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as an individual and on behalf of all
employees similarly situated

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

EFRAIN VIVEROS, as an individual and on
behalf of all employees similarly situated,

Plaintiff,

v.

D AND T RESTAURANTS, INC., a California
Corporation; MCSURF, INC., a California
Corporation; BLADE ENTERPRISES III, Inc., a
California Corporation; BLADE ENTERPRISES
IV, Inc., a California Corporation; BLADE
ENTERPRISES V, Inc., a California Corporation;
BLADE ENTERPRISES VI, Inc., a California
Corporation; BLADE ENTERPRISES VII, Inc., a
California Corporation; BLADE ENTERPRISES
VIII, Inc., a California Corporation; and DOES 1
through 50, inclusive,

Defendants.

Case No.: 23STCV10019

[Assigned to Hon. Maren Nelson, Dept.17]

**CLASS AND PAGA REPRESENTATIVE
ACTION**

**DECLARATION OF LILIT TUNYAN IN
SUPPORT OF PLAINTIFF'S MOTION
FOR PRELIMINARY APPROVAL OF
CLASS AND PAGA REPRESENTATIVE
ACTION SETTLEMENT**

Date: May 29, 2024
Time: 9 a.m.
Courtroom: Dept. 17
Judge: Hon. Maren Nelson

Action Filed: May 4, 2023
Trial Date: Not Set

DECLARATION OF LILIT TUNYAN

I, LILIT TUNYAN, declare as follows:

1. I am admitted, in good standing, to practice as an attorney in the State of California, the United States District Courts for the Central, Eastern and Northern Districts of California. I am the founding partner at the law firm of Tunyan Law, APC. I am a fully qualified, adult resident of the State of California, and, if called as a witness herein, I would testify truthfully to the matters set forth herein. All of the matters set forth herein are within my personal knowledge, except those matters that are stated to be upon information and belief. As to such matters, I believe them to be true. I am one of the attorneys of record for Plaintiff EFRAIN VIVEROS(“Plaintiff”).

2. This Declaration is submitted in support of Plaintiff’ Motion for Preliminary Approval of Class and PAGA Representative Action Settlement.

BACKGROUND

3. On May 4, 2023, Plaintiff commenced this Action by filing a Complaint alleging causes of action against Defendants for: (1) Violation of Labor Code §§ 204, 510, 1194, 1198 (Failure to Pay All Wages; (2) Violation of Labor Code §§ 226.7, 512 (Failure to Provide Meal Periods); (3) Violation of Labor Code § 226.7 (Failure to Provide Rest Periods); (4) Violation of Labor Code § 226, (Failure to Keep Accurate Itemized Wage Statements); (5) Violation of Labor Code §§ 201-203 (Failure to Pay Wages Upon Termination of Employment); (6) Violation of Labor Code § 2802 (Failure to Reimburse For Necessary Expenditures); (7) Violation of Bus. & Prof. Code § 17200 et seq. (Unfair Business Practices). On July 11, 2023, Plaintiff filed a First Amended Complaint adding a cause of action for Civil Penalties Under PAGA [Cal. Lab. Code § 2699, et seq.]. The First Amended Complaint is the operative complaint in the Action (the “Operative Complaint.”)

4. Pursuant to Labor Code § 2699.3(a), Plaintiff gave timely written notice to Defendants and the LWDA by sending the PAGA Notice and Amended PAGA Notice. (“PAGA”).

5. The Parties have conducted informal discovery and investigation of the facts and law. Such discovery and investigation have included, inter alia, the exchange of informal data and discoverable information in preparation for the settlement negotiations. The Parties have analyzed payroll and other data pertaining to Plaintiff and the Class during the relevant Settlement Period,

1 including but not limited to the numbers of former and current members of the Class, average
2 workweeks, sample size time and pay records and average rate of hourly pay, wage and hour policies.
3 (*Id.*)

4 6. After reviewing documents regarding Defendants' wage and hour policies and practices
5 and other information obtained during the informal exchange of discovery, Class Counsel were able to
6 evaluate the probability of class certification, success on the merits, and the reasonably obtainable
7 maximum monetary exposure for all claims. Class Counsel reviewed these records and prepared a
8 damage analysis prior to mediation and reviewed additional records produced after the mediation. Class
9 Counsel also investigated the applicable law regarding the claims and defenses asserted in the litigation.

10 7. On January 11, 2024, the Parties mediated before a mediator Mark LeHocky, Esq. who is
11 a highly experienced and well-regarded mediator for wage and hour class action litigation, which led to
12 this Agreement to settle the Action. At the mediation, the Parties discussed at length the burdens and
13 risks of continuing with the litigation considering Defendants' limited ability to pay settlement funds in
14 an amount exceeding the Gross Settlement Amount due to McDonald's Corporation reinvestment
15 requirements and other risks and the merits of the claims and defenses. The Parties have reached an
16 agreement regarding the substantive terms of a class-wide settlement, pending the Parties' agreement on
17 a long-form class settlement agreement. The Parties then signed a long form settlement agreement
18 ("Agreement").

19 8. Plaintiff and Class Counsel are aware of the burdens of proof necessary to establish
20 liability for the claims asserted in the Action, both generally and in response to Defendants' defenses
21 thereto. Plaintiff and Class Counsel have also taken into account Defendants' agreement to enter into a
22 Settlement that confers substantial relief upon the Class.

23 9. Based on the foregoing, Plaintiff and Class Counsel have determined that the Settlement
24 set forth in this Agreement is a fair, adequate, and reasonable Settlement and is in the best interests of the
25 Class. Solely for the purpose of settling this case, the parties agree that the requirements for establishing
26 class action certification with respect to this class have been met and are met. If this Settlement is not
27 approved by the Court for any reason, Defendants reserve their right to contest class certification. This
28 Settlement, if approved by the Court, will result in the termination with prejudice of the litigation through

the entry of the Judgment and the release of all Released Claims for all Class Members, including all within the class definition who have not elected to exclude themselves from the Settlement Class.

SUMMARY OF THE SETTLEMENT TERMS

10. Key provisions of the proposed settlement include the following:

- (a) Defendants agree not to oppose certification of a Class for purposes of Settlement only (Settlement, ¶ 12.1);
- (b) Class: All non-exempt, hourly employees of Defendants who worked for Defendants in California during the Class Period (the “Class Period” is May 4, 2019 through the date of granting preliminary approval of this settlement). (Settlement, ¶ 1.5, 1.12.) “Participating Class Members” are those Class Members who do not submit timely exclusion requests to the Settlement Administrator. (Settlement, ¶ 1.9, 1.35);
- (c) Settlement Amount: Defendants will pay a maximum of \$900,000.00, referred to as the Gross Settlement Amount (or GSA herein), resulting in an estimated average gross payment per Class Member of approximately \$469.48 (Settlement, ¶ 1.22);
- (d) Class Size: approximately 1,917 individuals who worked an approximately 122,386 workweeks as of January 11, 2024 during Class Period. (Settlement, ¶ 8);
- (e) PAGA Group Size: an estimated 1,261 individuals, who worked roughly 25,757 pay periods as of January 11, 2024 during PAGA period (Tunyan Decl., ¶ 18);
- (f) PAGA Period: March 2, 2022 through the date of granting preliminary approval of this settlement. (Settlement, ¶ 1.31);
- (g) Escalator Clause: Based on its records, Defendants estimate that, as of the date of the pre-mediation document and data production, there are 1,917 Class Members and 122,386 total workweeks during the Class period. If the total number of workweeks during the Class Period exceeds 122,386 by more than 10%, then Defendants can either have the Class Period end on the date that the Workweeks

1 exceed 134,625 or increase the Gross Settlement Amount on a pro rata basis a
2 pro-rata dollar value equal to the number of workweeks in excess of 134,625
3 workweeks. (the “Escalator Clause”). (Settlement, ¶ 8);

4 (h) Kullar/Munoz Analysis: Plaintiff addresses the claims analysis herein, at Part
5 V.B.3, and in more detail the Declaration of Lilit Tunyan, at Paragraph 18;

6 (i) No Reversion: The Settlement is a non-reversionary settlement (Settlement, ¶
7 3.1);

8 (j) Certification: Plaintiff addresses certification requisites herein, at Part V.A., and
9 in the Declaration of Lilit Tunyan, at Paragraphs 34-40;

10 (k) No Claim Form: No claim form is required (Settlement., ¶ 3.1);

11 (l) Class Release: The Settlement will release specified wage-and-hour claims for
12 Class Members (those Class Members who do not opt out of the Settlement)
13 (Settlement, ¶¶ 1.39, 5.2);

14 (m) PAGA Release: The Class Members will release the PAGA Claims set forth in
15 this Action, that were identified in the First Amended Complaint and Plaintiff’s
16 LWDA Notice Letter, regardless of whether they opt out of the class portion of
17 the Settlement (Settlement, ¶¶ 1.40, 5.3);

18 (n) Release Effective Date: The Release is not active until Defendants tender all
19 payments required under the Settlement to the Settlement Administrator
20 (Settlement, ¶ 5);

21 (o) Net Settlement Amount Available to the Class: After deducting Class Counsel’s
22 attorneys’ fees and costs, service payment to Plaintiff, administration costs, and
23 the payment to the LWDA, the remainder will be available for distribution to
24 Class Members who do not opt out, with each Class Member receiving a share
25 based on the number of workweeks each Class Member worked for Defendants
26 within the Class Period. The Net Settlement Amount is estimated to be at least
27 \$493,000.00, resulting in an average gross payment per Class Member of \$469.48
28 and net payment per Class Member of at least \$257.17 before any tax

- 1 withholdings. (Settlement, ¶ 3);
- 2 (p) Tax Allocation: The amounts distributed to Class Members will be characterized
- 3 as 20% alleged unpaid wages, 80% to penalties and interest, and PAGA
- 4 Settlement Payments will be allocated as 100% penalties. (Settlement, ¶ 3.2.4.1,
- 5 3.2.5.2);
- 6 (q) Employer's Portion of Payroll Taxes Paid Separately: Defendants' portion of
- 7 payroll taxes (e.g., FICA, FUTA, etc.) owed on any settlement payments to Class
- 8 Members that constitute wages will be paid separate and apart from the GSM
- 9 (Settlement, ¶ 3.1);
- 10 (r) Settlement Administrator: The notice portion of the Settlement will be
- 11 administered by a third-party Administrator, Phoenix Class Action
- 12 Administration Solutions and the Parties estimated that the costs of
- 13 administration should not reasonably exceed \$30,000.00. Phoenix Class Action
- 14 Administration Solutions' low bid for settlement administration services in the
- 15 amount of \$17,000.00 was selected as the lowest bid from a competitive bidding
- 16 process. (Settlement, ¶ 3.2.3);
- 17 (s) Class Data for Administration: The Settlement Administrator will receive the
- 18 Class List within 20 calendar days of Preliminary Approval, use the NCOA
- 19 database to update the Class List, and then use skip tracing on returned Notices
- 20 (Settlement, ¶ 4.2);
- 21 (t) Notice: The Notice will issue within 14 days of receipt of the Class List
- 22 (Settlement, ¶ 7.4.2). The Notice describes how to dispute workweeks, submit an
- 23 objection in writing, in person, or through an attorney, or request exclusion
- 24 (Settlement, ¶¶ 7.4 – 7.7);
- 25 (u) Notice Language: Notice will issue in English and Spanish (Settlement, ¶ 1.11);
- 26 (v) Objections: Objections can be submitted in person, through an attorney, or in
- 27 writing to the Settlement Administrator (Settlement, ¶ 7.7);
- 28 (w) Exclusion Requests: The procedure for exclusion requests, mailing a request to

the Settlement Administrator, is the same as the procedure for submitting a written objection (Settlement, ¶¶ 7.5 and 7.7);

- (x) PAGA Allocation: From the GSA, \$80,000.00 will be allocated to settle claims brought pursuant to the California Private Attorneys General Act, Labor Code § 2699 et seq. (“PAGA”), and seventy-five percent (75%), or \$60,000.00, will be paid to the California Labor & Workforce Development Agency. (Settlement, ¶¶ 1.34, 3.2.5.);
- (y) Notice to LWDA: Notice was provided prior to the filing of this Motion. Evidence is attached to the Declaration of Lilit Tunyan;
- (z) Enhancement/Service Award to Plaintiff: Defendants will not oppose the application for Class Representative Service Payment of up to \$10,000.00 for Plaintiff, to be paid from the GSA (Settlement, ¶ 3.2.1);
- (aa) Fees and Costs: Defendants will not oppose Class Counsel’s application for fees not to exceed 33 1/3% of the GSA (\$300,000.00), and actual costs, in an amount not to exceed \$20,000.00, to be paid out of the GSA (Settlement, ¶ 3.2.2);
- (bb) Check Void Period: Settlement checks will be valid for 180 days (Settlement, ¶ 4.4.3);
- (cc) Uncashed Checks: Any settlement checks that are mailed to the Class Members and remain uncashed after 180 days of the date of issuance will be cancelled, and the moneys will be directed to the California Controller's Unclaimed Property Fund (Settlement, ¶ 4.4.3);
- (dd) Judgment Notice: Settlement Agreement, Class Notice and Judgment will be posted on the Settlement Administrator’s website after entry (Settlement, ¶ 7.8.1);
- (ee) Confidentiality Provisions: The Settlement permits Class Counsel to discuss the Settlement with Class Members (Settlement ¶ 12.2).

11. A true and correct copy of the JOINT STIPULATION OF CLASS AND PAGA REPRESENTATIVE ACTION SETTLEMENT is attached hereto as Exhibit “1.”

THE SETTLEMENT IS FAIR, JUST AND REASONABLE

12. Plaintiff and counsel have diligently investigated the claims of the Class Members. Plaintiff and Class Counsel concluded, after taking into account the disputed factual and legal issues involved in this Action, the substantial risks attending further prosecution including risks related to the outcome of certification and possible summary judgment efforts, and Defendants' ability to pay settlement funds and the substantial benefits to be received pursuant to the compromise and settlement of the Action as set forth in the Settlement, that settlement on the terms agreed to are in the best interest of Plaintiff and the putative Class and are fair and reasonable. Plaintiff's and Defendants' counsel brought to bear a great deal of experience with class actions in negotiating the settlement of this case.

13. One fundamental purpose of the class action device is to promote efficiency. Resolution at this time will forestall the need for additional expensive and time-consuming litigation that could very well result in an outcome less satisfactory than that proposed under this settlement. But, before any other consideration, we have agreed to this settlement because it is objectively reasonable. The potential for resolution benefits the class members, since they do not have to wait additional years for a similar recovery. The efficiency of this litigation benefits the Court, the parties and their counsel. A class-wide resolution is the most realistic method for addressing the claims raised in this matter.

14. We have engaged in the necessary investigation in this case that made it possible for us to exercise informed judgment in those aspects of the settlement process in which we were involved. The exchange of time and wage data, wage and hour policy documents and data about the composition of the Class and interviewing Class Members were sufficient to permit us counsel to adequately evaluate the settlement. We had more than enough information upon which to evaluate a fair and reasonable settlement amount.

15. We believe that the case was viable through to a trial. However, while Plaintiff assert a belief that this is a viable case for trial, we realize that there are always significant risks associated with certification and trials, and those risks cannot be eliminated in this case. Continued litigation of this lawsuit presented Plaintiff and Defendants with substantial legal risks and costs that were (and continue to be) difficult to assess. The risks in this matter include:

- the risk that Plaintiff would be unable to establish liability for allegedly unpaid straight time

1 or overtime wages, see *Duran v. US Bank Nat'l Ass'n*, 59 Cal. 4th 1, 39 & fn. 33 (2014)
2 (“*Duran*”), citing *Dilts v. Penske Logistics, LLC* 2014 WL 205039 (S.D. Cal. 2014)
3 (dismissing certified off-the-clock claims based on proof at trial);;

- 4 • the risk that Defendants’ meal and rest period policies might not ultimately support class
5 certification or a class-wide liability finding, see *Duran*, 59 Cal. 4th at 14, n. 28 (citing
6 Court of Appeal decisions favorable on class certification issue without expressing opinion
7 as to ultimate viability of proposition) given also low violation rate based on the review of
8 the sample records;
- 9 • the risk that uncertainties pertaining to the ultimate legality of Defendants’ policies and
10 practices could preclude class-wide awards of statutory penalties under Labor Code §§ 203
11 and 226(e);
- 12 • the risk that individual differences between Class Members could be construed as
13 pertaining to liability and not solely to damages, see *Duran*, 59 Cal. 4th at 19;
- 14 • the risk that individual differences between Class Members could be construed as
15 pertaining to liability and not solely to damages, see *Duran*, 59 Cal. 4th at 19;
- 16 • the risk that any civil penalties award under the PAGA could be reduced by the Court in its
17 discretion, see Labor Code § 2699(e)(1);
- 18 • the risk that class treatment could be deemed improper as to one or more claims, except for
19 settlement purposes;
- 20 • the risk that lengthy appellate litigation could ensue;
- 21 • the risk that violation rate estimates would prove much lower than expected.

22 These risks are non-exhaustive. While we remain confident that we possess credible strategies for
23 responding to the legal and factual risks facing them, those risks cannot be disregarded. We carefully
24 considered the risks created by all of these uncontrollable factors when evaluating the reasonableness of
25 this proposed settlement. This Settlement provides a benefit to the Class Members that is very
26 reasonable in light of these particular risks.

