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CARLOS SANTOS GRANADOS

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

CARLOS SANTOS GRANADOS, individually,
and on behalf of all others similarly situated,

Plaintiff,

v.

SUNNY HILLS MANAGEMENT CO., INC., a
California corporation; and DOES 1 through 10,
inclusive,

Defendant.

Case No. 23STCV02109

CLASS ACTION

*Assigned For All Purposes to the Hon.
Elaine Lu, Department 9*

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

*[Filed Concurrently with Plaintiff's Notice of
Motion and Motion, Memorandum of Points
and Authorities; Declaration of John G.
Yslas; Declaration of Carlos Santos
Granados; and [Proposed] Order]*

PRELIMINARY APPROVAL HEARING

Date: March 11, 2025

Time: 10:00 a.m.

Place: Department 9

Complaint Filed: January 31, 2023

FAC Filed: July 3, 2023

Trial date: None set

I, John G. Yslas, declare as follows:

1. I am admitted, in good standing, to practice as an attorney in the State of California, the Ninth Circuit Court of Appeals, and the United States District Courts for the Central, Southern, Eastern, and Northern Districts of California. I am a Senior Partner at Wilshire Law Firm, PLC, counsel of record for Plaintiff Carlos Santos Granados (“Plaintiff”). I have personal knowledge of the facts set forth in this declaration and could and would competently testify to them under oath if called as a witness. This Declaration is submitted in support of Plaintiff’s Motion for Preliminary Approval of Class Action Settlement.

2. This is a wage-and-hour class and Labor Code Private Attorneys General Act of 2004 (Lab. Code §§ 2698 *et seq.*) (“PAGA”) representative action. Plaintiff and putative class members worked in California as hourly-paid or non-exempt employees for defendant SUNNY HILLS MANAGEMENT CO., INC. (“Defendant”) during the class period. Defendant is based in Los Angeles County, California and operates a professional property management and asset company with a real estate portfolio that consists of more than 42 properties and 83 buildings in Southern California, including Los Angeles County, Orange County, San Bernardino County and San Diego County.¹

3. Plaintiff alleges that Defendant's payroll, timekeeping, and wage-and-hour practices resulted in Labor Code violations. Plaintiff alleges that Defendant failed to pay for all hours worked. Plaintiff further alleges that Defendant failed to provide employees with legally compliant meal periods and rest breaks, and Defendant failed to reimburse business expenses. Based on these allegations, Plaintiff asserts related claims for failure to provide accurate wage statements, failure to pay all final wages at termination, unfair business practices, and civil penalties under PAGA.

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¹ <https://www.shmcre.com/contact-us/>, last visited July 22, 2024.

1 4. Plaintiff sent a notice to Defendant and the California Labor & Workforce
2 Development Agency (“LWDA”) alleging similar wage and hour violations pursuant to PAGA on
3 April 19, 2023. On January 31, 2023, Plaintiff filed a putative wage-and-hour class action
4 complaint against Defendant for: (1) failure to pay minimum and straight time wages (Lab. Code
5 §§ 204, 1194, 1194.2, and 1197); (2) failure to pay overtime wages (Labor Code §§ 1194, 1198);
6 (3) failure to provide meal periods (Lab. Code §§ 226.7, 512); (4) failure to authorize and permit
7 rest periods (Lab. Code §§ 226.7); (5) failure to pay final wages at termination (Lab. Code §§ 201-
8 203); (6) failure to provide accurate itemized wage statements (Lab. Code § 226); (7) failure to
9 indemnify employees for expenditures (Lab. Code § 2802); and (8) unfair business practices (Bus.
10 and Prof. Code §§ 17200 *et seq.*). On July 3, 2023, Plaintiff filed a First Amended Complaint
11 against Defendant adding a claim for civil penalties under PAGA. Per paragraph 2.6 of the
12 Settlement Agreement, Plaintiff also submitted an amended PAGA Notice and filed a stipulation
13 to file a Second Amended Complaint adding in allegations for rounding and 558 penalties.

14 DISCOVERY AND INVESTIGATION

15 5. Following the filing of the complaint, the parties exchanged documents and
16 information before mediating this action. Prior to mediation, Plaintiff obtained, through informal
17 discovery, personnel records pertaining to Plaintiff (including timekeeping and payroll records);
18 wage-and-hour policy documents, Defendant’s employee handbook since January 2021, the total
19 number of current and former hourly-paid and non-exempt employees during the statutory period;
20 total number of workweeks and pay periods; average and median hourly rates of pay.

21 6. After reviewing documents regarding Defendant’s wage-and-hour policies and
22 practices, and because Defendant failed to provide Plaintiff with timekeeping and payroll records
23 for the putative class, Plaintiff’s expert extrapolated a damage analysis based on Plaintiff’s
24 timekeeping and payroll records to the entire class and assumed 100% violation rate. Class Counsel
25 was able to evaluate the probability of class certification, success on the merits, and Defendant’s
26 maximum monetary exposure for all claims. Class Counsel also investigated the applicable law
27 regarding the claims and defenses asserted in the Litigation. Class Counsel reviewed these records
28 and utilized an expert to prepare a damages analysis prior to mediation.

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8. Even after extensive negotiations and discussions regarding the strengths and weaknesses of Plaintiff's claims and Defendant's defenses, the parties were unable to reach a settlement, yet continued settlement discussions with the assistance of the mediator. Ultimately, a mediator's proposal was presented to both parties which was accepted, the material terms of which are encompassed within the Settlement. Attached as **Exhibit 1** is a true and correct copy of the Class Action and PAGA Settlement Agreement ("Settlement Agreement").

10. I caused my office to request a bid from Phoenix Settlement Administrators (“Phoenix”), an experienced class action settlement administrator, to handle the responsibilities of the Settlement Administrator under this Settlement. Plaintiff accepted the bid of \$7,250.00. Phoenix has multiple years of experience in the field of Class Action Administration, particularly in the wage-and-hour arena. In its bid, Phoenix agreed to cap its costs at \$7,250.00 if there are 137 class members. Phoenix’s bid also accounts for Notice in English and Spanish. A true and correct copy of the bid is attached hereto as **Exhibit 3**.

12. No one at Wilshire Law Firm, PLC (meaning the law firm itself and anyone employed at the law firm) has any interest, financial or otherwise, in the proposed third-party administrator, Phoenix Settlement Administrators.

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1 13. Wilshire Law Firm, PLC does not have a fee-splitting agreement with any other
2 counsel in this case.

3 14. Class Counsel is aware of one other pending matter or action asserting claims that
4 will be extinguished or affected by the Settlement: *Francisco Alcides Sanchez v. Sunny Hills*
5 *Management Co., Inc.*, Los Angeles County Superior Court Case No. 24STCV07845 (the “Sanchez
6 Action”).

7 THE PROPOSED SETTLEMENT IS FAIR AND REASONABLE

8 15. Class Counsel has conducted a thorough investigation into the facts of this case.
9 Based on the foregoing discovery and their own independent investigation and evaluation, Class
10 Counsel is of the opinion that the Settlement is fair, reasonable, and adequate and is in the best
11 interests of the Settlement Class Members in light of all known facts and circumstances, the risk
12 of significant delay, the defenses that could be asserted by Defendant both to certification and on
13 the merits, trial risk, and appellate risk.

14 16. Based on an analysis of the facts and legal contentions in this case, documents and
15 information from Defendant, I evaluated Defendant’s maximum exposure. I took into account the
16 risk of not having the claims certified and the risk of not prevailing at trial, even if the claims are
17 certified. After using the data Defendant provided, and because Defendant failed to provide
18 Plaintiff with timekeeping and payroll records for the putative class, Plaintiff’s expert extrapolated
19 a damage analysis based on Plaintiff’s timekeeping and payroll records to the entire class and
20 assumed 100% violation rate, and taking into account class member demographics (*i.e.*, the number
21 of class members, workweeks, and average total compensation of the class), with the assistance of
22 a statistics expert, I created a damages model to evaluate the realistic range of potential recovery
23 for the class. The damages model is based on the following benchmarks:

24 Total Class Members: 137

25 Terminated Class Members during 3-year statute: 79

26 Total Workweeks: 13,696

27 Total Shifts Worked by the Class: 50,218

28 PAGA Pay Periods: 2,420

Avg. Hourly Rate: \$21.94

17. Based on Plaintiff's discovery and investigation, Class Counsel reached the conclusion that Defendant failed to pay class members for all hours worked, including overtime wages, Defendant had a policy and practice of not providing its employees with California compliant meal periods and rest breaks which it did not pay appropriate premiums for, and Defendant required its employees to work "off-the-clock" by requiring Plaintiff and other employees to answer managements' calls when off the clock, time which it did not pay for. Defendant denied these claims.

18. Plaintiff alleges that Defendant failed to pay for all hours worked, including minimum wages, straight time wages, and overtime wages, by requiring class members to work off-the-clock, unpaid. For purposes of calculating Defendant's liability based on a best-case scenario for Plaintiff and the Class, I estimate that Defendant's maximum potential exposure by assuming that all unpaid work time should have been paid at the overtime rate, not minimum or straight time wages, and I assumed that Defendant is liable for 1 hour of unpaid worktime per workweek. This results in an estimate of **\$523,224.00** (13,696 workweeks x \$21.94 hourly rate x 1.5 overtime rate x 1 hours of unpaid work per week) plus interest, but I discounted this figure by 25% to account for the difficulty of prevailing on a motion for class certification and an additional 25% to account for the difficulty of prevailing at trial on the merits because liability depends on whether Defendant knew or should have known that class members were working off-the-clock, yielding a realistic damage estimate of **\$294,314.00**.²

19. With respect to the meal period claim, Plaintiff alleges that Defendant required him and similarly situated class members to either work in lieu of taking meal periods, or their meal periods were untimely and/or interrupted. Indeed, based on our investigation, Defendant's own records reflect 100% of all shifts exhibit a meal period violation. This raises the presumption that

² Even an 80% discount for risk at certification and trial is reasonable because the Judicial Council of California found that only 21.4% of all class actions were certified either as part of a settlement *or* as part of a contested certification motion. See Findings of the Study of California Class Action Litigation, 2000-2006, available at <http://www.courts.ca.gov/documents/class-action-lit-study.pdf>.

