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SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES – SPRING STREET COURTHOUSE

OMAR RIOS ROMERO, individually
and on behalf of former and current
aggrieved employees,

Plaintiffs,

v.

PARTNERS PERSONNEL -
MANAGEMENT SERVICES, LLC,
POTENTIAL INDUSTRIES, INC., and
DOES 1 to 50,

Defendants.

Case No.: 22STCV22509

INDIVIDUAL AND REPRESENTATIVE
ACTION

*[Assigned to Hon. Elihu M. Berle
in Dept. SS-6]*

**PLAINTIFF’S NOTICE OF MOTION
AND MOTION FOR APPROVAL OF
PAGA SETTLEMENT, AND PAYMENT
OF ATTORNEYS’ FEES AND COSTS,
ENHANCEMENT AWARDS, AND
ADMINISTRATION COSTS;
DECLARATION OF ZORIK
MOORADIAN; DECLARATION OF
DAVID LAVI**

[PROPOSED] ORDER CONCURRENTLY
SUBMITTED

Date: December 17, 2025

Time: 9:00 a.m.

Dept.: SS-6

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1 **PLEASE TAKE NOTICE** that, pursuant to Cal. Lab. Code §2699, on December 17,
2 2025 at 9:00 a.m. or as soon thereafter as the matter may be heard in Department SS-6 of the
3 above-entitled Court located at 312 North Spring Street, Los Angeles, California 90012,
4 Plaintiffs, Omar Rios Romero and Oscar Martinez ("Plaintiffs"), on behalf of all other
5 similarly aggrieved former and current aggrieved employees, will and hereby do move this
6 Court for entry of an Order:

7 1. Approving the settlement entered into between Plaintiffs, Defendant Partners
8 Personnel - Management Services, LLC, and Defendant Potential Industries, Inc. (jointly
9 "Defendants") for representative claims under the Labor Code Private Attorneys General Act
10 of 2004 ("PAGA"), as reflected by the Parties' Joint Stipulation Regarding Settlement of
11 PAGA Claims ("Settlement Agreement" or "S.A."); and

12 2. Approving a distribution of the Gross Settlement Amount of \$740,000, in
13 accordance with the Settlement Agreement and on account of disputed and alleged civil
14 penalties, as follows: (a) payment of \$259,000.00 in attorneys' fees to Mooradian Law, APC,
15 ("PAGA Counsel"); (b) payment of \$29,425.14 in attorneys' costs to PAGA Counsel; (c)
16 \$9,200.00 in administration costs to Phoenix Settlement Administrators; (d) payment of
17 \$7,500 to each Plaintiff (\$15,000) as an enhancement award; (e) payment to the Labor and
18 Workforce Development Agency ("LWDA") totaling \$320,531.14 which amount represents
19 75% of the total Gross Settlement Amount after attorneys' fees, attorneys' costs, and
20 administration costs ("Net Settlement Amount"); and (f) payment of \$106,843.72, which
21 amount represents 25% of the Net Settlement Amount, on a pro-rata basis to all Aggrieved
22 Employees (defined as (1) all non-exempt employees employed by Defendant Potential
23 Industries in California during the PAGA Period; and (2) all non-exempt employees employed
24 by Defendant Partners Personnel in California who were placed at Potential Industries during
25 the period from March 3, 2020 to September 16, 2025 ("PAGA Period."))

26 This motion is based on this Notice, the attached Memorandum of Points and
27 Authorities, the supporting declaration of Zorik Mooradian and the exhibits attached thereto;

1 the supporting declaration of David Lavi; the [Proposed] Order Granting Plaintiffs' Motion
2 for Approval of PAGA Settlement, and Payment of Attorneys' Fees and Costs; the Settlement
3 Agreement; all other pleadings and papers on file in this action; and on any further oral or
4 documentary evidence or argument presented at the time of hearing.

5
6 Dated: November 14, 2025

MOORADIAN LAW, APC

7
8 By: /s/Haik Hacopian

9 Zorik Mooradian, Esq.,
10 Haik Hacopian, Esq.
11 Attorneys for Plaintiff and PAGA
12 Members
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7 **Other Authorities**

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1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 **I. INTRODUCTION**

3 Plaintiff Omar Rios Romero and Plaintiff Oscar Martinez (“Plaintiffs”) hereby seek
4 court approval of a settlement of a pending Private Attorneys General Act (“PAGA”) claim
5 as initiated by the notice letter from Plaintiff Romero dated June 13, 2022 and a notice letter
6 from Plaintiff Martinez dated June 28, 2023. The scope of the settlement is limited to civil
7 penalties, does not act as a waiver to any employee’s individual claims for individual relief,
8 and releases “all claims for PAGA penalties that were alleged, or reasonably could have been
9 alleged, based on the PAGA Period facts stated in the operative complaints and the PAGA
10 Notices” (S.A. at §5.2). The Gross Settlement Amount of \$740,000, and allocation for civil
11 penalties therein, is fair, adequate, and reasonable and sufficient to deter further violations and
12 encourage compliance with the law.

13 The Parties reached their settlement after review and analysis of the PAGA claims’
14 predicates through sufficient informal discovery, i.e. time and payroll records for Aggrieved
15 Employees. The settlement was thereafter reached after a mediation session on July 17, 2025
16 with a well-respected neutral mediator, Mr. Scott S. Markus.

17 As part of the Gross Settlement Amount and as authorized by the PAGA statute,
18 Plaintiffs’ counsel is seeking recovery of \$259,000 in attorneys’ fees, which is thirty-five
19 percent of the Gross Settlement Amount. Moreover, this requested amount is fair, adequate,
20 and reasonable, in light of the work performed by counsel and recovery obtained. Mooradian
21 Law APC’s minimum lodestar of \$88,100 would necessitate a multiplier of 2.93 for the
22 requested fee award. Applying Laffey Matrix rates would necessitate a 1.54 multiplier.
23 Moreover, the lodestar does not include work performed by co-counsel, E&L, LLP. Counsel
24 is additionally seeking \$29,425.14 in costs, which were reasonable and necessary to the
25 prosecution of this action. Plaintiffs are also requesting that Phoenix Settlement
26 Administrators be appointed as the settlement administrator and that \$9,200 be paid to
27 Phoenix for services relating to distributions under the settlement, which includes mailing
28

1 payments to the Aggrieved Employees. Plaintiffs also seek enhancement awards of \$7,500
2 each for their efforts in bringing and maintaining representative lawsuits which have resulted
3 in substantial recovery by the LWDA.

4 5 **II. FACTUAL AND PROCEDURAL BACKGROUND**

6 **A. Plaintiffs, Defendants, and Aggrieved Employees**

7 Defendant Partners is a staffing agency and Defendant Potential is a recycling
8 company with whom Partners placed non-exempt employees. Potential also directly employed
9 non-exempt employees. Declaration of Zorik Mooradian (“ZM Decl.”), ¶6.

10 The number of Aggrieved Employees at the time of mediation consisted of 2,026
11 employees placed with Potential by Partners (who had 33,633 pay periods) and 209 employees
12 directly employed by Potential (who had 13,762 pay period). The settlement contemplates
13 coverage for 52,135 pay periods through the end of the PAGA Period on September 16, 2025,
14 before Defendants are to either increase the Gross Settlement Amount on a pro-rata basis for
15 each additional pay period or adjust the release period so that the escalator clause is not
16 triggered. ZM Decl. ¶7.

17 **B. Plaintiffs’ Lawsuits, Discovery, and Mediation**

18 **1. Plaintiffs’ Lawsuits**

19 On July 11, 2022, Plaintiff Romero commenced this Action by filing a Complaint
20 alleging the following class causes of action against Defendants: (1) Failure to Provide Meal
21 Periods; (2) Failure to Provide Paid Rest Periods; (3) Failure to Pay Wages Owed; (4) Failure
22 to Pay Accrued Sick Leave and Vacation; (5) Failure to Reimburse Business Expenses; (6)
23 Failure to Pay Wages at Termination/Separation; and (7) Violation of Unfair Business
24 Practices Act. On December 14, 2022, Plaintiff Romero filed a First Amended Complaint,
25 adding an eighth cause of action for Penalties Pursuant to PAGA. Class allegations were
26 dismissed by the Court on December 23, 2023. ZM Decl., ¶8.

27 On December 20, 2023, Plaintiff Martinez filed a Complaint against Defendants as an
28

1 aggrieved employee and private attorney general, alleging a single cause of action for PAGA
2 violations (“23STCV31167”) pursuant to the PAGA Notice Letter communicated by Plaintiff
3 Martinez on June 28, 2023. Declaration of Davil Lavi (“DL Decl.”), ¶¶3-4. Exh. 1.

4 Plaintiffs have filed a stipulation requesting leave to file a First Amended Complaint
5 adding Plaintiff Martinez as a named plaintiff in this action to effectuate the Settlement. It is
6 contemplated that the separately filed action by Martinez will be dismissed thereafter. ZM
7 Decl., ¶9.

8 **2. Collective Labor Code/Wage Order sections at Issue**

9 As mentioned, Plaintiff Romero filed a notice letter with the California Labor and
10 Workforce Development Agency (“LWDA”) on June 13, 2022 giving notice of his intent to
11 pursue a PAGA representative action, on behalf of himself and the State of California as well
12 as on behalf of a group of similarly situated aggrieved employees giving notice of their
13 collective intent to seek penalties under Labor Code sections 2698 et. seq. based on alleged
14 violations of Labor Code sections 200, 201, 202, 204-204b, 226, 226.7, 233, 246(n), 500, 510,
15 512, 516, 1182.12, 1194, 1197, 1198, and 2802 (“PAGA letter”). Plaintiff Romero’s PAGA
16 Notice was assigned case number LWDA-CM-889076-22 true and correct copy of the noted
17 PAGA Letter is attached as **Exhibit “1”** to the Declaration of Zorik Mooradian. ZM Decl.
18 ¶10, Exh. 1.

19 Plaintiff Martinez filed his notice letter with the LWDA on June 28, 2023 based on
20 alleged violations of Labor Code sections 201, 202, 203, 204, 226, 226.7, 227.3, 510, 512,
21 1194, 1197, 1198, and 2802 (“PAGA letter”). A true and correct copy of the noted PAGA
22 Letter is attached as **Exhibit “1”** to the Declaration of David Lavi. DL Decl. ¶3, Exh. 1.
23 Plaintiff Martinez’s notice was assigned case number LWDA-CM-964980-23 upon electronic
24 submission to the LWDA.

25 The settlement PAGA Period extends back to March 3, 2020 on account of a PAGA
26 Notice communicated to Defendants on March 3, 2021 by Saul Sanchez (LWDA-CM823445-
27 21). This PAGA claim has been asserted in the action entitled *Saul Sanchez. v. Potential*
28

1 *Industries, et al.* (21STCV11999). There is also a later filed PAGA Notice as to Defendant
2 Potential only on April 29, 2024 by Jesus Sencion which has been asserted in the action
3 entitled *Jesus Sencion v. Potential Industries* (24STCV16740). Plaintiffs understand that this
4 Settlement fully encompasses the PAGA claims asserted in the *Sanchez* and *Sencion* cases.
5 ZM Decl. ¶11.

6 **3. Discovery and Mediation**

7 This lawsuit has involved production of a 20% sample production of employee time
8 and payroll data to Plaintiffs. Also, Plaintiffs received relevant handbooks from 2020 and
9 2023 and Plaintiffs' personnel files. This information has been reviewed and assessed by
10 Plaintiffs with expert assistance. The Parties have conducted investigation of the operative
11 facts and applicable law during the litigation. The Parties have also investigated the applicable
12 law as applied to the facts, potential defenses thereto, and damages claimed by Plaintiffs on
13 behalf of Aggrieved Employees. Subsequently, on July 17, 2025, Plaintiffs and Defendants
14 engaged in mediation before Mr. Scott S. Markus. During the Mediation, and with significant
15 assistance from the mediator, the Parties agreed to a PAGA representative settlement, which
16 was negotiated in light of all known facts and circumstances—including the difficulty of
17 proving some of Plaintiffs' underlying bases for the PAGA penalty claims, potential defenses
18 asserted by Defendants to the PAGA penalty claims, the uncertainty associated with litigation,
19 the risks of significant delay, and numerous potential appellate issues. Thereafter, the
20 settlement was solidified between the Parties during the months that followed. Ultimately, the
21 Settlement Agreement was entered into¹. ZM Decl. ¶12.

22 **C. Essential Terms of the Settlement**

23 The Parties' settlement allocates \$740,000 for settlement of the PAGA claims which
24 is the total amount to be paid by Defendants under this Settlement. After allocated attorneys'
25 fees of \$259,000, requested costs of \$29,425.14, administrative costs of \$9,200, enhancement

26
27 ¹ At the mediation, the Parties also agreed to resolve the individual wage and hour claims asserted by Plaintiffs
28 and entered into a separate settlement agreement awarding each Plaintiff \$17,500.

1 awards of \$15,000 (\$7,500 to each Plaintiff) 75% of the Net Settlement Amount, or
2 \$320,531.14, will be paid as the LWDA's 75% share of PAGA penalties, and \$106,843.72
3 will be payable to Aggrieved Employees. The Individual PAGA Payment payable to each
4 Aggrieved Employee is the pro rata share of the \$106,843.72 sum according to the number of
5 PAGA Pay Periods the Aggrieved Employee worked during the PAGA Period relative to the
6 total number of PAGA Pay Periods. S.A. ¶1.11. Assuming participating by 2,235 Aggrieved
7 Employees, the estimated simple average Individual PAGA Payment is estimated to be \$47.80
8 (\$106,843.72 ÷ 2,235). The Gross Settlement Amount is for civil penalties only and does not
9 act as a waiver to any employee's individual claims for individual relief. ZM Decl. ¶13.

10 A true and correct copy of the Joint Stipulation Regarding Settlement of PAGA Claims
11 ("Settlement Agreement" or "S.A"), is attached as **Exhibit 2** to the Declaration of Zorik
12 Mooradian. ZM Decl. ¶14, Exh. 2.

13 The Settlement contemplates inclusion of the "Notice of Settlement of PAGA
14 Representative Action" cover letter with payments to Aggrieved Employees which notifies
15 them of the Lawsuit, Settlement, Release, and calculation of their share. A Spanish translation
16 will also be provided by the Settlement Administrator. A true and correct copy of the letter is
17 incorporated as **Exhibit "A"** to the Settlement Agreement. (S.A. at ¶1.29).

18 The Settlement contemplates maximum coverage for 52,135 Pay Periods during the
19 PAGA Period, which if increases, Defendants can elect to increase the Gross Settlement
20 Amount by the percentage difference above 52,135 or adjust the release period so that the
21 escalator clause is not triggered. (S.A. at ¶8).

22 The Administrator will issue checks for the Individual PAGA Payments and send them
23 to the Aggrieved Employees via First Class U.S. Mail. Aggrieved Employees will have one
24 hundred eighty (180) days to cash their checks. Any uncashed checks will be sent to the
25 Controller of the State of California to be held pursuant to the Unclaimed Property Law for
26 the benefit of those Settlement Group Members whose checks were voided. (S.A. at ¶4.4).

27 The Settlement Administrator, Phoenix, will format and mail the Settlement Letter and
28

1 Individual PAGA Payments, perform a National Change of Address database search to update
2 Aggrieved Employees' addresses prior to the mailing, perform skip-traces, locate and update
3 Aggrieved Employees' addresses, calculate, and distribute Individual PAGA Payments, and
4 perform any other tasks requested by the Parties or by the Court. (S.A. at ¶¶4 & 7).

5
6 **III. THIS COURT SHOULD APPROVE THIS PAGA SETTLEMENT**
7 **BECAUSE IT IS A FAIR, ADEQUATE, AND REASONABLE**
8 **COMPROMISE OF HIGHLY DISPUTED CLAIMS**

9 Labor Code section 2699(l)(2) provides that the Court shall review and approve any
10 settlement of any civil action filed pursuant to PAGA. A PAGA settlement is different from
11 one in a class action, however, and a PAGA settlement is not subject to the same level of
12 scrutiny in approving an associated settlement. These distinctions include the fact that a
13 PAGA representative action is fundamentally a law enforcement action designed to protect
14 the public and penalize the employer for past illegal conduct. *Cunningham v. Leslie's*
15 *Poolmart, Inc.* (C.D. Cal. June 25, 2013) 2013 U.S.Dist. LEXIS 90256, 16-17 [internal
16 citation omitted].) The purpose of a PAGA action is not to collect damages on behalf of
17 employees or provide restitution for Labor Code violations. *Id. see also Franco v. Athens*
18 *Disposal Co., Inc.* (2009) 171 Cal.App.4th 1277, 1300 ("Restitution is not the primary
19 objection of a PAGA action, as it is in most class action.") Also, PAGA does not require notice
20 requirements for unnamed aggrieved employees nor may such employees opt out of a PAGA
21 action. *Baumann v. Chase Ins. Servs. Corp.* (9th Cir. 2014) 747 F.3d 1117, 1122).

22 Civil Penalties assessed under PAGA are primarily intended to deter violations of the
23 employment laws of the State of California. *Iskanian v. CLS Transportation Los Angeles, LLC*
24 (2015) 59 Cal.4th 348. Whether the total settlement of a PAGA claim achieves the objectives
25 of the statute is a factor that should strongly be considered in evaluating this instant settlement.
26 Significantly, pursuant to Labor Code Section 2699(e)(2), in any action brought by an
27 aggrieved employee under PAGA, a court may award a lesser amount than the maximum civil
28 penalty amount if to do otherwise would result in an award that is unjust, arbitrary and
oppressive, or confiscatory. Courts routinely exercise this discretion. See e.g., *Parr v. Golden*

1 *State Overnight* (Alameda S.Ct., 2014, RG12-618103) (93% reduction in PAGA penalties
2 even after plaintiffs prevailed at trial); *Kileigh Carrington v. Starbucks Corp.* (2018) 30
3 Cal.App.5th 504 (reducing potential PAGA liability to only \$5 per proven violation). As
4 explained below, the weaknesses of the claim, as well as Defendants' status as a smaller
5 employer, would potentially justify significant reduction of maximum available penalties. The
6 terms of the settlement sufficiently act to deter Defendants from further violations alleged in
7 the matter.

8 PAGA was passed because the Legislature believed it necessary "to achieve maximum
9 compliance with state labor laws" and "to ensure an effective disincentive for employers to
10 engage in unlawful and anticompetitive business practices." 2003 Cal. Legis. Serv. Ch. 906 §
11 1(a). The Legislature further found that, while self-policing efforts have had some success,
12 "in other cases the only meaningful deterrent to unlawful conduct is the vigorous assessment
13 and collection of civil penalties as provided in the Labor Code." *Id.* at § 1(b). Through PAGA,
14 the Legislature thus: (1) sought to "enlist[] willing citizens in the task of private enforcement,"
15 *Iskanian*, 59 Cal.4th at 390; (2) "deputized" aggrieved employees to sue on behalf of the State
16 to enforce state labor laws; and (3) authorized them to recover civil penalties, attorneys' fees,
17 and costs. 2003 Cal. Legis Serv. Ch. 906 (Legislative Counsel's Digest). In bringing a PAGA
18 action, "[t]he employee-plaintiff acts as the proxy or agent of the state labor enforcement
19 agencies, representing the same legal right and interest as those agencies" *Id.* at 394.

20 As for the interests of the LWDA (in whose shoes Plaintiffs stand), its top enforcement
21 priorities are "to vigorously enforce minimum labor standards in order to ensure employers
22 are not required or permitted to work under substandard unlawful conditions . . ." and to
23 "protect employers who comply with the law from those who attempt to gain a competitive
24 advantage at the expense of their workers by failing to comply with minimum labor
25 standards." Labor Code § 90.5(a). Moreover, in addition to the collection of civil penalties,
26 Labor Code § 1194.5 (which is specifically referenced in Labor Code § 90.5) authorizes the
27 LWDA to seek injunctive relief.

1 **A. Analysis of Plaintiff's PAGA Claim**

2 1. Unpaid Wages Due to Off-the-Clock Work

3 Plaintiffs contended that Defendants underpaid wages due to the following work off-
4 the-clock: (1) employees waiting in line for several minutes to access the time clock to start
5 their day and that employees were forced to arrive before the start of their scheduled shifts to
6 clock in on time as a result; (2) employees undergoing COVID screenings and temperature
7 checks off the clock during the first six months of the pandemic which took several minutes
8 each time; (3) employees having to don protective equipment such as gloves, helmets, eye
9 wear, and vests before clocking in; (4) doffing of protective equipment off the clock after
10 clocking out to start a meal break; (5) meal breaks of less than 30 minutes net duration on
11 account of several minutes to access the clock to clock in from lunch and don equipment; (6)
12 rest breaks of less than 10 minutes in net duration due to donning and doffing; and (7) post-
13 shift doffing of protective equipment off the clock and security checks. Defendants countered
14 that their handbook expressly prohibited off-the-clock work and that there was no directive or
15 rule that donning and doffing occur off-the-clock. Additionally, Partners represented that there
16 was no incentive for them to encourage work off-the-clock as that would mean Partners would
17 make less and expose itself to liability. Ultimately, that it will be extremely difficult for
18 Plaintiffs to prove any particular instance of off-the-clock work. ZM Decl. ¶15.

