalties. Further, We Care contends its wage statements always accurately reflected hours worked and amounts paid as well as all other required information, precluding liability for wage statement penalties. Based on these defenses, Plaintiff discounted the maximum exposure by 50% for risk of non-certification, and by an additional 60% for risk of being unsuccessful on the merits, for an estimated realistic exposure of approximately $84,080.

21. Plaintiff alleges that as a further result of its failure to pay all wages earned, as well as its failure to pay all meal and rest period premiums, We Care is liable for waiting time penalties pursuant to Labor Code §§ 201-203. We Care’s records reflected approximately 231 former Settlement Class members separated from their employment and are therefore eligible for waiting time penalties. Based on an hourly rate of $20.17, Plaintiff estimated the average waiting time penalty per former employee to be approximately $4,841 ($20.17 * 8 hours per day * 30 days). Therefore, Plaintiff calculated We Care’s maximum exposure for potential waiting time penalties to be approximately $1,118,271 (231 separated employees * $4,841 average waiting time penalty). We Care argues that it possesses strong, good-faith defenses to Plaintiff’s underlying claims, thus precluding recovery of waiting time penalties, which are only available for the “willful” failure to pay wages. We Care further asserts that Plaintiff’s waiting time penalty exposure was grossly inflated as not every former employee experienced the alleged Labor Code violations. Moreover, because the waiting time claim is derivative of Plaintiff’s underlying wage claims, Plaintiff would need to overcome these defenses, both as to class certification and on the merits, as to his underlying claims. To account for these defenses, Plaintiff discounted the maximum exposure by 50% for the risk of non-certification, and an additional 60% for risk of losing on the merits, and/or not receiving the maximum penalties sought, to arrive at an estimated exposure of approximately $223,654.

22. As a result of the foregoing Labor Code violations, Plaintiff alleges that We Care

is liable for civil penalties under the PAGA. Plaintiff estimated a maximum total PAGA exposure at approximately $434,700 (4,347 "initial" violations * $100 penalty). Since Plaintiff's PAGA claim is derivative of Plaintiff's underlying wage claims, We Care asserts the PAGA claim would fail with those claims. We Care further maintains that, given its good-faith defenses, this Court would exercise its discretion to substantially reduce any PAGA penalties if it were to find We Care liable for any of Plaintiff's claims. Based on these defenses, Plaintiff discounted the maximum figure by 50% for risk of losing on the merits and/or not recovering a PAGA penalty for each and every pay period, and an additional 70% to account for the possibility of this Court reducing penalties, to arrive at an estimated exposure of approximately $65,205.

23. Using these estimated figures for each of the claims described above, Plaintiff predicted that the potential recovery for the Settlement Class would be approximately $1,835,074. The proposed Settlement of $1,650,000.00 therefore represents approximately 89.9% of the reasonably forecasted recovery for the Settlement Class.

24. Although the Parties engaged in significant informal discovery prior to mediation, the Parties still had significant formal discovery to complete had the matter not settled. This would have required expenditure of substantial time and resources by both Parties that would have very likely spanned several years. Even if Plaintiff was to certify the classes, the Parties would incur considerably more attorneys' fees and costs through a possible decertification motion, trial, and possible appeal. This Settlement avoids those risks and the accompanying expense.

25. Class Counsel will also apply for an attorneys' fees award of one-third of the Gross Settlement Amount, which is currently estimated to be $550,000.00, and up to $50,000.00 in verified costs reimbursement. Plaintiff submits the requested fee is fair compensation for undertaking complex, risky, expensive, and time-consuming litigation on a purely contingent fee basis. Class Counsel has incurred substantial attorneys' fees conducting pre-filing investigation, analyzing Plaintiff's claims, conducting legal research, conducting extensive informal discovery, analyzing Settlement Class members' timekeeping and payroll records and other data and documents with the help of a retained expert, creating a comprehensive damages model, preparing for and attending mediation, negotiating and preparing the long-form Settlement Agreement,

preparing this Motion, and otherwise litigating the case. Class Counsel expect to expend additional attorney time in attending the hearing on this Motion, overseeing the Notice process and fielding questions from Settlement Class members, preparing the final approval papers, and attending the Final Approval hearing.

26. As will be fully briefed at the time of final approval, Plaintiff's requested Enhancement Payment is intended to recognize the time and effort Plaintiff expended on behalf of the Settlement Class, including providing substantial factual information and documents to Class Counsel, discussing the claims and theories at issue in the litigation, actively participating in the prosecution of his claims, gathering a reviewing documents for use in the lawsuit, preparing for mediation and reviewing the Settlement Agreement, as well as the significant risks Plaintiff undertook by agreeing to serve as the named plaintiff in this case, and the fact that Plaintiff agreed to a general release of all claims subject to a waiver of Civil Code § 1542.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed on August 9, 2024, at El Segundo, California.

Sean M. Blakely

EXHIBIT A

STIPULATION OF SETTLEMENT

This Stipulation of Settlement ("Settlement Agreement" or "Settlement") is reached by and between Plaintiff Michael Flores ("Plaintiff"), individually and on behalf of all members of the Settlement Class (defined below), on the one hand, and Defendant We Care Plumbing, Heating & Air, LLC ("Defendant") on the other hand. Plaintiff and Defendant are referred to herein collectively as the "Parties." Plaintiff and the Settlement Class are represented by Paul K. Haines and Sean M. Blakely of Haines Law Group, APC, and Young W. Ryu of LOYR, APC ("Class Counsel"). Defendant is represented by Arthur K. Cunningham and Semarnpreet Kaur of Jackson Lewis PC.