1 Defendant did not provide compliant meal periods. *Donohue v. AMN Services, LLC* (2021) 11
2 Cal.5th 58, 75. Potential liability for the meal period claim is **\$1,288,122.00** (50,218 shifts x \$21.94
3 hourly rate), plus interest. However, I discounted this figure by 25% to account for the difficulty
4 of certifying and an additional 25% to proving meal period claims given that Plaintiff would be
5 entitled to the *Donohue* presumption that a compliant meal period was provided, as well as
6 Defendant's contention that the claim lacks merit, yielding a realistic damage estimate of
7 **\$724,569.00**.

8 20. With respect to the rest break claim, Plaintiff alleges that Defendant required them
9 and similarly situated class members to work in lieu of taking rest breaks, or their rest breaks were
10 untimely and/or interrupted. Likewise, I assumed a 100% violation rate for the class period based
11 on Plaintiff's and other class members' experience working for Defendant (as our investigation
12 strongly suggests that Plaintiff and Class members were never able to take any 10-minute rest
13 breaks), Defendant's potential liability for the rest period claim is **\$1,288,122.00** (50,218 shifts x
14 \$21.94 hourly rate), plus interest; however, I discounted this figure by 25% to account for the
15 difficulty of certifying and an additional 25% to account for the difficulty of prevailing at trial,
16 particularly because rest breaks do not have to be recorded, and to account for the possibility of
17 class members voluntarily choosing to forego a rest period and/or chose to return early from their
18 rest breaks, yielding a realistic damage estimate of **\$724,569.00**.

19 21. Plaintiff alleges that Defendant failed to reimburse necessary business expenses.
20 Defendant's employees (including Plaintiff) were required to use their own personal cell phones
21 for work-related purposes, including but not limited to communicating with managers, and
22 communicating with third parties regarding maintenance and repairs. Potential liability for the
23 expense reimbursement claim is **\$100,010.00** (73 months in class period from August 2018 through
24 September 2024 x \$10 a month x 137 employees), plus interest. However, I discounted this figure
25 by 25% to account for the difficulty of certifying and an additional 25% to proving liability at trial
26 given that not every employee had to use their personal cellphones, yielding a realistic damage
27 estimate of **\$56,256.00**.

28 ///

1 22. In sum, I estimated that Plaintiff's' maximum recovery for the off-the-clock claim,
2 meal period violations, rest period violations, and failure to reimburse business expenses is
3 **\$3,199,478.00** (\$523,224.00 in unpaid overtime + \$1,288,122.00 for meal period violations +
4 \$1,288,122 for rest break violations + \$100,010.00 for expense reimbursement), but, after factoring
5 in the risk and uncertainty of prevailing at certification and trial, I estimate that Plaintiff's realistic
6 estimated recovery for the non-penalty claims is **\$1,743,451.00** (\$294,314.00 for unpaid overtime
7 + \$724,569.00 for meal period violations + \$724,569.00 for rest break violations + \$56,256.00 for
8 expense reimbursement).

9 23. With respect to Plaintiff's claims for statutory penalties, Plaintiff estimates that
10 Defendant's realistic potential liability is **\$402,222.00**. While Defendant's maximum potential
11 liability for waiting time penalties is \$396,211.00 (assuming 30 days per employee at 7.9 hours per
12 day, based on the average hours per shift), \$318,850.00 for inaccurate wage statements (based on
13 \$50 for the first violations and \$100 for subsequent violations, with a \$4,000.00 employee
14 maximum, for a total of \$715,061.00, but because these claims are derivative of Plaintiff's off-the-
15 clock and meal period, rest breaks claims and expense reimbursement claims, I discounted this
16 figure by 25% to account for the difficulty of certifying and an additional 25% to account for the
17 difficulty of prevailing at trial, which resulted in Defendant's realistic potential liability in the
18 amount of **\$402,222.00**.

19 24. With respect to Plaintiff's claims for civil penalties, Plaintiff estimates that
20 Defendant's realistic potential liability is **\$78,990.00**. While Defendant's maximum potential
21 liability is **\$789,900.00** for PAGA violations based on the Court assessing a \$100 penalty for initial
22 violations for all 2,420 pay periods *for each of the various underlying claims* (e.g., off-the-clock
23 minimum wage, overtime, meal period and rest break violations, expense reimbursement, and wage
24 statement and waiting time penalties), I believe that it would be unrealistic to expect the Court to
25 award the full \$789,900.00 in penalties given Defendant's defenses, the contested nature of
26 Plaintiff's claims, and the discretionary nature of penalties. Considering that the underlying claims
27 are realistically estimated to be **\$1,743,451.00** (*see id.*, ¶¶ 18-21), such a disproportionate award
28 would also raise due process concerns. Weighing these factors and applying a discount of 90% to

1 account for the risk and uncertainty of prevailing at trial, I arrived at **\$78,990.00** for civil penalties

2 25. Using these estimated figures, Plaintiff predicted that the realistic maximum
3 recovery for all claims, including penalties, would be **\$2,224,663.00**. This means that the
4 **\$410,880.00** settlement figure represents **18.5%** of the realistic maximum recovery ($\$410,880.00$
5 $\div$ $\$2,224,663.00$). Considering the risk and uncertainty of prevailing at class certification and at
6 trial, this is an excellent result for the Class.³ Indeed, because of the proposed Settlement, class
7 members will receive timely, guaranteed relief and will avoid the risk of an unfavorable judgment.

8 26. While Plaintiff is confident in the merits of his claims, a legitimate controversy
9 exists as to each cause of action. Plaintiff also recognizes that proving the amount of wages due to
10 each Class Member would be an expensive, time-consuming, and uncertain proposition.

11 27. This Settlement avoids the risks and the accompanying expense of further litigation.
12 Although the Parties had engaged in a significant amount of investigation, informal discovery and
13 class-wide data analysis, the Parties had not yet completed formal written discovery. Plaintiff
14 intended to depose corporate officers and managers of Defendant. Moreover, preparation for class
15 certification and a trial remained for the Parties as well as the prospect of appeals in the wake of a
16 disputed class certification ruling for Plaintiff and/or adverse summary judgment ruling. Had the
17 Court certified any claims, Defendant could move to decertify the claims. As a result, the Parties
18 would incur considerably more attorneys' fees and costs through trial.

19 28. The Net Settlement Amount available for Class Member settlement payments is
20 estimated to be **\$219,170.00**, for a class of 137 persons.⁴ As a result, each Settlement Class Member
21 is eligible to receive an average net benefit of approximately \$1,599.78, without factoring in

22
23 ³ See, e.g., *Wise v. Ulta Salon, Cosmetics & Fragrance, Inc.* (E.D. Cal. Aug. 21, 2019)
24 2019 WL 3943859 at *8 (granting preliminary approval where the proposed allocation to settle
25 class claims was between 9.53 percent of Plaintiffs' maximum recovery); *Bravo v. Gale Triangle,*
26 *Inc.* (C.D. Cal. Feb 16, 2017) 2017 WL 708766 at * 10 (finding that "a settlement for fourteen
percent recovery of Plaintiffs' maximum recovery is reasonable"); *In re Omnivision Techs., Inc.*
(N.D. Cal. 2008) 559 F.Supp.2d 1036, 1042 (approving settlement amount that "is just over 9% of
the maximum potential recovery asserted by either party.").

27 ⁴ The Net Settlement Amount is: \$410,880.00 minus \$136,960.00 for Class Counsel's
28 attorneys' fees, minus approximately an estimated \$25,000.00 for Class Counsel's Litigation
Expenses, minus estimated \$7,250.00 in Administration Expenses, minus \$15,000.00 for the
PAGA payment, and minus \$7,500.00 for the Class Representative Service Payment to Plaintiff.

1 payroll taxes.

2 29. The proposed Settlement of \$410,880, therefore, represents a substantial recovery
3 when compared to Plaintiff’s reasonably forecasted recovery. When considering the risks of
4 litigation, the uncertainties involved in achieving class certification, the burdens of proof necessary
5 to establish liability, the probability of appeal of a favorable judgment, it is clear that the settlement
6 amount of \$410,880 is within the “ballpark” of reasonableness, and preliminary settlement
7 approval is appropriate.

8 MY EXPERIENCE AND QUALIFICATIONS

9 30. Wilshire Law Firm, PLC was selected by Best Lawyers and U.S. News & World
10 Report as one of the nation’s Best Law Firms since 2020 and is comprised of more than 100
11 attorneys and over 600 employees. Wilshire Law Firm, PLC is actively and continuously practicing
12 in employment litigation, representing employees in both individual and class actions in both state
13 and federal courts throughout California.

14 31. Wilshire Law Firm, PLC is qualified to handle this Litigation because its attorneys
15 are experienced in litigating Labor Code violations in both individual, class action, and
16 representative action cases. Wilshire Law Firm, PLC has handled, and is currently handling,
17 numerous wage and hour class action lawsuits, as well as class actions involving consumer rights
18 and data privacy litigation.

19 32. I graduated from the University of California, Santa Barbara with High Honors in
20 1991 with Bachelor of Arts degrees in Psychology. I received my Juris Doctor from UCLA Law
21 School in 1996.