19 2. Meal and Rest Breaks

20 On account of the off-the-clock donning, doffing, and time clock access issues, both
21 meal and rest breaks would not be of sufficient net duration of 30 minutes and 10 minutes,
22 respectively. Defendants countered that they had fully compliant meal and rest break policies
23 and practices and that there is no evidence of any widespread or systematic meal and rest
24 break violations. Also, that lines employees worked on completely shut down for meal and
25 rest breaks. Defendants represented that supervisors were trained to regularly remind, monitor,
26 and enforce the meal and rest break rules. Moreover, that there were 37 meal period premiums
27 paid by Partners, which is clear evidence that Partners attempted to provide redress for any
28

1 meal violations and any unreported non-compliant meal breaks was due to employee choice.
2 Ultimately, that it will be extremely difficult for Plaintiffs to prove any particular meal/rest
3 violation. ZM Decl. ¶16.

4 3. Bi-Weekly Pay Periods

5 Partners is a “temporary services employer” under Lab. Code Sec. 201.3 and was
6 required to maintain weekly pay periods for the first 90-days of an employee’s assignment to
7 Potential. Despite this, regular wages appear to have been paid on a bi-weekly basis. ZM Decl.
8 ¶17.

9 4. Wage Statement and Waiting Time Violations

10 These claims would largely be derivative of the above claims. For instance, to the
11 extent any wages were underpaid, final wages would not be complete in violation of Labor
12 Code Sections 201-203 and to the extent any additional wages or break premiums are owed,
13 the wage statements would not be accurate. As far a substantive waiting time claim, when
14 Partners “discharged” employees (and not when a temporary assignment ended), Plaintiffs
15 understand that wages would not be issued on the discharge/termination date but the
16 employees had to wait until the following payday for their final wages to be issued and paid,
17 a gap of potentially several days. ZM Decl. ¶18.

18 5. Expense Reimbursement

19 Plaintiffs contended that employees were required to purchase their own vests and use
20 personal cell phones for work but received no reimbursement for such expenses. Defendants
21 pointed to their fully compliant written reimbursement policy and protocol which provided
22 for reimbursement for use of personal cell phones. Notably, that there was no need for
23 employees to use personal cell phones other than to perhaps check the work schedule (which
24 is not reimbursable). ZM Decl. ¶19.

25 6. Potentially Available PAGA Penalties/Realistic Exposure

26 The settlement implicates 47,395 pay periods during the PAGA Period. Maximum
27 penalties, assuming a violation for each and every pay period, assessed at the \$100 violation
28

1 rate, for each pay period results in maximum potential exposure of \$4,739,500. To the extent
2 Plaintiffs are able to stack PAGA penalties, the potential maximum could be higher. Although
3 no California appellate decision has addressed whether a plaintiff can stack penalties for
4 different predicate violations, the California Supreme Court's decision in *ZB, N.A. v. Superior*
5 *Court*, (2019) 8 Cal.5th 175, rejected an employee's attempt to recover default civil penalties
6 in addition to civil penalties assessed with respect to unpaid wages under Cal. Labor Code
7 Sec. 558. The Court highlighted that civil penalties "are intended 'to punish the employer' for
8 wrongdoing, often 'without reference to the actual damage sustained'" (citing *Murphy v.*
9 *Kenneth Cole Productions, Inc.* (2007) 40 Cal.4th 1094, 1104). Moreover, although not bound
10 by the 2024 amendments to PAGA for this case, a court could refer to Lab. Code Sec.
11 2699(h)(3)(i) to deny stacking for violations for Lab. Code Secs. 201-203, 204, and 226.
12 Plaintiffs ultimately do not anticipate being able to stack PAGA penalties as they deem it
13 highly likely that a court will potentially be persuaded that assessment of a single penalty per
14 pay period per employee will be sufficient to punish past violations and deter future ones. ZM
15 Decl. ¶20.

16 Furthermore, discretionary reductions are anticipated in addition to general litigation
17 risk and delay. Taking the \$4,739,500 sum as the maximum potential figure and applying a
18 discretionary reduction of 80% (consistent with reported cases) results in \$947,900 in
19 available penalties. The penalties to be distributed (\$427,374.86) readily captures 45.1% this
20 sum. The \$740,000 gross sum captures 78%. The Parties' settlement substantially captures
21 this realistic valuation, provides for significant recovery of civil penalties by the state, and is
22 expected to deter future Labor Code violations by Defendants. Accordingly, Plaintiffs'
23 counsel believes that this PAGA settlement is fair, reasonable, and in the best interests of the
24 Aggrieved Employees and the State of California. ZM Decl. ¶21.

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1 **IV. AN AWARD OF ATTORNEYS' FEES SHOULD BE APPROVED**

2 California Labor Code § 2699(g) states that an employee whose action results in the
3 payment of civil penalties "shall be entitled to an award of reasonable attorneys' fees and
4 costs." Here, Plaintiffs' counsel is seeking recovery of \$259,000 in attorneys' fees, or thirty-
5 five percent (35%) of the Gross Settlement Amount. The incurred fees are necessary and
6 reasonable. Significantly, these fees are contingent in nature for counsel. ZM Decl. ¶¶22.

7 In Counsel's experience, a gross PAGA settlement of \$740,000 is a fair, reasonable,
8 and adequate settlement in light of the strength of the claim, Defendants' defenses, and the
9 strong possibility there would be no recovery without this settlement. Even if Plaintiffs were
10 to prevail on the underlying claim, they would face the potential of significant discretionary
11 reduction of maximum penalties by the Court. Counsel's efforts have resulted in over a three-
12 hundred-thousand-dollar recovery by the State of California. ZM Decl. ¶¶5&23.

13 **A. PAGA Counsel's Fees Should be Approved as a Percentage of the**
14 **Total Common Fund Created**

15 PAGA Counsel seeks a fee award calculated as a percentage of the total value of the
16 settlement for successful prosecution and resolution of all existing claims. Both California
17 State and Federal Courts have recognized that an appropriate method in determining an
18 attorney fee award may be based on the percentage on the total value of the benefits conferred
19 by the settlement. *Serrano v. Priest* (1997) 20 Cal. 3d 25-34 [*Serrano III*]; *Boeing Company*
20 *v. Van Gemert* (1980) 344 U.S. 472, 478; *Vincent v. Hughes Airwest, Inc.* (9th Cir. 1977) 557
21 F.2d 759, 769. The purpose of this equitable doctrine is to avoid unjust enrichment and to
22 "spread litigation costs proportionately among all the beneficiaries so that the active
23 beneficiary does not bear the entire burden alone." *Id.* at 768. The monetary benefits will then
be paid from a common fund.

24 The California Supreme Court endorsed a fee award as a percentage of the common
25 fund; the Court clarified "that when an attorney fee is awarded out of a common fund
26 preserved or recovered by means of litigation (internal citation omitted), the award is not per
27 se unreasonable merely because it is calculated as a percentage of the common fund." *Laffitte*
28 *v. Robert Half Int'l. Inc.* (2016) 1 Cal. 5th 480, 486. Also "[t]hat the recognized advantages

1 of the percentage method...convince us that the percentage method is a valuable tool that
2 should not be denied in our trial courts.” *Id.* at 503.

3 The Common Fund Doctrine is predicated on the principle of preventing unjust
4 enrichment. When a litigant’s efforts create or preserves, or generates a fund from which
5 others derive benefits, he may require the passive beneficiaries to compensate those who
6 created the fund. Both California State and Federal Courts have embraced this Doctrine.
7 *Serrano III, supra*, at 35; *Vincent, supra*, at 769.

8 Since *Serrano III, supra*, there has been a ground swell of support for mandating the
9 percentage of the fund approach in common fund cases. Both State and Federal Court have
10 found the percentage approach preferable to the Lodestar because; (1) it aligns the interest of
11 counsel and absent parties (PAGA Counsel and the LWDA here); (2) it encourages efficient
12 resolution of the litigation by providing an incentive for early, yet reasonable, settlement; and
13 (3) it reduces the demand on judicial resources. *In re Activision Sec. Litig.* (N.D. Cal. 1989)
14 723 F Supp. at 1378-79. The Ninth Circuit now routinely uses the percentage of the common
15 fund approach to determine the award of attorney fees. *Lealao v. Beneficial Calif., Inc.* (2000)
16 82 Cal.App.4th 19, 30-31.

17 Collectively, PAGA counsel seeks \$259,000 which is thirty-five percent of the
18 \$740,000 Settlement Amount. Class Counsel’s request for thirty-five percent of the monetary
19 fund recovered is well within the range customarily approved by California courts in class
20 actions as well as with contingency contracts negotiated by Plaintiff and their counsel.
21 “Empirical studies show that regardless of whether or not the percentage method or Lodestar
22 method is used, fee awards in class actions average around one-third of the recovery.” See
23 e.g., *Chavez v. Netflix, Inc.* (2008) 162 Cal.App.4th 66, fn. 11; *In re California Indirect*
24 *Purchases* (October 22, 1998) WL1031494 at *9 (citing *In re Milk Antitrust Litigation* (L.A.
25 Sup. Ct. 1998) Civ. Case No. BC070061 (33 1/3% award); *In re Facsimile Paper Antitrust*
26 *Litigation* (San Francisco Sup. Ct. 1997) Civ. Case No. BC 0070061 (33 1/3% award); *In re*
27 *Liquid Carbon Dioxide Cases* (San Diego Sup. Ct. 1996) J.C.C.P. 3012 (33 1/3% award);
28 *Romero v. Producers Dairy Foods, Inc.* (E.D. Cal. November 14, 2007) WL 3492841 at *4

1 (“fee awards in class actions average around one-third of the recovery.” (*Quoting Newberg*
2 *on Class Actions* § 14.6 (4th ed. 2007).

3 In *Lealao, supra*, at 46-47, the Court indicated that in defining a “reasonable” fee in
4 representative actions, the law should “mimic the market.” The Court went on to state:

5 “Given the unique reliance of our legal system on private litigants to enforce
6 substantive provisions of law through class and derivative actions, attorneys
7 providing the essential enforcement services must be provided incentives roughly
8 comparable to those negotiated in the private bargaining that takes place in the
9 legal marketplace as it will otherwise be economic for Defendant’s to increase
10 injurious behavior. *Lealao, supra*, 82 Cal.App.4th at 46-47, and *Graciano v.*
11 *Robinson Ford Sales, Inc.* (2006) 144 Cal. App.4th 140, 163.

12 For the following reasons, awarding thirty-five percent of the gross settlement for
13 attorney fees is fair, reasonable and appropriate.

14 **B. Factors Supporting the Fee Award**

15 **1. The Amount of the Settlement**

16 In Counsel’s experience, a PAGA settlement for \$740,000 is a fair, reasonable, and
17 adequate settlement in light of the asserted claims, Defendants’ defenses, and the strong
18 possibility that there would be no recovery without this settlement. ZM Decl., ¶5. The LWDA
19 will be recovering a substantial penalty award and Aggrieved Employees will be receiving
20 significant payments as well. The average amount expected to be paid amongst 2,235
21 Aggrieved Employees is \$47.80. ($\$106,843.72 \div 2,235$). ZM Decl., ¶13.

22 **2. The Named Plaintiff Signed a Retainer Agreement**

23 Plaintiff Romero signed a single retainer with Mooradian Law, APC. The Retainer
24 Agreement had language providing a maximum of forty-five percent (45%) in attorneys’ fees,
25 of course, subject to court approval on representative issues. The Retainer Agreement also had
26 a provision for recovery of costs in relation to the representation. ZM Decl. ¶24.

27 In *Lealao, supra*, 82 Cal.App.4th at 46-47, the court indicated that in defining a
28 “reasonable” fee in representative actions, the law should “mimic the market.” Here, as for
the representation of the individual rights of Mr. Romero, a retainer agreement for thirty-five
percent of gross recovery would be consistent with the market rate, and there is no reason to

1 believe that if counsel had signed a retainer agreement with the LWDA to prosecute claims
2 on the LWDA's behalf, it would be any different. ZM Decl. ¶25.

3 In, *In re Cont'l Ill. Secs. Litig.*, Judge Posner endorsed a market-based approach to
4 evaluating fee requests, stating that the function of judges in fee litigation "is to determine
5 what the lawyer would receive if he were selling his services in the market rather than being
6 paid by court order." (7th Cir. 1992) 962 F.2d 566, 568. In a law review article (Silver) entitled
7 "A Restitutionary Theory of Attorneys' Fees in Class Actions (1991) 76 Cornell L.Rev. 656,
8 702-703 (it stated that the goal "is to pay attorneys on terms they would probably accept in an
9 ex ante bargain, before the outcome of litigation is known").

10 3. Defendants Do Not Object to the Attorney Fee Agreement

11 In almost all the mediations that Mr. Mooradian has attended, a one-third to 35%
12 attorney fee percentage is generally agreed upon by the defendant and the plaintiff subject to
13 court approval. In this matter, the Parties agreed that PAGA Counsel may request up to thirty-
14 five percent due to the amount of the settlement and the significant work completed by counsel
15 in litigation, mediation, and seeking approval. ZM Decl. ¶26.

16 Here, it is beyond any reasonable dispute that, if PAGA counsel had been able to
17 negotiate directly with the LWDA, the LWDA would have found that a 35% fee arrangement
18 was eminently reasonable. ZM Decl. ¶27.

19 4. The Contingent Risk Factor

20 For PAGA Counsel, the fees in this case are entirely contingent in nature. As the 9th
21 Circuit noted, class counsel who take a case on a contingency basis bears a "double
22 contingency: first they must prevail on the class claims, and then they must find some way to
23 collect what they win." *Torrissi v. Tucson Elec. Power Co.* (9th Cir. 1993) 8 F.3d 1370, 1377.
24 The fees received from one case are often used to finance and move forward other cases that
25 have failed and bring in revenue for counsel. ZM Decl. ¶22.

26 C. The Lodestar/Multiplier Cross-Check

27 Even though class counsel is requesting fees with the percentage of the benefit
28 approach, some courts nevertheless use a Lodestar/Multiplier cross check to confirm the fees'
reasonableness. *Lealao v. Beneficial California, Inc.*, *supra*, 82 Cal.App.4th 19-45; *Vizcaino*

1 v. *Microsoft Corp.* (9th Cir. 2002) 290 F.3d 1043, 1051. The Lodestar Analysis (Lodestar-
2 Multiplied Method) begins with a calculation of time spent in reasonable hourly compensation
3 of each attorney and paralegal who worked on the case and then to compensation counsel for
4 risk, quality and result, courts commonly apply a “multiplier” to the Lodestar in awarding
5 attorney fees.

6 The first step is to determine the Lodestar individually for each attorney and/or
7 paralegal that has worked on the case and is claiming fees. The Lodestar analysis for each
8 attorney appears in their own Declaration(s) and fee and cost ledger attachments, which is
9 summarized below:

Attorney(s)	Billable Rate(s)	Minimum Hours	Lodestar	Laffey Rate(s)	Laffey Lodestar
Zorik Mooradian ZM Decl., ¶¶28-29	\$650.00	76	\$49,400	\$1,141	\$86,716
Haik Hacopian <i>Id.</i>	\$450.00	86	\$38,700	\$948	\$81,528
Total Minimum Lodestar		162	\$88,100		\$168,244

17 In this matter, the total minimum lodestar tallies to \$88,100 and which results in the
18 requested \$259,000.00 fee award after the application of 2.93 multiplier. To the extent the
19 current Laffey Rates are applied, the lodestar would calculate to \$168,244 and would require
20 application of a 1.54 multiplier. Notably, the above lodestar calculations do not include the
21 time expended by co-counsel, E&L, LLP, and it is likely that its inclusion will result in a
22 lodestar multiplier of 1.xx and Laffey lodestar that possibly exceeds the fee request. ZM Decl.,
23 ¶29.

24 **D. Attorneys Fees v. Benefits Conferred**

25 While it’s generally true that the greater the attorney fees, the less funds there will be
26 for distribution as damages, nevertheless, a balance must be achieved. In the instant matter,
27 the LWDA and Aggrieved Employees got a very balanced and fair settlement. Given the
28

1 strengths and weaknesses of the case, they will be receiving a fair sum of money. The results
2 and the case law support that the settlement was fair, reasonable and adequate. In light of the
3 favorable settlement, giving more money to the LWDA and Aggrieved Employees after an
4 excellent settlement had been achieved punishes the attorneys without whom such a settlement
5 would not have been attained but for the efforts of good lawyering. Punishing lawyers when
6 they do well is potentially sending the wrong message and serves as a disincentive and unjustly
7 enriches the LWDA and Aggrieved Employees who will be receiving a fair and adequate
8 amount of benefits. ZM Decl. ¶31.

9
10 **V. PAYMENT OF COSTS TO COUNSEL SHOULD BE APPROVED**

11 Counsel has incurred \$29,425.14 in total costs in prosecuting this matter, which is far
12 less than the \$45,000 maximum contemplated by the settlement, and is the amount that
13 Plaintiffs are requesting that the Court approve. (S.A. ¶¶1.18 & 3.2). All costs are necessary
14 and reasonable. ZM Decl. ¶30 (\$28,564.94). DL Decl. ¶41, (\$860.20).

15
16 **VI. THIS COURT SHOULD FINALLY APPROVE PLAINTIFFS' REQUESTED**
17 **ENHANCEMENT AWARDS BECAUSE THEY ARE FAIR, ADEQUATE, AND**
18 **REASONABLE IN VIEW OF PLAINTIFFS' EFFORTS AND THE RISKS THAT**
19 **THEY ASSUMED IN THIS LITIGATION**

20 Plaintiffs seek an Enhancement Award totaling \$7,500 each pursuant to the
21 Settlement, which is appropriate and justified. S.A. ¶3.2.4. This request is a reasonable portion
22 of the Gross Settlement Amount given Plaintiffs' efforts in litigating these cases and the risks
23 they undertook in prosecuting their cases. See, e.g., *Staton v. Boeing Co.* (9th Cir.2003) 327
24 F.3d 938, 977 (affirming that courts should consider "the actions the plaintiff has taken to
25 protect the interests of the class, the degree to which the class has benefitted from those
26 actions, the amount of time and effort the plaintiff expended in pursuing the litigation and
27 reasonable fear[s of] workplace retaliation").

28 Plaintiffs' proposed Enhancement Payments in proportion to the Settlement Amount
and standing alone is well within the range of reasonable. The requested Enhancement Awards

1 represents only 2% of the \$740,000 Gross Settlement Amount. See, e.g., *Bond v. Ferguson*
2 *Enters., Inc.* (E.D.Cal. June 30, 2011) Civ. No. 1:09–1662 OWW MJS, 2011 WL 2648879, at
3 *2, 15 (approving an \$11,250 incentive award to each of the two named Plaintiffs); *Ross v.*
4 *U.S. Bank Nat'l Ass'n* (N.D. Cal. Sept. 29, 2010) Civ. No. 3:07–2951 SI, 2010 WL 3833922,
5 at *3 (approving an award of \$20,000 to each of four named Plaintiffs based on their
6 contributions to litigation and the risk that being a class representative would harm their
7 reputation); *Glass v. UBS Fin. Servs.* (N.D. Cal. Jan. 26, 2017) No. C-06-4068 MMC, 2007
8 WL 221862, at *17 (finding “requested payment of \$25,000 to each of the named plaintiffs is
9 appropriate” in wage and hour settlement); *Garner v. State Farm Mut. Auto. Ins. Co.* (N.D.
10 Cal. Apr. 22, 2010) No. CV 08 1365 CW (EMC), 2010 WL 1687832, at *17 n.8 (“Numerous
11 Court in the Ninth Circuit and elsewhere have approved Enhancement Awards of \$20,000 or
12 more where, as here, the class representative has demonstrated a strong commitment to the
13 class”).

14 Plaintiffs have also spent time assisting in the prosecution of the action, which
15 deserves compensation. See e.g., *In re Cont'l Ill. Sec. Litig.* (7th Cir.1992) 962 F.2d 566, 571
16 (“Since without a named plaintiff there can be no class action, such compensation as may be
17 necessary to induce him to participate in the suit...”). Moreover, by the filing of their lawsuits,
18 Plaintiffs subjected themselves to the risk of retaliation both by current and potential future
19 employers who may learn of the lawsuits. DL Decl., ¶43. See, e.g., *Marlo v. United Parcel*
20 *Service, Inc.* (9th Cir. 2015) 600 Fed.Appx. 551 (awarding significant verdict to a former
21 UPS employee who terminated in retaliation for filing a class action lawsuit against his
22 employer, UPS).

23 24 **VII. PAYMENT FOR ADMINISTRATION EXPENSES SHOULD BE APPROVED**

25 Counsel has secured a not to exceed bid from Phoenix Settlement Administrators, the
26 Parties’ selected administrator, in the amount of \$9,200 in relation to dissemination of
27 payments to the various parties as contemplated by the settlement including to all Aggrieved
28 Employees. Phoenix will also translate the Settlement Notice into Spanish and be responsible

1 for the escheatment of uncashed checks. A true and correct copy of the not to exceed quote
2 secured from Phoenix is attached to the Declaration of Zorik Mooradian as **Exhibit “4”**. ZM
3 Decl., ¶32, Exh. 4.

