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Attorneys for Plaintiffs Rick Jaramillo and Walter Sinnott, on behalf of themselves, all others similarly situated, the general public, and all “aggrieved employees” pursuant to Labor Code § 2698 *et seq.*

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

RICK JARAMILLO, WALTER SINNOTT,
on behalf of themselves and all others
similarly situated and on behalf of the general
public,

Plaintiffs,

v.

PAPPY’S BARBER SHOPS, INC., a
California corporation, PAPPY’S BARBER
SHOP POWAY, INC., a California
corporation, MARC BENNETT, an individual,
and DOES 1 through 10, inclusive,

Defendants.

CASE NO: 37-2023-00026619-CU-OE-CTL

*Assigned to the Hon. Richard S. Whitney,
Dept. C-68*

**DECLARATION OF DANIEL F. GAINES
IN SUPPORT OF STIPULATION AND
[PROPOSED] ORDER APPROVING
SETTLEMENT OF PRIVATE
ATTORNEYS GENERAL ACT CLAIMS
AND ENTERING JUDGMENT
THEREON**

Complaint Filed: June 26, 2023

1 I, DANIEL F. GAINES, hereby declare and state as follows:

2 1. I am an attorney duly admitted to the practice of law in the State of California. I am
3 the managing shareholder of Gaines & Gaines, APLC, counsel for Plaintiffs Rick Jaramillo and
4 Walter Sinnott ("Plaintiffs") in this Action. I have personal knowledge of the facts set forth herein
5 and if called as a witness to testify to them, I could and would do so competently.

6 2. I obtained my BS degree from the University California at Berkeley in 2003. I majored
7 in Business Administration at the Haas School of Business.

8 3. Thereafter, I attended the University of Virginia School of Law. At Virginia, I was a
9 member of the editorial board of the Virginia Tax Review. I was also the recipient of the Lacy Armour
10 Scholarship, awarded to recognize academic excellence. At Virginia, I focused my studies on tax and
11 real estate. I earned my JD and became a member of the California Bar in 2007.

12 4. Until his retirement, I practiced law with my partner/father, Kenneth, at Gaines &
13 Gaines, APLC. Our practice specializes in litigation, with an emphasis in employment disputes like
14 this one. Over 95% of my practice is devoted to complex employment litigation similar to the instant
15 Action.

16 5. My firm has represented employees in employment matters such as this one, with an
17 emphasis in wage and hour issues. I have participated in and have been certified as Court-approved
18 class counsel in dozens of class and representative action matters since my admission to the Bar. A
19 true and correct list of some of the cases in which I have been appointed as class counsel is attached
20 hereto as Exhibit "A".

21 6. On April 4, 2023, Plaintiff Rick Jaramillo complied with the requirements set forth in
22 Labor Code § 2698 *et seq.*, the Labor Code Private Attorneys General Act (hereinafter, "PAGA") by
23 sending a letter, by online submission to the Labor and Workforce Development Agency ("LWDA")
24 and by certified mail to Defendants Pappy's Barber Shops, Inc., Pappy's Barber Shop Poway, Inc.,
25 and Marc Bennett (collectively "Defendants"), setting forth the facts and theories of the violations
26 alleged against Defendants. A true and correct copy of the April 4, 2023 letter to the LWDA is
27 attached hereto as Exhibit "B." Thereafter, on May 19, 2023, Plaintiffs Rick Jaramillo and Walter
28 Sinnott (collectively, "Plaintiffs") sent a supplemental letter to the LWDA and by certified mail to

1 Defendants alleging claims on behalf of Plaintiff Walter Sinnott. A true and correct copy of the May
2 19, 2023 supplemental letter to the LWDA is attached hereto as Exhibit “C.” Plaintiffs later submitted
3 a second supplemental letter to the LWDA on August 2, 2023, which was sent to Defendants by
4 certified mail, alleging claims on behalf of Amber Hand. However, Amber Hand was not included in
5 the present lawsuit as a named Plaintiff.

6 7. Plaintiffs filed their Class and Representative Action Complaint on June 26, 2023
7 seeking damages and penalties on a class wide and representative basis, on behalf of themselves, all
8 others similarly situated, the general public, and all “aggrieved employees” pursuant to Labor Code
9 § 2698 et seq. for Defendants’ alleged: (1) Failure to Pay All Minimum and Overtime Wages Earned
10 (Labor Code §§ 226.8, 510, 1174, 1174.5, 1194, and 1194.2); (2) Failure to Provide Meal Periods or
11 Compensation in Lieu Thereof (Labor Code §§ 226.7, 510, 512, 1174, 1174.5, and 1194; IWC Wage
12 Order 4-2001); (3) Failure to Provide Rest Periods or Compensation in Lieu Thereof (Labor Code §
13 226.7; IWC Wage Order 4-2001); (4) Failure to Comply with Itemized Employee Wage Statement
14 Provisions (Labor Code § 226(a), (e)); (5) Failure to Timely Pay Wages Due at Separation of
15 Employment (Labor Code §§ 201-203); (6) Violation of Business and Professions Code § 17200 et
16 seq.; and (7) Civil Penalties Pursuant to Labor Code § 2699(f) for Violations of Labor Code §§ 201,
17 202, 226(a), 226.7, 226.8, 510, 512, 1174, 1174.5, and 1194 and pursuant to Labor Code § 2699(a)
18 for Violations of Labor Code §§ 226.3, 558, and 558.1, all stemming from alleged misclassification
19 of Defendants’ barbers as independent contractors (“the Action”). The alleged violations occurred
20 when Plaintiffs worked for Defendants in San Diego County, California.

21 8. During the course of the litigation, my office and Defendants’ counsel engaged in
22 informal discovery and fully shared the information necessary for all sides to conduct a legitimate
23 investigation into the allegations of the action and potential defenses thereto. Plaintiffs and
24 Defendants (hereinafter Plaintiffs and Defendants are collectively referred to as the “Parties”) have
25 reached this settlement only after discovery and investigation was performed.

26 9. Because Plaintiffs and Aggrieved Employees were allegedly misclassified as
27 independent contractors, Defendants did not maintain employee files, wage statements, policy
28 documents, or any time and wage data to produce. However, Defendants were able to produce

documents evidencing the total number of individuals falling within the definition of “Aggrieved Employee,” workweek counts, and documents and evidence related to the claims asserted by Plaintiffs.

10. Based on the information received, as well as through discussions with Defendants’ Counsel, my office was able to (i) determine the total number of distinct individuals falling within the definition of “Aggrieved Employees” for the relevant statutory period, and (ii) construct a damage model that calculated the maximum realistic amount of PAGA penalties that could be levied against Defendants within the PAGA Period. Defendants, however, disputed Plaintiffs’ claims and disputed both the existence of and extent of liability as alleged by Plaintiffs.

11. Following extensive conversations with Counsel for Defendants, I have determined that Defendants do not have the financial ability to defend and pay for a class-wide settlement. Moreover, the “class” is likely too small to meet the numerosity requirement.

12. Being fully apprised of the value and strength of Plaintiffs’ PAGA claims, the Parties successfully negotiated a settlement of Plaintiffs’ PAGA claims asserted in the Action through arm’s-length negotiations assisted by respected mediator, Steven McAvoy, Esq. The terms and conditions of the settlement are set forth in the Private Attorneys General Act (Labor Code § 2698 *et seq.*) Settlement Agreement (“Settlement” or “Settlement Agreement”). The Settlement Agreement resolves the PAGA claims asserted in the Action and contemplates an entry of judgment in exchange for the consideration set out in the Settlement Agreement. Plaintiff’s class claims will be dismissed without prejudice. Attached hereto as Exhibit “D” is a true and correct copy of the Parties’ Settlement Agreement.

13. Defendants denied and continue to deny any liability to Plaintiffs or any other allegedly aggrieved employee for any violations alleged in the Action. Defendants contend they acted within the requirements of California law at all times as to all Aggrieved Employees. They further contend that not every workweek at issue involved an alleged Labor Code violation subject to civil penalties. Moreover, they maintain that even if the Court did award penalties, the Court could and would substantially reduce the penalties awarded based on the discretionary factors contained in Labor Code § 2699(e)(2).

1 14. My office and Defendants' counsel considered the fact that the existence of numerous
2 disputes of fact in this case make the outcome uncertain. In the estimation of my office and counsel
3 for Defendants, the delay, inconvenience, distraction, and uncertainty imposed by the litigation
4 demands would far outweigh the potential benefits of additional litigation.

5 15. Based on the information and documents obtained through informal discovery, these
6 disputes, which had the potential to completely eliminate Plaintiffs' recovery, and the range of
7 realistic "litigation outcomes" on Plaintiffs' PAGA claim, my office assessed the maximum value of
8 the PAGA claims (without stacking) to be approximately \$82,700 (at the rate of a \$100 penalty for
9 approximately 827 workweeks at issue for approximately 15 aggrieved employees during the
10 applicable time frame).

11 16. As set forth in the Settlement Agreement, the amount of the Settlement is \$50,000
12 which recovers all of the maximum recoverable discretionary penalties sought and includes an
13 apportionment of attorneys' fees and costs. As such, this factor weighs very heavily in favor of the
14 resolution set forth in the Settlement.

15 17. By a separate confidential settlement agreement, Plaintiffs have executed a general
16 release of all their claims in exchange for a confidential sum.

17 18. The Parties agree that the concurrently filed Stipulation should be sufficient for
18 purposes of approving the settlement of the Action as set out in the Settlement Agreement pursuant
19 to the requirements set out in Labor Code § 2699(l)(2). Accordingly, the Parties respectfully request
20 that the Court enter the accompanying Order and Judgment, approving the Settlement, as permitted
21 by Labor Code § 2699(l), entering judgment thereon, and dismissing Plaintiffs' class claims without
22 prejudice.

23 19. The Parties further agree that, after entry of this Order and Judgment, the Court will
24 have continuing jurisdiction under California Code of Civil Procedure § 664.6 and as otherwise
25 allowed by law solely for purposes of addressing: (i) the interpretation and enforcement of the terms
26 of the Settlement, (ii) settlement administration matters; and (iii) such post-Final Order and Judgment
27 matters as may be appropriate under court rules or as set forth in the Settlement.

20. On December 14, 2023, my office uploaded the proposed Settlement Agreement and these accompanying approval documents to the LWDA through the State of California, Department of Industrial Relations Website at <https://www.dir.ca.gov/Private-Attorneys-General-Act/Private-Attorneys-General-Act.html>. A true and correct copy of the submission confirmation email is attached hereto as Exhibit “E.”

I declare, under penalty of perjury, under the laws of the State of California, that the foregoing is true and correct. Executed on December 14, 2023 at Westlake Village, California.