27 16. The Settlement is the product of arm’s-length negotiations between the Parties occurring
28 throughout the litigation. In light of the uncertainties of protracted litigation and the state of the law

1 regarding the legal positions of the Parties, the settlement amount reflects the best feasible recovery for
2 the Class Members. The settlement amount is, of course, a compromise figure. By necessity it took into
3 account risks related to liability, damages, and the defenses asserted by Defendants and Defendants'
4 financial condition. Moreover, each Class Member will be given the opportunity to opt-out of the
5 Settlement, allowing those who feel they have claims that are greater than the benefits they can receive
6 under this Settlement to pursue their own claims. For the approximately 1,917 members of the Class, the
7 average gross recovery is at least **\$469.48** per class member, and the estimated average net recovery for
8 each Class Member is approximately **\$257.17**. Given that Defendants could challenge certification and
9 liability and Defendants' limited ability to pay settlement amount exceeding the Gross Settlement
10 Amount due to McDonald's Corporation reinvestment requirements, this is a significant sum to have
11 achieved in settlement. Moreover, a Class Member who worked a greater number of weeks for
12 Defendants will receive a larger share of the Settlement than a Class Member who worked for a shorter
13 amount of time during the class period.

14 17. The Gross Settlement Amount of **\$900,000.00** is about 75% of the **\$1,206,799.52**
15 estimate of risk-adjusted recovery (excluding interest) at this stage in the litigation. This assessment is
16 based on a carefully constructed model of the current fair value of the case, using estimated risks,
17 average wage rates, numbers of employees, and the amount of time covered by the class period. While
18 Plaintiff would certainly have preferred to recover more (and Defendants would have preferred to pay
19 less), this outcome is in line with a carefully constructed estimate of the current fair value of the case. On
20 that basis, it would be unwise to pass up this settlement opportunity. My maximum calculated
21 reasonable exposure, after removing implausible or extreme estimated recoveries, is **\$6,331,610.50**,
22 including PAGA penalties.

- 23 • A reasonably estimated exposure for unpaid off-the-clock work was calculated, with the
24 assistance of an expert, to be approximately **\$1,180,138.50**. However, with the risk factor
25 discounts for certification and liability proof, the value of that claim is estimated by
26 Plaintiff's counsel to be approximately **\$141,616.62**, assuming certification probability of
27 40% and merits success at 30%.
- 28 • A reasonably estimated exposure for rest break violations over the class period was

calculated at **\$67,509.00**, but with chances of certification and proof of liability (50% and 40% respectively) for a risk-adjusted exposure of **\$13,501.80**.

- A reasonably estimated exposure for meal break violations over the class period was calculated at **\$394,483.00** with chances of certification and liability risks (50% and 40% respectively) resulting in a risk-adjusted exposure of **\$78,896.60**.
- Risk-adjusted penalty recoveries for wage statement and Labor Code § 203 penalties were estimated to be approximately **\$28,930.00** and **\$151,632.50**, respectively, on maximum exposures of **\$289,300.00** and **\$1,516.325.00**, respectively (50% and 20% respectively).
- A reasonably estimated exposure for unreimbursed expenses was calculated at **\$598,475.00**, with chances of certification and liability risks (80% and 70% respectively) resulting in a risk-adjusted exposure of **\$335,146.00**.
- Performing risk-adjusted valuations for all claims yields a total value in the range of **\$749,723.52**, excluding PAGA. (*Id.*)
- PAGA penalties were calculated as having a maximum realistic exposure of **\$2,285,380.00**, but a risk adjusted value of **\$457,076.00**, after factoring in risks of reduction in penalties pursuant to Court discretion and the high risk of the inability to prove violations for all aggrieved employees.

As required under *Kullar v. Foot Locker Retail, Inc.*, 168 Cal. App. 4th 116 (2008) and *Munoz v. BCI Coca-Cola Bottling Co. of Los Angeles*, 186 Cal. App. 4th 399 (2010), the maximum plausible and realistic recoveries versus the current risk-adjusted value of the claims are discussed in additional detail below:

(a) Key Class Data Elements at Time of Mediation:

- 1) Class Members: approximately 1,971
- 2) Work Weeks: approximately 122,386 workweeks as of January 11, 2024 during Class Period
- 3) PAGA Employees: approximately 1,261
- 4) Gross Settlement Amount: \$900,000

(b) KULLAR/MUNOZ ANALYSIS: Unpaid Wages Due to Off-the-Clock Work

- 1) Plaintiff's claims for unpaid wages due to off-the-clock work is based on Defendants' requirement for Class Members to arrive at work earlier than their scheduled start time to make sure they are clocked in to work on time considering the wait time to clock in, to undergo COVID pre-screening, to clock out for meal and rest periods but continue working, to communicate using their cell phones regarding work, to wash their heavily soiled uniforms after scheduled shifts, not payment of reporting time pay.
- 2) Defendants deny these allegations and contends they compensated for all time.
- 3) **Risk-adjusted Exposure Analysis:**

Calculated maximum recovery:	\$1,180,138.50
Estimated certification probability	40%
Estimated chance of prevailing on merits	30%
Max recovery × certification risk × chance or success on merits = Present Settlement Value	\$141,616.62

(c) **KULLAR/MUNOZ ANALYSIS: Meal Periods**

- 1) Plaintiff's claims for meal break violation is based on Defendants' policy to require Plaintiff and Class Members to clock out for meal periods and continue working and take meal periods in designated crew room. Based on the produced sample records the percentage of unique meal break violation after offsetting the paid meal premiums (shifts without a recorded meal break, late or short meal breaks) is 20%. Employees are entitled to meal periods of at least 30 minutes before exceeding five hours of work and to second meal periods of not less than 30 minutes before exceeding 10 hours of work. For each meal period missed or taken late an employer must pay the employee an additional one hour of compensation. Labor Code §

226.7. This additional hour of compensation is referred to as “premium pay.”

- 2) Defendants deny these allegations and maintain that the obligation is simply to “provide” meal periods, not to “ensure” that they are taken. *Brinker v. Superior Court*, 53 Cal. App. 4th 1004, 1034-41 (2012) (rejecting “ensure” standard). Furthermore, Defendants contend that any failure to take meal periods, or to take late meal periods, was a result of employee choice, not of any policy or practice of Defendants. Finally, Defendants assert that Plaintiff’s meal period claims would not be amenable to class treatment, since individual inquiries would need to be made with respect to each specific shift that each employee missed a meal or rest period, to determine why that specific employee missed that specific meal or rest period on that specific shift.

3) **Risk-adjusted Exposure Analysis:**

Calculated maximum recovery:	\$394,483.00
Estimated certification probability	50%
Estimated chance of prevailing on merits	40%
Max recovery × certification risk × chance of success on merits = Present Settlement Value	\$78,896.60

(d) **KULLAR/MUNOZ ANALYSIS: Rest Breaks**

- 1) Plaintiff’s claims for rest break violation is based on Defendants’ policy to require Plaintiff and Class Members to clock out for rest periods and continue working and take rest periods in designated crew room. Additionally, Defendants required to record rest breaks. Based on the produced sample records the percentage of unique rest break violation (shifts without a recorded rest break or short rest breaks) is 14.2%.

Employees are entitled to a rest period of at least 10 minutes every four hours worked, or major fraction thereof. For each rest period missed or taken late an employer must pay the employee an additional one hour of compensation. Labor Code § 226.7. This additional hour of compensation is referred to as “premium pay.”

- 2) Defendants maintain that the obligation is simply to “authorize and permit” rest periods, not to “ensure” that they are taken. *Brinker v. Superior Court*, 53 Cal. App. 4th 1004, 1034-41 (2012) (rejecting “ensure” standard). Furthermore, Defendants contend that any failure to take rest breaks was a result of employee choice, not of any policy or practice of Defendants. Finally, Defendants assert that Plaintiff’s rest breaks claims would not be amenable to class treatment, since individual inquiries would need to be made with respect to each specific shift that each employee missed a rest period, to determine why that specific employee missed that specific rest break on that specific shift.

3) **Risk-adjusted Exposure Analysis:**

Calculated maximum recovery:	\$67,509.00
Estimated certification probability	50%
Estimated chance of prevailing on merits	40%
Max recovery × certification risk × chance of success on merits = Present Settlement Value	\$13,501.80

(e) **KULLAR/MUNOZ ANALYSIS: Late Pay Penalties Under Labor Code § 203**

- 1) Labor Code § 203 provides that if an employer fails to pay an employee all wages due at termination or within 72 hours of resignation, then that employee’s wages shall continue as a penalty until paid for a period of up to thirty (30) days from the date they were due. Because class members

1 stopped working for Defendants but again were not paid their full
2 compensation for the reasons discussed above, class members did not
3 receive all wages due upon termination of employment.

- 4 2) Defendants argue that a good-faith belief in the legality of its employment
5 practices precludes a finding that any withholding of wages was “willful.”
6 See Cal. Code Regs. § 13520 [good-faith dispute exists to a claim for
7 waiting time penalties “when an employer presents a defense, based in law
8 or fact which, if successful, would preclude any recovery on the part of the
9 employee. The fact that a defense is ultimately unsuccessful will not
10 preclude a finding that a good faith dispute did exist.”].) Defendants
11 further maintain that because of viable defenses in both law and fact that
12 waiting-time penalties could not be awarded and, in any case, such
13 penalties were subject to a three-year limitations period under Labor Code
14 § 203(b) and an arbitration agreement that would bar class treatment.

15 3) **Risk-adjusted Exposure Analysis:**

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Calculated maximum recovery:	\$1,516.325.00
Estimated certification probability	50%
Estimated chance of prevailing on merits	20%
Max recovery × certification risk × chance or success on merits = Present Settlement Value	\$151,632.50

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22 (f) **KULLAR/MUNOZ ANALYSIS: Wage Statement Violations**

- 23 1) Plaintiff also alleged a cause of action under Labor Code § 226(a) for not
24 including all wages, or meal and rest break premiums in the wage
25 statements and as a result of including all nice digits of Social Security
26 Numbers of employees instead of including only four digits as well as for
27 including sick pay hours in the total number of hours in Class Members
28

wage statements. That section states that an employer must provide an accurate itemized wage statement twice a month or each time wages are paid, whichever is the more frequent. Failure to do so entitles employees to recover the greater of all actual damages or fifty dollars (\$50) for the initial pay period in which a violation occurs and one hundred dollars (\$100) for each violation in a subsequent pay period, not exceeding an aggregate penalty of four thousand dollars (\$4,000). *See* Labor Code § 226(e).

2) Defendants contend that Labor Code § 226(e) penalties are not automatic. Rather, the employee must show (1) that he or she “suffered injury” from the employer’s failure to provide compliant wage statements, *see Elliot v. Spherion Pacific Work, LLC*, 572 F.Supp.2d 1169, 1181 (2008) (applying California law) (holding employee was not entitled to penalties because no injury was shown), and (2) Defendants’ noncompliance was “knowing and intentional.” Defendants contend that class members suffered no injury from any failure to issue compliant wage statements and, furthermore, that any noncompliance was not knowing and intentional. Further, because the damages for this cause of action are penalties, the statute of limitations only runs from one year prior to the filing of the original complaint. *See* Code Civ. Proc. § 340. Moreover, Defendants maintain that Plaintiff’ derivative claim for wage statement ‘penalties would fail for the same reasons that Plaintiff’ underlying claims would fail. The parties discussed these issues, and in light of these and other considerations Class Counsel factored in a reduction of liability and damages for this cause of action.

3) **Risk-adjusted Exposure Analysis:**

Calculated maximum recovery:	\$289,300.00
Estimated certification probability	50%
Estimated chance of prevailing on merits	20%

Max recovery × certification risk × chance or success on merits = Present Settlement Value	\$28,930.00
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(g) **KULLAR/MUNOZ ANALYSIS: Unreimbursed Expenses Under Labor Code § 2802**

- 1) Plaintiff also alleged a cause of action under Labor Code § 2802 for failure to reimburse all necessary expenses. Under Labor Code § 2802, “an employer shall indemnify his or her employee for all necessary expenditures... incurred by the employee in direct consequence of the discharge of his or her duties.” Lab. Code § 2802. Plaintiff’s claims for unreimbursed expenses are based upon claims that Class Members used their personal cellular telephones to download and use an application called “Next” to check their work schedules and to communicate with their supervisors for work purposes as well as wash heavily soiled uniforms without reimbursement. The exposure is calculated by multiplying \$25 as a reasonable portion of the phone bill for each Class Member per month during the Class Period.
- 2) Defendants contend that most employees did not incur significant expenses, and that they purchased those tools voluntarily.
- 3) **Risk-adjusted Exposure Analysis:**

Calculated maximum recovery:	\$598,475.00
Estimated certification probability	80%
Estimated chance of prevailing on merits	70%
Max recovery × certification risk × chance or success on merits = Present Settlement Value	\$335,146.00

(h) **QUASI- KULLAR/MUNOZ ANALYSIS: PAGA**

- 1) The Labor Code Private Attorneys General Act, Labor Code § 2699 *et seq.*,

allows Plaintiff to obtain civil penalties on behalf of herself and other class members for Defendants' violation of any provision of the Labor Code enumerated under Labor Code § 2699.5. Where civil penalties are provided in the statute, those civil penalties are recoverable; where no civil penalties are recoverable, Labor Code § 2699(f) establishes civil penalties of one (\$100) for each aggrieved employee per pay period for the initial violation and two hundred dollars (\$200) for each aggrieved employee per pay period for each subsequent violation. Pursuant to Labor Code § 2699(i), seventy-five (75) percent of the penalties recovered must be allocated to the Labor and Workforce Development Agency (LWDA), with the remaining twenty-five (25) percent allocated to the affected employees. The limitations period is one year prior to the filing of the complaint.

2) The provisions of the Labor Code potentially triggering PAGA penalties in this case include but are not limited to Labor Code §§ 203, 226(a), 226.7, and 510. Defendants asserted that if PAGA penalties were mandatory, an employer's PAGA liability would be huge because of the possibility of collecting multiple civil penalties for a single violation, and thus such penalties would almost always dwarf the damages available under the causes of action proper. However, PAGA penalties are not mandatory but permissive. Labor Code § 2699(e)(2) states that "a court may award a lesser amount than the maximum civil penalty amount specified by this part if, based on the facts and circumstances of the particular case, to do otherwise would result in an award that is unjust, arbitrary and oppressive, or confiscatory." *See also Thurman v. Bayshore Transit Management, Inc.*, 203 Cal. App. 4th 1112, 1135 (2012) [affirming reduction of PAGA penalties].) Defendants here maintain that they have a strong argument that it would be unjust to award maximum PAGA penalties.

3) Furthermore, PAGA penalties are also completely derivative of each and

every other claim. Finally, under *Amaral v. Cintas Corp.*, 163 Cal. App. 4th 1157(2008), it can be argued that penalties under PAGA could, at best, be awarded only at the rates obtainable for initial violations under the applicable statutes, because Defendants had never been notified of the alleged violations. *Id.*, at 1208, 1209.

4) **Risk-adjusted Exposure Analysis:**

Calculated maximum recovery:	\$2,285,380.00
Discount reduction factor for risk of Court reduction and uncertainty of proof for all aggrieved employees	20%
Max recovery × risk reduction = Present Settlement Value	\$457,076.00

With the assistance of Class Counsel’s retained damages expert, Class Counsel estimated Defendants’ maximum total exposure on the PAGA claim at approximately **\$2,285,380.00** (without stacking). This number presupposes underlying claims are proven at a plausible rate and that the Court awards the full base penalties for each. Class Counsel then applied discounts in light of the countervailing arguments with regard to the other causes of action, and the Court’s power to award “a lesser amount than the maximum civil liability.” Accordingly, due to the speculative nature of a valuation for this claim, a discount of **80%** was applied to account for the difficulty of prevailing on this claim.

- (i) **Kullar Summary:** Indulging the most optimistic estimates and improbably favorable outcomes, the maximum reasonable recovery is estimated to be approximately **\$6,331,610.50**, including PAGA. The settlement amount is about **14%** of that amount. The calculated current settlement value is **\$1,206,799.52** (calculated by adding the risk-adjusted amounts in the charts above together), and the settlement is **75%** of the current risk-adjusted settlement value. The bottom

1 line is that the settlement is about 14% of the maximum plausible recovery for the
2 1,971 Class Members, and it is a reasonable settlement, given that the full amount
3 is very unlikely to be recovered.

4 18. This result here is fully supportable as reasonable. First, it is important to recognize the
5 wilfulness finding required for Labor Code §§ 203 and 226 is challenging to establish. Second, rest
6 break and meal period claims have been challenging to certify for many years, even after *Brinker*. Many
7 risks are eliminated through settlement. And, with respect to those risks, certification rates in California
8 are **lower** than conventional wisdom holds. See, e.g., H. Scott Leviant, *Second Interim Report on class*
9 *actions in California sheds new light on certification* (February 19, 2010),
10 www.thecomplexlitigator.com, available at [http://www.thecomplexlitigator.com/post-](http://www.thecomplexlitigator.com/post-data/2010/2/19/second-interim-report-on-class-actions-in-california-sheds-n.html)
11 [data/2010/2/19/second-interim-report-on-class-actions-in-california-sheds-n.html](http://www.thecomplexlitigator.com/post-data/2010/2/19/second-interim-report-on-class-actions-in-california-sheds-n.html); see also, *Findings of*
12 *the Study of California Class Action Litigation, 2000-2006*, available at
13 <http://www.courtinfo.ca.gov/reference/documents/class-action-lit-study.pdf> (finding, at page 5, and in
14 Table 9, at page 15, that only 21.4% of all class actions were certified either as part of a settlement **or** as
15 part of a contested certification motion). Here, the estimated certification probabilities are **above** the
16 average rate at which cases were certified in California over the study years, based upon data available
17 through the California Courts websites. In sum, well *under* 20% of all cases filed as proposed class
18 actions are ultimately certified by way of a *contested* motion. Since the recovery is roughly 11% of the
19 maximum theoretical recovery, it meets the expected outcome under that metric. This Settlement
20 achieves the goals of the litigation.

21 19. To the best of my knowledge, there are no other like class claims asserted or filed by
22 Class Members. To the best of my knowledge, no Class Member has refrained from bringing a class
23 action with claims similar to those raised in the Action, whether in reliance on the Action or otherwise,
24 and who thus might be prejudiced by dismissal of the Action.