4
5 **VIII. CONCLUSION**

6 For the reasons stated herein, this Court should grant Plaintiffs’ Motion in its entirety
7 and adopt the [Proposed] Order submitted concurrently herewith.

8
9 Dated: November 14, 2025

MOORADIAN LAW, APC

10 By: /s/ Haik Hacopian

11 Zorik Mooradian, Esq.,
12 Haik Hacopian, Esq.
13 Attorneys for Plaintiff and
14 Aggrieved Employees
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1 538257; Uscanga v. Automotive Creations/BC509401; Gonzales v. Nefab
2 Packing/2;13-cv-04499 JAK-ss; Mendoza v. Accentcare/30-2013-00661891-CU-
3 OE-CXC; Nuno v. Universal Building Maintenance/BC541570; Cabrera v.
4 Complete Facilities Maintenance/BC538248; Valencia v. Rubbercraft/BC
5 535816; Fuentes v. Kamran Staffing/BC604535; Perez v. El Pollo
6 Loco/BC624001; Perez v. Quest Nutrition/BC630914; Escalante v. Friendly Hills
7 Country Club/BC640583; Serrano v. Noise Group/30-2017-00949440-CU-OE-
8 CXC; Bitton v. Sterling Jewelry, Inc./CIVDS1612665; Blandin v. Malibu Mgt.
9 Svcs., Inc./BC618629; Barrera v. Coast Composites, Inc./30-2017-00909572 CU-
10 OE-CJC; Aguilar v. Sweet Earth Café/19STCV13373; Balaguer v. Eminent,
11 Inc./19STCV16803; Avina v. Marriott/30-2017-00945551; Azeppita v. Eden
12 Social Restaurants, Inc./30-2019-01077185; Balaguer v. Eminent,
13 Inc./19STCV16803; Barragan v. Golden Hotels Limited Partnership/30-2018-
14 01007420; Boch v. Merchants Building Maintenance/BC681320; Bueno v. Proto
15 Homes/19STCV20011; Cardenas v. Intercon Security/19STCV11259; Castillo v.
16 Robert's Waste/30-2018-01027486; Castro v. Bee Gee Laboratories/BC712857;
17 Contreras Teo v. Golden State Foods/BC708535; Contreras Teo v. Golden State
18 Foods/BC722540; Corona v. Del Amo Hospital/19STCV24741; Cruz Ventura v.
19 WSON-55/19STCV22958; Cruel v. Andreas Elsenhans/19STCV35496;
20 Espinoza v. Don Chava Mgt./19STCV27068; Galvan v. Property Mgt.
21 Associates/BC722781; Godoy v. UCLA/19STCV04634; Gonzalez v. Toyon
22 Catering, Inc./19STCV11369; Gonzalez v. FMS Mgt./30-2019-01065563;
23 Gutierrez v. Anaheim Denn/30-2019-01092546; Guzman v. Millennium
24 Shoes/19STCV33166; Ramos v. Liberty Container Corp./20STCV06560;
25 Hernandez v. Resource Employment Solutions/30-2019-01084740; Herrera v.
26 Color Spot Nurseries/30-2017-00933249; Leon v. Island Hospitality Mgt./30-
27 2019-01060719; Martinez v. Snakerz/19STCV02674; Mendoza v. Savage
28 Service Corp./18STCV04798; Martinez v. Riviera Beverages/ 30-2019-
01056796; Mendoza v. United Production Framing/30-2019-01104255; Morales

1 Cano v. Coordinated Staffing/19STCV29817; Moreno v. DCX-CHOL
2 Enterprises/19STCV19105; Moreno v. DCX-CHOL Enterprises/19STCV26247;
3 Contoran Najera v. TOPH I, LLC/30-2018-00999474; Nunez v. Wonderland
4 Montessori, LLC/18STCV06042; Alvarez v. Greenfield Care Center of
5 Fullerton/30-2017-00958478; Pallares - Mercado v. MB Santa Ana
6 Restaurants/30-2019-01047135; Perez v. First Rate Staffing/18STCV02057;
7 Popoca v. Denim Technologies/19STCV11434; Reidy v. City of
8 Inglewood/18STCV09373; Rosales v. DBR Premium/19STCV32726; Salceda v.
9 GBG USA, Inc./ 18STCV10004; Salceda v. GBG USA, Inc./ 18STCV04778;
10 Torres v. Metro Security/19STCV21114; Torres v. Metro
11 Security/19STCV15680; Trujillo v. Securitas Security Services/19STCV01207;
12 Villacana v. Crothall Laundry Services, Inc./19STCV16330; and Villareal v.
13 Golden Touch Cleaning/30-2019-01108777.

14 4. I am familiar with California wage and hour law and the laws governing the
15 alleged violations in this matter, including but not limited to California Labor Code Sections
16 201 – 203, 226, 226.7, 510, 512, 1194, 1194.2, 2698 and 2802, California Business and
17 Profession Codes 17200 *et. seq.*, the Orders of the Industrial Welfare Commission, and the
18 Private Attorneys General Act.

19 5. As a result of my prior experience in other wage and hour matters, including
20 representative PAGA matters, I believe that the proposed settlement is fair and reasonable
21 and more than adequate in view of (i) the strength of Plaintiffs' claims and Defendants'
22 defenses, (ii) the risk, expense, complexity and likely duration of further litigation, (iii) the
23 total settlement amount of \$740,000 offered in settlement, (iv) the risk of significant
24 discretionary reduction of maximum penalties by a court even assuming liability was
25 established for any violations; (v) the discovery conducted by the Parties in this case, (vi) my
26 experience with similar settlements that have received court approval, and (vii) the fact that
27 the settlement involved arms' length negotiations between experienced counsel facilitated by
28 Mr. Scott S. Markus, a respected neutral mediator.

1 6. Defendant Partners is a staffing agency and Defendant Potential is a recycling
2 company with whom Partners placed non-exempt employees. Potential also directly
3 employed non-exempt employees.

4 7. The number of Aggrieved Employees at the time of mediation consisted of
5 2,026 employees placed with Potential by Partners (who had 33,633 pay periods) and 209
6 employees directly employed by Potential (who had 13,762 pay period). The settlement
7 contemplates coverage for 52,135 pay periods through the end of the PAGA Period on
8 September 16, 2025, before Defendants are to either increase the Gross Settlement Amount
9 on a pro-rata basis for each additional pay period or adjust the release period so that the
10 escalator clause is not triggered.

11 8. On July 11, 2022, Plaintiff Romero commenced this Action by filing a
12 Complaint alleging the following class causes of action against Defendants: (1) Failure to
13 Provide Meal Periods; (2) Failure to Provide Paid Rest Periods; (3) Failure to Pay Wages
14 Owed; (4) Failure to Pay Accrued Sick Leave and Vacation; (5) Failure to Reimburse
15 Business Expenses; (6) Failure to Pay Wages at Termination/Separation; and (7) Violation
16 of Unfair Business Practices Act. On December 14, 2022, Plaintiff Romero filed a First
17 Amended Complaint, adding an eighth cause of action for Penalties Pursuant to PAGA. Class
18 allegations were dismissed by the Court on December 23, 2023.

19 9. Plaintiffs have filed a stipulation requesting leave to file a First Amended
20 Complaint adding Plaintiff Martinez as a named plaintiff in this action to effectuate the
21 Settlement. It is contemplated that the separately filed action by Martinez will be dismissed
22 thereafter.

23 10. Plaintiff Romero filed a notice letter with the California Labor and Workforce
24 Development Agency ("LWDA") on June 13, 2022 giving notice of his intent to pursue a
25 PAGA representative action, on behalf of himself and the State of California as well as on
26 behalf of a group of similarly situated aggrieved employees giving notice of their collective
27 intent to seek penalties under Labor Code sections 2698 et. seq. based on alleged violations
28 of Labor Code sections 200, 201, 202, 204-204b, 226, 226.7, 233, 246(n), 500, 510, 512, 516,

1 1182.12, 1194, 1197, 1198, and 2802 (“PAGA letter”). Plaintiff Romero’s PAGA Notice was
2 assigned case number LWDA-CM-889076-22 true and correct copy of the noted PAGA
3 Letter is attached hereto as **Exhibit “1”**.

4 11. The settlement PAGA Period extends back to March 3, 2020 on account of a
5 PAGA Notice communicated to Defendants on March 3, 2021 by Saul Sanchez (LWDA-
6 CM823445-21). This PAGA claim has been asserted in the action entitled *Saul Sanchez. v.*
7 *Potential Industries, et al.* (21STCV11999). There is also a later filed PAGA Notice as to
8 Defendant Potential only on April 29, 2024 by Jesus Sencion which has been asserted in the
9 action entitled *Jesus Sencion v. Potential Industries* (24STCV16740). Plaintiffs understand
10 that this Settlement fully encompasses the PAGA claims asserted in the *Sanchez* and *Sencion*
11 cases.

12 12. This lawsuit has involved production of a 20% sample production of employee
13 time and payroll data to Plaintiffs. Also, Plaintiffs received relevant handbooks from 2020
14 and 2023 and Plaintiffs’ personnel files. This information has been reviewed and assessed by
15 Plaintiffs with expert assistance. The Parties have conducted investigation of the operative
16 facts and applicable law during the litigation. The Parties have also investigated the
17 applicable law as applied to the facts, potential defenses thereto, and damages claimed by
18 Plaintiffs on behalf of Aggrieved Employees. Subsequently, on July 17, 2025, Plaintiffs and
19 Defendants engaged in mediation before Mr. Scott S. Markus. During the Mediation, and
20 with significant assistance from the mediator, the Parties agreed to a PAGA representative
21 settlement, which was negotiated in light of all known facts and circumstances—including
22 the difficulty of proving some of Plaintiffs’ underlying bases for the PAGA penalty claims,
23 potential defenses asserted by Defendants to the PAGA penalty claims, the uncertainty
24 associated with litigation, the risks of significant delay, and numerous potential appellate
25 issues. Thereafter, the settlement was solidified between the Parties during the months that
26 followed. Ultimately, the Settlement Agreement was entered into. At the mediation, the
27 Parties also agreed to resolve the individual wage and hour claims asserted by Plaintiffs and
28 entered into a separate settlement agreement awarding each Plaintiff \$17,500.

1 13. The Parties' settlement allocates \$740,000 for settlement of the PAGA claims
2 which is the total amount to be paid by Defendants under this Settlement. After allocated
3 attorneys' fees of \$259,000, requested costs of \$29,425.14, administrative costs of \$9,200,
4 enhancement awards of \$15,000 (\$7,500 to each Plaintiff) 75% of the Net Settlement
5 Amount, or \$320,531.14, will be paid as the LWDA's 75% share of PAGA penalties, and
6 \$106,843.72 will be payable to Aggrieved Employees. The Individual PAGA Payment
7 payable to each Aggrieved Employee is the pro rata share of the \$106,843.72 sum according
8 to the number of PAGA Pay Periods the Aggrieved Employee worked during the PAGA
9 Period relative to the total number of PAGA Pay Periods. S.A. ¶1.11. Assuming participating
10 by 2,235 Aggrieved Employees, the estimated simple average Individual PAGA Payment is
11 estimated to be \$47.80 ($\$106,843.72 \div 2,235$). The Gross Settlement Amount is for civil
12 penalties only and does not act as a waiver to any employee's individual claims for individual
13 relief.

14 14. A true and correct copy of the Joint Stipulation Regarding Settlement of
15 PAGA Claims ("Settlement Agreement" or "S.A"), is attached hereto as **Exhibit "2"**.

16 15. Plaintiffs contended that Defendants underpaid wages due to the following
17 work off-the-clock: (1) employees waiting in line for several minutes to access the time clock
18 to start their day and that employees were forced to arrive before the start of their scheduled
19 shifts to clock in on time as a result; (2) employees undergoing COVID screenings and
20 temperature checks off the clock during the first six months of the pandemic which took
21 several minutes each time; (3) employees having to don protective equipment such as gloves,
22 helmets, eye wear, and vests before clocking in; (4) doffing of protective equipment off the
23 clock after clocking out to start a meal break; (5) meal breaks of less than 30 minutes net
24 duration on account of several minutes to access the clock to clock in from lunch and don
25 equipment; (6) rest breaks of less than 10 minutes in net duration due to donning and doffing;
26 and (7) post-shift doffing of protective equipment off the clock and security checks.
27 Defendants countered that their handbook expressly prohibited off-the-clock work and that
28 there was no directive or rule that donning and doffing occur off-the-clock. Additionally,

1 Partners represented that there was no incentive for them to encourage work off-the-clock as
2 that would mean Partners would make less and expose itself to liability. Ultimately, that it
3 will be extremely difficult for Plaintiffs to prove any particular instance of off-the-clock
4 work.

5 16. On account of the off-the-clock donning, doffing, and time clock access
6 issues, both meal and rest breaks would not be of sufficient net duration of 30 minutes and
7 10 minutes, respectively. Defendants countered that they had fully compliant meal and rest
8 break policies and practices and that there is no evidence of any widespread or systematic
9 meal and rest break violations. Also, that lines employees worked on completely shut down
10 for meal and rest breaks. Defendants represented that supervisors were trained to regularly
11 remind, monitor, and enforce the meal and rest break rules. Moreover, that there were 37
12 meal period premiums paid by Partners, which is clear evidence that Partners attempted to
13 provide redress for any meal violations and any unreported non-compliant meal breaks was
14 due to employee choice. Ultimately, that it will be extremely difficult for Plaintiffs to prove
15 any particular meal/rest violation.

16 17. Partners is a “temporary services employer” under Lab. Code Sec. 201.3 and
17 was required to maintain weekly pay periods for the first 90-days of an employee’s
18 assignment to Potential. Despite this, regular wages appear to have been paid on a bi-weekly
19 basis.

20 18. The claims for wage statement and waiting time violations would largely be
21 derivative of the above claims. For instance, to the extent any wages were underpaid, final
22 wages would not be complete in violation of Labor Code Sections 201-203 and to the extent
23 any additional wages or break premiums are owed, the wage statements would not be
24 accurate. As far a substantive waiting time claim, when Partners “discharged” employees
25 (and not when a temporary assignment ended), Plaintiffs understand that wages would not be
26 issued on the discharge/termination date but the employees had to wait until the following
27 payday for their final wages to be issued and paid, a gap of potentially several days.
28

1 19. Plaintiffs contended that employees were required to purchase their own vests
2 and use personal cell phones for work but received no reimbursement for such expenses.
3 Defendants pointed to their fully compliant written reimbursement policy and protocol which
4 provided for reimbursement for use of personal cell phones. Notably, that there was no need
5 for employees to use personal cell phones other than to perhaps check the work schedule
6 (which is not reimbursable).

7 20. The settlement implicates 47,395 pay periods during the PAGA Period.
8 Maximum penalties, assuming a violation for each and every pay period, assessed at the \$100
9 violation rate, for each pay period results in maximum potential exposure of \$4,739,500. To
10 the extent Plaintiffs can stack PAGA penalties, the potential maximum could be higher.
11 Plaintiffs, however, do not anticipate being able to do so as they deem it highly likely that a
12 court will potentially be persuaded that assessment of a single penalty per pay period per
13 employee will be sufficient to punish past violations and deter future ones.

14 21. Furthermore, discretionary reductions are anticipated in addition to general
15 litigation risk and delay. Taking the \$4,739,500 sum as the maximum potential figure and
16 applying a discretionary reduction of 80% (consistent with reported cases) results in \$947,900
17 in available penalties. The penalties to be distributed (\$427,374.86) readily captures 45.1%
18 this sum. The \$740,000 gross sum captures 78%. The Parties' settlement substantially
19 captures this realistic valuation, provides for significant recovery of civil penalties by the
20 state, and is expected to deter future Labor Code violations by Defendants. Accordingly,
21 Plaintiffs' counsel believes that this PAGA settlement is fair, reasonable, and in the best
22 interests of the Aggrieved Employees and the State of California.

23 22. My office and co-counsel are seeking recovery of \$259,000 in attorneys' fees,
24 or thirty-five percent (35%) of the Gross Settlement Amount. The incurred fees are necessary
25 and reasonable. Significantly, these fees are contingent in nature for my office. The fees
26 received from one case, are often used to finance and move forward other cases that have
27 failed and bring in revenue for my office.
28

1 23. In my experience, a gross PAGA settlement of \$740,000 is a fair, reasonable,
2 and adequate settlement in light of the strength of the claim, Defendants' defenses, and the
3 strong possibility there would be no recovery without this settlement. Even if Plaintiffs were
4 to prevail on the underlying claim, they would face the potential of significant discretionary
5 reduction of maximum penalties by the Court. My office's and co-counsel's efforts have
6 resulted in a recovery of over three hundred thousand dollars by the State of California.

7 24. Plaintiff Romero signed a single retainer with my office. The Retainer
8 Agreement had language providing a maximum of forty-five percent (45%) in attorneys' fees,
9 of course, subject to court approval on class and representative issues. The Retainer
10 Agreement also had a provision for recovery of costs in relation to the representation.

11 25. As for the representation of the individual rights of Mr. Romero, a retainer
12 agreement for 35% of gross recovery would be consistent with the market rate, and there is
13 no reason to believe that if my office had signed a retainer agreement with the LWDA to
14 prosecute claims on the LWDA's behalf, it would be any different.

15 26. In almost all the mediations that I have attended, a one-third to 35% attorney
16 fee percentage is generally agreed upon by the defendant and the plaintiff subject to court
17 approval. In this matter, the Parties agreed that PAGA Counsel may request up to thirty-five
18 percent due to the amount of the settlement and the significant work completed by counsel in
19 litigation, mediation, and seeking approval.

20 27. Here, it is beyond any reasonable dispute that, if my office had been able to
21 negotiate directly with the LWDA, the LWDA would have found a 35% fee arrangement to
22 be eminently reasonable.

23 28. My office has handled this matter since December 14, 2021. My billing rate
24 is \$650 per hour. I have spent at least 76 hours on this matter. Thus my present lodestar is
25 \$49,400. Attorney Haik Hacopian from my office is also counsel of record and has expended
26 at least 86 hours at his rate of \$450.00 per hour, for an additional \$38,700 lodestar. Thus, the
27 total minimum lodestar for my office tallies to \$88,100. The work performed by my office
28 on this matter can be quantified forth as follows:

Category/Tasks	ZM	HH
Preliminary case work including intake and retention, assessment of file for potential claims/lawsuits, review of client records, communication of records request letter to employer and review and assessment of produced records, research into parties, claims, and potential defenses, review of other pending and related matters, and incidental work:	12	5
Work on file prior to appearances by Defendants including prep of case initiating pleadings incl complaint, amended pleadings, service and follow up, prep and communicate PAGA letter, case calendaring, and incidental work:	7	6
Work on file post-appearance including litigation pleading work, conferences with counsel, communications with counsel, status reports, and incidental work	16	10
Work related to motion to compel arbitration and opposition thereto, appearance at hearing	4	12
Work related to motion to withdraw from arbitration, appearance at hearing	5	8
Arbitration related work including commencement, arbitrator selection, scheduling report and conference, communications with counsel, and incidental work:	6	4
Mediation related preparation including review and assessment of informal production, communication and work with expert, preparation of mediation brief, communications with counsel, and incidental work:	8	15
Appear at Full-day mediation with Scott S. Markus:	8	8
Post-settlement work including work on MOU, long-form PAGA agreement, long-form individual agreement, communications w/counsel, and incidental work:	4	6
Work on PAGA Approval Motion:	2	8
Future work including appearance at approval hearing, work related to calculations, funding, distribution, and accounting (estimated)	4	4
HOURS	76	86

29. The application of a multiplier of 2.93 to the lodestar of \$88,100 results in the requested fee award of \$259,000. To the extent the current Laffey Matrix rates are applied, at \$1,141 for myself (20+ years out of law school) and \$948 for Mr. Hacopian (11-19 years out of law school), the lodestar for my office would calculate to \$168,244 [(76 x \$1,141) +

(86 x \$948)]. The application of a 1.54 multiplier to this lodestar will result in the requested fee award. Attached hereto as **Exhibit “3”** is a copy of the Laffey Matrix currently available online at <http://www.laffeymatrix.com/sec.html>. Notably, the foregoing lodestar calculations do not include time expended by co-counsel E&L, LLP and it is likely that its inclusion will result in a lodestar multiplier of 1.xx and Laffey lodestar that possibly exceeds the fee request.