DANIEL F. GAINES

EXHIBIT A

Adams v. Newell Rubbermaid, USDC – Central District of California (Los Angeles), Case No. EDCV 08-1499 JTM (CTx)

Adams v. Sam's West, Inc., San Bernardino County Superior Court, Case No. CIVDS1403987

Agredano v. GS Brothers, Inc., Los Angeles County Superior Court, Case No. BC445561

Allen v. Toms Sierra Company, Nevada County Superior Court, Case No. CU18-082823

Allen v. Valley Inventory Service, Inc., Solano County Superior Court, Case No. FCS034682

Alvarez v. Pilot Travel Centers, LLC, San Joaquin County Superior Court, Case No. STK-CV-UOE-2018-4605

Alonzo v. Camblin Steel Service, Inc., Placer County Superior Court, Case No. SCV0034165

Amenhotep v. Google, Inc., Santa Clara County Superior Court, Case No. 17CV311528

Anaya v. Progressive Logistics Services, LLC, Riverside County Superior Court, Case No. RIC1308270

Andre v. Newell Rubbermaid, Inc., San Bernardino County Superior Court, Case No. CIVVS1200282

Anduha v. ABC Phones of North Carolina, Inc., Stanislaus County Superior Court, Case No. 2022729

Anslow v. Wellington Energy, Inc., USDC – Northern District of California (San Francisco), Case No. CV11-1596-JCS

Aranda, et al. v. Universal Lumpers of California, Inc., San Joaquin County Superior Court, Case No. STK-UOE-2017-7826

Armendariz v. Integrated Pain Management Medical Group, Inc., Kern County Superior Court, Case No. BCV-19-100267-SDS

Barrow, et al. v. Desmond Foods, L.P., Sacramento County Superior Court, Case No. 34-2015-00187227

Batmanghelich v. Sirius XM Radio Inc., USDC – Central District of California (Los Angeles), Case No. CV 09-9190 VBF (JCx)

Bosser v. Hooked on Solar, Yolo County Superior Court, Case No. CVCV-2016-876

Bourland v. Horizon Personnel Services, Inc., Sacramento County Superior Court, Case No. 34-2014-00161365-CU-OE-GDS

Bowen v. IMI Material Handling Logistics, Inc., San Joaquin County Superior Court, Case No. STK-CV-UOE-2016-0000192

Branson v. Mladen Buntich Construction, San Bernardino County Superior Court, Case No. CIVDS1609129

Brandt v. Sacramento Auto Insurance Center, Inc., San Joaquin County Superior Court, Case No. 39-2009-00202938-CU-OE-STK

Brown v. 22nd District Agricultural Association, United States District Court, Southern District of California, Case No. 15-cv-2578-DHB

Brown v. Sierra Central Credit Union, Sutter County Superior Court, Case No. CVCS18-0002161

Burgess v. Blue Cross and Blue Shield of South Carolina, San Joaquin County Superior Court, Case No. 39-2012-00277449-CU-BT-STK

Burgess v. Strategic Retail Solutions, LLC, Los Angeles County Superior Court, Case No. BC413791

Calhoun v. Celadon Trucking Services, Inc., USDC – Central District of California (Los Angeles), Case No. 5:16-cv-01351-PSG-FFM

Caporicci v. Owens & Minor Distribution, Inc., San Joaquin County Superior Court, Case No. 39-2013-00295662-CU-OE-STK

Carl v. Advanced Call Center Technologies, LLC, Sacramento County Superior Court, Case No. 34-2013-00148310

Carlisle, et al. v. Professional Technical Security Services, Inc., Case No. CGC18569791

Carrete v. Gamestop, Inc., Imperial County Superior Court, Case No. ECU08501

Carrillo v. Bimbo Bakeries, Inc., San Bernardino County Superior Court, Case No. CIVDS1606813

Caudillo v. Aegis Treatment Centers, LLC, Merced County Superior Court, Case No. 18CV-0744

Cerami v. Metlife, Inc., USDC – Central District of California (Orange County), Case No. 11-CV-00681-CJC (MLGx)

Charles v. Aaron's Inc., Los Angeles County Superior Court, Case No. BC431468

Charles v. Nursefinders, LLC, Imperial County Superior Court, Case No. ECU07422

Cheifer v. JetBlue Airways Corporation, Los Angeles County Superior Court, Case No. BC451887

Cheifer, et al. v. WHGM, Inc., Los Angeles County Superior Court, Case No. LC104900

Chong, et al. v. Crescent Northwoods Inn, Inc., Del Norte County Superior Court, Case No. CVUJ-2018-1133

Church v. GameStop, Inc., et. al., USDC – Central District of California (Los Angeles), Case No. 11-CV-00132-VAP-RZ

Clothier v. Spar Marketing Services, Inc., Alameda County Superior Court, Case No: RG12-639317

Coleman v. Wireless Lifestyle, Inc., USDC – Western District of Missouri, Case No. 4:12-cv-00855-ODS

Colombo-Beyeler, et al. v. Viking River Cruises, Inc., San Bernardino County Superior Court, Case No. CIVDS1611608

Conlee v. Clark Pacific Corporation, Yolo County Superior Court, Case No. CV14-1409

Contreras v. Osmose Utilities Services, Inc., San Bernardino County Superior Court, Case No. CIVDS1513998

Contreras v. West American Service Corporation, Kings County Superior Court, Case No. 14C0280

Corona v. Yosemite Meat & Locker Service, Inc., Stanislaus County Superior Court, Case No. 2006828

Cortellessa v. Dotnext, Inc., Alameda County Superior Court, Case No. RG09429971

County v. Ingram Mirco, Inc., San Bernardino Superior Court, Case No. CIVRS 1304445

Covarrubias, et al. v. Petersendean Builder Group, Inc., Kern County Superior Court, Case No. BCV-16-101122

Cowen, et al. v. Evergreen Alliance Golf Limited, L.P., d/b/a Arcis Golf, San Bernardino County Superior Court, Case No. CIVDS1719283

Cruz-Garcia v. Lemonade Restaurant Group, LLC, Los Angeles County Superior Court, Case No. BC478205

Cunningham v. Performance Contracting, Inc., Contra Costa County Superior Court, Case No. C16-02157

Dabney v. Coneybeare, LLC, et al., Orange County Superior Court, Case No. 30-2018-00999989-CU-OE-CXC

Dabney, et al. v. Panera, LLC., San Bernardino County Superior Court, Case No. CIVDS1516030

Diaz, et al. v. Seaworld Entertainment, Inc., Imperial County Superior Court, Case No. ECU10046

Diggs v. Western Waterproofing Company, Inc., San Francisco County Superior Court, Case No. CGC-14-539281

Dismuke v. Rhodes Retail Services, Inc., Sacramento County Superior Court, Case No. 34-2011-00105001

Dorsette v. TA Operating, LLC, USDC – Central District of California (Los Angeles), Case No. EDCV 09-1350 PA (RZx)

Duran v. The Image of California, Inc., Kern County Superior Court, Case No. S-1500-CV-284056 DRL

Edwards v. Trans World Entertainment Corp., San Diego County Superior Court, Case No. 37-2010-00095123-CU-OE CTL

Esakhani v. Central Valley Gaming, Stanislaus County Superior Court, Case No. 2020667

Escobar v. SMSSI of California, Inc., San Francisco Superior Court, JCCP No. 4776

Espinosa v. Taltech Construction, et al., Los Angeles County Superior Court, Case No. BC590176

Espinosa v. Bodycote Thermal Processing, Inc., Los Angeles County Superior Court, Case No. BC501617

Espinoza v. Pabco Building Products, LLC, Los Angeles County Superior Court, Case No. VC065660

Estrada v. Net Source Communications, Inc., Los Angeles County Superior Court, Case No. BC431169

Estrada v. OS Restaurant Services, LLC, Santa Clara County Superior Court, Case No. 16CV293249

Estupinan v. Global Development Strategies, Inc., Santa Clara County Superior Court, Case No. 110CV178898

Fadhl. v. Siemens Healthcare Diagnostics Inc., Sacramento County Superior Court, Case No. 34-2017-00209518

Fernandez v. The Regents of the University of California, Los Angeles County Superior Court, Case No. BC656256

Ferrer v. Dish Network Corporation, Los Angeles County Superior Court, Case No. BC441354

Findora v. Barry Callebaut USA LLC, Napa County Superior Court, Case No. 19CV000219

Flores v. Cintas Corporation, Los Angeles County Superior Court, Case No. BC400422

Friel v. Midwest Construction Services, Inc., San Joaquin County Superior Court, Case No. 39-2015-00329204-CU-OE-STK

Gagnon v. Banc of California, Contra Costa County Superior Court, Case No. C 15-00196

Galarza v. Bayou Well Services, LLC, Kern County Superior Court, Case No. S-1500-CV-279372 DRL

Galarza v. C & H Testing Service LLC, Kern County Superior Court, Case No. BCV-15-100008 SPC

Garcia v. Old Dominion Freight Line, Inc., San Bernardino County Superior Court, Case No. CIVDS1404636

Geer v. Applied Aerospace Structures Corp., San Joaquin County Superior Court, Case No. 39-2014-00313702-CU-OE-STK

Getz v. California Cinema Investments, Inc., Ventura County Superior Court, Case No. 56-2013-00437706-CU-MC-VTA

Gibbs v. M. Lehmann Enterprises, Orange County Superior Court, Case No. 30-2013-00678538-CU-OE-CXC

Gilles v. Schaefer Ambulance Service Inc., Imperial County Superior Court, Case No. ECU07970

Goldman, et al. v. Defender's, Inc., San Joaquin County Superior Court, Case No. STK-CV-UOE-2018-0009973

Gomez v. Low Desert Empire Pizza, Inc., San Bernardino County Superior Court, Case No. CIVVS900392

Gomez v. Pizza Hut of Southeast Kansas, Inc., San Bernardino County Superior Court, Case No. CIVVS900679

Gonzalez v. Harris Farms, Inc., USDC – Eastern District of California (Fresno), Case No. 1:14-cv-00038-LJO-SAB

Guerrero v. Main Electric Supply Company LLC, Ventura County Superior Court, Case No. 56-2019-00525427-CU-OE-VTA

Gutierrez v. Asset Management Specialists, Inc., Fresno County Superior Court, Case No. 12CECG03577

Gutierrez v. Linkus Enterprises, Inc., Madera County Superior Court, Case No. MCV065774

Gutierrez v. Shiekh, LLC, San Bernardino County Superior Court, Case Nos. CIVRS1206525, CIVRS1303408

Hairston v. Stanislaus Surgical Hospital, Stanislaus County Superior Court, Case No. CV-19-000651

Hindman v. Service Quick, Inc., San Bernardino County Superior Court, Case No. CIVDS1724229

Hogan v. iMobile of CA LLC, San Bernardino County Superior Court, Case No. CIVDS1409263

Hogan v. Wireless Evolution Inc., Riverside County Superior Court, Case No. MCC1300669

Hogan v. Wireless That's It! LLC, Riverside County Superior Court, Case No. RIC1201997

Holmes v. Bottling Group, LLC, Stanislaus County Superior Court, Case No. 2022584

Hooper, et al. v. URS Midwest, Inc., et al., San Bernardino Superior Court, Case No. CIVDS1607489

Humphrey v. Freedomroads, LLC, Shasta County Superior Court, Case No. 178228

Hurtado v. Rush Truck Centers of California, Inc., Los Angeles County Superior Court, Case No. BC427672

Hyde v. Dent Wizard International Corporation, Sacramento County Superior Court, Case No. 34-2015-00173882