22 33. Upon graduating from law school in 1996, I worked for a boutique law firm
23 practicing general litigation which included employment law matters. Since 2000 (that is, the last
24 23 years) my practice has been exclusively focused on labor and employment matters including
25 handling wage and hour class, collective and representative actions (including the California
26 Private Attorneys General Act, or “PAGA”), including in the international law firms of Morgan,
27 Lewis & Bockius LLP (where I was a senior associate), Foley & Lardner LLP (where I was a
28 partner and a national Vice Chair of the Labor and Employment Group), Norton Rose Fulbright

1 LLP (where I was a partner) and Seyfarth Shaw (where I was a partner and member of the Wage
2 and Hour Practice Group). During my time at these law firms, I was the primary attorney or took
3 a major leading role in defending employers on numerous wage and hour class, collective and
4 representative actions.

5 34. In 2022 I left Seyfarth Shaw and joined my current firm, The Wilshire Law Firm,
6 P.C., to represent plaintiff employees. I have been and am handling many wage and hour class and
7 representative actions litigating such matters on behalf of plaintiff employees in numerous Superior
8 Courts and District Courts. From matters representing both plaintiffs and defendants, I have
9 successfully mediated the resolution of many wage and hour class, collective, and representative
10 actions. Since joining Wilshire Law Firm, P.C. (and thus joining the plaintiff's bar) I have already
11 successfully mediated matters (starting in about late April 2023) in which I have been counsel or
12 co-counsel resulting in more than \$75 million in settlements which are in the process of being
13 finalized, and with numerous upcoming mediations scheduled. In those and numerous other
14 matters, I have managed and assisted with the litigation and settlement of many wage and hour
15 PAGA and class actions. In those actions, I performed similar tasks as those performed in the
16 course of prosecuting this action.

17 35. I have received numerous awards for my legal work. For example, from 2015 to
18 2018, I was listed in Los Angeles Super Lawyers for Employment Litigation (Thomson Reuters).
19 have also served on numerous prominent boards and in other leadership positions, including
20 currently serving as Southern California Regional President for the Hispanic National Bar
21 Association and on the board of directors of the Mexican American Bar Foundation. I also
22 previously served on the 5-member Los Angeles Civil Service Commission, which generally
23 oversees the personnel decisions for the City of Los Angeles.

24 36. I have also published numerous blogs on labor and employment issues including on
25 wage and hour issues. For example, I published "Headline News: Wal-Mart v. Dukes-Impact on
26 Class Action Litigation" (while a partner with Foley & Lardner LLP) and "Are You Really
27 Protected From Wage-and-Hour Successor Liability in an Asset Purchase" (while a partner with
28 Seyfarth Shaw LLP). I have also been a presenter at numerous conferences, including being a

1 presenter involving the “Employment Law Update” at a National Employment Law Council
2 conference.

3 37. Samantha A. Smith is a Senior Attorney at WLF where her practice is focused on
4 managing wage and hour class action and PAGA settlements. Ms. Smith was admitted to the
5 California Bar in December of 2004, and received a J.D. from University of California, Hastings
6 College of the Law and a B.A. from University of California, Davis. Ms. Smith has dedicated her
7 20-year career to plaintiffs’-side class action litigation. Her wealth of experience includes
8 successful work on all stages of class action litigation, including class action appeals, class
9 certification motions, and class settlements. See, e.g., *Blue Diamond Growers Product Labeling*
10 *Cases*, JCCP No. 4822 (Los Angeles County Superior Court) (false advertising of Blue Diamond
11 food products); *Adam vs. eHealth, Inc.*, Case No. 17CV309050 (Santa Clara Superior Court)
12 (employee data breach); *Overton v. Armour-Eckrich Meats, LLC*, Case No. CIVDS1501325 (San
13 Bernardino County Superior Court) (unpaid wages, meal period and rest break claims, and PAGA
14 violations for nonexempt employees); *DeLeon et al. v. Westlake Services, LLC*, Case No. BC
15 526750 (Los Angeles County Superior Court) (unpaid overtime, meal period and rest break claims
16 for call center employees); *Sawyer v. Retail Data, LLC*, Case No. 30-2014-00753767-CU-OE-
17 CXC (Orange County Superior Court) (unpaid wage and rest break claims for piece rate workers);
18 *Nguyen v. Pharmerica Corporation et al.*, Case No. 30-2014-00716072-CU-OE-CXC (Orange
19 County Superior Court) (unpaid wages and unreimbursed expenses for pharmacists); *Laumea v.*
20 *Performance Food Group, Inc.*, Case No. CIVDS1407509 (San Bernardino Superior Court)
21 (unpaid wages, meal and rest break claims for non-exempt employees); *Durroh v. East West Bank*,
22 Case No. BC528860 (Los Angeles Superior Court) (overtime claims for failure to include bonuses
23 in regular rate of pay for bank workers); *Gonzalez et al. v. SFFI Company, Inc. et al.*, Case No.
24 CIVDS1504287 (San Bernardino Superior Court) (unpaid wages, meal period and rest break
25 claims for non-exempt employees).

26 38. Diego Aviles six-year senior attorney at Wilshire Law Firm, PLC. He graduated
27 with Bachelor of Arts degrees in criminology, law and society and political science from University
28 of California at Irvine in 2011. He attended and graduated from Santa Clara University School of

1 Law in 2017. He was admitted to practice law the California in 2017. Since 2017, Mr. Aviles has
2 worked in the specialize field of plaintiff-side wage and hour class actions and PAGA actions. He
3 is also an active member of the California Employment Lawyers Association (“CELA”).

4 39. Harry Erganyan is a fourth-year Associate Attorney at Wilshire Law Firm, PLC. He
5 was admitted to practice law in the State of California in 2021. Harry graduated from Loyola
6 Marymount University, with a Bachelor of Arts in Political Science. He received his Juris Doctor
7 from Southwestern Law School. During law school, he externed for the Los Angeles City Attorney.
8 Since January 2021, his practice has mainly been focused on wage and hour class action litigation.

9 40. Mariam Nazaretyan three-year associate attorney at Wilshire Law Firm, PLC. She
10 graduated with Bachelor of Arts degrees in Political Science and Government from Loyola
11 Marymount University in 2016. She attended and graduated from Southwestern Law School in
12 2020. She was admitted to practice law the California in 2021. She is also an active member of
13 the California Employment Lawyers Association (“CELA”).

14 I declare under penalty of perjury under the laws of the State of California and the United
15 States that the foregoing is true and correct.

16 Executed on January 3, 2025, at Los Angeles, California.

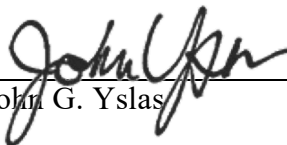
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EXHIBIT 1

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between plaintiff CARLOS SANTOS GRANADOS (“Plaintiff”) and defendant SUNNY HILLS MANAGEMENT CO., INC. (“Defendant”). The Agreement refers to Plaintiff and Defendant collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1 “Action” means the Plaintiff’s lawsuit alleging wage and hour violations against Defendant captioned *Carlos Santos Granados v. Sunny Hills Management Co., Inc.*, Los Angeles County Superior Court, Case No. 23STCV02109 initiated on January 31, 2023, and pending in Superior Court of the State of California, County of Los Angeles.
- 1.2 “Administrator” means Phoenix Settlement Administrators, the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3 “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.
- 1.4 “Aggrieved Employee” means any person employed by Defendant in California and classified as an hourly, non-exempt employee who worked for Defendant during the PAGA Period.
- 1.5 “Class” means all current and former hourly-paid or non-exempt employees of Defendant in California, employed during the Class Period, who do not timely opt-out of the Settlement.
- 1.6 “Class Counsel” means John G. Yslas, Diego Aviles, Harry Erganyan, Mariam Nazaretyan, Samantha A. Smith of the WILSHIRE LAW FIRM, PLC.
- 1.7 “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.8 “Class Data” means Class Member identifying information in Defendant’s possession including the Class Member’s name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.
- 1.9 “Class Member” or “Settlement Class Member” means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).
- 1.10 “Class Member Address Search” means the Administrator’s investigation and search for current Class Member mailing addresses using all reasonably available sources,

methods, and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.

- 1.11 “Class Notice” means the COURT APPROVED NOTICE OF CLASS ACTION AND PAGA SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in the form, without material variation, attached as Exhibit A and incorporated by reference into this Agreement.
- 1.12 “Class Period” means the period from August 6, 2018 to September 13, 2024.
- 1.13 “Class Representative” means the named Plaintiff in the Action, Carlos Santos Granados.
- 1.14 “Class Representative Service Payment” means the payment to the Class Representative for initiating the Action and providing services in support of the Action.
- 1.15 “Court” means the Superior Court of California, County of Los Angeles.
- 1.16 “Defendant” means named Defendant Sunny Hills Management Co., Inc.
- 1.17 “Defense Counsel” means John T. Egley and Ellen Connelly Cohen or the law firm Call & Jensen.
- 1.18 “Effective Date” means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences: (i) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (ii) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur. It is the Parties’ intent that the Settlement shall not become effective until the Judgment has become completely final, and there is no timely recourse by an appellant or intervenor who seeks to contest the Settlement.
- 1.19 “Final Approval” or “Final Approval Order” means the Court’s order granting final approval of the Settlement.
- 1.20 “Final Approval Hearing” means the Court’s hearing on the Motion for Final Approval of the Settlement.
- 1.21 “Gross Settlement Amount” means Four Hundred Ten Thousand Eight Hundred Eighty Dollars and Zero Cents (\$410,880.00), which is the total amount Defendant agrees to pay under the Settlement, except as provided in Paragraph 9 below. The Gross Settlement Amount is non-reversionary and will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Litigation Expenses, the Class Representative Service Payment, and the Administration Expenses Payment. Defendant will pay employer payroll taxes

on the Wage Portions of the Individual Class Payments separate from the Gross Settlement Amount at the time of funding.