On July 27, 2023, Plaintiff filed a Class Action Complaint against Defendant in Riverside County Superior Court, in the matter entitled *Michael Flores v. We Care Plumbing, Heating & Air, LLC., et al.* Case No. CVRI2303843 (the "Action"). On November 3, 2023, Plaintiff filed the operative First Amended Class and Representative Action Complaint ("FAC"), adding a cause of action under the Private Attorneys General Act ("PAGA"). The FAC alleges the following causes of action: (i) minimum wage violations; (ii) failure to pay all overtime wages; (iii) meal period violations; (iv) rest period violations; (v) waiting time penalties; (vi) wage statement violations; (vii) failure to reimburse for all necessary business expenses; (viii) unfair competition; and (ix) civil penalties under the Private Attorneys General Act ("PAGA").

Given the uncertainty of litigation, Plaintiff and Defendant wish to settle both individually and on behalf of the Settlement Class. 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 following Settlement Class:

> All current and former non-exempt employees who are or were employed by Defendant We Care Plumbing, Heating & Air, LLC, and who worked at least one shift in California from July 27, 2019 through June 30, 2024 (the "Class Period").

The Parties agree that certification for purposes of settlement 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, does not become Final as defined below, or is terminated or materially modified without agreement of the parties, 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. **Release by Settlement Class Members and Plaintiff**. Upon the Effective Date (as defined below) and the complete funding of the Gross Settlement Amount (defined below), Plaintiff and every member of the Settlement Class (except those who opt out) will fully release and discharge Defendant, and all of their present and former officers, directors, employees, shareholders, agents, trustees, representatives, attorneys, insurers, reinsurers, parent companies, subsidiaries, divisions, affiliates, predecessors, and successors, and Russell Cochran (collectively the "Released Parties"), as follows:

A. Settlement Class members who do not opt out will release all claims, causes of action, and legal theories alleged or which could have been alleged based on the facts and primary rights asserted in the operative First Amended Class and Representative Action Complaint ("FAC"), including: (a) failure to pay minimum wages; (b) failure to pay all overtime wages; (c) failure to provide all meal periods in accordance with California law; (d) failure to authorize and permit all rest periods in accordance with California law; (e) failure to furnish accurate and itemized wage statements; (f) failure to pay all wages owed upon separation of employment; (g) failure to reimburse for all necessary business expenses; and (h) all claims for unfair business practices that could have been premised on the facts, claims, causes of action or legal theories of relief pled in the FAC (collectively, the "Class Released Claims"). The period of the Class Released Claims shall extend to the limits of the Class Period.

B. **Release of PAGA Claims.** In addition, all Settlement Class members (regardless of whether they opt out) who worked for Defendant at any time from April 20, 2022 through June 30, 2024 (the "PAGA Period") are "Aggrieved Employees" and shall release the Released Parties from all claims for civil penalties under PAGA arising during the PAGA Period as disclosed in Plaintiff's April 20, 2023 Notification Letter to the Labor and Workforce Development Agency ("LWDA") ("the PAGA Released Claims").

C. **Release by Plaintiff.** Upon Defendant's complete funding of the Gross Settlement Amount, Plaintiff has agreed to release, individually and in addition to their Class Released Claims and PAGA Released Claims described above, all claims, whether known or unknown, without exception, against the Released Parties. The Parties understand and agree that Plaintiff is not, by way of this release, releasing any workers' compensation claims, unemployment insurance claims, nor any other claims which cannot be released as a matter of law. Notwithstanding the foregoing, Plaintiff understands that this release includes unknown claims and that Plaintiff is, as a result, 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.**

Specifically excluded from Plaintiff's Released Claims are any claims that cannot be released as a matter of law, such as claims for workers' compensation benefits or unemployment benefits.

3. **Gross Settlement Amount.** As consideration and subject to the express condition precedent that this Settlement Agreement becomes Final (as defined below), Defendant agrees to pay a non-reversionary "Gross Settlement Amount" of One Million Six Hundred Fifty Thousand Dollars and Zero Cents ($1,650,000.00) in full and complete settlement of the Action, as follows:

A. The Parties have agreed to engage Phoenix Settlement Administrators as the "Settlement Administrator" to administer this Settlement.

B. The Gross Settlement Amount shall be deposited with the Settlement Administrator within fifteen (15) calendar days of the "Effective Date" which, for purposes of this Settlement Agreement, shall be defined as the later of: (1) the date on which the Court enters an Order granting Final Approval of the Settlement Agreement or, (2) solely in the event that there are any objections to the Settlement Agreement (the filing of an objection being a prerequisite to the filing of an appeal), the later of: (i) the last date on which any appeal might be filed or (ii) the successful resolution of any appeal(s) – including expiration of any time to seek reconsideration or further review.

C. This is a non-reversionary settlement. The Gross Settlement Amount includes:

(1) All payments (including interest) to the Settlement Class;

(2) All costs of the Settlement Administrator and settlement administration, which are anticipated to be no greater than Twelve Thousand Dollars and Zero Cents($12,000.00);

(3) Up to Ten Thousand Dollars and Zero Cents ($10,000.00), for Plaintiff's Class Representative Enhancement Payment in recognition of his contributions to the Action and his service to the Settlement Class. If Plaintiff's request for his enhancement payment is not approved and/or reduced by the Court, any amount not approved and/or reduced by the Court will revert to the participating Settlement Class members;

(4) Up to one-third of the Gross Settlement Amount in Class Counsel's attorneys' fees, 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 Fifty Thousand Dollars and Zero Cents ($50,000.00). If Class Counsel's request for attorneys' fees and/or reimbursement of litigation costs is not approved and/or reduced by the Court, any amount not approved and/or reduced by the Court will revert to the participating Settlement Class members;

(5) Fifty Thousand Dollars and Zero Cents ($50,000.00) 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 Thirty-Seven Thousand Five Hundred Dollars and Zero Cents ($37,500.00) will be payable to the Labor & Workforce Development Agency ("LWDA"), and the remaining twenty-five percent (25%), or Twelve Thousand Five Hundred Dollars and Zero Cents ($12,500.00) will be payable to the Settlement Class as the "PAGA Amount;"

(6) Any difference between these requested amounts and the amounts approved by the Court will revert to the Net Settlement Amount for the benefit of the participating Settlement Class members.