Ibrihim v. Imperfect Foods, Inc., San Joaquin County Superior Court, Case No. STK-VI-UOE-2019-0000846

Id-deen v. Educational Services of America, Solano County Superior Court, Case No. FCS040803

Isherwood v. Mason Dixon Intermodal, Inc., San Joaquin County Superior Court, Case No. 39-2012-00279891-CU-OC-STK

Jahanbin v. Pacific Mercantile Bank, Orange County Superior Court, Case No. 30-2011-00480705CU-OE-CXC

Jenkins v. Sedgwick Claims Management Services, Inc., Los Angeles Superior Court, Case No. LC101648

Job v. California Security Services, Yuba County Superior Court, Case No. 14-0000820

Johnson v. The Goodyear Tire & Rubber Company, USDC – Northern District of California (San Francisco), Case No. 3:13-cv-01069-MMC

Jolin v. Bay Cities Recovery, Inc., El Dorado County Superior Court, Case No. PC20100458

Jordan v. Sutter Memorial Hospital, Stanislaus County Superior Court, Case No. 2023344

Keebaugh v. Mike Thompson Recreational Vehicles, San Bernardino County Superior Court, Case No. CIV-DS-1500718

Kelly v. Robin's Enviro Vac, Inc., Kern County Superior Court, Case No. S-1500-CV-282277
DRL

King v. Levy Premium Foodservice Limited Partnership, Alameda County Superior Court, Case No. HG15786353

Kunsman v. Punch Bowl Sacramento, LLC, et al., Sacramento County Superior Court, Case No. 34-2018-00243175

LaFear v. Encore Education Corporation, San Bernardino County Superior Court, Case No. CIVDS1802251

Lanzarin v. AWI Management Corporation, Solano County Superior Court, Case No. FCS041809

Lee, et al. v. Foster Dairy Farms, Stanislaus County Superior Court, Case Nos. 2006542, 2015679

Lemus, et al. v. Eastridge Workforce Technology, Inc., San Bernardino County Superior Court, Case No. CIV-DS-1611470

Lewis v. American Casino & Entertainment Properties LLC, San Bernardino County Superior Court, Case No. CIVDS1719094

Lemus v. On Assignment Staffing Services, San Bernardino County Superior Court, Case No. CIV-DS-1600497

Leon v. Piercey West Inc., Los Angeles County Superior Court, Case No. BC656874

Lopez v. Creative Communication Technologies, Inc., Imperial County Superior Court, Case No. ECU07851

Lopez v. Go Green Auto Spa Franchise, Inc., et al., Los Angeles County Superior Court, Case No. BC 562212

Lopez v. Truck Accessories Group, LLC, Yolo County Superior Court, Case No. CV13798

Ludlow v. Prince Telecom, LLC, Stanislaus County Superior Court, Case No. 684239

Luna v. Express Locations, LLC, Imperial County Superior Court, Case No. ECU09779

Macias v. American Tire Distributors, Inc., Kern County Superior Court, Case No. BCV-18-101586

Maldonado v. Hardwood Flooring Liquidators, Inc., Los Angeles County Superior Court, Case No. BC642170

Mansfield v. Cambridge Real Estate Services, Inc., Butte County Superior Court, Case No. 160175

Martinez v. DPI Specialty Foods West, San Joaquin County Superior Court, Case No. 39-2015-00327311-CU-OE-STK

Martinez v. Styles For Less, Inc., San Bernardino County Superior Court, Case No. CIVVS1203057

Mayne v. John Muir Behavioral Health, Contra Costa County Superior Court, Case No. C17-00998

Maze v. Bulldog Freightway, Inc., Imperial County Superior Court, Case No. ECU08716

McCormick v. G & O Body Shop, Inc., El Dorado Superior Court, Case No. PC20130291

McCrary v. Campbell Soup Supply Company, San Joaquin County Superior Court, Case No. 39-2013-00297698-CU-OE-STK

McDaniel v. Vancary, Inc., Tulare County Superior Court, Case No. 268036

Melgar-Farela v. Guardian Compliance, Inc., Los Angeles County Superior Court, Case No. BC481865

Mendiola v. Tyco Electronics Corporation, Riverside County Superior Court, Case No. RIC1400721

Mettler v. Les Schwab Tire Centers of California, Inc., San Joaquin County Superior Court, Case No. STK-CV-UOE-2018-476

Miller v. California Subshine, Inc., Los Angeles County Superior Court, Case No. BC637754

Miller v. Southwest Airlines Co., USDC – Northern District of California (San Francisco), Case No. 3:12-cv-05978-CRB

Mitchell v. Crossmark, Inc., USDC – Central District of California (Los Angeles), Case No. CV 11-2818-JAK (FMOx)

Moghrabi v. Vitaligent, Inc., San Joaquin County Superior Court, Case No. STK-CV-UOE-2018-1650

Molina v. Berkshire Hathaway Energy Company, et al., Imperial County Superior Court, Case No. ECU000522

Moore v. Horizon Solar Power, Inc., San Bernardino County Superior Court, Case No. CIVDS1410001

Murray v. Select Media Services, LLC, Los Angeles County Superior Court, Case No. BC424506

Myles v. Central Transport LLC, San Bernardino County Superior Court, Case No. CIVDS1401434

Navarro v. Mariana Packing Co., Inc., Solano County Superior Court, Case No. FCS045935

Nehrlich, et al. v. RPM Mortgage, Inc., Orange County Superior Court, Case No. 30-2013-00666783-CU-OE-CXC

Overton v. Hat World, Inc., USDC – Eastern District of California (Sacramento), Case No. 2:11-CV-01645-LKK-KJN

Perez v. Alcatel-Lucent USA Inc., Imperial County Superior Court, Case No. ECU07977

Perez v. Major Gloves and Safety, Inc., San Bernardino County Superior Court, Case No. CIVDS1710445

Perry v. Cardinal Health 200, LLC, Solano County Superior Court, Case No. FCS035303

Phraxayavong-Briones v. RSM, Inc., Sacramento County Superior Court, Case No. 34-2012-00117524

Pugh v. Wi Spa, LLC, Imperial County Superior Court, Case No. ECU07932

Quist v. Knight Transportation, Inc., San Bernardino Superior Court, Case No. CIVDS 1615414

Quitco v. Aviation Fuel Systems Repair, Inc., San Bernardino Superior Court, Case No. CIVRS1302311

Rambeau v. C.C.M. Corporation, et al., Sacramento County Court, Case No. 34-2018-00244842

Rankins v. Roman Empire Living Skills, Inc., Los Angeles County Superior Court, Case No. BC713399

Rees v. Advantel, Incorporated, Santa Clara County Superior Court, Case No. 16-CV-292219

Renfrow v. Janra Enterprises, Inc., Sacramento County Superior Court, Case No. 3402010-00080471

Reynolds v. Diamond Pet Food Processors of Ripon, San Joaquin County Superior Court, Case No. 39-2014-00310818

Richard v. A-Para Transit Corp., Alameda County Superior Court, Case No. HG17870373

Richardson v. TEC Equipment, Inc., et al., Los Angeles County Superior Court, Case No. VC065536

Robles v. North County Health Project Incorporated, San Diego Superior Court, Case No. 37-2014-00001751-CU-OE-NC

Rodas v. Monetary Management of California, Inc., USDC – Eastern District of California (Sacramento), Case No. 2:14 cv 01389 TLN AC

Rodriguez v. 20/20 Plumbing & Heating, Inc., San Bernardino County Superior Court, Case No. CIVDS1705362

Rodriguez v. Commerce Distribution Company, Los Angeles County Superior Court, Case No. BC656259

Rodriguez v. Valley Oak, San Joaquin County Superior Court, Case No. STK-CV-UOE-2016-7980

Roden v. Service Champions, San Bernardino County Superior Court, Case No. CIVDS1613183

Russell v. Bradshaw International, Imperial County Superior Court, Case No. ECU00853

Rutledge, et al. v. Healthport Technologies, LLC, Alameda County Superior Court, Case No. RG16835813

Sabala v. Econtactlive, Inc., Stanislaus County Superior Court, Case No. 684981

Sabatier v. Picture Perfect Installation, Inc., Riverside County Superior Court, Case No. RIC10004953

Salameh v. Sonomaidence OPCO, LLC, Sonoma County Superior Court, Case No. SVC264228

Salazar v. Tag-3 Medical Investment Group, LLC, Los Angeles County Superior Court, Case No. BC527698

Salbeck v. Ingredion Incorporated, San Joaquin County Superior Court, Case No. STK-UOE-2017-0012622

Sampson v. Healthnet of California Inc., Sacramento County Superior Court, Case No. 34-2015-00183785-CU-OE-GDS

Sanchez v. Don Roberto Jewelers, Inc., Imperial County Superior Court, Case No. ECU06819

Sanders v. Lionakis, Sacramento County Superior Court, Case No. 34-2017-00223601

Santana v. United Staffing Associates, LLC, Tulare County Superior Court, Case No. 249338

Schrader v. Adidas Promotional Retail Operations, Inc., Los Angeles County Superior Court, Case No. BC414168

Sebrell v. Pomeroy IT Solutions, San Bernardino County Superior Court, Case No. CIVDS1721560

Seymour v. Quest Service Group, LLC, Sacramento County Superior Court, Case No. 34-2017-00206917

Silva v. Trical, San Benito County Superior Court, Case No. CU-16-00218

Simler v. Polly's Inc., Riverside County Superior Court, Case No. RIC 1117862

Sipin, Scott v. Salesforce.com, Inc., San Joaquin County Superior Court, Case No. STK-CV-UOE-2019-0004629

Skuro v. BMW of North America, LLC, USDC – Central District of California (Los Angeles), Case No.: CV 10-8672-GW (FFMx)

Smith v. Steelcase, Inc., San Bernardino County Superior Court, Case No. CIVDS1725850

Sohal v. Foster Poultry Farms, Stanislaus County Superior Court, Case No. 2026605

Solomon v. City of Los Angeles, Los Angeles County Superior Court, Case No. BC570345

Solano v. Vozzcom, Inc., Imperial County Superior Court, Case No. ECU09519

Smith, et al. v. Sente Development, Inc., Sacramento County Superior Court, Case No. 34-2016-00196614

Solorzano v. FDS Manufacturing Corporation, Los Angeles County Superior Court, Case No. BC542532

Solowitz v. BakeMark USA LLC, Los Angeles County Superior Court, Case No. BC467838

Spampinato v. Wind & Sea Restaurants, Inc., San Bernardino County Superior Court, Case No. CIVVS1205154

Spitzer, et al. v. FRHI Hotels & Resorts (Canada) Inc., San Bernardino County Superior Court, Case No. C IVDS1712220

Stephens v. C.S., Inc., Riverside County Superior Court, Case No. PSC1301224

Stevenson v. Harvest Management Sub LLC, Ventura County Superior Court, Case No. 56-2011-00397420-CU-OE-SIM

Thompson v. Continental Labor Resources, Inc. d/b/a Continental Labor & Staffing Resources, Kern County Superior Court, Case No. S-1500-CV-278751-DRL

Thompson v. Sidhu Truck Line, Inc., Kern County Superior Court, Case No. BCV-15-101308-DRL