- 1.22 “Individual Class Payment” means the Participating Class Member’s pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.
- 1.23 “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of PAGA Pay Periods worked during the PAGA Period.
- 1.24 “Judgment” means the judgment entered by the Court based upon the Final Approval.
- 1.25 “LWDA” means the California Labor and Workforce Development Agency.
- 1.26 “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subdivision (i).
- 1.27 “Net Settlement Amount” means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment. The remainder is to be paid to Participating Class Members as Individual Class Payments.
- 1.28 “Non-Participating Class Member” means any Class Member who opts out of the class action component of the Settlement by sending the Administrator a valid and timely Request for Exclusion. Class Members who are Aggrieved Employees cannot exclude themselves from the PAGA component of the Settlement.
- 1.29 “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendant for at least one day during the PAGA Period. PAGA Pay Periods during which an Aggrieved Employee was employed but did not record any hours can be excluded from this calculation.
- 1.30 “PAGA Period” means the period from April 19, 2022 to September 13, 2024.
- 1.31 “PAGA” means the Labor Code Private Attorneys General Act of 2004, Labor Code sections 2698 *et seq.*
- 1.32 “PAGA Notice” means Plaintiff’s April 19, 2023 letter to Defendant and the LWDA providing notice pursuant to Labor Code section 2699.3, subdivision (a).
- 1.33 “PAGA Penalties” means the total amount of PAGA civil penalties (i.e., Twenty Thousand Dollars and Zero Cents (\$20,000.00)) to be paid from the Gross Settlement Amount, allocated 25% to the Aggrieved Employees (i.e., Five Thousand Dollars and Zero Cents (\$5,000.00)) and 75% to the LWDA (i.e., Fifteen Thousand Dollars and Zero

Cents (\$15,000.00)) in settlement of PAGA claims.

- 1.34 “Participating Class Member” means a Class Member who does not submit a valid and timely Request for Exclusion from the class action component of the Settlement. No claim form is required to participate in the Settlement.
- 1.35 “Plaintiff” means Carlos Santos Granados, the named plaintiff in the Action.
- 1.36 “Preliminary Approval” means the Court’s Order Granting Preliminary Approval of the Settlement.
- 1.37 “Preliminary Approval Order” means the proposed Order Granting Preliminary Approval and Approval of PAGA Settlement.
- 1.38 “Released Class Claims” means the claims being released as described in Paragraph 5.2 below.
- 1.39 “Released PAGA Claims” means the claims being released as described in Paragraph 5.3 below.
- 1.40 “Released Parties” means Defendant and all of its past, present, and future divisions, affiliates, subsidiaries, predecessors, successors, assigns, and subrogees, both individually and collectively, and all of their respective past, present, and future owners, officers, directors, managers, shareholders, members, investors, trustees, employees, agents, representatives, attorneys, administrators, executors, fiduciaries, contractors, partners, and any other individual or entity that could be jointly liable with Defendant for the claims asserted in the Action.
- 1.41 “Request for Exclusion” means a Class Member’s submission of a written request to be excluded from the class action component of the Settlement signed by the Class Member. Class Members who are Aggrieved Employees cannot exclude themselves from the PAGA component of the Settlement.
- 1.42 “Response Deadline” means forty-five (45) days after the Administrator mails Notice to Class Members and Aggrieved Employees and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the class action component of the Settlement, or (b) fax, email, or mail his, her, or their objection to the class action component of the Settlement. Class Members to whom Notice Packets are re-sent after having been returned undeliverable to the Administrator shall have an additional fourteen (14) calendar days beyond the Response Deadline.
- 1.43 “Settlement” means the disposition of the Action effected by this Agreement and the Judgment.
- 1.44 “Workweek” means any week during which a Class Member worked for Defendant for at least one day, during the Class Period. Workweeks during which a Class Member was employed but did not record any hours can be excluded from this calculation.

2. RECITALS.

- 2.1 On January 31, 2023, Plaintiff commenced this Action by filing a Class Action Complaint alleging claims against Defendant for failure to pay minimum and straight time wages, failure to pay overtime wages, failure to provide meal periods, failure to permit and authorize rest periods, failure to timely pay final wages at termination, failure to provide accurate itemized wage statements, failure to keep adequate records, failure to indemnify employees for expenditures, and unfair business practices. Plaintiff's Complaint asserted violations of and entitlement to relief under California Labor Code sections 201, 202, 203, 204, 218.5, 218.6, 226, 226.7, 510, 512, 1174(d), 1194, 1194.2, 1197, 1198, and 2802; California Code of Civil Procedure section 1021.5; and California Business and Professions Code sections 17200 et seq. On July 3, 2023, Plaintiff filed a First Amended Complaint adding a cause of action for civil penalties under PAGA. Defendant denies the allegations in the Complaint and First Amended Complaint, denies any failure to comply with the laws identified in the Complaint and First Amended Complaint, and denies any and all liability for the causes of action alleged.
- 2.2 Pursuant to Labor Code section 2699.3, subdivision (a), Plaintiff gave timely written notice to Defendant and the LWDA by sending the PAGA Notice. The PAGA Notice alleged failure to pay for all hours worked, including minimum, straight time, and overtime wages, failure to provide meal periods, failure to permit and authorize rest periods, failure to pay all earned wages twice per month, failure to maintain accurate records of hours worked and meal periods, failure to timely pay all wages at termination, failure to furnish accurate itemized wage statements, failure to indemnify necessary expenditures, and failure to produce requested employment records, including payroll records, personnel records, and signed instruments relating to the obtaining or holding of employment. Plaintiff's PAGA Notice alleged violations of and sought civil penalties pursuant to California Labor Code sections 201, 202, 203, 204, 210, 226, 226.3, 226.7, 432, 510, 1174, 1174.5, 1194, 1197, 1197.1, 1198, 1198.5, 2699, and 2802.
- 2.3 On May 21, 2024, the Parties participated in an all-day mediation presided over by mediator Nikki Tolt, which led to this Agreement to settle the Action.
- 2.4 Prior to mediation, Plaintiff obtained, through informal discovery, time data and payroll records and policy documents pertaining to Plaintiff's claims in the Action. Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v. Ford Motor Co.* (1996) 48 Cal.App.4th 1794, 1801 and *Kullar v. Foot Locker Retail, Inc.* (2008) 168 Cal.App.4th 116, 129-130 ("*Dunk/Kullar*").
- 2.5 The Court has not granted class certification.
- 2.6 For purposes of releasing all claims that Plaintiff did allege or reasonably could have alleged based on the factual allegations in Plaintiff's Complaint, First Amended Complaint, and PAGA Notice, the Parties agree that Plaintiff will file an Amended

PAGA Notice and a Second Amended Complaint asserting a rounding claim and seeking civil penalties pursuant to California Labor Code section 558 (“Operative Complaint”).

- 2.7 The Parties, Class Counsel, and Defense Counsel represent that they are aware of one other pending matter or action asserting claims that will be extinguished or affected by the Settlement: *Francisco Alcides Sanchez v. Sunny Hills Management Co., Inc.*, Los Angeles County Superior Court Case No. 24STCV07845 (the “Sanchez Action”). The Sanchez Action was filed on March 27, 2024. On June 13, 2024, Defendant filed a Notice of Related Case and served counsel in the Sanchez Action. By Order dated August 21, 2024, the Court deemed the Sanchez Action related to the present Action, and deemed the present Action the lead case. Both cases are assigned to Judge Yvette Palazuelos in Department 9 of the Court. On August 23, 2024, Defendant provided notice to counsel in the Sanchez Action of the Court’s Order deeming the two cases related. The Sanchez Action asserts class and individual claims against Defendant for failure to provide meal periods, failure to provide rest periods, failure to pay overtime wages, failure to pay minimum wages, failure to timely pay wages, failure to pay all wages due to discharged and quitting employees, failure to maintain required records, failure to furnish accurate itemized wage statements, failure to indemnify employees for necessary business expenditures, and unfair business practices (California Labor Code sections 200, 201, 202, 203, 204, 210, 218.5, 218.6, 226, 226.3, 226.7, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, and 2802, California Business and Professions Code section 17200 et seq., and California Code of Civil Procedure section 1021.5). The Settlement in this Action completely extinguishes all claims in the Sanchez Action.

3. MONETARY TERMS.

- 3.1 Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below, Defendant promises to pay the gross sum of Four Hundred Ten Thousand Eight Hundred Eighty Dollars and Zero Cents (\$410,880.00) and no more as the Gross Settlement Amount, and to separately pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments. Defendant has no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to Defendant.
- 3.2 Payments from the Gross Settlement Amount. The Administrator will make and deduct the following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final Approval Order:
- 3.2.1 To Plaintiff: Class Representative Service Payment to the Class Representative of not more than Seven Thousand Five Hundred Dollars and Zero Cents (\$7,500.00), in addition to any Individual Class Payment and any Individual PAGA Payment the Class Representative is entitled to receive as a Participating Class Member. Defendant will not oppose Plaintiff’s request for a Class Representative Service

Payment that does not exceed this amount. As part of the motion for Class Counsel Fees Payment and Class Litigation Expenses Payment, Plaintiff will seek Court approval for any Class Representative Service Payments no later than sixteen (16) court days prior to the Final Approval Hearing. This Settlement is not contingent upon the Court awarding Plaintiff any particular amount as a Class Representative Service Payment. If the Court approves a Class Representative Service Payment less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will pay the Class Representative Service Payment using IRS Form 1099. Plaintiff will be solely and legally responsible to pay any and all applicable taxes on the Class Representative Service Payment, and shall hold harmless Released Parties from any claim or liability for taxes, penalties, or interest arising as a result of payment of the Class Representative Service Payment.