D. Defendant's share of employer payroll taxes shall be paid by Defendant separately from, and in addition to, the Gross Settlement Amount.

E. **Escalator Clause.** This settlement was entered into based on Defendant's representation that there are 26,369 workweeks during the Class Period. If at the time of preliminary approval of the settlement, the total number of workweeks during the Class Period is 10% more than the amount stated (i.e., there are 29,006 workweeks during the Class Period), Defendant will have the option of increasing the Gross Settlement Amount proportionally for any workweeks above 29,006, or shortening the Class Period to cover the time period encompassing 29,006 workweeks.

4. **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 enhancement payment, the amount designated as PAGA civil penalties, and the Settlement Administrator's fees and expenses for administration. The remaining amount shall be known as the "Net Settlement Amount," or "NSA."

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 among Settlement Class members (except those who submit a timely and valid Request for Exclusion) based on each participating Settlement Class members' proportionate workweeks worked during the Class Period, which will be calculated by multiplying the Net Settlement Amount by a fraction, the numerator of which is the participating Settlement Class member's number of workweeks worked during the Class Period, and the denominator of which is the total workweeks worked by all participating Settlement Class members during the Class Period.

C. <u>PAGA Amount</u>: Each Settlement Class member who was employed by Defendant at any time during the PAGA Period (including those who submit a valid and timely Request for Exclusion from the class action settlement) shall receive a portion of the Twelve Thousand Five Hundred Dollars and Zero Cents ($12,500.00) of the Gross Settlement Amount that has been designated as the "PAGA Amount" based on the proportionate number of pay periods worked during the PAGA Period, and which will be calculated by multiplying the PAGA Amount by a fraction, the numerator of which is the Settlement Class member's gross number of pay periods worked during the PAGA Period, and the denominator of which if the total number of pay periods worked by all Settlement Class members during the PAGA Period (including those who submit a valid and timely Request for Exclusion from the class action settlement).

D. Within ten (10) calendar days following Defendant's deposit of the Gross Settlement Amount with the Settlement Administrator, the Settlement Administrator will calculate Settlement Award amounts and provide the same to counsel for review and approval. Within seven (7) calendar days of approval by counsel, the Settlement Administrator will prepare and mail Settlement Awards, less applicable taxes and withholdings, to participating Settlement Class members. The Settlement Administrator shall simultaneously pay the withholdings to the applicable authorities with the necessary reports, submitting copies to Defendant's counsel. After Settlement Awards are mailed to Settlement Class members, the Settlement Administrator shall distribute the amounts approved for Class Counsel's attorneys' fees and litigation costs, Plaintiff's Enhancement Payment, payment to the LWDA for its share of PAGA civil penalties, and settlement administration expenses.

E. For purposes of calculating applicable taxes and withholdings, each Settlement Award from the NSA shall be allocated as follows: 80% as penalties and interest; and 20% as wages. Any payment from the PAGA Amount shall be allocated as 100% penalties. 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. 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 that check within 180 days from the date the Settlement Administrator mails it. Any funds payable to Settlement Class members whose checks are not cashed within 180 days after mailing shall be distributed to the California Controller's Unclaimed Property Fund in the name of the Settlement Class member thereby leaving no "unpaid residue" subject to the requirements of Code of Civil Procedure section 384(b).

G. Neither Plaintiff nor Defendant shall bear any liability for lost or stolen checks, forged signatures on checks, or unauthorized negotiation of checks. Unless responsible by its own acts of omission or commission, the same is true for the Settlement Administrator.

5. **Attorneys' Fees and Costs.** Defendant will not object to Class Counsel's request for a total award of attorneys' fees of up to one-third of the Gross Settlement Amount, which is currently estimated to be Five Hundred Fifty Thousand Dollars and Zero Cents ($550,000.00). Additionally,

Class Counsel will request an award of actual costs and expenses as supported by declaration, in an amount not to exceed Fifty Thousand Dollars and Zero Cents ($50,000.00), 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 an IRS Form 1099 by the Settlement Administrator when the Settlement Administrator pays the fee award allowed by the Court.

6. **Class Representative Enhancement Payment.** Defendant will not object to a request for a Class Representative Enhancement Payment of up to Ten Thousand Dollars and Zero Cents ($10,000.00) to the Plaintiff for his time and risk in prosecuting this case, and his service to the Settlement Class. This payment 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.

7. **Settlement Administrator.** Defendant will not object to the appointment of Phoenix Settlement Administrators as Settlement Administrator. Defendant will not object to Plaintiff seeking permission to pay up to Twelve Thousand Dollars and Zero Cents ($12,000.00) 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, 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. The Settlement Administrator shall also give notice of final judgment by posting the final judgment to its website.