30. My office has also incurred **\$28,564.94** in costs as follows:

2022	10	5	\$39.84	OL Stip and Order Filing Charges
2022	11	18	\$7.85	Certified Letter - Service Follow Up
2022	11	22	\$19.25	OL Jt Status Conf Report Filing Charges
2022	12	5	\$20.28	OL Ntc of Ruling Filing Charges
2022	12	15	\$19.25	OL Am Complaint Filing Charges
2022	12	15	\$17.19	OL Am Summons Filing Charges
2022	12	23	\$102.95	OL Sub-Service Charges
2023	2	28	\$17.66	OL Jt Status Conf Report Filing Charges
2023	3	9	\$17.66	OL Ntc of Ruling Filing Charges
2023	7	3	\$17.66	OL Opposition Filing Charges
2023	10	14	\$17.66	OL Status Report Filing Charges
2023	12	7	\$17.66	OL Notice Filing Charges
2024	8	12	\$19.71	OL Jt Status Conf Report Filing Charges
2024	10	25	\$21.37	OL Jt Status Conf Report Filing Charges
2024	11	5	\$21.37	OL Ntc of Ruling Filing Charges
2024	11	15	\$84.36	OL Mtn for Arb Withdrawal Filing Charges
2024	12	5	\$21.37	OL Reply to Mtn Filing Charges
2025	6	9	\$23.44	OL Ntc of Ruling Filing Charges
2025	11	14	\$80.00	PAGA Settlement Approval Mtn Filing Charges (est.)
2025	11	14	\$20.00	PAGA Settlement Notice of Ruling Filing Charges (est.)
			\$7.33	Cerfitied Mail – Records Request Letter
			\$7.33	Certified Mail – Records Request Letter
			\$75.00	LWDA PAGA Notice Fee
			\$10,050.00	Signature Resolutions – Scott S. Markus
			\$2,050.00	DM&A, LLC – Expert/Consultant
			\$12,087.50	DM&A, LLC – Expert/Consultant
			\$1,697.85	CaseAnywhere Charges

			\$11.20	United Legal
			\$68.00	Service of Process Fee
			\$58.00	Service of Process Fee
			\$1446.20	Complaint Filing Charges
			\$28,564.94	

31. While it's generally true that the greater the attorney fees, the less funds there will be for distribution as damages, nevertheless, a balance must be achieved. In the instant matter, the LWDA and Aggrieved Employees got a very balanced and fair settlement. Given the strengths and weaknesses of the case, they will be receiving a fair sum of money. The results and the case law support that the settlement was fair, reasonable and adequate. In light of the favorable settlement, giving more money to the LWDA and Aggrieved Employees after an excellent settlement had been achieved punishes the attorneys without whom such a settlement would not have been attained but for the efforts of good lawyering. Punishing lawyers when they do well is potentially sending the wrong message and serves as a disincentive and unjustly enriches the LWDA and Aggrieved Employees who will be receiving a fair and adequate amount of benefits.

32. My office has secured a not to exceed bid from Phoenix Settlement Administrators, the Parties' selected administrator, in the amount of \$9,200 in relation to dissemination of payments to the various parties as contemplated by the settlement including to all Aggrieved Employees. Phoenix will also translate the Settlement Notice into Spanish and be responsible for the escheatment of uncashed checks. A true and correct copy of the not to exceed quote secured from Phoenix is attached hereto as **Exhibit "4"**.

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

Executed on November 14, 2025 in Calabasas, California.

/s/Zorik Mooradian
Zorik Mooradian

**MOORADIAN LAW,
A PROFESSIONAL CORPORATION**
24007 Ventura Blvd., Suite 210
Calabasas, California 91302
Telephone: 818-487-1998/Facsimile: 888-783- 1030
Mooradianlaw.com

June 13, 2022

VIA USPS CERTIFIED MAIL

**Partners Personnel - Management
Services, LLC**
Mark McComb
Paul Sorensen
3820 State St., Suite B
Santa Barbara, CA 93105

VIA ONLINE SUBMISSION

State of California
Labor & Workforce Development
Agency
800 Capitol Mall, MIC-55
Sacramento, CA 95814

Potential Industries, Inc.

Tony Fan
Jessica Chen
Henry Chen
720 East E. Street
Wilmington, CA 90744

Re: PAGA Notice Letter re California Wage & Hour Violations

To Whom It May Concern:

This office represents Omar Rios Romero (Mr. Rios) with respect to the claims he is seeking to bring under the Private Attorneys General Act (PAGA) for employment practices committed in violation of California law. This Notice under the Labor Code § 2699.3 is based on currently possessed information and the limited records produced by the Employers. Mr. Rios seeks to pursue PAGA claims on his own behalf and on the behalf of other exempt and non-exempt current and former employees of the Employers and are collectively hereinafter referred to as “Employees.” Employers have the contact names, addresses, and information of the remaining employees, who are in excess of 200 individuals for the applicable periods here.

The “Employers” as referenced in this Notice are Partners Personnel - Management Services, LLC, Potential Industries, Inc. and their respective parent companies, joint-enterprise companies, subsidiaries, predecessors, successors, owners, officers, directors, managing agents and supervisors, including Mark McComb and Paul Sorensen of Partners Personnel –

Management Services, LLC and Tony Fan, Jessica Chen, and Henry Chen of Potential Industries, Inc. All owners, directors, officers and managing agents of Employers are personally liable for said violations to the extent permitted under Labor Code § 558 and/or Labor Code § 558.1.

All business entities referenced herein were the alter-egos of each and every other entity and individual referenced herein and there exists, and at all times herein mentioned has existed, a unity of interest and ownership between said entities and individuals such that any separateness between them ceased to exist in that said individuals and other entities have completely controlled, dominated, managed, and operated the business entities and have intermingled the assets of each to suit convenience. Further, each of the business entities are, and at all times mentioned herein were, mere shells, instrumentalities, and conduits through which the other above-referenced entities/individuals carried out their business while exercising complete control and dominance of the business such that individuality or separateness did not truly exist. Therefore, in the PAGA action, Mr. Rios will seek to hold each said individual and/or entity jointly and severally liable for any and/or all violations committed by the other above-referenced individuals and/or entities.

Employers are engaged in the business of staffing, recycling, and other lawful businesses in the state of California at all times relevant here. In summary, Employers violated series of California wage and hour provisions, including, but not limited to:

Overtime violations - Labor Code § 500, Labor Code § 510, Labor Code 1198, and the Applicable IWO -Employers violated and continue to violate Labor Code § 510 and the applicable IWO by failing to pay Employees overtime compensation as required under California law. Employers did not pay the Employees for the overtime off the clock work, rounded down the overtime hours and failed to pay the on-duty meal and rest breaks. On many instances, Employers cut down/rounded down Mr. Rios' overtime hours.

Failure to Pay Employees at Least the Minimum Wage for All Time Worked - Violations of Labor Code § 1182.12, Labor Code § 1194, Labor Code § 1197, Labor Code § 1198, and the Applicable IWO, the Applicable Local Law/Ordinance – When factoring in the unpaid overtime pay, Mr. Rios and the aggrieved employees were denied minimum wages as required by California law for each implicated pay period.

Failure to Provide Legally Mandated and Legally Compliant Meal Periods or, In Lieu Thereof, Premium Pay Wages - Labor Code § 226.7, Labor Code § 512, Labor Code § 516, Labor Code § 1198, and the Applicable IWO) -

Employers failed to provide legally compliant meal periods (first and second) and/or requisite premium wages. The first meal periods were cut short, untimely or on duty and the second meal periods were ignored and not provided at all. On many occasions, Mr. Rios and the aggrieved employees worked for more than ten hours per shift and did not receive any meal breaks. Employers also failed to track the meal periods as required by law and no such compliant tracking is shown on the few Labor Code Section 226 records which were produced by the Employers previously.

Failure to Provide Legally Mandated and Legally Compliant Rest Breaks or, In Lieu Thereof, Premium Pay Wages - Labor Code § 226.7, Labor Code § 512, Labor Code § 516, Labor Code § 1198, and the Applicable IWO – Employees were deprived of the California compliant rest breaks (first, second and/or third). Rest breaks were often short, interrupted or on duty. Also, restroom breaks were often accounted as rest breaks and Employees were discouraged from taking compliant rest breaks instead. On more than ten hour shifts no third rest breaks were given to the Employees at all.

Failure to Pay/Timely Pay Employees Accrued Sick Leave Pay - Labor Code § 233, Labor Code § 246(n), Labor Code § 1198 – Employers have adopted, and continue to adopt, a custom and practice of violating Labor Code § 233 and Labor Code § 246(n) by failing to pay Employees (including Mr. Rios) sick leave time that Employees have accrued and used for purposes permitted under California law. Mr. Rios brought to the attention of his supervisors regarding his concerns for not receiving payment for sick leave benefits when he was ill and none was provided regardless.

Failure to Provide Employees with Seating Accommodations - Labor Code 1198, and the Applicable IWO – Employers have adopted and continue to adopt a custom and practice of failing to provide their current and former Employees (including Mr. Rios) with: 1) Suitable seating when the nature of the Employees' work reasonably permits use of seats and 2) Suitable seating in reasonable proximity to Employee's work areas for use by Employees when a) they are not engaged in active duty, b) their work requires standing and c) such seats would not interfere with the performance of their duties. On average, Mr. Rios had longer than 10-hour shifts. He was in charge of sorting out recyclables (for example: metals, wood, rocks, plastic, etc.) on feet without any seating accommodations.

Failure to Pay/Timely Pay Employees All Wages Owed on Designated Paydays - Labor Code § 200, Labor Code §§ 204 – 204b) – Wages were not paid within the time frames set forth in Labor Code §§ 204-204b based on the records received and reviewed prior to this Notice. Moreover, even the wages that Employees were paid were not paid within 7 calendar days following the

close of the payroll period as required under Labor Code §§ 204-204b. Additionally, for a period of 6 months, Mr. Rios was paid in the form of a debit card for his earned wages without any wage statements (improper form of payment.)

Failure to Indemnify/Reimburse Employees for Necessary Business-Related Expenditures - Labor Code § 2802- Employers have violated and continue to violate Labor Code § 2802 by not indemnifying or reimbursing Employees for all necessary expenditures or losses incurred by the Employees in direct consequence of the discharge of his or her duties, or in obedience to the directions of Employers as follows. At times, Mr. Rios would receive communications from Employers on his cellular phone pertaining to his work and has not been compensated or reimbursed therefor.

Failure to Provide Employees with Accurate Itemized Wage Statements - Labor Code § 226 - Employers have adopted and continue to adopt, a custom and practice of providing wage statements to Employees that fail to comply with Labor Code § 226 for inaccurate reporting of premium pays, overtime wages, minimum wages, regular rate of pay, gross and net amounts of the wages, and employee benefits such as sick leave.

Failure to Pay/Timely Pay Employees All Wages Due at Time of Separation - Labor Code 201-202) - Employers have violated and continue to violate Labor Code §§ 201-202 by failing to pay Employees who have become separated from Employers the complete and correct amount of all wages owed to such Employees at the time of their separation within the timeframes mandated by Labor Code §§ 201-202. As to Mr. Rios, his last day based on the provided records was June 18, 2021, and his last paycheck is dated June 25, 2021. The last paycheck also fails to consider the accurate amount of the owed wages, including premium pays and benefits.

If the State of California intends to investigate the matters set forth herein, please inform our offices. In the absence of such notification, our offices will reserve the right to file an appropriate civil action pursuant to Labor Code § 2698 *et. seq.* (PAGA), seeking all available damages, penalties, and remedies as well as attorneys' fees, interest, and costs, under the law. If additional information is needed, please advise. Much appreciated.

Very truly yours,

MOORADIAN LAW, APC

 **Zorik Mooradian**

Zorik Mooradian, Esq.

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PERSONNEL – MANAGEMENT SERVICES,
LLC

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES – SPRING STREET COURTHOUSE

OMAR RIOS ROMERO, an individually and on
behalf of all other persons similarly situated,

Plaintiffs,

v.

PARTNERS PERSONNEL – MANGEMENT
SERVICES, LLC; POTENTIAL INDUSTRIES,
INC.; and DOES 1 through 50,

Defendants.

Case No. 22STCV22509

**JOINT STIPULATION REGARDING
SETTLEMENT OF PAGA CLAIMS**

Action Filed: July 11, 2022

Trial Date: Not Yet Assigned

EXHIBIT "2"

PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement (“Agreement”) is made by and between plaintiffs Omar Rios Romero (“Plaintiff Romero”) and Oscar Martinez (“Plaintiff Martinez”) (collectively, “Plaintiffs”) and defendants Partners Personnel – Management Services, LLC (“Defendant Partners Personnel”) and Potential Industries, Inc. (“Defendant Potential Industries”) (collectively, “Defendants”). The Agreement refers to Plaintiffs and Defendants collectively as “Parties,” or individually as “Party.”

1. DEFINITIONS.

1.1. “Actions” are defined as follows:

Omar Rios Romero v. Partners Personnel – Management Services, LLC et al., case no. 22STCV22509, initiated on July 11, 2022, and pending in the Superior Court of the State of California, County of Los Angeles;

Oscar Martinez v. Potential Industries, Inc. et al., case no. 23STCV14968, initiated on June 27, 2023, and pending in the Superior Court of the State of California, County of Los Angeles; and

Omar Romero v. Partners Personnel – Management Services, LLC et al., reference number 5220004332, initiated on October 6, 2023, and pending with JAMS;

Oscar Martinez v. Potential Industries, Inc. et al., case no. 23STCV31167, initiated on December 20, 2023, and pending in the Superior Court of the State of California, County of Los Angeles.

1.2. “Administrator” means Phoenix Class Action Administration Solutions (“Phoenix”), 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 approval of this Settlement.

1.4. “Aggrieved Employee” means (1) all non-exempt employees employed by Defendant

Potential Industries in California during the PAGA Period; and (2) all non-exempt employees employed by Defendant Partners Personnel in California who were placed at Potential Industries during the PAGA Period.

1.5. “Aggrieved Employee Data” means Aggrieved Employee identifying information in Defendants’ possession including the Aggrieved Employee’s name, last-known mailing address, Social Security number, and number of PAGA Pay Periods associated with the Aggrieved Employee.

1.6. “Aggrieved Employee Address Search” means the Administrator’s investigation and search for current Aggrieved Employee 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 Aggrieved Employees.

1.7. “Court” means the Superior Court of California, County of Los Angeles.

1.8. “Defense Counsel” means Timothy B. Nelson, Esq. and Christa A. Hall, Esq. of Medina McKelvey LLP, attorneys representing Defendant Partners Personnel, and Colvin Calvert, Esq. and Kiley Murer, Esq., of Fisher & Phillips, LLP, attorneys representing Defendant Potential Industries.

1.9. “Effective Date” means the date on which the Court enters a Judgment on its Order Approving the PAGA Settlement.

1.10. “Plaintiffs’ Enhancement Payments” shall mean a payment of \$7,500 to each Plaintiff, subject to approval by the Court, which is a payment for Plaintiffs’ efforts in bringing the claims that are being resolved and acting as representatives of the State of California in pursuing PAGA penalties pursuant to the PAGA.

1.11. “Gross Settlement Amount” means \$740,000, which is the total amount Defendants agree to pay under the Settlement except as provided in Paragraph 8 below. The Gross Settlement Amount will be used to pay Individual PAGA Payments, the LWDA PAGA Payment, the Plaintiffs’ Enhancement Payments, PAGA Counsel Fees Payment, PAGA Counsel Litigation Expenses Payment, and the Administrator’s

Expenses Payment.

1.12. “Individual PAGA Payment” means the Aggrieved Employee’s pro rata share of 25% of the PAGA Penalties calculated according to the number of Pay Periods the Aggrieved Employee worked during the PAGA Period.

1.13. “Judgment” means the judgment entered by the Court based upon the approval of this Settlement.

1.14. “LWDA” means the California Labor and Workforce Development Agency, the agency entitled, under Labor Code section 2699, subd. (i).

1.15. “LWDA PAGA Payment” means the 75% of the PAGA Penalties paid to the LWDA under Labor Code section 2699, subd. (i).

1.16. “PAGA Counsel” means David Lavi, Esq. of E & L, LLP, the attorneys representing Plaintiff Martinez and Zorik Mooradian and Haik Hacopian of Mooradian Law, APC, the attorneys representing Plaintiff Romero, in the Actions.

1.17. “PAGA Counsel Fees Payment” and “PAGA Counsel Litigation Expenses Payment” mean the amounts allocated to PAGA Counsel for reimbursement of reasonable attorneys’ fees and expenses, respectively, incurred to prosecute the Action.

1.18. “PAGA Pay Period” means any Pay Period during which an Aggrieved Employee worked for Defendants and recorded work time on at least one day during the PAGA Period.

1.19. “PAGA Period” means the period from March 3, 2020 to September 16, 2025.

1.20. “PAGA” means the Private Attorneys General Act (Labor Code §§ 2698. et seq.).

1.21. “PAGA Notices” means Plaintiff Martinez’s June 28, 2023 letter and Plaintiff Romero’s June 13, 2022 letter to Defendants and the LWDA providing notice pursuant to Labor Code section 2699.3, subd.(a).

1.22. “PAGA Penalties” means the total amount of PAGA civil penalties to be paid from the Gross Settlement Amount, less the following payments in the amounts approved by the Court: the Plaintiffs’ Enhancement Payments, PAGA Counsel Fees Payment,

PAGA Counsel Litigation Expenses Payment, and the Administration Expenses Payment allocated 25% to the Aggrieved Employees (\$102,950.00) and the 75% to LWDA (\$ 308,850.00) in settlement of PAGA claims.

1.23. "Plaintiffs" means Oscar Martinez and Omar Rios Romero, the named plaintiffs in the Actions.

1.24. "Approval Order" means the proposed Court Order Granting Approval of PAGA Settlement.

1.25. "Released PAGA Claims" means the claims being released by the Plaintiffs and PAGA Counsel and as described in Paragraph 5 below.

1.26. "Released Parties" means: Defendants and each of their former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries, and affiliates.

1.27. "Settlement" means the disposition of the Actions effected by this Agreement and the Judgment.

1.28. "Defendants" means named Defendant Partners Personnel and Defendant Potential Industries.

1.29. "Transmittal Letter" means the notice to be included with Individual PAGA Payments to each Aggrieved Employee notifying them of this Settlement, Released PAGA Claims, and calculation of their Individual PAGA Payments, a true and correct copy of which is attached hereto as Exhibit "A". Aggrieved Employees will also be provided with a Spanish language translation of the Transmittal Letter.

2. RECITALS.

2.1. On July 11, 2022, Plaintiff Romero commenced the *Romero v. Partners Personnel – Management Services, LLC et al.* Action by filing a Complaint alleging causes of action against Defendants for damages and penalties resulting from various alleged violations of the California Labor Code and other laws. Plaintiff Romero filed an amended complaint on December 14, 2022 adding an allegation for civil penalties under the PAGA. Plaintiff Romero's class allegations were dismissed by the Court

on December 23, 2023. The remaining claim for civil penalties under PAGA remains pending in Los Angeles County Superior Court (“Romero PAGA Complaint”). On October 6, 2023, Plaintiff Romero issued a demand for arbitration against Defendants (“Romero Arbitration”). On June 27, 2023, Plaintiff Martinez commenced the *Martinez v. Potential Industries, Inc. et al.* Class Action by filing a Complaint alleging causes of action against Defendants for damages and penalties resulting from various alleged violations of the California Labor Code and other laws (“Martinez Class Action”). The class allegations in this complaint were dismissed by the Court on April 2, 2024. Plaintiff Martinez filed a separate Action against Defendants alleging a single cause of action under PAGA on June 28, 2023 (“Martinez PAGA Action”). Defendants deny the allegations in the operative complaints in these Actions, deny any failure to comply with the laws identified in the operative complaints in these Actions, and deny any and all liability for the causes of action alleged.

2.2. Pursuant to Labor Code section 2699.3, subd.(a), Plaintiffs gave timely written notice to Defendants and the LWDA by sending the PAGA Notices.

2.3. On July 16, 2025 the Parties participated in an all-day mediation presided over by Scott Slater Markus, Esq. of Signature Resolution, a well-respect class and PAGA mediator, which led to this Agreement to settle these Actions.

2.4. Prior to mediation, Plaintiffs obtained, through informal discovery, (1) detailed information about the number of employees and the number of pay periods during the PAGA period; (2) relevant policy and procedure documents, including Defendant Partners Personnel’s and Defendant Potential Industries’ meal and rest break and timekeeping policies that were in place during the PAGA period; (3) Plaintiffs’ complete personnel files and payroll records; and (4) 20% sample of time and payroll data through June 2025 for Defendants’ employees during the PAGA period.

2.5. The Parties, PAGA Counsel and Defense Counsel represent that they are aware of

1 other pending matters or actions asserting claims that will be extinguished or affected
2 by the Settlement. That matters include: *Saul Sanchez v. Partners Personnel –*
3 *Management Services, LLC et al.*, case no. 21STCV11999, venued in the Superior
4 Court of the State of California, County of Los Angeles, initiated March 29, 2021; and
5 Jesus Sencion v. Potential Industries, Inc., case no. 24STCV16740, venued in the
6 Superior Court of the State of California, County of Los Angeles, initiated July 5,
7 2024.

8 **3. MONETARY TERMS.**

9 3.1. Gross Settlement Amount. Except as otherwise provided by Paragraph 8 below,
10 Defendants promise to pay \$740,000 and no more as the Gross Settlement Amount.
11 Defendants have no obligation to pay the Gross Settlement Amount prior to the
12 deadline stated in Paragraph 6.1 of this Agreement. The Administrator will disburse
13 the entire Gross Settlement Amount without asking or requiring Aggrieved
14 Employees to submit any claim as a condition of payment. None of the Gross
15 Settlement Amount will revert to Defendants.