- 3.2.2 To Class Counsel: A Class Counsel Fees Payment of not more than one-third (1/3) of the Gross Settlement Amount, which is currently estimated to be One Hundred Thirty-Six Thousand Nine Hundred Sixty Dollars and Zero Cents (\$136,960.00), and a Class Counsel Litigation Expenses Payment for reimbursement of actual costs to be determined at the time of preliminary approval. Defendant will not oppose requests for these payments. Plaintiff and/or Class Counsel will file a motion for Class Counsel Fees Payment and Class Litigation Expenses Payment no later than sixteen (16) court days prior to the Final Approval Hearing. This Settlement is not contingent upon the Court awarding Class Counsel any particular amount in Class Counsel Fees Payments and/or Class Counsel Litigation Expenses Payments. If the Court approves a Class Counsel Fees Payment and/or a Class Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Released Parties harmless, and indemnifies Released Parties, from any dispute or controversy regarding any division or sharing of any of these Payments.
- 3.2.3 To the Administrator: An Administrator Expenses Payment not to exceed Seven Thousand Two Hundred Fifty Dollars and Zero Cents (\$7,250.00) except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than this amount, the Administrator will allocate the remainder to the Net Settlement Amount.
- 3.2.4 To Each Participating Class Member: An Individual Class Payment calculated by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members during the Class Period and (b) multiplying the result by each Participating Class Member's Workweeks.

- 3.2.4.1 Tax Allocation of Individual Class Payments. Twenty percent (20%) of each Participating Class Member's Individual Class Payment will be allocated to settlement of wage claims (the "Wage Portion"). The Wage Portions are subject to tax withholding and will be reported on an IRS W-2 Form. The remaining eighty percent (80%) of each Participating Class Member's Individual Class Payment will be allocated to settlement of claims for interest, penalties, and other non-wage recovery (the "Non-Wage Portion"). The Non-Wage Portions are not subject to wage withholdings and will be reported on IRS 1099 Forms. Participating Class Members assume full responsibility and liability for any employee taxes owed on their Individual Class Payments.
- 3.2.4.2 Effect of Non-Participating Class Members on Calculation of Individual Class Payments. Non-Participating Class Members will not receive any Individual Class Payments. The Administrator will retain amounts equal to their Individual Class Payments in the Net Settlement Amount for distribution to Participating Class Members on a pro rata basis.
- 3.2.5 To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of Twenty Thousand Dollars and Zero Cents (\$20,000.00) to be paid from the Gross Settlement Amount, with 75% (i.e., Fifteen Thousand Dollars and Zero Cents (\$15,000.00)) allocated to the LWDA PAGA Payment and 25% (i.e., Five Thousand Dollars and Zero Cents (\$5,000.00)) allocated to the Individual PAGA Payments.
 - 3.2.5.1 The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (i.e., Five Thousand Dollars and Zero Cents (\$5,000.00)) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payments.
 - 3.2.5.2 If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate 75% of the total approved amount to the LWDA PAGA Payment and 25% of the total approved amount to Individual PAGA Payments, and shall calculate Individual PAGA Payments according to the formula in Paragraph 3.2.5.1 above. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

- 4.1 Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records at the time of mediation, Defendant estimated there would be approximately 137 Class Members who collectively worked a total of approximately 13,696 Workweeks during the Class Period, and 76 Aggrieved Employees who worked a total

2,420 of PAGA Pay Periods.

- 4.2 Class Data. Not later than seven (7) days after the Court grants Preliminary Approval of the Settlement, Defendant will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendant has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted Class Member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendant must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.
- 4.3 Funding of Gross Settlement Amount. Defendant shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Defendant's share of payroll taxes, by transmitting the funds to the Administrator no later than fourteen (14) days after the Effective Date.
- 4.4 Payments from the Gross Settlement Amount. Within seven (7) days after Defendant funds the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments, all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class Representative Service Payment shall not precede disbursement of Individual Class Payments and Individual PAGA Payments.
 - 4.4.1 The Administrator will issue checks for the Individual Class Payments and/or Individual PAGA Payments and send them to the Class Members via First Class U.S. Mail, postage prepaid. The face of each check shall prominently state the date when the check will be voided, which shall be one hundred eighty (180) days after the date of mailing. The Administrator will cancel all checks not cashed by the void date. The Administrator will send checks for Individual Settlement Payments to all Participating Class Members (including those for whom Class Notice was returned undelivered). The Administrator will send checks for Individual PAGA Payments to all Aggrieved Employees including Non-Participating Class Members who qualify as Aggrieved Employees (including those for whom Class Notice was returned undelivered). The Administrator may send Participating Class Members a single check combining the Individual Class Payment and the Individual PAGA Payment. Before mailing any checks, the Settlement Administrator must update the recipients' mailing addresses using the National Change of Address Database.
 - 4.4.2 The Administrator must conduct a Class Member Address Search for all other Class Members whose checks are returned undelivered without United States Postal

Service (“USPS”) forwarding address. Within seven (7) days of receiving a returned check, the Administrator must re-mail checks to the USPS forwarding address provided or to an address ascertained through the Class Member Address Search. The Administrator need not take further steps to deliver checks to Class Members whose re-mailed checks are returned as undelivered. The Administrator shall promptly send a replacement check to any Class Member whose original check was lost or misplaced, if requested by the Class Member prior to the void date. In the event a Participating Class Member fails to cash/deposit his or her Settlement check, the Participating Class Member shall nevertheless remain bound by the Settlement.

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

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

4.4.5 The Administrator shall remit payroll taxes owed on the Wage Portion of the Individual Class Payments to the appropriate taxing authorities within the deadlines established by law,

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

5.1 Plaintiff’s Release. Plaintiff and his former and present spouse(s), family members, representatives, agents, attorneys, heirs, administrators, successors, and assigns releases and discharges Released Parties from all claims, transactions, and occurrences from the beginning of time through the date Plaintiff signs this Agreement (“Plaintiff’s Release”). By way of example only, and not intended as a limitation on the scope of Plaintiff’s Release, Plaintiff’s Release includes, but is not limited to: all claims under the California Labor Code and Industrial Welfare Commission Wage Orders; the California Fair Employment and Housing Act; the California Family Rights Act; the Americans with Disabilities Act; Title VII of the Civil Rights Act of 1964; the Fair Labor Standards Act; the Family and Medical Leave Act (and all amendments thereto); all other federal, state, and local constitutions, statutes, ordinances, regulations, rules, and other laws; claims based on theories of wrongful or constructive discharge, breach of contract or implied contract, fraud, misrepresentation, promissory estoppel, and intentional and/or negligent infliction of emotional distress. Plaintiff’s Release is for any and all relief, no matter how denominated, including but not limited to penalties,

back pay, front pay, vacation pay, bonuses, compensatory damages, tortious damages, liquidated damages, punitive damages, damages for pain and suffering, and attorneys' fees and costs. Plaintiff's Release does not extend to any claims or actions that cannot be released as a matter of law, including claims for vested benefits, unemployment benefits, disability benefits, social security benefits, or workers' compensation benefits. Plaintiff acknowledges that he may discover facts or law different from, or in addition to, the facts or law that he now knows or believes to be true, but Plaintiff agrees, nonetheless, that Plaintiff's Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiff's discovery of them.

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

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

5.2 Release by Participating Class Members ("Class Claims Release" or "Released Class Claims"): For the duration of the Class Period, all Participating Class Members, on behalf of themselves and their respective former and present spouses, family members, representatives, agents, attorneys, heirs, successors, and assigns, release Released Parties from all claims under state, federal, or local law, arising out of the claims expressly pleaded in the Operative Complaint and Plaintiff's PAGA Notice in the Action and all other claims, such as those under the California Labor Code, Wage Orders, regulations, and/or other provisions of law, that could reasonably have been asserted based on the facts pleaded in the Operative Complaint and Plaintiff's PAGA Notice in the Action, including but not limited to claims for: failure to pay minimum, straight time, and overtime wages; failure to provide meal periods and rest breaks; failure to timely pay wages during employment and at termination; failure to provide accurate itemized wage statements; failure to maintain accurate records; failure to produce requested employment records; failure to indemnify employees for business expenditures; and unfair business practices based on the foregoing; as well as all claims for unpaid wages, damages, liquidated damages, statutory penalties, attorneys' fees, costs, interest, restitutionary relief, declaratory relief, and other amounts recoverable based on the aforementioned, to the greatest extent permissible. The Released Class Claims include, but are not limited to, claims for alleged violations of the following statutory provisions, each of which is expressly pled in the Operative Complaint and Plaintiff's PAGA Notice: California Labor Code sections 201, 202, 203, 204, 210, 218.5, 218.6, 226, 226.3, 226.7, 432, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, and 2802; California Business and Professions Code section 17200 *et seq.*; and California Code of Civil Procedure section 1021.5. The Parties intend for the Released Class Claims to be as broad as lawfully possible. The Released Class Claims apply to claims arising during the Class Period only.

- 5.3 Release by Aggrieved Employees (“PAGA Release” or “Released PAGA Claims”): For the duration of the PAGA Period, all Aggrieved Employees, on behalf of themselves and their respective former and present spouses, family members, representatives, agents, attorneys, heirs, successors, and assigns, release the Released Parties from all claims for PAGA Penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and the PAGA Notice, including but not limited to claims for: failure to pay minimum, straight time, and overtime wages; failure to provide meal periods and rest breaks; failure to timely pay wages during employment and at termination; failure to provide accurate itemized wage statements; failure to maintain accurate records; failure to produce requested employment records; failure to indemnify employees for business expenditures; and unfair business practices based on the foregoing; as well as all claims for unpaid wages, damages, liquidated damages, statutory penalties, attorneys’ fees, costs, interest, restitutionary relief, declaratory relief, and other amounts recoverable based on the aforementioned, to the greatest extent permissible. The Released PAGA Claims include, but are not limited to, claims for civil penalties based on alleged violations of the following statutory provisions, each of which is expressly pled in the Operative Complaint and Plaintiff’s PAGA Notice: California Labor Code sections 201, 202, 203, 204, 210, 218.5, 218.6, 226, 226.3, 226.7, 432, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, and 2802;. The Parties intend for the Released Class Claims to be as broad as lawfully possible. The Released PAGA Claims apply to claims arising during the PAGA Period only.