8. **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 and Sean M. Blakely of Haines Law Group, APC, and Young W. Ryu of LOYR, APC as Class Counsel;

C. Appointing Michael Flores as Class Representative for the Settlement Class;

D. Approving Phoenix Settlement Administrators 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 Class Notice, Request for Exclusion Form, and Notice of Estimated Settlement Award), and directing the mailing of same in English and Spanish; and

G. Scheduling a Final Approval hearing.

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

A. Within ten (10) business 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, and workweek information for each Settlement Class member employed during the Class Period (the "Class Data"). The Class Data shall be provided to the Settlement Administrator in an electronic format reasonably satisfactory to the Settlement Administrator.

B. Within ten (10) business days from receipt of the information provided for in Paragraph 9(A), 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 Form to the Settlement Administrator within sixty (60) calendar days of the date of the initial mailing of the Notice Packets (the "Response Deadline").

i. The Notice Packet shall state that a Settlement Class member who wishes to exclude themselves from the settlement must submit a Request for Exclusion Form by the Response Deadline. The Request for Exclusion Form 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 Form does not contain the information listed in (1)-(3), it will not be deemed valid for exclusion from the settlement. The date of the postmark on the Request for Exclusion Form 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. Notwithstanding the foregoing, the PAGA settlement and release provisions will apply to all Aggrieved Employees, whether or not they exclude themselves from the class action settlement. Settlement Class members who were employed by Defendant at any time during the PAGA Period and submit a valid and timely Request for Exclusion shall still be entitled to their portion of the PAGA Amount described above, and will release the PAGA Release Claims, whether they submit a valid and timely Request for Exclusion or not.

ii. At no time will the Parties or their counsel seek to solicit or otherwise encourage any Settlement Class member to object to the settlement or opt out of the Settlement Class or encourage any Settlement Class member to appeal from the final judgment.

D. Objections. Settlement Class members who do not request exclusion may object to this Settlement Agreement as explained in the Class Notice by filing a written objection with the Settlement Administrator (who shall serve all objections as received on Class Counsel and Defendant's counsel via e-mail, as well as file all such 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, unless the objections are filed within ten (10) days of the Motion for Final Approval filing deadline, in which case Defendant's counsel and Class Counsel shall have ten (10) days from the date of service to the objections by the Settlement Administrator to file a response to the objections. All objections should 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. Settlement Class members may also appear at the final approval hearing to orally object, even if they have not submitted a written objection.

E. Notice of Estimated 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 as all of the information that was used from Defendant's records in order to calculate the Settlement Award. Settlement Class members will have the opportunity, should they disagree with Defendant's records regarding the information stated in the Notice of Estimated 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. The Settlement Administrator's determination of the eligibility for and amount of any Settlement Award shall be binding upon the Settlement Class member and the Parties.

F. Any Notice Packets returned to the Settlement Administrator as non-deliverable 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 five (5) business days of receiving the returned Notice Packet. If an updated mailing address is identified, the Settlement Administrator shall resend the Notice Packet to the Settlement Class member immediately, and in any event within five (5) 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 fourteen (14) calendar days from the date of re-mailing, or until the Response Deadline has expired, whichever is later, 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 as non-deliverable, then an additional Notice Packet shall not be mailed. Nothing else shall be required of, or done by, the Parties, Class Counsel, or Defendant's Counsel to provide notice of the proposed settlement.

10. **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 enhancement payment, LWDA payment, and settlement administration costs; and

C. Entering judgment pursuant to California Rule of Court 3.769. Said judgment shall be posted on the website of the Settlement Administrator.

11. **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. 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.

12. **Non-disclosure and Non-publication**. Plaintiff and Class Counsel agree that they have not and will not publish the Settlement Agreement, except to Settlement Class members and as contractually required to effectuate the terms of the Settlement Agreement as set forth herein. Class Counsel shall not report the Settlement Agreement in any medium or in any publication, shall not post or report anything regarding the claims of Plaintiff, the Settlement Class, or the settlement on their website, and shall not contact any reporters or media regarding the settlement. 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.

13. **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.

14. **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: Arthur K. Cunningham, Jackson Lewis P.C., 3390 University Avenue, Suite 110, Riverside, California 92501; arthur.cunningham@jacksonlewis.com.

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

15. **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.

16. **Counterparts.** This Settlement Agreement may be executed by one or more of the Parties on any number of separate counterparts and delivered electronically, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

17. **Enforcement and Continuing Jurisdiction of the Court.** To the extent consistent with class action procedure, this Settlement Agreement shall be enforceable by the Court pursuant to California Code of Civil Procedure section 664.6. The Court shall retain continuing jurisdiction over this Lawsuit and over all Parties and Settlement Class members, to the fullest extent to enforce and effectuate the terms and intent of this Settlement Agreement, and to adjudicate any claimed breaches of this Settlement Agreement. In the event that one more of the Parties institutes any legal action or other proceeding against any other Party or Parties to enforce the provisions of this settlement or to declare rights and/or obligations under this settlement, the successful Party or Parties will be entitled to recover from the unsuccessful Party or Parties reasonable attorneys' fees and costs, including expert witness fees incurred in connection with any enforcement actions.

DATED: 5/31/2024

WE CARE PLUMBING, HEATING & AIR, LLC

By: Rusty Cochran

Its: President, Rusty Cochran

DATED: 05/23/24

MICHAEL FLORES

Michael Flores (May 23, 2024 11:31 PDT)

Plaintiff

APPROVED AS TO FORM:

DATED: 05/23/24

HAINES LAW GROUP, APC

Paul K. Haines
Sean M. Blakely
Attorneys for Plaintiff

DATED:05/24/2024

LOYR, APC

Young W. Ryu
Attorneys for Plaintiff

DATED: 5/31/2024

JACKSON LEWIS P.C.