16 3.2. Payments from the Gross Settlement Amount. The Administrator will make and
17 deduct the following payments from the Gross Settlement Amount, in the amounts
18 specified by the Court in the Final Approval:

19 3.2.1. To PAGA Counsel: A PAGA Counsel Fees Payment of not more than 35%
20 which is currently estimated to be \$259,000.00 and PAGA Counsel
21 Litigation Expenses Payment of not more than \$45,000. Defendants will
22 not oppose requests for Court approval of these payments provided that they
23 do not exceed these amounts. Plaintiffs and/or PAGA Counsel will file an
24 application or motion for PAGA Counsel Fees Payment and PAGA
25 Litigation Expenses Payment. If the Court approves a PAGA Counsel Fees
26 Payment and/or a PAGA Counsel Litigation Expenses Payment less than the
27 amounts requested, the Administrator will allocate the remainder to PAGA
28 Penalties. Released Parties shall have no liability to PAGA Counsel or any

other Plaintiffs' Counsel arising from any claim to any portion of any PAGA Counsel Fee Payment and/or PAGA Counsel Litigation Expenses Payment. The Administrator will pay the PAGA Counsel Fees Payment and PAGA Counsel Expenses Payment using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees Payment and the PAGA Counsel Litigation Expenses Payment and holds Defendants harmless, and indemnifies Defendants, from any dispute or controversy regarding any division or sharing of any of these Payments.

3.2.2. To the Administrator: An Administrator Expenses Payment not to exceed \$9,200.00 except for a showing of good cause and as approved by the Court. To the extent the Administration Expenses are less or the Court approves payment less than \$9,200.00, the Administrator will allocate the remainder to PAGA Penalties.

3.2.3. To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of \$411,800.00 to be paid from the Gross Settlement Amount, with 75% (\$308,850.00) allocated to the LWDA PAGA Payment and 25% (\$102,950.00) allocated to the Individual PAGA Payments.

3.2.3.1. The Administrator will calculate each Individual PAGA Payment by (a) dividing the amount of the Aggrieved Employees' 25% share of PAGA Penalties (\$102,950.00) by the total number of PAGA Period Pay Periods worked by all Aggrieved Employees during the PAGA Period and (b) multiplying the result by each Aggrieved Employee's PAGA Period Pay Periods. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

3.2.3.2. The Administrator will report the Individual PAGA Payments on IRS 1099 Forms.

1 3.2.4. To the Plaintiffs: Plaintiffs' Enhancement Payments in the amount of \$7,500
2 to each Plaintiff, for a total of \$15,000. If the Court approves Plaintiffs' Enhancement
3 Payments at less than the amounts requested, the Administrator will allocate the
4 remainder to PAGA Penalties. The Administrator will report the Plaintiffs'
5 Enhancement Payments ton IRS 1099 Forms.

6 **4. SETTLEMENT FUNDING AND PAYMENTS.**

7 4.1. Aggrieved Employee Pay Periods. Based on a review of its records to date,
8 Defendants estimate there are approximately 2,035 Aggrieved Employees who
9 worked a total of 47,395 PAGA Pay Periods.

10 4.2. Aggrieved Employee Data. Within 15 days of the Effective Date, Defendants will
11 deliver the Aggrieved Employee Data to the Administrator in the form of a
12 Microsoft Excel spreadsheet. To protect Aggrieved Employees' privacy rights, the
13 Administrator must maintain the Aggrieved Employee Data in confidence, use the
14 Aggrieved Employee Data only for purposes of this Settlement and for no other
15 purpose, and restrict access to the Aggrieved Employee Data to Administrator
16 employees who need access to the Aggrieved Employee Data to effect and perform
17 under this Agreement. Defendants have a continuing duty to immediately notify
18 PAGA Counsel if they discover that the Aggrieved Employee Data omitted
19 employee identifying information and to provide corrected or updated Aggrieved
20 Employee Data as soon as reasonably feasible. Without any extension of the
21 deadline by which Defendants must send the Aggrieved Employee Data to the
22 Administrator, the Parties and their counsel will expeditiously use best efforts, in
23 good faith, to reconstruct or otherwise resolve any issues related to missing or
24 omitted Aggrieved Employee Data.

25 4.3. Funding of Gross Settlement Amount. Defendants shall fully fund the Gross
26 Settlement Amount by transmitting the funds to the Administrator no later than 14
27 days after the Effective Date. If the Gross Settlement Amount is not funded per the
28 above schedule, or it is partially funded, then Defendants will be in default and

1 Plaintiffs will have the right to seek entry of judgment for any unpaid balance on an
2 *ex parte* basis. Should enforcement efforts be necessary, Plaintiffs shall be entitled
3 to recovery of reasonable attorneys' fees and costs in addition to any unpaid balance.
4 If the settlement is partially funded and Defendants are in default, Plaintiffs will be
5 entitled to effectuate distribution of any partially funded settlement on a
6 proportionate basis and concurrently seek judgment of any unpaid balance for a later
7 proportionate distribution.

8 4.4. Payments from the Gross Settlement Amount. Within 14 days after Defendants
9 fund the Gross Settlement Amount, the Administrator will mail checks for all
10 Individual PAGA Payments, the LWDA PAGA Payment, the Administration
11 Expenses Payment, the PAGA Counsel Expenses Payment, and the Plaintiffs'
12 Enhancement Payments. Disbursement of the PAGA Counsel Litigation Expenses
13 Payment shall not precede disbursement of Individual PAGA Payments.

14 4.4.1. The Administrator will issue checks for the Individual PAGA Payments and
15 send them to the Aggrieved Employees via First Class U.S. Mail, postage
16 prepaid. The face of each check shall prominently state the date (not less
17 than 180 days after the date of mailing) when the check will be voided. The
18 Administrator will cancel all checks not cashed by the void date. Before
19 mailing any checks, the Settlement Administrator must update the recipients'
20 mailing addresses using the National Change of Address Database.

21 4.4.2. The Administrator must conduct an Aggrieved Employee Address Search
22 for all Aggrieved Employees whose checks are returned undelivered without
23 USPS forwarding address. Within 7 days of receiving a returned check the
24 Administrator must re-mail checks to the USPS forwarding address provided
25 or to an address ascertained through the Aggrieved Employee Address
26 Search. The Administrator need not take further steps to deliver checks to
27 Aggrieved Employees whose re-mailed checks are returned as undelivered.
28 The Administrator shall promptly send a replacement check to any

Aggrieved Employee whose original check was lost or misplaced, as requested by the Aggrieved Employee prior to the void date.

4.4.3. For any Aggrieved Employee whose Individual PAGA Payment check is uncashed and canceled 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 Aggrieved Employee.

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

5. RELEASES OF CLAIMS. Effective on the date when Defendants fully fund the entire Gross Settlement Amount, Plaintiffs and PAGA Counsel will release claims against all Released Parties as follows:

5.1 Plaintiffs' Release. Plaintiffs and their respective former and present spouses, representatives, agents, attorneys (including PAGA Counsel), heirs, administrators, successors, and assigns generally, release and discharge Released Parties from all PAGA claims that occurred during the PAGA Period, including, but not limited to: (a) all claims that were, or reasonably could have been, alleged, based on the facts contained in the operative complaints and the PAGA Notices ("Plaintiffs' Release"). Plaintiffs' Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, workers' compensation benefits that arose at any time, or based on occurrences outside the PAGA Period. Plaintiffs acknowledge that Plaintiffs may discover facts or law different from, or in addition to, the facts or law that Plaintiffs now know or believe to be true but agree, nonetheless, that Plaintiffs' Release shall be and remain effective in all respects, notwithstanding such different or additional facts or Plaintiffs' discovery of them.

5.1.1 Plaintiffs' Waiver of Rights Under California Civil Code Section 1542. For

purposes of Plaintiffs' Release, Plaintiffs expressly waive and relinquish the provisions, rights, and benefits, if any, of section 1542 of the California Civil Code, which reads:

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

5.2 Release by Aggrieved Employees:

All 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 complaints and the PAGA Notices.

5.3 Release by PAGA Counsel:

PAGA Counsel release on behalf of their present and former attorneys, employees, agents, successors and assigns the Released Parties from all claims for PAGA Fees incurred in connection with the operative complaints and the facts stated in the operative complaints and the PAGA Notices.

6. MOTION OR APPLICATION FOR APPROVAL OF SETTLEMENT. The Parties agree to jointly prepare and file an application or motion for approval of this Settlement.

6.1 Plaintiffs' Responsibilities. Plaintiffs will prepare and deliver to Defense Counsel all documents necessary for obtaining approval of this Settlement under Labor Code Section 2699, subd. (f)(2)) including (i) a draft proposed Order Granting Approval of PAGA Settlement; (ii) a signed declaration from the Administrator attaching its "not to exceed" bid for administering the Settlement and attesting to its willingness to serve; competency; operative procedures for protecting the security of Aggrieved Employee Data; amounts of insurance coverage for any data breach, defalcation of funds or other misfeasance; all facts relevant to any actual or potential conflicts of

1 interest with Aggrieved Employees or the LWDA; and the nature and extent of any
2 financial relationship with Plaintiff, PAGA Counsel or Defense Counsel; (iii) a
3 signed declaration from PAGA Counsel attesting to its timely transmission to the
4 LWDA of all necessary PAGA documents (initial notice of violations (Labor Code
5 section 2699.3, subd. (a)), Operative Complaint (Labor Code section 2699, subd.
6 (l)(1)), this Agreement (Labor Code section 2699, subd. (l)(2)); (iv) a redlined
7 version of the parties' Agreement showing all modifications made to the Model
8 Agreement ready for filing with the Court; and (v) all facts relevant to any actual or
9 potential conflict of interest with Aggrieved Employees and/or the Administrator.
10 In their Declarations, Plaintiffs and PAGA Counsel shall provide information
11 regarding any other pending matter or action asserting claims that will be
12 extinguished or adversely affected by the Settlement.

13 6.2 Responsibilities of PAGA Counsel. PAGA Counsel and Defense Counsel are
14 jointly responsible for expeditiously finalizing and filing the application or motion
15 for approval of this Settlement no later than 30 days after the full execution of this
16 Agreement and, if necessary, obtaining a prompt hearing date for the motion and
17 appearing in Court to advocate in favor of the motion. PAGA Counsel is responsible
18 for delivering the Court's Approval to the Administrator.

19 6.3 Duty to Cooperate. If the Parties disagree on any aspect of the proposed application
20 or motion for approval of this Settlement and/or the supporting declarations and
21 documents, PAGA Counsel and Defense Counsel will expeditiously work together
22 on behalf of the Parties by meeting in person or by telephone, and in good faith, to
23 resolve the disagreement. If the Court does not grant the motion for approval of
24 this Settlement or conditions its approval on any material change to this Agreement,
25 PAGA Counsel and Defense Counsel will expeditiously work together on behalf of
26 the Parties by meeting in person or by telephone, and in good faith, to modify the
27 Agreement and otherwise satisfy the Court's concerns.

28 **7. SETTLEMENT ADMINISTRATION.**

1 7.1 Selection of Administrator. The Parties have jointly selected Phoenix to serve as
2 the Administrator and verified that, as a condition of appointment, Phoenix agrees
3 to be bound by this Agreement and to perform, as a fiduciary, all duties specified in
4 this Agreement in exchange for payment of Administration Expenses. The Parties
5 and their Counsel represent that they have no interest or relationship, financial or
6 otherwise, with the Administrator other than a professional relationship arising out
7 of prior experiences administering settlements.

8 7.2 Employer Identification Number. The Administrator shall have and use its own
9 Employer Identification Number for purposes of calculating payroll tax
10 withholdings, if any, and providing reports to state and federal tax authorities.

11 7.3 Qualified Settlement Fund. The Administrator shall establish a settlement fund that
12 meets the requirements of a Qualified Settlement Fund (“QSF”) under US Treasury
13 Regulation section 468B-1.

14 7.4 Administrator Duties. The Administrator has a duty to perform or observe all tasks
15 to be performed or observed by the Administrator contained in this Agreement or
16 otherwise.

17 **8. AGGRIEVED EMPLOYEE SIZE ESTIMATES AND ESCALATOR CLAUSE.**

18 Based on their records, Defendants estimate that, as of the date of this Settlement
19 Agreement, there are 47,395 Pay Periods during the PAGA Period. If the actual number of
20 pay periods for all PAGA members in the PAGA Period should exceed the 47,395 pay
21 periods by more than ten percent (10%) of the pay periods, the Gross Settlement Amount
22 shall be increased by the percentage difference above the 10% (above 52,135). For
23 example, if the total number of pay periods is 52,608 (which is 111% of the total pay
24 periods), the Gross Settlement Amount shall increase by 1%. If this escalator clause is
25 triggered, Defendants can elect to increase the Gross Settlement Amount as described herein
26 or Defendants may adjust the release period so that the escalator clause is not triggered.

27 **9. CONTINUING JURISDICTION OF THE COURT.** The Parties agree that, after entry
28 of Judgment, the Court will retain jurisdiction over the Parties, Actions, and the Settlement

solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

9.1 Waiver of Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, specifically including the PAGA Counsel Fees Payment and PAGA Counsel Litigation Expenses Payment, the Parties, their respective counsel waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any waiver of the right to oppose such motions, writs or appeals. If another party appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of PAGA Penalties.

10. ADDITIONAL PROVISIONS.

10.1 No Admission of Liability or Representative Manageability for Other Purposes.

This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendants that any of the allegations in the operative complaints have merit or that Defendants have any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiffs that Defendants' defenses in the Actions have merit. The Parties agree that representative treatment is for purposes of this Settlement only. If, for any reason the Court does not approve this Settlement, Defendants reserve all available defenses to the claims in the Actions, and Plaintiffs reserve the right to contest Defendants' defenses. The Settlement, this Agreement and Parties' willingness to settle the Actions will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

1 10.2 Integrated Agreement. Upon execution by all Parties and their counsel, this
2 Agreement together with its attached exhibits shall constitute the entire agreement
3 between the Parties relating to the Settlement, superseding any and all oral
4 representations, warranties, covenants, or inducements made to or by any Party.

5 10.3 Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant
6 and represent that they are authorized by Plaintiffs and Defendants, respectively, to
7 take all appropriate action required or permitted to be taken by such Parties pursuant
8 to this Agreement to effectuate its terms, and to execute any other documents
9 reasonably required to effectuate the terms of this Agreement including any
10 amendments to this Agreement.

11 10.4 Cooperation. The Parties and their counsel will cooperate with each other and use
12 their best efforts, in good faith, to implement the Settlement by, among other things,
13 modifying the Settlement Agreement, submitting supplemental evidence and
14 supplementing points and authorities as requested by the Court. In the event the
15 Parties are unable to agree upon the form or content of any document necessary to
16 implement the Settlement, or on any modification of the Agreement that may
17 become necessary to implement the Settlement, the Parties will seek the assistance
18 of a mediator and/or the Court for resolution.

19 10.5 No Prior Assignments. The Parties separately represent and warrant that they have
20 not directly or indirectly assigned, transferred, encumbered, or purported to assign,
21 transfer, or encumber to any person or entity and portion of any liability, claim,
22 demand, action, cause of action, or right released and discharged by the Party in this
23 Settlement.

24 10.6 No Tax Advice. Neither Plaintiffs, PAGA Counsel, Defendants nor Defense
25 Counsel are providing any advice regarding taxes or taxability, nor shall anything in
26 this Settlement be relied upon as such within the meaning of United States Treasury
27 Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

28 10.7 Modification of Agreement. This Agreement, and all parts of it, may be amended,

modified, changed, or waived only by an express written instrument signed by all Parties or their representatives, and approved by the Court.

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

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

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

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

10.12 Use and Return of Aggrieved Employee Data. Information provided to PAGA Counsel pursuant to Cal. Evid. Code § 1152 and all copies and summaries of the PAGA Data provided to PAGA Counsel by Defendants in connection with mediation, other settlement negotiations, or in connection with the Settlement, may be used only with respect to this Settlement, and no other purpose, and may not be used in any way that violates any existing contractual agreement, statute, or rule of court. Not later than 90 days after the Administrator discharges its obligation to pay out of all Settlement funds, Plaintiffs shall destroy all paper and electronic versions of Aggrieved Employee Data received from Defendants unless, prior to the Administrator's payment of all Settlement Funds, Defendants make a written request to PAGA Counsel for the return, rather than the destruction, of Aggrieved Employee Data.

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

10.14 Calendar Days. Unless otherwise noted, all reference to “days” in this Agreement shall be to calendar days. In the event any date or deadline set forth in this Agreement falls on a weekend or federal legal holiday, such date or deadline shall be on the first business day thereafter.

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

To Plaintiff Romero:

Zorik Mooradian
E-mail: zorik@mooradianlaw.com
Haik Hacopian
E-mail: haik@mooradianlaw.com
MOORDAIAN LAW, APC
24007 Ventura Blvd., Suite 210
Calabasas, California 91302
Telephone: (818) 487-1998

To Plaintiff Martinez:

David Lavi
E-mail: Dlavi@ebralavi.com
Arie Ebrahimian
E-mail: arie@ebralavi.com
E&L, LLP
8889 W. Olympic Blvd., 2nd Floor
Beverly Hills, California 90211
Telephone: (213) 213-0000

To Defendant Partners Personnel:

Timothy B. Nelson
E-mail: tim@medinamckelvey.com
Christa A. Hall
E-mail: christa@medinamckelvey.com
MEDINA McKELVEY LLP
925 Highland Pointe Drive, Suite 300
Roseville, California 95678
Telephone: (916) 960-2211
Facsimile: (916) 742-5488

To Defendant Potential Industries:

Colin P. Calvert

E-mail: ccalvert@fisherphillips.com
Kyley S. Chelwick
E-mail: kchelwick@fisherphillips.com
FISHER & PHILLIPS LLP
2050 Main Street, Suite 100
Irvine, California 92614
Telephone: (949) 851-2424

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

10.17 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 Romero:

Dated: August __, 2025
9/5/2025

Signed by:
By: Omar R. Romero
BF7767E0434E457
Omar Rios Romero

Plaintiff Martinez:

Dated: August __, 2025

By: _____
Oscar Martinez

Defendant Partners Personnel:

E-mail: ccalvert@fisherphillips.com
 Kyle S. Chelwick
 E-mail: kchelwick@fisherphillips.com
 FISHER & PHILLIPS LLP
 2050 Main Street, Suite 100
 Irvine, California 92614
 Telephone: (949) 851-2424

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

10.17 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.

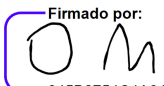
Plaintiff Romero:

Dated: August __, 2025

By: _____
 Omar Rios Romero

Plaintiff Martinez:

Dated: August __, 2025
 9/4/2025

By:  _____
 Oscar Martinez

Defendant Partners Personnel:

1 Dated: 9/30/2025

PARTNERS PERSONNEL – MANAGEMENT
SERVICES, LLC

2
3 By: Alissa Greenwalt
4 [Name, Title] BE110D16BDC64EA...
5 Alissa Greenwalt
6 Senior Counsel

6 **Defendant Potential Industries:**

7 Dated: August __, 2025

POTENTIAL INDUSTRIES, INC.

8
9 By: _____
10 [Name, Title]

11
12 APPROVED AS TO FORM AND CONTENT:

13
14 **Plaintiff Romero's Counsel:**

15 Dated: August __, 2025

MOORADIAN LAW, APC

16 By: _____
17 Zorik Mooradian
18 Haik Hacopian
19 Attorneys for Plaintiff Romero

20 **Plaintiff Martinez's Counsel:**

21 Dated: August __, 2025

E&L LLP

22 By: _____
23 David Lavi
24 Arie Ebrahimian
25 Attorneys for Plaintiff Martinez

26 **Defendant Partners Personnel's**

27 **Counsel:** Dated: September 30, 2025

MEDINA McKELVEY LLP

28 By: [Signature]

1 Dated: 9/30/2025

PARTNERS PERSONNEL – MANAGEMENT
SERVICES, LLC

2
3
4 By: Alissa Greenwalt
[Name, Title] BE110D16BDC64EA...
Alissa Greenwalt
Senior Counsel

6 **Defendant Potential Industries:**

7 Dated: August __, 2025

POTENTIAL INDUSTRIES, INC.

8
9 By: Edmanuel M. An, VP of Operations
[Name, Title]

12 APPROVED AS TO FORM AND CONTENT:

14 **Plaintiff Romero's Counsel:**

15 Dated: August __, 2025

MOORADIAN LAW, APC

16 By: _____
Zorik Mooradian
Haik Hacopian
Attorneys for Plaintiff Romero

19 **Plaintiff Martinez's Counsel:**

20 Dated: August __, 2025

E&L LLP

21 By: _____
David Lavi
Arie Ebrahimian
Attorneys for Plaintiff Martinez

25 **Defendant Partners Personnel's**

26 **Counsel:** Dated: September 30, 2025

MEDINA McKELVEY LLP

27
28 By: [Signature]

1 Dated: August __, 2025

PARTNERS PERSONNEL – MANAGEMENT
SERVICES, LLC

3
4 By: _____
[Name, Title]

6 **Defendant Potential Industries:**

7 Dated: August __, 2025

POTENTIAL INDUSTRIES, INC.