25 THE EXPERIENCE OF CLASS COUNSEL

26 20. I am a founding partner of Tunyan Law, APC and has been engaged in the practice of
27 employment and labor law for more than four years focusing exclusively on plaintiffs' employment law
28 and wage-and-hour class actions and more than twenty-four years in practice of law in general. I have

1 handled hundreds of wage-related class actions.

2 21. Prior to establishing my own practice, I was an associate attorney at Moon & Yang, APC and
3 Mahoney Law Group, APC. Since I was admitted to the California Bar, my practice has focused mainly
4 on labor and employment class action lawsuits involving California and federal labor laws. Along with
5 those firm's other attorneys I have successfully settled more than 50 class and PAGA matters during that
6 time span and was routinely appointed lead or co-lead class counsel in courts in California including by
7 way of motion for class certification. I have additionally successfully settled about 10 class and PAGA
8 matters during the last year prior to filing this motion.

9 22. I received my Juris Doctorate from the State Yerevan University and my LL.M. from
10 University of Minnesota Law School. Prior to moving to California and starting to practice law in
11 California I practiced law in Armenia for about twenty years as a licensed attorney. I have been general
12 counsel and head of legal department for big telecommunication and financial corporations in Armenia
13 for the last 12 years prior to moving to California. I managed corporate legal department and corporate
14 legal and regulatory affairs and handled complex litigation matters as well as complex transactions for
15 many years.

16 23. I am a current member of the California Employment Lawyers Association (CELA) and
17 the California Consumer Attorneys Association of Los Angeles (CAALA). I have been an active
18 member of the State Bar of California in good standing.

19 24. I am experienced in prosecuting employment matters, particularly class actions, and I focused
20 a substantial percentage of my practice on wage, hour, and working conditions violations. In addition to
21 the present case, I represented Plaintiff and the class members and have extensively worked on many
22 wage-and-hour class cases and have been appointed as class or PAGA counsel along with other counsel
23 and co-counsel for wage-and-hour class action lawsuits in various counties throughout California such as:
24 *Gonzalez v. RV Retailer San Diego, LLC, et al.*, Riverside County Superior Court, Case N
25 CVRI2301403, *Evans, et al. v. Downtown Women's Center*, Los Angeles County Superior Court,
26 Case N 22STCV06578 (class certification motion granted in part); *Sanchez v. Anodizing Industries,*
27 *Inc.*, Los Angeles County Superior Court, Case N 21STCV30722; *Godoy v. Intertrade Industries,*
28 *LTD*, Orange County Superior Court, Case No. 30-2020-01151921-CU-OE-CXC; *Fuentes v. Actron*

1 *Manufacturing Inc.*, Los Angeles Superior Court, Case N 20STCV31099; *Gonzalez v. Community*
2 *Health Systems, Inc.*, San Bernardino County Superior Court, Case N CIVDS2015678; *Rodriguez v.*
3 *Progress Lighting, Inc. et al.*, San Bernardino County Superior Court, Case N CIVDS2023894;
4 *Castillo v. Gibson Overseas, Inc.*, San Bernardino Superior Court, Case N CIVDS2022537;
5 *Mumphrey v. People's Care Northern California, Inc. et al.*, San Joaquin County Superior Court,
6 Case N STK-CV-UOE-2019-0016397; *Ochoa v. Orlando Spring Corp*, Los Angeles Superior Court,
7 Case N 20STCV343129; *Findley v. USC, et al.*, Los Angeles Superior Court, Case N
8 20STCV47290; *Maldonado v. Techmer PM, LLC*, Los Angeles Superior Court, Case N
9 20STCV21918; *Huerta v. IRS*, Los Angeles Superior Court, Case N 20STCV09163; *Mata v.*
10 *Marukai Corporation*; Los Angeles Superior Court, Case N 20STCV00959; *Tapia v. Home &Body*;
11 Orange County Superior Court, Case N 30-2020-01155185-CU-OE-CXC; *Ruvalcaba v. Quinn*
12 *Group, Inc.*, Los Angeles Superior Court, Case N 20STCV41323; *Bravo v. FIDM*, Los Angeles
13 Superior Court, Case N 19STCV25338; *Lomeli v. Plaskolite et al.*, Los Angeles Superior Court,
14 Case N 21STCV14611; *Alcantar v. Classic Salads LLC*, Santa Cruz County Superior Court, Case N
15 21CV002309; *Casas v. Freedom Solar Services, et al.*, Los Angeles Superior Court, Case N
16 21STCV20233; *Serrano v. Barstow Community Hospital*, San Bernardino Superior Court, Case N
17 CIVDS2006967; *Lopez v. Fairway Staffing Services, et al.*, Los Angeles Superior Court, Case N
18 21STCV26640; *Linden v. Marugame Udon USA, LLC*, Los Angeles Superior Court, Case No.
19 20STCV00728; *Salter v. U.S. Reports, et al.*, Los Angeles Superior Court, Case N 19STCV30384;
20 *Perez v. Torn & Glasser, Inc.*, Los Angeles Superior Court, Case N 21STCV43614; *Gomez v. Arya*
21 *Ice Cream Distributing Co., Inc*, Los Angeles Superior Court, Case N 21STCV31170; *Herrera v.*
22 *Coastal Construction & Lumber*, Santa Cruz County Superior Court, Case N 22CV394683; *Garcia*
23 *v. San Jose Water Company*, Santa Clara County Superior Court, Case No. 22CV396328; *Ramirez v.*
24 *Partners Personnel Management Services LLC*, Los Angeles Superior Court, Case N
25 21STCV31253; *Ramirez v. Merrill Gardens LLC*, Eastern District Court of California, Case N1:22-
26 cv-00542-DAD-SAB; *Garcia v. Tri-Valley Plastering, Inc.*, Fresno County Superior Court, Case N
27 22CECG00591; *Garcia v. South Valley Companies, Inc.*, Kern County Superior Court, Case N
28 BCV-22-100465; *Morales v. Wiseguys Custom Home Theater, LLC*, San Diego Superior Court, Case

1 N37-2019-00070151-CU-OE-CTL.

2 25. Artur Tunyan is another partner and attorney at Tunyan Law, APC. He received his Juris
3 Doctorate from the State Yerevan University and his LL.M. from the American University of Armenia
4 and University of Illinois Chicago, School of Law. Prior to moving to California and starting to practice
5 law in California he practiced law in Armenia for about twenty-five years. He oversaw international
6 donor-funded projects for the judiciary and managed public-private partnership initiatives in sectors such
7 as energy, banking, finance, and aviation. He managed complex transactions and litigation matters for
8 many years.

9 26. My current contingent billing rate is consistent with my practice area, legal market and
10 accepted hourly rates considering also that I practiced law in another country for additional 20 years
11 which brings a total of almost 25 years of experience practicing law. The 2023-2024 Adjusted Laffey
12 Matrix states that an attorney with 4 to 7 years experience can reasonably charge \$538 per hour. See
13 <http://www.laffeymatrix.com/see.html>.

14 REASONABLENESS OF THE REQUESTED FEE AWARD

15 27. When this case was taken on a contingent fee basis, with the firm agreeing to assume
16 responsibility for litigation costs, the ultimate result was far from certain. In the course of this litigation,
17 Tunyan Law, APC, paid filing fees, Westlaw fees, copy charges and mailing, telephone and express mail
18 charges. There was never a guarantee that Tunyan Law, APC, would recoup those expenditures. The
19 firm took on this case, which necessarily required the firm to forego other opportunities, given finite
20 resources to devote to cases.

21 28. Because of the uncertainty of the outcome in this and other wage and hour litigation
22 undertaken by Tunyan Law, APC, we took this case with the expectation that a risk enhancement, either
23 in the form of a lodestar multiplier or a percentage of the fund award equivalent thereto, would be
24 available if we prevailed. This expectation stems from the fact that many cases we undertake as putative
25 class actions do not resolve successfully.

26 29. Class Counsel's experience in employment class actions was integral in evaluating the
27 strengths and weaknesses of the case against Defendants and the reasonableness of the settlement.
28 Practice in the narrow fields of wage and hour litigation requires skill and knowledge concerning the

1 rapidly evolving substantive law (state and federal), as well as the procedural law of class action
2 litigation.

3 30. In the past four years, I have settled many wage-and-hour class actions. Just as the
4 Court in *Chavez v. Netflix, Inc.*, 162 Cal. App. 4th 43, 66, n.11 (2008) observed, it has been my
5 experience, that attorney fee awards of one-third of a common settlement fund are the rule, rather than
6 the exception. Here, Class Counsel agrees that they will seek no more than one third of the settlement
7 amount in fees. This is consistent with common practice, consistent with Ninth Circuit practice,
8 consistent with California law approving the percentage of the fund method to award fees from a
9 common fund, *Laffitte v. Robert Half Intern. Inc.*, 1 Cal. 5th 480, 503 (2016), and not inappropriate in
10 light of the many hours expended by attorneys and paralegals performing work for Plaintiff before and
11 after the filing of this matter. That work includes:

- 12 (a) Numerous interviews with Plaintiff and review of documents provided by Plaintiff;
- 13 (b) Interviews with class members;
- 14 (c) Investigation of the matter and exploring the corporate structure of Defendants;
- 15 (d) Legal research and investigation regarding the Defendants' practices at numerous
16 points in the litigation;
- 17 (e) Preparation of multiple drafts of the original complaint and finalization and filing
18 of the original complaint;
- 19 (f) Preparation and filing of First Amended Complaint;
- 20 (g) Extensive "meet and confer" efforts with Defendants' counsel regarding obtaining
21 relevant documents and information through informal discovery and selecting a
22 mediator and mediation date;
- 23 (h) Drafting and amending the LWDA Notice letter;
- 24 (i) Drafting joint statements and joint stipulations;
- 25 (j) Review of payroll and time data;
- 26 (k) Working with opposing counsel for the receipt of a representative sampling and
27 analyzing the same with the aid of expert consultants and Plaintiff to perform
28 analyses of liability and exposure, preparation of a damages model with the aid of a

statistics expert, review and revisions to the damage model and supporting data analysis;

(l) Conferences with Defendants' counsel regarding mediation, sample data and settlement negotiations;

(m) Preparing mediation brief;

(n) Attending mediation;

(o) Communicating with Plaintiff who requested updates or other information regarding this matter;

(p) Drafting, negotiating, and reviewing multiple drafts of the Settlement Agreement and attachments;

(q) Preparation of the initial motion for preliminary approval and multiple revisions thereafter.

31. I anticipate that Class Counsel will spend an additional 50 hours on this matter, appearing at the hearing of preliminary approval, answering class member calls, working with the administrator to finalize documents in mailing format, conferring with counsel over any notice issues, drafting the final approval motion and motion for fees and costs, appearing at the final approval hearing, and resolving any post-approval issues that may arise, and appearing at a final accounting hearing. Class Counsel has also incurred costs in this matter that will be detailed at the time final approval is sought. Class Counsel has agreed to a cap on recoverable costs of \$20,000, and if total incurred costs exceed the cap, Class Counsel will request no more than the agreed-upon cap.

THE CONTRIBUTION OF PLAINTIFF AND THE REASONABLENESS OF THE REQUESTED
INCENTIVE AWARD

32. Here, Plaintiff seeks an Enhancement Payment of **\$10,000.00**. This amount is very reasonable given the risks undertaken by Plaintiff for involvement in the Action. Taking the risk of filing a lawsuit against an employer deserves recognition, especially in light of the settlement achieved by Plaintiff. Additionally, Plaintiff was actively involved in the litigation, mediation and settlement negotiations of this Action, expending considerable effort in advancing the interests of the Class. Plaintiff provided information to counsel before the filing of this matter; assisted with the informal

1 discovery, provided class members' information, assisted with settlement process (which included
2 conferring with counsel prior to mediation, during the mediation and after the mediation); and, regularly
3 conferred with counsel regarding the case whenever questions arose. I estimate that Plaintiff contributed
4 dozens of hours of time to the prosecution of this matter. Plaintiff's declaration also confirms that
5 Plaintiff was an active participant in the filing and settlement of this case. The enhancement also
6 recognizes the considerable risks Plaintiff undertook on behalf of the Class as well as the personal risk of
7 facing intrusive discovery and potential disclosure to future employers that Plaintiff sued a former
8 employer, making future employment prospects uncertain and that Plaintiff releases claims beyond
9 wage-and-hour claims released by Class Members.

10 THE THIRD-PARTY ADMINISTRATOR

11 33. The parties have agreed that administration will be handled by a third-party administrator.
12 In counsel's experience as class counsel in similar wage-and-hour actions with a similar number of
13 employees, Phoenix Class Action Administration Solutions is fully capable of administering the
14 settlement at a competitive and reasonable cost and should be approved by the Court to administer the
15 settlement notice process. Phoenix Class Action Administration Solutions was selected because it
16 submitted a low bid in the amount of **\$17,000** for administration services. Phoenix Class Action
17 Administration Solutions has also provided a declaration confirming its experience and its
18 implementation of measures designed to protect Class Member data and Class Settlement funds.
19 Plaintiff's counsel do not have any conflicts of interest with the selected administrator Phoenix Class
20 Action Administration Solutions.

21 CLASS CERTIFICATION

22 34. The class is ascertainable by objective criteria. The Class Members are: All individuals
23 employed by Defendants in California and classified as "non-exempt" at any time during the Class
24 Period (the "Class Period" is May 4, 2019 through the date of granting preliminary approval of this
25 settlement). "Settlement Class Members" are those Class Members who do not submit timely exclusion
26 requests to the Settlement Administrator. (Settlement, ¶¶ 1.5, 1.9, 1.12., 1.35)

27 35. The class is sufficiently numerous. Based upon Defendants' records, Defendants
28 represented that there are approximately 1,917 Class Members as of January 11, 2024. Plaintiff's

1 counsel believes that the data is reliable.

2 36. Plaintiff is typical of the Class. Plaintiff was an employee of Defendants. Plaintiff
3 worked during the class period. Plaintiff's claims are typical of the claims of the Class proposed in this
4 settlement. Like other class members, Plaintiff experienced work under policies and procedures
5 impacting wage and hour compliance. No unique defenses applicable to Plaintiff have been identified
6 that do not also exist as to other Class Members.

7 37. Common *issues* exist. Here, Class Members have shared a common interest in
8 determining whether Defendants violated wage and hour requirements under state and related federal
9 law, including the following issues: i. Whether or not Defendants paid proper wages to the Class; ii.
10 Whether or not Defendants provided meal periods to the Class; iii. Whether or not Defendants provided
11 rest periods to the Class; iv. Whether or not Defendants paid compensation timely upon separation of
12 employment to former Class Members; v. Whether or not Defendants paid compensation timely
13 throughout Class Members' employment; vi. Whether or not Defendants provided accurate itemized
14 wage statements to the Class; vii. Whether or not waiting-time penalties are available to the Class for
15 violation of California Labor Code § 203; viii. Whether or not Defendants reimbursed for necessary
16 business expenses pursuant to California Labor Code § 2802; ix. Whether or not Defendants engaged in
17 unlawful or unfair business practices affecting the Class in violation of California Business and
18 Professions Code §§ 17200-17208; and x. Whether or not Plaintiff and the Class are entitled to
19 penalties pursuant to PAGA.

20 38. From our review of the documentation provided, we determined that for purposes of
21 these claims, Defendants' policies and practices are either identical, or sufficiently similar, to raise the
22 same questions of liability, and applied to all Class Members. Because Class Members would have to
23 prove the same issues of law and fact to prevail, and because their potential legal remedies are identical,
24 it would be preferable to resolve all Class Members' claims by means of the Settlement than to require
25 each Class Member to litigate his or her individual claims. Therefore, common questions predominate
26 over any questions that may be unique to individual Class Members, and class-wide settlement is
27 superior to any other method of resolution.

28 39. My declaration, in Paragraphs above, summarizes the firm's experience that establishes

1 its adequacy to represent the Class. Plaintiff's counsel has no known conflicts of interest with absent
2 Class Members. Plaintiff has demonstrated, through participation in this action, a willingness to serve
3 as a representative for the Class. Plaintiff has no known conflicts of interest with absent Class
4 Members and have agreed to place the class interests above Plaintiff's own. Plaintiff' actions also
5 demonstrate adequacy.

6 40. By consolidating all of these potential individual actions into one proceeding, this
7 Court's use of the class action device enables it to manage this litigation in a manner that serves the
8 economics of time, effort and expense for the litigants and the judicial system. Absent class treatment,
9 similarly-situated employees with small but potentially meritorious claims for damages would, as a
10 practical matter, have no means of redress because of the time, effort and expense required to prosecute
11 individual actions. Moreover, in the context of settlement, superiority concerns are almost non-
12 existent, since case management is controlled and a methodology for trial need not be identified.

13 EXHIBITS

14 41. As noted above, a true and correct copy of the JOINT STIPULATION OF CLASS AND
15 PAGA REPRESENTATIVE ACTION SETTLEMENT is attached hereto as **Exhibit "1."** The
16 Settlement includes Exhibit A (the "Notice").

17 42. Attached hereto as **Exhibit "2"** is a true and correct copy of the submission of the
18 proposed settlement papers to the Department of Industrial Relations, through its online submission
19 portal.

20 PAGA SETTLEMENT NOTIFICATION TO DIR

21 43. Counsel for Plaintiff provided notice of the requested approval of the PAGA settlement
22 through the online submission portal.

23 I declare under penalty of perjury, under the laws of the State of California, that the foregoing is
24 true and correct. Executed this 13th day of March 2024, at Glendale, California.

25 

26 _____
27 LILIT TUNYAN, "Declarant"
28

Exhibit “1”

Lilit Tunyan (SBN 329351)
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Artur Tunyan (SBN 349174)
atunyan@tunyanlaw.com
TUNYAN LAW, APC
535 N Brand Blvd. Suite 285
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Attorneys for Plaintiff Efrain Viveros

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES – SPRING STREET

EFRAIN VIVEROS, as an individual and on
behalf of all employees similarly situated,

Plaintiff,

v.