Arthur K. Cunningham
Semarnpreet Kaur
Attorneys for Defendant

EXHIBIT 1

NOTICE OF PENDENCY OF CLASS ACTION AND PROPOSED SETTLEMENT
MICHAEL FLORES v. WE CARE PLUMBING, HEATING & AIR, LLC., ET AL.
Riverside County Superior Court
Case No.: CVRI2303843

To: All current and former non-exempt employees who are or were employed by Defendant We Care Plumbing, Heating & Air, LLC, and who worked at least one shift in California from July 27, 2019 through June 30, 2024 (the "Settlement Class").

PLEASE READ THIS NOTICE CAREFULLY
THIS NOTICE IS BEING SENT IN ENGLISH AND SPANISH
YOUR LEGAL RIGHTS MAY BE AFFECTED WHETHER YOU ACT OR NOT

Why should you read this notice?

The Riverside County Superior Court has granted preliminary approval of a proposed class action settlement (the "Settlement") in the case of *Michael Flores v. We Care Plumbing, Heating & Air, LLC., et al.*, Riverside County Superior Court Case No. CVRI2303843 (the "Action"). 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. Defendants We Care Plumbing, Heating & Air, LLC's ("We Care") records show that you are or were employed at We Care in California as a non-exempt employee, and you worked at least one shift in California from July 27, 2019 through June 30, 2024 (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 Action, 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 Michael Flores ("Plaintiff") brought this Action against We Care, seeking to assert claims on behalf of a class of current and former non-exempt employees who worked at least one shift in California during the Class Period. Plaintiff is known as the "Class Representative," and his attorney, who also represents the interests of all Settlement Class members, is known as "Class Counsel."

Plaintiff alleges that We Care failed to pay Settlement Class members for all minimum and overtime wages and failed to provide required meal and rest periods to Settlement Class members. The Action also alleges that as a result of these alleged violations, We Care failed to provide Settlement Class members with accurate and complete wage statements and failed to timely pay all final wages at the time of separation of employment. As a result of the alleged violations, Plaintiff alleges that We Care engaged in unfair business practices and is liable for civil penalties under the Labor Code Private Attorneys General Act ("PAGA").

We Care denies all liability to Settlement Class members, denies the factual and legal allegations in the case, and believes that it has valid defenses to Plaintiff's claims. We Care has entered into the Settlement solely for the purposes of resolving this dispute and has agreed to settle the case as part of a compromise with Plaintiff. Accordingly, the Settlement constitutes a compromise of disputed claims and is not be construed as an admission of liability on the part of We Care, which expressly denies all liability.

The Court has not ruled on the merits of Plaintiff's claims. However, to avoid additional expense, inconvenience, and interference with its business operations, the Parties concluded that it is in its best interests and the interests of Settlement Class members to settle the Action on the terms summarized in this

Notice. After We Care 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 We Care, 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 We Care, your decision about whether to participate in the Settlement will not affect your employment. California law and We Care's policy strictly prohibit unlawful retaliation. We Care will not take any adverse employment action against or otherwise 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 Defendants We Care Plumbing, Heating & Air, LLC and Russell Cochran:
HAINES LAW GROUP, APC Paul K. Haines phaines@haineslawgroup.com Sean M. Blakely sblakely@haineslawgroup.com 2155 Campus Drive, Suite 180 El Segundo, California 90245 Tel: (424) 292-2350 Fax: (424) 292-2355 haineslawgroup.com **LOYR, APC** Young W. Ryu Young.ryu@loywr.com 1055 West 7th Street, Suite 2290 Los Angeles, California 90017 Tel: (213) 318-5323 loywr.com	**JACKSON LEWIS PC** Arthur K. Cunningham Arthur.cunningham@jacksonlewis.com Semarnpreet Kaur Semarnpreet.Kaur@jacksonlewis.com 3390 University Avenue, Suite 110 Riverside, California 92501 Tel.: (951) 848-7940 jacksonlewis.com

What are the terms of the Settlement?

On <<PRELIM APPROVAL DATE>>, the Court preliminarily certified a class, for settlement purposes only, of all non-exempt employees who are or were employed by We Care, and who worked at least one shift in California from July 27, 2019 through June 30, 2024. 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 We Care as described below.

We Care has agreed to pay $1,650,000.00 (the "Gross Settlement Amount") to fully resolve all claims in the Action, including payments to Settlement Class members, requested attorneys' fees and expenses, settlement administration costs, the amount designated as PAGA civil penalties, and the Class Representative's Enhancement Payment.

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 up to $12,000.00 from the Gross Settlement Amount to pay the settlement administration costs.

Attorneys' Fees and Expenses. Class Counsel have been prosecuting the Action 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 currently estimated to be $550,000.00, as reasonable compensation for the work Class Counsel performed and will continue to perform in this Action through Settlement finalization. Class Counsel also will ask for reimbursement of up to $50,000.00 for verified costs Class Counsel incurred in connection with the Action.

Enhancement Payment to Class Representative. Class Counsel will ask the Court to award an Enhancement Payment in the amount of $10,000 to the Class Representative to compensate him for his service and extra work provided on behalf of the Settlement Class members.

PAGA Payment to State of California. $37,500.00 will be paid to the California Labor & Workforce Development Agency ("LWDA"), representing 75% of the $50,000.00 the parties have agreed to allocate to the settlement of Plaintiff's claims on behalf of Aggrieved Employees under the PAGA. The remaining $12,500.00 will be payable to Aggrieved Employees as the "PAGA Amount," as described below.