Tigas v. Ajilon Communications, Los Angeles County Superior Court, Case No. BC409737

Torres v. Coastal Employment Inc., Los Angeles County Superior Court, Case No. BC529207

Tran v. CSP Fiber Services, San Bernardino County Superior Court, Case No. CIVDS172758

Tripp v. California Guest Services, Inc., Plumas County Superior Court, Case No. CV16-00036

Valdez v. Diamond Landscaping, Inc., Los Angeles County Superior Court, Case No. BC497097

Valencia v. American Team Managers, Inc., Orange County Superior Court, Case No. 30-2016-00857365-CU-CR-CXC

Van Son v. Rush Truck Centers of California, Inc., Los Angeles County Superior Court, Case No. BC494747

Vasquez v. Schurman Fine Papers, San Joaquin County Superior Court, Case No. STK-CV-LMC-2015-10035

Velasquez v. Modesto Ventures, LLC, Sacramento County Superior Court, Case No. 32-2012-00126159

Victoria v. Bali Limousines Inc., San Mateo County Superior Court, Case No. CIV507774

Victorian v. Vision X, Inc., Los Angeles County Superior Court, Case No. BC400333

Wade v. Frito Lay, Kern County Superior Court, Case No. BCV-17-102014

Walls v. E. & J. Gallo, Stanislaus County Superior Court, Case No. 2015874

Warner v. Waterdrops Express Car Wash, LLC, Tulare County Superior Court, Case No. 265708

Waybright v. EAH, Inc., Stanislaus County Superior Court, Case No. 2011677

Weiss v. C.A.R. Enterprises, Inc., Riverside County Superior Court, Case No. RIC1113165

White v. Sally Beauty Supply, LLC, Imperial County Superior Court, Case No. ECU08177

Williams v. Dennis Dillon RV, LLC, San Bernardino County Superior Court, Case No. CIVDS 16006879

Williams v. Closet World, Inc., Los Angeles County Superior Court, Case No. BC400178

Williams v. Progress Rail Services Corporation, Kern County Superior Court, Case No. S-1500-CV-280236 DRL

Wing v. Three Group, Inc., Los Angeles County Superior Court, Case No. BC643883

Wilson v. ALSCO, Inc., Imperial County Superior Court, Case No. ECU07406

Wilson v. Michael C. Stead, Inc., Contra Costa Superior Court, Case No. C1400135

Winningham v. Storer Transportation Service, San Joaquin County Superior Court, Case No. 39-2015-00324708-CU-STK

Woody v. WBN Home Design, San Bernardino County Superior Court, Case No. CIVDS1613367

Woods, et al. v. F&B Innovations, LLC, San Bernardino County Superior Court, Case No. CIVDS1717765

Woodyard v. Bellus ALC Acquisition, LLC, USDC – Central District of California (Los Angeles), Case No. 2:13-cv-05285 SJO AGRx

Wright v. Social Vocational Services, Inc., Kern County Superior Court, Case No. BCV-15-101264

Ybarra v. New Legend, Inc., Sutter County Superior Court, Case No. CVCS-16-2097

Zaragoza v. Center Automotive, Inc., Los Angeles Superior Court, Case No. BC505194

EXHIBIT B

GAINES & GAINES

A PROFESSIONAL LAW CORPORATION

WWW.GAINESLAWFIRM.COM

4550 EAST THOUSAND OAKS BOULEVARD, SUITE 100
WESTLAKE VILLAGE, CALIFORNIA 91362

PHONE (818) 703-8985
FAX (818) 703-8984

April 4, 2023

Via Certified Mail

Labor & Workforce Development Agency
By electronic submission

Pappy's Barber Shops, Inc.
1652 Gam Lane
Ramona, CA 92056

Defendants mailed certified # 70211970000187804049

Pappy's Barber Shop Poway, Inc.
13334 Poway Road
Poway, CA 92064

Defendants mailed certified # 70211970000187803400

Marc Bennett
1652 Gam Lane
Ramona, CA 92056

Defendants mailed certified # 70211970000187803394

Agent for Service of Process for Pappy's Barber Shops, Inc.
Dennis Hicks
4241 Jutland Drive Suite 308
San Diego, CA 92117

Agent mailed certified #70211970000187803370

Agent for Service of Process for Pappy's Barber Shop Poway, Inc.
Dennis Hicks
4241 Jutland Drive Suite 308
San Diego, CA 92117

Agent mailed certified #70211970000187803387

Re: ***Labor Code Violations of Pappy's Barber Shops, Inc., Pappy's Barber Shop Poway, Inc., and/or Marc Bennett – Compliance Letter of California Labor Code § 2698 Private Attorneys General Act***

Dear LWDA:

This office represents Rick Jaramillo, a former non-exempt California employee of, who was improperly classified as an independent contractor by Pappy's Barber Shops, Inc., Pappy's Barber Shop Poway, Inc., and/or Marc Bennett (collectively, "Defendants"). The purpose of this letter is to comply with the Private Attorneys General Act of 2004, pursuant to California Labor Code § 2698 *et seq.*

Our client contracted (as an independent contractor) to provide services as a barber to one or more of the Defendants in Southern California. Herein we set forth the facts and theories of California Labor Code violations which we allege Defendants engaged in with respect to our client and other persons improperly classified as independent contractors rather than non-exempt employees ("Aggrieved Employees").

Our client also intends to seek penalties under the Private Attorneys General Act from Marc Bennett because he is either an owner, director, officer, and/or managing agent of the other Defendants, who violated, or caused violations of, California wage and hour laws, Mr. Bennett is personally liable for the violations alleged herein pursuant to Labor Code section 558.1. Additionally, as an owner, director, officer, and/or managing agent of the other Defendants, who directly and/or indirectly, or through an agent or some other person, engaged, suffered, and/or permitted our client to work and exercised control over our client's wages, hours, and working conditions, Mr. Bennett is personally liable for the violations alleged herein pursuant to *Martinez v. Combs*, (2010) 49 Cal.4th 35.

Our client claims that Defendants voluntarily and knowingly misclassified him and other Aggrieved Employees as independent contractors, instead of non-exempt employees, in violation of Labor Code § 226.8. Defendants controlled their wages, hours and working conditions. Defendants controlled their rate of pay. Defendants provided them with a set hourly schedule in which to perform their jobs, thereby controlling Aggrieved Employees' working hours—including, among other things, the number of hours they were permitted to work and their work schedules. Defendants also controlled their working conditions—including, among other things, requiring Aggrieved Employees to work from Defendants' location during specific work hours. As Defendants had control over Aggrieved Employees' wages, hours and working conditions, Aggrieved Employees were improperly classified as independent contractors and instead should have been classified as non-exempt employees.

Defendant failed to compensate our client and other Aggrieved Employees with all minimum and overtime wages earned, in violation of Labor Code §§ 510, 558, 1194, and 1194.2. Our client and Aggrieved Employees were paid piece-rate wages for time spent cutting hair. However, our client and other Aggrieved Employees were not paid for non-productive time when they were not cutting hair or performing tasks for which no piece rate was associated, or for their rest periods, even though they were under the control of Defendants and entitled to be paid at least the minimum wage for all hours worked. Defendants also failed to pay for all overtime hours worked at the correct rates or at all. This violates Labor Code §§ 510, 558, 1194, and 1194.2. Defendants also failed to track the hours worked by our client and Aggrieved Employees, in violation of Labor Code §§ 1174 and 1174.5.

Labor & Workforce Development Agency
Pappy's Barber Shops, Inc.
Pappy's Barber Shop Poway, Inc.
Dennis Hicks
April 4, 2023
Page 3

Defendants failed to pay premium wages to our client and Aggrieved Employees who were denied proper meal periods, in violation of Labor Code §§ 226.7, 512, 558 and IWC Wage Order 4-2001. Our client and Aggrieved Employees were routinely denied, and not authorized to take, a proper, timely, uninterrupted, 30-minute meal period for every shift worked that exceeded five hours, or a second proper, timely, uninterrupted, 30-minute meal period for every shift worked that exceeded ten hours, but were not paid premium wages of one hour's pay for each missed first or second meal period. When they were able to take a meal period, they were cut short, late or they would have to work through them. Defendants also failed to maintain accurate meal period records showing the start and stop time of meal periods. This violates Labor Code §§ 226.7, 510, 512, 558, 1174, 1174.5, and 1194 and IWC Wage Order 4-2001.

Our client also allege that Defendants failed to pay premium wages to him and other Aggrieved Employees who were denied on-the-clock rest periods, in violation of Labor Code § 226.7 and IWC Wage Order No. 4-2001. Our client and Aggrieved Employees were routinely unable to take a 10-minute rest period for every four (4) hours of work or major fraction thereof, but were not paid premium wages of one hour's pay for each missed rest period. When our client and Aggrieved Employees were able to take a rest period, they were oftentimes on-duty as they would be required to assist customers even if they were on their rest period, in violation of Labor Code § 226.7 and IWC Wage Order No. 4-2001, and all rest periods were impermissibly uncompensated and off-the-clock, as discussed above.

Defendants failed to issue our client and Aggrieved Employees itemized wage statements altogether. As such, they did not receive wage statements that accurately set forth all gross wages earned, in violation of Labor Code §§ 226(a)(1) and 226.3, the total hours worked, in violation of Labor Code §§ 226(a)(2) and 226.3, net wages earned, in violation of Labor Code §§ 226(a)(5) and 226.3, all deductions, in violation of Labor Code §§ 226(a)(4) and 226.3, the inclusive dates of the pay period, in violation of Labor Code §§ 226(a)(6) and 226.3, an employee identification number or the last four digits of employees' social security numbers, in violation of Labor Code §§ 226(a)(7) and 226.3, the name and an address of the legal entity that is the employer, in violation of Labor Code §§ 226(a)(8) and 226.3, and all hourly rates in effect during the pay period and the corresponding number of hours worked, in violation of Labor Code §§ 226(a)(9) and 226.3.

Our client further alleges that Defendants failed to pay him and Aggrieved Employees all wages due at the separation of their employment based on the time frames required by Labor Code §§ 201 and 202. As stated above, our client and Aggrieved Employees were not paid all wages due during the course of their employment and, as a result of this failure, they were not timely paid all wages due at the separation of their employment. This violates Labor Code §§ 201-202 and is alleged on behalf of our client and Aggrieved Employees no longer employed by Defendants.

The \$75 PAGA filing fee has been mailed to the LWDA concurrently with the transmission of this letter.

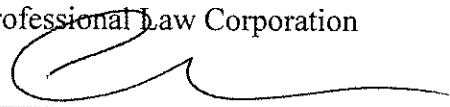
Labor & Workforce Development Agency
Pappy's Barber Shops, Inc.
Pappy's Barber Shop Poway, Inc.
Dennis Hicks
April 4, 2023
Page 4

We invite Defendants or their attorneys to contact our office to discuss this matter, including whether an early resolution of the claims can be reached.

Our office awaits your response.