D AND T RESTAURANTS, INC., a
California Corporation; MCSURF, INC., a
California Corporation; BLADE
ENTERPRISES III, Inc., a California
Corporation; BLADE ENTERPRISES IV,
Inc., a California Corporation; BLADE
ENTERPRISES V, Inc., a California
Corporation; BLADE ENTERPRISES VI,
Inc., a California Corporation; BLADE
ENTERPRISES VII, Inc., a California
Corporation; BLADE ENTERPRISES VIII,
Inc., a California Corporation; and DOES 1
through 50, inclusive,

Case No.: 23STCV10019

[Assigned for all purposes to Hon. Maren E.
Nelson, Dept. 17]

**CLASS ACTION AND PAGA SETTLEMENT
AGREEMENT AND CLASS NOTICE**

Complaint Filed: May 4, 2023
Trial: None Set

CLASS ACTION AND PAGA SETTLEMENT AGREEMENT AND CLASS NOTICE

This Class Action and PAGA Settlement Agreement (“Agreement”) is made by and between Plaintiff EFRAIN VIVEROS (“Plaintiff”) and Defendants D AND T RESTAURANTS, INC., MCSURF, Inc., BLADE ENTERPRISES III, Inc., BLADE ENTERPRISES IV, Inc., BLADE ENTERPRISES V, Inc., BLADE ENTERPRISES VI, Inc., BLADE ENTERPRISES VII, Inc., BLADE ENTERPRISES VIII (“Defendants”). The Agreement refers to Plaintiff and Defendants collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

- 1.1. “Action” means the Plaintiff’s lawsuit alleging wage and hour violations against Defendants captioned *Viveros v. D and T Restaurants, Inc., et al.*, Case N 23STCV10019 initiated on May 4, 2023, pending in Superior Court of the State of California, County of Los Angeles.
- 1.2. “Administrator” means Phoenix Class Action Administration Solutions, the neutral entity the Parties have agreed to appoint to administer the Settlement.
- 1.3. “Administration Expenses Payment” means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator’s “not to exceed” bid submitted to the Court in connection with Preliminary Approval of the Settlement.
- 1.4. “Aggrieved Employee” means all persons who worked for Defendants in California as an hourly paid, non-exempt employee during the PAGA Period.
- 1.5. “Class” or “Class Members” means all persons who worked for Defendants in California as an hourly paid, non-exempt employee during the Class Period.
- 1.6. “Class Counsel” means Tunyan Law, APC.
- 1.7. “Class Counsel Fees Payment” and “Class Counsel Litigation Expenses Payment” mean the amounts allocated to Class Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.
- 1.8. “Class Data” means Class Member identifying information in Defendants’ possession

including the Class Member's name, last-known mailing address, Social Security number, and number of Class Period Workweeks and PAGA Pay Periods.

1.9. "Class Member" or "Settlement Class Member" means a member of the Class, as either a Participating Class Member or Non-Participating Class Member (including a Non-Participating Class Member who qualifies as an Aggrieved Employee).

1.10. "Class Member Address Search" means the Administrator's investigation and search for current Class Member mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Class Members.

1.11. "Class Notice" means the COURT APPROVED NOTICE OF CLASS ACTION SETTLEMENT AND HEARING DATE FOR FINAL COURT APPROVAL, to be mailed to Class Members in English and Spanish in the form, without material variation, attached as **Exhibit A** and incorporated by reference into this Agreement.

1.12. "Class Period" means the period from May 4, 2019 through the date the Court grants preliminary approval of this settlement.

1.13. "Class Representative" means the named Plaintiff in the operative complaint in the Action seeking Court approval to serve as a Class Representative.

1.14. "Class Representative Service Payment" means the payment to the Class Representative for initiating the Action and providing services in support of the Action.

1.15. "Court" means the Superior Court of California, County of Los Angeles.

1.16. "Defendants" means named Defendants D AND T RESTAURANTS, INC., MCSURF, Inc., BLADE ENTERPRISES III, Inc., BLADE ENTERPRISES IV, Inc., BLADE ENTERPRISES V, Inc., BLADE ENTERPRISES VI, Inc., BLADE ENTERPRISES VII, Inc., BLADE ENTERPRISES VIII.

1.17. "Defense Counsel" means CLARK HILL LLP.

1.18. "Effective Date" means the date by when both of the following have occurred: (a) the Court enters a Judgment on its Order Granting Final Approval of the Settlement; and (b) the Judgment is final. The Judgment is final as of the latest of the following occurrences:

(a) if no Participating Class Member objects to the Settlement, the day the Court enters Judgment; (b) if one or more Participating Class Members objects to the Settlement, the day after the deadline for filing a notice of appeal from the Judgment; or if a timely appeal from the Judgment is filed, the day after the appellate court affirms the Judgment and issues a remittitur.

1.19. "Final Approval" means the Court's order granting final approval of the Settlement.

1.20. "Final Approval Hearing" means the Court's hearing on the Motion for Final Approval of the Settlement.

1.21. "Final Judgment" means the Judgment Entered by the Court upon Granting Final Approval of the Settlement.

1.22. "Gross Settlement Amount" means **Nine Hundred Thousand Dollars (\$900,000.00)** which is the total amount Defendants agree to pay under the Settlement except as provided in Paragraph 9 below. The Gross Settlement Amount will be used to pay Individual Class Payments, Individual PAGA Payments, the LWDA PAGA Payment, Class Counsel Fees, Class Counsel Expenses, Class Representative Service Payment and the Administrator's Expenses.

1.23. "Individual Class Payment" means the Participating Class Member's pro rata share of the Net Settlement Amount calculated according to the number of Workweeks worked during the Class Period.

1.24. "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 25% of the PAGA Penalties calculated according to the number of Workweeks worked during the PAGA Period.

1.25. "Judgment" means the judgment entered by the Court based upon the Final Approval.

1.26. "LWDA" means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code § 2699(i).

1.27. "LWDA PAGA Payment" means the 75% of the PAGA Penalties paid to the LWDA under Labor Code § 2699(i).

1.28. "Net Settlement Amount" means the Gross Settlement Amount, less the following

1 payments in the amounts approved by the Court: Individual PAGA Payments, the LWDA
2 PAGA Payment, Class Representative Service Payment, Class Counsel Fees Payment,
3 Class Counsel Litigation Expenses Payment, and the Administration Expenses Payment.
4 The remainder is to be paid to Participating Class Members as Individual Class Payments.

5 1.29. "Non-Participating Class Member" means any Class Member who opts out of the
6 Settlement by sending the Administrator a valid and timely Request for Exclusion.

7 1.30. "PAGA Pay Period" means any Pay Period during which an Aggrieved Employee worked
8 for Defendants for at least one day during the PAGA Period.

9 1.31. "PAGA Period" means the period from May 4, 2022 through the date the Court grants
10 preliminary approval of this settlement.

11 1.32. "PAGA" means the Private Attorneys General Act (Labor Code §§ 2698. *et seq.*).

12 1.33. "PAGA Notice" means Plaintiff's May 4, 2023 letter to Defendants and the LWDA
13 providing notice pursuant to Labor Code § 2699.3(a).

14 1.34. "PAGA Penalties" means the total amount of PAGA civil penalties to be paid from the
15 Gross Settlement Amount, allocated 25% to the Aggrieved Employees (\$20,000.00) and
16 the 75% to LWDA (\$60,000.00) in settlement of PAGA claims.

17 1.35. "Participating Class Member" means a Class Member who does not submit a valid and
18 timely Request for Exclusion from the Settlement.

19 1.36. "Plaintiff" means EFRAIN VIVEROS, the named plaintiff in the Action.

20 1.37. "Preliminary Approval" means the Court's Order Granting Preliminary Approval of the
21 Settlement.

22 1.38. "Preliminary Approval Order" means the proposed Order Granting Preliminary Approval
23 and Approval of PAGA Settlement.

24 1.39. "Released Class Claims" means the claims being released as described in Paragraph 5.2
25 below.

26 1.40. "Released PAGA Claims" means the claims being released as described in Paragraph 5.3
27 below.

28 1.41. "Released Parties" means: Defendants and each of its former and present directors,

officers, shareholders, owners, agents, employees, attorneys, insurers, predecessors, successors, assigns.

1.42. "Request for Exclusion" means a Class Member's submission of a written request to be excluded from the Class Settlement signed by the Class Member.

1.43. "Response Deadline" means sixty (60) days after the Administrator mails Notice to Class Members and Aggrieved Employees and shall be the last date on which Class Members may: (a) fax, email, or mail Requests for Exclusion from the Settlement, or (b) fax, email, or mail his or her Objection to the Settlement. Class Members to whom Notice Packets are resent after having been returned undeliverable to the Administrator shall have an additional 14 calendar days beyond the Response Deadline has expired.

1.44. "Settlement" means the disposition of the Action effected by this Agreement and the Judgment.

1.45. "Workweek" means any week during which a Class Member worked for Defendants for at least one day, during the Class Period.

2. RECITALS.

2.1. On May 4, 2023, Plaintiff commenced this Action by filing a Complaint alleging causes of action against Defendants for: (1) Violation of Labor Code §§ 204, 510, 1194, 1198 (Failure to Pay All Wages; (2) Violation of Labor Code §§ 226.7, 512 (Failure to Provide Meal Periods; (3) Violation of Labor Code § 226.7 (Failure to Provide Rest Periods); (4) Violation of Labor Code § 226, (Failure to Keep Accurate Itemized Wage Statements); (5) Violation of Labor Code §§ 201-203 (Failure to Pay Wages Upon Termination of Employment); (6) Violation of Labor Code § 2802 (Failure to Reimburse For Necessary Expenditures); (7) Violation of Labor Code § 1198 and California Code of Regulations, Title 8, Section 11070 (14) (Failure to Provide Suitable Seating); and (8) Violation of Bus. & Prof. Code § 17200 et seq. (Unfair Business Practices). On July 11, 2023, Plaintiff filed a First Amended Complaint adding a cause of action for Civil Penalties Under PAGA [Cal. Lab. Code § 2699, et seq.]. The First Amended Complaint is the operative complaint in the Action (the "Operative Complaint.") Defendants deny the allegations in the Operative Complaint, deny any failure to comply with the laws identified in in

1 the Operative Complaint and deny any and all liability for the causes of action alleged.

2 2.2. Pursuant to Labor Code § 2699.3(a), Plaintiff gave timely written notice to Defendants and
3 the LWDA by sending the PAGA Notice.

4 2.3. On January 11, 2024, the Parties participated in an all-day mediation presided over by
5 Mark LeHocky and continued settlement negotiations after the mediation, which led to this Agreement to
6 settle the Action.

7 2.4. Prior and after the mediation, Plaintiff obtained, through informal discovery, documents
8 and information necessary to evaluate the claims in the Action, including pay and time records for the
9 Class. Plaintiff's investigation was sufficient to satisfy the criteria for court approval set forth in *Dunk v.*
10 *Foot Locker Retail, Inc.*, 48 Cal. App. 4th 1794, 1801 (1996) and *Kullar v. Foot Locker Retail, Inc.*, 168
11 Cal. App. 4th 116, 129-130 (2008) ("*Dunk/Kullar*").

12 2.5. The Court has not granted class certification.

13 2.6. The Parties, Class Counsel and Defense Counsel represent that they are not aware of any
14 other pending class action asserting claims that will be extinguished or affected by the Settlement.

15
16 **3. MONETARY TERMS.**

17 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 9 below,
18 Defendants promise to pay \$900,000.00 and no more as the Gross Settlement Amount, and to separately
19 pay any and all employer payroll taxes owed on the Wage Portions of the Individual Class Payments.
20 Defendants have no obligation to pay the Gross Settlement Amount (or any payroll taxes) prior to the
21 deadline stated in Paragraph 4.3 of this Agreement. The Administrator will disburse the entire Gross
22 Settlement Amount without asking or requiring Participating Class Members or Aggrieved Employees to
23 submit any claim as a condition of payment. None of the Gross Settlement Amount will revert to
24 Defendants.

25 3.2. Payments from the Gross Settlement Amount. The Administrator will make and deduct the
26 following payments from the Gross Settlement Amount, in the amounts specified by the Court in the Final
27 Approval:

28 3.2.1. To Plaintiff: Class Representative Service Payment to the Class Representative of not

1 more than \$ 10,000.00 in addition to any Individual Class Payment and any Individual PAGA
2 Payment the Class Representative is entitled to receive as a Participating Class Member.
3 Defendants will not oppose Plaintiff's request for a Class Representative Service Payment that
4 does not exceed this amount. Plaintiff will seek Court approval for any Class Representative
5 Service Payment in the Final Approval Motion. If the Court approves a Class Representative
6 Service Payment less than the amount requested, the Administrator will retain the remainder in the
7 Net Settlement Amount. The Administrator will pay the Class Representative Service Payment
8 using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed
9 on the Class Representative Service Payment.

10 3.2.2. To Class Counsel: A Class Counsel Fees Payment of not more than 33 and 1/3%, which is
11 currently estimated to be \$300,000.00 and a Class Counsel Litigation Expenses Payment of not
12 more than \$ 20,000.00. Defendants will not oppose requests for these payments. Plaintiff will seek
13 court approval for Class Counsel Fees Payment and Class Litigation Expenses Payment in the
14 Final Approval Motion. If the Court approves a Class Counsel Fees Payment and/or a Class
15 Counsel Litigation Expenses Payment less than the amounts requested, the Administrator will
16 allocate the remainder to the Net Settlement Amount. Released Parties shall have no liability to
17 Class Counsel or any other Plaintiff's Counsel arising from any claim to any portion any Class
18 Counsel Fee Payment and/or Class Counsel Litigation Expenses Payment. The Administrator will
19 pay the Class Counsel Fees Payment and Class Counsel Expenses Payment using one or more IRS
20 1099 Forms. Class Counsel assumes full responsibility and liability for taxes owed on the Class
21 Counsel Fees Payment and the Class Counsel Litigation Expenses Payment and holds Defendants
22 harmless, and indemnifies Defendants, from any dispute or controversy regarding any division or
23 sharing of any of these Payments.

24 3.2.3. To the Administrator: An Administrator Expenses Payment not to exceed \$30,000.00
25 except for a showing of good cause and as approved by the Court. To the extent the
26 Administration Expenses are less or the Court approves payment less than \$30,000.00, the
27 Administrator will retain the remainder in the Net Settlement Amount. Phoenix Class Action
28 Administration Solutions has been selected as the Administrator, based upon its "not to exceed"

1 bid of \$17,000.00.

2 3.2.4. To Each Participating Class Member: An Individual Class Payment calculated by (a)
3 dividing the Net Settlement Amount by the total number of Workweeks worked by all
4 Participating Class Members during the Class Period and (b) multiplying the result by each
5 Participating Class Member's Workweeks.

6 3.2.4.1. Tax Allocation of Individual Class Payments. 20 % of each Participating
7 Class Member's Individual Class Payment will be allocated to settlement
8 of wage claims (the "Wage Portion"). The Wage Portions are subject to tax
9 withholding and will be reported on an IRS W-2 Form. The 80% of each
10 Participating Class Member's Individual Class Payment will be allocated
11 to settlement of claims for interest and penalties (the "Non-Wage
12 Portion").^{vi} The Non-Wage Portions are not subject to wage withholdings
13 and will be reported on IRS 1099 Forms. Participating Class Members
14 assume full responsibility and liability for any employee taxes owed on
15 their Individual Class Payment.

16 3.2.4.2. Effect of Non-Participating Class Members on Calculation of Individual
17 Class Payments. Non-Participating Class Members will not receive any
18 Individual Class Payments. The Administrator will retain amounts equal to
19 their Individual Class Payments in the Net Settlement Amount for
20 distribution to Participating Class Members on a pro rata basis.

21 3.2.5. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$80,000.00
22 be paid from the Gross Settlement Amount, with 75% (\$60,000.00) allocated to the LWDA PAGA
23 Payment and 25% (\$20,000.00) allocated to the Individual PAGA Payments.

24 3.2.5.1. The Administrator will calculate each Individual PAGA Payment by (a)
25 dividing the amount of the Aggrieved Employees' 25% share of PAGA
26 Penalties (\$20,000.00) by the total number of PAGA Period Pay Periods
27 worked by all Aggrieved Employees during the PAGA Period and (b)
28 multiplying the result by each Aggrieved Employee's PAGA Period Pay

Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.5.2. If the Court approves PAGA Penalties of less than the amount requested, the Administrator will allocate the remainder to the Net Settlement Amount. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

4. SETTLEMENT FUNDING AND PAYMENTS.

4.1. Class Workweeks and Aggrieved Employee Pay Periods. Based on a review of its records as of the document production prior to the January 11, 2024 mediation, Defendants estimated there were 1,917 Class Members who collectively worked a total of 122,386 Workweeks.

4.2. Class Data. Not later than twenty (20) days after the Court grants Preliminary Approval of the Settlement, Defendants will deliver the Class Data to the Administrator, in the form of a Microsoft Excel spreadsheet. To protect Class Members' privacy rights, the Administrator must maintain the Class Data in confidence, use the Class Data only for purposes of this Settlement and for no other purpose, and restrict access to the Class Data to Administrator employees who need access to the Class Data to effect and perform under this Agreement. Defendants has a continuing duty to immediately notify Class Counsel if it discovers that the Class Data omitted class member identifying information and to provide corrected or updated Class Data as soon as reasonably feasible. Without any extension of the deadline by which Defendants must send the Class Data to the Administrator, the Parties and their counsel will expeditiously use best efforts, in good faith, to reconstruct or otherwise resolve any issues related to missing or omitted Class Data.

4.3. Funding of Gross Settlement Amount. Defendants shall fully fund the Gross Settlement Amount, and also fund the amounts necessary to fully pay Defendants' share of payroll taxes by transmitting the funds to the Administrator no later than fifteen (15) days after the Effective Date or fifteen (15) days after the Administrator provides Defendants with the calculation of the payroll taxes, whichever date is later.