9 By: _____
[Name, Title]

12 APPROVED AS TO FORM AND CONTENT:

14 **Plaintiff Romero's Counsel:**

15 Dated: August 8, 2025

MOORADIAN LAW, APC

16 By: /s/Haik Hacopian
17 Zorik Mooradian
18 Haik Hacopian
Attorneys for Plaintiff Romero

19 **Plaintiff Martinez's Counsel:**

20 Dated: August __, 2025

E&L LLP

22 By: _____
23 David Lavi
24 Arie Ebrahiman
Attorneys for Plaintiff Martinez

25 **Defendant Partners Personnel's Counsel:**

26 Dated: August __, 2025

MEDINA McKELVEY LLP

28 By: _____

1 Dated: August __, 2025

PARTNERS PERSONNEL – MANAGEMENT
SERVICES, LLC

2
3
4 By: _____
[Name, Title]

5
6 **Defendant Potential Industries:**

7 Dated: August __, 2025

POTENTIAL INDUSTRIES, INC.

8
9 By: _____
[Name, Title]

10
11
12 APPROVED AS TO FORM AND CONTENT:

13
14 **Plaintiff Romero's Counsel:**

15 Dated: August __, 2025

MOORADIAN LAW, APC

16
17 By: _____
Zorik Mooradian
Haik Hacopian
Attorneys for Plaintiff Romero

18
19 **Plaintiff Martinez's Counsel:**

20 Dated: August __, 2025

E&L LLP

21 9/4/2025

22 Signed by:
By: David Lavi Esq.
86C1FA5B08264FF
David Lavi
Arie Ebrahiman
Attorneys for Plaintiff Martinez

23
24
25 **Defendant Partners Personnel's Counsel:**

26 Dated: August __, 2025

MEDINA McKELVEY LLP

27
28 By: _____

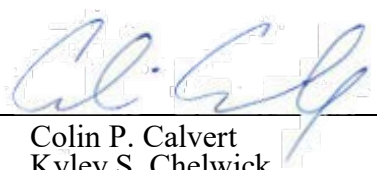
Timothy B. Nelson
Christa A. Hall
Attorneys for Defendant Partners Personnel

Defendant Potential Industries' Counsel:

Dated: August __, 2025

FISHER & PHILLIPS

By: _____


Colin P. Calvert
Kyle S. Chelwick
Attorneys for Defendant Potential Industries

NOTICE OF SETTLEMENT OF PAGA REPRESENTATIVE ACTION

Omar Rios Romero v. Partners Personnel - Management Services, LLC, et al.

**Superior Court of the State of California,
County of Los Angeles Case No. 22STCV22509**

Eligible Employee

Address

Address

You are receiving this notice in connection with a Court-approved settlement (the “Settlement”) in the lawsuit entitled *Omar Rios Romero v. Partners Personnel - Management Services, LLC, et al.*, filed in the Superior Court of the State of California for the County of Los Angeles, Case No. 22STCV22509 (the “Action”), brought on a representative basis under the Private Attorneys General Act of 2004 codified at California Labor Code section 2698, *et seq.* (“PAGA”). The Plaintiff in the lawsuit, Omar Rios Romero (“Plaintiff”), and the Defendants Partners Personnel - Management Services, LLC (“Partners Personnel”) and Potential Industries, Inc. (Partners Personnel - Management Services, LLC and Potential Industries, Inc. are jointly referred to as “Defendants”) have agreed to a Settlement that provides for recovery of civil penalties for alleged violations of the California Labor Code on behalf of all “Aggrieved Employees,” defined as (1) all non-exempt employees employed by Defendant Potential Industries in California during the period from March 3, 2020 to September 16, 2025 (“PAGA Period”); and (2) all non-exempt employees employed by Defendant Partners Personnel in California who were placed at Potential Industries during the PAGA Period. The PAGA statute provides that 75% of any recovery pursuant to the Settlement will be paid to the State of California and 25% of any recovery will be paid to the Aggrieved Employees based upon the number of pay periods that they worked where there is an alleged California Labor Code violation during the PAGA Period.

Defendants deny all claims and allegations in the Action. Furthermore, Defendants deny they owe any penalties and assert that they have fully complied with all applicable Labor Code provisions. Nevertheless, to avoid further costs and time in defending the Action, Defendants have settled the Action. By settling the lawsuit, Defendants are not admitting that they have done anything wrong.

Effective on the date when Defendants fully fund the entire Gross Settlement Amount, All 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 complaints and the PAGA Notices.

“Released Parties” means: Defendants and each of their former and present directors, officers, shareholders, owners, members, attorneys, insurers, predecessors, successors, assigns, subsidiaries, and affiliates.

THIS SETTLEMENT DOES NOT RELEASE ANY INDIVIDUAL WAGE CLAIMS WHICH YOU MAY HAVE

By an Order dated **Approval Date**, the Superior Court of California approved the Settlement of the Released Claims. By approving the Settlement, the Court did not decide in favor of either Plaintiff or Defendants.

According to Defendants’ records, you are an Aggrieved Employee and are therefore entitled to a share of the Settlement based upon the Court-approved allocation. Enclosed with this Notice is your settlement check for your share. Your share is determined by the number of pay periods you worked during the PAGA Period relative to the total of pay periods worked by all Aggrieved Employees. Based on the total number of pay periods, the value of a pay period calculates to **[VALUE]**, which multiplied by your **[NUMBER]** pay periods, equals your share.

EXHIBIT "A"

Your settlement check shall remain valid for one hundred eighty (180) days. Thereafter, the settlement check shall be canceled, and the Administrator shall transmit the funds represented by your check to the California Controller's Unclaimed Property Fund in your name. (sco.ca.gov).

Please Note: One hundred percent (100%) of the payment you are receiving in connection with the Settlement will be considered penalties reported on IRS Form 1099, and may be subject to local, state or federal tax withholdings and will be reported to the IRS and state tax authorities. You should rely on your own tax advisors as to the tax consequences of your settlement payment. Neither Plaintiff nor Defendants have made any representations or warranties regarding the taxation of your settlement payment. Nothing in this Notice or any other communication shall constitute or be construed or relied upon as tax advice.

PLEASE DO NOT CALL OR WRITE THE COURT OR OFFICE OF THE CLERK TO ASK QUESTIONS ABOUT THE SETTLEMENT. IF YOU HAVE ANY QUESTIONS, YOU MAY CALL OR WRITE TO THE SETTLEMENT ADMINISTRATOR AT:

ADMINISTRATOR NAME

WEBSITE

Phone:

LAFFEY MATRIX

History

Case Law

See the Matrix

Contact us

Home

			Years Out of Law School *				
Year	Adjustmt Factor**	Paralegal/ Law Clerk	1-3	4-7	8-10	11-19	20 +
6/01/24- 5/31/25	1.080182	\$258	\$473	\$581	\$839	\$948	\$1141
6/01/23- 5/31/24	1.059295	\$239	\$437	\$538	\$777	\$878	\$1057
6/01/22- 5/31/23	1.085091	\$225	\$413	\$508	\$733	\$829	\$997
6/01/21- 5/31/22	1.006053	\$208	\$381	\$468	\$676	\$764	\$919
6/01/20- 5/31/21	1.015894	\$206	\$378	\$465	\$672	\$759	\$914
6/01/19- 5/31/20	1.0049	\$203	\$372	\$458	\$661	\$747	\$899
6/01/18- 5/31/19	1.0350	\$202	\$371	\$455	\$658	\$742	\$894
6/01/17- 5/31/18	1.0463	\$196	\$359	\$440	\$636	\$717	\$864
6/01/16- 5/31/17	1.0369	\$187	\$343	\$421	\$608	\$685	\$826
6/01/15- 5/31/16	1.0089	\$180	\$331	\$406	\$586	\$661	\$796
6/01/14- 5/31/15	1.0235	\$179	\$328	\$402	\$581	\$655	\$789
6/01/13- 5/31/14	1.0244	\$175	\$320	\$393	\$567	\$640	\$771
6/01/12- 5/31/13	1.0258	\$170	\$312	\$383	\$554	\$625	\$753
6/01/11- 5/31/12	1.0352	\$166	\$305	\$374	\$540	\$609	\$734
6/01/10- 5/31/11	1.0337	\$161	\$294	\$361	\$522	\$589	\$709
6/01/09- 5/31/10	1.0220	\$155	\$285	\$349	\$505	\$569	\$686
6/01/08- 5/31/09	1.0399	\$152	\$279	\$342	\$494	\$557	\$671
6/01/07-5/31/08	1.0516	\$146	\$268	\$329	\$475	\$536	\$645
6/01/06-5/31/07	1.0256	\$139	\$255	\$313	\$452	\$509	\$614
6/1/05-5/31/06	1.0427	\$136	\$249	\$305	\$441	\$497	\$598
6/1/04-5/31/05	1.0455	\$130	\$239	\$293	\$423	\$476	\$574
6/1/03-6/1/04	1.0507	\$124	\$228	\$280	\$405	\$456	\$549
6/1/02-5/31/03	1.0727	\$118	\$217	\$267	\$385	\$434	\$522
6/1/01-5/31/02	1.0407	\$110	\$203	\$249	\$359	\$404	\$487
6/1/00-5/31/01	1.0529	\$106	\$195	\$239	\$345	\$388	\$468
6/1/99-5/31/00	1.0491	\$101	\$185	\$227	\$328	\$369	\$444
6/1/98-5/31/99	1.0439	\$96	\$176	\$216	\$312	\$352	\$424
6/1/97-5/31/98	1.0419	\$92	\$169	\$207	\$299	\$337	\$406
6/1/96-5/31/97	1.0396	\$88	\$162	\$198	\$287	\$323	\$389

EXHIBIT "3"

6/1/95-5/31/96	1.032	\$85	\$155	\$191	\$276	\$311	\$375
6/1/94-5/31/95	1.0237	\$82	\$151	\$185	\$267	\$301	\$363

The methodology of calculation and benchmarking for this Updated Laffey Matrix has been approved in a number of cases. See, e.g., *DL v. District of Columbia*, 267 F.Supp.3d 55, 69 (D.D.C. 2017)

* $i_{\frac{1}{2}}$ Years Out of Law School $i_{\frac{1}{2}}$ is calculated from June 1 of each year, when most law students graduate. $i_{\frac{1}{2}}1-3$ " includes an attorney in his 1st, 2nd and 3rd years of practice, measured from date of graduation (June 1). $i_{\frac{1}{2}}4-7$ " applies to attorneys in their 4th, 5th, 6th and 7th years of practice. An attorney who graduated in May 1996 would be in tier $i_{\frac{1}{2}}1-3$ " from June 1, 1996 until May 31, 1999, would move into tier $i_{\frac{1}{2}}4-7$ " on June 1, 1999, and tier $i_{\frac{1}{2}}8-10$ " on June 1, 2003.

** The Adjustment Factor refers to the nation-wide Legal Services Component of the Consumer Price Index produced by the Bureau of Labor Statistics of the United States Department of Labor.



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

July 30, 2025

CASE ASSUMPTIONS

Class Members	2,035
Opt Out Rate	N/A
Opt Outs Received	
Total Class Claimants	2,035
Subtotal Admin Only	\$9,926.23

Flat Fee Total \$9,200.00

For 2035 Class Members

Pricing Good for Scope of Estimate Only

All Aspects of Escheating to the State of CA Included

Spanish Translation, Printing & Mailing Included

Case: Martinez, Romero v. Partners Personnel, PAGA Administration

Phoenix Contact: Melissa Meade

Contact Number: 949.331.0865

Email: melissa@phoenixclassaction.com

Requesting Attorney: Samantha Shapiro

Firm: Medina McKelvey LLP

Contact Number: 916-960-2211

Email: samantha@medicalmckelvey.com

Assumptions and Estimate are based on information provided by counsel. If class size changes, PHX will need to adjust this Estimate accordingly.

Estimate is based on **2035** Class Members. Class data **Must** be sent in Microsoft Excel or uploaded in the same format. Class Data Must be sent in one spreadsheet, with no additional programming needed. A rate of \$150 per hour will be charged for any additional analysis or programming. Pricing good for 90 day

Case & Database Setup / Toll Free Setup & Call Center / NCOA (USPS)

Administrative Tasks:	Rate	Hours/Units	Line Item	Estimate
Programming Manager	\$100.00	2		\$200.00
Programming Database & Setup	\$100.00	1		\$100.00
Toll Free Setup*	\$100.00	1		\$100.00
Call Center & Long Distance	\$2.50	200		\$500.00
NCOA (USPS)	\$500.00	1		\$500.00
		Total		\$1,400.00

* Up to 120 days after disbursement

Data Merger & Scrub / PAGA Letter & Check / Postage / Spanish Translation

Project Action	Rate	Hours/Units	Line Item	Estimate
Notice Packet Formatting	\$100.00	1		\$100.00
Translation	\$200.00	1		\$200.00
Data Merge & Duplication Scrub	\$0.09	2,035		\$183.15
PAGA Letter and Check Packet	\$1.00	2,035		\$2,035.00
Estimated Postage (up to 1 oz.)*	\$0.64	2,035		\$1,302.40
		Total		\$3,820.55

* Prices good for 90 days. Subject to change with the USPS Rate or change in Notice pages or Translation, if any.

EXHIBIT "4"



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

Skip Tracing & Remailing PAGA Packets / Tracking & Programming Undeliverables				
Project Action:	Rate	Hours/Units	Line Item	Estimate
Case Associate	\$55.00	3		\$165.00
Skip Tracing Undeliverables	\$0.75	320		\$240.00
Remail PAGA Packets	\$0.65	320		\$208.00
Estimated Postage	\$0.64	320		\$204.80
Programming Undeliverables	\$50.00	1		\$50.00
		Total		\$867.80

Case Management				
Project Action:	Rate	Hours/Units	Line Item	Estimate
Case Associate	\$55.00	3		\$165.00
Case Manager	\$85.00	2		\$170.00
		Total		\$335.00

Calculation & Disbursement Programming/ Create & Manage QSF/ Mail Checks				
Project Action:	Rate	Hours/Units	Line Item	Estimate
Programming Calculations	\$135.00	1		\$135.00
Disbursement Review	\$135.00	1		\$135.00
Programming Manager	\$95.00	2		\$190.00
QSF Bank Account & EIN	\$135.00	1		\$135.00
Check Run Setup & Printing	\$135.00	2		\$270.00
		Total		\$865.00

* Checks are printed on 8.5 x 11 in. sheets with W2/1099 Tax Filing



CLASS ACTION ADMINISTRATION SOLUTIONS

Tax Reporting & Reconciliation / Re-Issuance of Checks / Conclusion Reports and Declarations			
Project Action:	Rate	Hours/Units	Line Item Estimate
Case Supervisor	\$115.00	2	\$230.00
Remail Undeliverable Checks (Postage Included)	\$1.50	305	\$457.88
Case Associate	\$55.00	3	\$165.00
Reconcile Uncashed Checks	\$85.00	4	\$340.00
Conclusion Reports	\$115.00	2	\$230.00
Case Manager Conclusion	\$85.00	2	\$170.00
Final Reporting & Declarations	\$115.00	3	\$345.00
QSF Annual Tax Reporting *	\$700.00	1	\$700.00
(State Tax Reporting & Escheating Uncashed Checks to the State of CA included)			
Check to Cy-Pres	\$150.00	1	Included
		Total	\$2,637.88

* All applicable California State & Federal taxes, which include SUI, ETT, and SDI, and FUTA filings. Additional taxes are Defendant's responsibility.

Estimate Total: \$9,926.23



PHOENIX

CLASS ACTION ADMINISTRATION SOLUTIONS

TERMS AND CONDITIONS

Provisions: The case estimate is in good faith and does not cover any applicable taxes and fees. The estimate does not make any provision for any services or class size not delineated in the request for proposal or stipulations. Proposal rates and amounts are subject to change upon further review, with Counsel/Client, of the Settlement Agreement. Only pre-approved changes will be charged when applicable. No modifications may be made to this estimate without the approval of PSA (Phoenix Settlement Administrators). All notifications are mailed in English language only unless otherwise specified. Additional costs will apply if translation into other language(s) is required. Rates to prepare and file taxes are for Federal and California State taxes only. Additional charges will apply if multiple state tax filing(s) is required. **Pricing is good for ninety (90) days.**

Data Conversion and Mailing: The proposal assumes that data provided will be in ready-to-use condition and that all data is provided in a single, comprehensive Excel spreadsheet. PSA cannot be liable for any errors or omissions arising due to additional work required for analyzing and processing the original database. A minimum of two (2) business days is required for processing prior to the anticipated mailing date with an additional two (2) business days for a National Change of Address (NCOA) update. Additional time may be required depending on the class size, necessary translation of the documents, or other factors. PSA will keep counsel apprised of the estimated mailing date.

Claims: PSA's general policy is to not accept claims via facsimile. However, in the event that facsimile filing of claims must be accepted, PSA will not be held responsible for any issues and/or errors arising out of said filing. Furthermore, PSA will require disclaimer language regarding facsimile transmissions. PSA will not be responsible for any acts or omissions caused by the USPS. PSA shall not make payments to any claimants without verified, valid Social Security Numbers. All responses and class member information are held in strict confidentiality.

Payment Terms: All postage charges and 50% of the final administration charges are due at the commencement of the case and will be billed immediately upon receipt of the data and/or notice documents. PSA bills are due upon receipt unless otherwise negotiated and agreed to with PSA by Counsel/Client. In the event the settlement terms provide that PSA is to be paid out of the settlement fund, PSA will request that Counsel/Client endeavor to make alternate payment arrangements for PSA charges that are due at the onset of the case. The entire remaining balance is due and payable at the time the settlement account is funded by Defendant, or no later than the time of disbursement. Amounts not paid within thirty (30) days are subject to a service charge of 1.5% per month or the highest rate permitted by law.

Tax Reporting Requirements

PSA will file the necessary tax returns under the EIN of the QSF, including federal and state returns. Payroll tax returns will be filed if necessary. Under the California Employment Development Department, all taxes are to be reported under the EIN of the QSF with the exception of the following taxes: Unemployment Insurance (UI) and Employment Training Tax (ETT), employer-side taxes, and State Disability Insurance (SDI), an employee-side tax. These are reported under Defendant's EIN. Therefore, to comply with the EDD payroll tax filing requirements we will need the following information:

1. Defendant's California State ID and Federal EIN.
2. Defendant's current State Unemployment Insurance (UI) rate and Employment Training Tax (ETT) rate. This information can be found in the current year DE 2088, Notice of Contribution Rates, issued by the EDD.
3. Termination dates of the class members, or identification of current employee class members, so we can account for the periods that the wages relate to for each class member.
4. An executed Power of Attorney (Form DE 48) from Defendant. This form is needed so that we may report the UI, SDI, and ETT taxes under Defendant's EIN on their behalf. If this form is not provided we will work with the EDD auditors to transfer the tax payments to Defendant's EIN.
5. Defendant is responsible for reporting the SDI portion of the settlement payments on the class member's W-2. PSA will file these forms on Defendant's behalf for an additional fee and will issue an additional W-2 for each class member under Defendant's EIN, as SDI is reported under Defendant's EIN rather than the EIN of the QSF. The Power of Attorney (Form DE 48) will be needed in order for PSA to report SDI payments.

DECLARATION OF DAVID LAVI

I, David Lavi, declare:

1. I am an attorney licensed to practice law in the state of California and have been admitted to practice before this Court. I am a partner at E&L, LLP, and Co-Counsel for Plaintiff in this action. Based on my assignment to this case and familiarity with the file and action in this matter, I have personal knowledge of the matters stated herein and if called and sworn as a witness, I would and could competently testify under oath thereto. I am a member in good standing of all the State Courts of California.

2. This Declaration is submitted in support of Plaintiff's Motion for Order Approving Settlement Pursuant to California Labor Code §2699 Private Attorneys General Act.

PROCEDURAL HISTORY AND FACTUAL BACKGROUND

3. On June 28, 2023, Plaintiff filed a letter with the Labor and Workforce Development Agency ("LWDA") and provided copies of this letter to Defendants Potential Industries, Inc., and Partners Personnel – Management Services, LLC ("Defendants") via certified mail, asserting claims for Defendants' (1) failure to pay for all time worked at correct rates of pay, including minimum wages, and overtime compensation; (2) failure to provide meal periods and pay meal period premiums; (3) failure to authorize and permit rest periods and pay rest period premiums; (4) failure to timely pay wages during employment; (5) failure to reimburse necessary business expenditures; (6) failure to pay vacation time; (7) failure to timely pay earned wages during employment; (8) failure to provide accurate itemized wage statements; and (9) failure to timely pay all wages upon termination of employment¹. Attached as **Exhibit 1** is a true and correct copy of my office's June 28, 2023, letter to the LWDA and Defendants.