Very truly yours,

GAINES & GAINES
A Professional Law Corporation

By: 

EVAN S. GAINES

EXHIBIT C

GAINES & GAINES

A PROFESSIONAL LAW CORPORATION

WWW.GAINESLAWFIRM.COM

4550 EAST THOUSAND OAKS BOULEVARD, SUITE 100
WESTLAKE VILLAGE, CALIFORNIA 91362

PHONE (818) 703-8985
FAX (818) 703-8984

May 19, 2023

Via Certified Mail

Labor & Workforce Development Agency
By electronic submission

Pappy's Barber Shops, Inc.
1652 Gam Lane
Ramona, CA 92056

Defendants mailed certified # 70220410000299335535

Pappy's Barber Shop Poway, Inc.
13334 Poway Road
Poway, CA 92064

Defendants mailed certified # 70220410000299335573

Marc Bennett
1652 Gam Lane
Ramona, CA 92056

Defendants mailed certified # 70220410000299335566

Agent for Service of Process for Pappy's Barber Shops, Inc.
Dennis Hicks
4241 Jutland Drive Suite 308
San Diego, CA 92117

Agent mailed certified # 70220410000299335542

Agent for Service of Process for Pappy's Barber Shop Poway, Inc.
Dennis Hicks
4241 Jutland Drive Suite 308
San Diego, CA 92117

Agent mailed certified # 70220410000299335559

Re: ***Labor Code Violations of Pappy's Barber Shops, Inc., Pappy's Barber Shop
Poway, Inc., and/or Marc Bennett – Compliance Letter of California Labor
Code § 2698 Private Attorneys General Act
LWDA Case No.: LWDA-CM-946297-23***

Dear LWDA:

This letter supplements our letter dated April 4, 2023 and clarifies and alleges claims on behalf of an additional Plaintiff.

This office represents Rick Jaramillo and Walter Sinnott, former non-exempt California employees of, who were improperly classified as an independent contractor by Pappy's Barber Shops, Inc.,

EXHIBIT D

Labor & Workforce Development Agency
Pappy's Barber Shops, Inc.
Pappy's Barber Shop Poway, Inc.
Dennis Hicks
May 19, 2023
Page 2

Pappy's Barber Shop Poway, Inc., and/or Marc Bennett (collectively, "Defendants"). The purpose of this letter is to comply with the Private Attorneys General Act of 2004, pursuant to California Labor Code § 2698 *et seq.*

Our clients contracted (as independent contractors) to provide services as a barber to one or more of the Defendants in Southern California. Herein we set forth the facts and theories of California Labor Code violations which we allege Defendants engaged in with respect to our clients and other persons improperly classified as independent contractors rather than non-exempt employees ("Aggrieved Employees").

Our clients also intend to seek penalties under the Private Attorneys General Act from Marc Bennett because he is either an owner, director, officer, and/or managing agent of the other Defendants, who violated, or caused violations of, California wage and hour laws, Mr. Bennett is personally liable for the violations alleged herein pursuant to Labor Code section 558.1. Additionally, as an owner, director, officer, and/or managing agent of the other Defendants, who directly and/or indirectly, or through an agent or some other person, engaged, suffered, and/or permitted our client to work and exercised control over our client's wages, hours, and working conditions, Mr. Bennett is personally liable for the violations alleged herein pursuant to *Martinez v. Combs*, (2010) 49 Cal.4th 35.

Our clients claim that Defendants voluntarily and knowingly misclassified them and other Aggrieved Employees as independent contractors, instead of non-exempt employees, in violation of Labor Code § 226.8. California uses both the ABC Test and the *Borello* test to determine if an employee is properly classified as an independent contractor. Under the ABC Test, unless the hiring entity establishes (A) that the worker is free from the control and direction of the hiring entity in connection with the performance of the work, both under the contract for the performance of the work and in fact, (B) that the worker performs work that is outside the usual course of the hiring entity's business, and (C) that the worker is customarily engaged in an independently established trade, occupation, or business, then the worker should be considered an employee and the hiring business an employer under the suffer or permit to work standard in the applicable wage orders. Defendants cannot establish any elements of the ABC Test or the *Borello* test. Defendants controlled their wages, hours and working conditions. Defendants controlled their rate of pay. Defendants provided them with a set hourly schedule in which to perform their jobs, thereby controlling Aggrieved Employees' working hours—including, among other things, the number of hours they were permitted to work and their work schedules. Defendants also controlled their working conditions—including, among other things, requiring Aggrieved Employees to work from Defendants' location during specific work hours. As Defendants had control over Aggrieved Employees' wages, hours and working conditions, Aggrieved Employees were improperly classified as independent contractors and instead should have been classified as non-exempt employees.

Defendant failed to compensate our clients and other Aggrieved Employees with all minimum and overtime wages earned, in violation of Labor Code §§ 510, 558, 1194, and 1194.2. Our clients and Aggrieved Employees were paid piece-rate wages for time spent cutting hair. However, our clients and other Aggrieved Employees were not paid for non-productive time when they were not cutting hair or performing tasks for which no piece rate was associated, or for their rest periods, even though they were under the control of Defendants and entitled to be paid at least the minimum wage for all hours worked. Defendants also failed to pay for all overtime hours worked at the correct rates or at all. This violates Labor Code §§ 510, 558, 1194, and 1194.2. Defendants also failed to track the hours worked by our clients and Aggrieved Employees, in violation of Labor Code §§ 1174 and 1174.5.

Defendants failed to pay premium wages to our clients and Aggrieved Employees who were denied proper meal periods, in violation of Labor Code §§ 226.7, 512, 558 and IWC Wage Order 4-2001. Our client and Aggrieved Employees were routinely denied, and not authorized to take, a proper, timely, uninterrupted, 30-minute meal period for every shift worked that exceeded five hours, or a second proper, timely, uninterrupted, 30-minute meal period for every shift worked that exceeded ten hours, but were not paid premium wages of one hour's pay for each missed first or second meal period. When they were able to take a meal period, they were cut short, late or they would have to work through them. Defendants also failed to maintain accurate meal period records showing the start and stop time of meal periods. This violates Labor Code §§ 226.7, 510, 512, 558, 1174, 1174.5, and 1194 and IWC Wage Order 4-2001.

Our clients also allege that Defendants failed to pay premium wages to them and other Aggrieved Employees who were denied on-the-clock rest periods, in violation of Labor Code § 226.7 and IWC Wage Order No. 4-2001. Our clients and Aggrieved Employees were routinely unable to take a 10-minute rest period for every four (4) hours of work or major fraction thereof, but were not paid premium wages of one hour's pay for each missed rest period. When our clients and Aggrieved Employees were able to take a rest period, they were oftentimes on-duty as they would be required to assist customers even if they were on their rest period, in violation of Labor Code § 226.7 and IWC Wage Order No. 4-2001, and all rest periods were impermissibly uncompensated and off-the-clock, as discussed above.

Defendants failed to issue our clients and Aggrieved Employees itemized wage statements altogether. As such, they did not receive wage statements that accurately set forth all gross wages earned, in violation of Labor Code §§ 226(a)(1) and 226.3, the total hours worked, in violation of Labor Code §§ 226(a)(2) and 226.3, net wages earned, in violation of Labor Code §§ 226(a)(5) and 226.3, all deductions, in violation of Labor Code §§ 226(a)(4) and 226.3, the inclusive dates of the pay period, in violation of Labor Code §§ 226(a)(6) and 226.3, an employee identification number or the last four digits of employees' social security numbers, in violation of Labor Code §§ 226(a)(7) and 226.3, the name and an address of the legal entity that is the employer, in violation of Labor Code §§ 226(a)(8) and 226.3, and all hourly rates in effect during the pay period and the corresponding number of hours worked, in violation of Labor Code §§ 226(a)(9) and 226.3.

Labor & Workforce Development Agency
Pappy's Barber Shops, Inc.
Pappy's Barber Shop Poway, Inc.
Dennis Hicks
May 19, 2023
Page 4

Our clients further allege that Defendants failed to pay them and Aggrieved Employees all wages due at the separation of their employment based on the time frames required by Labor Code §§ 201 and 202. As stated above, our clients and Aggrieved Employees were not paid all wages due during the course of their employment and, as a result of this failure, they were not timely paid all wages due at the separation of their employment. This violates Labor Code §§ 201-202 and is alleged on behalf of our clients and Aggrieved Employees no longer employed by Defendants.

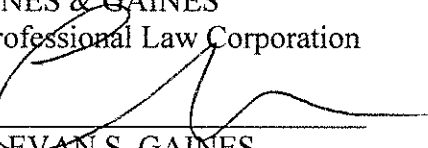
We invite Defendants or their attorneys to contact our office to discuss this matter, including whether an early resolution of the claims can be reached.

Our office awaits your response.

Very truly yours,

GAINES & GAINES
A Professional Law Corporation

By:


EVAN S. GAINES

Cc: Michelle Meek, Esq.

**SETTLEMENT AGREEMENT AND RELEASE OF PRIVATE ATTORNEYS
GENERAL ACT CLAIM**

This Settlement Agreement and Release of the Private Attorneys General Act Claim ("Settlement Agreement") is made by and between, on the one hand, Rick Jaramillo and Walter Sinnott ("Plaintiffs"), individually, and on behalf of all other similarly situated Aggrieved Employees and the State of California, and on the other hand, Defendants Pappy's Barber Shops, Inc., Pappy's Barber Shop Poway, Inc., and Marc Bennett ("Defendants"). Plaintiffs and Defendants are collectively referred to herein as the "Parties" and may be individually referred to as a "Party."

A. Definitions

The following terms, when used in this Settlement Agreement, shall have the following meanings:

1. "Action" or "Lawsuit" means and refers to *Rick Jaramillo, et al. v. Pappy's Barber Shops, Inc., et al.*, San Diego County Superior Court Case No. 37-2023-00026619-CU-OE-CTL. The operative complaint in the Action is the Class and Representative Action Complaint filed on June 26, 2023.
2. "Active Date" means the latest of: (i) the Effective Date, if no objection is made or filed to the Settlement Agreement; (ii) if an objection is made or filed, but no appeal is filed, the expiration of the deadline for any appeals; and (iii) if an objection is made or filed, and an appeal is filed, the date that an appeal is resolved resulting in a court order approving this Settlement Agreement.
3. "Aggrieved Employee(s)" means any and all individuals who worked for Defendants and were classified as independent contractor barbers for at least one Eligible Workweek in California during the PAGA Period.
4. "Agreement" or "Settlement Agreement," shall mean this Settlement Agreement and Release of the Private Attorneys General Act Claim, together with all attached Exhibits.
5. "Attorney's Fees and Costs" means the sum for which Plaintiffs' Counsel shall make application to the Court, that shall not exceed 35% of the Gross Settlement Amount (\$17,500), and actual litigation costs, not to exceed \$10,000, which shall be paid out of the Gross Settlement Amount.
6. "Court" shall mean the Superior Court of the State of California, County of San Diego.
7. "Defendants' Counsel" means and refers to Jackson Lewis P.C.
8. "Effective Date" means the date the Court approves the terms of the Settlement set forth in this Agreement and has entered the Final Order and Judgment.
9. "Eligible Workweek" means any workweek worked by an Aggrieved Employee in California, who was classified as an independent contractor barber by Defendants, at any time during the PAGA Period. Defendants represents there were 827 Eligible Workweeks worked by Aggrieved Employees during the PAGA Period as of September 1, 2023, the date of mediation. If the actual number of workweeks increases by more than 15% (124 workweeks) or exceeds a total of 951 workweeks, Defendants will pay an additional \$60.46

to the Gross Settlement Amount for every extra workweek in excess of 951 (the “Escalator Payment”). Alternatively, at their sole option, Defendants may advance the cutoff date of the PAGA Period to the date on which there are 951 or fewer workweeks, without triggering the Escalator Payment.