4.4. Payments from the Gross Settlement Amount. Within fourteen (14) days after Defendants fund the Gross Settlement Amount, the Administrator will mail checks for all Individual Class Payments,

1 all Individual PAGA Payments, the LWDA PAGA Payment, the Administration Expenses Payment, the
2 Class Counsel Fees Payment, the Class Counsel Litigation Expenses Payment, and the Class
3 Representative Service Payment. Disbursement of the Class Counsel Fees Payment, the Class Counsel
4 Litigation Expenses Payment and the Class Representative Service Payment shall not precede
5 disbursement of Individual Class Payments and Individual PAGA Payments.

6 4.4.1. The Administrator will issue checks for the Individual Class Payments and/or
7 Individual PAGA Payments and send them to the Class Members via First Class
8 U.S. Mail, postage prepaid. The face of each check shall prominently state the
9 date when the check will be voided, which date shall be one hundred eighty (180)
10 days after the date of mailing. The Administrator will cancel all checks not cashed
11 by the void date. The Administrator will send checks for Individual Settlement
12 Payments to all Participating Class Members (including those for whom Class
13 Notice was returned undelivered). The Administrator will send checks for
14 Individual PAGA Payments to all Aggrieved Employees including Non-
15 Participating Class Members who qualify as Aggrieved Employees (including
16 those for whom Class Notice was returned undelivered). The Administrator may
17 send Participating Class Members a single check combining the Individual Class
18 Payment and the Individual PAGA Payment. Before mailing any checks, the
19 Settlement Administrator must update the recipients' mailing addresses using the
20 National Change of Address Database.

21 4.4.2. The Administrator must conduct a Class Member Address Search for all other Class
22 Members whose checks are returned undelivered without USPS forwarding address.
23 Within seven (7) days of receiving a returned check the Administrator must re-
24 mail checks to the USPS forwarding address provided or to an address ascertained
25 through the Class Member Address Search. The Administrator need not take
26 further steps to deliver checks to Class Members whose re-mailed checks are
27 returned as undelivered. The Administrator shall promptly send a replacement
28 check to any Class Member whose original check was lost or misplaced, requested

by the Class Member prior to the void date.

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

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

5. RELEASES OF CLAIMS.

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

5.1. Plaintiff's Release.

5.1.1. Scope of Plaintiff's Release. Plaintiff and his respective former and present spouses, representatives, agents, attorneys, heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all claims, transactions, or occurrences that occurred during the Class Period, including, but not limited to all claims, demands, rights, liabilities and causes of action of every nature and description whatsoever, known or unknown, asserted or that might have been asserted, whether in tort, contract, or for violation of any state or federal statute, rule or regulation arising out of, relating to, or in connection with any act or omission by or on the part of any of the Released Parties arising out of, based upon, or relating to Class Representative's employment with Defendants or the remuneration for or termination of such employment committed or omitted prior to

1 the execution of this Agreement. (“Plaintiff’s Release.”) Plaintiff’s Release does
2 not extend to any claims or actions to enforce this Agreement, or to any claims for
3 vested benefits, unemployment benefits, disability benefits, social security benefits,
4 workers’ compensation benefits that arose at any time. Plaintiff acknowledges that
5 Plaintiff may discover facts or law different from, or in addition to, the facts or law
6 that Plaintiff now knows or believes to be true but agrees, nonetheless, that
7 Plaintiff’s Release shall be and remain effective in all respects, notwithstanding
8 such different or additional facts or Plaintiff’s discovery of them.

9 5.1.2. Plaintiff’s Waiver of Rights Under California Civil Code § 1542. For purposes of
10 Plaintiff’s Release, Plaintiff expressly waives and relinquishes the provisions,
11 rights, and benefits, if any, of Section 1542 of the California Civil Code, which
12 reads:

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

16 5.2. Release by Participating Class Members Who Are Not Aggrieved Employees: All
17 Participating Class Members, on behalf of themselves and their respective former and present
18 representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties
19 from all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts
20 stated in the Operative Complaint. Except as set forth in Section 5.3 of this Agreement, Participating
21 Class Members do not release any other claims, including claims for vested benefits, wrongful
22 termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability,
23 social security, workers’ compensation, or claims based on facts occurring outside the Class Period.

24 5.3. Release by Non-Participating Class Members Who Are Aggrieved Employees: All Non-
25 Participating Class Members who are Aggrieved Employees are deemed to release, on behalf of
26 themselves and their respective former and present representatives, agents, attorneys, heirs, administrators,
27 successors, and assigns, the Released Parties from all claims for PAGA penalties that were alleged, or
28 reasonably could have been alleged, based on the PAGA Period facts stated in the Operative Complaint

1 and the PAGA Notice attached hereto as **Exhibit B**.

2
3 **6. MOTION FOR PRELIMINARY APPROVAL.**

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

6 6.1. Defendants’ Declaration in Support of Preliminary Approval. Within seven (7) days of the
7 full execution of this Agreement, Defendants will prepare and deliver to Class Counsel a signed
8 Declaration from Defendants and Defense Counsel disclosing all known facts relevant to any actual or
9 potential conflicts of interest with the Administrator and regarding Defendants’ financial condition
10 justifying reduced settlement payment. In their Declarations, Defense Counsel and Defendants shall aver
11 that they are not aware of any other pending class action asserting claims that will be extinguished or
12 adversely affected by the Settlement.

13 6.2. Plaintiff’s Responsibilities. Plaintiff will prepare and deliver to Defense Counsel all
14 documents necessary for obtaining Preliminary Approval, including: (i) a draft of the notice, and
15 memorandum in support, of the Motion for Preliminary Approval that includes an analysis of the
16 Settlement under *Dunk/Kullar* and a request for approval of the PAGA Settlement under Labor Code §
17 2699(f)(2)); (ii) a draft proposed Order Granting Preliminary Approval and Approval of PAGA
18 Settlement; (iii) a draft proposed Class Notice; (iv) a signed declaration from the Administrator attaching
19 its “not to exceed” bid for administering the Settlement and attesting to its willingness to serve;
20 competency; operative procedures for protecting the security of Class Data; amounts of insurance
21 coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or
22 potential conflicts of interest with Class Members; and the nature and extent of any financial relationship
23 with Plaintiff, Class Counsel or Defense Counsel; (v) a signed declaration from Plaintiff confirming
24 willingness and competency to serve and disclosing all facts relevant to any actual or potential conflicts of
25 interest with Class Members or the Administrator; (v) a signed declaration from each Class Counsel firm
26 attesting to its competency to represent the Class Members; its timely transmission to the LWDA of all
27 necessary PAGA documents (initial notice of violations (Labor Code § 2699.3(a)), Operative Complaint
28 (Labor Code § 2699(l)(1)), this Agreement (Labor Code § 2699(l)(2)) and (vi) all facts relevant to any

1 actual or potential conflict of interest with Class Members, the Administrator. In their Declarations,
2 Plaintiff and Class Counsel Declaration shall aver that they are not aware of any other pending matter or
3 action asserting claims that will be extinguished or adversely affected by the Settlement.

4 6.3. Responsibilities of Counsel. Class Counsel and Defense Counsel are jointly responsible
5 for expeditiously finalizing and filing the Motion for Preliminary Approval no later than thirty (30) days
6 after the full execution of this Agreement; obtaining a prompt hearing date for the Motion for Preliminary
7 Approval; and for appearing in Court to advocate in favor of the Motion for Preliminary Approval. Class
8 Counsel is responsible for delivering the Court's Preliminary Approval to the Administrator.

9 6.4. Duty to Cooperate. If the Parties disagree on any aspect of the proposed Motion for
10 Preliminary Approval and/or the supporting declarations and documents, Class Counsel and Defense
11 Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone,
12 and in good faith, to resolve the disagreement. If the Court does not grant Preliminary Approval or
13 conditions Preliminary Approval on any material change to this Agreement, Class Counsel and Defense
14 Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone,
15 and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

16 17 **7. SETTLEMENT ADMINISTRATION.**

18 7.1. Selection of Administrator. The Parties have jointly selected Phoenix Class Action
19 Administration Solutions to serve as the Administrator and verified that, as a condition of appointment,
20 Phoenix Class Action Administration Solutions agrees to be bound by this Agreement and to perform, as a
21 fiduciary, all duties specified in this Agreement in exchange for payment of Administration Expenses. The
22 Parties and their Counsel represent that they have no interest or relationship, financial or otherwise, with
23 the Administrator other than a professional relationship arising out of prior experiences administering
24 settlements.

25 7.2. Employer Identification Number. The Administrator shall have and use its own Employer
26 Identification Number for purposes of calculating payroll tax withholdings and providing reports state and
27 federal tax authorities.

28 7.3. Qualified Settlement Fund. The Administrator shall establish a settlement fund that meets

the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury Regulation § 468B-1.

7.4. Notice to Class Members.

- 7.4.1. No later than three (3) business days after receipt of the Class Data, the Administrator shall notify Class Counsel that the list has been received and state the number of Class Members, PAGA Members, Workweeks, and Pay Periods in the Class Data.
- 7.4.2. Using best efforts to perform as soon as possible, and in no event later than fourteen (14) days after receiving the Class Data, the Administrator will send to all Class Members identified in the Class Data, via first-class United States Postal Service (“USPS”) mail, the Class Notice (with Spanish translation, if applicable) substantially in the form attached to this Agreement as **Exhibit A**. The first page of the Class Notice shall prominently estimate the dollar amounts of any Individual Class Payment and/or Individual PAGA Payment payable to the Class Member, and the number of Workweeks and PAGA Pay Periods used to calculate these amounts. Before mailing Class Notices, the Administrator shall update Class Member addresses using the National Change of Address database.
- 7.4.3. Not later than three (3) business days after the Administrator’s receipt of any Class Notice returned by the USPS as undelivered, the Administrator shall re-mail the Class Notice using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct a Class Member Address Search, and re-mail the Class Notice to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Class Notice to Class Members whose Class Notice is returned by the USPS a second time.
- 7.4.4. The deadlines for Class Members’ written objections, Challenges to Workweeks and/or Pay Periods, and Requests for Exclusion will be extended an additional fourteen (14) days beyond the sixty (60) days otherwise provided in the Class Notice for all Class Members whose notice is re-mailed. The Administrator will

1 inform the Class Member of the extended deadline with the re-mailed Class
2 Notice.

3 7.4.5. If the Administrator, Defendants or Class Counsel is contacted by or otherwise
4 discovers any persons who believe they should have been included in the Class
5 Data and should have received Class Notice, the Parties will expeditiously meet
6 and confer in person or by telephone, and in good faith, in an effort to agree on
7 whether to include them as Class Members. If the Parties agree, such persons will
8 be Class Members entitled to the same rights as other Class Members, and the
9 Administrator will send, via email or overnight delivery, a Class Notice requiring
10 them to exercise options under this Agreement not later than fourteen (14) days
11 after receipt of Class Notice, or the deadline dates in the Class Notice, which ever
12 are later.

13 7.5. Requests for Exclusion (Opt-Outs).

14 7.5.1. Class Members who wish to exclude themselves (opt-out of) the Class Settlement
15 must send the Administrator, by fax, email, or mail, a signed written Request for
16 Exclusion not later than sixty (60) days after the Administrator mails the Class
17 Notice or as otherwise extended for re-mailed Class Notices as described herein. A
18 Request for Exclusion is a letter from a Class Member or his/her representative that
19 reasonably communicates the Class Member's election to be excluded from the
20 Settlement and includes the Class Member's name, address and email address or
21 telephone number. To be valid, a Request for Exclusion must be timely faxed,
22 emailed, or postmarked by the Response Deadline, subject to extension for
23 remailed Class Notices as described herein.

24 7.5.2. The Administrator may not reject a Request for Exclusion as invalid because it
25 fails to contain all the information specified in the Class Notice. The Administrator
26 shall accept any Request for Exclusion as valid if the Administrator can reasonably
27 ascertain the identity of the person as a Class Member and the Class Member's
28 desire to be excluded. The Administrator's determination shall be final and not

1 appealable or otherwise susceptible to challenge. If the Administrator has reason to
2 question the authenticity of a Request for Exclusion, the Administrator may
3 demand additional proof of the Class Member's identity. The Administrator's
4 determination of authenticity shall be final and not appealable or otherwise
5 susceptible to challenge.

6 7.5.3. Every Class Member who does not submit a timely and valid Request for
7 Exclusion is deemed to be a Participating Class Member under this Agreement,
8 entitled to all benefits and bound by all terms and conditions of the Settlement,
9 including the Participating Class Members' Releases under Paragraphs 5.2 and 5.3
10 of this Agreement, regardless whether the Participating Class Member actually
11 receives the Class Notice or objects to the Settlement.

12 7.5.4. Every Class Member who submits a valid and timely Request for Exclusion is a
13 Non-Participating Class Member and shall not receive an Individual Class
14 Payment or have the right to object to the class action components of the
15 Settlement. Because future PAGA claims are subject to claim preclusion upon
16 entry of the Judgment, Non-Participating Class Members who are Aggrieved
17 Employees are deemed to release the claims identified in Paragraph 5.4 of this
18 Agreement and are eligible for an Individual PAGA Payment.

19 7.6. Challenges to Calculation of Workweeks. Each Class Member shall have sixty (60) days
20 after the Administrator mails the Class Notice, or as otherwise extended for re-mailed
21 Class Notices as described herein, to challenge the number of Class Workweeks and
22 PAGA Pay Periods (if any) allocated to the Class Member in the Class Notice. The Class
23 Member may challenge the allocation by communicating with the Administrator via fax,
24 email or mail. The Administrator must encourage the challenging Class Member to submit
25 supporting documentation. In the absence of any contrary documentation, the
26 Administrator is entitled to presume that the Workweeks contained in the Class Notice are
27 correct so long as they are consistent with the Class Data. The Administrator's
28 determination of each Class Member's allocation of Workweeks and/or Pay Periods shall

1 be final and not appealable or otherwise susceptible to challenge. The Administrator shall
2 promptly provide copies of all challenges to calculation of Workweeks and/or Pay Periods
3 to Defense Counsel and Class Counsel and the Administrator's determination the
4 challenges.

5 7.7. Objections to Settlement.

6 7.7.1. Only Participating Class Members may object to the class action components of
7 the Settlement and/or this Agreement, including contesting the fairness of the
8 Settlement, and/or amounts requested for the Class Counsel Fees Payment, Class
9 Counsel Litigation Expenses Payment and/or Class Representative Service
10 Payment.

11 7.7.2. Participating Class Members may send written objections to the Administrator, by
12 fax, email, or mail. In the alternative, Participating Class Members may appear in
13 Court (or hire an attorney to appear in Court) to present verbal objections at the
14 Final Approval Hearing. A Participating Class Member who elects to send a
15 written objection to the Administrator must do so not later than the Response
16 Deadline, or as otherwise extended for re-mailed Class Notices as described herein.

17 7.7.3. Non-Participating Class Members have no right to object to any of the class action
18 components of the Settlement.

19 7.8. Administrator Duties. The Administrator has a duty to perform or observe all tasks to be
20 performed or observed by the Administrator contained in this Agreement or otherwise.

21 7.8.1. Website, Email Address and Toll-Free Number. The Administrator will post
22 information of interest to Class Members including the date, time and location for
23 the Final Approval Hearing and copies of the Settlement Agreement, the Class
24 Notice, the Final Approval and the Judgment on the Administrator's website. The
25 Administrator will also maintain and monitor an email address and a toll-free
26 telephone number to receive Class Member calls, faxes and emails.

27 7.8.2. Requests for Exclusion (Opt-outs) and Exclusion List. The Administrator will
28 promptly review on a rolling basis Requests for Exclusion to ascertain their

1 validity. Not later than seven (7) days after the expiration of the deadline for
2 submitting Requests for Exclusion, the Administrator shall email a list to Class
3 Counsel and Defense Counsel containing (a) the names and other identifying
4 information of Class Members who have timely submitted valid Requests for
5 Exclusion (“Exclusion List”); (b) the names and other identifying information of
6 Class Members who have submitted invalid Requests for Exclusion; (c) copies of
7 all Requests for Exclusion from Settlement submitted (whether valid or invalid).

8 7.8.3. Weekly Reports. The Administrator must, on a weekly basis, provide written
9 reports to Class Counsel and Defense Counsel that, among other things, tally the
10 number of: Class Notices mailed or re-mailed, Class Notices returned undelivered,
11 Requests for Exclusion (whether valid or invalid) received, objections received,
12 challenges to Workweeks and/or Pay Periods received and/or resolved, and checks
13 mailed for Individual Class Payments and Individual PAGA Payments (“Weekly
14 Report”). The Weekly Reports must include provide the Administrator’s
15 assessment of the validity of Requests for Exclusion and attach copies of all
16 Requests for Exclusion and objections received.

17 7.8.4. Workweek and/or Pay Period Challenges. The Administrator has the authority to
18 address and make final decisions consistent with the terms of this Agreement on all
19 Class Member challenges over the calculation of Workweeks and/or Pay Periods.
20 The Administrator’s decision shall be final and not appealable or otherwise
21 susceptible to challenge.

22 7.8.5. Administrator’s Declaration. Not later than fourteen (14) days before the date by
23 which Plaintiff is required to file the Motion for Final Approval of the Settlement,
24 the Administrator will provide to Class Counsel and Defense Counsel, a signed
25 declaration suitable for filing in Court attesting to its due diligence and compliance
26 with all of its obligations under this Agreement, including, but not limited to, its
27 mailing of Class Notice, the Class Notices returned as undelivered, the re-mailing
28 of Class Notices, attempts to locate Class Members, the total number of Requests

1 for Exclusion from Settlement it received (both valid or invalid), the number of
2 written objections and attach the Exclusion List. The Administrator will
3 supplement its declaration as needed or requested by the Parties and/or the Court.
4 Class Counsel is responsible for filing the Administrator's declaration(s) in Court.