4. On December 20, 2023, my office filed a Complaint against Defendants on behalf of Plaintiff, as an aggrieved employee and private attorney general, alleging a single cause of action for Violation of California Labor Code § 2699, et seq. (Private Attorneys General Act)

¹ On June 27, 2023, Plaintiff filed a class action complaint, entitled Oscar Martinez vs. Potential Industries, Inc., et al., in Superior Court of California, County of Los Angeles, Case Number 23STCV14968. On or about December 20, 2023, Defendant moved to compel arbitration, in which the court granted Defendant's motion, ordering Plaintiff to arbitrate his individual claims with Defendant, and class claims dismissed.

1 (“PAGA”) (the “*Martinez Action*”).

2 5. On or about May 14, 2025, Plaintiff’s counsel and Plaintiff’s counsel in the matter
3 of *Omar Rios Romero vs. Partners Personnel - Management Services, LLC, et al.*, Los Angeles
4 Superior Court Case No. 22STCV22509 (“*Romero Action*”), agreed to prosecute both the
5 *Martinez Action* and *Romero Action* together (“*Martinez Action*,” “*Romero Action*,” and
6 Defendants are collectively known as the “Parties”).

7 6. After the filing of the Complaint, and after counsel in the *Romero Action* discussed
8 the claim with myself, the Parties discussed agreed to attend mediation. As part of mediation,
9 Plaintiffs requested time and payroll records prior to mediation as well as additional informal
10 discovery necessary to evaluate the case and Defendants’ potential exposure.

11 7. In advance of mediation, Defendants informally provided (1) detailed information
12 about the number of employees and the number of pay periods during the PAGA period; (2)
13 relevant policy and procedure documents, including Defendant Partners Personnel’s and
14 Defendant Potential Industries’ meal and rest break and timekeeping policies that were in place
15 during the PAGA period; (3) Plaintiffs’ complete personnel files and payroll records; and (4) 20%
16 sample of time and payroll data through June 2025 for Defendants’ employees during the PAGA
17 period. Defendants also produced handbook and relevant policy documents in place during the
18 PAGA Period. Defendants also provided information relating to PAGA Members including, the
19 total number of pay periods at issue, the number of aggrieved employees, and other relevant
20 information. Defendants represented prior to mediation that there were approximately 2,026
21 aggrieved employees of Defendant Partners Personnel – Management Services, LLC (“Partners”)
22 placed with Defendant Potential Industries (“Potential”), and 209 aggrieved employees directly
23 employed by Potential. Defendants further represent that there were approximately 33,633 pay
24 periods for the first group and 13,762 pay periods for the latter group. Together with co-counsel,
25 we conducted independent investigation and evaluations of the claims and defenses in this matter.

26 8. On July 17, 2025, the Parties attended mediation with Scott S. Markus, Esq. After a
27 full day of mediation, during which the parties debated their positions with the mediator and
28 exchanged arguments regarding their claims and defenses, the Parties agreed to resolve the Action

1 for a Gross Settlement Amount of Seven-Hundred Forty-Thousand Dollars and Zero Cents
2 (\$740,000.00).

3 9. The Parties then executed a memorandum of understanding memorializing this
4 agreement and thereafter spent considerable time negotiating and finalizing the terms of a long
5 form settlement in the form of a Joint Stipulation of PAGA Settlement and Release of Claims
6 (“Settlement Agreement” or “Settlement”).

7 **THE SETTLEMENT IS FAIR AND REASONABLE**

8 **A. Plaintiff Complied with PAGA’s Notice Requirements**

9 10. Before bringing a civil action under PAGA, an employee must comply with the
10 notice requirements set for in Labor Code section 2699.3. Plaintiff complied with these
11 requirements. Specifically, on June 28, 2023, Plaintiff provided written notice to the LWDA and
12 Defendants of his intent to assert claims under PAGA and the basis for those claims, to which the
13 LWDA did not respond. *See* Exhibit 1. Accordingly, after more than 65 days had passed, Plaintiff
14 filed his Complaint.

15 11. The Settlement Agreement and this motion and supporting papers are being
16 concurrently submitted to the California Labor and Workforce Development Agency, as required
17 by California Labor Code section 2699(1)(2).

18 **B. Discovery and Informed Arms-Length Negotiations**

19 12. The Parties prepared extensive briefing and argument regarding the strengths and
20 weaknesses of Plaintiffs’ claims and Defendants’ defenses and engaged in extensive settlement
21 negotiations during a full day mediation with Scott S. Markus, Esq., a highly-respected mediator
22 with extensive experience involving wage and hour matters including actions under the Private
23 Attorneys General Act. At all times, Plaintiffs were willing and prepared to litigate this matter
24 through trial and possible appeals if the Parties had been unable to reach a favorable resolution.
25 The proposed Settlement was reached at the end of a process that was neither fraudulent nor
26 collusive. To the contrary, counsel for the Parties advanced their respective positions throughout
27 the settlement negotiations.

28 13. The Parties briefed their respective positions regarding the strengths and

1 weaknesses of Plaintiffs' claims and provided their analyses to the mediator for his consideration.
2 The mediator helped the Parties debate the strengths and weakness of their respective positions
3 and reach a compromise despite their disputed evaluations of the case.

4 **C. Estimate of Defendant's Maximum Potential Exposure**

5 14. Based on the informal discovery provided, my office estimated that should all
6 claims be adjudicated in favor of Plaintiffs, Defendants faced an estimated maximum liability of
7 \$4,739,500.00 in penalties arising from the alleged Labor Code Violations.

8 **D. Risk-Based Analysis And Adjustments**

9 15. Although the investigation and information discovered supports Plaintiffs'
10 contentions, Plaintiffs and my office recognize that substantial barriers exist to actual recovery of
11 such penalties. Consideration of these risks factored into the decision to enter the Settlement at
12 this stage of litigation.

13 16. First, in order for Plaintiffs to prevail at trial on their PAGA claims, they would
14 have to prove the underlying Labor Code violations, demonstrate that Aggrieved Employees
15 suffered these violations, and demonstrate that Defendants' conduct gives rise to penalties.
16 Plaintiffs' core allegation is that Defendants systematically violated the California Labor Code by,
17 *inter alia*, failing to pay for all time worked, including minimum and overtime wages, failing to
18 provide compliant meal and rest periods and associated premiums, failing to timely pay wages
19 during and upon termination of employment, failing to provide accurate itemized wage statements,
20 failing to maintain accurate payroll records, and failing to reimburse business expenses and costs.
21 Although Plaintiff maintains that such wage and hour claims are amenable to resolution as to a
22 group of employees, many courts have found that the issues raised by Plaintiffs raise
23 individualized issues that render a case unmanageable and unsuitable for adjudication as to a large
24 group of employees. Although California case law clearly states that PAGA actions need not
25 satisfy class action requirements, my office remained mindful of the fact that some courts have
26 nevertheless held that PAGA claims must meet a threshold "manageability" requirement.

27 17. Defendants also maintained several defenses to Plaintiffs' theory of liability which,
28 if successfully proven, had the potential to eliminate or substantially reduce Plaintiffs' estimated

1 recovery. Throughout this litigation, Defendants maintained and continues to maintain that they
2 had legally-compliant employment policies and practices and deny that they ever violated the
3 Labor Code provisions Plaintiff seeks to enforce under PAGA. Defendants argued that given what
4 they maintained were compliant policies and practices, any issues regarding remaining meal
5 periods would require an individualized inquiry that would be unmanageable, and which further
6 did not warrant imposition of substantial penalties, which under PAGA are intended to be
7 deterrent in nature, not compensatory.

8 18. My office also anticipates that should the case proceed, Defendants will attempt to
9 challenge Plaintiffs' standing as an aggrieved employee and will deny that any of their other
10 employees, whom Plaintiffs seek to represent, are aggrieved. Indeed, some courts have taken an
11 approach requiring plaintiffs to establish standing and bifurcating discovery and/or trial of a
12 PAGA claim.

13 19. In addition to Defendants' anticipated defenses, my office remained mindful of the
14 fact that PAGA gives the Court discretion to lower the penalties assessed if, based on the facts and
15 circumstances of the particular case, to do otherwise would result in an award in an award that is
16 "unjust, arbitrary and oppressive, or confiscatory."

17 20. My office also recognized that there was a significant risk that the Court would
18 decline to assess the cumulative penalties for the maximum number of potential violations, as a
19 significant portion of Defendants' liability arises from claims that are largely predicated on
20 successful prosecution of Plaintiffs unpaid overtime and minimum wage claims, and penalties
21 derivative of this conduct could therefore be considered duplicative by the court.

22 21. Further, my office recognized that, protracted litigation of the alleged claims would
23 be an expensive, time-consuming, and extremely uncertain proposition. In order to prove liability
24 and damages, Plaintiffs will be required to conduct additional extensive discovery, conduct
25 numerous depositions, request and analyze thousands of pages of documents, obtain aggrieved
26 employees' contact information, contact these employees, and obtain numerous declarations at
27 great expense. Obtaining the cooperation of current employees would also be difficult, given the
28 likely reluctance to aid prosecution of a lawsuit against a current employer. On the other hand,

Defendants would likely be able to obtain the cooperation of their employees. Moreover, even if Plaintiffs prevailed at trial, possible appeals could substantially delay any recovery. There is a significant risk that Plaintiffs could ultimately recover nothing for themselves, other employees, or the State.

E. Policy Considerations and Prior Settlements

22. My office was also mindful of the fact that PAGA is fundamentally not intended to be compensatory in nature but is instead intended to facilitate enforcement of California's labor laws by financing state activities and educating and deterring non-compliance.

23. After considering this multitude of factors, Plaintiffs and my office concluded that it was in the best interest of the State of California and the Aggrieved Employees to enter into the Settlement. The overall relief obtain by the Settlement is significant, not only from a monetary perspective, but also because it fulfills the public policy objectives of PAGA – to promote enforcement of California's labor laws, provide funds to the state, and deter future non-compliance by Defendants.

24. Moreover, the Settlement is well-within the range of settlements of PAGA claims approved by Courts in other cases. *See, e.g.,*

- a. *Davis v. Brown Shoe Co.*, 2015 U.S. Dist. LEXIS 149010 (E.D. Cal. 2015) (PAGA Payment of \$5,000 in a \$1.5 million class settlement);
- b. *Zamora v. Ryder Integrated Logistics, Inc.*, 2014 U.S. Dist. LEXIS 184096 (S.D. Cal. 2014) (\$7,500 payment to LWDA on a \$1.5 million class settlement);
- c. *Lusby v. Gamestop Inc.*, 2015 U.S. Dist. LEXIS 42637 (N.D. Cal. 2015) (\$5,000 in a \$500,000 class settlement);
- d. *Cruz v. Sky Chefs, Inc.*, 2014 U.S. Dist Lexis 17693 (N.D. Cal. 2014) (\$10,000 to the LWDA out of \$1,750,000 class settlement);
- e. *Chu v. Wells Fargo Investments, LLC*, 2011 WL 672645, *1 (N.D. Cal. 2011) (PAGA payment of \$7,500 out of \$6.9 million common-fund settlement);
- f. *Martino v. Ecolab Inc.*, No. 3:14CV04358 (N.D. Cal. 2017) (\$100,000 allotted as PAGA penalties out of \$21,000,000 settlement amount);

- 1 g. *Franco v. Ruiz Foods, Inc.*, 2012 WL 5941801 at *14 (E.D. Cal. 2013) (\$10,000.00
2 allotted as PAGA penalties out of \$2.5 million settlement); and
3 h. *Garcia v. Gordon Trucking, Inc.*, 2012 WL 5364575 at *3 (E.D. Cal.
4 2012)(\$10,000 allotted as PAGA penalties out of a \$3.7 million settlement).

5 25. Thus, taking into consideration both the potential value of the PAGA claim, the
6 significant risks associated with continued litigation, and the underlying objective of PAGA, I
7 submit that the Settlement presented herein is fair, reasonable, and adequate.

8 **PLAINTIFF'S COUNSEL'S FEES**

9 26. My office and co-counsel, Mooradian Law, APC, seek approval of attorneys' fees
10 in the amount of \$259,000.00, which is thirty-five percent (35%) of the Gross Settlement Amount,
11 and set forth and agreed to as part of the Settlement. This percentage award is commensurate with:
12 (1) the economic risk Plaintiffs' offices took in commencing this action on a contingency basis
13 knowing that there would likely be a long battle with premier defense firms; (2) the time, effort
14 and expense dedicated to the case; (3) the skill and determination we have shown; (4) the results
15 we have achieved through the litigation; and (5) the value of the settlement we have secured for
16 the State of California and Aggrieved Employees.

17 27. E&L, LLP is a small law firm mostly devoted to the representation of employees
18 against employers in California involving claims relating to violations of the California Labor
19 Code, including claims for failure to pay all wages owed, failure to pay overtime premiums,
20 failure to pay meal and rest premiums and failure to provide accurate wage records. The practice
21 of employment law is a very specific, narrow field which requires diligence in an ever-revolving
22 field of substantive and procedural law. The significant time and attention spent on this case meant
23 we could not spend time on other cases or clients.

24 28. As discussed above, my office undertook investigation, analysis, and research prior
25 to filing the lawsuit and during litigation and mediation. This included having phone conferences
26 with client, conducting legal research on unanticipated and remote legal defenses, participating in
27 case strategy and analysis, and drafting, reviewing, and revising pleadings. Plaintiffs' office
28 conducted informal discovery, researched defenses raised by Defendants, investigated Defendants'

1 policies, practices, and procedures, reviewed documents, and analyzed sampling of time and
2 payroll data before attending a full day mediation. We also spent significant time drafting and
3 revising the Settlement presented to the Court. A settlement was finally achieved despite the
4 obstacles that had to be overcome, because of our complex wage-and-hour litigation experience
5 and skills to obtain the Settlement.

6 29. In addition to the time and effort required, this matter also required substantial skill
7 to successfully litigate. Defendants retained well-respected counsel and vigorously denied liability.
8 Indeed, Defendants and their counsel felt very strongly about Defendants' ability to prevail and
9 mounted several defenses that posed significant threats, challenged the theories of Plaintiffs, and
10 promised a strong defense moving forward. This settlement, against experienced defense counsel,
11 and despite the existence of several strong defenses, was made possible through Plaintiffs'
12 counsels skill and reputation in complex employment matters.

13 30. The Settlement represents a fair resolution of this case given the risks inherent in
14 litigating it through trial and possible appeals. As discussed at length above, although I believe
15 that Plaintiffs would prevail at trial, a number of risks reduced value of the case. Had the case not
16 settled, Defendants would have vigorously challenged the manageability of the case, disputed
17 Plaintiffs' contentions on the merits, and sought drastic reduction in the amount of any penalties
18 assessed. Preparing the case for trial would have been extraordinarily expensive and risky
19 proposition. In contrast, settlement at this stage guarantees immediate recovery for the State of
20 California and PAGA Members. Indeed, despite the challenges Plaintiffs faced moving forward,
21 Defendants agreed to pay a non-reversionary Gross Settlement Amount of \$740,000.00, which is
22 an outstanding result for a settlement limited to PAGA claims.

23 31. Additionally, this case was litigated on a purely contingent basis. Had my office
24 been unsuccessful, the time devoted to the case would have been for naught, and my office would
25 not recover any fees or any reimbursement of expenses. My office has borne all of the risks and
26 costs of litigation, and will not receive any compensation until recovery is obtained. If the Covid-
27 19 crisis has made one thing clear, it is that economic uncertainty can arise swiftly and for reasons
28 beyond any parties' control. These are the types of risks my office took in deciding to litigate this

1 matter on a contingent basis and this risk is a relevant factor when considering the reasonableness
2 of the requested fee.

3 32. Plaintiffs have agreed to a fee of thirty-five percent (35%). The Settlement
4 Agreement and this motion requesting these fees will also be submitted to the LWDA
5 concurrently with the filing of this motion. I am aware that the common and acceptable rate for
6 representation in complex wage and hour litigation is normally twenty-five (25) to thirty-five (35)
7 percent. A fee of thirty-five percent (35%) is appropriate here because of the excellent result
8 achieved for the State of California and PAGA Members despite the substantial risks described
9 above, including the risk that Plaintiffs could ultimately recover nothing at all.

10 33. While it is proper and common to request a fee award based on a percentage of the
11 common fund, the fee request is also justified under a simple lodestar analysis.

12 34. My current billing rate, along with my partner, Arie Ebrahimiian, and the actual rate
13 we charge clients on an hourly basis is \$650.00 per hour. While the overwhelming majority of my
14 firm's practice is contingency-based, this is the actual rate we charge billing clients if retained on
15 an hourly basis to handle employment-law related issues.

16 35. Based on my familiarity with prevailing market rates for work of similar
17 complexity in California, I can attest that these hourly rates are within the prevailing market rate
18 for work of similar complexity performed by attorneys of similar skill and experience. I have
19 extensive knowledge of the prevailing hourly rates in the community for work of similar nature
20 and complexity to the work in this case. As such, it is my opinion that our requested hourly rates
21 of \$650 for myself is well within the range of a reasonable rates for attorneys of our skill,
22 knowledge, experience, and ability.

23 36. As noted above, this matter was litigated on a contingent basis, meaning that my
24 office bore all the risks should these matters have failed and still bears the risk of taking whatever
25 actions are necessary if Defendants fail to pay.

26 37. This matter also precluded other work that my firm may have taken on. My office
27 committed substantial time and resources to litigating this matter that were unable to be directed to
28 other matters that may have been less risky.

38. Further, despite being litigated on a contingent basis, this Action was risky and involved analysis and investigation in a complex and ever evolving field of law. This litigation required investigation and data analysis to determine Defendants' underlying practices, and required Class Counsel to address challenging issues with respect to Defendants' underlying meal and rest claims, minimum and overtime claims, and reimbursement claims.

39. Given the complex nature of these claims, and the ever-evolving nature of the law related to PAGA, I believe many attorneys would not have litigated these claims and unable to obtain the substantial settlement secured by Plaintiffs' office. Our office has devoted itself to pursuing and understanding these types of complex wage and hour cases and were able to successfully litigate this matter despite risks that may have dissuaded other counsel from pursuing this case.

40. I believe that the efforts that both my office and co-counsel have resulted in substantial benefits to both the State and the PAGA Members, and have helped achieve the underlying purpose of PAGA in deterring future violations and recovering penalties that would otherwise have gone unremedied. Through the efforts of Plaintiffs and both Plaintiff's counsels offices, a fair and reasonable resolution has been reached that includes a non-reversionary settlement payment by Defendants of \$740,000.00. The \$259,000.00 in fees provided for in the Settlement is therefore reasonable given the result achieved.

PLAINTIFF'S COUNSEL'S COSTS

41. To date, my office has borne all risks and costs of litigation and will not receive any compensation until recovery is obtained by Plaintiff, the State of California and the PAGA Members. E&L has and will incur approximately \$860.20 in costs and litigation expenses. This includes \$585.20 in current costs and an additional \$200.00 in anticipated future costs necessary to complete this matter. Plaintiff's future costs include (1) the costs and attorney service fees associated with the filing of this declaration and (2) costs associated with filing declarations regarding settlement disbursement after the Settlement is approved.

PLAINTIFF'S REPRESENTATIVE PAYMENT

42. Here, the requested \$7,500.00 payment to Plaintiff Martinez is justified. This

1 amount is justified because of the extensive time Plaintiff Martinez spent and the assistance he has
2 provided to my office. Plaintiff Martinez has been intimately involved in the prosecution of this
3 action and served as an indispensable resource to my office. Plaintiff Martinez has taken actions
4 throughout the litigation to protect the interests of the State of California and the PAGA Members.
5 Plaintiff Martinez provided valuable information regarding allegations, kept himself informed of
6 the developments in this Action, and participated in decisions concerning the case. Plaintiff
7 Martinez spent time looking for responsive documents and the information and the documentation
8 provided by Plaintiff Martinez was instrumental in establishing the wage and hour violations
9 alleged in this action. Indeed, the recovery provided for in the Settlement Agreement would have
10 been impossible to obtain without Plaintiff Martinez's participation.

11 43. Additionally, Plaintiff Martinez faces actual risks with respect to his future
12 employment by putting himself on public record in an employment lawsuit. As this Court is
13 aware, prospective employers conduct searches on job applicants. One type of search is to learn
14 about applicants' litigation history. These searches are easy to run on the internet and relatively
15 inexpensive.

16 44. As a result of Plaintiffs' actions, the State of California and approximately 2,035
17 PAGA Members will recover from the Settlement, receiving penalties for wage violations they
18 may have never known of or been willing to pursue on their own.

19 45. As such, Plaintiffs did more than simply lend their name for the lawsuits, and I
20 believe they deserve the requested Plaintiff's Representative Payment of \$7,500.00 each.

21 I declare under penalty of perjury under the laws of the State of California that the foregoing is
22 true and correct. Executed this 27th day of October 2025, at Beverly Hills, California.