10. “Final Order and Judgment” means the Court’s Order granting the Motion for Approval of the PAGA Settlement (or Stipulation and Order Approving the PAGA Settlement) set forth in this Agreement, and entering judgment.
11. “Funding Date” means thirty (30) calendar days after the Active Date.
12. “Gross Settlement Amount” or “GSA” means the maximum settlement amount that Defendants will jointly and severally pay in connection with the Settlement of the Action. The GSA is Fifty Thousand Dollars (\$50,000), subject to the Escalator Payment memorialized in Paragraph 9, above. No part of the GSA shall revert to Defendants under any circumstances. Defendants shall pay no more and no less than the GSA to resolve the Action as described herein.
13. “LWDA Payment” means seventy-five percent (75%) of the PAGA Penalty Fund that shall be paid to the California Labor & Workforce Development Agency (“LWDA”) pursuant to the PAGA for civil penalties.
14. “Net Settlement Amount” or “PAGA Penalty Fund” is the amount that remains after deduction of Plaintiffs’ Counsel’s Attorney’s Fees and Costs and the Settlement Administrator’s fees and costs from the Gross Settlement Amount.
15. “Notice” means the written notice to be mailed to all Aggrieved Employees with their settlement payment checks, once the Court enters its Final Order and Judgment, and the Active Date occurs, in a form substantially similar to **Exhibit A**, and as approved by the Court.
16. “PAGA Settlement” or “Settlement” means the settlement of the Action memorialized in this Agreement.
17. “PAGA Period” or “Statutory Period” means the time period from April 4, 2022 through the Effective Date, unless shortened pursuant to the terms of paragraph 9 above.
18. “Plaintiffs’ Counsel” means Daniel F. Gaines of Gaines & Gaines, APLC.
19. “Released Parties” means Defendants, and each of and all of their respective past, present and future agents, employees, officers, directors, partners, trustees, representatives, shareholders, stockholders, members, attorneys, parents, subsidiaries, equity sponsors, related companies/corporations and/or partnerships, divisions, assigns, predecessors, successors, insurers, consultants, joint venturers, joint employers, affiliates, alter-egos, co-employers, dual employers, service providers, contracting partners, subcontractors, employee benefit plans and fiduciaries thereof, and all other persons and/or entities acting under, by, through or in concert with any of them.
20. “Settlement Administrator” means Phoenix Class Action Administration Solutions, or a different third-party administrator agreed to by the Parties and approved by the Court.

B. General

21. On or about April 4, 2023, Plaintiff Rick Jaramillo (“Jaramillo”) sent a PAGA Notice to the LWDA, with a copy to Defendants via U.S. Certified Mail, alleging the following claims against Defendants: (1) failure to pay all minimum and overtime wages earned; (2) failure to provide meal periods or proper compensation in lieu thereof; (3) failure to provide rest periods or proper compensation in lieu thereof; (4) failure to issue complete and accurate itemized wage statements; and (5) failure to timely pay wages upon separation of employment. On or about May 19, 2023, Plaintiff Jaramillo sent a supplemental PAGA Notice to the LWDA and Defendants which alleged the same claims against Defendants on behalf of an additional employee, Walter Sinnott.

22. Without indication from the LWDA it intended to investigate the claims, on June 26, 2023, Plaintiffs Jaramillo and Walter Sinnott (“Sinnott”) filed the Action in the Superior Court of California, County of San Diego, which alleged the claims identified in Plaintiff Jaramillo’s April 4, 2023 PAGA Notice.

23. Defendants deny all of Plaintiffs’ claims and allegations, as referenced in the Action and the PAGA Notices, and further deny any liability or wrongdoing of any kind associated with the claims alleged in the Action (or otherwise).

24. The Parties have conducted a thorough investigation into the facts of the Action. This included, among other things, informal discovery and exchanging extensive information and key documents relating to the underlying alleged violations. After engaging in private mediation with Stephen McAvoy, Esq. on September 1, 2023, the Parties reached the proposed Settlement described in this Agreement, and believe it is fair, reasonable, and adequate. The Parties understand, acknowledge, and agree this Agreement constitutes a compromise of claims alleged by Plaintiffs on behalf of the State of California and the LWDA, and it is the desire and intention of the Parties to effect a final and complete resolution of the representative claims Plaintiffs have alleged against Defendants and/or any of the Released Parties. The Parties further acknowledge that this Agreement is a compromise of disputed claims and that nothing in this Agreement shall be construed as an admission of liability by Defendants.

25. Under California Law, the State may assess and collect civil penalties from employers for violations of certain provisions of the Labor Code. Labor Code §§ 2698, *et seq.* Under PAGA, however, if an “aggrieved employee” “give[s] written notice by certified mail to the [State] and the employer of the specific provision of the [Labor Code] alleged to have been violated,” and the State thereafter decides not to investigate, as is the case here, or does investigate and determines a citation against the employer should not issue, the employee may, “as an alternative” to enforcement by the State, act as a proxy or agent of the state’s labor law enforcement agencies and bring a civil action under PAGA to recover civil penalties “on behalf of himself or herself and other current or former employees.” *Id.* “[C]ivil penalties recovered by aggrieved employees shall be distributed as follows: 75 percent to the state and 25 percent to the aggrieved employees.” *Id.*

26. California Labor Code § 2699(1)(2) provides “[t]he superior court shall review and approve any settlement of any civil action filed pursuant to this part.”

27. In consideration of the promises and agreements contained herein, the Parties agree and covenant as follows:

C. **Terms of Settlement**

28. Subject to the Court's approval of the Settlement pursuant to Labor Code § 2699(1)(2), which counsel and the Parties agree to recommend in good faith to the Court, the Parties agree to the following binding settlement of the Action.

29. Upon the Court entering the Final Order and Judgment and the Active Date occurring, Defendants shall pay the non-reversionary Gross Settlement Amount of Fifty Thousand Dollars (\$50,000)¹, subject to the Escalator Payment memorialized in Paragraph 9, above. The Gross Settlement Amount will be distributed in the following manner:

- a. **Settlement Administration Costs**: The costs associated with settlement administration will be paid from the Gross Settlement Amount, and shall not exceed \$3,000. The Administrator's services will include, but not be limited to the following: updating Aggrieved Employees' mailing addresses through a search of the National Change of Address database maintained by the U.S. Post Office, and skip-tracing bad addresses on the return of the Aggrieved Employees' Notice and settlement payment checks; formatting and printing the Notice to be mailed to the Aggrieved Employee with their settlement payment checks; calculating, issuing and mailing payments to LWDA and Aggrieved Employees; performing tax reporting to the appropriate authorities, among other things called for by this Agreement. Subject to Court approval, the Parties agree to use Phoenix Class Action Administration Solutions as the Settlement Administrator.
- b. **Attorney's Fees and Costs**: The Parties agree that, subject to the Court's review and approval, Plaintiffs' Counsel will be paid up to 35% of the GSA (\$17,500) from the GSA, as reasonable attorney's fees, plus actual litigation costs of up to \$10,000, also to be paid from the GSA, incurred to litigate the Action and to obtain Court approval of the Settlement. The Settlement Administrator will issue an IRS Form 1099 to Plaintiffs' counsel for the Attorney's Fees and Costs awarded. In no circumstance(s) shall Defendants be liable for any payment(s) of Attorney's Fees and Costs separate from the GSA.
- c. **PAGA Penalty Fund**: After deducting the Attorney's Fees and Costs and Settlement Administration Costs from the Gross Settlement Amount, the remaining net settlement amount, the PAGA Penalty Fund, will be apportioned as required by the PAGA, Labor Code section 2699(i), with distribution of 75% to the LWDA, (the "LWDA Payment") and 25% to the Aggrieved Employees. The PAGA Penalty Fund shall encompass all payments to the LWDA and to the Aggrieved Employees.
- d. **PAGA Penalty Fund Allocation**: The PAGA Penalty Fund, estimated at \$19,500 shall be allocated \$14,625 (75%) for the LWDA Payment, and \$4,875 (25%) to the Aggrieved Employees, to be distributed on a proportionate basis, using the number of Eligible Workweeks each Aggrieved Employee worked during the PAGA Period, as detailed in Paragraph 39, herein.
- e. **Taxes and Reporting**: Each Aggrieved Employee's individual share will be treated as non-wage income for which the Administrator shall issue an IRS Form 1099 to be mailed together with the Aggrieved Employee's settlement check, and reported to

¹ By a separate confidential settlement agreement, Plaintiffs have executed a general release of all their claims in exchange for a confidential sum.

the applicable governmental authorities, if required by law as determined by the Settlement Administrator.

D. Release as to the PAGA Representative Claims

30. Upon approval by the Court of this Settlement, and subject to Defendants' payment of the GSA, Plaintiffs, individually and in their representative capacity on behalf the State of California and the Aggrieved Employees will fully and finally release and discharge the Released Parties from all claims, rights, demands, liabilities, costs, attorney's fees, and causes of action for civil penalties under the PAGA, arising during employment by Defendants in California as an independent contractor barber during the PAGA Period, based on the factual and legal allegations pled in the operative Complaint that support or relate to the following alleged violations of law asserted by Plaintiffs in the Action pursuant to PAGA: (1) failure to pay all minimum and overtime wages earned under Labor Code §§ 226.8, 510, 558, 558.1, 1174, 1174.5, 1194, and 1194.2; (2) failure to provide meal periods of compensation in lieu thereof under Labor Code §§ 226.7, 510, 512, 558, 558.1, 1174, 1174.5, and 1194; (3) failure to provide rest periods of compensation in lieu thereof under Labor Code §§ 226.7 and 558.1; (4) failure to issue accurately itemized wage statements under Labor Code §§ 226(a), 226.3, and 558.1; and (5) failure to timely pay wages upon separation of employment under Labor Code §§ 201-203 and 558.1 (the "Released PAGA Claims").

31. In accordance with *Arias v. Superior Court* (2009) 46 Cal.4th 969, a judgment in "a representative action brought by an aggrieved employee under the Labor Code Private Attorneys General Act of 2004 ... is binding not only on the named employee Plaintiffs but also on government agencies and any aggrieved employee not a party to the proceeding," which the Final Order and Judgment shall so reflect. The Final Order and Judgment shall not bind or release the Aggrieved Employees' individual wage claims (or other individual claims). However, in accordance with *Arias*, the Final Order and Judgment shall be binding on the Aggrieved Employees as to the Released PAGA Claims. A statement to this effect shall be included in the Notice sent to the Aggrieved Employees mailed together with their Settlement payment checks and IRS 1099 Forms.