5 7.8.6. Final Report by Settlement Administrator. Within fourteen (14) days after the
6 Administrator disburses all funds in the Gross Settlement Amount, the
7 Administrator will provide Class Counsel and Defense Counsel with a final report
8 detailing its disbursements by employee identification number only of all payments
9 made under this Agreement. At least fourteen (14) days before any deadline set by
10 the Court, the Administrator will prepare, and submit to Class Counsel and
11 Defense Counsel, a signed declaration suitable for filing in Court attesting to its
12 disbursement of all payments required under this Agreement. Class Counsel is
13 responsible for filing the Administrator's declaration in Court.

14
15 **8. CLASS SIZE ESTIMATES and ESCALATOR CLAUSE.**

16 Based on its records, Defendants estimates that, as of the date of the pre-mediation document and data
17 production, (1) there are 1,917 Class Members and 122,386 Total Workweeks during the Class period. If
18 the total number of Workweeks during the Class Period exceeds 122,386 by more than 10%, then
19 Defendants can either have the Class Period end on the date that the Workweeks exceed 134,625 or
20 increase the Gross Settlement Amount on a pro rata basis a pro-rata dollar value equal to the number of
21 workweeks in excess of 134,625 workweeks.

22
23 **9. DEFENDANTS' RIGHT TO WITHDRAW**

24 If the number of valid Requests for Exclusion identified in the Exclusion List exceeds 15% of the total of
25 all Class Members, Defendants may, but is not obligated, elect to withdraw from the Settlement. The
26 Parties agree that, if Defendants withdraws, the Settlement shall be void ab initio, have no force or effect
27 whatsoever, and that neither Party will have any further obligation to perform under this Agreement;
28 provided, however, Defendants will remain responsible for paying all Settlement Administration Expenses

1 incurred to that point. Defendants must notify Class Counsel and the Court of its election to withdraw not
2 later than seven (7) days after the Administrator sends the final Exclusion List to Defense Counsel; late
3 elections will have no effect.

4
5 **10. MOTION FOR FINAL APPROVAL.**

6 Not later than sixteen (16) court days before the calendared Final Approval Hearing, Plaintiff will file in
7 Court, a motion for final approval of the Settlement that includes a request for approval of the PAGA
8 settlement under Labor Code § 2699(I), a Proposed Final Approval Order and a proposed Judgment
9 (collectively “Motion for Final Approval”). Plaintiff shall provide drafts of these documents to Defense
10 Counsel not later than seven (7) days prior to filing the Motion for Final Approval. Class Counsel and
11 Defense Counsel will expeditiously meet and confer in person or by telephone, and in good faith, to
12 resolve any disagreements concerning the Motion for Final Approval.

13 10.1. Response to Objections. Each Party retains the right to respond to any objection raised by
14 a Participating Class Member, including the right to file responsive documents in Court no
15 later than nine (9) court days prior to the Final Approval Hearing, or as otherwise ordered
16 or accepted by the Court.

17 10.2. Duty to Cooperate. If the Court does not grant Final Approval or conditions Final
18 Approval on any material change to the Settlement (including, but not limited to, the scope
19 of release to be granted by Class Members), the Parties will expeditiously work together in
20 good faith to address the Court’s concerns by revising the Agreement as necessary to
21 obtain Final Approval. The Court’s decision to award less than the amounts requested for
22 the Class Representative Service Payment, Class Counsel Fees Payment, Class Counsel
23 Litigation Expenses Payment and/or Administrator Expenses Payment shall not constitute
24 a material modification to the Agreement within the meaning of this paragraph.

25 10.3. Continuing Jurisdiction of the Court. The Parties agree that, after entry of Judgment, the
26 Court will retain jurisdiction over the Parties, Action, and the Settlement solely for
27 purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement
28 administration matters, and (iii) addressing such post-Judgment matters as are permitted by

1 law.

2 10.4. Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and
3 conditions of this Agreement, specifically including the Class Counsel Fees Payment and
4 Class Counsel Litigation Expenses Payment reflected set forth in this Settlement, the
5 Parties, their respective counsel, and all Participating Class Members who did not object to
6 the Settlement as provided in this Agreement, waive all rights to appeal from the
7 Judgment, including all rights to post-judgment and appellate proceedings, the right to file
8 motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The
9 waiver of appeal does not include any waiver of the right to oppose such motions, writs or
10 appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this
11 Agreement will be suspended until such time as the appeal is finally resolved and the
12 Judgment becomes final, except as to matters that do not affect the amount of the Net
13 Settlement Amount.

14 10.5. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the
15 reviewing Court vacates, reverses, or modifies the Judgment in a manner that requires a
16 material modification of this Agreement (including, but not limited to, the scope of release
17 to be granted by Class Members), this Agreement shall be null and void. The Parties shall
18 nevertheless expeditiously work together in good faith to address the appellate court's
19 concerns and to obtain Final Approval and entry of Judgment, sharing, on a 50-50 basis,
20 any additional Administration Expenses reasonably incurred after remittitur. An appellate
21 decision to vacate, reverse, or modify the Court's award of the Class Representative
22 Service Payment or any payments to Class Counsel shall not constitute a material
23 modification of the Judgment within the meaning of this paragraph, as long as the Gross
24 Settlement Amount remains unchanged.

25
26 **11. AMENDED JUDGMENT.**

27 If any amended judgment is required under Code of Civil Procedure § 384, the Parties will work together
28 in good faith to jointly submit and a proposed amended judgment.

1
2 **12. ADDITIONAL PROVISIONS.**

3 12.1. No Admission of Liability, Class Certification or Representative Manageability for Other
4 Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in
5 this Agreement is intended or should be construed as an admission by Defendants that any of the
6 allegations in the Operative Complaint have merit or that Defendants have any liability for any claims
7 asserted; nor should it be intended or construed as an admission by Plaintiff that Defendants' defenses in
8 the Action have merit. The Parties agree that class certification and representative treatment is for
9 purposes of this Settlement only. If, for any reason the Court does grant Preliminary Approval, Final
10 Approval or enter Judgment, Defendants reserve the right to contest certification of any class for any
11 reasons, and Defendants reserves all available defenses to the claims in the Action, and Plaintiff reserves
12 the right to move for class certification on any grounds available and to contest Defendants' defenses. The
13 Settlement, this Agreement and Parties' willingness to settle the Action will have no bearing on, and will
14 not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the
15 Settlement and this Agreement).

16 12.2. Confidentiality Prior to Preliminary Approval. Plaintiff, Class Counsel, Defendants and
17 Defense Counsel separately agree that, until the Motion for Preliminary Approval of Settlement is filed,
18 they and each of them will not disclose, disseminate and/or publicize, or cause or permit another person to
19 disclose, disseminate or publicize, any of the terms of the Agreement directly or indirectly, specifically or
20 generally, to any person, corporation, association, government agency, or other entity except: (1) to the
21 Parties' attorneys, accountants, or spouses, all of whom will be instructed to keep this Agreement
22 confidential; (2) counsel in a related matter; (3) to the extent necessary to report income to appropriate
23 taxing authorities; (4) in response to a court order or subpoena; or (5) in response to an inquiry or
24 subpoena issued by a state or federal government agency. Each Party agrees to immediately notify each
25 other Party of any judicial or agency order, inquiry, or subpoena seeking such information. Plaintiff, Class
26 Counsel, Defendants and Defense Counsel separately agree not to, directly or indirectly, initiate any
27 conversation or other communication, before the filing of the Motion for Preliminary Approval, any with
28 third party regarding this Agreement or the matters giving rise to this Agreement except to respond only

1 that “the matter was resolved,” or words to that effect. This paragraph does not restrict Class Counsel’s
2 communications with Class Members in accordance with Class Counsel’s ethical obligations owed to
3 Class Members.

4 12.3. No Solicitation. The Parties separately agree that they and their respective counsel and
5 employees will not solicit any Class Member to opt out of or object to the Settlement, or appeal from the
6 Judgment. Nothing in this paragraph shall be construed to restrict Class Counsel’s ability to communicate
7 with Class Members in accordance with Class Counsel’s ethical obligations owed to Class Members.

8 12.4. Integrated Agreement. Upon execution by all Parties and their counsel, this Agreement
9 together with its attached exhibits shall constitute the entire agreement between the Parties relating to the
10 Settlement, superseding any and all oral representations, warranties, covenants, or inducements made to or
11 by any Party.

12 12.5. Attorney Authorization. Class Counsel and Defense Counsel separately warrant and
13 represent that they are authorized by Plaintiff and Defendants, respectively, to take all appropriate action
14 required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to
15 execute any other documents reasonably required to effectuate the terms of this Agreement including any
16 amendments to this Agreement.

17 12.6. Cooperation. The Parties and their counsel will cooperate with each other and use their
18 best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement
19 Agreement, submitting supplemental evidence and supplementing points and authorities as requested by
20 the Court. In the event the Parties are unable to agree upon the form or content of any document
21 necessary to implement the Settlement, or on any modification of the Agreement that may become
22 necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court
23 for resolution.

24 12.7. No Prior Assignments. The Parties separately represent and warrant that they have not
25 directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to
26 any person or entity and portion of any liability, claim, demand, action, cause of action, or right released
27 and discharged by the Party in this Settlement.

28 12.8. No Tax Advice. Neither Plaintiff, Class Counsel, Defendants nor Defense Counsel are

1 providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as
2 such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as
3 amended) or otherwise.

4 12.9. Modification of Agreement. This Agreement, and all parts of it, may be amended,
5 modified, changed, or waived only by an express written instrument signed by all Parties or their
6 representatives, and approved by the Court.

7 12.10. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the
8 benefit of, the successors of each of the Parties.

9 12.11. Applicable Law. All terms and conditions of this Agreement and its exhibits will be
10 governed by and interpreted according to the internal laws of the state of California, without regard to
11 conflict of law principles.

12 12.12. Cooperation in Drafting. The Parties have cooperated in the drafting and preparation of
13 this Agreement. This Agreement will not be construed against any Party on the basis that the Party was
14 the drafter or participated in the drafting.

15 12.13. Confidentiality. To the extent permitted by law, all agreements made, and orders entered
16 during Action and in this Agreement relating to the confidentiality of information shall survive the
17 execution of this Agreement.

18 12.14. Use and Return of Class Data. Information provided to Class Counsel pursuant to
19 Evidence Code § 1152, and all copies and summaries of the Class Data provided to Class Counsel by
20 Defendants in connection with the mediation, other settlement negotiations, or in connection with the
21 Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in
22 any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days
23 after the date when the Court discharges the Administrator's obligation to provide a Declaration
24 confirming the final pay out of all Settlement funds, Plaintiff shall destroy, all paper and electronic
25 versions of Class Data received from Defendants.

26 12.15. Headings. The descriptive heading of any section or paragraph of this Agreement is
27 inserted for convenience of reference only and does not constitute a part of this Agreement.

28 12.16. Calendar Days. Unless otherwise noted, all reference to "days" in this Agreement shall be

1 to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or
2 federal legal holiday, such date or deadline shall be on the first business day thereafter.

3 12.17. Notice. All notices, demands or other communications between the Parties in connection
4 with this Agreement will be in writing and deemed to have been duly given as of the third business day
5 after mailing by United States mail, or the day sent by email or messenger, addressed as follows:

6
7 To Plaintiff:

8 Lilit Tunyan
9 ltunyan@tunyanlaw.com
10 Artur Tunyan
11 atunyan@tunyanlaw.com
12 TUNYAN LAW, APC
535 N Brand Blvd. Suite 285
Glendale, California 91203
Telephone: (323) 410-5050

13 To Defendants:

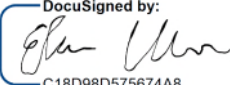
14 Lisa Reimbold
15 lreimbold@clarkhill.com
16 Saige Shaw
17 sshaw@clarkhill.com
18 Hiba Hammad
19 hhammad@clarkhill.com
20 CLARK HILL LLP
21 555 South Flower Street, 24th Floor
22 Los Angeles, CA 90071
23 Phone: 213-891-9100
24 Facsimile: 213-488-1178

25 12.18. Execution in Counterparts. This Agreement may be executed in one or more counterparts
26 by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be
27 accepted as an original. All executed counterparts and each of them will be deemed to be one and the
28 same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any
executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

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

Plaintiff & Class Representative:

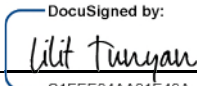
Dated: 2/20/2024 | 6:51 PM PST 2024

DocuSigned by:

C18D08D575674A8...
By: _____
EFRAIN VIVEROS

Plaintiff's Counsel:

Dated: 2/20/2024 | 6:52 PM PST 2024

TUNYAN LAW, APC

DocuSigned by:

C1FEE94AA91E49A...
By: _____
Lilit Tunyan
Artur Tunyan

Attorneys for Plaintiff EFRAIN VIVEROS

Defendants:

Dated: 2/20 2024

D AND T RESTAURANTS, INC.

By: _____
Tawnia Blado
Print Name



Signature

Owner/ operator

Title

Dated: 2/21 2024

MCSURF, INC.

By: _____
Richard Blado
Print Name



Signature

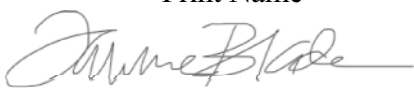
Owner/operator

Title

Dated: 2/21 2024

BLADE ENTERPRISES III

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By: Tawnie Blade
Print Name

Signature
Owner/operator
Title

Dated: 2/26 2024

BLADE ENTERPRISES IV

By: Tawnie Blade
Print Name

Signature
Owner/operator
Title

Dated: 2/26 2024

BLADE ENTERPRISES V

By: Tawnie Blade
Print Name

Signature
Owner/operator
Title

Dated: 2/26 2024

BLADE ENTERPRISES VII

By: Tawnie Blade
Print Name

Signature

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Dated: 2/26/2024

By:

Owner/operator

Title

BLADE ENTERPRISES VIII

Tawnie Blade

Print Name



Signature

Owner/operator

Title

Defendants' Counsel:

Dated: 2/23/2024

CLARK HILL LLP

By:



Lisa Reimbold
Saige Shaw.

Attorneys for Defendants

Exhibit “A”

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

Viveros v. D and T Restaurants, Inc., et al.
Los Angeles Superior Court Case No. 23STCV10019

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

You may be eligible to receive money from an employee class action lawsuit ("Action") against Defendants D AND T RESTAURANTS, INC., MCSURF, Inc., BLADE ENTERPRISES III, Inc., BLADE ENTERPRISES IV, Inc., BLADE ENTERPRISES V, Inc., BLADE ENTERPRISES VI, Inc., BLADE ENTERPRISES VII, Inc., BLADE ENTERPRISES VIII ("Defendants") for alleged wage and hour violations. The Action was filed by former DEFENDANTS' employee plaintiff Efrain Viveros ("Plaintiff") and seeks payment of back wages, penalties, expense reimbursements for a class of hourly employees ("Class Members") who worked for DEFENDANTS during the Class Period (May 4, 2019 to [REDACTED]) and (2) penalties under the California Private Attorney General Act ("PAGA") for all hourly employees who worked for DEFENDANTS during the PAGA Period (May 4, 2022 to [REDACTED]) ("Aggrieved Employees").

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

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

The above estimates are based on Defendants' records showing that **you worked [REDACTED] workweeks** during the Class Period and **you worked [REDACTED] pay periods** during the PAGA Period. If you believe that you worked more workweeks or pay periods during any of the respective periods, you can submit a challenge by the deadline date. See Section 4 of this Notice.

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

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

- (1) **Do Nothing.** You don't have to do anything to participate in the proposed Settlement and be eligible for an Individual Class Payment and/or an Individual PAGA Payment. As a Participating Class Member, though, you will give up your right to assert Class Period wage claims and PAGA Period penalty claims against DEFENDANTS.
- (2) **Opt-Out of the Class Settlement.** You can exclude yourself from the Class Settlement (opt-out) by submitting the written Request for Exclusion or otherwise notifying the Administrator in writing. If you opt-out of the Settlement, you will not receive an Individual Class Payment. You will, however, preserve your right to personally pursue Class Period wage claims against DEFENDANTS, and, if you are an Aggrieved Employee, remain eligible for an Individual PAGA Payment. You cannot opt-out of the PAGA portion of the proposed Settlement.

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

SUMMARY OF YOUR LEGAL RIGHTS AND OPTIONS IN THIS SETTLEMENT

You Don't Have to Do Anything to Participate in the Settlement	If you do nothing, you will be a Participating Class Member, eligible for an Individual Class Payment and an Individual PAGA Payment (if any). In exchange, you will give up your right to assert the wage claims against DEFENDANTS that are covered by this Settlement (Released Claims).
You Can Opt-out of the Class Settlement but not the PAGA Settlement The Opt-out Deadline is [REDACTED]	If you don't want to fully participate in the proposed Settlement, you can opt-out of the Class Settlement by sending the Administrator a written Request for Exclusion. Once excluded, you will be a Non-Participating Class Member and no longer eligible for an Individual Class Payment. Non-Participating Class Members cannot object to any portion of the proposed Settlement. See Section 6 of this Notice. You cannot opt-out of the PAGA portion of the proposed Settlement. DEFENDANTS must pay Individual PAGA Payments to all Aggrieved Employees and the Aggrieved Employees must give up their rights to pursue Released Claims (defined below).
Participating Class Members Can Object to the Class Settlement but not the PAGA Settlement Written Objections Must be Submitted by [REDACTED]	All Class Members who do not opt-out ("Participating Class Members") can object to any aspect of the proposed Settlement. The Court's decision whether to finally approve the Settlement will include a determination of how much will be paid to Class Counsel and Plaintiff who pursued the Action on behalf of the Class. You are not personally responsible for any payments to Class Counsel or Plaintiff, but every dollar paid to Class Counsel and Plaintiff reduces the overall amount paid to Participating Class Members. You can object to the amounts requested by Class Counsel or Plaintiff if you think they are unreasonable. See Section 7 of this Notice.
You Can Participate in the [REDACTED] Final Approval Hearing	The Court's Final Approval Hearing is scheduled to take place on [REDACTED]. You don't have to attend but you do have the right to appear (or hire an attorney to appear on your behalf at your own cost), in person, by telephone or by using the Court's virtual appearance platform. Participating Class Members can verbally object to the Settlement at the Final Approval Hearing. See Section 8 of this Notice.
You Can Challenge the Calculation of Your Workweeks/Pay Periods Written Challenges Must be Submitted by [REDACTED]	The amount of your Individual Class Payment and PAGA Payment (if any) depend on how many workweeks you worked at least one day during the Class Period and how many Pay Periods you worked at least one day during the PAGA Period, respectively. The number Class Period Workweeks and number of PAGA Period Pay Periods you worked according to DEFENDANTS' records is stated on the first page of this Notice. If you disagree with either of these numbers, you must challenge it by [REDACTED]. See Section 4 of this Notice.