6. MOTION FOR PRELIMINARY APPROVAL. The Parties agree to jointly prepare and file a motion for preliminary approval (“Motion for Preliminary Approval”) that complies with the Court’s current checklist for Preliminary Approvals.

- 6.1 Defendant’s Declaration in Support of Preliminary Approval. Within fourteen (14) days of the full execution of this Agreement, Defendant will prepare and deliver to Class Counsel a signed Declaration from Defendant and Defense Counsel disclosing all facts relevant to any actual or potential conflicts of interest with the Administrator. In their Declarations, Defense Counsel and Defendant shall aver that they are not aware of any pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement, other than the Sanchez Action described in Paragraph 2.7.
- 6.2 Plaintiff’s Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code section 2699, subdivision (f)(2); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching its “not to exceed” bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Class Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of interest with

Class Members; and the nature and extent of any financial relationship with Plaintiff, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiff confirming willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of interest with Class Members, and/or the Administrator; (vi) a signed declaration from each Class Counsel firm attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all necessary PAGA documents (initial notice of violations (Lab. Code, § 2699.3, subd. (a))), Operative Complaint (Lab. Code, § 2699, subd. (1)(1)), this Agreement (Lab. Code, § 2699, subd. (1)(2)); (vii) a redlined version of the Parties' Agreement showing all modifications made to the Model Agreement ready for filing with the Court; and (viii) all facts relevant to any actual or potential conflict of interest with Class Members or the Administrator. In their Declarations, Plaintiff and Class Counsel shall aver that they are not aware of any pending matter or action asserting claims that will be extinguished or adversely affected by the Settlement, other than the Sanchez Action described in Paragraph 2.7.

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

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

7. SETTLEMENT ADMINISTRATION.

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

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

- 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation section 468B-1.
- 7.4 Notice to Class Members.
- 7.4.1 No later than five (5) days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, Aggrieved Employees, Workweeks, and PAGA Pay Periods in the Class Data.
- 7.4.2 Using best efforts to perform as soon as possible, and in no event later than fourteen (14) days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class USPS mail, the Class Notice substantially in the form attached to this Agreement as Exhibit A. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods (if applicable) used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.
- 7.4.3 Not later than five (5) days after the Administrator’s receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.
- 7.4.4 The deadlines for Class Members’ written objections, challenges to Workweeks and/or PAGA Pay Periods, and Requests for Exclusion will be extended an additional fourteen (14) days beyond the forty-five (45) days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will inform the Class Member of the extended deadline with the re-mailed Class Notice.
- 7.4.5 If the Administrator, Defendant, Defense Counsel, or Class Counsel is contacted by or otherwise discovers any persons who believe they should have been included in the Class Data and should have received Class Notice, the Parties will expeditiously meet and confer in person or by telephone, and in good faith, in an effort to agree on whether to include them as Class Members. If the Parties agree, such persons will be Class Members entitled to the same rights as other Class Members, and the Administrator will send, via email or overnight delivery, a Class Notice requiring them to exercise options under this Agreement not later than fourteen (14) days after receipt of Class Notice, or the deadline dates in the Class

Notice, which ever are later.

7.5 Requests for Exclusion (Opt-Outs).

- 7.5.1 Class Members who wish to exclude themselves (opt-out of) the class action component of the Settlement must send the Administrator, by fax, email, or mail, a signed written Request for Exclusion not later than forty-five (45) days after the Administrator mails the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice is re-mailed). A Request for Exclusion is a letter from a Class Member or his/her/their representative that reasonably communicates the Class Member's election to be excluded from the class action component of the Settlement and includes the Class Member's name, address, and email address or telephone number. To be valid, a Request for Exclusion must be timely faxed, emailed, or postmarked by the Response Deadline. Plaintiff agrees not to submit a Request for Exclusion.
- 7.5.2 The Administrator may not reject a Request for Exclusion as invalid because it fails to contain all the information specified in the Class Notice. The Administrator shall accept any Request for Exclusion as valid if the Administrator can reasonably ascertain the identity of the person as a Class Member and the Class Member's desire to be excluded. The Administrator's determination shall be final and not appealable or otherwise susceptible to challenge. If the Administrator has reason to question the authenticity of a Request for Exclusion, the Administrator may demand additional proof of the Class Member's identity. The Administrator's determination of authenticity shall be final and not appealable or otherwise susceptible to challenge.
- 7.5.3 Every Class Member who does not submit a timely and valid Request for Exclusion is deemed to be a Participating Class Member under this Agreement, entitled to all benefits and bound by all terms and conditions of the Settlement, including the Participating Class Members' Releases under Paragraphs 5.2 and 5.3 of this Agreement, regardless of whether the Participating Class Member actually receives the Class Notice or objects to the Settlement.
- 7.5.4 Every Class Member who submits a valid and timely Request for Exclusion is a Non-Participating Class Member and shall not receive an Individual Class Payment or have the right to object to the class action component of the Settlement.
- 7.5.5 Class Members who are Aggrieved Employees may not exclude themselves from the PAGA component of the Settlement. Additionally, because future PAGA claims are subject to claim preclusion upon entry of the Judgment, Non-Participating Class Members who are Aggrieved Employees are deemed to release the PAGA claims identified in Paragraph 5.3 of this Agreement and shall receive an Individual PAGA Payment notwithstanding any request they may make to exclude themselves from the class action component of this Settlement.

7.6 Challenges to Calculation of Workweeks. Each Class Member shall have forty-five

(45) days after the Administrator mails the Class Notice (plus an additional fourteen (14) days for Class Members whose Class Notice is re-mailed) to challenge the number of Class Workweeks and PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class Member may challenge the allocation by communicating with the Administrator via fax, email, or mail. The Administrator must encourage the challenging Class Member to submit supporting documentation. In the absence of any contrary documentation, the Administrator is entitled to presume that the Workweeks and PAGA Pay Periods contained in the Class Notice are correct so long as they are consistent with the Class Data. The Administrator's determination of each Class Member's allocation of Workweeks and/or PAGA Pay Periods shall be final and not appealable or otherwise susceptible to challenge. The Administrator shall promptly provide copies of all challenges to calculation of Workweeks and/or PAGA Pay Periods to Defense Counsel and Class Counsel, and the Administrator's determination of the challenges.

7.7 Objections to Settlement.

7.7.1 Only Participating Class Members may object to the class action component of the Settlement and/or this Agreement, including contesting the fairness of the Settlement and/or amounts requested for the Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or Class Representative Service Payment. Plaintiff agrees not to object to the Settlement.

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

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

7.7.4 Class Members who are Aggrieved Employees have no right to object to any aspect of the PAGA component of the Settlement.

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

7.8.1 Website, Email Address, and Toll-Free Number. The Administrator will establish and maintain and use an internet website to post information of interest to Class Members including the date, time, and location for the Final Approval Hearing and copies of the Settlement Agreement, Motion for Preliminary Approval, the Preliminary Approval, the Class Notice, the Motion for Final Approval, the Motion for Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and

Class Representative Service Payment, the Final Approval Order, and the Judgment. The Administrator will also maintain and monitor an email address and a toll-free telephone number to receive Class Member calls, faxes, and emails.

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

8. ESCALATOR CLAUSE. At the time of mediation, Defendant estimated that there would be

approximately 13,696 Workweeks during the Class Period. Should the actual number of Workweeks increase beyond 10% (i.e., more than 15,066 Workweeks actually worked by the Class Members during the Class Period), Defendant shall, at its option, either (a) increase the Gross Settlement Amount on a pro-rata basis equal to the percentage increase in the number of Workweeks worked by the Class Members above 10% (for example, if the actual number of Workweeks increases by 11% (i.e., 15,203 Workweeks actually worked during the Class Period), then the Gross Settlement Amount shall increase by 1%); or (b) cap the Class Period as of the date the number of Workweeks reaches but does not exceed 10%. If this clause is triggered and Defendant opts to increase the Gross Settlement Amount proportionally, the Parties agree that the total amount of Class Counsel's requested Fees will be adjusted upward so that the Class Counsel will request Fees in the amount of one-third (1/3) of the increased Gross Settlement Amount.

9. **DEFENDANT'S RIGHT TO WITHDRAW.** If the number of valid Requests for Exclusion identified in the Exclusion List exceed ten (10) or more Class Members, Defendant may, but is not obligated to, withdraw from the Settlement no later than five (5) business days after being informed in writing of the Exclusion List by the Settlement Administrator. Late elections will have no effect. The Parties agree that, if Defendant withdraws, the Settlement shall be void ab initio, have no force or effect whatsoever, and that neither Party will have any further obligation to perform under this Agreement; provided, however, Defendant will remain responsible for paying all Settlement Administration Expenses incurred to that point. In the event of Defendant's withdrawal, no Party may use the fact that the Parties agreed to the Settlement for any reason.
10. **MOTION FOR FINAL APPROVAL.** Not later than sixteen (16) court days before the calendared Final Approval Hearing, Plaintiff will file in Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA component of the Settlement under Labor Code section 2699, subdivision (l), a Proposed Final Approval Order and a proposed Judgment (collectively "Motion for Final Approval"). Plaintiff will provide drafts of these documents to Defense Counsel prior to filing the Motion for Final Approval. Class Counsel and Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to resolve any disagreements concerning the Motion for Final Approval.
 - 10.1 Response to Objections. Each Party retains the right to respond to any objection raised by a Participating Class Member, including the right to file responsive documents in Court no later than five (5) court days prior to the Final Approval Hearing, or as otherwise ordered or accepted by the Court.
 - 10.2 Duty to Cooperate. If the Court does not grant Final Approval or conditions Final Approval on any material change to the Settlement (including, but not limited to, the scope of release to be granted by Class Members), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain Final Approval. The Court's decision to award less than the amounts requested for the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel Litigation Expenses Payment, and/or Administration Expenses Payment shall not constitute a material modification to the Agreement within the meaning of this paragraph.