E. Settlement Approval and Implemental Procedures

32. Plaintiffs' Counsel shall prepare a motion or stipulation for approval of the Settlement pursuant to California Labor Code § 2699(1)(2). Defendants shall not oppose such a motion or stipulation. Defendants' Counsel will work with Plaintiffs' Counsel to provide Plaintiffs' Counsel with, and allow Plaintiffs' Counsel to submit to the Court, adequate information related to the Released PAGA Claims to obtain approval of the Settlement pursuant to a reasonable request by Plaintiffs' Counsel. As required by Labor Code, at the time the motion or stipulation for approval of the Settlement is filed with the Court, Plaintiffs' Counsel shall submit the motion or stipulation, together with its exhibits, to the LWDA.

33. The order and judgment shall provide for dismissal of the class claims without prejudice.

34. Within three (3) business days after the Effective Date, the Settlement Administrator shall send Defendants' Counsel electronic wiring instructions to fund the Gross Settlement Amount.

35. No later than the Funding Date, Defendants will send to the Settlement Administrator a list which shall provide for each Aggrieved Employee, the following information: (1) full name; (2) last known address; (3) social security number; and (4) the number of Eligible Workweeks (the "Data List"). The fact that Defendants may not possess/maintain/know any or all of the Aggrieved Employees' contact information shall not constitute a breach of this Agreement

or be grounds for enforcement; however, Defendants will conduct a reasonable search and diligent inquiry to obtain such information and provide to the Settlement Administrator. The Data List shall be treated as and remain confidential and be used solely to manage the notice and payment process described herein, and for no other purpose, and shall not be disclosed to anyone other than the Settlement Administrator, except as may be required by applicable taxing authorities, or pursuant to express written authorization of Defendants, the Aggrieved Employees or by order of the Court.

36. No later than the Funding Date, Defendants shall wire the Gross Settlement Amount, i.e., \$50,000 to the Settlement Administrator. Upon receipt of payment from Defendants, the Administrator will distribute the Gross Settlement Amount as ordered by the Court. If additional payments are required to fund the GSA pursuant to the of the Escalator Payment clause memorialized in Paragraph 9, above, Defendants shall fund that payment no later than ten (10) calendar days after the Settlement administrator confirms the additional amount due, unless Defendants exercises their right to advance the cutoff date of the PAGA Period to the date on which there are 951 or fewer workweeks, without triggering the Escalator Payment. The Gross Settlement Amount must be fully funded prior to any disbursements will be made. Should Defendants fail to fund the Gross Settlement Amount at the time and in the amounts as provided for by this Agreement, and unless otherwise agreed upon by the Parties or ordered by the Court, Plaintiffs may elect to enforce this Agreement or, at their option, this Agreement and the settlement described within it, shall be rescinded, and the Parties shall be restored to their respective positions as of September 1, 2023.

37. The Settlement Administrator will perform all settlement administration duties, including (i) a National Change of Address ("NCOA") database search, (ii) skip trace to update Aggrieved Employee addresses on the return of undelivered Notices and checks; , (iii) issuing the Notice and payments to all Aggrieved Employees, (iv) issuing all required IRS forms, and reporting same to the applicable taxing authorities; and (v) issuing payment to the LWDA, Aggrieved Employees, Plaintiffs' Counsel and to itself.

38. The Administrator shall have the authority and obligation to calculate the amounts of the Aggrieved Employees' Settlement payments in accordance with the methodology set forth in this Agreement and orders of the Court. Each Aggrieved Employee will be eligible to receive a Settlement payment based on the total number of his/her Eligible Workweeks worked during the PAGA Period in relation to the aggregate number of Eligible Workweeks worked by all Aggrieved Employees during the PAGA Period, e.g.

$$\text{Aggrieved Employee Payment} = \$4,875(x) \frac{\text{Aggrieved Employee's Number of Eligible Workweeks}}{\text{All Aggrieved Employees' Eligible Workweeks}}$$

39. All disbursements to the Aggrieved Employees, the LWDA, the Settlement Administrator, and Plaintiffs' Counsel required under this Settlement Agreement shall be made within ten (10) business days after Defendants fully funds the GSA. Prior to disbursement, the Settlement Administrator will forward its calculations of the Aggrieved Employees' Settlement payments to all counsel, and receive approval from all counsel as to such amounts. Any Party's failure to respond to the Settlement Administrator's request for approval within five (5) business days shall be deemed approval of the calculations.

40. Aggrieved Employees shall have 180 calendar days after mailing to cash their individual settlement checks. If any Aggrieved Employee's check is not cashed within that period, the check will be voided and a stop-payment will be issued. Any funds in the Settlement Administrator's account as a result of a failure to timely cash a settlement check shall be transmitted

to the California State Controller's Unclaimed Property Fund in the name of each respective Aggrieved Employee whose check was uncashed and voided. Neither Defendants, Defendants' Counsel, Plaintiffs' Counsel, nor Plaintiffs will have any liability for lost or stolen settlement checks, forged signatures on settlement checks, or unauthorized negotiation of settlement checks. The Parties agree that this disposition results in no "unpaid residue" under California Civil Procedure Code § 384, as the entire Settlement will be paid out to Aggrieved Employees whether or not they all cash their settlement checks. Therefore, Defendants will not be required to pay any interest on said amount. In no circumstance(s) shall Defendants be liable for any interest payment(s).

41. By no later than 240 days after mailing Settlement payment checks to all Aggrieved Employees, the Settlement Administrator shall provide Plaintiffs' Counsel and Defendants' Counsel with a declaration setting forth the disbursements made to the Aggrieved Employees, the LWDA, Plaintiffs' Attorneys for attorneys' fees and litigation costs, and to itself, and shall include information regarding the number of uncashed checks as of that date, the aggregate sum of uncashed checks, and the timeline for transmittal of sum represented by all uncashed checks to California's Controller, Unclaimed Property Division, (if applicable).

F. Miscellaneous Provisions

42. **Eligible Workweeks:** Defendants have represented there are approximately 827 Eligible Workweeks worked by the Aggrieved Employees between April 4, 2022 and September 1, 2023.

43. **Voiding the Agreement:** The Settlement Agreement shall be voidable and unenforceable as to all Parties herein at the option of either Party if (a) the Court should for any reason fail to approve this Settlement in the form agreed to by the Parties, or (b) the Court should for any reason fail to enter a judgment, or (c) the approval of the Settlement and judgment is reversed, modified or declared or rendered void by a court of competent jurisdiction. In that event, then neither the Settlement nor any of the related negotiations or proceedings shall be of any force or effect, and all Parties to the Settlement shall stand in the same position, without prejudice, as if the Settlement had been neither entered into nor filed with the Court. Notwithstanding the foregoing, the Parties may attempt in good faith to cure any perceived defects in the Settlement to facilitate approval.

44. **Waiver:** The waiver by one Party of any breach of this Agreement by another Party shall not be deemed a waiver of any other prior or subsequent breach of this Agreement.

45. **Parties' Authority:** The signatories hereto represent that they are fully authorized to enter into this Settlement Agreement and bind the Parties hereto to the terms and conditions hereof.

46. **Mutual Full Cooperation:** The Parties agree to fully cooperate with each other to accomplish the terms of this Settlement Agreement, including but not limited to, execution of such documents and to take such other action as may reasonably be necessary to implement the terms of this Settlement Agreement. The Parties to this Settlement Agreement shall use their best efforts, including all efforts contemplated by this Settlement Agreement and any other efforts that may become necessary by order of the Court, or otherwise, to effectuate this Settlement Agreement and the terms set forth herein. As soon as practicable after execution of this Settlement Agreement, Plaintiffs' Counsel shall, with the assistance and cooperation of Defendants and Defendants'

counsel, take all necessary steps to secure the Court's approval of the Settlement, and the Final Order and Judgment.

47. **No Prior Assignments:** The Parties hereto represent, covenant, 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 rights released and discharged by this Settlement Agreement.

48. **No Admission:** Defendants deny any and all liability to Plaintiffs and/or the Aggrieved Employees in this Action, as to any and all causes of action that were asserted or that might have been asserted in this Action based on the facts set forth in the First Amended Class and Representative Action Complaint. Nonetheless, Defendants wish to settle and compromise the matters at issue in the Action to avoid further substantial expense and the inconvenience and distraction of protracted and burdensome litigation. Defendants also have taken into account the uncertainty and risks inherent in litigation, and without conceding any infirmity in the defenses that it has asserted or could assert against Plaintiffs, have determined that it is desirable and beneficial that Plaintiffs' claims be settled in the manner and upon the terms and conditions set forth in this Agreement.

49. **Binding Settlement:** Nothing contained herein, nor the consummation of this Settlement Agreement, is to be construed or deemed an admission of liability, culpability, negligence, or wrongdoing on the part of Defendants or any of the other Released Parties. Each of the Parties hereto has entered into this Settlement Agreement with the intention of avoiding further disputes and litigation with the attendant inconvenience and expenses. This Settlement Agreement is a settlement document and shall, pursuant to California Evidence Code section 1152 and/or Federal Rule of Evidence 408, be inadmissible in evidence in any proceeding, except an action or proceeding to approve the settlement, and/or interpret or enforce this Settlement Agreement.

50. **Enforcement Actions:** This Agreement is binding and enforceable under California Code of Civil Procedure section 664.6, and the Court shall retain jurisdiction to enforce this Agreement. Except as otherwise provided in this Settlement Agreement, in the event that one or more of the Parties to this Settlement Agreement institutes any action or proceeding in this case under Section 664.6 or otherwise or separate legal action or other proceeding against any other Party or Parties to enforce the provisions of this Settlement Agreement or to declare rights and/or obligations under this Settlement Agreement, the successful Party or Parties shall be entitled to recover from the unsuccessful Party or Parties reasonable attorney's fees and costs incurred in connection with any enforcement actions.

51. **Notices:** Unless otherwise specifically provided herein, all notices, demands or other communications given hereunder shall be in writing and shall be deemed to have been duly given as of the third business day after mailing by United States registered or certified mail, return receipt requested, addressed as follows:

To Plaintiffs:

Daniel F. Gaines
Gaines & Gaines, APLC
4550 E Thousand Oaks Blvd, Suite 100
Westlake Village, CA 91362

To Defendants:

Michelle K. Meek
Jackson Lewis P.C.
225 Broadway, Suite 1800
San Diego, CA 92101

52. **Construction:** The Parties hereto agree that the terms and conditions of this Settlement Agreement are the result of lengthy, intensive arm's-length negotiations between the Parties and that this Settlement Agreement shall not be construed in favor of or against any Party by reason of the extent to which any Party or their or its counsel participated in the drafting of this Settlement Agreement.

53. **Captions and Interpretations:** Paragraph titles or captions contained herein are inserted as a matter of convenience and for reference, and in no way define, limit, extend, or describe the scope of this Settlement Agreement or any provision hereof. Each term of this Settlement Agreement is contractual and not merely a recital.

54. **Modification:** This Settlement Agreement may not be materially changed, altered, or modified, except in writing and signed by the Parties hereto, and approved by the Court. Non-material changes requested by the Court may be made upon stipulation signed by all counsel. This Settlement Agreement may not be discharged except by performance in accordance with its terms or by a writing signed by all of the Parties hereto.