Calculation of Settlement Class Members' Settlement Awards. 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 $978,000.00 and will be divided as follows:

(i) Payments to All Participating Settlement Class Members: The NSA shall be allocated based on each participating Settlement Class member's proportionate workweeks worked during the Class Period, which will be calculated by multiplying the NSA by a fraction, the numerator of which is the participating Settlement Class member's number of workweeks worked during the Class Period, and the denominator of which is the total workweeks worked by all participating Settlement Class members during the Class Period.

(ii) PAGA Amount: In addition to the NSA, each Settlement Class member who was employed by We Care at any time from April 20, 2022 through June 30, 2024 ("PAGA Period"), shall receive a portion of the $12,500 PAGA Amount based on the proportionate number of pay periods worked during the PAGA Period, and which will be calculated by multiplying the PAGA Amount by a fraction, the numerator of which is the Settlement Class member's gross number of pay periods worked during the PAGA Period, and the denominator of which is the total number of pay periods worked by all Settlement Class members during the PAGA Period (including those who submit a valid and timely Request for Exclusion from the class action settlement).

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. Settlement checks will be valid for 180 days from the date the Settlement Administrator mails it. Any funds payable to Settlement Class members whose checks are not cashed within 180 days after mailing shall be distributed to the California Controller's Unclaimed Property Fund in the name of the Settlement Class member.

Allocation and Taxes. For purposes of calculating applicable taxes and withholdings, each Settlement Award from the NSA shall be allocated as follows: 80% as penalties and interest; and 20% as wages. Any payment from the PAGA Amount shall be allocated as 100% penalties. 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. Settlement Class members are responsible for the proper income tax treatment of the individual Settlement Awards. The Settlement Administrator, We Care 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, and upon the complete funding of the Gross Settlement Amount, Plaintiff and every member of the Settlement Class members (except those who opt out) will fully release and discharge We Care, and all of its present and former officers, directors, employees, shareholders, agents, trustees, representatives, attorneys, insurers, reinsurers, parent companies, subsidiaries, divisions, affiliates, predecessors, and successors, including but not limited to Russell Cochran (collectively the "Released Parties"), as follows: Settlement Class members who do not opt out will release all claims, causes of action, and legal theories alleged or which could have been alleged based on the facts in the operative First Amended Class and Representative Action Complaint ("FAC"), including: (a) failure to pay minimum wages; (b) failure to pay all overtime wages; (c) failure to provide all meal periods in accordance with California law; (d) failure to authorize and permit all rest periods in accordance with California law; (e) failure to furnish accurate and itemized wage statements; (f) failure to pay all wages owed upon separation of employment; and (g) all claims for unfair business practices that could have been premised on the facts, claims, causes of action or legal theories of relief pled in the FAC (collectively, the "Class Released Claims"). The period of the Class Released Claims shall extend to the limits of the Class Period.

In addition, all Settlement Class members (regardless of whether they opt out) who worked for We Care at any time during the PAGA Period are "Aggrieved Employees" and shall release the Released Parties from all claims for civil penalties under PAGA arising during the PAGA Period as disclosed in Plaintiff's April 20, 2023 Notification Letter to the Labor and Workforce Development Agency ("LWDA") ("the PAGA 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 and the proportionate number of pay periods you worked during the PAGA Period, as stated in the accompanying Notice of Estimated Settlement Award. You also will be bound by the Settlement, including the release of claims stated above.

What other options do I have?

Dispute Information in Notice of Estimated Settlement Award. Your award is based on the proportionate number of workweeks you worked during the Class Period. The information contained in We Care's records regarding each of these factors, along with your estimated Settlement Award, is listed on the accompanying Notice of Estimated Settlement Award. If you disagree with the information in your Notice of Estimated Settlement Award, you may submit a dispute, along with any supporting documentation, in accordance with the procedures stated in the Notice of Estimated Settlement Award. Any disputes, along with supporting documentation, must be postmarked no later than <<RESPONSE DEADLINE>>. **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 shall initially determine the eligibility for, and the amounts of, any Settlement Awards. However, the Court shall have the right to review the Settlement Administrator's initial determination, and the Court shall make the final determination regarding the eligibility for and amount of any Settlement Award, and the Court's determination shall be binding upon the Settlement Class members and the Parties.

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 Form postmarked no later than <<RESPONSE DEADLINE>>, with your name, address, telephone number, last four digits of your social security number, a statement that you wish to be excluded from the Settlement, and your signature. A Request for Exclusion Form is included with this Notice.

Send the Request for Exclusion Form directly to the Settlement Administrator at <<INSERT ADMINISTRATOR CONTACT INFO>>. Any person who submits 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 class action Settlement, and shall receive no benefits from the class action Settlement. However, all Aggrieved Employees who worked for We Care during the PAGA Period, including those who opt out, will be bound by the PAGA portion of the Settlement and will receive a portion from the PAGA Amount. **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 should mail a written objection to the Settlement Administrator. Your written objection should 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. Objections should be in writing and must be postmarked on or before <<RESPONSE DEADLINE>>. Settlement Class members may also appear at the final approval hearing to orally object, even if they have not submitted a written objection.

You may also appear at the Final Approval Hearing scheduled for <<FINAL APPROVAL HEARING DATE/TIME>> in Department S302 of the Riverside County Superior Court, Southwest Justice Center, located 30755-D Auld Road, Murrieta, California 92563. You have the right to appear either 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, which is *Michael Flores v. We Care Plumbing, Heating & Air, LLC., et al.*, Riverside County Superior Court Case No. CVR12303843. You do not need to object in writing to be heard at the Final Approval Hearing.

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 S302 of the Riverside County Superior Court, Southwest Justice Center, located 30755-D Auld Road, Murrieta, California 92563. 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 Enhancement Payment to the Class Representative. The Final Approval Hearing may be postponed without further notice to the Settlement Class. You may contact Class Counsel using the contact information provided above to confirm the address and time of the hearing. **You are not required to attend the Final Approval Hearing, although any Settlement Class member is welcome to attend the hearing.**

How can I get additional information?