- 10.3 Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters and (iii) addressing such post-Judgment matters as are permitted by law.
- 10.4 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, the Parties, their respective counsel, and all Participating Class Members who did not object to the class action component of the Settlement as provided in this Agreement, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.
- 10.5 Appellate Court Orders to Vacate, Reverse or Materially Modify Judgment. If the reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release to be granted by Class Members), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis, any additional Administration Expenses reasonably incurred after remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the Class Representative Service Payment or any payments to Class Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.
- 11. AMENDED JUDGMENT.** If any amended judgment is required under Code of Civil Procedure section 384, the Parties will work together in good faith to jointly submit and a proposed amended judgement.
- 12. ADDITIONAL PROVISIONS.**
- 12.1 No Admission of Liability, Class Certification, or Representative Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendant that any of the allegations in the Operative Complaint have merit or that Defendant has any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendant's defenses in the Action have merit. The Parties agree that class certification and representative treatment is for purposes of this Settlement only. If, for any reason the Court does not grant Preliminary Approval, Final Approval, or enter Judgment, Defendant reserves the right to contest certification of any class for any reasons, and Defendant reserves all

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

- 12.2 Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendant, and Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed, they and each of them will not disclose, disseminate, and/or publicize, or cause or permit another person to disclose, disseminate, or publicize, any of the terms of the Agreement, directly or indirectly, specifically or generally, to any person, corporation, association, government agency, or other entity except: (1) to the Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class Counsel, Defendant, and Defense Counsel separately agree not to, directly or indirectly, initiate any conversation or other communication, before the filing of the Motion for Preliminary Approval, any with third party regarding this Agreement or the matters giving rise to this Agreement except to respond only that "the matter was resolved," or words to that effect. For the avoidance of doubt, this Plaintiff and Class Counsel will not issue press releases, respond to any media or publication entities, publish information in any manner or form, or otherwise communicate in any medium, with any person or entity concerning the Settlement, including the fact of the Settlement or the terms or contents of this Agreement, except as shall be contractually required to effectuate the terms of the Settlement as set forth herein. However, for the limited purpose of allowing Class Counsel to prove adequacy as class counsel in other actions, Class Counsel may disclose the name of the Parties in this Action and the venue/case number of this Action (but not any other settlement details) for such purposes. This Paragraph does not restrict Class Counsel's communications with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 12.3 No Solicitation. The Parties separately agree that they and their respective counsel and employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the Judgment. Nothing in this Paragraph shall be construed to restrict Class Counsel's ability to communicate with Class Members in accordance with Class Counsel's ethical obligations owed to Class Members.
- 12.4 Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement together with its attached exhibits shall constitute the entire agreement between the Parties relating to the Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or by any Party.
- 12.5 Attorney Authorization. Class Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendant, respectively, to take all

appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement, including any amendments to this Agreement.

- 12.6 Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence, and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.
- 12.7 No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity any portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.
- 12.8 No Tax Advice. Neither Plaintiff, Class Counsel, Defendant, nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.
- 12.9 Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed by all Parties or their representatives and approved by the Court.
- 12.10 Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the successors of each of the Parties.
- 12.11 Applicable Law. All terms and conditions of this Agreement and its exhibits will be governed by and interpreted according to the internal laws of the State of California, without regard to conflict of law principles.
- 12.12 Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.
- 12.13 Confidentiality. To the extent permitted by law, all agreements made and orders entered during Action and in this Agreement relating to the confidentiality of information shall survive the execution of this Agreement.
- 12.14 Use and Return of Class Data. Information provided to Class Counsel pursuant to Evidence Code section 1152, and all copies and summaries of the Class Data provided to Class Counsel by Defendant in connection with the mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to

this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or California Rules of Court rule. Not later than ninety (90) days after the date when the Court discharges the Administrator's obligation to provide a Declaration confirming the final pay out of all Settlement funds, Plaintiff shall destroy all paper and electronic versions of Class Data received from Defendant unless, prior to the Court's discharge of the Administrator's obligation, Defendant makes a written request to Class Counsel for the return, rather than the destruction, of Class Data.

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

To Plaintiff: CARLOS SANTOS GRANADOS
John G. Yslas, Esq.
Samantha A. Smith, Esq.
WILSHIRE LAW FIRM
3055 Wilshire Blvd. 12th Floor
Los Angeles, California 90010
jyslas@wilshirelaw.com

To Defendant: SUNNY HILLS MANAGEMENT CO., INC.
John T. Egley
Ellen Connelly Cohen
Call & Jensen
610 Newport Center Drive, Suite 700
Newport Beach, California 92660
jegley@calljensen.com
ecohen@calljensen.com

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

- 12.19 Stay of Litigation. The Parties agree that upon the execution of this Agreement the litigation shall be stayed, except to effectuate the terms of this Agreement. The Parties further agree that upon the signing of this Agreement that pursuant to Code of Civil Procedure section 583.330 to extend the date to bring a case to trial under Code of Civil Procedure section 583.310 for the entire period of this settlement process.
- 12.20 Severability. In the event that one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall in no way effect any other provision if Defense Counsel and Class Counsel, on behalf of the Parties and the Class, mutually elect in writing to proceed as if such invalid, illegal, or unenforceable provision had never been included in this Agreement.

IT IS SO AGREED.

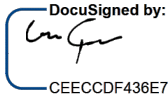
By the Parties:

Dated: November ²⁵____, 2024

Dated: November ____, 2024

PLAINTIFF

DEFENDANT SUNNY HILLS
MANAGEMENT CO., INC.

By:  CEECCDF436E745D...
CARLOS SANTOS GRANADOS

By: _____
SUNNY HILLS MANAGEMENT CO.,
INC.

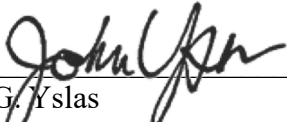
Approved by counsel:

Dated: November 25, 2024

Dated: November ____, 2024

WILSHIRE LAW FIRM

CALL & JENSEN

By:  _____
John G. Yslas
Counsel for Plaintiff

By: _____
John T. Egley
Ellen Connelly Cohen
Counsel for Defendant

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

- 12.20 Severability. In the event that one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall in no way effect any other provision if Defense Counsel and Class Counsel, on behalf of the Parties and the Class, mutually elect in writing to proceed as if such invalid, illegal, or unenforceable provision had never been included in this Agreement.

IT IS SO AGREED.

By the Parties:

Dated: November __, 2024

PLAINTIFF

By: _____
CARLOS SANTOS GRANADOS

Dated: November 21, 2024

DEFENDANT SUNNY HILLS
MANAGEMENT CO., INC.

By: Manish Shah 
SUNNY HILLS MANAGEMENT CO.,
INC. 

Approved by counsel:

Dated: November __, 2024

WILSHIRE LAW FIRM

By: _____
John G. Yslas
Counsel for Plaintiff

Dated: November 22, 2024

CALL & JENSEN

By: Ellen Connelly Cohen 
John T. Egley
Ellen Connelly Cohen
Counsel for Defendant

Exhibit A

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

*Carlos Santos Granados v. Sunny Hills Management Co., Inc.,
Los Angeles County Superior Court, Case No. 23STCV02109*

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

1. You may be eligible to receive money from an employee class action lawsuit (“Action”) against Sunny Hills Management Co., Inc. (“Sunny Hills” or “Defendant”) for alleged wage and hour violations. The Action was filed by a former Sunny Hills employee Carlos Santos Granados (“Granados” or “Plaintiff”) and seeks payment of (1) back wages and other relief for a class of hourly paid, non-exempt employees (“Class Members”) who worked for Defendant during the Class Period of August 6, 2018 to September 13, 2024; and (2) penalties under the Labor Code Private Attorneys General Act of 2004, Labor Code sections 2698 *et seq.* (“PAGA”) for all hourly paid, non-exempt employees who worked for Defendant during the PAGA Period of April 19, 2022 to September 13, 2024 (“Aggrieved Employees”).

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

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

The above estimates are based on Defendant’s records showing that **you worked _____ Workweeks** during the Class Period and **you worked _____ Pay Periods** during the PAGA Period. If you believe that you worked more workweeks during either period, you can submit a challenge by the deadline date. See Section 4 of this Notice.

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

If you worked for Defendant during the Class Period and/or the PAGA Period, you have two basic options under the Settlement:

(1) **Do Nothing.** You don’t have to do anything to participate in the proposed Settlement

and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period civil penalty claims against Defendant.

- (2) **Opt-Out of the Class Component of the Settlement.** You can exclude yourself from the class action component of the Settlement (opt-out) by submitting a written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the class action component of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against Defendant, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

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

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against Defendant that are covered by this Settlement (Released Class Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is _____	If you don't want to fully participate in the proposed Settlement, you can opt-out of the class component of the Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. Defendant must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by _____	All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section 7 of this Notice.

You Can Participate in the _____ Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on _____. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the class action component of the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by _____	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many Workweeks you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number Class Period Workweeks and number of PAGA Period Pay Periods you worked according to Defendant's records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by _____. See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former employee of Defendant. The Action accuses Defendant of violating California labor laws by for failure to pay minimum and straight time wages, failure to pay overtime wages, failure to provide meal periods, failure to permit and authorize rest periods, failure to timely pay final wages at termination, failure to indemnify employees for expenditures, and unfair business practices. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the Labor Code Private Attorneys General Act of 2004 (Lab. Code, § 2698, et seq.) ("PAGA"). Plaintiff is represented by attorneys in the Action: John G. Yslas, Diego Aviles, Harry Erganyan, Mariam Nazaretyan, Samantha A. Smith of the WILSHIRE LAW FIRM, PLC ("Class Counsel.")