1. WHAT IS THE ACTION ABOUT?

Plaintiff is a former employee of one or more entity named as a DEFENDANT in this Action. The Action accuses DEFENDANTS of violating California labor laws by failing to pay all wages, wages due upon termination and reimbursable expenses and failing to provide meal periods, rest breaks and accurate itemized wage statements and failing to provide suitable seating. Based on the same claims, Plaintiff has also asserted a claim for civil penalties under the California Private Attorneys General Act (Labor Code §§ 2698, et seq.) ("PAGA"). Plaintiff is represented by attorneys in the Action: Tunyan Law, APC ("Class Counsel.")

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

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

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

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

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

1. DEFENDANTS Will Pay \$900,000.00 as the Gross Settlement Amount (Gross Settlement). DEFENDANTS have agreed to deposit the Gross Settlement into an account controlled by the Administrator of the Settlement. The Administrator will use the Gross Settlement to pay the Individual Class Payments, Individual PAGA Payments, Class Representative Service Payment, Class Counsel’s attorney’s fees and expenses, the Administrator’s expenses, and penalties to be paid to the California Labor and Workforce Development Agency (“LWDA”). Assuming the Court grants Final Approval, DEFENDANTS will fund the Gross Settlement not more than fifteen (15) days after the Judgment entered by the Court becomes final. The Judgment will be final on the date the Court enters Judgment, or a later date if Participating Class Members object to the proposed Settlement or the Judgment is appealed.
2. Court Approved Deductions from Gross Settlement. At the Final Approval Hearing, Plaintiff and/or Class Counsel will ask the Court to approve the following deductions from the Gross Settlement, the amounts of which will be decided by the Court at the Final Approval Hearing:
 - A. Up to \$300,000.00 (33 and 1/3% of the Gross Settlement] to Class Counsel for attorneys’ fees and up to \$20,000 for their litigation expenses. To date, Class Counsel have worked and incurred expenses on the Action without payment.
 - B. Up to \$10,000 as a Class Representative Award for filing the Action, working with Class Counsel and representing the Class. A Class Representative Award will be the only monies Plaintiff will receive for representing the Class in this Action other than Plaintiff’s Individual Class Payment and any Individual PAGA Payment.
 - C. Up to \$30,000 to the Administrator for services administering the Settlement (estimated to be \$17,000.00).
 - D. Up to \$80,000 for PAGA Penalties, allocated 75% to the LWDA PAGA Payment and 25% in Individual PAGA Payments to the Aggrieved Employees based on their PAGA Period Pay Periods.

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

3. Net Settlement Distributed to Class Members. After making the above deductions in amounts approved by the Court, the Administrator will distribute the rest of the Gross Settlement (the “Net Settlement”) by making Individual Class Payments to Participating Class Members based on their Class Period Workweeks.
4. Taxes Owed on Payments to Class Members. Plaintiff and DEFENDANTS are asking the Court to approve an allocation of 20 % of each Individual Class Payment to taxable wages (“Wage Portion”) and 80% to interest and penalties (“Non-Wage Portion.”). The Wage Portion is subject to withholdings and will be reported on IRS W-2 Forms. DEFENDANTS will separately pay employer payroll taxes it owes on the Wage portion. The Individual PAGA Payments are counted as penalties rather than wages for tax purposes. The Administrator will report the Individual PAGA Payments and the Non-Wage Portions of the Individual Class Payments on IRS 1099 Forms.

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

5. Need to Promptly Cash Payment Checks. The front of every check issued for Individual Class Payments and Individual PAGA Payments will show the date when the check expires (the void date). If you don’t cash it by the void date, your check will be automatically cancelled, and the monies will be deposited with the California Controller's Unclaimed Property Fund in your name. If the monies represented by your check is sent to the Controller’s Unclaimed Property, you should consult the rules of the Fund for instructions on how to retrieve your money.
6. Requests for Exclusion from the Class Settlement (Opt-Outs). You will be treated as a Participating Class Member, participating fully in the Class Settlement, unless you notify the Administrator in writing, not later than [REDACTED], that you wish to opt-out. The easiest way to notify the Administrator is to send a written and signed Request for Exclusion by the [REDACTED] Response Deadline. The Request for Exclusion should be a signed letter from a Class Member or his/her representative setting forth a Class Member’s name, present address, telephone number, and a simple statement electing to be excluded from the Settlement. Excluded Class Members (i.e., Non-Participating Class Members) will not receive Individual Class Payments, but will preserve their rights to personally pursue wage and hour claims against DEFENDANTS.

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

7. The Proposed Settlement Will be Void if the Court Denies Final Approval. It is possible the Court will decline to grant Final Approval of the Settlement or decline enter a Judgment. It is also possible the Court will enter a Judgment that is reversed on appeal. Plaintiffs and DEFENDANTS have agreed that, in either case, the Settlement will be void: DEFENDANTS will not pay any money and Class Members will not release any claims against DEFENDANTS.

8. Administrator. The Court has appointed a neutral company, Phoenix Class Action Administration Solutions (the “Administrator”) to send this Notice, calculate and make payments, and process Class Members’ Requests for Exclusion. The Administrator will also decide Class Member Challenges over Workweeks, mail and re-mail settlement checks and tax forms, and perform other tasks necessary to administer the Settlement. The Administrator’s contact information is contained in Section 9 of this Notice.
9. Participating Class Members’ Release. After the Judgment is final and DEFENDANTS have fully funded the Gross Settlement and separately paid all employer payroll taxes, Participating Class Members will be legally barred from asserting any of the claims released under the Settlement. This means that unless you opted out by validly excluding yourself from the Class Settlement, you cannot sue, continue to sue, or be part of another lawsuit against DEFENDANTS or related entities for wages based on the Class Period facts and PAGA penalties based on PAGA Period facts, as alleged in the Action and resolved by this Settlement.

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

All Participating Class Members, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, release Released Parties from all claims that were alleged, or reasonably could have been alleged, based on the Class Period facts stated in the Operative Complaint. Except as set forth in Section 5.3 of the Settlement Agreement, Participating Class Members do not release any other claims, including claims for vested benefits, wrongful termination, violation of the Fair Employment and Housing Act, unemployment insurance, disability, social security, workers’ compensation, or claims based on facts occurring outside the Class Period.

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

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

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

4.HOW WILL THE ADMINISTRATOR CALCULATE MY PAYMENT?

1. Individual Class Payments. The Administrator will calculate Individual Class Payments by (a) dividing the Net Settlement Amount by the total number of Workweeks worked by all Participating Class Members, and (b) multiplying the result by the number of Workweeks worked by each individual Participating Class Member.

2. Individual PAGA Payments. The Administrator will calculate Individual PAGA Payments by (a) dividing \$20,000 by the total number of PAGA Pay Periods worked by all Aggrieved Employees and (b) multiplying the result by the number of PAGA Period Pay Periods worked by each individual Aggrieved Employee.
3. Workweek/Pay Period Challenges. The number of Class Workweeks you worked during the Class Period and the number of PAGA Pay Periods you worked during the PAGA Period, as recorded in DEFENDANTS' records, are stated in the first page of this Notice. You have until [REDACTED] to challenge the number of Workweeks and/or Pay Periods credited to you. You can submit your challenge by signing and sending a letter to the Administrator via mail, email or fax. Section 9 of this Notice has the Administrator's contact information.

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

5. HOW WILL I GET PAID?

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

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

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

Submit a written and signed letter with your name, present address, telephone number, and a simple statement that you do not want to participate in the Settlement. The Administrator will exclude you based on any writing communicating your request be excluded. Be sure to personally sign your request, identify the Action as *Viveros v. D and T Restaurants, Inc., et al.*, Case N 23STCV10019 pending in Los Angeles Superior Court, and include your identifying information (full name, address, telephone number, approximate dates of employment, and social security number for verification purposes). You must make the request yourself. If someone else makes the request for you, it will not be valid. **The Administrator must be sent your request to be excluded by [REDACTED], or it will be invalid.** Section 9 of the Notice has the Administrator's contact information.

7. HOW DO I OBJECT TO THE SETTLEMENT?

Only Participating Class Members have the right to object to the Settlement. Before deciding whether to object, you may wish to see what Plaintiff and DEFENDANTS are asking the Court to approve. At least 16 days before the [REDACTED] Final Approval Hearing, Class Counsel and/or Plaintiff will file in Court (1) a Motion for

Final Approval that includes, among other things, the reasons why the proposed Settlement is fair, approval of Counsel's Fees, Litigation Expenses and Service Award stating (i) the amount Class Counsel is requesting for attorneys' fees and litigation expenses; and (ii) the amount Plaintiff is requesting as a Class Representative Service Award. Upon reasonable request, Class Counsel (whose contact information is in Section 9 of this Notice) will send you copies of these documents at no cost to you. You can also view them on the Administrator's Website [REDACTED] or the Court's website <http://www.lacourt.org/casesummary/ui/index.aspx>.

A Participating Class Member who disagrees with any aspect of the Agreement, the Motion for Final Approval and Fees, Litigation Expenses and Service Award may wish to object, for example, that the proposed Settlement is unfair, or that the amounts requested by Class Counsel or Plaintiff are too high or too low. **The deadline for sending written objections to the Administrator is [REDACTED]**. Be sure to tell the Administrator what you object to, why you object, and any facts that support your objection. Make sure you identify the Action and include your name, current address, telephone number, and approximate dates of employment for DEFENDANTS and sign the objection. Section 9 of this Notice has the Administrator's contact information.

Alternatively, a Participating Class Member can object (or personally retain a lawyer to object at your own cost) by attending the Final Approval Hearing. You (or your attorney) should be ready to tell the Court what you object to, why you object, and any facts that support your objection. See Section 8 of this Notice (immediately below) for specifics regarding the Final Approval Hearing.

8. CAN I ATTEND THE FINAL APPROVAL HEARING?

You can, but don't have to, attend the Final Approval Hearing on _____ at _____ in Department 17 of the Los Angeles Superior Court, located at 312 North Spring Street, Los Angeles, CA 90012. At the Hearing, the judge will decide whether to grant Final Approval of the Settlement and how much of the Gross Settlement will be paid to Class Counsel, Plaintiff, and the Administrator. The Court will invite comment from objectors, Class Counsel and Defense Counsel before making a decision. You can attend (or hire a lawyer to attend) either personally or virtually via LACourtConnect (<https://www.lacourt.org/lacc/>). Check the Court's website for the most current information.

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

9. HOW CAN I GET MORE INFORMATION?

The Agreement sets forth everything DEFENDANTS and Plaintiff have promised to do under the proposed Settlement. The easiest way to read the Agreement, the Judgment or any other Settlement documents is to go to _____'s website at _____. You can also telephone or send an email to the Administrator using the contact information listed below or consult the Superior Court website by going to (<http://www.lacourt.org/casesummary/ui/index.aspx>) and entering the Case Number for the Action, Case No. 23STCV10019. You can also make an appointment to personally review court documents in the Clerk's Office at the Stanley Mosk Courthouse by calling (213) 830-0800.

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

Settlement Administrator:
Phoenix Class Action Administration Solutions
Email Address:

Mailing Address:

Telephone:

Fax Number:

10. WHAT IF I LOSE MY SETTLEMENT CHECK?

If you lose or misplace your settlement check before cashing it, the Administrator will replace it as long as you request a replacement before the void date on the face of the original check. If your check is already void you should consult the Unclaimed Property Fund for instructions on how to retrieve the funds.

11. WHAT IF I CHANGE MY ADDRESS?

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

Exhibit “B”



Lilit Tunyan, Esq.
1336 Rossmoyne Avenue,
Glendale, CA 91207
Tel: (323) 410-5050
ltunyan@tunyanlaw.com

May 4, 2023

VIA ONLINE SUBMISSION

Labor & Workforce Development Agency
Attn. PAGA Administrator
1515 Clay Street, Ste. 801
Oakland, CA 94612
PAGAFilings@dir.ca.gov

VIA CERTIFIED MAIL
Return Receipt Requested

D and T Restaurants, Inc.
McSurf, Inc.
Blade Enterprises III, Inc.
Blade Enterprises IV, Inc.
Blade Enterprises V, Inc.
Blade Enterprises VI, Inc.
Blade Enterprises VII, Inc.
Blade Enterprises VIII, Inc.
904 Silver Spur Road, #428
Rolling Hills Estates, CA 90274

VIA CERTIFIED MAIL
Return Receipt Requested

Tawnie Blade Norman
Agent for Service of Process for
Blade Enterprises III, Inc.,
Blade Enterprises IV, Inc.,
Blade Enterprises V, Inc.,
Blade Enterprises VI, Inc.,
Blade Enterprises VII, Inc.,
Blade Enterprises VIII, Inc.
904 Silver Spur Road, #428
Rolling Hills Estates, CA 90274

VIA CERTIFIED MAIL
Return Receipt Requested

Spieler, Woodward, Corbailis & Goldberg, APC
Agent for Service of Process for
D and T Restaurants, Inc.
McSurf, Inc.
707 Torrance Blvd., Suite 200
Redondo Beach, California 90277

**NOTICE OF LABOR CODE VIOLATIONS PURSUANT TO
LABOR CODE SECTION § 2698 ET SEQ.**

Re: *Efrain Viveros v. D and T Restaurants, Inc., et al.*

To Whom It May Concern:

Please be advised that my office has been retained by Efrain Viveros ("Plaintiff") to pursue a Labor Code Private Attorney General Act (PAGA) representative action (Cal. Lab. Code §§

2699, *et seq.*) against his former employers D and T Restaurants, Inc., McSurf, Inc., Blade Enterprises III, Inc., Blade Enterprises IV, Inc., Blade Enterprises V, Inc., Blade Enterprises VI, Inc., Blade Enterprises VII, Inc., Blade Enterprises VIII, Inc. (“Defendants”). The purpose of this letter is to comply with PAGA and set forth the facts and theories of California Labor Code violations which we allege Defendants engaged in with respect to Plaintiff and all of Defendants’ aggrieved employees.

Plaintiff wishes to pursue a PAGA representative action on behalf of himself as an aggrieved employee, on behalf of the State of California, and on behalf of all other current and former aggrieved employees who worked for Defendants in California as an hourly paid, non-exempt employee at any time within the applicable statutory period (hereafter, the “Aggrieved Employees”).

Plaintiff and the Aggrieved Employees of Defendants suffered the Labor Code violations described below.

Factual Background Regarding Plaintiff’s Employment with Defendants

Defendants own and operate an industry, business, and establishment within the State of California, including Los Angeles County. As such, Defendants are subject to the California Labor Code and the Wage Orders issued by the Industrial Welfare Commission (“IWC”).

Plaintiff worked for Defendants as a cashier and shift manager from approximately August 21, 2018 to October 21, 2022, primarily in Los Angeles County. Defendants classified Plaintiff as non-exempt from overtime. During the time period that Plaintiff was employed by Defendants, Plaintiff typically worked 4-5 days per week, and between 8 to 10 hours each workday.

Throughout Plaintiff’s employment, Defendants committed numerous labor code violations under state law. As discussed below, Plaintiff’s experience working for Defendants was typical and illustrative.

Failure to Pay for All Hours Worked, Including Overtime

Under California law, an employer must pay for all hours worked by an employee. “Hours worked” is the time during which an employee is subject to the control of an employer and includes all the time the employee is suffered or permitted to work, whether or not required to do so.

In addition, Labor Code § 510 provides that employees in California shall not be employed more than eight (8) hours in any workday or forty (40) hours in a workweek unless they receive additional compensation beyond their regular wages in amounts specified by law.

Labor Code §§ 1194 and 1198 also provide that employees in California shall not be employed more than eight hours in any workday unless they receive additional compensation beyond their

regular wages in amounts specified by law. Additionally, Labor Code § 1198 states that the employment of an employee for longer hours than those fixed by the Industrial Welfare Commission is unlawful.

Throughout the time period involved in this case, Defendants maintained a policy and practice of failing to pay Plaintiff and the Aggrieved Employees for all hours worked including minimum wages, straight time wages and overtime wages. Throughout the statutory period, Defendants maintained a policy and practice of requiring Plaintiff and the Aggrieved Employees to perform work “off-the-clock”. Defendants required Plaintiff and the Aggrieved Employees to arrive earlier than their scheduled shifts in order to make sure they clock in to work on time considering the wait time to stay in line with other employees to use the fingerprint equipment to clock in to work. Starting from approximately March-April 2020, Plaintiff and the Aggrieved Employees were required to undergo COVID pre-screening by checking their temperature and answering questions prior to clocking in to work. Defendants failed to compensate for that time.