This Notice is only a summary of the Action 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 Riverside County Superior Court, located at 4050 Main Street, Riverside, California 92501, during regular court hours. You may also view the case file online at www.riverside.courts.ca.gov by going to the "Search Court Records" tab, selecting "Civil, Small Claims and Unlawful Detainer Case Information," and entering the case number information. This case is assigned to Department S302 of the Riverside County Superior Court, Southwest Justice Center, 30755-D Auld Road, Murrieta, California 92563. The Settlement Agreement is attached as Exhibit A to the Declaration of Sean M. Blakely In Support of Plaintiffs' Motion For Preliminary Approval of Class Action Settlement, filed on XX. You may also contact Class Counsel using the contact information listed above for more information.

PLEASE DO NOT CALL OR WRITE THE COURT, WE CARE, 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>>.

EXHIBIT 2

NOTICE OF ESTIMATED SETTLEMENT AWARD

MICHAEL FLORES v. WE CARE PLUMBING, HEATING & AIR, LLC, ET AL.
RIVERSIDE COUNTY SUPERIOR COURT CASE NO. CVRI2303843

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 Settlement Award:

According to Defendant We Care Plumbing, Heating & Air, LLC's ("We Care") records:

- **(a)** you worked ____ workweeks as a non-exempt employee for We Care in California from July 27, 2019 through June 30, 2024;
- **(b)** you worked ____ pay periods as a non-exempt employee for We Care in California between April 20, 2022 and June 30, 2024; and
- **(c)** your employment with We Care <<DID/DID NOT>> end between July 27, 2020 and [PRELIMINARY APPROVAL DATE].

Based on the above, your Individual Settlement Award is estimated at **$**________.

(IV) If you disagree with items (a), (b), (c), and/or (d) 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 We Care's records, We Care's records will control unless you are able to provide documentation that establishes otherwise, and that We Care's records are mistaken. If there is a dispute about whether We Care's information or yours is accurate, and the dispute cannot be resolved informally, the dispute will be resolved as described in the "Notice of Pendency of Class and PAGA Action and Proposed Settlement" that accompanies this Form.

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

Signature: ___________________________ **Date: ________________**

EXHIBIT 3

REQUEST FOR EXCLUSION FORM

MICHAEL FLORES v. WE CARE PLUMBING, HEATING & AIR, LLC, ET AL.
Riverside County Superior Court
Case No. CVRI2303843

IF YOU *DO NOT* WISH TO BE PART OF THE CLASS ACTION SETTLEMENT, YOU MUST *COMPLETE*, *SIGN* AND *MAIL* THIS FORM, POSTMARKED ON OR BEFORE [INSERT DATE], ADDRESSED AS FOLLOWS:

PHOENIX SETTLEMENT ADMINISTRATORS
MICHAEL FLORES v. WE CARE PLUMBING, HEATING & AIR, LLC, ET AL.
SETTLEMENT ADMINISTRATOR
ADDRESS
ADDRESS
PHONE
FAX

DO NOT SUBMIT THIS FORM IF YOU WISH TO RECEIVE A PAYMENT UNDER THE SETTLEMENT.

By signing, filling out, and returning this form, I confirm that I ***do not*** want to be included in the Settlement of the lawsuit entitled *MICHAEL FLORES v. WE CARE PLUMBING, HEATING & AIR, LLC, ET AL.,* Riverside County Superior Court Case No. CVRI2303843.

I WISH TO BE EXCLUDED FROM THE SETTLEMENT CLASS IN THE *MICHAEL FLORES v. WE CARE PLUMBING, HEATING & AIR, LLC, ET AL.* LAWSUIT. I UNDERSTAND THAT IF I ASK TO BE EXCLUDED FROM THE SETTLEMENT CLASS, I WILL NOT RECEIVE MONEY FROM THE CLASS SETTLEMENT OF THIS LAWSUIT. HOWEVER, I MAY STILL BE ENTITLED TO RECEIVE A PORTION OF THE SETTLEMENT OF THE CLAIMS BROUGHT PURSUANT TO THE LABOR CODE PRIVATE ATTORNEYS GENERAL ACT OF 2004 ("PAGA") AS DESCRIBED IN THE ACCOMPANYING NOTICE OF PENDENCY OF CLASS AND PAGA ACTION AND PROPOSED SETTLEMENT.

____

Name Telephone Number

____

Address

____

Date Signature

Last Four Digits of Social Security Number: ______________

EXHIBIT B

LOYR, APC

April 20, 2023

VIA ELECTRONIC MAIL
PAGAfilings@dir.ca.gov
Re: *PAGA CLAIMS NOTICE*

MICHAEL FLORES v. WE CARE PLUMBING, HEATING & AIR, LLC

To Whom It May Concern:

Please be advised that this law firm represents *MICHAEL FLORES* ("Mr. Flores" or "Plaintiff") in claims arising from his employment with *WE CARE PLUMBING, HEATING & AIR, LLC*; and *DOES 1 through 50* (collectively "Defendants"). Plaintiff is an "aggrieved employee" as defined by Labor Code §§ 2699, *et seq*., due to Defendants' violations of the Labor Code as set forth below. The purpose of this letter is to comply with Labor Code § 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.