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

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

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

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

scheduled a hearing to determine Final Approval.

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

- A. Defendant Will Pay \$410,880.00 as the Gross Settlement Amount (“GSA”). Defendant has agreed to deposit the GSA into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel’s attorneys’ fees and expenses, the Administrator’s expenses, and penalties to be paid to the California Labor and Workforce Development Agency (“LWDA”). Assuming the Court grants Final Approval and there are no objections, Defendant will fund the GSA no later than 14 days after the Judgment entered by the Court becomes final. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.

- B. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - 1) Up to \$136,960.00 [one-third of the Gross Settlement] to Class Counsel for attorneys’ fees and _____ for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - 2) Up to \$7,500.00 to Plaintiff as a Class Representative Award for filing the Action, working with Class Counsel and representing the Class. A Class Representative Award will be the only monies Plaintiff will receive other than Plaintiff’s Individual Class Payment and any Individual PAGA Payment.
 - 3) Up to \$_____ to the Administrator for services administering the Settlement.
 - 4) Up to \$20,000.00 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.

Participating Class Members have the right to object to of the first three of these deductions. The Court will consider all objections. Aggrieved Employees cannot object to the PAGA component of the Settlement.

- C. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the “Net Settlement”) by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.

- D. Taxes Owed on Payments to Class Members. Plaintiff and Defendant are asking the Court to approve an allocation of 20% of each Individual Class Payment to taxable wages (“Wage Portion”) and 80% to interest, penalties and other non-wage recovery (“Non-Wage Portion”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. Defendant will separately pay employer payroll taxes it owes on the Wage Portion. The

Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

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

- E. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don't cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller's Unclaimed Property Fund in your name.

If the monies represented by your check is sent to the Controller's Unclaimed Property, you should consult the rules of the Fund for instructions on how to retrieve your money. You can search for unclaimed property on the State's website at: https://www.sco.ca.gov/search_upd.html

- F. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than _____, that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the _____ Response Deadline. The Request for Exclusion should be a letter from a Class Member or his/her/their representative setting forth a Class Member's name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments but will preserve their rights to personally pursue wage and hour claims against Defendant.

You cannot opt-out of the PAGA portion of the Settlement. Class Members who exclude themselves from the class component of the Settlement (Non-Participating Class Members) remain eligible for Individual PAGA Payments and are required to give up their right to assert PAGA claims against Defendant based on the PAGA Period facts alleged in the Action.

- G. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline to enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiff and Defendant have agreed that, in either case, the Settlement will be void: Defendant will not pay any money and Class Members will not release any claims against Defendant.
- H. Administrator. The Court has appointed a neutral company, _____ (the "Administrator") to send this Notice, calculate and make payments, and process Class Members' Requests for Exclusion. The Administrator will also decide Class Member challenges over Workweeks and PAGA Pay Periods, mail and re-mail settlement checks and tax forms,

and perform other tasks necessary to administer the Settlement. The Administrator's contact information is contained in Section 9 of this Notice.

- I. Participating Class Members' Release. After the Judgment is final and Defendant has fully funded the Gross Settlement and separately paid all employer payroll taxes, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the class action component of the Settlement, you cannot sue, continue to sue or be part of any other lawsuit against Defendant or related entities for wages based on the Class Period facts as alleged in the Action and resolved by this Settlement.

The Participating Class Members will be bound by the following Class Claims Release:

For the duration of the Class Period, all Participating Class Members, on behalf of themselves and their respective former and present spouses, family members, representatives, agents, attorneys, heirs, successors, and assigns, release Released Parties from all claims under state, federal, or local law, arising out of the claims expressly pleaded in the Operative Complaint and Plaintiff's PAGA Notice in the Action and all other claims, such as those under the California Labor Code, Wage Orders, regulations, and/or other provisions of law, that could reasonably have been asserted based on the facts pleaded in the Operative Complaint and Plaintiff's PAGA Notice in the Action, including but not limited to claims for: failure to pay minimum, straight time, and overtime wages; failure to provide meal periods and rest breaks; failure to timely pay wages during employment and at termination; failure to provide accurate itemized wage statements; failure to maintain accurate records; failure to produce requested employment records; failure to indemnify employees for business expenditures; and unfair business practices based on the foregoing; as well as all claims for unpaid wages, damages, liquidated damages, statutory penalties, attorneys' fees, costs, interest, restitutionary relief, declaratory relief, and other amounts recoverable based on the aforementioned, to the greatest extent permissible. The Released Class Claims include, but are not limited to, claims for alleged violations of the following statutory provisions, each of which is expressly pled in the Operative Complaint and Plaintiff's PAGA Notice: California Labor Code sections 201, 202, 203, 204, 210, 218.5, 218.6, 226, 226.3, 226.7, 432, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, and 2802; California Business and Professions Code section 17200 *et seq.*; and California Code of Civil Procedure section 1021.5. The Parties intend for the Released Class Claims to be as broad as lawfully possible. The Released Class Claims apply to claims arising during the Class Period only.

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

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

For the duration of the PAGA Period, all Aggrieved Employees, on behalf of themselves and their respective former and present spouses, family members, representatives, agents, attorneys, heirs, successors, and assigns, release the Released Parties from all claims for PAGA Penalties that were alleged, or reasonably could have been alleged, based on the facts stated in the Operative Complaint and the PAGA Notice, including but not limited to claims for: failure to pay minimum, straight time, and overtime wages; failure to provide meal periods and rest breaks; failure to timely pay wages during employment and at termination; failure to provide accurate itemized wage statements; failure to maintain accurate records; failure to produce requested employment records; failure to indemnify employees for business expenditures; and unfair business practices based on the foregoing; as well as all claims for unpaid wages, damages, liquidated damages, statutory penalties, attorneys' fees, costs, interest, restitutionary relief, declaratory relief, and other amounts recoverable based on the aforementioned, to the greatest extent permissible. The Released PAGA Claims include, but are not limited to, claims for civil penalties based on alleged violations of the following statutory provisions, each of which is expressly pled in the Operative Complaint and Plaintiff's PAGA Notice: California Labor Code sections 201, 202, 203, 204, 210, 218.5, 218.6, 226, 226.3, 226.7, 432, 510, 512, 558, 1174, 1174.5, 1194, 1194.2, 1197, 1197.1, 1198, 1198.5, and 2802;. The Parties intend for the Released Class Claims to be as broad as lawfully possible. The Released PAGA Claims apply to claims arising during the PAGA Period only.

4. HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

- A. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.
- B. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$5,000.00 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.
- C. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in Defendant's records, are stated in the first page of this Notice. You have until _____ to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

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

decision is final. You can't appeal or otherwise challenge its final decision.

5. HOW WILL I GET PAID?

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

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

6. HOW DO I OPT-OUT OF THE CLASS ACTION COMPONENT OF THE SETTLEMENT?

Submit a written and signed letter with your name, present address, telephone number and a simple statement that you do not want to participate in the class action component of the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as ***Granados v. Sunny Hills Management Co., Inc.***, and include your identifying information (full name, address, telephone number, approximate dates of employment and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by _____, or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE CLASS ACTION COMPONENT OF THE SETTLEMENT?

Only Participating Class Members have the right to object to the class action component of the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and Defendant are asking the Court to approve. At least 16 days before the _____ Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court (1) a Motion for Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, and (2) a Motion for Fees, Litigation Expenses and Service Award stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiff is requesting as a Class Representative Service Award. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website _____ (url) or the Court's website _____ (url).

A Participating Class Member who disagrees with any aspect of the class action component of the Agreement, the Motion for Final Approval and/or Motion for Fees, Litigation Expenses and Service Award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. **The deadline for sending written objections to the Administrator is _____.** Be sure to tell the Administrator what you object to,

why you object and any facts that support your objection. Make sure you identify the Action ***Granados v. Sunny Hills Management Co., Inc.***, and include your name, current address, telephone number and approximate dates of employment for Sunny Hills and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing. You cannot object to the PAGA component of the Settlement.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on _____ at ____ (time) ____ in Department 9 of the Los Angeles Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via LACourtConnect (<https://www.lacourt.org/lacc/>). Check the Court's website for the most current information.

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

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything Defendant and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to ____ (specify entity) website at ____ (url) ____ . You can also telephone or send an email to Class Counsel or the Administrator using the contact information listed below, or consult the Superior Court website by going to (<http://www.lacourt.org/casesummary/ui/index.aspx>) **[confirm]** and entering the Case Number for the Action, Case No. 23STCV02109. You can also make an appointment to personally review court documents in the Clerk's Office at the Spring Street Courthouse by calling (213) 830-0800.

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

Class Counsel:

WILSHIRE LAW FRIM, PLC

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Los Angeles, California 90010
Telephone: (213) 381-9988
Facsimile: (213) 381-9989

Settlement Administrator:

Name of Company:

Email Address:

Mailing Address:

Telephone:

Fax Number:

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void you should consult the Unclaimed Property Fund for instructions on how to retrieve the funds. You can search for unclaimed property on the State's website at: https://www.sco.ca.gov/search_upd.html

Participating Class Members will be bound by the Settlement even if they fail to cash/deposit their Settlement checks.

11. WHAT IF I CHANGE MY ADDRESS?

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

EXHIBIT 2

Thank you for your Proposed Settlement Submission

From DIR PAGA Unit <no-reply@formassembly.com>

Date Fri 1/3/2025 4:39 PM

To Janette Ortega <janette.ortega@wilshirelawfirm.com>

01/03/2025 04:38:48 PM

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

Item submitted: Proposed Settlement

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

DIR PAGA Unit on behalf of
Labor and Workforce Development Agency

Website: [http://labor.ca.gov/Private Attorneys General Act.htm](http://labor.ca.gov/Private_Attorneys_General_Act.htm)