Throughout the statutory period, Defendants required Plaintiff and the Aggrieved Employees to work through their meal periods requiring them to clock out for meal periods but continue working since Defendants were short- staffed and the Aggrieved Employees had to work through their meal periods to serve Defendants’ customers. Throughout statutory period, Plaintiff and the Aggrieved Employees were required to use their personal cellular telephones for work purposes at home after their scheduled work time to communicate with Defendants’ supervisors regarding their work schedules and work assignments. Plaintiff and the Aggrieved Employees were also required to wash and maintain their heavily soiled uniforms off- the- clock without compensation in order to comply with Defendants’ written policy to keep their uniforms in a clean and wrinkle free condition. Defendant also failed to compensate Plaintiff and the Aggrieved Employees for the time spent on making sure their hair and dressing was in compliance with Defendants’ written policy requirements including for the time spent to return home to change in case they were considered improperly dressed or groomed. In maintaining a practice of not paying all wages owed, Defendants failed to maintain accurate records of the hours Plaintiff and the Aggrieved Employees worked.

As a result, Defendants are liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210, 558, 1197.1, and 2699(f)(2) for failing to pay for all hours worked, including overtime.

Failure to Provide Meal Periods

Under California law, employers have an affirmative obligation to relieve employees of all duty in order to take their first 30-minute, duty-free meal periods no later than the start of sixth hour of work in a workday, and to allow employees to take their second 30-minute, duty-free meal period no later than the start of the eleventh hour of work in the workday. Further, employees are entitled to be paid one hour of additional wages for each workday they were not provided with all required meal period(s).

Despite these legal requirements, Defendants wrongfully failed to provide Plaintiff and the Aggrieved Employees with legally compliant meal periods. Defendants regularly required Plaintiff and the Aggrieved Employees to work in excess of five consecutive hours a day without providing a 30-minute, continuous and uninterrupted, duty-free meal period for every five hours of work, or without compensating Plaintiff and the Aggrieved Employees for meal periods that were not provided by the end of the fifth hour of work or tenth hour of work. Defendants did not adequately inform Plaintiff and the Aggrieved Employees of their right to take a meal period by the end of the fifth hour of work, or, for shifts greater than 10 hours, by the end of the tenth hour of work. Moreover, Defendants did not have adequate written policies or practices providing meal periods for Plaintiff and the Aggrieved Employees. Plaintiff and the Aggrieved Employees would often times miss their meal periods, have interrupted, late or short meal periods. Defendants required Plaintiff and the Aggrieved Employees to work through their meal periods by requiring them to clock out for meal periods but continue working since Defendants were short-staffed and the Aggrieved Employees had to work through their meal periods to serve Defendants' customers. Plaintiff and the Aggrieved Employees were also not allowed to leave the work premises during their meal periods and were required to take their meal and rest periods in a designated crew room. Additionally, meal periods were cut short by the time taken from Plaintiff and the Aggrieved Employees to make sure their hair are pinned back up or in a bun and/or pulled in the hat in accordance with Defendants' written policies prior to clocking back to work after meal periods. Accordingly, Defendants' policy and practice was to not provide meal periods to Plaintiff and the Aggrieved Employees in compliance with California law.

Plaintiff and the Aggrieved Employees are thus entitled to be paid one hour of additional wages for each workday he or she was not provided with all required meal period(s). Defendants, however, regularly failed to pay Plaintiff and the Aggrieved Employees the additional wages to which they were entitled for meal periods and that were not provided.

As a result, Defendants are liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210, 558, and 2699(f)(2) for failing to provide meal periods and pay meal period premium wages.

Failure to Authorize and Permit Rest Periods

Employers are required by California law to authorize and permit periods of 10 uninterrupted minutes for each four hours of work or major fraction of four hours (i.e. more than two hours). Thus, for example, if an employee's work time is 6 hours and ten minutes, the employee is entitled to two rest periods. Each failure to authorize rest periods as so required is itself a violation of California's rest period laws.

Defendants, however, wrongfully failed to authorize and permit Plaintiff and the Aggrieved Employees to take timely and duty-free rest periods. Defendants regularly required Plaintiff and the Aggrieved Employees to work in excess of four consecutive hours a day without Defendants

authorizing and permitting them to take a 10 minute, continuous and uninterrupted, rest period for every four hours of work (or major fraction of four hours), or without compensating Plaintiff and the Aggrieved Employees for rest periods that were not authorized or permitted. Defendants did not adequately inform Plaintiff and the Aggrieved Employees of their right to take a rest period. Moreover, Defendants did not have adequate policies or practices permitting or authorizing rest periods for Plaintiff and the Aggrieved Employees, nor did Defendants have adequate policies or practices regarding the timing of rest periods. Plaintiff and the Aggrieved Employees would mostly miss their first, second or third rest periods or have interrupted or short rest periods. Defendants also required Plaintiff and the Aggrieved Employees to work through their rest periods since Defendants were short-staffed. Plaintiff and the Aggrieved Employees were also not allowed to leave the work premises during their rest periods and were required to take their rest periods in a designated crew room. Accordingly, Defendants' policy and practice was for Plaintiff and the Aggrieved Employees to work through rest periods and to not authorize or permit them to take any rest periods.

Plaintiff and the Aggrieved Employees are thus entitled to be paid one hour of additional wages for each workday he or she was not authorized and permitted to take all required rest period(s). Defendants, however, regularly failed to pay Plaintiff and the Aggrieved Employees the additional wages to which they were entitled for rest periods and that they were not authorized and permitted to take.

As a result, Defendants are liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code §§ 210, 558, and 2699(f)(2) for failing to authorize and permit rest periods and pay rest period premium wages.

Failure to Maintain Accurate Records of Hours Worked and Meal Periods

Plaintiff seeks penalties under Labor Code § 1174(d). Pursuant to Labor Code § 1174.5, any person, including any entity, employing labor who willfully fails to maintain accurate and complete records required by Labor Code § 1174 is subject to a penalty under § 1174.5. Pursuant to the applicable IWC Order § 7(A)(3), every employer shall keep time records showing when the employee begins and ends each work period. Meal periods and total hours worked daily shall also be recorded.

Defendants, however, failed to maintain accurate records of hours worked and all meal periods taken or missed by Plaintiff and the Aggrieved Employees.

Defendants' failure to provide and maintain records required by the Labor Code IWC Wage Orders deprived Plaintiff and the Aggrieved Employees the ability to know, understand and question the accuracy and frequency of meal periods, and the accuracy of their hours worked stated in Defendants' records. Therefore, Plaintiff and the Aggrieved Employees had no way to dispute the resulting failure to pay wages, all of which resulted in an unjustified economic enrichment to Defendants. As a direct result, Plaintiff and the Aggrieved Employees have

suffered and continue to suffer, substantial losses related to the use and enjoyment of such wages, lost interest on such wages and expenses and attorney's fees in seeking to compel Defendants to fully perform its obligation under state law, all to their respective damage in amounts according to proof at trial. As a result of Defendants' knowing failure to comply with the Labor Code and applicable IWC Wage Orders, Plaintiff and the Aggrieved Employees have also suffered an injury in that they were prevented from knowing, understanding, and disputing the wage payments paid to them.

As a result, Defendants are liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 1174.5 for failing to maintain accurate records of hours worked and meal periods.

Failure to Reimburse and Indemnify Expenses

California Labor Code § 2802 requires employers to reimburse employees for their necessary expenditures and losses incurred in direct consequence of the discharge of their duties or of their obedience to directions of the employer.

Throughout the statutory period, Defendants wrongfully required Plaintiff and the Aggrieved Employees to pay expenses that they incurred in direct discharge of their duties for Defendants without reimbursement. Plaintiff and the Aggrieved Employees were required to wash and maintain their heavily soiled uniforms but were not compensated for that. Further, Plaintiff and the Aggrieved Employees were required to use their cellular telephones for work purposes to communicate with supervisors and coworkers regarding their work schedules and work assignments but were not compensated for cell phone usage. Plaintiff and the Aggrieved Employees incurred these substantial expenses as a direct result of performing their job duties for Defendants, and Defendants have failed to indemnify Plaintiff and the Aggrieved Employees for these employment-related expenses.

Failure to Timely Pay All Wages at Termination

Labor Code §§ 201 and 202 provide that if an employer discharges an employee, the wages earned and unpaid at the time of discharge are due and payable immediately, and that if an employee voluntarily leaves his or her employment, his or her wages shall become due and payable not later than seventy-two (72) hours thereafter, unless the employee has given seventy-two (72) hours previous notice of his or her intention to quit, in which case the employee is entitled to his or her wages at the time of quitting.

Within the applicable statute of limitations, the employment of Plaintiff and many other Aggrieved Employees ended, i.e. was terminated by quitting or discharge, and the employment of others will be. However, during the relevant time period, Defendants failed, and continue to fail to pay Plaintiff and terminated Aggrieved Employees, without abatement, all wages required to be paid by Labor Code sections 201 and 202 either at the time of discharge, or within seventy-

two (72) hours of their leaving Defendants' employ. These unpaid wages include wages for unpaid work time (including minimum and straight time wages), missed meal periods, and missed rest periods.

Defendants' conduct violates Labor Code §§ 201 and 202. Labor Code § 203 provides that if an employer willfully fails to pay wages owed, in accordance with sections 201 and 202, then the wages of the employee shall continue as a penalty wage from the due date, and at the same rate until paid or until an action is commenced; but the wages shall not continue for more than thirty (30) days.

Accordingly, Plaintiff and the Aggrieved Employees are entitled to recover from Defendants their additionally accruing wages for each day they were not paid, at their regular hourly rate of pay, up to 30 days maximum pursuant to Labor Code § 203.

Moreover, Defendants are liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 2699(f)(2) for failing to timely pay all wages at termination.

Failure to Furnish Accurate Itemized Wage Statements

Labor Code § 226(a) provides that every employer shall furnish each of his or her employees an accurate itemized wage statement in writing showing nine pieces of information, including: (1) gross wages earned, (2) total hours worked by the employee, (3) the number of piece-rate units earned and any applicable piece rate if the employee is paid on a piece-rate basis, (4) all deductions, provided that all deductions made on written orders of the employee may be aggregated and shown as one item, (5) net wages earned, (6) the inclusive dates of the period for which the employee is paid, (7) the name of the employee and the last four digits of his or her social security number or an employee identification number other than a social security number, (8) the name and address of the legal entity that is the employer, and (9) all applicable hourly rates in effect during the pay period and the corresponding number of hours worked at each hourly rate by the employee. An employee is presumed to suffer an injury if this information is missing. Lab. Code § 226(e)(2)(B)(iii).

The statute further provides: "An employee suffering injury as a result of a knowing and intentional failure by an employer to comply with subdivision (a) is entitled to recover the greater of all actual damages or fifty dollars (\$50) for the initial pay period in which a violation occurs and one hundred dollars (\$100) per employee for each violation in a subsequent pay period, not to exceed an aggregate penalty of four thousand dollars (\$4,000), and is entitled to an award of costs and reasonable attorney's fees." Lab. Code § 226(e)(1).

Defendants intentionally and willfully failed to provide employees with complete and accurate wage statements. The deficiencies include, among other things, the failure to correctly identify hourly rates, the failure to correctly list gross wages earned, the failure to list the true net wages earned, wages for rest periods that were not authorized and permitted to take in accordance with

California law, and correct wages earned for all hours worked. Additionally, Defendants failed to provide the employer entity correct address and names on the wage statements and wrongfully listed sick pay in the total number of hours worked.

As a result of Defendants violating Labor Code § 226, Plaintiff and similarly Aggrieved Employees suffered injury and damage to their statutorily protected rights.

Accordingly, Plaintiff and similarly Aggrieved Employees are entitled to recover from Defendants the greater of their actual damages caused by Defendants' failure to comply with Labor Code § 226(a), or an aggregate penalty not exceeding \$4,000 dollars per employee.

Moreover, Defendants are liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 226.3 for failing to furnish accurate itemized wage statements.

Failure to Pay All Earned Wages Twice Per Month

Based on its failure to pay Plaintiff and the Aggrieved Employees for all wages as discussed above, Defendants also violated Labor Code § 204.

Labor Code § 204 requires employers to pay employees all earned wages two times per month on days designated in advance by the employer as the regular paydays. Labor performed between the 1st and 15th days, inclusive, of any calendar month shall be paid for between the 16th and the 26th day of the month during which the labor was performed, and labor performed between the 16th and the last day, inclusive, of any calendar month, shall be paid for between the 1st and 10th day of the following month. Lab. Code § 204(a). The requirements of this section shall be deemed satisfied by the payment of wages for weekly, biweekly, or semimonthly payroll if the wages are paid not more than seven calendar days following the close of the payroll period. Lab. Code § 204(d).

Here, Defendants have not designated regular pay dates and often times issued wages after the 26th day of the month for the labor performed between the 1st and 15th days and after the 10th day of the following month for the labor performed between the 16th and the last day of the month as well as more than seven calendar days following the close of the payroll period.

Throughout the statute of limitations period applicable to this cause of action, employees were also entitled to be paid twice a month at their regular rates, including all meal period premium wages owed, rest period premium wages owed, and wages owed for hours worked. However, during all such times, Defendants systematically failed and refused to pay the employees all wages due, and failed to pay those wages twice a month, in that employees were not paid all wages for all meal periods not provided by Defendants, all wages for all rest periods not authorized and permitted by Defendants, and all wages for all hours worked. As a result, Defendants owe employees the legally required wages for unpaid wages, and Plaintiff and the Aggrieved Employees suffered damages in those amounts.

Moreover, Defendants are liable to Plaintiff and the Aggrieved Employees for the civil penalties provided for in Labor Code § 210 for failing to pay all earned wages twice per month.

Failure to Provide Suitable Seats

Pursuant to applicable IWC Section 14(A) all working employees shall be provided with suitable seats when the nature of the work reasonably permits the use of seats. IWC Section 14(B) states that when employees are not engaged in the active duties of their employment and the nature of the work requires standing, an adequate number of suitable seats shall be placed in reasonable proximity to the work areas and employees shall be permitted to use such seats when it does not interfere with the performance of their duties.

However, Defendant failed to provide Plaintiff and the Aggrieved Employees with suitable seats.

Action for Civil Penalties Under PAGA

In light of the above, Plaintiff alleges that Defendants violated the following provisions of the Labor Code with respect to the Aggrieved Employees:

1. Labor Code § 204, 510, 1194, 1197, and 1198 by failing to pay for all hours worked, including minimum wages, straight time wages and overtime wages;
2. Labor Code § 226.7, 512 and applicable Wage Orders by failing to provide meal periods;
3. Labor Code § 226.7 and applicable Wage Orders by failing to authorize and permit rest periods;
4. Labor Code § 1174.5 and applicable Wage Orders by failing to maintain accurate records of hours worked and meal periods taken or missed;
5. Labor Code § 2802 by failing to reimburse and indemnify employees for expenses and losses in the direct consequence and discharge of their duties;
6. Labor Code § 227.3 by failing to pay all vacation wages at termination;
7. Labor Code §§ 201 to 203 by willfully failing to pay all wages owed at termination;
8. Labor Code § 226 by failing to provide accurate itemized wage statements; and
9. Labor Code § 204 by failing to pay all earned wages two times per month.
10. Applicable IWC Section 14(A) for failure to provide suitable seating.

Therefore, on behalf of all Aggrieved Employees, Plaintiff seeks applicable penalties related to the violations alleged above pursuant to the PAGA. These include, but are not limited to, penalties under Labor Code §§ 210, 226.3, 558, 1174.5, 1197.1, 2802, and 2699(f)(2).

Plaintiff has placed Defendants on notice by mailing a certified copy of this correspondence to their corporate address and address of the agent for service, as indicated on the first page.

The facts and claims contained herein are based on the information available at the time of this writing. Therefore, if through discovery and/or expert review, Plaintiff becomes aware of additional compensation owed or losses incurred by Plaintiff or by any other aggrieved employee of Defendants, Plaintiff expressly reserves the right to revise these facts and/or add any new claims by amending the claim letter or by adding applicable causes of action to the complaint which will relate back to the date of this letter.

Thank you for your attention to this matter. If you have any questions, please do not hesitate to contact me.

Sincerely,



Lilit Tunyan, Esq.
Partner
TUNYAN LAW, APC

Exhibit “2”

1 **PROOF OF SERVICE**

2 STATE OF CALIFORNIA)
3) ss
4 COUNTY OF LOS ANGELES)

5 I am employed in the county of Los Angeles, State of California. I am over the age of
6 18 and not a party to the within action; my business address is 1336 Rossmoyne Avenue
7 Glendale, California 91207.

8 On the date indicated below, I served the document described as: **DECLARATION OF LILIT
9 TUNYAN IN SUPPORT OF PLAINTIFF'S MOTION FOR PRELIMINARY APPROVAL OF
10 CLASS AND PAGA REPRESENTATIVE ACTION SETTLEMENT** on the interested parties in
11 this action by sending a true copy thereof to interested parties as follows and as stated on the attached
12 service list:

13 Lisa Reimbold
14 lreimbold@clarkhill.com

15 Saige Shaw
16 sshaw@clarkhill.com

17 Hiba Hammad
18 hhammad@clarkhill.com

19 **CLARK HILL LLP**

20 555 South Flower Street, 24th Floor

21 Los Angeles, CA 90071

22 Phone: 213-891-9100

23 Facsimile: 213-488-1178

24 ***Attorneys for Defendants D AND T RESTAURANTS, INC., MCSURF, INC., BLADE
25 ENTERPRISES III, Inc., BLADE ENTERPRISES IV, Inc., BLADE ENTERPRISES V, Inc.,
26 BLADE ENTERPRISES VI, Inc., BLADE ENTERPRISES VII, Inc., BLADE
27 ENTERPRISES VIII, Inc.***

28 [✓] **BY ELECTRONIC SERVICE:** Based on a court order or an agreement of the parties
to accept electronic service, I caused the documents to be sent to the persons at the
electronic service addresses listed above via third-party cloud service
CASEANYWHERE. I did not receive an error message.

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

Executed on March 13, 2024 at Glendale, California.

Lilit Tunyan

Name



Signature