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28



David Lavi

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WRITER'S EMAIL
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June 28, 2023

**NOTICE OF LABOR CODE VIOLATIONS PURSUANT TO
LABOR CODE §2699.3**

To: California Labor and Workforce Development Agency
Attn. PAGA Administrator
1515 Clay Street, Suite 801
Oakland, California 94612
Via Online Submission Only

Department of Industrial Relations
Accounting Unit
455 Golden Gate Avenue, 10th Floor
San Francisco, California 94102
Certified Mail Number: 7019 2970 0000 6942 6682

Potential Industries, Inc.
c/o Jessica Chen
720 East E Street
Wilmington, California 90744
Certified Mail Number: 7019 2970 0000 6942 6699

Potential Industries, Inc.
Attn: Human Resources
720 East E Street
Wilmington, California 90744
Certified Mail Number: 7019 2970 0000 6942 6705

Partners Personnel – Management Services, LLC
c/o Corporate Creations Network, Inc.
5901 W. Century Blvd., Ste. 750
Los Angeles, California 90045
Certified Mail Number: 7019 2970 0000 6942 6712

Partners Personnel – Management Services, LLC
c/o Human Resources
3820 State Street, Suite B
Santa Barbara, California 93105
Certified Mail Number: 7019 2970 0000 6942 6729

EXHIBIT "1"

From: Oscar Martinez on behalf of himself and other current and former aggrieved, California-based, hourly non-exempt employees of Potential Industries, Inc., and Partners Personnel – Management Services, LLC

c/o David Lavi, Esq.
Arie Ebrahimian, Esq.

E&L, LLP

8889 West Olympic Boulevard, 2nd Floor
Beverly Hills, California 90211

Factual Statement and Theories of Labor Code Violations

Aggrieved employee Oscar Martinez (“Employee”) was formerly employed by Potential Industries, Inc., and Partners Personnel – Management Services, LLC (“Employers”) as an hourly non-exempt employee from in or around May 2020 to an including on or about January 27, 2023.

1. Failure to Pay the Minimum Wage Rate of Pay for All Hours Worked

Employee maintains that, during his employment, Employers failed to pay him and other current and former aggrieved, California-based, hourly non-exempt employees with compensation at the minimum wage rate of pay for all the hours that they worked in violation of Labor Code §1194 and 1197. Labor Code §1197 provides, “The minimum wage for employees fixed by the commission is the minimum wage to be paid to employees, and the payment of a less wage than the minimum so fixed is unlawful.” Labor Code §1194 states, “...any employee receiving less than the legal minimum wage or the legal overtime compensation applicable to the employee is entitled to recover in a civil action the unpaid balance of the full amount of this minimum wage or overtime compensation, including interest thereon, reasonable attorney’s fees, and costs of suit.”

Employee maintains that, during his employment, he and other current and former aggrieved, California-based, hourly non-exempt employees worked more hours per day than Employers credited them for having worked based on the following:

- Employers maintained a policy, practice, and/or procedure whereby Employers required Employee and other current and former aggrieved, California-based, hourly non-exempt employees’ to work off-the-clock by requiring them (1) arrive prior to the start of their shift; (2) stay beyond the end of their shift; (3) don their PPE (i.e., hardhats, glasses, and facemasks) prior to clock in; (4) doff their PPE after clocking out for meals; (5) don their PPE prior to clocking back in from lunch; and (6) doff their PPE after clock-out. Employee and other current and former aggrieved, California-based, hourly non-exempt employees were not paid for this time; and

- Employers maintained a policy, practice, and/or procedure whereby Employers required Employee and other current and former aggrieved, California-based, hourly non-exempt employees' to go Covid-19 temperature checks in the morning prior to clocking-in, for a period of up to 6 months at the beginning of the Covid-19 pandemic, without being paid for that time.

Employers' aforementioned policy, practice, and/or procedure results in time each day in which Employee and other current and former aggrieved, California-based, hourly non-exempt employees are subject to the control of employers' without being compensated for that time.

Based on these violations, Employee intends to seek civil penalties pursuant to the Private Attorney General Act ("PAGA"), Labor Code §2698, et seq. and Labor Code §1197.1, subds. (a)(1)-(2), on behalf of the Labor and Workforce Development Agency ("LWDA") against Employers if authorized to file a representative action on behalf of the State of California. Employee will also seek statutory penalties under Labor Code 226(a)(1) because the failure to pay such minimum wages for all hours worked rendered Employee's and other current and former aggrieved, California-based, hourly non-exempt employees' pay calculations inaccurate and in violation of Labor Code §226(e)(2)(B)(i)).

2. Failure to Pay Overtime Wages for Overtime Hours Work

Employee maintains, Employer failed to pay him and other current and former aggrieved, California-based, hourly non-exempt employees for the overtime hours that they worked at their overtime rate of pay.

Labor Code §510 provides:

"Eight hours of labor constitutes a day's work. Any work in excess of eight hours in one workday and any work in excess of 40 hours in any one workweek and the first eight hours worked on the seventh day of work in any one workweek shall be compensated at the rate of no less than one and one-half times the regular rate of pay for an employee. Any work in excess of 12 hours in one day shall be compensated at the rate of no less than twice the regular rate of pay for an employee. In addition, any work in excess of eight hours on any seventh day of a workweek shall be compensated at the rate of no less than twice the regular rate of pay of an employee."

Overtime is based upon an employee's regular rate of pay. "The regular rate at which an employee is employed shall be deemed to include all remuneration for employment paid to, or on behalf, of the employee." See Division of Labor Standards Enforcement – Enforcement Policies and Interpretations Manual, Section 49.1.2.

Finally, Labor Code §1194 provides, "...any employee receiving less than the legal minimum wage or the legal overtime compensation applicable to the employee is entitled to recover in a civil action the unpaid

balance of the full amount of this minimum wage or overtime compensation, including interest thereon, reasonable attorney's fees, and costs of suit."

As stated above, Employee maintains that Employers failed to pay him and other current and former aggrieved, California-based, hourly non-exempt employees for all of the hours that they worked based on the following:

- Employers maintained a policy, practice, and/or procedure whereby Employers required Employee and other current and former aggrieved, California-based, hourly non-exempt employees' to work off-the-clock by requiring them (1) arrive prior to the start of their shift; (2) stay beyond the end of their shift; (3) don their PPE (i.e., hardhats, glasses, and facemasks) prior to clock in; (4) doff their PPE after clocking out for meals; (5) don their PPE prior to clocking back in from lunch; and (6) doff their PPE after clock-out. Employee and other current and former aggrieved, California-based, hourly non-exempt employees were not paid for this time; and
- Employers maintained a policy, practice, and/or procedure whereby Employers required Employee and other current and former aggrieved, California-based, hourly non-exempt employees' to go Covid-19 temperature checks in the morning prior to clocking-in, for a period of up to 6 months at the beginning of the Covid-19 pandemic, without being paid for that time.

Employers' aforementioned policy, practice, and/or procedure results in time each day in which Employee and other current and former aggrieved, California-based, hourly non-exempt employees are subject to the control of employers' without being compensated for that time. To the extent that the foregoing unpaid time resulted Employee and other current and former aggrieved, California-based, hourly non-exempt employees being subject to the control of Employers when they worked more than eight (8) hours in a workday or 40 hours in a workweek, Employers failed to pay Employee and other current and former aggrieved, California-based, hourly non-exempt employees for all of the overtime hours that they worked at their overtime rate of pay.

Based on these violations, Employee intends to seek civil penalties pursuant to the PAGA, Labor Code §2698, et seq. and Labor Code §§558 and/or 1197.1, subds. (a)(1)-(2), on behalf of the LWDA against Employers if authorized to file a representative action on behalf of the State of California. As a derivative claim of Employers' failure to pay overtime wages for overtime hours worked, Employee will also seek statutory penalties under Labor Code §226(a)(1) because the failure to pay such overtime wages rendered Employee's and other current and former aggrieved, California-based, hourly non-exempt employees' pay calculations inaccurate and in violation of Labor Code §226(e)(2)(B)(i).

3. Failure to Authorize or Permit Meal Periods in Violation of Labor Code §§512 and 226.7

Employee maintains that, during his employment, Employers failed to maintain compliant meal period policies and/or pay proper meal period premiums. California law requires an employer to provide an employee an uninterrupted meal period of no less than 30-minutes in which the employee is relieved of all duties and the employer relinquishes control over the employee's activities prior to the employee's sixth hour of work. Cal. Lab. Code §§226.7, 512; Wage Order 1, §11; *Brinker Rest. Corp. v. Super Ct. (Hohnbaum)* (2012) 53 Cal.4th 1004. An employer may not employ an employee for a work period of more than 10 hours per day without providing the employee with a second such meal period of not less than 30 minutes prior to the start of the eleventh hour of work. *Id.* If the employer requires the employee to remain at the work site or facility during the meal period, the meal period must be paid. This is true even where the employee is relieved of all work duties during the meal period. *Bono Enterprises, Inc. v. Bradshaw* (1995) 32 Cal.App.4th 968. Labor Code §226.7 provides that if an employee does not receive a required meal or rest period that "the employer shall pay the employee one additional hour of pay at the employee's regular rate of compensation for each work day that the meal or rest period is not provided."

Employee maintains that Employers failed to authorize or permit him and other current and former aggrieved, California-based, hourly non-exempt employees to take compliant meal periods based on the following:

- Employers maintained a policy, practice, and/or procedure whereby Employers failed to authorize or permit Employee and other current and former aggrieved, California-based, hourly non-exempt employees' to (1) take first meal periods prior to the end of the fifth hour of work; (2) take second meal periods when they worked shifts over 10 hours; and (3) take meal periods of at least 30 minutes due to Employers' requirement that Employee and other current and former aggrieved, California-based, hourly non-exempt employees doff PPE after clocking out for meals and don PPE prior to clocking back in from meal periods.

Further, Employee alleges, Employers maintained a policy, practice, and/or procedure whereby they failed to pay Employee and other current and former aggrieved, California-based, hourly non-exempt employees a meal period premium wage of one additional hour of pay at their regular rate of compensation for each work day that Employers failed to authorize or permit all required meal periods, timely meal periods, meal periods of at least 30 minutes, uninterrupted meal periods, and/or duty free meal periods as required by Labor Code §226.7.

Based on these violations, Employee intends to seek civil penalties pursuant to the PAGA, Labor Code §2698, et seq. on behalf of the LWDA against Employers if authorized to file a representative action on behalf of the State of California. As a derivative claim of Employers' failure to authorize or permit meal periods or pay meal period premium wages, Employee will seek statutory penalties under Labor Code §226(a)(1) because the failure to pay such meal period premiums rendered Employee's and other current and former aggrieved, California-based, hourly non-exempt employees' pay calculations inaccurate and in violation of Labor Code §226(e)(2)(B)(i).

4. Failure to Authorize or Permit Rest Periods in Violation of Labor Code §226.7

Employee maintains that, during her employment, Employers failed to maintain compliant rest period policies. California law requires that “[e]very employer shall authorize and permit all employees to take rest periods, which insofar as practicable shall be in the middle of each work period. The authorized rest period time shall be based on the total hours worked daily at the rate of ten (10) minutes net rest time per four (4) hours or major fraction thereof....” Wage Order 1, §12. Employees are entitled to 10 minutes’ rest for shifts from three and one-half to six hours in length, 20 minutes for shifts of more than six hours up to 10 hours, 30 minutes for shifts of more than 10 hours up to 14 hours, and so on.” *Brinker Restaurant Corp. v. Sup. Ct. (Hohnbaum)* (2012) 53 Cal.4th 1004, 1029; Lab. Code §226.7. Additionally, the rest period requirement “obligates employers to permit-and authorizes employees to take-off-duty rest periods.” *Augustus v. ABM Security Services, Inc.*, (2016) 5 Cal.5th 257, 269. That is, during rest periods employers must relieve employees of all duties and relinquish control over how employees spend their time. *Id.* If an employer fails to provide an employee a rest period in accordance with the applicable provisions of this Order, the employer shall pay the employee one (1) hour of pay at the employee’s regular rate of compensation for each work day that the rest period is not provided.” Wage Order 1, §12; Lab. Code §226.7.

Employee maintains that Employers failed to authorize or permit him and other current and former aggrieved, California-based, hourly non-exempt employees to take compliant meal periods based on the following:

- Despite that California law requires Employer to provide Employee with one 10 minute rest break when an employee’s work shift is in excess of 3.5, a second 10 minute rest break when a shift is in excess of 6 hours, a third 10-minute rest break when a shift is in excess of 10 hours, Employer regularly failed to do so. As a result, Employee and similarly situated non-exempt, employees did not receive legally compliant rest periods as they were untimely, on-duty, or were not taken at all.

Based on these violations, Employee intends to seek civil penalties pursuant to the PAGA, Labor Code §2698, et seq. on behalf of the LWDA against Employers if authorized to file a representative action on behalf of the State of California. As a derivative claim of Employers’ failure to authorize or permit rest periods or pay rest period premium wages, Employee will seek statutory penalties under Labor Code §226(a)(1) because the failure to pay such rest period premiums rendered Employee’s and other current and former aggrieved, California-based, hourly non-exempt employees’ pay calculations inaccurate and in violation of Labor Code §226(e)(2)(B)(i).

5. Failure to Indemnify Employees for Employment-Related Losses and Expenses in Violation of Labor Code §2802

Employee maintains that, during his employment, Employer failed to indemnify him and other current and former aggrieved California-based non-exempt hourly employees for all necessary expenditures or losses incurred by them in the discharge of their duties. Labor Code §2802(a) requires, “An employer shall indemnify his or her employee for all necessary expenditures or losses incurred by the employee in direct

consequence of the discharge of his or her duties, or of his or her obedience to the directions of the employer....”

In this case, Employee maintains Employer employed a policy, practice, and/or procedure whereby Employer required Employee and other current and former aggrieved California-based non-exempt hourly employees to purchase their own vests for the purpose of their employment with Employers, but failed to reimburse them for their cellular and data usage required by their employment with Employer.

Employer employed policies and procedures which ensured Employee and other current and former aggrieved California-based non-exempt hourly employees would not receive indemnification for the aforementioned necessary expenditures incurred as result of their employment with Employer. Employer’s aforementioned policies, practices, and/or procedures resulted in Employee and other current and former aggrieved California-based non-exempt hourly employees not receiving indemnification for employment-related expenditures in compliance with California law.

For these reasons, Employee will seek both restitution for himself and other current and former aggrieved California-based non-exempt hourly employees for Employer’s violations of Labor Code §2802 and will seek civil penalties under PAGA, Labor Code §2698, et seq., on behalf of the LWDA against Employer if authorized to file a representative action on behalf of the State of California.

6. Failure to Pay Accrued and Vested Vacation Wages

Employers had a policy and/or procedure of providing its employees, including Employee and other current and former aggrieved California-based non-exempt hourly employees, with paid vacation time and/or personal time off (“Vacation/PTO”). Vacation/PTO wages are deferred wages that vest once accrued. Labor Code §227.3 provides that Employers must pay its employees, including Employee and others similarly situated, all unused vested vacation/PTO at the time of termination at the employees’ final rate of pay.

Employers had a vacation policy in which Employee and other current and former aggrieved California-based non-exempt hourly employees accrued vacation/PTO wages. However, Employee maintains that Employer terminated Employee and other current and former aggrieved employees without paying them the full amount of their earned vacation/PTO wages, in violation of California law, and employed policies and procedures which ensured Employee and those similarly situated would not receive their accrued and vested vacation/PTO wages upon termination. Specifically, when Employee and other current and former aggrieved California-based non-exempt hourly employees worked off-the clock by donning and doffing their PPE, they accumulated Vacation/PTO, but because Employee and other current and former employees did not clock-in, they were unable to accumulate their Vacation/PTO. As such, Employee and other current and former employees are entitled to accrued Vacation/PTO.

7. Failure to Timely Pay Earned Wages During Employment

In California, wages must be paid at least twice during each calendar month on days designated in advance by the employer as regular paydays, subject to some exceptions. Labor Code §204(a). Wages earned between the 1st and 15th days, inclusive, of any calendar month must be paid between the 16th and the 26th day of that month and wages earned between the 16th and the last day, inclusive, of any calendar month must be paid between the 1st and 10th day of the following month. *Id.* Other payroll periods such as those that are weekly, biweekly, or semimonthly, must be paid within seven (7) calendar days following the close of the payroll period in which wages were earned. Labor Code §204(d).

Employee maintains that Employer failed to timely pay Employee and similarly situated employees' earned wages (including minimum wages, overtime wages, meal period premium wages, and/or rest period premium wages), in violation of Labor Code §204.

Employer's aforementioned policies, practices, and/or procedures resulted in their failure to pay Employee and similarly situated employees their earned wages within the applicable time frames outlined in Labor Code §204.

8. Failure to Provide Accurate Wage Statements

Based on the aforementioned derivative violations for failure to provide complete and accurate wage statements pursuant to Labor Code §§2698, et seq. and 226.3, Employee will seek recovery of civil penalties on behalf of the LWDA against Employers if authorized to file a representative action on behalf of the State of California.

9. Failure to Timely Pay All Wages Due at the Time of Termination/Resignation

As a result of the aforementioned violations of the Labor Code, Employee was not paid his final wages in a timely manner as required by Labor Code §203.

Minimum wage for all hours worked, overtime for overtime hours worked, meal period premiums, and rest period premiums, vacation/PTO, and/or indemnification pay (all described above), were not paid at the time of Employee's separation of employment, as required by Labor Code §§201, 202, and 203.

Employee is informed and believes that other current and former aggrieved, California-based, hourly non-exempt employees who separated from Employers, whether voluntarily or involuntarily, were not paid all wages due in a timely manner, including minimum wage, overtime hours for overtime hours worked, meal period premiums, rest period premiums, vacation/PTO, and reimbursement for job-related expenses, as required by Labor Code §§201, 202, and 203.

Based on these violations, Employee intends to seek civil penalties pursuant to the PAGA, Labor Code §2698, et seq. on behalf of the LWDA against Employers if authorized to file a representative action on behalf of the State of California.

10. Civil Penalties

Finally, pursuant to *Huff v. Securitas Security Services USA, Inc.* (2018) 25 Cal.App.5th 745 (“*Huff*”), as an aggrieved employee, Employee has standing to, and intends to, on behalf of the LWDA, pursue civil penalties against Employers for any and all other violations Labor Code violations committed by Employers. In *Huff*, the California Court of Appeals held that an employee alleging a single violation of the Labor Code under the PAGA may also bring PAGA claims against the employer for all other alleged Labor Code violations, even those suffered by other employees of the same employer. According to the *Huff* decision, Employee, as an “aggrieved” employee affected by at least one Labor Code violation may, and hereby does, pursue penalties on behalf of the LWDA for unrelated Labor Code violations by Employers.

Conclusion

Employee intends to file a putative wage and hour class action as well as a representative action pursuant PAGA concerning his wage claims as warranted by Employers’ violations of Labor Code §§201, 202, 203, 204, 226, 226.7, 510, 512, 1194, 1197, 1198, and the IWC Wage Orders.

This letter is being sent to you as an inquiry into whether the LWDA wishes to investigate my client's allegations for any civil penalties associated with the Employers’ alleged violations of the Labor Code.

Thank you for your assistance and cooperation in his matter. Please contact me at the above-listed information should you have any questions.

Very truly yours,
E&L, LLP

David Lavi, Esq.

PROOF OF SERVICE

I am employed in the County of Los Angeles, State of California. I am over the age of 18 and am not a party to the within action, my business address is 24007 Ventura Blvd., Suite 210, Calabasas, CA 91302.

On **November 14, 2025**, I served on the parties of record in this action the foregoing document(s) described as:

**PLAINTIFF’S NOTICE OF MOTION AND MOTION FOR APPROVAL OF
PAGA SETTLEMENT, AND PAYMENT OF ATTORNEYS’ FEES AND COSTS,
ENHANCEMENT AWARDS, AND ADMINISTRATION COSTS;
DECLARATION OF ZORIK MOORADIAN; DECLARATION OF DAVID LAVI**

on the parties to this action by placing them in a sealed envelope(s) addressed as follows:

Brandon R. McKelvey brandon@medinamckelvey.com Timothy B. Nelson tim@medinamckelvey.com Kyle W. Owen kyle@medinamckelvey.com MEDINA McKELVEY LLP 925 Highland Pointe Drive, Suite 300 Roseville, CA 95678 t. 916-960-2211 f. 916-742-5488 Attorneys for Defendant Partners Personnel – Management Services, LLC	Colin Calvert, Esq. ccalvert@fisherphillips.com Kyley Chelwick, Esq. kchelwick@fisherphillips.com Fisher & Phillips LLP 2050 Main Street, Suite 1000 Irvine, CA 92614 Phone: (949) 851-2424 Fax: (949) 851-0152 Attorneys for Defendant Potential Industries, Inc.
Labor & Workforce Development Agency 800 Capitol Mall, MIC-55 Sacramento, CA 95814 (Filed online at https://www.dir.ca.gov/Private-Attorneys-General-Act/Private-Attorneys-General-Act.html)	

☒ **VIA ELECTRONIC SERVICE** – Based on a court order or agreement of the parties to accept service by electronic transmission, I caused the document(s) to be sent to the above persons listed at their electronic notification addresses by uploading to the CaseAnywhere electronic service platform.

☒ **STATE** – I declare under penalty of perjury under the laws of the “State of California that the above is true and correct.

Executed on **November 14, 2025** at Calabasas, California.

/s/Haik Hacopian

Haik Hacopian

PROOF OF SERVICE