55. **Choice of Law:** This Settlement Agreement shall be governed by and construed, enforced and administered in accordance with the laws of the State of California, without regard to its conflicts-of-law rules.

56. **Integration Clause:** This Settlement Agreement and the concurrently-executed individual settlement agreement for Plaintiffs contains the entire agreement between the Parties relating to the settlement and transaction contemplated hereby, and all prior or contemporaneous agreements, understandings, representations, and statements, whether oral or written and whether by a Party or such Party's legal counsel, are merged herein. No rights hereunder may be waived except in writing.

57. **Continuing Jurisdiction:** After entry of the Final Order and Judgment, the Court will have continuing jurisdiction under California Code of Civil Procedure § 664.6 and as otherwise allowed by law solely for purposes of addressing: (i) the interpretation and enforcement of the terms of the Settlement, (ii) settlement administration matters; and (iii) such post-Final Order and Judgment matters as may be appropriate under court rules or as set forth in this Settlement.

58. **Waiver of Appeals:** The Parties waive all appeals from the Court's approval of the Agreement, unless the Court materially modifies the Agreement and/or unless a non-Party files an appeal.

59. **Publicity:** With respect to the Settlement, Plaintiffs, Defendants, Defendants' Counsel, and Plaintiffs' Counsel agree not to publicize, contact the media, or disclose to the public any information about the Settlement or the negotiation process, with the exception of filing this Settlement Agreement and the separate settlement agreement executed by Plaintiffs in their individual capacities with the Court, and submitting them to the LWDA, informing the Court of the manner in which the Settlement was obtained, and the reasons in support of the fairness of the

Settlement only insofar as necessary to obtain Court approval of the settlement of the Action. Plaintiffs' Counsel may also respond to inquiries by Aggrieved Employees and the LWDA. With respect to the terms of this Settlement, Plaintiffs' Counsel agrees not to post the terms of the Settlement on their website or initiate contact with the media about its terms or the negotiations. If asked by the media, Plaintiffs' Counsel and Plaintiffs agree to state, "The matter was amicably settled. Any further information about the settlement may be obtained by going to the Court's website." Plaintiffs' Counsel agrees that they will not circumvent this Agreement by facilitating or encouraging any PAGA Group member or any other individual to do what Plaintiffs and their counsel have agreed not to do.

60. **Binding On Assigns:** This Settlement Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, trustees, executors, administrators, successors and assigns.

61. **Counterparts:** This Settlement Agreement may be executed in counterparts, and when each Party has signed and delivered at least one such counterpart, each counterpart shall be deemed an original, and, when taken together with other signed counterparts, shall constitute one fully-signed Settlement Agreement, which shall be binding upon and effective as to all Parties. Electronic delivery shall be deemed an original.

[SIGNATURES ON NEXT PAGE]

IN WITNESS WHEREOF, the parties knowingly and voluntarily executed this Settlement Agreement and Release of PAGA Claim as of the date set forth below.

Dated: 12 / 07 / 2023

By: *Ricardo Jaramillo*
Plaintiff, Rick Jaramillo

Dated: 12 / 07 / 2023

By: *Walter Sinnott*
Plaintiff, Walter Sinnott

Dated: _____

By: _____
Defendant, Pappy's Barber Shop, Inc.

Dated: _____

By: _____
Defendant, Pappy's Barber Shop Poway, Inc.

Dated: _____

By: _____
Defendant, Marc Bennett

AS TO FORM:

Dated: 12/11/2023

Gaines & Gaines, APLC
By: *[Signature]*
Daniel F. Gaines
Attorneys for Plaintiffs

Jackson Lewis P.C.

Dated: _____

By: _____
Michelle K. Meek
Attorneys for Defendants

IN WITNESS WHEREOF, the parties knowingly and voluntarily executed this Settlement Agreement and Release of PAGA Claim as of the date set forth below.

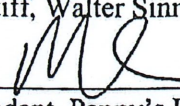
Dated: _____

By: _____
Plaintiff, Rick Jaramillo

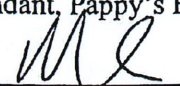
Dated: _____

By: _____
Plaintiff, Walter Sinnott

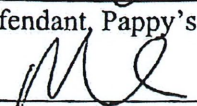
Dated: 12-13-23

By: 
Defendant, Pappy's Barber Shop, Inc.

Dated: 12-13-23

By: 
Defendant, Pappy's Barber Shop Poway, Inc.

Dated: 12-13-23

By: 
Defendant, Marc Bennett

AS TO FORM:

Gaines & Gaines, APLC

Dated: _____

By: _____
Daniel F. Gaines
Attorneys for Plaintiffs

Jackson Lewis P.C.

Dated: 12-13-23

By: 
Michelle K. Meek
Attorneys for Defendants

EXHIBIT A

«DATE»

«FIRST_NAME» «LAST_NAME»

«ADDRESS 1»

«ADDRESS 2»

Re: Settlement Payment from *Rick Jaramillo, et al. v. Pappy's Barber Shops, Inc., et al.*

Dear «FIRST_NAME» «LAST_NAME»

By order of the San Diego County Superior Court, enclosed is your payment from the settlement of the *Rick Jaramillo, et al. v. Pappy's Barber Shops, Inc., et al.*, litigation filed in the San Diego County Superior Court, Case No. 37-2023-00026619-CU-OE-CTL (the "Lawsuit").

The Lawsuit was filed against Pappy's Barber Shops, Inc., Pappy's Barber Shop Poway, Inc., and Marc Bennett (referred to as "Defendants") under the California Private Attorneys General Act of 2004, Cal. Labor Code §§ 2698, *et seq.* (abbreviated "PAGA") for alleged violations of the California Labor Code. The claim was brought on behalf of the State of California and all barbers who worked for Defendants in California at any time from April 4, 2022 through - [DATE OF PAGA APPROVAL] ("Aggrieved Employees"). You have been identified as an Aggrieved Employee, on whose behalf the case was brought.

The Plaintiffs in the Lawsuit claimed Defendants owed civil penalties under PAGA for violating certain provisions of the California Labor Code. The provisions of the California Labor Code that were alleged to have been violated are: (1) Failure to Pay All Minimum and Overtime Wages Earned (Labor Code §§ 226.8, 510, 1174, 1174.5, 1194, and 1194.2); (2) Failure to Provide Meal Periods or Compensation in Lieu Thereof (Labor Code §§ 226.7, 510, 512, 1174, 1174.5, and 1194; IWC Wage Order 4-2001); (3) Failure to Provide Rest Periods or Compensation in Lieu Thereof (Labor Code § 226.7; IWC Wage Order 4-2001); (4) Failure to Comply with Itemized Employee Wage Statement Provisions (Labor Code § 226(a), (e)); (5) Failure to Timely Pay Wages Due at Separation of Employment (Labor Code §§ 201-203); (6) Violation of Business and Professions Code § 17200 *et seq.*; and (7) Civil Penalties Pursuant to Labor Code § 2699(f) for Violations of Labor Code §§ 201, 202, 226(a), 226.7, 226.8, 510, 512, 1174, 1174.5, and 1194 and pursuant to Labor Code § 2699(a) for Violations of Labor Code §§ 226.3, 558, and 558.1, all stemming from alleged misclassification of Defendants' barbers as independent contractors.

Defendants deny and dispute all such claims. Specifically, Defendants contend that Plaintiffs and all Aggrieved Employees were properly classified and compensated under California law and that Defendants do not owe any PAGA penalties to the State of California or to Aggrieved Employees.

The San Diego County Superior Court has not ruled on the merits of the Lawsuit, but it has approved the settlement between the Parties, including the civil penalties settlement amount to be paid by Defendants. Pursuant to California law, a portion of that settlement amount goes to the State of California's Labor and Workforce Development Agency ("LWDA"). Another portion of the settlement amount goes to the Aggrieved Employees. In agreeing to this settlement, Defendants do not admit that they are liable in any way to any individuals for the alleged violations. The settlement of this Lawsuit and Final Approval Order and Judgment does

not in any way release the Aggrieved Employee's individual claims, to the extent an Aggrieved Employee may have any individual claims.

You are receiving this payment as your share of the settlement. You have 180 days to cash the settlement check. If you do not cash your check by this date, the money will be transferred to the State of California Unclaimed Property Fund, from which you may recover the money at a future time. You will receive an IRS Form 1099 form for the amount of your settlement check, if required by law. If you have lost or misplaced your settlement check, you should contact the Administrator at the toll-free number shown at the top of this letter. It is strongly recommended that all checks be cashed immediately upon receipt. Defendants will not in any manner retaliate against any individual who cashes their settlement check.

You are not a party to the Lawsuit, but you and the State of California will be bound by the order in this matter approving the settlement and entering judgment in the Lawsuit, as well as to the release of claims in this Lawsuit, stated below, only as to civil penalties under PAGA.

The Court-approved settlement contains the following release of claims, to which you are bound:

Upon approval by the Court of this Settlement, and subject to Defendants' payment of the GSA, Plaintiffs, individually and in their representative capacity on behalf the State of California and the Aggrieved Employees will fully and finally release and discharge the Released Parties from all claims, rights, demands, liabilities, costs, attorney's fees, and causes of action for civil penalties under the PAGA, arising during employment by Defendants in California as an independent contractor barber during the PAGA Period, based on the factual and legal allegations pled in the operative Complaint that support or relate to the following alleged violations of law asserted by Plaintiffs in the Action pursuant to PAGA: (1) failure to pay all minimum and overtime wages earned under Labor Code §§ 226.8, 510, 558, 558.1, 1174, 1174.5, 1194, and 1194.2; (2) failure to provide meal periods of compensation in lieu thereof under Labor Code §§ 226.7, 510, 512, 558, 558.1 1174, 1174.5, and 1194; (3) failure to provide rest periods of compensation in lieu thereof under Labor Code §§ 226.7, and 558.1; (4) failure to issue accurately itemized wage statements under Labor Code §§ 226(a), 226.3, and 558.1; and (5) failure to timely pay wages upon separation of employment under Labor Code §§ 201-203, and 558.1 (the "Released PAGA Claims").

The "Released Parties" are Defendants, and each of and all of their respective past, present and future agents, employees, officers, directors, partners, trustees, representatives, shareholders, stockholders, members, attorneys, parents, subsidiaries, equity sponsors, related companies/corporations and/or partnerships, divisions, assigns, predecessors, successors, insurers, consultants, joint venturers, joint employers, affiliates, alter-egos, co-employers, dual employers, service providers, contracting partners, subcontractors, employee benefit plans and fiduciaries thereof, and all other persons and/or entities acting under, by, through or in concert with any of them.

If you have any questions, you can contact the settlement administrator (whose contact information is at the top of this letter) or Plaintiffs' Counsel as follows:

Attorneys for Plaintiffs:

Daniel F. Gaines, Esq.

Alex P. Katofsky, Esq.

GAINES & GAINES, APLC

4550 East Thousand Oaks Boulevard, Suite 100

Westlake Village, CA 91362

Telephone: (866) 550-0855

**PLEASE DO NOT CONTACT THE COURT OR THE JUDGE WITH ANY
QUESTIONS ABOUT THE LAWSUIT OR THE SETTLEMENT**

EXHIBIT E