Mr. Flores began working for Defendants as an Installer from July 2021 until on or around February 2023. Throughout his employment with Defendants, Mr. Flores regularly worked shifts that started from 5:00 AM to 7:00 AM until 1:00 PM to 3:00 PM, or longer, at a rate of $17.00 per hour. Mr. Flores's job duties included installing HVAC equipment, duct systems and other related equipment. Mr. Flores has always been a diligent employee, but despite his hard work, Mr. Flores was not authorized and permitted to take his required rest and meal periods as mandated by Labor Codes and Industrial Welfare Commission Wage Orders, due to Defendants' uniform and unlawful practices regarding breaks. Specifically, Mr. Flores and other similarly aggrieved employees were only allowed to take one meal break regardless of the hours worked. As such, on days Mr. Flores and other similarly aggrieved employees had to work more than ten (10) hours a day, they were not provided a second meal break before the end of their 10th hour of work. Yet, Defendants never provided Mr. Flores and other similarly aggrieved employees with an hour of pay at their regular rate for each of these denied and/or on-duty rest and meal periods as required by Labor Code § 226.7. Furthermore, there were days where Mr. Flores and other similarly aggrieved employees would have to skip their lunch in order to complete their work.

1055 W. 7th Street, Suite | Los Angeles, CA 90017 | Tel: (213) 318-5323 | Fax: (800) 576-1170
www.loywr.com | young.ryu@loywr.com

Also, throughout their employment, Mr. Flores and other similarly aggrieved employees were not allowed to take any rest breaks. Yet, Defendants never provided Mr. Flores and other similarly aggrieved employees with an hour of pay at their regular rate for each of these denied and/or on-duty rest and meal periods as required by Labor Code § 226.7.

Defendant also failed to reimburse Mr. Flores and similarly aggrieved employees for their business expenses, specifically, the tools required by Mr. Flores to complete his work. Mr. Mr. Flores and other similarly aggrieved employees were required to purchase their own tools for work but were not fully compensated for their use in violation of Labor Code § 2802.

As a result of Defendants' failure to pay for work during Mr. Flores and similarly aggrieved employees' meal and rest breaks, Mr. Flores's rest and meal break premium wages, and reimbursement of Mr. Flores and similarly aggrieved employees' personal phone usage, Defendants maintained inaccurate payroll records and issued inaccurate wage statements to Mr. Flores and other similarly aggrieved employees. As a result of these issues, Defendants committed the following violations of the Labor Code and Industrial Welfare Commission Wage Order 4 ("Wage Order 4"):

<u>Meal Period Violations</u>

Defendants required that Plaintiff and other similarly aggrieved employees work through their meal periods. Defendants failed to provide Plaintiff and other similarly aggrieved employees the full statutory penalty for these missed meal periods. As a result, Plaintiff and other similarly aggrieved employees are entitled to recover additional compensation for all meal periods that were missed, but not paid for, per Labor Code §226.7, 512, 558 and 1198.

<u>Rest Period Violations</u>

Defendants required that Plaintiff and other similarly aggrieved employees work through their rest periods. Defendants failed to provide Plaintiff and other similarly aggrieved employees the full statutory penalty for these missed rest periods. As a result, Plaintiff and other similarly aggrieved employees are entitled to recover additional compensation for all rest periods that were missed, but not paid for, per Labor Code §226.7, 512, 558 and 1198.

<u>Wage Statement Violations</u>

Defendants were obligated to furnish Plaintiff and other similarly aggrieved employees with complete and accurate itemized wage statements that show, among other things, total gross wages earned and rest period premium wages earned. *See* Labor Code §§ 226(a) and 1174(d);

Wage Order 4. As a result of Defendants' failure to pay all hours worked, including overtime, Defendants maintained inaccurate payroll records and issued inaccurate wage statements to Plaintiff and other similarly aggrieved employees in violation of Labor Code § 226. Defendants' failure to comply with their wage statement obligations was knowing and intentional, and Plaintiff and other similarly aggrieved employees have suffered "actual injuries" as a result.

Failure to Reimburse Business Expenses

Defendants have failed to reimburse Plaintiff and other similarly aggrieved employees for their work-related expenses, including, but not limited to, the costs of using their personal phones during work. Defendants' policy of not reimbursing their employees for business expenses in violation of Labor Code § 2802 ("An employer shall indemnify his or her employees of the discharge of his or her duties."). Plaintiff and other similarly aggrieved employees are therefore entitled to reimbursement of such unpaid work expenses with interest.

As an "aggrieved employee," Plaintiff will initiate a civil action on behalf of himself and other similarly aggrieved employees to recover damages, statutory penalties, civil penalties (including an amount equal to the unpaid wages), and punitive damages resulting from the wage and hour violations alleged herein. Based on Plaintiff own investigation, and on information and belief, Defendants committed the following violations:

a. Defendants violated Industrial Welfare Commission Order No. 4 and Labor Code §§ 226.7 and 512, 516, 558 and 1198 by failing to provide all legally required rest period premiums to Plaintiff and other similarly aggrieved employees;

b. Defendants violated Industrial Welfare Commission Order No. 4 and Labor Code §§ 226.7 and 512, 516, 558 and 1198 by failing to provide all legally required meal period premiums to Plaintiff and other similarly aggrieved employees;

c. Defendants violated Labor Code § 226 by failing to provide Plaintiff and other similarly aggrieved employees with accurate and compliant itemized wage statements; and

d. Defendants violated Labor Code § 2802 by failing to reimburse costs of use of personal cellphones during working hours.

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

Very truly yours,
LOYR, APC

Young W. Ryu, Esq.
Joshua Park, Esq.
Kee Seok Mah, Esq.

cc: via Certified U.S. Mail

WE CARE PLUMBING, HEATING & AIR, LLC
41085 Golden Gate Circle
Murrieta, CA 92562